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INTELLECTUAL PROPERTY LAW

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

I. INTRODUCTION

In The New Kids on the Block v. News America Publishing, Inc., the Ninth Circuit held that two newspapers which ran polls to gauge the popularity of a musical group were not liable for trademark infringement. The decision by the Ninth Circuit panel articulated a new defense to a charge of trademark infringement: the nominative fair use defense.

The Ninth Circuit's holding distinguishes between situations in which a defendant is using a rival's trademark to describe his own product and those in which he is describing the

2. Id. at 308. A trademark is a limited property right in a particular word, phrase or symbol. See Rasmussen & Assocs., Inc. v. Kalitta Flying Serv., Inc., 958 F.2d 896, 900 (9th Cir. 1992). The purpose of a trademark is to identify the manufacturer or sponsor of a good or the provider of a service. New Kids, 971 F.2d at 305. The most common example of trademark infringement occurs when a competitor misappropriates a rival's trademark and places it on his own goods. Id. Thus, one of the primary goals of trademark law is to prevent producers from free-riding on their rivals' marks. Id.; see infra notes 100-112 for a more detailed explanation of trademark infringement law.
3. New Kids, 971 F.2d at 308.
rival's product by reference to the trademark. In the first situation, the defendant may invoke the traditional "fair use" defense. The second situation forms the basis for the Ninth Circuit's new "nominative use" defense.

The Ninth Circuit explained that if the following three requirements are met, nominative use constitutes a defense to trademark infringement: (1) the product or service must not be readily describable without using the trademark, (2) only so much of the trademark may be used as is reasonably necessary to identify the product or services, and (3) the user must do nothing in conjunction with the trademark as to suggest endorsement by the trademark holder.

An explanation of trademark infringement and traditional defenses to trademark infringement, with focus on the fair use defense, follows. Through a comparison of the nominative use defense to the traditional fair use defense, this article will demonstrate that the nominative use defense is an unnecessary and confusing addition to trademark law.

II. FACTS AND PROCEDURAL HISTORY

The plaintiffs, The New Kids on the Block (hereinafter "New Kids"). are a popular musical group consisting of five popular teenaged musicians.

The defendants, The Star and USA Today, are newspapers

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4. Id.
5. The fair use defense applies when "the name, term, or device charged to be an infringement is a use, otherwise than as a mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or 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) (1988). For a more detailed explanation, see infra notes 70-95 and accompanying text.
6. New Kids, 971 F.2d at 308. Nominative use refers to use of a trademark by someone other than its owner where the trademark is the only word reasonably available to refer to the plaintiff or the plaintiff's product. For a more detailed explanation, see infra notes 113-117 and accompanying text.
7. Id.
8. Id.
9. Id. at 304. There are over 500 products or services bearing the New Kids trademark.
with national circulation. Both defendants operated "900" phone numbers which charged their readers a fee for calling in response to questions contained in their newspaper polls. The USA TODAY ad contained a picture of the New Kids and asked, "Who's the best on the block?" and "New Kids on the Block are pop's hottest group. Which of the five is your fave? Or are they a turn off?" The ad proclaimed that any profits would go to charity. At fifty cents per call, less than $300 was generated.

The ad in THE STAR contained a picture of the New Kids and asked, "Now which kid is the sexiest?" It also contained a story about the New Kids that asked, "Which of the New Kids on the Block would you most like to move next door? STAR wants to know which cool New Kid is the hottest with our readers." At ninety-five cents per minute, the ad generated about $1600.

The New Kids filed suit in federal district court, alleging the newspapers violated trademark infringement laws by using the New Kids' trademark in connection with the '900' number telephone polls. The complaint alleged ten causes of action: (1) common-law trademark infringement, (2) Lanham Act false

10. Id.
11. Id. Telephone "900" number services can be used in a variety of ways. They can provide callers with recorded information, allow callers to engage in conversation on a party line, or record information spoken by the caller. Callers operate the services by punching in the appropriate numbers on the telephone key pad. Users of "900" numbers are then charged a fee for the service. The New Kids on the Block v. News America Publishing, Inc., 745 F. Supp. 1540, 1542 (C.D. Cal. 1990).
12. New Kids, 971 F.2d at 308.
13. Id.
14. Id. The district court's opinion indicates that callers were charged fifty cents a minute. New Kids, 745 F. Supp. at 1542. The Ninth Circuit opinion quotes the ad as stating, "Each call costs 50 cents." New Kids, 745 F.2d at 304.
15. New Kids, 971 F.2d at 308.
16. Id.
17. Id. It is unclear whether the profits from this ad were also intended to go to charity. See id.
19. New Kids, 971 F.2d at 304-05. Although the New Kids alleged ten causes of action, the district court never evaluated those claims on their merits because the district court granted summary judgment in favor of the newspaper defendants on other grounds. Id. at 305.
False Advertising under the Lanham Act consists of the following elements: (1) the defendant made false statements in its advertisements, (2) the statements are deceptive, (3) the deception is material, (4) the defendant caused the falsely advertised goods to enter interstate commerce, and (5) the plaintiff has been injured by diversion of sales or loss of goodwill. Cook, Perkiss and Liehe, Inc. v. Northern Cal. Coll. Serv., Inc., 911 F.2d 242, 243 (9th Cir. 1990) (citing Skil Corp. v. Rockwell Int’l Corp., 375 F. Supp. 777, 783 (N.D. Ill. 1974)).

False designation of origin under the Lanham Act consists of making any false or misleading representation in connection with goods which is likely to cause confusion or mistake as to their origin. 15 U.S.C. § 1125(a)(1) (1992).

