

# Trademark Law

Prof. Madison

**Today: Nominative fair use**

**Key concepts from Class 21:**

Dilution by “tarnishment.”

Dilution of the mark.

What is “tarnishment” of a trademark?

## **Beyond confusion (?):**

**Novel liability:** initial interest confusion, post-sale confusion, dilution

**Novel defense:** an emerging, novel theory of *defending* a TM claim

## **Before - “classic” (or “descriptive”) fair use as an affirmative defense**

Section 1115(b)(4) ((33(b)(4))): “That 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.”

- The mark is used **(i) other than as a mark, (ii) descriptively (and accurately) with respect to the goods or services or geographic origin of the goods or services of the defendant, and (iii) in good faith.**
- Usually refers to use of a descriptive mark for its primary meaning rather than its secondary meaning.

**Now - “nominative use” or “nominative fair use” as a defense (?) ... as with most TM law: (i) what does “the consumer” think? and (ii) is the defendant engaged in “fair” competition (i.e., not free riding on TM owner’s goodwill)?**

# Trademark Law

**Origins:** good faith comparative advertising that uses plaintiff's trademarks accurately. Defendant was accused of TM infringement where it used the plaintiff's mark to refer accurately to the goods/services of the **plaintiff**.

"We dare you to try to detect any difference between Chanel #5 (25.00) and Ta'Ron's 2nd Chance. \$7.00."

**ALL OF A SUDDEN—YOU'RE IN THE BUCKS**

AND YOU STAY IN THE BUCKS BY REPRESENTING THE MOST FAMOUS "PERFUME DEVELOPMENT" IN ALL HISTORY!

**The TARON Line of Perfumes**

**The Blindfold Test**

ARPEGE TARON

**WE DARE YOU—**

WE DARE YOU to try to detect any difference between White Shoulders (15.00) and Taron's Love Lure, \$7.00.

WE DARE YOU to try to detect any difference between Christmas Night (25.00) and Taron's Persuasive, \$7.00.

WE DARE YOU to try to detect any difference between Youth Dew (25.00) and Taron's 2nd Chance, \$7.00.

WE DARE YOU to try to detect any difference between Guerlain Shalimar (25.00) and Taron's Tahisia, \$7.00.

WE DARE YOU to try to detect any difference between My Sin (27.00) and Taron's Sweet Love, \$7.00.

WE DARE YOU to try to detect any difference between Patou Joy (60.00) and Taron's Ai Di La, \$7.00.

**USE THIS TEST ON SKEPTICAL PROSPECTS**

**COMPLETE SALES KIT IN CARRYING CASE. PUTS YOU IN THE PERFUME BUSINESS INSTANTLY. EVERYTHING NEEDED IS INCLUDED.**

WATERED PERFUME SPRAY—READY FOR 20 SPRAYS

FUNNEL PERFUME

With this complete kit, you're established and qualified to start selling the Taron Line, which means you'll soon be "in the bucks."

**65% DISCOUNT!**

Actually, this is an unheard-of deal. The non-chance is valued at \$175.00 retail. You can have 65%, or \$62.00 cash. The handsome case and sales material are strictly a bonus.

**TARON INC., 26 Harbor Cove, Mill Valley, Calif.**

**TA'RON LINE EASY ORDER FORM — Satisfaction Guaranteed!**

TARON, INC. Dept. 54

I am interested in "putting in the bucks of a sudden." Please send me the following for which I will pay in full by check or money order. I enclose \$1.00 to cover shipping and handling charges. I will be glad to pay by check or money order.

