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ANOTHER DECADE OF ROGERS v. GRIMALDI: CONTINUING TO BALANCE THE LANHAM ACT WITH THE FIRST AMENDMENT RIGHTS OF CREATORS OF ARTISTIC WORKS

By Lynn M. Jordan* and David M. Kelly**

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* Partner, Kelly IP, LLP, Washington, D.C., Associate Member, International Trademark Association.
** Partner, Kelly IP, LLP, Washington, D.C., Associate Member, International Trademark Association.
I. INTRODUCTION

Twenty years after the U.S. Court of Appeals for the Second Circuit’s watershed decision in Rogers v. Grimaldi\(^1\) balancing U.S. Bill of Rights First Amendment rights in creative works with the U.S. Trademark (Lanham) Act, the authors thoroughly analyzed how courts in the Second Circuit and other federal circuits applied the two-part test created in Rogers.\(^2\) At the time of the authors’ first article, courts had applied the Rogers test to cases involving disputes over the titles and content\(^3\) of creative works, even the most tenuous showing of artistic relevance would be enough to satisfy the first prong of the test, and the U.S. Court of Appeals for the Ninth Circuit had fully embraced the Rogers test as its own.\(^4\) It had clearly become the standard in disputes involving trademarks and creative works.

Much has happened in the ten years since that article. Courts that had adopted the Rogers test have continued to refine its application, and more courts have expressly adopted the test in Lanham Act\(^5\) cases, bringing the current roster to the Third,\(^6\) Fifth,\(^7\) Sixth,\(^8\) Ninth,\(^9\) and Eleventh Circuits,\(^10\) and federal district courts

\(^1\) 875 F.2d 994 (2d Cir. 1989).
\(^3\) The Ninth Circuit was the first to extend Rogers beyond titles to content, holding that “there is no principled reason why it ought not also apply to the use of a trademark in the body of the work.” E.S.S. Entm’t 2000, Inc. v. Rock Star Videos, Inc., 547 F.3d 1095, 1099 (9th Cir. 2008).
\(^5\) Although the Rogers case involved right-of-publicity claims, the Ninth Circuit has held that Rogers is not the appropriate test in such cases. See Elec. Arts v. Davis, 775 F.3d 1172, 1179 (9th Cir. 2015), cert. denied, 136 S. Ct. 1448 (2016). The law regarding right of publicity is not so clear in other circuits, but as this article focuses on Lanham Act claims, we leave an analysis of right-of-publicity claims and the First Amendment for another day.
\(^7\) Sugar Busters LLC v. Brennan, 177 F.3d 258 (5th Cir. 1999); Westchester Media v. PRL USA Holdings, Inc., 214 F.3d 658 (5th Cir. 2000).
\(^8\) Parks v. LaFace Records, 329 F.3d 437 (6th Cir. 2003); ETW Corp. v. Jireh Publ’g, 332 F.3d 915, 937 (6th Cir. 2003).
\(^9\) Mattel, Inc., 296 F.3d at 902; E.S.S. Entm’t 2000, Inc., 547 F.3d at 1099; Brown v. Elec. Arts, Inc., 724 F.3d 1235, 1243 (9th Cir. 2013); Twentieth Century Fox Television v. Empire Distrib., 875 F.3d 1192, 1197-98 (9th Cir. 2017); Gordon v. Drape Creative, Inc., 909 F.3d 257, 269-70 (9th Cir. 2018).
\(^10\) Univ. of Ala. Bd. of Trustees v. New Life Art, Inc., 683 F.3d 1266 (11th Cir. 2012).
within the Seventh\textsuperscript{11} and Tenth Circuits.\textsuperscript{12} No courts have rejected the \textit{Rogers} test. In the context of deciding motions for summary judgment and motions to dismiss,\textsuperscript{13} courts have applied the \textit{Rogers} test to both forward and reverse confusion trademark infringement cases\textsuperscript{14} as well as false endorsement and false advertising cases.\textsuperscript{15}

On the other hand, a few federal district court decisions within the Ninth Circuit misinterpreted \textit{Rogers} as applicable only when the asserted mark had an overarching “cultural significance” in the public’s vocabulary, and the junior use referred to the senior one. In 2017, however, the Ninth Circuit stepped in and held that \textit{Rogers} required no such threshold determination.\textsuperscript{16}

Perhaps the most important substantive development of the decade, however, has been judicial refinement of the second prong of the \textit{Rogers} test—whether the junior use is “explicitly misleading.”

Our first article discussed the \textit{Rogers v. Grimaldi} decision at length, and then undertook a circuit-by-circuit analysis.\textsuperscript{17} Here, we analyze in detail how courts have specifically applied the two prongs of the balancing test over the past thirty years and how the test has been applied to both motions to dismiss and summary judgment.

\section*{II. ROGERS v. GRIMALDI}

\textit{Rogers v. Grimaldi} involved a fictional film about two Italian cabaret performers who imitated the famed dancing duo Ginger Rogers and Fred Astaire and ultimately became known as “Ginger


\textsuperscript{13} See discussion, infra Part III.C.

\textsuperscript{14} Unlike traditional or “forward confusion” cases where a consumer is likely to believe that a junior user’s goods or services emanate from or are associated with the senior user, “reverse confusion” occurs when a typically larger junior user engages in such extensive promotion of goods under the senior user’s mark that the market for the junior user is swamped, resulting in a likelihood that consumers will mistakenly believe that the senior user’s goods emanate from the junior user. \textit{See} Fortres Grand Corp., 947 F. Supp. 2d at 926-27.


\textsuperscript{16} Twentieth Century Fox Television, 875 F.3d at 1197-98.

\textsuperscript{17} See Kelly & Jordan, supra note 2, for a detailed analysis of \textit{Rogers v. Grimaldi} and a circuit-by-circuit analysis.
and Fred” in Italy. The film focused on a televised reunion of the fictional duo and was titled Ginger and Fred. Ginger Rogers sued the filmmaker, alleging, among other things, that the title violated her rights under Section 43(a) of the Lanham Act. Realizing that applying the Lanham Act in the area of titles might intrude on First Amendment values, the district court granted summary judgment to the defendant, finding that the Lanham Act did not apply to the title of the motion picture because it was a work of artistic expression. The U.S. Court of Appeals for the Second Circuit affirmed, but held that the district court had interpreted the First Amendment’s impact on the Lanham Act too broadly, concluding that doing so would create a “nearly absolute privilege” for movie titles.

While cautioning that First Amendment concerns could not insulate artistic works from all Lanham Act claims, the Second Circuit recognized that those concerns were nevertheless relevant in applying the Lanham Act to claims involving the titles of creative works. Although all consumers have a right not to be misled, consumers of artistic works “also have an interest in enjoying the results of the author’s freedom of expression,” which means “the expressive elements of titles requires more protection than the labelling of ordinary commercial products.” Ultimately, the Second Circuit held that the Lanham Act “should be construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression.” In the context of allegedly misleading titles using a celebrity’s name, the Second Circuit explained that this “balance will normally not support application of the [Lanham] Act unless the title has no artistic relevance to the underlying work whatsoever, or, if it has some artistic relevance, unless the title explicitly misleads as to the source or the content of the work.” The court held that this construction of the Lanham Act would best accommodate both consumer and artistic interests, because “it insulates from

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18 Rogers, 875 F.2d at 996-97.
19 Id.
20 Id. at 997. Section 43(a) of the Lanham Act creates civil liability for any person who uses in connection with any goods or services “any false designation of origin, false or misleading description of fact, or false or misleading representation of fact . . . that is likely to cause confusion.” 15 U.S.C. § 1125(a) (2018).
21 Rogers, 875 F.2d at 997.
22 Id. at 996-97.
23 Id. at 997-98.
24 Id. at 998 (“Because overextension of Lanham Act restrictions in the area of titles might intrude on First Amendment values, we must construe the Act narrowly to avoid such a conflict.”).
25 Id. at 999.
26 Id.
restriction titles with at least minimal artistic relevance that are ambiguous or only implicitly misleading but leaves vulnerable to claims of deception titles that are explicitly misleading as to source or content, or that have no artistic relevance at all.”

Applying this balancing test, the Second Circuit found that the Ginger and Fred title surpassed the minimum threshold of artistic relevance to the film’s content and contained no explicit indication that Ginger Rogers endorsed the film or had a role in producing it.

III. SUBSEQUENT APPLICATION OF THE ROGERS BALANCING TEST

The Rogers test was created to balance the danger of consumer confusion, which trademark law is designed to prevent, with the benefits of free expression, which the First Amendment protects. Rogers effectively employs the First Amendment as a rule of construction to avoid conflict between the Constitution and the Lanham Act, and does so by setting certain threshold requirements in cases involving creative works before the Lanham Act will apply. These requirements make up the two “prongs” of the test: (1) determining whether a use has “artistic relevance”; and (2) if so, whether the use is “explicitly misleading.”

A. Artistic Relevance

“The artistic relevance prong ensures that the defendant intended an artistic—i.e., noncommercial—association with the plaintiff’s mark, as opposed to one in which the defendant intends to associate with the mark to exploit its popularity and goodwill.”

It is not the role of the court to determine how meaningful the artistic connection is, but simply that one exists. As a result, the threshold for finding artistic relevance has always been low. Indeed, the Second Circuit established a very low bar in Rogers, repeatedly referring to works that had “no artistic relevance” as the only works that would be exempt from further First Amendment consideration. The Ninth Circuit has followed suit, holding that “the level of relevance merely must be above zero.”

27 Id. at 1000.
28 Id. at 1001.
29 Louis Vuitton Malletier S.A. v. Warner Bros. Entm’t Inc., 868 F. Supp. 2d 172, 178 (S.D.N.Y. 2012) (citing Rogers, 875 F.2d at 1001, and finding that the defendant satisfied the artistic relevance prong where its use of the trademark was “not arbitrarily chosen just to exploit the publicity value of [the plaintiff’s mark] but instead had genuine relevance to the film’s story”).
30 Rogers, 875 F.2d at 999-1000.
31 E.S.S. Entm’t, 547 F.3d at 1100.
At first glance, it would appear easy for a court to determine whether use of a mark is artistically relevant to the underlying work. The artistic relevance prong has even been described as a “black-and-white rule [having] the benefit of limiting [a court’s] need to engage in artistic analysis in this context.” 32 In reality, however, it isn’t always so easy to apply. Nevertheless, courts have been extremely liberal in finding artistic relevance, even though it isn’t always obvious.33

For instance, in Dillinger, LLC v. Electronic Arts, Inc., notorious gangster John Dillinger’s estate argued that the appearance of a “Dillinger Level Three Tommy Gun” as a weapon in the Godfather video game series infringed its trademark rights in the mark JOHN DILLINGER.34 In particular, the plaintiff argued there was no artistic relevance of the “Dillinger” name to the video game because the Godfather novels weren’t set in the time when John Dillinger lived; the novels didn’t involve a John Dillinger character; and no one within defendant’s organization could even remember why the “Dillinger” name was chosen for the weapon.35 In granting summary judgment to defendant Electronic Arts, the court held that it was “not the role of the Court to determine how meaningful the relationship between a trademark and the content of a literary work must be; consistent with Rogers, any connection whatsoever is enough for the Court to determine that the mark’s use meets ‘the appropriately low threshold of minimal artistic relevance.”36 Here, because John Dillinger was widely associated with Tommy Guns, even such a “superficial and attenuated” connection was “above zero.”37

There are many other examples of less-than-obvious artistic relevance meeting the “above zero” standard in video game cases where the inclusion of other parties’ trademarks “increase[s] specific realism of the game.”38 Game manufacturer Activision prevailed on summary judgment in two cases involving elements from its Call of

32 Brown, 724 F.3d at 1243.
35 Id. at *4, *6.
36 Id. at *6.
37 Id. at *5.
38 E.g., Novalogic Inc. v. Activision Blizzard, 41 F. Supp. 3d 885, 900 (C.D. Cal. 2013); Mil-Spec Monkey, Inc. v. Activision Blizzard, Inc., 74 F. Supp. 3d 1134, 1142 (N.D. Cal. 2014); VIRAG, S.R.L. v. Sony Comput. Entm’t Am. LLC, No. 3:15-cv-01729-LB, 2015 WL 5000102 (N.D. Cal. Aug. 21, 2015), aff’d, 699 F. App’x 667 (9th Cir. 2017); see also Dillinger, 2011 WL 2457678, at *6 (“It is not the role of the Court to determine how meaningful the relationship between a trademark and the content of a literary work must be; consistent with Rogers, any connection whatsoever is enough.”).
Duty game franchise. In Novalogic v. Activision Blizzard Inc., the court found as a matter of law that Activision’s use of the Army’s phrase “Delta Force” within the Call of Duty video game gave users “a sense of a particularized reality of being part of an actual elite special-forces operation and serve[d] as a means to increase specific realism of the game.”\(^{39}\) And in Mil-Spec Monkey, Inc. v. Activision Blizzard, Inc., the court held that Activision’s use of the plaintiff’s ANGRY MONKEY morale patch within the video game bore “some artistic relevance to the creators’ goal of offering players a feeling of personal identity and authenticity during game play.”\(^{40}\)

Sony’s use of the plaintiff’s VIRAG mark on a racecourse bridge within its Gran Turismo racing game was also found to “provide a realistic simulation of European car racing . . . by allowing players to drive on realistic simulations of European race tracks.”\(^{41}\) The court clarified that it need not “determine exactly how artistically relevant the VIRAG® mark is to the games,” but instead merely had to be able to conclude that the artistic relevance is “above zero,” summarizing the standard as a “black-and-white rule.”\(^{42}\) Despite the defendant’s claims to the contrary, the court also noted that whether Sony’s use of the VIRAG mark was “for commercial gain in addition to . . . for artistic purposes” was “irrelevant.”\(^{43}\)

The plaintiffs’ objections to the defendants’ uses of their marks as elements within creative works have also arisen in other contexts, including disputes regarding films, books, and art displays. For example, a defendant’s depiction of a fictional cover of the plaintiff’s magazine, The Sporting Times, featured with the lead character’s picture in the film Spaceman was found artistically relevant as part of a montage of magazines about the film’s sports-star subject;\(^{44}\) a depiction of the plaintiff’s surfboard, which the plaintiff admitted had “celebrity status” in the surfing community, on the back cover of a fictional book that had a surfing theme was found artistically relevant to the story;\(^{45}\) and the inclusion of a drawing based on a scene from a 1923 silent film, which the plaintiff alleged was “one of the most iconic images in cinema,” in a

\(^{39}\) Novalogic, 41 F. Supp. 3d at 900.

\(^{40}\) Mil-Spec Monkey, 74 F. Supp. 3d at 1142.

\(^{41}\) VIRAG, 2015 WL 5000102, at *11 (plaintiff was a frequent race sponsor).

\(^{42}\) Id. at *12.

\(^{43}\) Id.; but see N.Y. Racing Ass'n, Inc. v. Perlmutter Publ'g, Inc., No. 95-CV-994 (FJS), 1996 WL 465298, at *5 (N.D.N.Y. July 19, 1996) (court finding that although t-shirts featuring paintings of the actual Saratoga racecourse that included plaintiff’s trademarks were artistically relevant, in the case of defendants’ products that display paintings where plaintiff’s marks were added to the scenes and the mark does not actually exist in the scene depicted, “the balance shifts”).


multimedia work displayed in Los Angeles International Airport was found artistically relevant as a tribute to silent movies.\(^{46}\) In a case with particularly unusual facts, a different court found that use of a counterfeit LOUIS VUITTON bag in the film \textit{The Hangover II} was artistically relevant because the use was intended to create an artistic association with LOUIS VUITTON, which it did, and thus discovery was irrelevant and unnecessary as to whether Warner Bros. knew the bag was a counterfeit.\(^{47}\)

In a case involving the title of a work, rather than an element, the court found BITCHIN’ KITCHEN artistically relevant as the title of a reality television series.\(^{48}\) The Cooking Channel show starred a larger-than-life host who routinely employed sexual innuendo, provocative attire, off-color humor, and recipes such as “Save Your Sex Life Soufflé,” and so the court found the title supported the show’s content, tone, style, purpose, and intended appeal.\(^{49}\)

In all of these cases, the courts easily concluded that there was at least an “above zero” level of artistic relevance, and therefore the defendants were all entitled to summary judgment or dismissal of the claims against them under the \textit{Rogers} balancing test. Very few cases have ever held that there was no artistic relevance.\(^{50}\) \textit{Parks v. LaFace Records} is often erroneously cited by plaintiffs for that proposition, but the court in \textit{Parks} held only that the level of artistic relevance was insufficient for satisfying \textit{Rogers}’s first prong as a matter of law and remanded the case back to the district court for further findings.\(^{51}\) The musical group Outkast released the song “Rosa Parks,” which was not about Rosa Parks or even the Civil Rights movement, but rather was about how Outkast is better than its competitors who must therefore take a “back seat” to them and “move to the back of the bus.”\(^{52}\) Outkast argued that because the song contained the phrase “move to the back of the bus,” use of Parks’s name as the title was symbolic or metaphorical.\(^{53}\) The district court agreed, and granted Outkast’s motion for summary


\(^{49}\) \textit{Id.}

\(^{50}\) One such example is \textit{N.Y. Racing Ass’n}, in which the court found that incorporating plaintiff’s trademarks into actual depictions of the Saratoga racecourse was artistically relevant, but adding the marks to scenes where they do not exist in real life made a finding of artistic relevance “virtually non-existent.” 1996 WL 465298, at *5.

\(^{51}\) 329 F.3d 437 (6th Cir. 2003).

\(^{52}\) \textit{Id.} at 452-53.

\(^{53}\) \textit{Id.} at 454.
judgment. The Sixth Circuit reversed, finding that it could not be said as a matter of law that the title was artistically relevant to the song itself. If the requirement of “relevance” in “artistic relevance” is to have any meaning, the court believed “it would not be unreasonable to conclude that the title Rosa Parks is not relevant to the content of the song in question.” The case ultimately settled without any more factual findings or a determination whether the title was artistically relevant to the song.

In 2010, a series of district court cases within the Ninth Circuit began reading additional requirements into the artistic relevance part of the Rogers test. In Rebelution, LLC v. Armando C. Perez, a Northern District of California court held that although the Ninth Circuit had adopted the Rogers test, “it has placed an important threshold limitation upon its application: plaintiff’s mark must be of such cultural significance that it has become an integral part of the public’s vocabulary.” According to the court, the relevant inquiry was thus the “artistic relevance of defendant’s use of the mark related to the meaning associated with plaintiff’s mark.”