Unfair competition under the Lanham Act occurs when any person who, on or in connection with goods or services, uses any word, term, name, symbol, or device, or any false designation of origin, any false or misleading representation, or description of fact which is likely to cause confusion, mistake, or deception as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval or his or her goods, services, or commercial activities. Shakespeare Co. v. Silstar Corp. of Am., 802 F. Supp. 1386, 1399 (D.S.C. 1992) (citing 15 U.S.C. § 1125(a) (1988)).

A trade name is a word, name, symbol, or device used to identify a business, vocation or occupation. CAL. BUS. & PROF. CODE § 14208 (1987). The theory of trademark and trade name infringement is that the seller is diverting business from his competitor by passing off or fraudulently representing his goods to be those of the competitor. BERNARD E. WITKIN, SUMMARY OF CALIFORNIA LAW, Equity § 83 at 761 (1990).

False advertising consists of making representations in advertisements that mislead the public. See MAI Sys. Corp. v. Peak Computer, Inc., 991 F.2d 511, 523 (9th Cir. 1993).

Unfair competition occurs when no valid trademark, copyright, or patent exits in a particular name or design, the goods or services are known to the public by such a name, design, or physical appearance, and the defendant imitates the name, design, or physical appearance such that buyers may be deceived as to the origin of the goods or services. BERNARD E. WITKIN, SUMMARY OF CALIFORNIA LAW, Equity § 86 at 762-63 (1990).

Commercial misappropriation occurs when a person knowingly uses the name, voice, signature, photograph, or likeness of another on goods for the purpose of advertising or selling, without the person’s consent. CAL. CIV. CODE § 3344(a) (1984).

Common law misappropriation of name or likeness consists of the following elements: (1) the defendant used the plaintiff’s identity, (2) the appropriation of the plaintiff’s name or likeness was to the defendant’s advantage, (3) lack of consent, and (4) resulting injury. Eastwood v. Superior Ct., 198 Cal. Rptr. 342, 347 (Ct. App. 1983) (citing PROSSER, LAW OF TORTS, § 117 at 804-07 (4th ed. 1971); BERNARD E. WITKIN, CAL. PROCE­DURE, Pleading § 606 at 2244 (2d ed. 1971)).

Intentional interference with prospective economic advantage consists of the following elements: (1) an economic relationship between the plaintiff and some third person with the possibility of benefit to the plaintiff, (2) knowledge by the defendant of the relationship, (3) intentional acts by the defendant to disrupt the relationship, (4) actual
The District Court granted summary judgment in favor of the newspaper defendants on First Amendment grounds.\textsuperscript{30} The basis of the decision was that "news-gathering" is protected by the First Amendment, precluding a finding of trademark infringement.\textsuperscript{31}

III. BACKGROUND

A. TRADEMARK INFRINGEMENT

A trademark holder can make out a prima facie case of trademark infringement by proving three elements:\textsuperscript{32} (1) that the trademark in question is a valid, legally protectable trademark,\textsuperscript{33} (2) that the plaintiff is the owner of the trademark,\textsuperscript{34} and (3) that the defendant's use of the mark or a similar mark created a likelihood of confusion as to the origin of the goods.\textsuperscript{35}

Under the Lanham Act,\textsuperscript{36} a trademark holder who has registered\textsuperscript{37} a trademark has a remedy for trademark infringement if the defendant has used the mark or a similar mark in connection with the sale of goods or services in a way that is likely to cause confusion.\textsuperscript{38} Registration of the mark, therefore, is presumed to
establish the first two elements of trademark infringement. Once a trademark has been registered and used continuously for five years, it becomes incontestable. Incontestability is deemed conclusive evidence of the first two elements.

B. REBUTTING A PRIMA FACIE CASE

A trademark infringement suit may be rebutted by attacking any element that is necessary to the plaintiff's case. Because likelihood of confusion is always an element of the plaintiff's prima facie case, a defendant in a trademark infringement action may rebut the plaintiff's prima facie case by showing that the defendant's use was not confusing to consumers.

R. G. Smith v. Chanel, Inc. is a Ninth Circuit case in which the plaintiff failed to show likelihood of confusion. In R. G. Smith, the plaintiff produced a perfume under the trademark "Chanel No. 5." The defendant sold a competing perfume under the name "Second Chance." In an advertisement directed at wholesale purchasers, the defendant claimed that its perfume duplicated the scent of the plaintiff's perfume. The advertisement suggested that a blindfold test be used on prospective customers where they were dared to "detect any difference between" Chanel No. 5, which sold for $25.00, and Second Chance, which sold for $7.00.

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41. Shakespeare, 802 F. Supp. at 1394 (citing Ford Motor Co. v. Summit Motor Prods. Inc. 930 F.2d 277, 291 (3d Cir. 1991)). See also 15 U.S.C. § 1115(b) ("To the extent that the right to use the registered mark has become incontestable under section 1065 of this title, the registration shall be conclusive evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the mark . . . .").
42. See Coherent, Inc. v. Coherent Technologies, Inc., 935 F.2d 1122, 1123 (10th Cir. 1991) (holding an absence of likelihood of confusion caused the plaintiff's claims to fail, so that there was no need to consider affirmative defenses); see also Venetianaire Corp. of America v. A & P Import Co., 429 F.2d 1079, 1081 (2d Cir. 1970) ("[T]he critical question in an action for infringement . . . is likelihood of confusion . . . .").
43. 402 F.2d 562 (9th Cir. 1968).
44. R. G. Smith, 402 F.2d at 562.
45. Id. at 562-63.
46. Id. at 563.
47. Id.
In explaining its decision, the Ninth Circuit cited Saxlleher v. Wagner. In Saxlleher, the Court held that the defendant could use the plaintiff's trademark to identify a "bitter water" that the defendant was copying:

They have a right to tell the public what they are doing, and to get whatever share they can in the popularity of the water by advertising that they are trying to make the same article, and think they succeed. If they do not convey, but, on the contrary, exclude, the notion that they are selling the plaintiff's goods, it is a strong proposition that when the article has a well known name they have not the right to explain by that name what they imitate. By doing so, they are not trying to get the good will of the name but the good will of the goods.