FRAGRANCE	PERFUMES	PRICE	QTY.	COLOGNES	PRICE	QTY.	BATH OILS	PRICE	QTY.	HAIR SPRAY	PRICE	QTY.
LOVE LURE	1/2 oz. Perfume	\$5.00	1	4 oz. Perfume Sprinkler	\$2.75	1	1/2 oz. Perfume	\$5.00	1	\$1.50		
White Shoulders	1/2 oz. Perfume	\$5.00	1	4 oz. Perfume Sprinkler	\$2.75	1	1/2 oz. Perfume	\$5.00	1	\$1.50		
PERSUASIVE	1/2 oz. Perfume	\$5.00	1	4 oz. Perfume Sprinkler	\$2.75	1	1/2 oz. Perfume	\$5.00	1	\$1.50		
Christmas Night	1/2 oz. Perfume	\$5.00	1	4 oz. Perfume Sprinkler	\$2.75	1	1/2 oz. Perfume	\$5.00	1	\$1.50		
2nd CHANCE	1/2 oz. Perfume	\$5.00	1	4 oz. Perfume Sprinkler	\$2.75	1	1/2 oz. Perfume	\$5.00	1	\$1.50		
YOUTH DEW	1/2 oz. Perfume	\$5.00	1	4 oz. Perfume Sprinkler	\$2.75	1	1/2 oz. Perfume	\$5.00	1	\$1.50		
GUERLAIN SHALIMAR	1/2 oz. Perfume	\$5.00	1	4 oz. Perfume Sprinkler	\$2.75	1	1/2 oz. Perfume	\$5.00	1	\$1.50		
MY SIN	1/2 oz. Perfume	\$5.00	1	4 oz. Perfume Sprinkler	\$2.75	1	1/2 oz. Perfume	\$5.00	1	\$1.50		
TAHISIA	1/2 oz. Perfume	\$5.00	1	4 oz. Perfume Sprinkler	\$2.75	1	1/2 oz. Perfume	\$5.00	1	\$1.50		
AI DI LA	1/2 oz. Perfume	\$5.00	1	4 oz. Perfume Sprinkler	\$2.75	1	1/2 oz. Perfume	\$5.00	1	\$1.50		
COLOGNES <td> <td> <td> <td> <td> <td> <td> <td> <td> <td> <td> <td></td> </td></td></td></td></td></td></td></td></td></td></td>	<td> <td> <td> <td> <td> <td> <td> <td> <td> <td> <td></td> </td></td></td></td></td></td></td></td></td></td>	<td> <td> <td> <td> <td> <td> <td> <td> <td> <td></td> </td></td></td></td></td></td></td></td></td>	<td> <td> <td> <td> <td> <td> <td> <td> <td></td> </td></td></td></td></td></td></td></td>	<td> <td> <td> <td> <td> <td> <td> <td></td> </td></td></td></td></td></td></td>	<td> <td> <td> <td> <td> <td> <td></td> </td></td></td></td></td></td>	<td> <td> <td> <td> <td> <td></td> </td></td></td></td></td>	<td> <td> <td> <td> <td></td> </td></td></td></td>	<td> <td> <td> <td></td> </td></td></td>	<td> <td> <td></td> </td></td>	<td> <td></td> </td>	<td></td>	
BLACK FOREST	1/2 oz. Perfume	\$5.00	1	4 oz. Perfume Sprinkler	\$2.75	1	1/2 oz. Perfume	\$5.00	1	\$1.50		
PALM AIRE	1/2 oz. Perfume	\$5.00	1	4 oz. Perfume Sprinkler	\$2.75	1	1/2 oz. Perfume	\$5.00	1	\$1.50		
ISLE DE LAINE	1/2 oz. Perfume	\$5.00	1	4 oz. Perfume Sprinkler	\$2.75	1	1/2 oz. Perfume	\$5.00	1	\$1.50		
DOMINIQUE	1/2 oz. Perfume	\$5.00	1	4 oz. Perfume Sprinkler	\$2.75	1	1/2 oz. Perfume	\$5.00	1	\$1.50		

NAME \_\_\_\_\_ CITY \_\_\_\_\_ STATE \_\_\_\_\_

Registered Trade Name of Original Perfume House. ADDRESS \_\_\_\_\_

**The Blindfold Test**

ARPEGE TARON

**WE DARE YOU—**

WE DARE YOU to try to detect any difference between White Shoulders (18.50) and Taron's Love Lure, \$7.00.

WE DARE YOU to try to detect any difference between Christmas Night (35.00) and Taron's Persuasive, \$7.00.

WE DARE YOU to try to detect any difference between Chan#l #5 (25.00) and Taron's 2nd Chance, \$7.00.