The plaintiffs in that case, whose reggae band was called “Rebelution,” sought to enjoin the defendant, Perez, known by his performance title “Pitbull,” from using the identical mark REBELUTION for an album title. Although Perez argued that “Rebelution” was artistically relevant to his album because the word was a made-up amalgamation of “rebel,” “revolution,” and “evolution” and symbolized his personal artistic struggles, the court found that his use was not artistically relevant as related to the meaning of the mark associated with plaintiff’s band. In fact, the defendant argued that he had never heard of the plaintiff’s band. Because the plaintiffs’ mark had no independent cultural significance, and the defendant’s use did not refer to the plaintiffs’ band, the court found that there was no artistic relevance and

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54 Id.
55 Id. at 459.
56 Id. at 453.
57 See also Seale, 949 F. Supp. at 340 (finding use of plaintiff’s name on film about the history of the Black Panther Party and book about the film was artistically relevant as a matter of law, but factual issues precluded summary judgment as to whether use of name was artistically relevant on the cover of a soundtrack of songs unrelated to plaintiff or the history of the Black Panther Party).
58 732 F. Supp. 2d 883 (N.D. Cal. 2010).
59 Id. at 887.
60 Id. at 889 (emphasis added).
61 Id. at 886.
62 Id. at 889.
63 Id.
concluded that the use failed to meet the first prong of the Rogers test.64

That same month, in a dispute between the maker of CAKEBOSS bakery software and Discovery Channel’s CAKE BOSS television series title, a district court in the District Court for the Western District of Washington similarly held that the infringement claim against the Discovery Channel did not implicate the First Amendment interests recognized by the Ninth Circuit in Mattel and Rogers because “Discovery did not choose the name of Cake Boss as an allusion to CakeBoss” software, which the court found in any event had not attained cultural significance beyond its source-identifying function.65

Other district courts quickly rejected the reasoning in these “outlier” cases,66 pointing to the Ninth Circuit’s own language in E.S.S. Entertainment v. Rock Star Videos,67 which, in turn, drew from the Mattel, Inc. v. MCA Records, Inc., the case in which the Ninth Circuit expressly adopted the Rogers test as its own.68 In E.S.S. Entertainment, the Ninth Circuit considered whether the defendant’s depiction of a fictional “Pig Pen” strip club in a video game infringed rights in a real-life “Play Pen” strip club.69 The


65 See Mil-Spec Monkey, 74 F. Supp. 3d at 1140-41 (calling Rebelution an “outlier” and pointing to the Ninth Circuit’s earlier decision in E.S.S. Entm’t v. Rock Star Videos). The Mil-Spec court specifically noted that the fact that Mattel’s BARBIE mark had “made its way into the global lexicon does not mean that every mark must do so in order for its use to be protected by the First Amendment.” See also Stewart Surfboards, 2011 U.S. Dist. LEXIS 155444, at *17 (expressly stating that it does not read the Ninth Circuit’s adoption of Rogers as limited to cases where the mark has cultural significance, noting that “the Ninth Circuit made clear in E.S.S. Entertainment that a defendant’s work need not be ‘about’ the [plaintiff’s] trademark or what the trademark signifies,,” so long as the use has some relevance to defendant’s work); Webceleb, Inc. v. Procter & Gamble Co., No. 10cv2318 DMS (BLM), 2012 U.S. Dist. LEXIS 188117, at *15-16 (S.D. Cal. Sept. 25, 2012) (noting that the plaintiff had cited district court cases requiring that the mark have “cultural significance” and be referential to plaintiff’s mark for Rogers to apply, which defendant’s mark did not, the court pointed out that the Ninth Circuit had “specifically rejected this argument,” citing E.S.S. Specifically, the court found that “Defendants need not refer to Plaintiff’s product to meet the element of artistic relevance. Indeed, Defendants’ use of the term has to be artistically relevant to their own product, not Plaintiff’s product.”); Rebellion Devs. Ltd. v. Stardock Entm’t, Inc., No. 12-12805, 2013 WL 1944888, at *3 (E.D. Mich. May 9, 2013) (“This referential requirement is simply not required by either prong of the Rogers test.”).

66 See Mil-Spec Monkey, 74 F. Supp. 3d at 1140-41 (calling Rebelution an “outlier” and pointing to the Ninth Circuit’s earlier decision in E.S.S. Entm’t v. Rock Star Videos). The Mil-Spec court specifically noted that the fact that Mattel’s BARBIE mark had “made its way into the global lexicon does not mean that every mark must do so in order for its use to be protected by the First Amendment.” See also Stewart Surfboards, 2011 U.S. Dist. LEXIS 155444, at *17 (expressly stating that it does not read the Ninth Circuit’s adoption of Rogers as limited to cases where the mark has cultural significance, noting that “the Ninth Circuit made clear in E.S.S. Entertainment that a defendant’s work need not be ‘about’ the [plaintiff’s] trademark or what the trademark signifies,,” so long as the use has some relevance to defendant’s work); Webceleb, Inc. v. Procter & Gamble Co., No. 10cv2318 DMS (BLM), 2012 U.S. Dist. LEXIS 188117, at *15-16 (S.D. Cal. Sept. 25, 2012) (noting that the plaintiff had cited district court cases requiring that the mark have “cultural significance” and be referential to plaintiff’s mark for Rogers to apply, which defendant’s mark did not, the court pointed out that the Ninth Circuit had “specifically rejected this argument,” citing E.S.S. Specifically, the court found that “Defendants need not refer to Plaintiff’s product to meet the element of artistic relevance. Indeed, Defendants’ use of the term has to be artistically relevant to their own product, not Plaintiff’s product.”); Rebellion Devs. Ltd. v. Stardock Entm’t, Inc., No. 12-12805, 2013 WL 1944888, at *3 (E.D. Mich. May 9, 2013) (“This referential requirement is simply not required by either prong of the Rogers test.”).

67 547 F.3d 1095 (9th Cir. 2008).

68 Mattel, 296 F.3d at 902.

69 E.S.S. Entm’t, 547 F.3d. at 1097.
plaintiff argued that use of “Pig Pen” had no artistic relevance and was explicitly misleading, resting its argument on the facts that “(1) the Game [was] not ‘about’ E.S.S.’s Play Pen Club the way that ‘Barbie Girl’ was ‘about’ the Barbie Doll in MCA Records; and (2) also unlike the [Mattel] case, where the trademark and trade dress at issue was a cultural icon (Barbie), the Play Pen [strip club] is not a cultural icon.” The Ninth Circuit held that ESS’s objections, though factually accurate, missed the point. It did not matter that the game wasn’t “about” the plaintiff’s club; as long as the fictional Pig Pen club had some plausible level of artistic relevance to the defendant’s game (which it did), its name met the required “low threshold” of artistic relevance.

In Twentieth Century Fox Television v. Empire Distribution, Inc., the Ninth Circuit finally addressed the question of whether the mark at issue must have obtained some “cultural significance.” In that case, Fox sought a declaratory judgment that its use of the word “Empire” as the title of a television series about a fictional music label called “Empire Enterprises” did not infringe trademark rights held by a real-life record label called “Empire Distribution.” Affirming summary judgment in favor of Fox, the Ninth Circuit first addressed the declaratory-judgment defendant’s argument that a “threshold requirement” for applying Rogers v. Grimaldi was whether the mark at issue—EMPIRE—had attained a meaning beyond its source-identifying function. Acknowledging that trademark suits “often arise when a brand name enters common parlance and comes to signify something more than the brand itself,” the court nevertheless confirmed that this was not a requirement, noting that “we apply the Rogers test in other cases as well.” Instead, the court held that “the only threshold requirement for the Rogers test is an attempt to apply the Lanham Act to First Amendment expression.”

70 Id. at 1100.  
71 Id.  
72 Id.  
73 875 F.3d 1192 (9th Cir. 2017). Just a few weeks earlier, the Ninth Circuit had reached the same conclusion, but without discussion. VIRAG, 699 F. App’x at 668 (holding “[t]he test set forth in Rogers v. Grimaldi . . . applies regardless whether the VIRAG trademark has independent cultural significance . . . or Sony’s use of the trademark within the video game serves to communicate a message other than the source of the trademark”). See also Brown, 724 F.3d at 1235 (Although not involving the association issue, in applying Rogers v. Grimaldi the court emphatically stated that the “interpretation of the ‘artistic relevance’ prong of the Rogers test in E.S.S. [was] correct.”).  
74 Twentieth Century Fox, 875 F.3d at 1195.  
75 See id. at 1197-98.  
76 Id. at 1197.  
77 Id. at 1198. See also VIRAG, 699 F. App’x at 668; but see IOW, LLC v. Michael Breus & Lauren Breus, No. CV18-1649-PHX-DGC, 2019 WL 4010737, at *12 (D. Ariz. Aug. 26, 2019) for a recent case from a district court within the Ninth Circuit denying summary
This is not to say that the cultural significance of a mark may never be relevant. As the Ninth Circuit acknowledged in the *Empire* case, trademarks transcending their identifying purpose are more likely to be used in artistically relevant ways, and trademarks that have no meaning beyond their source-identifying function are more likely to be used in ways that have no artistic relevance to the underlying work whatsoever if they merely borrow another's property to get attention.  

The Ninth Circuit found that Fox used the common English word “empire” for artistically relevant reasons, namely because the show was set in the Empire State (New York) and its subject matter was a family music “empire.” Conceding that Fox’s *Empire* title was relevant to its series in that sense, the declaratory-judgment defendant nevertheless argued that the relevant inquiry was not whether Fox’s title referred to characteristics of Fox’s own series, but whether it referred to Empire Distribution’s music label. But the court was also clear on this point: “This referential requirement does not appear in the text of the *Rogers* test, and such a requirement would be inconsistent with the purpose of the first prong of *Rogers*.” Because there was at least some level of artistic relevance, the first prong of *Rogers v. Grimaldi* was satisfied.

Closing the door to further misinterpretation, the Ninth Circuit spelled out exactly “how a work fails the first prong of the *Rogers* test: by bearing a title which has no artistic relevance to the work. A title may have artistic relevance by linking the work to another mark, as with ‘Barbie Girl,’ or it may have artistic relevance by supporting the themes and geographic setting of the work, as with *Empire*. Reference to another work may be a component of artistic relevance, but it is not a prerequisite.”

The Ninth Circuit’s resolution of the “cultural significance” question also made clear that *Rogers* applies in reverse confusion cases. In a case involving a fictional software product called CLEAN SLATE in the Batman film *The Dark Knight Rises*, the plaintiff alleged that use of that mark for the fictional software in the film judgment to defendants’ use of non-fiction book title, erroneously citing *Rebelution* and other superseded district court cases and finding “no demonstrated independent expressive, artistic, or cultural meaning apart from its content-describing function,” therefor the use “implicates none of the First Amendment concerns that *Rogers* was adopted to safeguard.”

78 *Twentieth Century Fox,* 875 F.3d at 1198 (citing Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc., 109 F.3d 1394, 1401 (9th Cir. 1997) (holding that an account of the O.J. Simpson murder trial titled “The Cat NOT in the Hat!” borrowed Dr. Seuss’s trademark and poetic style only to “‘get attention’ or maybe even ‘to avoid the drudgery in working up something fresh’”).

79 875 F.3d at 1198.

80 *Id.*

81 *Id.*

82 *Id.* at 1199.
infringed its rights in its own real-life CLEAN SLATE software product. Because the defendant Warner Bros. was the much larger user and extensively advertised and promoted its movie, the plaintiff argued that the defendant’s use was likely to cause “reverse confusion,” and that Rogers applied only to cases involving traditional forward confusion. The plaintiff’s argument was based on its belief that Rogers applied only to marks that had cultural significance, and only when a defendant used the mark to reference the senior use. “In other words, in a case of reverse confusion the defendant is not trying to use the plaintiff’s mark expressively, or availing itself illegitimately of the plaintiff’s reputation—the foundational rationale of Rogers and its progeny.” The court disagreed, holding definitively that “the Rogers test applies to reverse confusion cases.” The court separately held that, even in a traditional reverse likelihood-of-confusion case not implicating First Amendment concerns, the plaintiff could not prevail because no reasonable consumer would believe that Fortres Grand’s software emanated from Warner Bros. The plaintiff appealed only this latter ruling. In upholding the grant of Warner Bros.’ motion to dismiss because the allegations of reverse confusion were “too implausible to support costly litigation,” the Seventh Circuit did not weigh in on the district court’s finding that Rogers applied to reverse confusion cases. Presumably, however, with the “cultural significance” issue firmly put to rest by the Ninth Circuit, there is no reason for courts not to apply the Rogers test in reverse confusion cases involving creative works.

B. Explicitly Misleading

Although the “above zero” standard for meeting the artistic-relevance prong appears to be consistent across all circuits that have applied Rogers, the method for determining whether a use is explicitly misleading is not, as shown below.

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83 Fortres Grand Corp., 947 F. Supp. 2d at 924.
84 Id. at 932. See discussion supra note 14.
85 Id.
86 Id. at 933 (citing other cases where Rogers has been applied to reverse confusion cases, namely Webceleb, 2012 U.S. Dist. LEXIS 188117 and DeClemente v. Columbia Pictures Indus., 860 F. Supp. 30 (E.D.N.Y. 1994)). See also Martha Elizabeth, Inc., 2011 WL 1750711.
88 Fortres Grand Corp., 763 F.3d at 696.
89 Twentieth Century Fox, 875 F.3d at 1198. This “cultural significance” argument was the same used by the plaintiff in Masters Software, 725 F. Supp. 2d at 1294 to argue that Rogers was inapplicable in its reverse confusion case.
1. “Explicitly Misleading” in the Second Circuit

When the Second Circuit created its balancing test in *Rogers v. Grimaldi*, it thoroughly analyzed the phrase “explicitly misleading.” Examples the court gave of what would be explicitly misleading as to source included *NIMMER ON COPYRIGHT* and *JANE FONDA’S WORKOUT BOOK*, for works where neither Mr. Nimmer nor Ms. Fonda were associated, or “an authorized biography” when the subject had not given authorization at all. The court gave use of the title *THE TRUE LIFE STORY OF GINGER AND FRED* as an illustration of the type of use of Ms. Rogers’s name that would have explicitly misled as to content, since the film, in fact, was about an Italian couple known as the “Ginger and Fred” of Italy. In giving these examples and explaining what was required, the court used the word “explicit,” which is defined as “stated clearly and in detail, leaving no room for confusion or doubt,” more than ten times, and contrasted it with uses where the title might implicitly suggest an endorsement or association. Where the possibility of confusion exists only because of an implicit suggestion, that risk is “outweighed by the danger of restricting artistic expression.”

Acknowledging that “some members of the public would draw the incorrect inference that Rogers had some involvement with the film” by reason of its title, the court nevertheless held that “that risk of misunderstanding, not engendered by any overt claim in the title, is so outweighed by the interests in artistic expression as to preclude application of the Lanham Act.” To drive the point home, the court held emphatically that a “possibly misleading meaning not the result of explicit misstatement[ ] precludes a Lanham Act claim.”

Although the *Rogers* court believed that “in general the [Lanham] Act should be construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression,” the specific holding of the case was more narrow: “In the context of allegedly misleading titles using a celebrity’s name, that balance will normally not support application of the Act unless the title has no artistic relevance to the underlying work whatsoever, or, if it has some artistic relevance, unless the title explicitly misleads as to the source or the content of

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91 Rogers, 875 F.2d at 999.
92 Id. at 1000.
94 *Implicitly* is defined as “in a way that is not directly expressed; tacitly.” *Implicitly*, Oxford Dictionaries, https://en.oxforddictionaries.com/definition/implicitly (last visited Aug. 5, 2019).
95 Rogers, 875 F.2d at 1000.
96 Id. at 1001 (emphasis added).
97 Id. (emphasis added).
the work.”98 Making it arguably narrower still, the court dropped in footnote 5: “This limiting construction would not apply to misleading titles that are confusingly similar to other titles. The public interest in sparing consumers this type of confusion outweighs the slight public interest in permitting authors to use such titles.”99

Although it appears that footnote 5 was meant only to exempt disputes between titles from the specific requirement that the defendants have engaged in an explicitly misleading act rather than its broader interpretation that the Lanham Act should be construed narrowly in cases involving artistic works, the footnote cast some doubt over whether the Rogers balancing test would apply at all in competing title cases.100 That doubt was quickly resolved, however, by the Second Circuit’s later decisions in Cliffs Notes and Twin Peaks.

Just four months after issuing Rogers, the Second Circuit faced another dispute involving an expressive work, but this time instead of a false endorsement claim, the dispute hinged on whether the cover of Spy Notes, a parody of the popular Cliffs Notes study guides, constituted trademark infringement.101 Applying the traditional Polaroid likelihood-of-confusion factors,102 the district court had concluded that there was “a very strong” and “profound likelihood of confusion.”103 Although it “seriously doubt[ed] whether the special balancing test enunciated in Rogers” would apply to a non-title case, the district court nonetheless believed that the plaintiff should prevail “[e]ven adopting the standard used by the Rogers Court.”104 However, in making that finding, the district court did not undertake the two-part Rogers analysis, but instead merely

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98 Id. at 999.
99 Id. at 999 n.5.
102 The Polaroid factors include: (1) strength of the plaintiff’s mark; (2) degree of similarity between the marks; (3) the proximity of the products; (4) the likelihood that the plaintiff will bridge the gap between the two markets; (5) the existence of actual confusion; (6) the defendant’s intent in adopting the mark; (7) the quality of defendant’s product; and (8) sophistication of the purchasers. Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492, 495 (2d Cir. 1961). These same factors are known as the Sleekcraft factors in the Ninth Circuit. Other circuits use similar multi-factor tests.
103 Cliffs Notes, 718 F. Supp. at 1168.
104 Id. at 1163, 1168. The court elaborated that its belief that “[a] cover that sends the message, ‘This is a Cliff’s Notes product,’ explicitly sends the message that Cliff’s endorsed the product, and this message brings Spy Notes within the purview of the Lanham Act.”
concluded that because there was a likelihood of confusion the use was explicitly misleading, and it issued a preliminary injunction.105

On appeal, the Second Circuit rejected the assumption that the Rogers test was limited to false endorsement cases, and definitively found that “the overall balancing approach of Rogers and its emphasis on construing the Lanham Act ‘narrowly’ when First Amendment values are involved” were applicable.106 Moreover, the plaintiff argued that Rogers was inapplicable because it “does not protect ‘misleading titles that are confusingly similar to other titles,’” which were part of the overall book covers.107 The Second Circuit disagreed, however, clarifying that its earlier “language says only that where a title is complained about because it is confusingly similar to another title, the Rogers rule that titles are subject to the Lanham Act’s false advertising prohibition only if explicitly misleading is inapplicable.”108 Emphatically, the court stated: “we hold that the Rogers balancing approach is generally applicable to Lanham Act claims against works of artistic expression . . . [because] this approach takes into account the ultimate test in trademark law, namely, the likelihood of confusion.”109

Vacating the preliminary injunction, the Second Circuit held that “the district court erred as a matter of law in concluding on the record before it that there was a strong likelihood of confusion” because it did not give proper weight to the defendant’s First Amendment considerations.110 In a footnote, and with no elaboration, the court noted: “[A]s is clear from the above discussion, we also believe that the district court’s finding that the cover of Spy Notes is explicitly misleading is clearly erroneous.”111

A few years later, the District Court for the Southern District of New York rendered its opinion in Girl Scouts v. Bantam Doubleday.112 In response to the plaintiff’s urging that the court apply the Polaroid factors to its claim that use of the term SCOUTS in the title and content of the defendant’s books infringed plaintiff’s mark, the court believed that it was “possibly not required to do so

105 Id. at 1168.
107 Id.
108 Id.
109 Id. at 495. The court noted that “the Polaroid test is at best awkward in the context of parody” and thus “should be applied with proper weight given to First Amendment considerations.” Id. at 495 n.3.
110 Id. at 497.
111 Id. at 497 n.6.
in light of Cliffs Notes and Rogers.” Ultimately, however, the court did consider the Polaroid factors, but concluded that although the defendant’s use of its title and content “could engender some consumer confusion as to source, no overt references to Plaintiffs’ trademarks” were made. Thus, applying the Rogers balancing test, it granted summary judgment to defendant.