The Ninth Circuit also relied on Societe Comptoir De L'Industrie -Cotonnier Etablissements Boussac v. Alexander's Department Stores, Inc. In that case, the defendant advertised that its dresses were copies of trademarked Christian Dior dresses. The court reasoned:

The Lanham Act does not prohibit a commercial rival's truthfully denominating his goods a copy of a design in the public domain, though he uses the name of the designer to do so. Indeed, it is difficult to see any other means that might be employed to inform the consuming public of the true origin of the design.

The Ninth Circuit held that the defendant may use the trademark in its advertising to identify the product copied so long as it does not create a likelihood that purchasers will be confused as to the source, identity, or sponsorship of the advertiser's product.

48. Id. at 564 (citing 216 U.S. 375 (1910)).
49. R. G. Smith, 402 F.2d at 564 (quoting Saxllehner, 216 U.S. 375, 380-81).
50. Id. at 565 (citing 299 F.2d 33 (2d Cir. 1962)).
51. R. G. Smith, 402 F.2d at 565 (quoting Societe Comptoir, 299 F.2d at 36).
52. Id. at 563, 569.
C. DEFENSES TO TRADEMARK INFRINGEMENT

1. Defenses in General

In addition to rebutting a plaintiff's prima facie case, other defenses are available to a defendant in a trademark infringement suit. One defense is the First Amendment defense. A trademark infringer may assert that the use of the trademark is protected by the First Amendment.53

The district court in New Kids decided the case based on the First Amendment.54 The court stated that "the First Amendment provides immunity to the defendants . . . unless their use of the plaintiff's trademark was wholly unrelated to news gathering and dissemination, misleading as to content, or falsely and explicitly denoted authorship, sponsorship, or endorsement by the New Kids on the Block."55

The district court found that the polls conducted by the defendants were a constitutionally protected news gathering activity because they intended to publish the results as news.56 The district court also found that the New Kids had not alleged that the newspapers' use of the "900" numbers was misleading as to content or that the newspapers misrepresented that the New Kids sponsored or endorsed the service.57

A second defense to trademark infringement rests in the enumerated incontestability defenses of the Lanham Act.58 The plaintiff's case fails if: (1) the registration or incontestability was obtained fraudulently,59 (2) the trademark has been aban-

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53. See M.B.H. Enterprises, Inc. v. WOKY, Inc., 633 F.2d 50, 56 (7th Cir. 1980) (acknowledging that the First Amendment was an issue in a trademark infringement suit, though deciding the case on other grounds); Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 604 F.2d 200, 206 (2d Cir. 1979) (considering the First Amendment as a possible defense, but rejecting it on the facts).
54. New Kids, 745 F. Supp. at 1547 (holding that the plaintiff's claims for trademark infringement were barred by the First Amendment).
55. Id. at 1541-42.
56. Id. at 1545.
57. Id.
58. 15 U.S.C. § 1115(b) (1988) (The defendant will prevail if one or more of the enumerated defenses applies).
doned, the trademark holder or someone in privity with the trademark holder is using the trademark to misrepresent the origin of the goods or services, the use is a fair use, (5) the defendant has used the trademark without knowledge of the registrant’s prior use, (6) the defendant registered and used the trademark prior to the registration of the plaintiff’s mark, (7) the trademark is being used to violate the antitrust laws of the United States, or (8) equitable principles, including laches, estoppel, and acquiescence, apply.

Because the Lanham Act specifies that the above are incontestability defenses, a court may require that a trademark have achieved incontestability before the defenses can be asserted. Even if the trademark has not become incontestable, the equitable defenses of laches, estoppel and acquiescence may still be available.

This article focuses on the fair use defense because of its similarity to the nominative use defense.

2. The Fair Use Defense

As noted above, the fair use defense is one of the enumerated incontestability defenses of the Lanham Act. Section 1115(b)(4) creates a defense to trademark infringement, provided:

the name, term, or device charged to be an infringement is a use, otherwise than as a mark, of the party's individual name in his own business, or of the individual name of anyone in privity

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64. 15 U.S.C. § 1115(b)(6).
68. See, e.g., Sierra On-Line, Inc. v. Phoenix Software, Inc., 739 F.2d 1415, 1423 (9th Cir. 1984) (reasoning that the fair use defense only applies to incontestable marks by the terms of the Lanham Act, but acknowledging that a common law fair use defense may exist).
69. 15 U.S.C. § 1115(a) ("Any registration . . . shall not preclude another person from proving any legal or equitable defense . . . . ").
with such party, or 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 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. One such case is Zatarains, Inc. v. Oak Grove Smokehouse, Inc. In Zatarains, the plaintiff owned rights to the registered trademarks “Fish-Fri” and “Chick-Fri.” The trademarks were used in connection with fried food coating mixes that the plaintiff sold in rectangular cardboard boxes. The defendants also marketed competing fried food coating mixes. One of the defendants, Oak Grove Smokehouse, marketed its products in packets labeled with its name, emblem, and the terms “Fish Fry” or “Chicken Fry.” The other defendant marketed a product in a cylindrical container labeled “Visko's FISH FRY.”