WE DARE YOU to try to detect any difference between Youth Dew (22.50) and Taron's Temptacious, \$7.00.

WE DARE YOU to try to detect any difference between Guerlain Shalimar (25.00) and Taron's Tahisia, \$7.00.

WE DARE YOU to try to detect any difference between Lanvin Arpege (27.00) and Taron's Volarie, \$7.00.

WE DARE YOU to try to detect any difference between My Sin (27.00) and Taron's Sweet Love, \$7.00.

WE DARE YOU to try to detect any difference between Patou Joy (60.00) and Taron's Ai Di La, \$7.00.

**USE THIS TEST ON SKEPTICAL PROSPECTS**

A novel defense: Nonstatutory "nominative" fair use  
 R.G. Smith v. Chanel, Inc. (9<sup>th</sup> Cir. 1968)

## Trademark Law

---

“[Chanel is] not entitled to monopolize the public’s desire for the unpatented product, even though they themselves created that desire at great effort and expense. ... [T]he most effective way (and in some cases the only practical way) in which others may compete in satisfying the demand for the product is to produce it and tell the public they have done so, and if they could be barred from this effort appellees would have found a way to acquire a practical monopoly in the unpatented product to which they are not legally entitled. ... By taking his ‘free ride,’ the copyist ... serves an important public service by offering comparable goods at lower prices.”

R.G. Smith v. Chanel, Inc. (9<sup>th</sup> Cir. 1968)



New Kids on the Block v. News Am.  
Publ'g Inc. (9<sup>th</sup> Cir. 1992)

NEW KIDS ON THE BLOCK



# WHO'S THE BEST ON THE BLOCK

Any USA TODAY profits from this phone line will go to charity

New Kids on the Block are pop's hottest group. Which of the five is your fave? Or are they a turn off?

Kids: Tell your parents you're calling

**1-900-420-2030**

Lines will be open from 6 a.m. EST/  
3 a.m. PST to midnight EST/9 p.m.  
PST today only. Each call costs 50  
cents. Results in Friday's Life section.

## Nominative fair use:

- The *New Kids* precedent: use of the plaintiff's mark to refer to the plaintiff's product or service.
- 3 steps that the defendant alleges and proves *independent of the LoC test*.
- Different circuits, different applications that sometimes bring the LoC test back in.
- Not limited to comparative advertising.



Jordan and Jonathan  
Knight, Joey McIntyre,  
Donny Wahlberg,  
Danny Wood

### The No. 1 Kid



HE'S TOP: Joe McIntyre  
wins New Kids call-in.

### Callers pick fave

By Dylan Jones  
USA TODAY

Joe McIntyre is the favorite New Kid on the Block, according to a USA TODAY call-in Wednesday, which drew more than 7,600 votes.

Joe, 17, the hitmakers' youngest, got 2,289; Jordan, Donnie, Jon, Danny followed in that order.

That reflects the mail the New Kids fan club sees — about 100,000 pieces a week total.

Joe's popularity may stem from his kid-brother persona.

But fan Kathy Rodriguez, 14, of McLean, Va., says, "He's gorgeous."



Toyota Motor  
Sales, U.S.A.,  
Inc. v. Tabari  
(9<sup>th</sup> Cir. 2010)

“buy-a-lexus.com” and “buyorleaselexus.com”

In a case of nominative fair use in the Ninth Circuit, “the *Sleekcraft* [LoC] analysis doesn't apply where a defendant uses the mark to refer to the trademarked good itself.”

Why? (says the court:) Consumers online are generally smart enough to know that domain names that incorporate trademarks do not automatically suggest sponsorship or endorsement by the mark owner.

Is that true? Is the court right?