The following year, the First Amendment issue was back before the Second Circuit in a case directly involving competing titles. The District Court for the Southern District of New York had found that the television show title TWIN PEAKS was infringed by a compendium book title WELCOME TO TWIN PEAKS: A COMPLETE GUIDE TO WHO’S WHO AND WHAT’S WHAT, based solely on its assessment that “a substantial number of reasonably prudent purchasers, on seeing the name Twin Peaks as part of the title of the Book would be led to believe that plaintiff was the source of the goods.” The district court had reached this conclusion without considering the defendant’s First Amendment rights. Finding this to be clearly erroneous, the Second Circuit found “little question” that the title was artistically relevant to the defendant’s book, and then considered “whether the title is misleading in the sense that it induces members of the public to believe the Book was prepared or otherwise authorized” by the plaintiff. Instead of looking at whether the defendant had made any explicit statements about this, as the Rogers court had done, presumably because the case was a dispute between titles and covered by footnote 5, the court instead held that “[t]his determination must be made, in the first instance, by application of the venerable Polaroid [likelihood-of-confusion] factors.” If, after applying the Polaroid factors, a likelihood of confusion is found, it must be “particularly compelling to outweigh the First Amendment interest recognized in Rogers.”

Notably, Judge Newman, author of the Rogers opinion, also penned the Twin Peaks opinion and was on the panel that decided Cliffs Notes, which should quell any arguments that these decisions are inconsistent or that the Rogers test does not apply to title-

113 Id. at 1122 (“In neither Cliffs Notes nor Rogers did the Second Circuit explicitly employ the Polaroid factors in weighing the trademark rights of the plaintiffs against the First Amendment implications of artistic expression.”).

114 Id. at 1130 (emphasis added).

115 Id. at 1119.

116 Twin Peaks Prods., Inc. v. Publ’ns Int’l, Ltd., 996 F.2d 1366 (2d Cir. 1993).


118 Id.

119 Twin Peaks, 996 F.2d at 1379.

120 Id. It remanded the case back to the District Court for an assessment of the likelihood-of-confusion factors.

121 Id.
versus-title cases. Rather, these three cases represent an evolution of the principal that the Lanham Act must be construed narrowly when First Amendment rights are implicated and provide a roadmap for how that is to be done.122

Shortly after this trilogy of Second Circuit cases, the District Court for the Southern District of New York decided a dispute between the titles THE BOOK OF VIRTUES and THE CHILDREN’S BOOK OF VIRTUES.123 The defendant argued that its title was not infringing because it had not engaged in explicit misstatements.124 The district court disagreed. Examining footnote 5 in the Rogers opinion and the later application of Rogers in Cliffs Notes and Twin Peaks, the district court concluded that “Rogers did not require that such a test be applied when a title is misleadingly similar to another title. Rather, Rogers set forth a balancing approach ‘generally applicable to Lanham Act claims against works of literary expression.’”125 The court believed that “[the defendant’s] argument that its titles do not ‘explicitly mislead’ (i.e., [the defendant’s] books are not titled ‘William Bennett’s Book of Virtues’) misses the mark.”126 Instead, the court held in this dispute between two competing titles that the likelihood-of-confusion factors should be applied, and any likelihood of confusion would have to be particularly compelling to outweigh the First Amendment.127 After careful consideration, the court found the likelihood of confusion sufficiently compelling to outweigh any potential First Amendment interests, and enjoined the defendant’s use.128 Although explicit misstatements were not required, the defendant’s actions were nevertheless relevant, as the district court found that defendant had deliberately selected the title “in a blatant and ill-conceived effort to piggy-back on the good will associated with [plaintiff’s] best-selling title.”129

In the following years, numerous federal district courts within the Second Circuit applied the Rogers balancing test in cases involving artistic works. The vast majority involved disputes between titles. In each of those cases, the district courts followed the mandate set forth in Twin Peaks that they must first apply the Polaroid factors in competing title cases to determine whether there

123 Id.
124 Id. at 296.
125 Id.
126 Id.
127 Id.
128 Id. at 300.
129 Id. at 301.
is a likelihood of confusion. If there is no likelihood-of-confusion, the analysis is complete. If, on the other hand, there is a likelihood of confusion, the use will be found infringing only if the court finds it a “particularly compelling” likelihood of confusion that renders the title explicitly misleading.130

Only a few of the district court cases within the Second Circuit applying Rogers have not involved two titles of competing creative works, including the four most recent cases from the District Court for the Southern District of New York.

In Cummings v. Soul Train Holdings LLC,131 the district court granted the defendant’s motion to dismiss a Lanham Act false-endorsement claim alleging that the inclusion of the plaintiff’s image, likeness, and voice in DVD sets containing a television program in which he had appeared violated his rights, finding that the plaintiff failed “to plead facts showing that Defendants explicitly misled consumers, as required by Second Circuit law.”132 In finding that the defendant’s use was not explicitly misleading, the court noted that the complaint contained “only conclusory allegations that Defendants’ inclusion of Plaintiff in the DVD sets and promotional materials ‘caused confusion and mistake to consumers, would-be consumers, [and] fans,’” which did not “suffice to plead that Defendants’ inclusion of Plaintiff ‘explicitly misleads as to the source or content of the work.’”133 Because this was not a dispute between titles, but rather a false endorsement case, the court proceeded as the original Rogers court had and looked only for explicit misstatements or overt actions. The court neither mentioned Twin Peaks nor undertook an analysis of the Polaroid likelihood-of-confusion factors.

In Medina v. Dash Films, Inc., the district court dismissed a claim that the title LOISIDAS for a video series infringed the rights in a band called “Loisidas.”134 Finding that the complaint was “devoid of concrete allegations that defendants attempted to suggest that the plaintiff’s duo produced the work,” the court noted that the materials promoting the work truthfully informed the reader that defendants were the producers.135 The court also noted that there was nothing to show that the title of the video series would be

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132 Id. at 605.
133 Id. at 606 (citing Brown, 724 F.3d at 1239, 1248 (noting that, while complaint alleged video game had “no artistic relevance” and defendant “attempted to mislead consumers about [plaintiff’s] involvement” in video game, “none of the facts asserted in support of these legal conclusions actually justify the conclusions.”)).
135 Id. at *5.
viewed as a source identifier. And, as in Rogers, the Medina court did not undertake an analysis of the Polaroid factors.

Next, a district court in the Southern District of New York decided whether the characters and lettering style of the title of a play entitled Who’s Holiday! meant to parody the Dr. Seuss book The Grinch Who Stole Christmas were protected by the First Amendment under Rogers. In granting the motion to dismiss the trademark infringement claims, the court simply concluded that any risk of consumer confusion was outweighed by public interest in free expression. It mentioned neither the Polaroid factors nor Twin Peaks. On appeal, the Second Circuit held in an unpublished opinion that the Rogers balancing test applied, and agreed with the district court that “the public’s interest in free speech here outweighs [plaintiff’s] interest in protecting its trademarks.”

Finally, in the most recent case out of the Second Circuit, a district court dismissed a false endorsement claim made by Bobby Brown against Showtime networks for using footage of him in a documentary about his late wife Whitney Houston. After finding use of the footage artistically relevant to the film, the court dismissed the claim, finding that plaintiff had not pled any facts demonstrating that Showtime’s use of the footage was explicitly misleading as to source or content of the film. As the case was not a dispute between titles, it made no mention of the Polaroid factors.

In summary, a careful review of the decisions rendered by courts in the Second Circuit in the thirty years since Rogers leads to the conclusion that in the Second Circuit, the two-part balancing test is generally applicable to all Lanham Act claims involving artistic works. In cases where an artistic work allegedly infringes another party’s trademark rights, courts will find the use explicitly misleading only where the defendant engaged in an overt act or express misstatement. Mere use of the mark alone will not be sufficient, even if some consumers may be confused, unless the defendant did something to engender the confusion. In cases involving two competing titles, however, courts will determine whether the use is explicitly misleading by first considering the Polaroid factors, and, if a likelihood of confusion is found, the court will determine whether it is of a sufficiently compelling level to outweigh First Amendment concerns.

136 See id.
138 Id.
2. “Explicitly Misleading” in the Fifth Circuit

The Fifth Circuit has stated that it “has adopted the Second Circuit’s approach,” but interestingly it determines whether a use is explicitly misleading by applying the likelihood-of-confusion factors even in cases not involving disputes between titles. In *Westchester Media v. PRL USA Holdings, Inc.*, the court was tasked with determining whether use of POLO for a magazine title infringed the trademark rights of the Ralph Lauren POLO brand. In a bench trial, the District Court for the Southern District of Texas found a likelihood of confusion and permanently enjoined use of the magazine title. The Fifth Circuit affirmed the finding of likelihood of confusion and that it was particularly compelling, but remanded the case back to the district court for a determination of the appropriate remedy. Other than as part of considering the likelihood-of-confusion analysis, the court did not look for any overt actions or misstatements as the determining factor of whether the use of the magazine title was explicitly misleading, as would have been done by the Second Circuit.

Only one subsequent district court case within the Fifth Circuit has involved *Rogers*. In that case, Beyoncé’s song “Formation” included short clips of a comedian/performance artist reciting lines from his works. The comedian’s estate alleged that the unauthorized inclusion of the lines in his voice constituted false endorsement. The court found that that plaintiffs’ allegations that Beyoncé had “used and exploited” his voice as “the seed from which the entire song grows” and “failed to give credit or compensation” for the use was sufficient evidence that her conduct had been explicitly misleading to survive the motion to dismiss. This was not a decision on the merits, and the court did not mention or engage in an analysis of the likelihood-of-confusion factors.

3. “Explicitly Misleading” in the Ninth Circuit

In stark contrast, the likelihood-of-confusion factors are never considered in the Ninth Circuit, even in cases involving competing titles.

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141 Westchester Media Co. v. PRL USA Holdings, Inc., 214 F.3d 658, 665 (5th Cir. 2000) (citing Sugar Busters, LLC v. Brennan, 177 F.3d 258, 269 n.7 (5th Cir. 1999)).
142 Westchester, 214 F.3d at 663 (affirming declaratory judgment that magazine title was infringing).
144 Westchester Media, 214 F.3d at 675.
146 Id. at 945.
147 Id. at 946.
When the Ninth Circuit “adopt[ed] the Rogers standard as [its] own” in 2002, it did so in the context of a case involving use of a non-artistic mark (BARBIE for a doll) as the title of an artistic work (BARBIE GIRL for a song title). Because the Mattel case, like the Rogers case, did not involve a dispute between artistic titles, there was no need for the court to consider Rogers’s footnote 5 or to consider the likelihood-of-confusion factors. Inevitably, however, title dispute cases were brought in federal district courts within the Ninth Circuit, and alleged infringers raised questions regarding footnote 5.

In Kiedis v. Showtime Networks, the band Red Hot Chili Peppers alleged that the Showtime television series title CALIFORNICATION infringed its rights in its identically titled record album. In denying Showtime’s motion to dismiss, the District Court for the Central District of California assumed that when the Ninth Circuit “adopted the reasoning of Rogers, it adopted all of Rogers, and not just the part that was relevant to the decision in [Mattel].” Thus, the court believed that footnote 5 in Rogers precluded it from holding “as a matter of law, that Defendants are entitled to the across-the-board protection of the two-part test used in the [Mattel] case.” However, the court stated that “when the facts are fully developed, the two uses of ‘Californication’ [could] turn out not to be confusingly similar in the contexts in which they are found” but that was “a factual issue not appropriate for resolution without examining the evidence.”

Just a few months later, the District Court for the Northern District of California came to a different conclusion. In Capcom Co. v. The MKR Group, the court easily found that the title DEAD RISING for a video game about zombies did not infringe the rights in a similarly themed film about zombies entitled Dawn of the Dead. With no discussion of Rogers’ footnote 5, the court held that

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148 Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 902 (9th Cir. 2002).
149 Similar to the Polaroid factors, in the Ninth Circuit these are referred to as the Sleekcraft factors. See AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 348-49 (9th Cir. 1979).
151 Id. at *4.
152 Id.
153 Id. at *5. In response to the defendant’s argument that a dispute between a title of a song and the title of a television series should be treated differently from a dispute between two television series or two song titles, the court held that “[n]othing in MCA or any subsequent Ninth Circuit case . . . suggests that the two-part MCA test should be applied differently to a work that is in ‘direct competition’ with an allegedly infringing work than to a work that is not.” Id. at *4. The Ninth Circuit later addressed this issue in Gordon v. Drape Creative. See infra Part III.B.3.
155 Id.
there would be an infringement only if the title was found to “explicitly mislead as to the source of the work, which it simply does not do.”

The issue was soon back before the District Court for the Central District of California in *Roxbury Entertainment v. Penthouse Media Group*, a case alleging that use of the title ROUTE 66 for a pornographic film infringed the trademark rights of owners of the Route 66 television program. Again with no discussion of footnote 5, the court easily concluded that “the Rogers test provides a complete defense to all of Plaintiff’s claims,” in this case because the title was artistically relevant to the film and there was “nothing to indicate that there [was] any risk of Defendants’ use of the mark ‘duping’ consumers into thinking they [were] buying a product sponsored by, or in any way affiliated with, Plaintiff or the 1960s television series in which it owns rights.”

But the next ruling from the District Court for the Central District of California involving a dispute between two titles did reference footnote 5. In *Wild v. HarperCollins Publishers, LLC*, the court denied the defendant’s motion to dismiss where the plaintiff had alleged that the defendant had “deliberately chose[n] a confusingly identical title for its competing book in the same genre,” namely CARNIVAL OF SOULS for books for a young adult audience focused on supernatural beings, love story elements, and violence. Although not specifically finding Rogers inapplicable based on its footnote 5, the court concluded that allegations concerning the defendant’s intent created a factual question as to whether the defendants’ book was “likely to confuse consumers as to the origin of its source.”

The Rogers footnote 5 was examined in much greater detail in *CI Games S.A. v. Destination Films*, which considered whether a movie entitled *Sniper: Ghost Shooter* infringed the trademark rights in a video game entitled *Sniper: Ghost Warrior* with similar themes. Rejecting the argument that the Rogers balancing test was wholly inapplicable because of its footnote 5, the district court concluded that “Ninth Circuit precedent weighs in favor of applying the Rogers test to all trademark cases in which the alleged infringement occurs in an expressive work, including when an infringing title is allegedly confusingly similar to a previous title.”

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156 Id.
158 Id. at 1175-76.
160 Id.
162 Id. at *3; see also Reflex Media, Inc. v. Pilgrim Studios, Inc., No. CV 18-2260-GW(FFMx), 2018 WL 6566561 (C.D. Cal. 2018) (dismissing claim that title LOVE AT FIRST FLIGHT
But the court recognized, as the Rogers court had believed, that the analysis of the “explicitly misleading” prong is different in the context of two confusingly similar titles because these cases present a greater likelihood of consumer confusion.\textsuperscript{163}

Unlike the Second Circuit’s determination in Twin Peaks that the “explicitly misleading” prong in title-versus-title cases must be satisfied by first applying the likelihood-of-confusion factors, the court in CI Games disagreed with that approach, stating that the analysis of this prong cannot possibly be equivalent to the “likelihood of confusion” test employed in Sleekcraft. Courts apply the likelihood of confusion test when First Amendment concerns are not implicated. (citation omitted). In other words, the test applies when the Rogers test is found inapplicable. Therefore, incorporating the likelihood-of-confusion test into the Rogers test would render the second prong of the Rogers test a nullity, as the same test would again be applied to cases that fail the Rogers analysis.\textsuperscript{164}

Rejecting the defendant’s argument that its use of the title was not “explicitly misleading” because it had made no affirmative statements of sponsorship or endorsement, the CI Games court explained that the defendant had “misunderstood the purpose of the second prong [of Rogers] in the context of confusingly similar titles.”\textsuperscript{165} As the court explained, consumers do not typically expect a title to identify the publisher or producer of a work, but rather to communicate some message about the work’s content.\textsuperscript{166} But “[t]he same conclusions are not relevant when the case involves confusingly similar titles. The title of a movie, if confusingly similar to the title of a video game series, absolutely would suggest to consumers that the producer of the video game is also the producer of the movie.”\textsuperscript{167} Thus, the court believed that if the evidence ultimately showed that the defendant intended to create confusion, even without making explicit misstatements, such evidence could be sufficient to show that the use was explicitly misleading.