In its decision, the court described the fair use defense:

The defense is available only in actions involving
descriptive terms and only when the term is used
in its descriptive sense rather than its trademark
sense. In essence, the fair use defense prevents a
trademark registrant from appropriating a de-
scriptive term for its own use to the exclusion of
others, who may be prevented thereby from accu-
rately describing their own goods. The holder of a
protectable descriptive mark has no legal claim to
an exclusive right in the primary, descriptive
meaning of the term; consequently, anyone is free
to use the term in its primary, descriptive sense
so long as such use does not lead to customer con-
fusion as to the source of the goods or services.

70. 15 U.S.C. 1115(b)(4). See also infra note 139 (enumerating the requirements of the fair use defense).
71. 698 F.2d 786 (5th Cir. 1983).
72. Zatarains, 698 F.2d at 788.
73. Id.
74. Id. One of the other competing companies marketed fried food coatings using the terms “fish fry” or “chicken fry,” but were not parties to the Zatarains litigation. Id.
75. Id.
76. Id.
77. Zatarains, 698 F.2d at 791 (citations omitted).
The court in Zatarains then applied the fair use defense to the facts. The court reasoned that other merchants were free to use the words "fish fry" and "chicken fry" in their ordinary descriptive sense, as long as the use did not tend to confuse customers as to the source of the goods.\(^{78}\) The court found that the defendants had used the terms in good faith because they had not used the terms in a trademark sense and never attempted to register the words as a trademark.\(^{79}\) The court also found that the defendants had consciously packaged their goods to minimize confusion.\(^{80}\) As a result, the court held that the defendants were entitled to the fair use defense.\(^{81}\)

In *Venetianaire Corp. of America v. A & P Import Co.*,\(^{82}\) the plaintiff had a registered trademark in the word "Hygient," which it used in connection with the sale of mattress covers.\(^{83}\) The word "Hygient" was displayed in a white cross on a green oval and was printed on each of the plaintiff's packages.\(^{84}\) The defendant distributed substantially identical mattress covers.\(^{85}\) The defendant's packages carried the word "Hygienic" in the cross and oval design with exactly the same placement on the package as the plaintiff's product.\(^{86}\)

The court held that the defendant was not entitled to the fair use defense because the trademark was used in a trademark sense and was not used to describe the goods.\(^{87}\) The court reasoned that the protection afforded to trademarks focuses on the use of the words and not their meaning in the abstract.\(^{88}\) The court reasoned that had the defendant chosen a different trademark and then used the word "Hygienic" in a sentence or placed the word "Hygienic" on the package, but not as part of the trademark, there would be no trademark infringement because

\(^{78}\) *Id.* at 796.  
\(^{79}\) *Id.*  
\(^{80}\) *Id.*  
\(^{81}\) *Id.*  
\(^{82}\) 429 F.2d 1079 (2d Cir. 1970).  
\(^{83}\) *Venetianaire*, 429 F.2d at 1080.  
\(^{84}\) *Id.*  
\(^{85}\) *Id.*  
\(^{86}\) *Id.*  
\(^{87}\) *Id.* at 1082 (explaining that fair use requires that the use be "otherwise than as a mark . . . only to describe the goods . . . ") (citing 15 U.S.C. §1115(b)(4)).  
\(^{88}\) *Id.* (emphasis in original). *But cf. Zatarains*, Inc. 698 F.2d at 791 ("The defense is available only in actions involving descriptive terms . . . ").
this would be a descriptive use. 89

In *WCVB-TV v. Boston Athletic Association*, 90 the Boston Athletic Association sued WCVB-TV for infringement of their registered trademark, "Boston Marathon." 91 WCVB-TV broadcasted the words "Boston Marathon" in connection with its coverage of the event. 92

The First Circuit court explained the fair use defense: "In technical trademark jargon, the use of words for descriptive purposes is called a 'fair use,' and the law usually permits it even if the words themselves constitute a trademark." 93 The court then offered an example: "If . . . a t-shirt maker placed the words 'Pure Cotton' (instead of the words 'Boston Marathon') on his t-shirts merely to describe the material from which the shirts were made, not even a shirt maker who had a registered trademark called 'Pure Cotton' could likely enjoin their sale." 94 The court reasoned that the mark was used primarily in a descriptive manner, due to the "timing, meaning, context, intent, and surrounding circumstances," so that there was little likelihood of confusion. 95

IV. THE COURT'S ANALYSIS

The New Kids brought trademark infringement claims against the newspaper defendants for using the New Kids' trademark in connection with their "900" number telephone polls. 96 The Ninth Circuit began its analysis of the New Kids' claims by stating that the court was "free to affirm on any ground fairly presented by the record" 97 and that non-constitu-
tional grounds for decision are preferred over constitutional grounds.\textsuperscript{98} Thus, the Ninth Circuit reached the trademark infringement claims that the district court did not because the Ninth Circuit bypassed the constitutional issue, whereas the district court granted summary judgment on First Amendment grounds.\textsuperscript{99}

The Ninth Circuit next discussed the history and purpose of trademarks. Among the purposes identified were: identifying sources of goods and services,\textsuperscript{100} tracing defective wares,\textsuperscript{101} reducing consumer search costs\textsuperscript{102} and preventing free-riding on a rival’s reputation.\textsuperscript{103} The Ninth Circuit concluded that trademark infringement falls under unfair competition and is a form of fraud upon the consumer.\textsuperscript{104}

