

Practice Update

Nominative Fair Use: The Second Circuit Joins Neither The Third Nor Ninth Circuits In Its Approach

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In an important decision delineating the boundaries of fair use of another person's trademark, the Second Circuit announced a standard by which nominative fair use of a trademark will be evaluated in that Circuit in *International Information Systems Security Certification Consortium, Inc. v. Security University, LLC*. Because the Court ruled that the district court made several legal errors in throwing the case out, the Court vacated the district court's grant of summary judgment on the infringement, false designation of origin and false advertising, and unfair competition claims, and remanded the case for further proceedings.

Plaintiff International Information Systems Security Certification Consortium, Inc. is an organization that develops standards for the information security industry. In connection with these standards, the Plaintiff developed a certification program and the related certification mark, "CISSP," which was registered with the United States Patent and Trademark Office.

Defendant Sondra Schneider, is a certified individual who formed co-defendant company Security University to provide information security training. Although Defendants used the CISSP certification

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mark in an authorized manner for a period of time, Defendants began to run advertisements referring to one of its teachers as a “Master CISSP” or “CISSP Master.”

Plaintiff learned of these ads and sent demand letters to Defendants. However, the Defendants persisted in its ad campaign, stating, “SU will continue to use the word Master. Master Clement Dupuis is a Male Teacher [and] thus he is a Master according to the dictionary.”

Plaintiff filed suit against Defendants, alleging that SU’s use of the CISSP certification mark violated the Lanham Act, and constituted infringement under 15 U.S.C. § 1114, false designation of origin and false advertising under 15 U.S.C. § 1125(a), and trademark dilution under 15 U.S.C. § 1125(c), and unfair competition under state law. After cross-motions for summary judgment, the district court granted summary judgment to Defendants on all grounds, holding that their use of the certification mark constituted nominative fair use, reasoning that the Defendants’ use of the certification mark did not give rise to likely confusion as to the source of Defendants’ services. In conducting this analysis, the district court did not assess traditional likelihood of confusion. Rather, it applied the Ninth Circuit’s doctrine of nominative fair use — a doctrine that the Second Circuit had not yet, in fact, adopted — which found that nominative fair use is an affirmative defense.

NOMINATIVE FAIR USE

Nominative use is a use of another’s trademark to identify, not the defendant’s goods and services, but the plaintiff’s goods and services. It is called “nominative” use because it “names” the real owner of the mark. The doctrine of nominative fair use allows a defendant to use a plaintiff’s trademark to identify the plaintiff’s goods so long as there is no likelihood of confusion about the source of the

defendant's product or the mark-holder's sponsorship or affiliation.

New Kids on the Block v. News America Publishing, Inc., 971 F.2d 302 (9th Cir. 1992) illustrates nominative fair use and how the Ninth Circuit's came to adopt its doctrine. In that case, a newspaper conducted a survey in connection with a story about a concert by the popular music group "New Kids on the Block," asking readers, "Which of the five is your fave?" and using the name of the group. The Ninth Circuit held that this was non-infringing "nominative use of a mark" which did not imply sponsorship or endorsement by the trademark owner.

The Ninth Circuit held that "a commercial user is entitled to a nominative fair use defense provided he meets the following three requirements": (1) the product in question must be one not readily identifiable without use of the trademark; (2) only so much of the mark may be used as is reasonably necessary to identify the product; and (3) the user must do nothing that would suggest sponsorship or endorsement by the trademark holder. Many other circuits had since adopted variations of the test. However, the Second Circuit had not yet addressed the issue, though district courts in the Second Circuit had.

THE SECOND CIRCUIT OPINION

Likelihood of Confusion Analysis

The Court began by pointing out the district court's error in its understanding and application of the "likelihood of confusion" trademark infringement test established in the seminal case *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492 (2d Cir. 1961). Specifically, the district court had held that the only type of confusion relevant in determining infringement was confusion as to **source**. The Court noted that considering only "source confusion" would make little sense in the context of a

certification mark because certification marks are not used to designate source. However, as the statute makes clear, it is not just confusion as to source, but also as to sponsorship, affiliation, or connection that constitutes trademark infringement.

To support its understanding that trademark infringement, including infringement of certification marks, takes place when there is a likelihood of confusion as to sponsorship, affiliation, or connection rather than merely of “source”, the Second Circuit explained that “[e]ven where a defendant’s product contains ingredients which have been certified by the owner of the certification mark, the defendant’s incorporation of that certification mark into its own composite trademark might be likely to cause confusion as to sponsorship, affiliation, or connection.”