The CI Games court concluded that the plaintiff had at least presented sufficient factual allegations to survive the motion to dismiss.\textsuperscript{168} But it denied the plaintiff’s motion for a preliminary injunction because the plaintiff’s reliance only on “accusations and

\begin{footnotes}
\item[163] Id.
\item[164] Id. at *3 n.3, *9.
\item[165] CI Games, 2016 WL 9185391, at *8.
\item[166] Id.
\item[167] Id. at *9.
\item[168] Id.
\end{footnotes}
speculation” and “its own insinuations and innuendo” that the plaintiff’s game was the source of the defendant’s inspiration failed to demonstrate a “clear showing” that it would ultimately overcome the First Amendment defense or succeed on the merits.169

Finally, the Ninth Circuit also weighed in on the “explicitly misleading” issue in Twentieth Century Fox v. Empire Distribution.170 Fox sought a declaratory judgment that its television show title EMPIRE did not infringe the trademark rights in a real-life record label called “Empire Distribution.” Empire Distribution, however, counterclaimed not only that Fox’s use of EMPIRE as a television series title was infringing, but also that Fox used the mark as the title of at least two soundtrack albums.171 Because Empire Distribution alleged it had used its EMPIRE mark on many of its own albums,172 it also positioned the case as a title-versus-title dispute, and asserted footnote 5 to argue that the Rogers balancing test should not apply at all.173 The Ninth Circuit disagreed, holding that “the exception the footnote suggests may be ill-advised or unnecessary” and “conflicts with our precedents, which dictate that we apply the Rogers test in all . . . cases involving expressive works.”174

Empire Distribution also argued that Rogers should not apply because Fox used the EMPIRE mark not just as an artistic title, but as an “umbrella brand” for a larger commercial enterprise including the sale of collateral merchandise, musical recordings, and other promotional activities.175 The court disagreed, stating that “[a]lthough it is true that these promotional efforts technically fall outside the title or body of an expressive work, it requires only a minor logical extension of the reasoning of Rogers to hold that works protected under its test may be advertised and marketed by name, and we so hold.”176 Furthermore, cautioning that “[t]he balance of First Amendment interests struck in Rogers and Mattel could be destabilized if the titles of expressive works were protected but could not be used to promote those works,” the court held that

169 Id. at *12.
170 875 F.3d 1192 (9th Cir. 2017).
171 Id. at 1195.
172 Alleged titles were EMPIRE Presents: Triple X-Mas, EMPIRE SAMPLER, EMPIRE SELECTS, and EMPIRE Unplugged, among others. Appellant Empire Distribution, Inc.’s Reply Brief at 7, Twentieth Century Fox Television, 875 F.3d at 1192 (No. 16-55577).
173 Twentieth Century Fox, 875 F.3d at 1197.
174 Id.
175 Id. at 1198. Empire Distribution also raised the possibility that the EMPIRE television series was “a pretextual expressive work meant only to disguise a business profiting from another’s trademark,” but the court held that “the record in this case makes clear that the Empire show is no such thing.” Id.
176 Id. at 1196-97.
“Fox’s promotional activities, including those that generate revenue, are auxiliary to the television show and music releases, which lie at the heart of its ‘Empire’ brand.”

Finally, the Fox court cautioned against “conflat[ing] the second prong of the Rogers test with the general Sleekcraft likelihood-of-confusion test, which applies outside the Rogers context of expressive works.” Instead, the court held that “[t]o fail the second prong of the Rogers test, ‘[i]t is key . . . that the creator must explicitly mislead consumers’” through an “explicit indication, ‘overt claim,’ or ‘explicit misstatement’” that caused consumer confusion.

Because there was no evidence that Fox had made any explicit misstatements, let alone explicit misstatements that caused consumer confusion, and because Fox’s promotional activities—including release of musical recordings and the sale of collateral merchandise bearing the EMPIRE mark—were also protected as auxiliary to the Empire television series, the Ninth Circuit granted summary judgment to Fox on all claims.

Following this Ninth Circuit clarification confirming the applicability of the Rogers balancing test in competing title cases, a court in the Southern District of California considered the balancing test in a dispute involving the book titles OH THE PLACES YOU’LL GO and OH THE PLACES YOU’LL BOLDLY GO. Evaluating the plaintiff’s trademark claim “under the Rogers test as it has been interpreted by the Ninth Circuit” in Twentieth Century Fox, the court found that in the absence of explicit misstatements that the defendant’s work is associated with or endorsed by the plaintiff, it did not meet the explicitly misleading prong and therefore summary judgment was appropriate.

None of the other Ninth Circuit cases applying Rogers had involved disputes between competing titles. In another case involving the iconic BARBIE mark, a series of photographs featuring a BARBIE doll in absurd positions often involving kitchen appliances that used the title FOOD CHAIN BARBIE was found not to infringe Mattel’s BARBIE mark because the defendant made no indication that Mattel in any way created or sponsored the photographs.

177 Id. at 1197.
178 Id. at 1199
179 Id. (alteration in original).
180 See id. at 1200.
182 Id.
183 Mattel Inc. v. Walking Mountain Prods., 353 F.3d 792, 807 (9th Cir. 2003).
In *E.S.S. Entertainment v. Rock Star Videos*, a case involving the use of a mark identifying a strip club within a fictional world in a video game, the court extended *Rogers* from titles of works to elements of works, and held that use of the mark within the game would not confuse players into thinking that the real-life strip club was sponsoring or endorsing the game.\(^{184}\) The court also affirmed summary judgment in favor of Sony in a similar case, where the plaintiff had not alleged any “explicit indication, overt claim, or explicit misstatement” on the part of Sony that would cause consumers to believe the plaintiff was the source of the game.\(^{185}\)

Then in *Brown v. Electronic Arts*, another video game case, former professional football player Jim Brown alleged that use of his name and likeness in the MADDEN NFL video game franchise violated Section 43(a) of the Lanham Act.\(^{186}\) The Ninth Circuit affirmed the district court’s granting of the motion to dismiss Brown’s claims, and used this case as an opportunity to elaborate on what type of evidence is relevant for finding a use “explicitly misleading.”\(^{187}\)

According to the Ninth Circuit, “the factual support Brown offer[ed] [wa]s simply of the wrong type.”\(^{188}\) First, Brown argued that “written materials that accompanied versions of the game . . . explicitly represent[ed] that Brown was in EA’s game” by stating that the game contained “[f]ifty of the NFL’s greatest players.”\(^{189}\) The court found that this true statement proved only that Brown’s likeness was in the game, not that Brown had endorsed the game.\(^{190}\) Instead, “Brown would need to demonstrate that EA explicitly misled consumers as to his involvement,” not that his likeness was in the game.\(^{191}\)

Second, Brown submitted survey evidence showing that a majority of the public believed that identifying marks cannot be included in products without permission.\(^{192}\) But the court explained that “survey evidence changes nothing” because even if a survey showed consumer confusion, “that would not support [a] claim that the use was explicitly misleading”\(^{193}\) because evidence must “relate

\(^{184}\) 547 F.3d 1095, 1100-01 (9th Cir. 2008).

\(^{185}\) VIRAG, 699 F.App’x at 668.

\(^{186}\) 724 F.3d 1235, 1239 (9th Cir. 2013).

\(^{187}\) *Id.* at 1245-48.

\(^{188}\) *Id.* at 1248.

\(^{189}\) *Id.* at 1246.

\(^{190}\) *Id.*

\(^{191}\) *Brown*, 724 F.3d at 1248 (emphasis in original).

\(^{192}\) *Id.* at 1245.

\(^{193}\) *Id.* at 1245-46. The Sixth Circuit has also rejected the relevance of survey evidence to the “explicitly misleading” prong of *Rogers*. *ETW Corp.*, 332 F.3d at 937.
to the nature of the behavior of the identifying materials user, not the impact of the use.\textsuperscript{194}

The court concluded that Brown's evidence demonstrated only that "the public can generally be misled about sponsorship when marks are included in products" and that "EA explicitly stated that Brown’s likeness appears" in the game, which did not establish that EA engaged in any acts that explicitly misled consumers as to Brown's endorsement of the game.\textsuperscript{195}

Although the Rogers court had also found that survey evidence would not support a finding that a use was explicitly misleading, district courts within the Second Circuit have found survey evidence relevant in disputes between titles, where the likelihood-of-confusion factors were considered.\textsuperscript{196} The Fifth Circuit, the only other circuit requiring consideration of likelihood-of-confusion factors, considered survey evidence as part of the likelihood-of-confusion analysis in Westchester Media.\textsuperscript{197}

Not surprisingly, such a deliberate attempt to "dupe" consumers, as the controlling Ninth Circuit cases require, has rarely been found, despite a plethora of cases.\textsuperscript{198} There are only two such decisions, one finding deliberate misstatements to mislead as to content, and the other finding deliberate misstatements to mislead as to source.

In Titan Sports, Inc. v. 3-G Productions, the plaintiffs objected to videotapes featuring its WWE marks and images of its professional wrestlers.\textsuperscript{199} Although the videos were of matches that occurred before the wrestlers were associated with the plaintiffs, the

\textsuperscript{194} Brown, 724 F.3d at 1246.

\textsuperscript{195} Id. at 1248.

\textsuperscript{196} Simon & Schuster, Inc., 970 F. Supp. at 289.

\textsuperscript{197} Westchester Media, 214 F.3d at 667.

\textsuperscript{198} See, e.g., Stewart Surfboards, 2011 WL 12877019, at *7 (granting motion to dismiss and giving examples of what would have been explicitly misleading uses of the STEWART SURFBOARD mark as "BROUGHT TO YOU BY STEWART SURFBOARDS" and "PRESENTED BY STEWART SURFBOARDS"); Webceleb, 2012 WL 12846096, at *5 (granting summary judgment that use of WEBCELEB for a category of the People's Choice Awards did not infringe plaintiff's rights in the mark or an online social marketplace for music); Novologic, 41 F. Supp. 3d at 901 (granting summary judgment to defendant where plaintiff did not "claim or suggest in any way that [the work] was made with the participation or endorsement of Plaintiff"); Mil-Spec Monkey, 74 F. Supp. 3d at 1143 (granting summary judgment to defendant where plaintiff MSM had not "put forth a single argument that Activision ha[d] affirmatively purported in any way to share a relationship with MSM"); Harold Lloyd Entm't, 2015 WL 12765142, at *11 (dismissing claims that use of plaintiff's film clip within defendant's multimedia work was explicitly misleading where the work made no direct reference to plaintiff and the website promoting the work contained nothing that would mislead a consumer into believing that plaintiff had "sponsored or endorsed the work"); Reflex Media, 2018 WL 6566561, at *6 (dismissing complaint containing nothing more "than conclusory allegations" that use of an identical title for a reality dating series was explicitly misleading).

videotape cases and packaging featured current pictures of the wrestlers as they were widely known to the public. The District Court for the Central District of California found that the performance titles HULK HOGAN and RANDY “MACHO MAN” SAVAGE had clear artistic relevance to the defendant’s videos featuring those named wrestlers. But the titles and images portrayed on the video boxes were explicitly misleading of the actual content of the videos because the videos intentionally displayed current pictures of the wrestlers, instead of pictures taken of them when the older matches depicted in the videos took place. Accordingly, the interest in avoiding consumer confusion outweighed the public interest in free expression.

Similarly, in Warner Bros. v. Global Asylum, Inc., the District Court for the Central District of California found language on DVD cases a sufficient overt act to find the defendant’s actions explicitly misleading as to source. In that case, Warner Bros., on the eve of the premier of its blockbuster film The Hobbit: An Unexpected Journey, sought to enjoin the defendants’ release of a “mockbuster” entitled Age of Hobbits. Although the court’s decision improperly categorized Rogers as a three-prong test, with the first prong requiring that the mark have “acquired meaning beyond its source identifying function,” wrongly imparted a referential requirement, and improperly analyzed the likelihood-of-confusion factors, it is worth mentioning as the only known example of a court finding a defendant’s actions explicitly misleading as to source. The back cover of the defendant’s DVD included the language “in the tradition of Clash of the Titans and 300,” two other films from the plaintiff, which the court believed was defendant’s explicit attempt to imply a connection between its film and plaintiff.

As noted in the cases discussed above, the mere use of a trademark in a creative work, without more, cannot be explicitly misleading in the Ninth Circuit. Although both the Ninth Circuit and its district courts have typically required the “more” element to be overt or explicit misstatements, a recent case has established that overt or explicit acts don’t always need to be in the form of “affirmative statement[s] of the plaintiff’s sponsorship or

200 Id.
201 Id. at *4.
202 Id.
204 Id. at *1-2.
205 See id. at *4-14, *15-17.
206 See id. at *12.
207 See Twentieth Century Fox, 875 F.3d at 1197.
endorsement,” but in some cases may be demonstrated through actions.208

In Gordon v. Drape Creative, Christopher Gordon posted a video on YouTube entitled “The Crazy Nastyass Honey Badger” featuring National Geographic footage of a honey badger.209 Gordon provided comedic narration over the video, repeatedly stating that “Honey badger don’t care” and “Honey badger don’t give a shit” as the honey badger hunted and ate its prey. The video went viral, and Gordon obtained federal trademark registrations for HONEY BADGER DON’T CARE (and other variations) covering various goods, including greeting cards.210 When a licensing deal between the plaintiff and the defendants did not materialize, the defendants began selling their own line of greeting cards bearing the wording “HONEY BADGER DON’T CARE” with images of a honey badger, and little else.211

A court in the Central District of California granted summary judgment in favor of the defendants, finding that greeting cards were protectable artistic works and that the defendants had met both prongs of the Rogers balancing test, but the Ninth Circuit reversed on appeal.212 Although the court found no “triable issue of fact with respect to Rogers’s ‘artistic relevance’ prong,” the court held that it could not decide as a matter of law that the defendants’ use of the mark was not explicitly misleading.213

Rejecting the district court’s “rigid requirement that, to be explicitly misleading, the defendant must make an ‘affirmative statement of the plaintiff’s sponsorship or endorsement,’” the Ninth Circuit held that this requirement for an affirmative statement was applicable only where “it was clear that consumers would not view the mark alone as identifying the source of the artistic work.”214 Examples the court gave of cases where consumers would not view the mark alone as identifying source included: (1) most title cases, “because consumers ‘do not expect [titles] to identify’ the ‘origin’ of the work,” and (2) use of marks as elements within creative works like video games.215

In cases where use of the mark would likely be viewed by consumers as source identifying,216 however, the court believed that

208 Gordon, 909 F.3d at 269-70.
209 Id. at 261.
210 Id.
211 Id. at 262-63.
212 Id. at 263, 271.
213 Id. at 269, 271.
214 Id. at 269-70.
215 Id. at 270.
216 Gordon, 909 F.3d at 270. The court believed that placement of a mark and the context in which it was used could result in a situation where consumers viewed an artistic use as
the “more relevant consideration is the degree to which the junior user uses the mark in the same way as the senior user,” and “the extent to which the junior user has added his or her own expressive content to the work beyond the mark itself.”

Under the facts before it, the court believed that consumers would expect that use of the HONEY BADGER DON'T CARE mark on greeting cards designated source, and that “defendants used the mark knowing that consumers rely on marks on the inside of cards to identify their source.”

The Ninth Circuit then analyzed “the degree to which the junior user uses the mark in the same way as the senior user,” and found that the parties both used HONEY BADGER DON'T CARE for directly competing greeting cards. On the second issue, “the extent to which the junior user has added his or her own expressive content to the work beyond the mark itself,” the court explained that “the concern that consumers will not be ‘misled as to the source of [a] product’ is generally allayed when the mark is used only as one component of a junior user’s larger expressive creation, such that the use of the mark at most ‘implicitly suggest[s]’ an association with the mark’s owner.” But when a junior user uses a mark “as the centerpiece of an expressive work itself, unadorned with any artistic contribution by the junior user,” this “may reflect nothing more than an effort to ‘induce the sale of goods and services’ by confusion.” In all of the previous Ninth Circuit cases, the allegedly infringing marks were used as only a small part of junior users’ overall artistic works. But here, the court was troubled that the defendants had “not used Gordon’s mark in the creation of a song, photograph, video game, or television show, but ha[d] largely just pasted Gordon’s mark into their greeting cards” with no additional creative content.

This reasoning is consistent with the Ninth Circuit’s focus in its prior rulings on whether a defendant’s actions had caused any risk of confusion, rather than simply whether there was a likelihood of confusion not caused by anything other than mere use of the mark.

source identifying, suggesting that use of the DISNEY mark at the bottom corner of a picture of Mickey Mouse could create such a situation because consumers expect use of a mark in that location and in that context to signify the source of the picture.

217 Id.
218 Id. at 271.
219 Id. at 270-71 (noting that Gordon had introduced evidence that he also sold greeting cards; that defendants often used Gordon’s mark without any other text; and that defendants knew that “consumers rely on marks on the inside of cards to identify their source”).
220 Id. (quoting Rogers, 875 F.2d at 998-99) (alteration in original).
221 Id. at 271.
222 Id.
223 Id. at 261.
The court quoted with approval language from its decision in Brown that the “key” is “that the creator must explicitly mislead consumers, and we accordingly focus on ‘the nature of the [junior user’s] behavior’ rather than on ‘the impact of the use.’”

Gordon is not a decision on the merits, and the court was careful to note that the plaintiff’s “evidence is not bulletproof.” But because the court believed that there was “at least a triable issue of fact as to whether the defendants simply used Gordon’s mark with minimal artistic expression of their own, and used it in the same way that Gordon was using it—to identify the source of humorous greeting cards in which the bottom line is ‘Honey Badger don’t care’”—the court remanded the case back to the district court for further findings on Gordon’s claims.

As noted by the Ninth Circuit itself, Gordon “demonstrates Rogers’s outer limits.” In cases involving marks used in titles or as elements of creative works where consumers do not expect them to designate source, it thus appears that the Ninth Circuit will continue to require affirmative statements or actions meant to explicitly mislead consumers to overcome Rogers’s second prong. But in those limited situations where consumers do expect a mark in a creative work to connote source, the determination of whether the use is explicitly misleading will turn on something else—whether the mark is used for a directly competing product and the extent to which the junior user added his or her own expressive content or simply adopted the senior user’s mark as the centerpiece of its work.

Gordon was not the first time a court within the Ninth Circuit had recognized that the standard for determining whether a use is “explicitly misleading” may be slightly different when directly competing products are involved. In CI Games S.A. v. Destination Films, a case discussed above involving a dispute between the titles for a movie and a video game with similar themes, the court held that cases involving competing titles, “as contrasted with the normal case applying the Rogers test, which usually involves one expressive work using a non-expressive trademark,” pose an “increased risk of consumer confusion” because consumers may, by virtue of the fact that the producers of each are in the same type of business, believe the works arise from the same source. Therefore, the same conclusions that make sense when the plaintiff and the defendant are not in the same business are not relevant.