The court then defined a trademark as a limited property right in a word, phrase, or symbol.\textsuperscript{105} The court noted, however, that an absolute restriction on the use of the trademark by anyone other than its owner would deplete the language.\textsuperscript{106} In response to this realization, courts recognize that the fair use defense applies only when the trademark is used “to describe the goods or services of [a] party, or their geographic origin.”\textsuperscript{107}

The court gave examples where it is inconvenient or impossible to identify a product or service without using its trademark.\textsuperscript{108} In one example, the court reasoned that “one might refer to the ‘two-time world champions’ or ‘the professional basketball team from Chicago,’ but it’s far simpler (and more likely to be understood) to refer to the Chicago Bulls.”\textsuperscript{109}

\begin{itemize}
  \item \textsuperscript{98} Id. (citing \textit{In re Snyder}, 472 U.S. 634, 642-43 (1985); Schweiker v. Hogan, 457 U.S. 569, 585 (1982)).
  \item \textsuperscript{99} See \textit{New Kids}, 745 F. Supp. at 1541-42.
  \item \textsuperscript{100} \textit{New Kids}, 971 F.2d at 305 (citing, \textsc{Schechter, The Historical Foundations of the Law Relating to Trademarks} 47 (1925)).
  \item \textsuperscript{101} Id. (citing \textsc{Schechter, supra note 100, at 47}).
  \item \textsuperscript{102} Id. (citing William M. Landes & Richard A. Posner, \textit{Trademark Law: An Economic Perspective}, 30 J.L. & Econ. 265, 269 (1987)).
  \item \textsuperscript{103} Id. (citing Taylor v. Carpenter, 23 F. Cas. 742 (C.C.D. Mass. 1844)).
  \item \textsuperscript{104} \textit{New Kids}, 971 F.2d at 305.
  \item \textsuperscript{105} Id. at 306.
  \item \textsuperscript{106} Id.
  \item \textsuperscript{107} Id. (citing 15 U.S.C. 1115(b)(4)). \textit{See supra note 5 for the full text of § 1115(b)(4)}.
  \item \textsuperscript{108} Id. at 306-07.
  \item \textsuperscript{109} \textit{New Kids}, 971 F.2d at 306.
\end{itemize}
other example, the Ninth Circuit referred to a previous decision in which it allowed an auto repair shop to use the word "Volkswagen" to describe to the public the make of cars that it repairs.\textsuperscript{110} Finally, the Ninth Circuit referred to the case where a television station was allowed to describe the event it was going to broadcast: the "Boston Marathon."\textsuperscript{111} The Ninth Circuit stated that these are examples of using a trademark in a non-trademark sense, so infringement laws did not apply.\textsuperscript{112}

Next, the court introduced its new nominative use test by generalizing a class of instances where the trademark is not used to capitalize on confusion or to appropriate the "cachet" of one product for a different one:

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: Because it does not implicate the source-identification function that is the purpose of trademark, it does not constitute unfair competition; such use is fair because it does not imply sponsorship or endorsement by the trademark holder.\textsuperscript{113}

The court explained that the nominative use test it was enunciating differs from the classic fair use defense because, in the classic fair use situation, the defendant has used the trademark to describe the defendant's product.\textsuperscript{114} Here, the New Kids trademark has been used to describe the New Kids themselves.\textsuperscript{115} The court made clear that it did not purport to alter the "paradigmatic" fair use test that applies when the defendant has used the trademark to refer to something other than the plaintiff's product.\textsuperscript{116}

The court outlined the requirements of the new, nominative use defense to trademark infringement:

\textsuperscript{110} Id. at 307 (citing Volkswagen-werk Aktiengesellschaft v. Church, 411 F.2d 350 (9th Cir. 1969)).
\textsuperscript{111} Id. (citing WCVB-TV v. Boston Athletic Ass'n, 926 F.2d 42, 46 (1st Cir. 1991)).
\textsuperscript{112} Id.
\textsuperscript{113} Id. at 307-08.
\textsuperscript{114} New Kids, 971 F.2d at 308.
\textsuperscript{115} Id.
\textsuperscript{116} Id.
[W]here the defendant uses a trademark to describe the plaintiff's product, rather than its own, we hold that a commercial user is entitled to a nominative fair use defense provided he meets the following three requirements: First, the product or 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.117

The Ninth Circuit next applied the nominative use test to the facts presented. The court compared the New Kids to the Chicago Bulls, Volkswagen and Boston Marathon situations, finding that it would be impossible for anyone who did not know the names of the individual New Kids to refer to them without using their trademark.118 The court continued by stating that the New Kids deserve protection against copycats and false endorsements, but not against “rendering newspaper articles, conversations, polls, and comparative advertising.”119 Therefore, the first requirement of the nominative use test was met.120

Because THE STAR and USA TODAY only referred to the New Kids to the extent necessary to identify them as the subject of the polls and the distinctive logo was not used, the Ninth Circuit concluded that the second requirement was met as well.121

The court did not think that anything in the announcements suggested joint sponsorship or endorsement by the New Kids.122 In fact, the court pointed out that The USA TODAY poll implied the contrary by asking if the New Kids are a "turn off."123 So, the court concluded that the third requirement was

117. Id.
118. Id. (“[H]ow could someone not conversant with the proper names of the individual New Kids talk about the group at all.”)
119. New Kids, 971 F.2d at 308.
120. Id.
121. Id.
122. Id.
123. Id. at 308-09.
also satisfied.124

The New Kids argued that the newspaper polls competed directly with the New Kids themselves.125 They reasoned that, even if newspapers are entitled to the nominative use defense, the polls should be excepted because they were not part of the news gathering activities of the newspapers.126 Although the Ninth Circuit gave some credence to this argument, the court ultimately rejected it.127 The New Kids have a property right in their name, but cannot control how their fans spend money.128 Because the use does not imply sponsorship or endorsement, the fact that it is done for profit is beside the point.129 The court compared the use to an unauthorized biography or a parody.130

Therefore, the newspapers were entitled to the nominative use defense and summary judgment was proper for the first seven causes of action.131 The Ninth Circuit continued by addressing the New Kids' three additional claims.