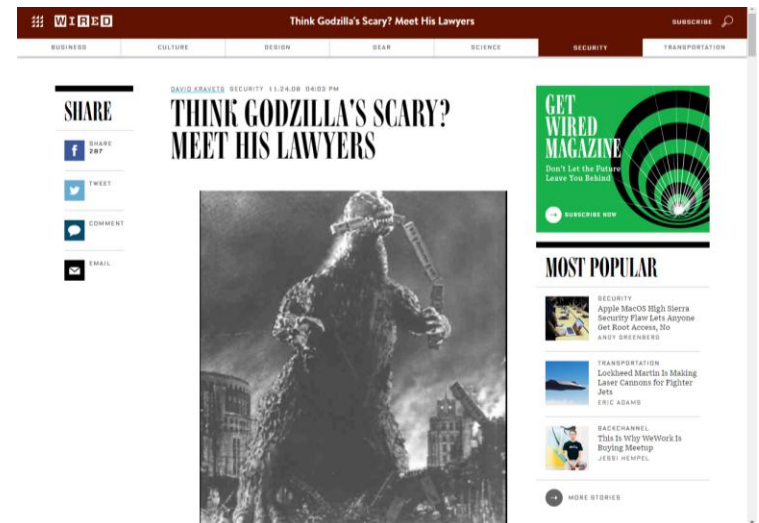
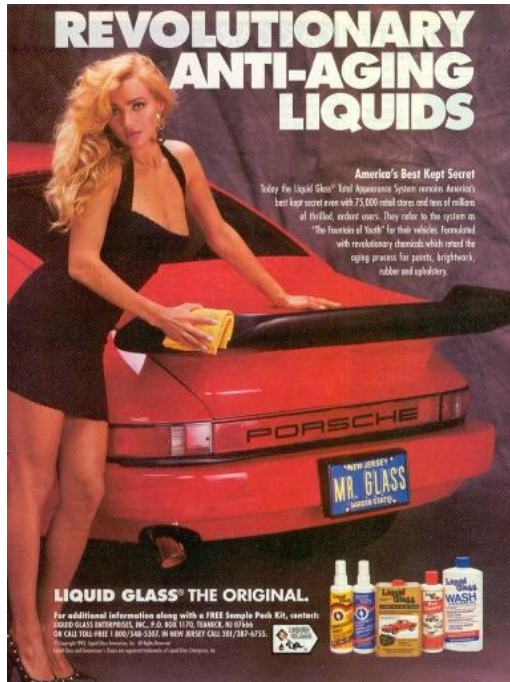
(Compare *cybersquatting* cases, where courts often conclude: consumers are often naïve and automatically expect the TM owner to be behind the domain name.)

# Liquid Glass Enterprises, Inc. v. Dr. Ing. h.c.F. Porsche AG (D.N.J. 1998)

Is the PORSCHE mark and trade dress necessary to promotion of the Liquid Glass products?

(If so), has Liquid Glass used only so much of the marks as is reasonably necessary?

(LoC): Could use of the marks mislead the public into believing that Porsche endorsed Liquid Glass's products or at least approved of their use on Porsche automobiles?



Toho Co., Ltd. v. William Morrow & Co., Inc.  
(C.D. Cal. 1998)



Nominative use of trade dress?



Mattel, Inc. v. Walking Mountain Productions  
(9<sup>th</sup> Cir. 2003)



## The stories involved in cases where defendants raise nominative fair use defenses:

Are plaintiffs/trademarks owners trying to:

- Protect consumers from misleading/ confusing/ deceptive advertising?
- Protect mark owners' goodwill (from competitors/ competition/ other harm)?
- Suppress competition (from sales of authentic goods) or criticism?



- May unaffiliated, unlicensed manufacturers produce and sell white t-shirts that say “University of Southern California”?
- May unaffiliated, unlicensed manufacturers produce and sell maroon t-shirts that say “University of Southern California” in gold letters?
- May unaffiliated, unlicensed manufacturers produce and sell merchandise in any color that says, “Go TROJANS” or “FIGHT ON,” which is the unofficial USC “battle cry”?
- May unaffiliated, unlicensed manufacturers produce and sell (at UCLA, or at Stanford) maroon and gold merchandise that says, “USC SUCKS” or “PUMP MY GAS”?

**On disclaimers**

An underwater scene with a blue gradient background. The top of the image shows the surface of the water with ripples. The text "the end" is centered in the middle of the frame.

**the end**