224 Id. at 269 (quoting Brown, 724 F.3d at 1245-46 (alteration in original)).
225 Id. at 271.
226 Id.
227 Id. at 268.
229 Id.
In cases involving competing titles, the court held that instead of having to meet the “relatively high bar in demonstrating affirmative statements that would mislead the public as to the producer or endorser of the expressive work,” a plaintiff need only prove that a defendant selected a title with the intent to confuse consumers into thinking the products were related.\textsuperscript{230} Because the complaint contained such allegations, the court denied the motion to dismiss. But it denied the plaintiff’s motion to preliminarily enjoin release of the defendant’s movie, noting that “accusations and speculation” and “insinuations and innuendo” about the motive for the selection of the title were not sufficient to exclude the defendants from First Amendment protection.\textsuperscript{231}

Although Gordon did not involve a dispute between titles, the court suggested in dicta that a case involving two competing titles could be the kind where consumers expect use of a mark to identify the source of the work if the junior user’s use of the title is “identical.”\textsuperscript{232} Giving a hypothetical example, the court theorized that a Fox television series entitled Law & Order: Special Hip-Hop Unit could be considered identical to NBC Universal’s use of LAW & ORDER: SPECIAL VICTIMS UNIT as its television series title.\textsuperscript{233} Presumably, however, a court would still have to determine whether the junior user had “added his or her own expressive content to the work beyond the mark itself.”\textsuperscript{234} Unless the subject matter and/or content of the works were very similar, the junior use of the title should be found to serve “as only one ‘element of the [work] and the [junior user’s] artistic expression,’” and not the “centerpiece” of the work itself, “unadorned with any artistic contribution by the junior user.”\textsuperscript{235} Moreover, the unique nature of the titles in this example and the fact that LAW & ORDER: SPECIAL VICTIMS UNIT is part of a series of marks for several related television shows all following the “LAW & ORDER: [DESCRIPTIVE TERM]” format are additional facts that would go to the junior user’s intent. Although consumers don’t typically view television show titles as designating source, they likely have become conditioned to viewing television series titles beginning with “LAW & ORDER:” as all coming from Dick Wolf and/or NBC Universal. This may also be the case in situations involving a movie title and a video game title, such as in CI Games, where a consumer may believe a video game and movie

\textsuperscript{230} Id. (“This Court now finds that intentionally creating a title that could be confused with the title of another expressive work would be ‘explicitly misleading’ for purposes of the Rogers test.”).

\textsuperscript{231} Id. at *12.

\textsuperscript{232} Gordon, 909 F.3d at 270.

\textsuperscript{233} Id.

\textsuperscript{234} See id. at 270.

\textsuperscript{235} Id. at 271 (alteration in original).
are from the same source. In contrast, consumers of media with less distinctive titles are unlikely to view the titles as source designating, and not assume that other artistic works with different subject matter, in different media, or in different formats would be related absent intentional acts by the junior user falsely suggesting an association.

This “title v. title” scenario was soon presented to a district court within the Ninth Circuit. In *Fierce, Inc. v. Franklin Covey Co.*, plaintiff alleged that the defendant’s book entitled *Fierce Loyalty: Cracking the Code to Customer Devotion* infringed its rights in numerous federal registrations for FIERCE and FIERCE-formative marks for corporate training materials, as well as its books titled *Fierce Conversations: Achieving Success at Work & in Life* and *Fierce Leadership, a Bold Alternative to the Worst “Best” Practices of Business Today*.236 Citing *Gordon* for the proposition that use of a mark alone may explicitly mislead consumers about a product’s source if consumers would ordinarily identify the source by the mark itself, the court held that the plaintiff had alleged facts giving rise to a reasonable inference that defendant’s title was explicitly misleading, and denied the defendant’s motion to dismiss.237 Specifically, the court found that the plaintiff and defendant each used the mark “in the same context and market,” namely “as the title of a book identifying strategies to help businesses ‘increase the engagement and loyalty from both employees and customers.’”238 Moreover, the defendant followed the same naming convention of “FIERCE ________” and presented its mark using a “color, typeface, and visual format” similar to that of the mark of the plaintiff.239 While this case, like *Gordon*, did not find that the defendant’s use was explicitly misleading, it allowed the case to proceed where there was evidence that the defendant’s motives and actions in adopting and using the mark may have been impure.

In contrast, just a few weeks later, another district court within the Ninth Circuit found that the defendant’s use of the mark MASTERMIND as an album title and performance title was not explicitly misleading, despite another musician’s prior use and registration of the mark for his own performance title and recordings.240 Recognizing that under *Gordon* use of the mark alone could be sufficient to explicitly mislead consumers where consumers would ordinarily identify the source by the mark itself, and apparently conceding that both the plaintiff and defendant were

237 Id. at *7.
238 Id.
239 Id. Both books used an orange color scheme, more prominent use of the term FIERCE, and identical font.
using the mark in the same way, the court focused on whether the defendant had added his own expressive content to the work, or used the mark as the “centerpiece” of its own work.\textsuperscript{241} Finding that the defendant used the mark as one album title out of six in his career, that he used the word in lyrics nine times in the album through his own artistic expression, and that when he used it as his nickname it was always accompanied by a clear indication of his primary moniker—Rick Ross, the court granted summary judgment to the defendant, holding that there was no evidence that the defendant’s use even implicitly suggested a connection, let alone any evidence of an overt association.\textsuperscript{242}

4. “Explicitly Misleading” in the Third, Sixth, and Eleventh Circuits and District Courts Within the Seventh Circuit

The Third, Sixth, and Eleventh Circuits have all adopted the Ninth Circuit’s pre-\textit{Gordon} general approach.\textsuperscript{243} To meet the “explicitly misleading” prong, the defendant must have engaged in some overt act to try to confuse the public, as opposed to the mere act of using the mark in cases where consumers do not expect a mark to have source-identifying significance, even if it resulted in consumer confusion.

The Third Circuit first adopted \textit{Rogers} in \textit{Seale v. Gramercy Pictures},\textsuperscript{244} but a recent decision from a court within the Eastern District of Pennsylvania thoroughly analyzed the type of facts that would negate a finding of explicitly misleading. In \textit{Hidden City Philadelphia v. ABC, Inc.} the plaintiff owned and operated a website titled “Hidden City Philadelphia” showcasing Philadelphia history and architecture. It brought a trademark infringement action against ABC for using the mark HIDDEN PHILADELPHIA for its local television news segment series highlighting little-known places in Philadelphia.\textsuperscript{245} The court found that the title was not explicitly misleading because it did not adopt the plaintiff’s exact name HIDDEN CITY PHILADELPHIA; there were no allegations that ABC had suggested the plaintiff was associated with its videos; and the videos appeared on ABC’s local affiliate’s website, featured the ABC logo, and indicted that they were presented by sponsor the Philadelphia Zoo, and dismissed the case.\textsuperscript{246}

\begin{footnotesize}
\begin{enumerate}
\item Id. at 950-51.
\item Id. at 951.
\item See \textit{Seale}, 964 F. Supp. at 931, aff’d, 156 F.3d 1225 (3d Cir. 1998); \textit{Parks}, 329 F.3d at 448; \textit{Univ. of Ala. Bd. of Trs.}, 683 F.3d at 1278; \textit{Eastland Music Grp.}, 2012 WL 2953188 at *3, aff’d without reaching constitutional question, 707 F.3d 869 (7th Cir. 2013).
\item 949 F. Supp. at 340.
\item No. 18-65, 2019 WL 1003637, at *1 (E.D. Pa. May 1, 2019).
\item Id. at *5.
\end{enumerate}
\end{footnotesize}
Although remanding back to the district court for a determination of whether the song title ROSA PARKS was artistically relevant to the defendant’s song, the Sixth Circuit in *Parks v. LaFace Records*, specifically instructed that if the district court ultimately found it to be artistically relevant, “application of the *Rogers* analysis . . . would appear to be complete” because the defendant made “no explicit statement that the work is about [Ms. Parks] in any direct sense.”247 Giving specific examples of how the song title may have been explicitly misleading, the court noted that the defendants did not name the song “The True Life Story of Rosa Parks or Rosa Parks’ Favorite Rap.”248

And in a case involving use of colors and designs of sports uniforms in artistic depictions of scenes from University of Alabama football, the Eleventh Circuit found in *University of Alabama Board of Trustees v. New Life Art, Inc.* that there was no evidence that the defendant ever marketed an “item as ‘endorsed’ or ‘sponsored by’ the University, or otherwise explicitly stated that such items were affiliated with the University” and was therefore “entitled to full First Amendment protection.”249

District courts within the Seventh Circuit have also required a defendant to have engaged in explicit misstatements or other overt actions to find a junior use explicitly misleading.250 In the two published cases, the district courts’ denials of motions to dismiss were affirmed by the Seventh Circuit, but neither case reached the issue of whether *Rogers* applied.251

As can be seen from the analysis above, the key distinction between how the Second Circuit determines whether a use is...
explicitly misleading in competing title cases under *Twin Peaks* and how the Ninth Circuit determines whether a use is explicitly misleading under *Rogers* is the focus on the junior user’s actions rather than the impact on consumers.\(^{252}\) In the Ninth Circuit, it does not matter if there is some level of consumer confusion, provided the defendant did not do anything (aside from using the mark) to cause it, which is why the likelihood-of-confusion factors (including survey evidence) are never considered.\(^{253}\) In the Second Circuit, a defendant’s clean hands are irrelevant in disputes between titles, provided there is a compelling level of confusion, which is determined after considering the likelihood-of-confusion factors, which could include survey evidence.

5. “Explicitly Misleading” in a District Court within the Tenth Circuit

The Tenth Circuit has never had the occasion to consider *Rogers*, but a district court within the circuit recently held that it would apply *Rogers* to a dispute between titles of different animal nature series, but that “the *Rogers* test needs adapting to the legitimate considerations brought out in subsequent cases” and “should not be adopted as is.”\(^{254}\)

The case was brought by Marty Stouffer, producer of the *Wild America* nature series that aired on PBS for fourteen years. After negotiations to air the series between the plaintiff and NatGeo Channel broke down, NatGeo launched its own nature series with allegedly similar features under the title *AMERICA THE WILD*.\(^{255}\) In ruling on defendant’s motion to dismiss under *Rogers*, the court acknowledged it had “the luxury of thirty years of court decisions applying *Rogers*, demonstrating its strength and weaknesses.”\(^{256}\) Focusing heavily on *Parks*\(^{257}\) and *Gordon*,\(^{258}\) the court was troubled by treating “artistic relevance” as a threshold inquiry, believing that this could create an unwarranted distinction if a work is abstract, such as an instrumental piece without lyrics, or if the irrelevance of a title to a work could in itself be an artistic choice.\(^{259}\)

\(^{252}\) *Gordon*, 909 F.3d at 269 (“The ‘key here [is] that the creator must explicitly mislead consumers,’ and we accordingly focus on ‘the nature of the [junior user’s] behavior’ rather than on ‘the impact of the use.’” (quoting *Brown*, 724 F.3d at 1245-46)).

\(^{253}\) Even under *Gordon*, the focus is not on whether consumers are confused but rather whether defendant: (1) used the mark for a directly competing product; and (2) added his own expressive content.

\(^{254}\) *Stouffer*, 2019 WL 3935180, at *12.

\(^{255}\) *Id.* at *2.

\(^{256}\) *Id.* at *12.

\(^{257}\) 329 F.3d 437 (6th Cir. 2003).

\(^{258}\) 909 F.3d 257 (9th Cir. 2018).

\(^{259}\) *Id.* at *13.
Instead, the court held that “genuine artistic motive” of the junior user was the more relevant consideration, and that it encompassed both prongs of the Rogers test.\textsuperscript{260} To determine whether a junior user had a genuine artistic motive in selecting a mark, several questions should be considered, including whether the junior user used the mark to identify the same or similar kinds of goods or services; to what extent the junior user added his or her own expressive content; whether the timing of the junior use suggested a motive to capitalize on the popularity of the senior user’s mark; the way in which the mark is artistically related to the underlying word; whether the junior user made any statements to the public or engaged in conduct known to the public that suggests a non-artistic motive (including but not limited to “explicitly misleading” statements); and whether the junior user made any statements in private, or engaged in any conduct in private, that suggests a non-artistic motive.”\textsuperscript{261}

Recognizing that the “genuine artistic motive” test is framed in terms of the junior user’s state of mind, the court also held that to adequately protect First Amendment interests, “the objective facts may sometimes excuse further inquiry into the junior user’s subjective motives.”\textsuperscript{262} It should be a rare case, the court held, “in which a junior user with a ‘pure heart’ receives First Amendment protection but a junior user with a ‘black heart’ does not.”\textsuperscript{263} This is because the “First Amendment places a thumb on the scale of expressive use, even if at the expense of sometimes allowing junior users with subjectively ‘unartistic’ motives to avoid Lanham Act liability.”\textsuperscript{264}

If the “genuine artistic motive” test favors the junior user, the court held that the inquiry would end there with no Lanham Act liability.\textsuperscript{265}

Because the parties could not have anticipated that the court would formulate its own application of the Rogers test, it denied the motion to dismiss without prejudice to allow plaintiff the opportunity to amend its complaint and the defendant to refile for dismissal.\textsuperscript{266}

At first glance, this “reformulation” of the Rogers test appears to be significant. But a closer examination reveals that it simply combines the artistic relevance/explicitly misleading prongs into one, and takes into account the “motive” issues courts seemed

\begin{itemize}
\item \textsuperscript{260} Id. at *12.
\item \textsuperscript{261} Id. at *12-13.
\item \textsuperscript{262} Id. at *13.
\item \textsuperscript{263} Id.
\item \textsuperscript{264} Id.
\item \textsuperscript{265} Id. at *14.
\item \textsuperscript{266} Id.
\end{itemize}
troubled by in Warner Bros. v. Global Asylum,267 CI Games,268 Fierce,269 and Gordon.270 Artists who use a mark for genuine artistic purposes and without any intent or actions meant to capitalize on the senior user’s goodwill or confuse consumers into believing the work is related to the other work should still find their interests fully protected by the First Amendment in this district or the Tenth Circuit if it upholds this decision or otherwise adopts this application of Rogers.

C. Rogers May Be Applied on Summary Judgment or Motions to Dismiss

Nearly every case applying Rogers has done so on either a motion to dismiss or on summary judgment. This is because “[c]ourts are cognizant of vindicating First Amendment protections through early dispositive motions to avoid chilling speech.”271

Determining whether a defendant has satisfied the first prong of the Rogers test—artistic relevance—can usually be done simply by looking at the work itself. In Louis Vuitton Malletier SA v. Warner Bros. Entertainment, where the plaintiff alleged that Warner Bros. impermissibly used a counterfeit LOUIS VUITTON bag in the film Hangover 2, the plaintiff argued that whether the use was artistically relevant was an issue of fact that required discovery, and thus was inappropriate for a motion to dismiss.272 The court disagreed, however, finding it obvious that the purpose of the use was to create an artistic association with LOUIS VUITTON by a snobbish character regardless of whether the bag was genuine or counterfeit, so discovery was unnecessary and summary judgment was appropriate.273

Determining whether a mark is explicitly misleading can also typically be done early in a proceeding. The Second Circuit “has never stated that a court cannot properly apply Rogers (or the likelihood of confusion factors) on a motion to dismiss. In fact, the Second Circuit has suggested that granting a motion to dismiss would be appropriate ‘where the court is satisfied that the products or marks are so dissimilar that no question of fact is presented,’”274 and that “no amount of discovery will tilt the scales in favor of the

268 2016 WL 9185391, at *8.
270 909 F.3d at 269-71.
273 Id.
mark holder at the expense of the public’s right to free expression.”

In the Ninth Circuit and those following its interpretation of Rogers, courts can typically look to the allegations in the complaint and/or the work itself to determine whether a defendant has made any overt actions or explicit misstatements. A motion to dismiss may be inappropriate only in extremely limited situations where the nature of the use is such that consumers could believe that: the use indicated source; the junior and senior users were directly competing; the junior user had used the mark with minimal additional creativity; and there are factual issues regarding a defendant’s possible intent. But presumably those factual determinations would not preclude summary judgment after discovery is complete given courts’ proclivity to decide such issues without a trial.

IV. CONCLUSION

In the thirty years since the landmark holding in Rogers v. Grimaldi created a balancing test for trademark infringement cases implicating First Amendment rights, the law has continued to evolve. A series of cases from the Second and Ninth Circuits—the most influential jurisdictions on the subject—provide a road map for how freedom of artistic expression should be weighed against trademark rights.

Although the Rogers case concerned a false-endorsement claim involving a celebrity’s name used as a film title and the court suggested that the test may not apply in cases involving confusingly similar titles, the Second Circuit quickly held that the Rogers balancing approach generally applies to Lanham Act claims against all works of artistic expression, and the limiting language from Rogers’s footnote 5 says only that in competing title cases the specific requirement for an overt act or affirmative misstatement is not required to determine whether a use is explicitly misleading. Instead, in competing title cases, the determination of “explicitly misleading” must begin with an analysis of the likelihood-of-confusion factors, and if a likelihood of confusion is found, it must be sufficiently compelling to outweigh a junior user’s First Amendment rights to artistic expression.

275 Louis Vuitton, 868 F. Supp. 2d at 184.
276 See Stewart Surfboards, 2011 WL 12877019, at *5; Rebellion, 2013 WL 1944888, at *4 (In rejecting plaintiff’s argument that the Rogers test is not well-suited to an early dispositive motion because a court may not have had the opportunity to examine the underlying work, the court held that “The Rogers test is an appropriate one to apply in the early stages of litigation.”).
277 Cliffs Notes, Inc., 886 F.2d at 494.
278 Twin Peaks Prods., 996 F.2d at 1379.
The Ninth Circuit fully adopted the Rogers balancing test in 2002, and has since refined its application in deciding more cases than any other jurisdiction. First, it extended Rogers from titles to elements within creative works, and set the standard for artistic relevance as anything “above zero.” It then directed district courts to determine the explicitly misleading prong based on the junior user’s actions and not on the impact of its use of the mark, and it also made both survey evidence and a likelihood-of-confusion analysis irrelevant. Significantly, the Ninth Circuit refuted any suggestion that Rogers applied only to marks that had achieved cultural significance and then only when the junior use was referencing the senior use, and it extended Rogers’s protection to include not just the artistic work itself, but also the promotion of the work. Finally, it had occasion to examine the “outer limits” of Rogers and found that in the limited cases where consumers would believe that use of a mark in an artistic context was source-identifying, courts could find an explicitly misleading use even in the absence of explicit misstatements provided that the use was directly competing and the junior user had used the mark as the centerpiece of its work without adding much, if any, original content.

The Fifth Circuit has largely adopted the methodology of the Second Circuit, while the Third, Sixth, and Eleventh Circuits as well as district courts within the Seventh Circuit have adopted the Ninth Circuit’s approach, and do not consider likelihood-of-confusion factors at all. A district court within the Tenth Circuit recently restructured Rogers into a single-prong “genuine artistic motive” test, which largely resembles the test as most recently refined by the Ninth Circuit.