The court rejected the commercial and common-law misap-
propriation claims which were based on state law. Under California law, the claims were barred if the trademark was used "in connection with any news, public affairs, or sports broadcast or account." The Ninth Circuit reasoned that this provision applied to the telephone polls because the results were to be published later as part of a news story.

The Ninth Circuit also rejected the New Kids' claim of intentional interference with potential economic advantage. The court reasoned that "it is no tort to beat a business rival to prospective customers," nor is the use of a trademark a tort when the use has been found to be "fair and reasonable." Judge Kozinski summarized the Ninth Circuit's view of this last claim when he reminded the New Kids of the maxim: "all's fair in love, war and the free market."

V. CRITIQUE

A. COMPARING THE REQUIREMENTS OF NOMINATIVE USE WITH THE REQUIREMENTS OF FAIR USE

A comparison of the nominative use defense to the fair use defense reveals that the two defenses are largely duplicative and may lead to similar substantive results, making the nominative use defense unnecessary. In addition, we will see that nomin-
tive use may be confusing.

1. **Trademark Necessary to Identify Product**

   The first element of nominative use, that the product or service in question must be one not readily identifiable without use of the trademark, may exist within the traditional fair use defense. Recall that the fair use defense requires that the trademark be used in a descriptive sense.

   In the Volkswagen repair shop situation, the Ninth Circuit permitted an auto repair shop to use the trademark “Volkswagen” to describe to the public the make of cars that it repaired.\(^{140}\) By using the trademark “Volkswagen,” was the defendant identifying the product of the plaintiff (nominative use) or was the defendant describing the defendant’s own product (fair use)? The answer is the defendant was doing both. Similarly, in *New Kids*, were the newspapers using the trademark “The New Kids” to identify The New Kids on the Block or to describe their own product: a New Kids on the Block telephone poll? The answer is they were doing both. From these examples, it seems that describing the defendant’s product can be accomplished by identifying the plaintiff’s product. The fair use defense, however, includes additional descriptive uses such as in *Zatarains*\(^{141}\) where the defendant described his product as “fish fry” even though the plaintiff’s trademark was “Fish-Fri.”

   Recall that one of the primary purposes of trademarks is to identify the source of goods or services.\(^{142}\) Consumers use trademarks to search out quality goods. They buy products they have bought in the past or that they have heard about through word-of-mouth or advertising. Consumers, however, do not really care who produces the goods; they care only whether a particular trademark denotes products they want to buy.\(^{143}\) This is why

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\(^{140}\) Volkswagen-werk Aktiengesellschaft v. Church, 411 F.2d 350 (9th Cir. 1969).

\(^{141}\) Zatarains, Inc. v. Oak Grove Smokehouse, Inc., 698 F.2d 786 (5th Cir. 1983).

\(^{142}\) New Kids, 971 F.2d at 305 (citing Schechter, *The Historical Foundations of the Law Relating to Trademarks* 47 (1925)). See supra note 100 and accompanying text.

\(^{143}\) See, e.g., Anti-Monopoly, Inc. v. General Mills Fun Group, Inc., 684 F.2d 1316,
companies expend effort advertising their products in such a way as to promote name recognition in their trademarks. The result is that trademarks may be the only way to readily identify particular goods and services because consumers do not know the name of their source. The only goods or services that this would not apply to are those that have not achieved name recognition. As the Ninth Circuit has indicated, it is often virtually impossible to refer to a product without using its trademark. This means that identifying a product by its trademark is just another way of describing the product.

The Ninth Circuit provided little guidance to clarify the application of the first element of nominative use. In applying the first element, the court reasoned that the New Kids' situation was similar to the Chicago Bulls, Volkswagen, and Boston Marathon situations indicating that there is no other reasonable way to describe the New Kids. The court, however, went on to say that the New Kids deserved protection against copycats and false endorsements, but not against newspaper articles, conversations, polls and comparative advertising. This statement seems to indicate that the New Kids deserve protection against likelihood of confusion (copycats, false endorsements, unfair comparative advertising), but not against First Amendment freedoms (news dissemination, conversations and polls). Though this

1324 (9th Cir. 1982) (reporting survey results where 65% of respondents who said that they had recently purchased the board game “Monopoly” or intended to purchase the game in the near future, chose: “I want ‘Monopoly’ primarily because I am interested in playing ‘Monopoly,’ I don’t care much who makes it;” 32% chose: “I would like Parker Brother’s ‘Monopoly’ game primarily because I like Parker Brother’s products.”); R. G. Smith v. Chanel, Inc., 402 F.2d 562, 566 (9th Cir. 1968) (“Preservation of the trademark as a means of identifying the trademark owner’s products ... serves an important public purpose. It makes effective competition possible in a complex, impersonal marketplace by providing a means through which the consumer can identify products which please him and reward the producer with continued patronage.”) (footnote omitted).

