

When Is It Fair To Use Someone Else's Trademark?

You are the general counsel of a manufacturer of lawn and garden hardware products and accessories. Your company does not sell lawn and garden tractors and is not affiliated with any manufacturer of lawn and garden tractors. However, you do sell attachments, such as

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snow blowers, leaf blowers, and other accessories, that can be used and are compatible with many models of lawn and garden tractors. Your marketing department wants to prominently display in your company's advertisements and promotional material the names and familiar logos of each of the manufacturers of the lawn and garden tractors that are compatible with your products.

You are rightfully concerned about whether your company may use the trademarked names and logos of tractor manufacturers with whom your company has no affiliation. To resolve your concerns, you must delve into the realm of trademark "fair use."

Classic (or Descriptive) Fair Use

A trademark does not grant the owner a monopoly over all possible uses of the trademarked terms. Indeed, the Lanham Act specifically permits a non-trademark owner's "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." Lanham Act § 33(b)(4). This is known as "classic fair use" or "descriptive fair use."

The Lanham Act "classic fair use" defense applies only where you use another's trademarked terms to describe your own goods or services. But, what in the world is meant by the requirement that the term be used "otherwise than as a mark?" That requirement simply means that you may not use another's

trademarked terms as a source indicator to identify the trademark owner as the source of goods and services.

For example, it is a "classic fair use" for you to use the trademarked term "apple" to describe your company's fruit products. But, if you use the word "apple" in conjunction with the sale of computer hardware and software, your use of the term is no longer descriptive of your products and will likely be seen as an inappropriate source indicator suggesting an affiliation with the larger and more famous computer company.

You conclude, correctly, that your marketing department's proposed use of the manufacturers' trademarks and logos does not qualify as a "classic fair use." The manufacturers' trademarks and logos are not being used merely to describe your own goods and services; rather, they are being used precisely as a source indicator to identify the manufacturers of the lawn and garden tractors that are compatible with your accessories.

Nominative (or Collateral) Fair Use

There is a second type of fair use defense that might apply, a judicially created doctrine called "nominative fair use" or "collateral fair use." This type of fair use applies, under certain circumstances, when you use another party's trademark to directly identify the trademark owner's goods or services, even though your ultimate purpose might be to indirectly describe your own goods or services.

An example of "nominative fair use" is comparative advertising, where the advertiser uses the trademark of its competitor to describe the competitor's products for purposes of ultimately showing that the advertiser's products are superior. Early cases applying the "nominative fair use" doctrine focused on whether there was a likelihood of consumer confu-

sion. Comparative advertising passes muster under this test, because there is little likelihood that consumers will be confused into believing that the advertiser's products are sponsored by the owner of the competitive trademark. Indeed, the entire point of comparative advertising is to distinguish the two products and establish that the advertiser's products are superior to the competitor's products.

Another example of "nominative fair use" is illustrated by a seminal case in the Ninth Circuit involving the pop group New Kids on the Block. In that case, two newspapers conducted a survey of readers asking them which member of the New Kids on the Block group was their favorite member. New Kids sued the newspapers for using their trademarked name without permission. The Court held that the newspapers' use of the trademark did not constitute infringement because the only way to effectively refer to the pop group was by using its trademarked name and because no more of the trademark was used than was necessary to convey the group's identity. *New Kids on the Block v. New America Publ'g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992).

The Ninth Circuit has established a three-prong test in applying the "nominative fair use" doctrine as a defense to a trademark infringement claim.

- The product or service in question must be one not readily identifiable without use of the trademark.
- Only so much of the mark or marks may be used as is reasonably necessary to identify the product or service.
- The user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.

New Kids On the Block v. News America Publ'g, Inc., 971 F.2d 302, 308 (9th Cir. 1992); See also *Playboy Enterprises v. Welles*, 279 F.3d 796, 801 (9th Cir. 2002).

The Ninth Circuit's three-prong test for "nominative fair use" has yet to be widely accepted in other circuits. For example, the United States District Court for the Northern District of Illinois has applied the test, but the test has yet to be endorsed by the Seventh Circuit Court

of Appeals. See e.g., *World Impressions, Inc. v. McDonald's Corp.*, 235 F. Supp. 2d 831, 843 (N.D. Ill. 2002).

Your marketing department's idea to use the manufacturers' trademarked names to identify those tractors that are compatible with your accessories will probably pass muster, at least under the Ninth Circuit's three-prong test for "nominative fair use." However, it is clear that the use of logos or a stylized format of the manufacturer's trademarks goes beyond what is acceptable under the "nominative fair use" doctrine. Use of the manufacturer's logos or stylized format is not reasonably necessary to describe the tractors and might suggest the trademark owners' sponsorship or endorsement of your product. See, e.g., *Volkswagen Astiengesellschaft v. Uptown Motors*, No. 91 Civ. 3447 (DLC), 1995 WL 605605 (S.D.N.Y. May 11, 1995) (allowing auto repair shop's use of automobile manufacturers' trademarked names, but not logos, in advertisement). See also *World Impressions, Inc. v. McDonald's Corp.*, 235 F. Supp. 2d 831, 843 (N.D. Ill. 2002) (rejecting use of the stylized form of the word "Disneyland" on map, as going beyond what was necessary to simply indicate the location of Disneyland and implying that Disney had sponsored or endorsed the map).

And, what can we conclude in a more general sense about when it is fair to use someone else's trademark or trademarked term? At the risk of oversimplifying a complicated area of the law, we can conclude that the use of another's trademark is permitted only to the extent such use is necessary to directly or indirectly describe your products or services in an accurate manner and only to the extent that such use does not improperly suggest an affiliation, sponsorship or endorsement by the trademark owner.

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