The past decade also has established that Rogers applies in both forward and reverse confusion cases because there is no requirement for the junior use to refer to the senior use. Courts have made it clear that Rogers issues can be decided on motions to dismiss and for summary judgment. In fact, nearly all of the cases applying Rogers have done so through early dispositive motions.

The universal thread in thirty years of Rogers is the consistency with the Rogers court’s original concern: that consumer interests for creativity be satisfied, and only in those limited situations where a junior user acted in bad faith and intended to create confusion or

279 See Mattel, 296 F.3d at 902.
280 E.S.S. Entm’t 2000, 547 F.3d at 1100.
281 Brown, 724 F.3d at 1245-46.
282 Twentieth Century Fox, 875 F.3d at 1196-98.
283 Gordon, 909 F.3d at 269-71.
284 See supra Part III.B.
285 See supra Part III.C.
trade off the goodwill of the senior user should the Lanham Act appropriately prevail.
COMMENTARY

IF YOU REMOVE IT, YOU USE IT:
THE COURT OF JUSTICE OF THE EUROPEAN UNION ON DEBRANDING—
ON THE MITSUBISHI v. DUMA JUDGMENT BY THE COURT OF JUSTICE OF THE EUROPEAN UNION*

By Fabio Angelini** and Simone Verducci Galletti***

I. INTRODUCTION

Under European Union (“EU”) trademark law, the rights conferred by a mark and the aspects related to the use of the mark itself are, as is normal in a “civil law” system, set forth by statutes. Specifically, the relevant statutes are the Directive to approximate the laws of the EU Member States relating to trademarks1 (the “Directive”) and the Regulation on the European Union trademark2 (the “Regulation”).3

The task of interpreting the Directive and the Regulation is entrusted to the Court of Justice of the European Union (“CJEU”),4

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3 The Directive and Regulation currently in force have been so since 2015. The case at issue was brought under their previous versions, namely Directive No. 2008/95 and Council Regulation (EC) No. 207/2009. In the rest of the article, we will refer to the Directive and Regulation with their prior citations in order to allow an easy reference to the Decision. To the extent relevant here, provisions have remained the same, except for the paragraph numbering.

4 The CJEU is laid down in Article 19 of the Treaty on European Union (“TEU”), Articles 251–281 of the Treaty on the Functioning of the European Union (“TFEU”), Article 136 Euratom, and Protocol No. 3 annexed to the Treaties on the “Statute of the Court of Justice of the European Union.” In the field of trademarks, the CJEU adjudicates two different sets of matters. The first, and relevant in the present case, concerns questions of law raised before a national court or tribunal (Article 267 TFEU) the so-called “preliminary rulings” (the second regards appeals from EUIPO). National courts are
which has, over the course of time, dealt with a considerable number of issues. Yet, as we will see below, there are still uncertainties that the CJEU is called upon to clarify, as it is in the case of removing a trademark from a product prior to its sale—so-called “debranding.”

Indeed, unlike the legislation and case law of some Member States—e.g., France, the United Kingdom (“UK”), and Germany—neither the Regulation nor the Directive addresses this issue.

II. LEGAL BACKGROUND

Article 10 of the Directive, “Rights conferred by a trademark,” provides that the proprietor of a registered trademark shall be entitled to prevent third parties from using identical or confusingly similar marks in the course of trade by

(a) affixing the mark to the goods or to the packaging thereof;

(b) offering the goods, or putting them on the market or stocking them for these purposes under that mark, or offering or supplying services thereunder;

(c) importing or exporting the goods under that mark; or

(d) using the mark on business papers or advertising.

The same rules are included in the Regulation at Article 9.

On many occasions, the CJEU has held that the above-mentioned exclusive rights of the proprietor of a mark are conferred in order to protect his/her specific interests and to ensure that the trademark can fulfill its functions. Among those functions, in its case law, the CJEU has identified that of guaranteeing the quality of the product or service, as well as those of communication, investment, and advertising. The function, however, that remains

normally responsible for applying EU law when a case so requires. However, when an issue relating to the interpretation of the law is raised before a national court or tribunal, the court or tribunal may seek a preliminary ruling from the CJEU. If it is a court of last instance, it is compulsory to refer the matter to the CJEU. The national court submits the question(s) about the interpretation or validity of a provision of EU law, generally in the form of a judicial decision, in accordance with the national procedural rules. The Registry notifies the request to the parties to the national proceedings and also to the Member States and the institutions of the European Union. They have two months within which to submit any written observations to the CJEU whose decision is binding for the national EU Courts.

The absence of provisions in the Directive allows the cited Member States to provide rules not harmonized with the rest of the other Member States.

See supra text accompanying note 3.

See supra text accompanying note 3.

See Case C-206/01, Judgment of November 12, 2002, Arsenal Football Club plc v. Matthew Reed, ECLI:EU:C:2002:651, paragraph 51; Case C-487/07, Judgment of June 18, 2009, L’Oréal and Others v. Bellure NV and Others, ECLI:EU:C:2009:378, paragraph 58; Cases C-236/08 to C-238/08, Judgment of March 23, 2010, Google France and Google, ECLI:EU:C:2010:159, paragraph 77 and paragraph 79; and Case C-323/09,
essential is to guarantee to consumers the origin of the product or service. As interpreted by CJEU in the Ansul and La Mer landmark cases, use of a trademark must be consistent with this essential function by enabling consumers to distinguish the product or service from products and services that have another origin.

More specifically, in La Mer, the CJEU clarified whether importation by a single importer in the UK could constitute genuine use of a UK registration based on the principles set by the Directive. On that occasion, the CJEU set the standard for “use” of a trademark that is applicable regardless of whether such use is lawful. Theoretically speaking, there is use of a mark when such use is capable of allowing consumers to identify the origin of a product or service.

But what if the earlier mark had been removed and replaced with another (and ostensibly) not confusingly similar mark? Does the removal of the earlier mark amount to (infringing) use of that earlier mark?

In the 2018 case of Mitsubishi Shoji Kaisha Ltd. and Mitsubishi Caterpillar Forklift Europe BV v. Duma Forklifts NV and G.S. International BVBA, the CJEU held that Article 5 of Directive 2008/95 (the earlier version of the Directive) and Article 9 of Council Regulation (EC) No. 207/2009 (the earlier version of the Regulation), i.e., the provisions addressing infringement of trademarks, must be interpreted as meaning that the proprietor of a mark has a cause of action against a third party who, without its consent, removes the proprietor's mark and affixes the mark of another on products placed in a customs warehouse with a view to importing them or trading them in the European Economic Area (“EEA”) where they have never yet been marketed. Despite this holding, the question of whether “debranding” is equivalent to (infringing) use remains uncertain and doubtful.

III. BACKGROUND OF MITSUBISHI v. DUMA

Plaintiff Mitsubishi is the owner of registered EU trademarks for the word mark MITSUBISHI and for the following logo:


10 The case was subject to the previous version of the Directive. We will keep the older number for easy reference of readers.

(hereinafter the “Mitsubishi marks”). Mitsubishi exclusively authorized its distributor MCFE to manufacture and place forklift trucks supplied under the Mitsubishi marks on the market in the EEA.

Defendant Duma purchases and sells new and secondhand forklift trucks, as well as its own forklift trucks, under the marks GSI, GS, and DUMA, and defendant GSI constructs and repairs forklift trucks that it imports and exports. GSI adapts the forklift trucks that it sells to applicable EU standards, gives them their own serial numbers, and delivers them to Duma, providing EU declarations of conformity.

The defendants acquired Mitsubishi-made forklift trucks outside of the EEA from a company within the Mitsubishi group and brought them into EEA territory, where they placed them in a customs warehouse. Subsequently, the defendants arranged for all necessary modifications to be carried out to render the forklifts compliant with EU standards. In addition, the defendants removed the Mitsubishi marks from the forklifts and replaced the identification plates and serial numbers with Duma’s and GSI’s marks, identification plates, and serial numbers. The defendants then marketed these modified forklifts within and outside the EEA as the manufacturers of the forklifts, including providing post-sale assistance.

Mitsubishi and MCFE argued to the Hof van Beroep Brussels (“Brussels Court of Appeal,” or “BCA”) that the defendants’ removal of the Mitsubishi marks and affixing of new marks on forklifts purchased outside the EEA, the removal of identification plates and serial numbers, and the importation and marketing of those forklift trucks in the EEA, infringed the rights conferred on them by the Mitsubishi marks. In particular, they argued that despite that removal, the Mitsubishi forklifts remained recognizable to the consumer and that the removal of the Mitsubishi marks was without consent and harmed the marks’ functions of indicating origin and quality, as well as the functions of investment and advertising.

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12 According to Article 141 (“Usual forms of handling”) of the Union Customs Code applicable to the case: “Goods placed under customs warehousing or a processing procedure or in a free zone may undergo usual forms of handling intended to preserve them, improve their appearance or marketable quality or prepare them for distribution or resale.”
The BCA was uncertain about the applicable law concerning the warehousing procedure. Under Article 5(1)(a) and (b) of the Directive and Article 9(1)(a) and (b) of the Regulation, a trademark owner has a cause of action to prevent third parties from using, in the course of trade, without his consent, a sign identical to the trademark in relation to goods or services identical to those for which it has been registered, which, because of its identity with, or similarity to, the trademark and the identity or similarity of the goods or services covered by the trademark, creates a likelihood of confusion on the part of the public. The BCA sought advice from the CJEU as to whether in a case where goods have never previously been traded within the EEA and are placed in a customs warehouse a trademark owner may oppose the removal, without consent, by a third party of the original trademarks applied to those goods (i.e., debranding) under these articles. In addition, the BCA asked if it makes any difference whether the importation of those goods or their placing on the market within the EEA occurs under the third party’s trademark (i.e., rebranding) and if it makes any difference whether the goods may still be identified by the relevant average consumer as originating from the “debranded” trademark proprietor.

The Advocate General (“AG”), in his non-binding opinion,\(^{13}\) was unsympathetic to Mitsubishi’s arguments. Relying, inter alia, on a comparative analysis of the laws of some Member States,\(^ {14}\) which denied that debranding could be considered to be trademark infringement, the AG ruled against Mitsubishi.

\(^{13}\) Under the second paragraph of Article 252 of the Treaty on the Functioning of the European Union (“TFEU”), the AG, acting with complete impartiality and independence, is to make, in open court, reasoned submissions on cases that, in accordance with the Statute of the Court of Justice of the European Union, require the AG’s involvement. However, the Court is not bound either by the AG’s conclusion or by the reasoning that led to that conclusion. Normally, the CJEU tends to follow the AG opinion, but when it does not, it is not required to provide the reasons for doing so.

\(^{14}\) “In the UK, the removal of a trademark from goods to which that mark was affixed does not entitle the proprietor to oppose debranding unless there has not been total debranding, that is to say the previous sign has not been removed in its entirety. [. . .]. In German law, academic opinion also argues that the removal of the original trademark does not satisfy the criteria for infringement of a trademark. This is based on case law of the Bundesgerichtshof (Federal Court of Justice, Germany),[. . .] which, in the same vein as the United Kingdom judgments, held that, ‘regardless of whether or not the goods have been altered, when those goods are sold after the manufacturer’s trade mark has been removed, the manufacturer cannot bring trade mark proceedings because there has been no use of his registered mark.’ In France, ‘the removal or modification of a lawfully affixed trade mark’ constitutes an infringement of the rights of the proprietor of that trade mark [. . .] that the legislature expressly laid down, in Article L 713-2 of the Code de la propriété intellectuelle (Intellectual Property Code), a prohibition of that conduct unless the proprietor has consented.” Cf. Opinion of Advocate General Campos Sánchez-Bordona, delivered on April 26, 2018, Case C-129/17, Mitsubishi Shoji Kaisha Ltd. and Mitsubishi Caterpillar Forklift Europe BV v. Duma Forklifts NV and G.S. International BVBA, ECLI:EU:C:2018:292, paragraphs 63-66.
The AG considered that the removal by a third party, without consent, of trademarks affixed to goods does not constitute “use” of a trademark. This opinion was, however, predicated upon the circumstances of the case, i.e., that those goods had not previously been placed on the market in the EEA because they were stored in a customs warehouse where they had undergone alterations to bring them into line with EU technical standards, and the trademarks had been removed with the aim of importing or placing those goods on the market in the EEA with a (new) trademark that differed from the original trademark.

IV. THE CJEU’S DECISION AND CRITIQUE

The specifics of the case play quite an important role in framing the questions asked of the CJEU, and the CJEU’s decision was not on whether Article 5 of Directive 2008/95 and Article 9 of Regulation No. 207/2009 must be interpreted as meaning that the proprietor of a mark may or may not object to a third party removing all the signs identical to that mark and affixing other signs, without its consent, in all circumstances. Rather, it was on whether such an objection may be made where products are placed in the customs warehouse, such as in the main proceedings, with a view to importing them or trading them in the EEA where they have never yet been marketed.

The CJEU first noted that EU laws permit a trademark owner to market its products outside the EEA without thereby exhausting his rights within it, thus allowing control of the initial marketing in the EEA of goods bearing the mark.15 This principle, however, could not apply to the circumstances of this case, since exhaustion presupposes the identity of the marks (i.e., the one used outside the EEA and the one used in the EEA). Further, the text of Article 5(1)(a) and (b) of the Directive and the text of Article 9(1)(a) and (b) of the Regulation do not seem to allow much space to assert their applicability in the case at hand, also given that there was no disagreement between the parties that the trademarks placed on the forklift trucks (after the removal of the Mitsubishi marks) were neither identical nor confusingly similar to the Mitsubishi marks.

Notwithstanding this, the CJEU used a rather complex line of reasoning to find in favor of Mitsubishi and MCFE. Referring to its own precedents, the CJEU first noted that it had held that exclusive rights are conferred on the proprietor of a mark

in order to enable protection of specific interests, namely to ensure that the trademark can fulfill its function, even in case a third party’s use of the sign affects, or is likely to affect, the functions of the trademark. One might assume that a “third party’s use of a sign” that may affect or be likely to affect the trademark functions, implies an “actual” use of the sign “in trade.” The CJEU, however, had something else in mind.

Citing its own precedents, the CJEU held that in addition to the essential function of the mark (indicating the origin of the product or service) there are other trademark functions, including: guaranteeing the quality of the product or service and allowing the rights holder to enjoy the benefits of its communication, investment, and advertising. 16 Regarding the concept of “use in the course of trade,” the CJEU held that the list in Article 9(2) of the Regulation (now Article 9(3) of Regulation (EU) 2017/1001) of types of use that the proprietor of the trademark may prohibit is not exhaustive. More specifically, it held that it refers exclusively to active behavior on the part of the third party. 17 It further clarified that the terms “use” and “in the course of trade” do not refer only to immediate relationships between a trader and a consumer, and that there will be use of a sign identical to the mark where the third party uses the sign in its own commercial communications. 18

The CJEU recognized that the forklifts in question did not bear the Mitsubishi marks when they were imported into and marketed in the EEA, and that the defendants do not appear to have used signs identical or similar to the Mitsubishi marks in their commercial communications. 19

In order to find liability in these circumstances, however, the CJEU observed, first, that the removal of the Mitsubishi marks deprived the trademark proprietor of the benefit of one of its

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16 Case C-129/17, Judgment of July 25, 2018, Mitsubishi, ECLI:EU:C:2018:594, paragraph 34.
19 The CJEU had therefore also to distinguish this case from Case C-558/08 (Judgment of July 8, 2010, Portakabin Ltd. and Portakabin BV v. Primakabin BV, ECLI:EU:C:2010:416), which had been mentioned by the BCA referring court, where the CJEU held that, where a reseller, without the consent of the trademark proprietor, removes the trademark from the goods and replaces it with a label bearing the reseller’s name, with the result that the trademark of the manufacturer of the goods in question is entirely concealed, the trademark proprietor is entitled to prevent the reseller from using that mark to advertise that resale, since that adversely affects the essential function of the trademark.
essential rights, which is to control the initial marketing in the EEA of goods bearing that mark.\textsuperscript{20}

The Court’s first observation seems to ignore the fact that Mitsubishi had sold the forklifts in the first place and thus had already accrued an economic benefit from these sales. If the goods were to enter the EEA under another sign, it is at least doubtful that the trademark owner would “lose control” in the EEA over something it never marketed in the EEA under its marks, which therefore could never be connected to the trademark owner.

Possibly being aware of this difficulty, the CJEU then held in a second observation that the removal of the signs identical to the mark and the affixing of new signs on the goods with a view to their first placing on the market in the EEA adversely affected the functions of the mark.\textsuperscript{21}

The CJEU had already held\textsuperscript{22} that any act by a third party preventing the proprietor of a registered trademark in one or more Member States from exercising its right to control the first placing of goods bearing that mark on the market in the EEA by its very nature undermines the essential function of the trademark. Here, the Court considered that the removal of the signs and the affixing of new signs precludes the trademark proprietor from being able to retain customers by virtue of the quality of its goods and affects the functions of its investment and advertising of the mark.

With regard to this second observation, the BCA had also wondered whether it would make any difference that despite the removal of the proprietor’s mark and the affixing of new marks, the relevant consumers continued to recognize them as Mitsubishi forklifts. However, in regard to this issue, the CJEU observed\textsuperscript{23} that the harm to the essential function of the trademark occurred irrespective of whether consumers might still recognize the product and thus its origin, although it recognized that such fact was likely to accentuate the effects of such harm.

However, the Court’s reasoning can be criticized, as it seems to lack any factual foundation: if consumers were not able to recognize the forklifts after the removal of the Mitsubishi marks and the affixing of new marks, what harm could the Mitsubishi mark suffer? Assuming that instead of a forklift, the product at issue would have been a highly commoditized product in a very crowded field (for example, white t-shirts), would the CJEU have held that the removal of the original mark (assume a simple label) and the

\textsuperscript{20} Case C-129/17, Judgment of July 25, 2018, Mitsubishi, ECLI:EU:C:2018:594, paragraph 42.

\textsuperscript{21} Id. at paragraph 43.

\textsuperscript{22} Case C-379/14, Judgment of July 16, 2015, Top Logistics and Others, ECLI:EU:C:2015:497, paragraph 48.

\textsuperscript{23} Case C-129/17, Judgment of July 25, 2018, Mitsubishi, ECLI:EU:C:2018:594, paragraph 45.
affixing of a new mark (on another label) would really harm the earlier trademark? Who would notice?

It is true that the CJEU had to rule on a situation where a sign was removed and another was placed, however (and perhaps also logically), the Court could/should have first analyzed whether erasing a third party’s mark could be considered a “use” and then proceed to analyze in the specific circumstances before it whether the placing of another mark on the product was still an infringement.