144. See New Kids, 971 F.2d at 308 (“[H]ow could someone not conversant with the proper names of the individual New Kids talk about the New Kids at all?”); Union Carbide Corp. v. Ever-Ready, Inc., 531 F.2d 366 (7th Cir. 1976). Union Carbide, the owner of the trademark “EVEREADY” sued Ever-Ready, Inc. for using the term “Ever-Ready” in the sale of lamps and light bulbs. A survey conducted by a market research expert found that over 50% of those surveyed associated a lamp made by Ever-Ready, Inc. with Union Carbide’s products, such as batteries, while only about 1% associated the lamp with Union Carbide itself. Id. at 386.

145. New Kids, 971 F.2d. at 306.
146. See id. at 308-09.
147. Id. at 308.
148. Id.
is a valid point, it does not belong in the discussion of the first element of nominative use because it does not logically support the argument that the New Kids cannot be readily described without using their trademark.

Consequently, the first requirement of nominative use, that the product not be readily identifiable without using its trademark, is included within the fair use requirement that the trademark be used in a descriptive sense.

2. Trademark Use Limited to that Reasonably Necessary

The limitation of the second element of nominative use, that the user may only use the mark as much as is reasonably necessary to identify the product or services, can be inferred from the fair use requirement of good faith. Good faith encompasses an absence of intent to defraud another or to seek an unconscionable advantage. A defendant who uses a trademark more than is reasonably necessary to serve a legitimate purpose is arguably not acting in good faith.

In applying the second element, the court did not explain the scope of trademark use that fits within the doctrine's protection to define the "reasonably necessary" requirement of the second element of nominative use. In The Star, according to the Ninth Circuit's statement of the facts, the name of the group was used in an ad that ran next to a story about the group and a picture of the group was used with the ad. In USA Today, the name of the group was used and a picture of the group appeared next to the ad. The court did not apply the "reasonably necessary" requirement of the nominative use defense to these facts.

Therefore, the second requirement of nominative use, that the defendant may only use the trademark as much as is reason-

150. Compare Venetianaire Corp. of America v. A & P Import Co., 429 F.2d 1079, 1083 (2d Cir. 1970) (finding that defendant who adopted a trademark and packaging almost identical to the plaintiff's was not acting in good faith) with M.B.H. Enterprises v. WOKY, Inc., 633 F.2d 50, 54 (7th Cir. 1980) (finding good faith existed where the defendant had no intent to confuse the public).
151. See New Kids, 971 F.2d at 308.
152. Id. at 304.
ably necessary to identify the product or services, is equivalent to the fair use requirement of good faith.

3. No Suggestion of Sponsorship or Endorsement

The third element of nominative use, that the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement of the trademark holder, must be satisfied as part of the plaintiff's prima facie case of infringement. Recall that the third element of the prima facie case for trademark infringement is that the plaintiff must show likelihood of confusion as to the source of the products or services. The requirement that there must be no suggestion of sponsorship or endorsement can be seen to be just a different way of stating that there must be no likelihood of confusion as to the source of the products or services. By making this requirement part of the nominative use defense, however, the Ninth Circuit shifts the burden of proof to the defendant whereas the Lanham Act places it on plaintiff. The Ninth Circuit did not purport to eliminate this element from the prima facie case. Consequently, the result is that in a close case, where the burden of proof on this issue has not been met, it is unclear whether the plaintiff or defendant should prevail.

As with the first and second requirements of nominative use, the court performed little analysis to explain the third requirement of the nominative use test. The court simply concluded that there was no suggestion of sponsorship because neither ad suggested sponsorship, and USA TODAY asked if the New Kids were a "turn off." The third element, however, seems to require a somewhat subjective determination as to whether the use implies or does not imply sponsorship so that a clear articulation of which impression a consumer is likely to get may be difficult.

The Ninth Circuit, however, may have purposely left its discussion of the application of all three parts of the nominative

154. New Kids, 971 F.2d at 308-09.
155. Id.
use test somewhat bare in order to allow greater latitude to the district courts in the future. This may allow the district courts to expand upon the reasoning behind the nominative use doctrine in future cases.

In New Kids, the Ninth Circuit could have affirmed the district court’s grant of summary judgment on alternative grounds. The Ninth Circuit found that the third element of nominative use was satisfied.\(^\text{156}\) This means that the New Kids failed to make out their prima facie case; the use of the New Kids’ trademark was not confusing because the use did not imply sponsorship. Had the court adopted this reasoning, there would have been no need to address either the nominative use defense or the fair use defense.

The Ninth Circuit stated that other courts hold, as a matter of law, that no sponsorship is implied when the trademark is used in a descriptive manner.\(^\text{157}\) This article has demonstrated that the third element of nominative use is included in the plaintiff’s prima facie case. Even if it is not, it is implicitly included in the good faith requirement of the fair use defense. In New Kids, because the newspapers satisfied the nominative use requirement that the user not do anything that would, in conjunction with the mark, suggest sponsorship or endorsement of the trademark holder, the defendants also satisfy the fair use requirement of good faith.

Therefore, each of the requirements of the nominative use defense is already a requirement of the fair use defense. Moreover, nominative use clouds the issue of who has the burden to prove likelihood of confusion.

B. CAN NOMINATIVE USE BE DISTINGUISHED FROM FAIR USE?

There may be three possible ways of distinguishing the nominative use defense from the fair use defense: whether the mark was used descriptively or was used otherwise than as a trademark, whether the use was descriptive of the plaintiff’s or

\(^{156}\) Id. at 308.

\(^{157}\) Id. at 306.
the defendant's product and whether the defendant had profit as a motive.