Thus, in *Institut Nat’l Des Appellations d’Origine v. Brown-Forman Corp.*, 47 U.S.P.Q.2d 1875 (T.T.A.B. 1998), the Board found that the applied-for mark “CANADIAN MIST AND COGNAC” for a blend of Canadian whiskey and genuine Cognac brandy would create a likelihood of confusion with a preexisting certification mark for “COGNAC.”

Similarly, in *Tea Board of India v. Republic of Tea, Inc.*, 80 USPQ2d 1881 (TTAB 2006), the Board sustained an opposition against registration of a new certification mark “DARJEELING NOUVEAU” because it was likely to cause consumer confusion with the preexisting, registered certification mark “DARJEELING” for tea certified from the Darjeeling District of West Bengal, India.)

The Second Circuit used these examples to illustrate the district court’s error that trademark infringement takes place only when there is a likelihood of confusion as to source. In fact, a defendant’s incorporation of a certification mark into its own composite trademark can cause confusion as to sponsorship, affiliation, or connection, resulting in a cognizable claim of trademark infringement. In

this case, the Defendant may have created likely confusion that Plaintiff was sponsoring, affiliated with, or connected with Defendants as a result of the use of “CISSP Master” and “Master CISSP” and that customers may be led to believe that the Plaintiff had introduced a new line of certifications.

Therefore, the proper place to begin to analyze any claim of trademark infringement is the *Polaroid* likelihood of confusion factors, which the district court failed to do.

Nominative Fair Use Defense

The Second Circuit then turned to the proper treatment of nominative fair use. The Court acknowledged that various courts have created new tests to apply in cases of nominative use because the *Polaroid* factors – or their analogues in other circuits – are not easily applied in such cases.

As noted above, the Ninth Circuit’s definition of nominative fair use applies when all three requirements are met: (1) the product in question must be one not readily identifiable without use of the trademark; (2) only so much of the mark may be used as is reasonably necessary to identify the product; and (3) the user must do nothing that would, in conjunction with the mark, suggest sponsorship or ownership by the trademark holder. Nominative fair use in that circuit is not an affirmative defense. Rather, the nominative fair use test replaces the likelihood of confusion test the Ninth Circuit uses.

In contrast, the Third Circuit treats nominative fair use as an affirmative defense that may be asserted by the defendant even where there is likelihood of consumer confusion. To be entitled to protection based on the affirmative defense, a defendant must show: (1) that the use of plaintiff’s mark is necessary to describe both the plaintiff’s product or service and the defendant’s product or service; (2) that the defendant uses only so much of the plaintiff’s mark

as is necessary to describe plaintiff's product; and (3) that the defendant's conduct or language reflect the true and accurate relationship between plaintiff and defendant's products or services.

The Second Circuit stated that the Third Circuit's view that nominative fair use is an affirmative defense is error. The Court noted that the Lanham Act explicitly lists affirmative defenses, and nominative fair use is not one of them. "If Congress has wanted nominative fair use to constitute an additional affirmative defense, it would have provided as such."

Next, the Court considered the Ninth's Circuit's approach of replacing likelihood of confusion with a different test in cases of nominative fair use.

"Although we see no reason to replace the *Polaroid* test in this context, we also recognize that many of the *Polaroid* factors are a bad fit here and that we have repeatedly emphasized that the *Polaroid* factors are non-exclusive." The Court added that it recognizes that a defendant may lawfully use a plaintiff's trademark where doing so is necessary to describe the plaintiff's product and does not imply a false affiliation or endorsement by the plaintiff of the defendant.

Thus, the Court held that in trademark infringement cases that involve nominative use, the trial court must analyze whether there is a likelihood of confusion under the *Polaroid* factors, while adding the Third Circuit nominative fair use factors, namely, that:

1. the use of plaintiff's mark is necessary to describe both the plaintiff's product or service and the defendant's product or service;
2. the defendant uses only so much of the plaintiff's mark as is necessary to describe plaintiff's product; and
3. the defendant's conduct or language reflect the true and accurate relationship between plaintiff

and defendant's products or services. When assessing the second nominative fair use factor, courts should consider whether the alleged infringer "stepped over the line into a likelihood of confusion by using the senior user's mark too prominently or too often, in terms of size, emphasis, or repetition. When considering the third nominative fair use factor, courts must not, as the district court did here, consider only source confusion, but rather must consider confusion regarding affiliation, sponsorship, or endorsement by the mark holder.

The case was therefore, remanded for reconsideration of the *Polaroid* factors in addition to the nominative fair use factors. The ruling is certain to give guidance to those who wish to use others' trademarks fairly to describe those products accurately and legitimately.

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