As a third observation, the CJEU found that the removal of the marks and affixing of new marks in order to import the goods into or place them on the market in the EEA, and with the aim of circumventing the proprietor’s right to prohibit the importation of those goods bearing its mark, was contrary to the objective of ensuring undistorted competition.\(^{24}\) This is certainly a well-placed observation; however, it seems to address an issue of unfair competition and not of trademark law. Given that unfair competition is not harmonized within the EU, and thus is subject to national laws, by including such considerations in a trademark dispute, the CJEU seems to be legislating by inventing a new “function” of a trademark, rather than interpreting the scope of the Directive and Regulation.\(^{25}\)

V. CONCLUSION

In conclusion, the CJEU held that the defendants’ conduct infringed the trademark owner’s right to control, adversely affected the functions of the mark, and was contrary to the objective of ensuring undistorted competition. Therefore, having regard to its case law concerning the concept of “use in the course of trade,” the Court found that “an operation consisting, on the part of the third party, of removing signs identical to the trademark in order to affix its own signs, involves active conduct on the part of that third party, which, since it is done with a view to importing those goods into the EEA and marketing them there and is therefore carried out in the exercise of a commercial activity for economic advantage, [. . .] may be regarded as a use in the course of trade.”\(^{26}\)

What is unclear is whether the CJEU used “since” to indicate an example, meaning that removing the mark and affixing other marks was just another, albeit peculiar, form of (infringing) use because it

\(^{24}\) Id. at paragraph 47.

\(^{25}\) As the AG had indeed indicated, see Case C-129/17, Opinion of April 26, 2018, Mitsubishi Shoji Kaisha Ltd. and Mitsubishi Caterpillar Forklift Europe BV v. Duma Forklifts NV and G.S. International BVBA, ECLI:EU:C:2018:292, paragraph 67.

was carried out in the exercise of a commercial activity for economic advantage, thus stating a principle applicable across the board.

As a matter of fact, as all three reasons expressly referred to consequences related to importing and marketing the forklifts into the EEA, it could also be possible that the CJEU used “since” as an alternative for “where,” thus limiting its holding to the peculiar circumstances of the case, specifically involving the removal and affixing of marks with a view of importing and marketing certain products into the EEA.

In addition, and unlike in the AG opinion, the CJEU took very limited account of the fact that the debranding took place when the products had not yet been placed in the EEA but were placed in the customs warehouse under an extraterritorial regime recognized by the legislation in force to carry out the processing necessary for their introduction into the market. Although this extraterritorial regime is a very particular one, it seems likely that the CJEU’s conclusion would have been the same even if the same processing had actually been carried out abroad, like in China or Japan. However, the matter is not settled, and the AG words might carry some weight to a different finding in a future case.

27 In the Dutch (original) version: Aangezien deze handeling met het oog op invoer en . . . . In the French version, “since it is done” is translated as dès lors qu’elle est effectuée, in Italian as qualora venga effettuata, in Spanish as toda vez que se efectúa, and in Portuguese as uma vez que é efetuada, all of which seem to express more of a “hypothetical,” rather than a cause/reason.


29 Case C-129/17, Judgment of July 25, 2018, Mitsubishi, ECLI:EU:C:2018:594, paragraph 50: “It makes no difference to that conclusion that the removal of the signs identical to the mark and the affixing of new signs took place when the goods were still placed under the customs warehousing procedure, since those operations were carried out for the importing and placing on the market of those goods in the EEA.”

30 Case C-129/17, Opinion of April 26, 2018, Mitsubishi Shoji Kaisha Ltd and Mitsubishi Caterpillar Forklift Europe BV v. Duma Forklifts NV and G.S. International BVBA, ECLI:EU:C:2018:292, paragraphs 88-89: “The legal fiction that goods in a customs warehouse are not on the market in the EEA places those goods on the same footing as goods directly imported from third countries which have also undergone debranding and rebranding: in those circumstances, the trade mark proprietor cannot have recourse to trade mark proceedings in order to seize those goods, and that must be applied to the instant case. In other words, if a trade mark proprietor cannot oppose the import into the EEA of his own goods after those goods have been debranded and rebranded by a third party without his consent, because there is no use of the registered sign, then nor should he be able to do so where his original goods are subject to the same form of handling in a customs warehouse, since, by definition, those goods are non-Community goods.”
Finally, this decision specifically deals with goods coming from outside the EEA market. Thus, it is unclear (and the CJEU did not address this issue) whether, in a case in which there had been a prior marketing of the goods within the EEA, such a case would have yielded the same result. Of course, the additional problem in case of goods first placed in the EEA is that then exhaustion of rights would come into play (and the trademark owner would have to prove that the condition of the goods had been changed or impaired after they had first been put on the market). Nonetheless, one could speculate that the CJEU would affirm its holding in Duma, if anything because it could seem somewhat unfair that if the removal and affixing takes place outside the EEA this conduct infringes trademark rights, while if the same conduct happens in the EEA then it is lawful.

Thus, in light of the specificity of the case and the number of unsolved issues, it seems a fair conclusion that the last word on rebranding might not have been said, and that further cases will be necessary to understand whether removing the trademark of another really means “using” this trademark in an infringing way.

31 Article 7(2) of Directive 2008/95 and Article 13(2) of Regulation No. 207/2009. Possibly an argument in such case would be that the removal of one’s trademark is “per se” an impairment to which the trademark owner might object, although the matter is controversial, especially if the objection constitutes a disguised restriction on trade between Member States within the meaning of the second sentence of Article 36 TFEU, as shown by the many disputes in terms of re-packaging and re-branding in the pharmaceutical sector (see Case C-642/16, Judgment of May 17, 2018, Junek Europ-Vertrieb GmbH v. Lohmann & Rauscher International GmbH & Co. KG, ECLI:EU:C:2018:322, in which the CJEU reiterated at paragraph 30 that: “As regards the concept of ‘repackaging,’ the Court has clarified that it includes the re-labelling of the pharmaceutical products bearing the mark.” See also Case C-348/04, Judgment of April 26, 2007, Boehringer Ingelheim and Others v. Swingward Ltd. and Dowelhurst Ltd., ECLI:EU:C:2007:249, paragraph 28).
EDITORS’ NOTE

The stated mission of the International Trademark Association (INTA) is the support of trademarks and related intellectual property to foster consumer trust, economic growth, and innovation. In its pursuit of this goal, INTA regularly intervenes, as amicus curiae, in significant trademark litigation across the globe. INTA supports free and fair commerce through the effective administration of trademark and unfair competition law and advocates for legal positions deemed beneficial to its members. In a given case, INTA may argue on behalf of a plaintiff, a defendant, or neither party. As a service to its readers and to broadly communicate INTA’s official positions (which, of course, do not necessarily correspond with those of our authors), The Trademark Reporter (TMR) occasionally publishes amicus briefs submitted by INTA in cases that explore significant issues involving the current and future practice of trademark law. In this issue, we publish a brief recently filed before the United States Supreme Court in a case that may impact the legal standards for the award of profits to successful plaintiffs in trademark infringement actions.

In Romag Fasteners, Inc. v. Fossil, Inc., currently pending before the U.S. Supreme Court, the petitioner asks the Court to resolve a split in authority among the various circuit courts with respect to the requirements for awarding a defendant’s profits to a plaintiff in a successful trademark infringement action. The question before the Court is “whether, under Section 35 of the Lanham Act, 15 U.S.C. § 1117(a), willful infringement is a prerequisite for an award of an infringer’s profits for a violation of Section 43(a), id., § 1125(a).” INTA has submitted an amicus brief on behalf of neither party, arguing, based on legislative history, case law, and policy grounds, that while courts may accord great weight to the presence or absence of willfulness, the statute’s admonition that an award of a defendant’s profits be “subject to the principles of equity” dictates that willfulness should not be a “rigid precondition” to such an award.1 INTA has taken no position as to the ultimate result, and its argument does not rely on the facts of the case.

As INTA notes in its brief, this question assumes heightened importance against the backdrop of “the widely acknowledged difficulty of proving injury in trademark cases and increasing barriers to injunctive relief.”2 The position INTA advocates is intended to ensure that realistic remedies are available to

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2 Id. at 4.
compensate successful plaintiffs without subjecting losing defendants to “windfall awards or exaggerated risk.”

The existence of reasonable and appropriate financial remedies for infringement, of course, assumes great importance if trademark law is to be administered effectively to achieve its goal to promote free and fair competition. As such, the topic has been of great interest, over the years, to the TMR’s authors and audience, in the United States and globally. In its amicus brief in Romag, INTA cites James M. Koelemay, Jr.’s 1982 TMR article, “Monetary Relief for Trademark Infringement Under the Lanham Act.” More recently, in 2016, the TMR devoted an entire issue to monetary relief.

INTA’s amicus brief in Romag was prepared by Lawrence K. Nodine (Ballard Spahr LLP, Atlanta, Georgia, USA), Chair, United States Amicus Subcommittee of the International Amicus Committee; David Donahue (Fross Zelnick Lehrman & Zissu, P.C., New York, New York, USA), member, United States Amicus Subcommittee of the International Amicus Committee; and Sean F. Harb (Fross Zelnick Lehrman & Zissu, P.C., New York, New York, USA).

Jessica Elliott Cardon
*Editor-in-Chief*
*Chair, The Trademark Reporter Committee*

Glenn Mitchell
*Vice Chair, The Trademark Reporter Committee*

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3 *Id.*

4 72 TMR 458 (1982).

5 106 TMR 6 (2016).
In the
Supreme Court of the United States

ROMAG FASTENERS, INC.,

Petitioner,

v.

FOSSIL, INC., FOSSIL STORES I, INC., MACY’S, INC., AND MACY’S RETAIL HOLDINGS, INC.,

Respondent.

On Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

BRIEF OF THE INTERNATIONAL TRADEMARK ASSOCIATION AS AMICUS CURIAE IN SUPPORT OF NEITHER PARTY

LAWRENCE K. NODINE
Counsel of Record

DAVID DONAHUE
SEAN F. HARБ
FROSS ZELNICK LEHRMAN & ZISSU, P.C.
151 West 42nd St.
17th Fl.
New York, NY 10036
(212) 813-5900

BALLARD SPAHR LLP
999 Peachtree St., NE
Suite 1000
Atlanta, GA 30309
(678) 420-9300

Counsel for Amicus Curiae
The International Trademark Association
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The undersigned amicus curiae respectfully submits this brief in support of Neither Party.¹

INTERESTS OF THE AMICUS CURIAE

Amicus curiae the International Trademark Association ("INTA") is a not-for-profit global organization dedicated to the support and advancement of trademarks and related intellectual property. Founded in 1878, INTA has more than 7,200 member organizations from 191 countries. Its members include trademark and brand owners, as well as law firms and other professionals who regularly assist in the creation, registration, protection, and enforcement of trademarks. All INTA members share the goal of promoting an understanding of the essential role that trademarks play in fostering effective commerce, fair competition, and informed decision-making by consumers.

¹ Pursuant to Supreme Court Rule 37.6, this brief was authored solely by INTA and its counsel, and no part of this brief was authored by counsel for a party. No party or counsel for a party, nor any other person or entity other than amicus curiae, its members, and its counsel, made a monetary contribution intended to fund the preparation or submission of this brief. Pursuant to Supreme Court Rule 37.3(a), both Petitioner and Respondent have filed blanket consent to the filing of amicus curiae briefs in support of either or neither party.
INTA (formerly known as the United States Trademark Association) was founded in part to encourage the enactment of federal trademark legislation following invalidation on constitutional grounds of the United States’ first trademark act. Since then, INTA has been instrumental in making recommendations and providing assistance to legislators in connection with major trademark and related legislation. INTA also has participated as amicus curiae in numerous cases in this Court and other courts across the country involving significant Lanham Act issue.² Moreover, INTA’s members are

frequent participants in litigation both in courts and in administrative proceedings before the United States Patent and Trademark Office ("USPTO") and the Trademark Trial and Appeal Board ("TTAB"), with respect to the Lanham Act. INTA and its members have a deep and powerful interest in the development of clear, consistent, and equitable principles of trademark law.

INTA’s members have a substantial interest in the question presented—"whether, under section 35 of the Lanham Act, 15 U.S.C. § 1117(a), willful infringement is a prerequisite for an award of an infringer’s profits for a violation of section 43(a), id. § 1125(a)."

INTA members find themselves on both sides of trademark litigation, appearing as often as plaintiffs as they do as defendants.

As plaintiffs protecting their trademarks, they need fair and equitable remedies that will compensate for injury, prevent unjust enrichment, and deter infringement. Many INTA members find it increasingly difficult to secure adequate remedies, given the widely acknowledged difficulty of proving injury in trademark cases and increasing barriers to injunctive relief. From their perspective as plaintiffs, INTA members need remedies that are realistically available.

INTA members are also frequently defendants. In this role, INTA members need remedies that fairly compensate for infringement, but do not result in windfall awards or exaggerated risk.

For these reason, INTA advocates a balanced and flexible interpretation of the phrase “subject to equitable principles” that recognizes the importance of willfulness evidence, but does not make it a rigid precondition to a profits award. INTA believes that this approach best balances the need for effective remedies against the need to prevent excessive windfall awards.
SUMMARY OF ARGUMENT

Section 35(a) of the Lanham Act, 15 U.S.C. § 1117(a) (hereinafter “Section 35(a)”) does not require evidence of willfulness in all cases as a prerequisite to an award of profits. Rather, all equitable principles must be considered, and courts may not rigidly require evidence of willfulness to the exclusion of other equitable factors. This conclusion flows from an appreciation of the overall network of remedies under the Lanham Act, which expressly requires intentional deception with respect to specific categories of liability, such as printers and publishers who prepare or distribute for others materials that infringe. It would be anomalous to require willfulness as a precondition broadly applicable to the entire genus of trademark infringement given Congress’s explicit requirement of intentional deception as to certain species.

This conclusion also flows from the legislative history of Section 35(a). When Congress made the right to recover an infringer’s profits “subject to principles of equity,” it expressed no intention to narrowly focus on willfulness, but rather to make it “clear that the normal principles of equity in respect of allowance of and defenses to an accounting of profits and the recovery of damages are not affected by this
The decisions of this Court and other courts prior to the passage of the Lanham Act reveal that those “normal principles of equity,” were not limited to willfulness, but were instead broad and flexible, and included absence of fraudulent intent, degree of competition between the products, laches, acquiescence, and unclean hands; on occasion the courts awarded profits when there was no evidence of fraud or deceit. For these reasons, willfulness is not a precondition to an award of profits.

While INTA agrees that Section 35(a) does not require a threshold finding of willfulness for an award of profits, it disagrees that this conclusion depends on inferences drawn from Congress’s 1999 amendment of Section 35(a) to add a willfulness requirement as a condition to recovering profits in a dilution case. In context, it is clear that Congress only intended this amendment to correct a drafting error and that there was no intention to resolve conflicting circuit court decisions.

Awarding profits only after consideration of a broad and flexible set of equitable principles is the

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best way to balance competing policy objectives. A wooden insistence on evidence of willfulness may deprive plaintiffs of a remedy and fail to deter infringement and result in unjust enrichment. With that said, Section 35(a) gives the courts wide latitude to assign extra weight to the willfulness factor. Thus, depending on the circumstances of the particular case, courts have discretion to find that the presence or absence of willfulness evidence is the determining factor. Although plaintiffs should be free to argue that factors other than willfulness justify an award of profits, Section 35(a) should not restrict the court’s discretion to give determinative weight to the defendant’s willfulness or good faith.

PROCEDURAL HISTORY

INTA adopts the Petitioner’s Procedural Statement.
ARGUMENT

1. SECTION 35(a) ALLOWS COURT BROAD DISCRETION TO CONSIDER DIVERSE EQUITABLE FACTORS, BUT IT DOES NOT MAKE WILLFULNESS A PRECONDITION

Congress gave 4 the federal courts broad discretion to consider all evidence when deciding whether to award the infringer’s profits. Section 35(a) 5 provides that a winning plaintiff “shall be


5 Section 35(a) provides in full:

When a violation of any right of the registrant of a mark registered in the Patent and Trademark Office, a violation under section 1125(a) or (d) of this title, or a willful violation under section 1125(c) of this title, shall have been established in any civil action arising under this chapter, the plaintiff shall be entitled, subject to the provisions of sections 1111 and 1114 of this title, and subject to the principles of equity, to recover (1) defendant’s profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action the court shall assess such profits and damages or cause the same to be assessed under its direction. In assessing profits the plaintiff shall be required to prove defendant’s sales only; defendant must prove all elements of cost or deduction claimed. In assessing damages the court may enter judgment, according to the circumstances of the case, for
entitled, subject to the provisions of sections 1111 and 1114 of this title, and subject to the principles of equity, to recover . . . defendant’s profits,” but Congress did not define those “principles of equity.”

15 U.S.C. § 1117(a). Congress did not attempt to alter the basic rules of recovery that existed under the 1905 Trade Mark Act or limit the courts’ right and ability to draw on the vast body of equity jurisprudence to decide in each case whether an award of profits was just. On the contrary, Congress further emphasized the courts’ broad discretion by including in Section 35(a) the additional proviso that: “If the court shall find that the amount of the recovery based on profits is either inadequate or excessive the court may in its discretion enter judgment for such sum as the court shall find to be just, according to the circumstances of the case . . .” 15 U.S.C. § 1117(a). The only limitation is that “[s]uch sum in either of the above circumstances shall constitute compensation and not a penalty. The court in exceptional cases may award reasonable attorney fees to the prevailing party.

circumstances shall constitute compensation and not a penalty.”  *Id.*

The statutory text does not on its face require that a plaintiff prove that the defendant's infringement was willful, but neither does it limit the district court’s discretion “according to the circumstances of the case” to assign extra weight to the presence or absence of evidence of willfulness. As explained below (see section 3.5, *infra*), most courts, including those that require consideration of multiple equitable factors, consider the presence (or absence) of willful infringement to be one of the more important factors based upon the deterrence doctrine. *See, e.g.*, *Monsanto Chem. Co. v. Perfect Fit Prods. Mfg.*, 349 F2d 389, 393 (2d Cir. 1965).

2. **THERE IS NO STATUTORY BASIS FOR REQUIRING WILLFULNESS AS A PRECONDITION TO AN AWARD OF PROFITS**

2.1 **Statutory Construction: Congress Expressly Required Specific States of Mind in Other Sections**

Section 35(a) makes recovery of monetary awards subject not only to “principles of equity” but also to Section 32, 15 U.S.C. §1114, (hereinafter “Section 32”) which defines the terms for liability for
infringing registered trademarks and provides exemptions for relief against certain categories of defendants who engage in infringing behavior or acts of unfair competition. Analysis of Section 32 shows that when Congress intended to require a certain state of mind as a condition for an award of profits, it said so explicitly.