One element of the fair use defense, that the trademark must be used otherwise than as a mark, is not part of the nominative use defense. In this sense, the fair use defense is more restrictive than the nominative use defense. However, if a trademark is used in a descriptive sense, arguably it has not been used as a trademark. For example, we have already determined that the newspapers' use of the trademark "The New Kids" was descriptive in that it described the newspapers' polls and that the use was in good faith. It follows that the defendants used the trademark otherwise than as a trademark in the sense that they did not adopt it as their own. Compare this situation to Venetianaire, where the use was as a trademark because the defendant adopted the plaintiff's trademark. Also compare New Kids to R. G. Smith where the defendant was allowed to actually use the plaintiff's trademark "Chanel No. 5."

Therefore, the fair use requirement that the trademark be used otherwise than as a trademark does not serve to distinguish nominative use from fair use.

The Ninth Circuit attempted to distinguish the two defenses by stating that the fair use defense applies when the defendant is describing the defendant's product, whereas the nominative use defense applies when the defendant is describing the plaintiff or the plaintiff's product. This distinction is confusing because it is difficult to know if the nominative use defense or the fair use defense applies to a particular situation. As we saw before, it was not entirely clear whether the newspapers were describing their own service, the telephone poll, or the New Kids themselves. The trademark seems always to refer to the product associated with it: the plaintiff's product. Therefore,

158. See supra note 5 for the full text of § 1115(b)(4).
159. Venetianaire, 429 F.2d at 1082 ("[I]t is plain that A & P Import did not use the word otherwise than as a trade ... mark ... only to describe the goods.") (internal quotation omitted).
160. R. G. Smith, 402 F.2d at 569 ("Appellants do not use appellees' trademark as a generic term. They employ it only to describe appellees' product, not to identify their own.").
161. See New Kids, 971 F.2d at 308.
there does not seem to be a way of distinguishing fair use from nominative use.

In addressing the New Kids' argument against the defendant's commercial purpose and direct competition, the court held that a profit motive is not a factor in the nominative use defense. In so doing, the court may have avoided a potential problem with the application of this doctrine to other situations. In a capitalist society, almost every activity is arguably for profit. For example, even if the newspapers did not use "900" numbers, but used "800" numbers, the sale of the newspapers that included the poll results would still generate revenue.

Profit motive, however, is not a factor in the fair use defense in trademark law. In the examples discussed so far, the defendant did profit from using the defendant's trademark. Consequently, profit motive does not serve to distinguish nominative use from fair use.

C. NOMINATIVE USE ADDS TO EXISTING CONFUSION

Courts do not always make a clear distinction between likelihood of confusion, an element of the prima facie case for trademark infringement, and the descriptive sense of a trademark, an essential element of the fair use defense. Additionally, one court may choose to base its holding in a case on fair use, while another court may base its holding on lack of confusion when the facts of the two cases are the same or similar.

162. See id. at 309.
163. WCVB-TV v. Boston Athletic Association, 926 F.2d 42 (1st Cir. 1991); Zatarains, Inc. v. Oak Grove Smokehouse, Inc., 696 F.2d 786 (5th Cir. 1983); Venetianaire Corp. of America v. A & P Import Co., 429 F.2d 1079 (2d Cir. 1970); R. G. Smith v. Chanel, Inc., 402 F.2d 562 (9th Cir. 1968); see supra notes 43-95 and accompanying text.
164. Shakespeare, 802 F. Supp. at 1394; see supra notes 32 & 34 and accompanying text.
166. See, e.g., Coherent, Inc. v. Coherent Technologies, Inc., 935 F.2d 1122 (10th Cir. 1991). The Tenth Circuit held that no likelihood of confusion existed where the defendant used the plaintiff's registered trademark "Coherent" to describe its lasers. Id. at 1123, 1126. "Coherent" is a term that is descriptive of the light emitted from all lasers. Id. at 1123-24. The district court analyzed the fair use defense first, then the likelihood of confusion issue. Id. at 1124. The circuit court criticized the district court, stating, "By addressing the issues in this order, the district court left unclear the relationship be-
An interesting point about the fair use defense was made in *Dallas Cowboys Cheerleaders v. Pussycat Cinema*. The court reasoned that it would be somewhat anomalous to apply a fair use defense to trademark infringement because that would mean that a use of a trademark that had first been found to be confusing could then be found to be a fair use.

As can be seen from the previous discussion of *New Kids*, the nominative use test seems likely to cause confusion and may be unnecessary due to its similarity to fair use. Also, it is unclear when nominative use or fair use should apply because the distinction between describing the trademark holder's product and the defendant's product is not very clear. The Ninth Circuit did not address or explain either of these concerns in *New Kids*.

The Ninth Circuit has also added to existing confusion by including in the nominative use defense the requirement that the defendant do nothing to show sponsorship, whereas the Lanham Act places the equivalent burden of proof on the plaintiff to show likelihood of confusion.

**VI. CONCLUSION**

In *New Kids*, the Ninth Circuit introduced and explained a new nominative use test that applies when a defendant uses a rival's trademark as a means of identifying the rival's product. This nominative use doctrine seems to have some drawbacks which may make it difficult to apply. First, nominative use appears to be substantively equivalent to fair use. Second, nominative use clouds the issue of who carries the burden to prove likelihood of confusion. Third, it is unclear to which cases nominative use or fair use should be applied.

Unless the Ninth Circuit is able to clarify the advantages...
and application of its nominative use defense, courts would be wise to discard the nominative use defense in favor of the fair use defense.

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