Section 32 imposes liability on two types of infringers. Section 32(1)(a) imposes liability on those who use an infringing mark to sell goods or services in commerce if “such use is likely to cause confusion, or to cause mistake, or to deceive.” 15 U.S.C. § 1114(1)(a). This section, which applies in most trademark infringement cases, does not include any intent requirement. “Thus, in modern law, emphasis is placed on the objective facts of likely customer confusion, rather than upon the subjective mental state of the infringer.” J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 23:104 (5th ed. 2017).6

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6 But see McCarthy § 30:58:

Perhaps one explanation for judicial uncertainty as to monetary awards in these cases is the view that while injunctive relief is largely a matter of strict liability, monetary relief should require “something more.” That is, injunctive relief is generally granted upon a strong showing of a “likelihood of confusion” and neither proof of actual confusion nor proof of intent or willfulness is
Section 32(1)(b), on the other hand, imposes liability on those who prepare infringing materials, such as labels, packaging materials, and advertisements, to be used on or in connection with the sale of goods or services in commerce.\textsuperscript{7} 15 U.S.C. § 1114(1)(b). With respect to these actors, “the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is intended to be used to cause confusion, or to cause mistake, or to deceive.” 15 U.S.C. § 1114(1)(b). This language, which comports with a common definition of

\textsuperscript{7} More specifically, section 32(1)(b) reaches those who reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive.

willfulness, i.e., intention to confuse or deceive, has appeared in the Lanham Act since the Act's enactment in 1946.

Two other subsections of Section 32 also direct courts to address the infringer's intent in determining the availability of profits and other monetary relief against specific classes of infringers. Section 32(2)(A) provides that “[w]here an infringer or violator is engaged solely in the business of printing the mark or violating matter for others and establishes that he or she was an innocent infringer or innocent violator” the prevailing registrant is not entitled to monetary relief. 15 U.S.C. § 1114(2)(A). Section 32(2)(B) provides similar protection to publishers and distributors of “paid advertising matter,” providing that monetary relief is not available against publishers or distributors of such material who are “innocent infringers and innocent violators.” 15 U.S.C. § 1114(2)(B). Notably, these equitable exemptions from monetary relief against printers and publishers apply not only to trademark infringement claims brought under Section 32, but also to unfair competition and false advertising claims brought under Section 43(a). 15 U.S.C. §§ 1114(2)(A), (B).

The specific requirement of a showing of intention to deceive as a prerequisite to an award of profits (or other monetary relief) under Section
32(1)(b) and the specific prohibition on profit awards against “innocent” printers and publishers under Section 32(2) stand in sharp contrast to the absence of any such prerequisite or exemption with respect to the category of infringers covered by Sections 32(1)(a) and 43(a). Clearly, Congress meant to impose specific state-of-mind considerations for liability of those who prepare materials to be used in commerce by others, and, just as clearly, not to impose such a requirement on actors who themselves use infringing marks to cause confusion or to deceive. See Russello v. United States, 464 U.S. 16, 23 (1983) (“[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.” (citation omitted)); see also Keene Corp. v. United States, 508 U.S. 200, 208 (1993) (noting the “duty to refrain from reading a phrase into the statute when Congress has left it out”).

This distinction disappears if Section 35(a) is interpreted to require evidence of willfulness in all cases. To interpret the “subject to principles of equity” clause of Section 35(a) as requiring willfulness for recovery of profits for all Section 32(a) and 43(a) violations would render the distinctions between Sections 32(1)(b) and 32(2) superfluous, contrary to “a cardinal principle of statutory construction” that
courts should “give effect to every clause and word of a statute.” *TRW Inc. v. Andrews*, 534 U.S. 19, 31 (2001) (citation and internal quotation marks omitted); see also *Cooper Indus., Inc. v. Aviall Servs., Inc.*, 543 U.S. 157, 166 (2004) (stating that the Court is “loath” to interpret statutes in a way that “would render part of the statute entirely superfluous”).

Consequently, the clause “subject to principles of equity” should be interpreted to mean *something different* from the explicit state-of-mind requirements applicable under Sections 32(1)(a) and 32(2). That difference is easily identified—“principles of equity” is broader, and includes not only willfulness but all other evidence traditionally considered in equity.

2.2 The Legislative History Supports a Multi-Factor Approach

It is well-established that “[s]tatutory construction must begin with the language employed by Congress and the assumption that the ordinary meaning of that language accurately expresses the legislative purpose.” *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 194 (1985) (construing Lanham Act provision). Thus, “[a]bsent a clearly expressed legislative intention to the contrary, that language must ordinarily be regarded as conclusive.” *Consumer Prod. Safety Comm’n v. GTE Sylvania, Inc.*,
447 U.S. 102, 108 (1980). With that said, “[l]egislative history can be particularly helpful when a statute is ambiguous or deals with especially complex matters.” *Dig. Realty Tr., Inc. v. Somers*, 138 S. Ct. 767, 783 (2018) (Sotomayor, J., concurring). As such, “even when . . . a statute’s meaning can clearly be discerned from its text, consulting reliable legislative history can still be useful, as it enables [the Court] to corroborate and fortify [its] understanding of the text.” *Id.*

As discussed above, it is clear that Section 35(a) does not require willfulness as a prerequisite to an award of profits. But to the extent review of the legislative history of the Lanham Act is warranted, that review corroborates this view.

The Lanham Act’s legislative history does not expressly discuss the reasons for adding the phrase “subject to principles of equity” in the final draft of the Lanham Act. Nevertheless, it is telling that such language cannot be found in the monetary recovery provisions of the 1905 Trade Mark Act. As the Second Circuit noted in *Getty Petroleum Corp. v. Bartco Petroleum Corp.*:

[T]he drafters of Sec. 35 of the Lanham Act embellished upon the 1905 Act’s recovery provisions in two significant ways. First, added
to the provisions for increasing recovery was the caveat that a court’s enhancement of a damage award or adjustment of profits awarded “shall constitute compensation and not a penalty.” Second, all monetary recovery under Sec. 35 is “subject to the principles of equity.”

858 F.2d 103, 110 (2d Cir. 1988); see also Champion Spark Plug Co. v. Sanders, 331 U.S. 125, 130–31 (1947) (discussion of cases applying rules governing an accounting of profits under 1905 Trade Mark Act and equitable considerations such as laches, good faith of defendant or where injunctive relief will satisfy the equities of the case).

The Second Circuit further specifically noted that the “only explanation” in the legislative history for the addition of “subject to principles of equity” is found in a 1941 letter from Columbia University Law School Professor Milton Handler to Representative Lanham. Getty Petroleum Corp., 858 F.2d at 111. Professor Handler’s letter stated:

Section 36 of the committee print [which became Section 35(a) of the Lanham Act] has to do with the recovery of damages, profits, and costs. In view of the language of section 35 [which authorized injunctive relief] and the fact
that sections 35 and 36 are derived in the main from the present act, it seems clear that the normal principles of equity in respect of allowance of and defenses to an accounting of profits and the recovery of damages are not affected by this bill.

Trade-Marks: Hearings on H.R. 102, H.R. 5461, and S. 895 Before the Subcomm. on Trade-Marks of the House Comm. On Patents, 77th Cong., 1st Sess. 228 (1941) (Letter from Milton Handler) (hereinafter, “1941 Hearing”); see also James M. Koelemay, Jr., Monetary Relief for Trademark Infringement Under the Lanham Act, 72 TMR 458, 485 (1982). Professor Handler’s letter urged that the words “according to the principles of equity” be inserted in Section 35(a) immediately following the words “he shall be entitled” and preceding the words “to recover” in the first sentence of the section to “effectuate the intentions of the draftsmen and in the interests of clarity.” 1941 Hearing at 228. The letter does not mention nor evince Congressional purpose with respect to the equitable factor of “willfulness” as a prerequisite to the recovery of profits nor is there any basis to assume that the addition of the language “according to the principles of equity” was intended to restrict a court’s consideration of the equitable considerations underlying the recovery of profits in the first instance solely to proof of willfulness.
This Court applied equitable principles in several decisions prior to and immediately following the passage of the Lanham Act in 1946. These decisions show that this Court did not consider willfulness to be the sole relevant factor—indeed, the words “willful” or “willfulness” do not appear in any of the Court’s decisions on trademark profits.

In the decision below, the Federal Circuit noted that the closest this Court has come to addressing whether proof of willfulness is required as a matter of traditional equitable principles to recover an infringer’s profits was in two pre-Lanham Act decisions: Saxlehner v. Siegel-Cooper Co., 179 U.S. 42 (1900) and Hamilton-Brown Shoe Co. v. Wolf Brothers & Co., 240 U.S. 251 (1916). Romag Fasteners, Inc. v. Fossil, Inc., 817 F.3d 782, 785 (Fed. Cir. 2016). In Saxlehner, the Court considered appeals from judgments concerning three retailers who had been accused of unlawfully selling “bitter water” under trademarks and trade dress that mimicked the Plaintiff’s. This Court found that all three retailers should be enjoined from such conduct, but that none
of them should be forced to disgorge their profits, explaining as follows:

We think that an injunction should issue against all these defendants, but that, as the Siegel-Cooper Company appears to have acted in good faith, and the sales of the others were small, they should not be required to account for gains and profits.

179 U.S. at 42–43. Thus, the Court considered not only one defendant's good faith, but also the other defendants' meager sales as justification for not awarding profits.

In Hamilton-Brown Shoe Co., this Court affirmed an accounting of the infringer's profits in a case in which a rival seller infringed the plaintiff's THE AMERICAN GIRL trademark for shoes by selling competing shoes under the AMERICAN LADY trademark. In sustaining the award of profits, the Court noted “that [the] defendant [did] not stand as an innocent infringer”; rather, “the findings of the court of appeals, supported by abundant evidence, show[ed] that the imitation of complainant’s mark was fraudulent.” 240 U.S. at 261. While both of these decisions considered the defendant's level of culpability to be relevant in determining whether to award profits in the cases before the Court, neither Saxlehner nor Hamilton-Brown Shoe Co. purported to
set forth a rule that a finding of willfulness or intentional deception is a *prerequisite* for recovery.

Moreover, the Federal Circuit’s historical study of this Court’s jurisprudence stopped a few decades short. Two later opinions of this Court support a holding that profit recovery in trademark cases is subject to various equitable principles, not just the defendant’s level of culpability.

First, in *Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co.*, 316 U.S. 203 (1942), decided within one year of the hearings before Congress on the Lanham Act and less than four years before the 1946 Act was enacted, this Court found that the lower courts had erred by limiting a successful plaintiff’s recovery in a trademark infringement action to the defendant’s “profits made from sales ‘to purchasers who were induced to buy because they believed the [defendant’s products] to be those of plaintiff and which sales plaintiff would otherwise have made.’” 316 U.S. at 204. In reversing the lower courts’ judgment, the Court explained that actual confusion was not required for entitlement of profits, that the plaintiff merely needed to show proof of the defendant’s sales, and that the burden was on the defendant to prove that its profits were attributable to factors other than its infringement. *Id.* at 206–07. Significantly, over the objection of dissenting Justices,
the Court sustained the award of profits—and remanded to the district court to determine whether additional profits should be awarded—despite the fact that the defendants' infringement had been “found by both courts below to have been without fraudulent intent.” See id. at 208–09 (Black, J., dissenting).

A few years later, within ten months of the 1946 Act’s enactment but still applying the 1905 Act, this Court again considered recovery of profits in Champion Spark Plug, a trademark infringement and unfair competition case involving reconditioned spark plugs. 331 U.S. 125. In affirming the lower courts’ decision not to award profits, the Court cautioned that while Mishawaka Rubber & Woolen Mfg. Co. “states the rule governing an accounting of profits where a trade mark has been infringed and where there is a basis for finding damage to the plaintiff and profit to the infringer,” “it does not stand for the proposition that an accounting will be ordered merely because there has been an infringement.” Id. at 131. Rather, the Court observed that “[u]nder the Trade Mark Act of 1905, as under its predecessors, an accounting has been denied where an injunction will satisfy the equities of the case.” Id. (citations and footnotes omitted). The Court then observed that “there [was] no showing of fraud or palming off,” that the defendants had been complying with an FTC order requiring them to label the spark plugs as “used or
second-hand,” and “that the likelihood of damage to petitioner or profit to respondents due to any misrepresentation seem[ed] slight.” Id. at 131–32. Thus, the Court concluded that “[i]n view of these various circumstances” an injunction would “satisfy the equities of the case” such that profits need not be awarded. Id. at 132 (emphasis added).

If traditional “principles of equity” required a showing of willfulness—or any other state of mind, such as fraudulent intent—as a prerequisite to recovery of profits for trademark infringement under the 1905 Trade Mark Act, one would think that this Court would have said so. Yet profits were awarded in Mishawaka Rubber & Woolen Mfg. Co., in which no fraudulent intent was found. And the Court’s analysis of the equitable factors in Champion Spark Plug Co. did not end with its determination that there was “no showing of fraud or palming off”; rather, the Court also considered other factors such as “the likelihood of damage to petitioner or profit to respondents due to any misrepresentation” and whether “the injunction will satisfy the equities of the case.” See Champion Spark Plug Co., 331 U.S. at 131. These cases, decided in close proximity to passage of the Lanham Act, therefore indicate that the defendant’s state of mind was not a threshold factor for an award of profits under the 1905 Trade Mark Act and was not intended
to be a threshold factor for profits by the drafters of the 1946 Lanham Act.

2.4 Courts Have Discretion to Consider Many Equitable Factors Other Than Willfulness

Section 35(a) requires a court to consider “principles of equity,” but it does not define those principles. It is left to the courts to identify the relevant equity principles and to assess the relative weight given to any factor.

General equitable considerations have been considered both before and after passage of the Lanham Act. Compare Champion Spark Plug Co., 331 U.S. at 130–31 with Pebble Beach Co. v. Tour 18 Ltd., 15 F.3d 526, 554 (5th Cir. 1998); Roulo v. Russ Berrie & Co., 886 F.2d 931, 941 (7th Cir. 1989) (“Other than general equitable considerations, there is no express requirement that the parties be in direct competition or that the infringer willfully infringe the trade dress to justify an award of profits.”).

For example, in Pebble Beach, the Fifth Circuit observed,

[while this court has not required a particular factor to be present, relevant factors to the court’s determination of whether an award of
profits is appropriate include, but are not limited to, (1) whether the defendant had the intent to confuse or deceive, (2) whether sales have been diverted, (3) the adequacy of other remedies, (4) any unreasonable delay by the plaintiff in asserting his rights, (5) the public interest in making the misconduct unprofitable, and (6) whether it is a case of palming off.”

15 F.3d at 554; see also Quick Technologies, Inc. v. Sage Group PLC, 313 F.3d 338, 349 (5th Cir. 2002) (same factors). Other circuits have used similar factors. Synergistic Int’l, LLC v. Korman, 470 F.3d 162, 175–76 (4th Cir. 2006) (quoting Quick Techs/Pebble Beach factors: “a trial court, in assessing the issue of damages under 15 U.S.C. § 1117(a), should weigh the equities of the dispute and exercise its discretion on whether an award is appropriate and, if so, the amount thereof. . . . [A]lthough each trademark dispute is fact specific, the foregoing factors, as well as others that may be relevant in the circumstances, should guide a court’s consideration of the damages issue.”); see generally 72 TMR at 496–505.
2.5 Most Circuits Agree That Willfulness Is an Important Factor

Circuit courts considering the equitable considerations relevant to a Section 35(a) award of profits agree that evidence of willfulness is an important equitable factor. This is true even for those courts that have not required proof of willfulness as a precondition to an award of profits.

So long as the court does not exclude evidence relevant to any equitable factor, a court considering Section 35(a) profits award should be free to weight willfulness as it sees fit under the factual circumstances of the case at bar.

The courts that have considered willfulness a precondition to a profits award have not done so because the text of Section 35(a) so dictates. Rather, these courts have reviewed the decades of equity jurisprudence and concluded, as did the Second Circuit in *George Basch Co. v. Blue Coral, Inc.*, 968 F.2d 1532 (2d Cir. 1992), that age-old “principles of equity” support prioritizing willfulness. As the Second Circuit observed, “[i]n varying degrees, a finding of defendant's intentional deceptiveness has always been an important consideration in determining whether an accounting was an appropriate remedy.” 968 F.2d at 1539–40.
The American Law Institute reviewed the equity jurisprudence relating to accounting for trademark infringement and concluded:

One who is liable to another for deceptive marketing . . . or for infringement of the other's trademark . . . is liable for the net profits earned on profitable transactions resulting from the unlawful conduct, but only if: (a) the actor engaged in the conduct with the intention of causing confusion or deception.

Restatement (Third) of Unfair Competition § 37 (Am. Law Inst. 1995) (emphasis added). The Restatement further observes: “Although the victim of an innocent infringement may ordinarily enjoin future infringements and recover proven losses . . . courts generally require proof of intentional misconduct as a prerequisite to an accounting of the defendant’s profits.” Id. at cmt. e (emphasis added).

Courts that have not required willfulness as a precondition for an award of the infringer’s profits consider other equitable factors and the public interest in deterring infringement and the need to prevent unjust enrichment. These traditional factors are important and a plaintiff should be free to offer evidence, even in the absence of willfulness, in support of an award of profits.
Nonetheless, in most cases, courts that consider the public interest in deterrence or the need to prevent unjust enrichment presuppose some degree of wrongful intent. “Thus, it would seem that for the defendant’s enrichment to be ‘unjust’ in terms of warranting an accounting, it must be the fruit of willful deception.” George Basch Co., 968 F.2d at 1538; see also Texas Pig Stands, Inc. v. Hard Rock Cafe Int’l, Inc., 951 F.2d 684, 695 (5th Cir. 1992) (“While [palming off] is not a prerequisite to finding unjust enrichment, it is an important circumstance bearing on the determination.” (citing Champion Spark Plug Co., 331 U.S. at 130). As the Restatement observes, the courts applying equitable principles have awarded an accounting for profits to deter deliberate infringement and prevent unjust enrichment, but: “The deterrence justification also suggests that an award of profits is inappropriate in cases of innocent infringement.” Restatement (Third) of Unfair Competition § 37 cmt. b.

In most cases it is difficult to base a profits award on the need for deterrence if the defendant acted innocently or in good faith. See, e.g., Maier Brewing Co. v. Fleischmann Distilling Corp., 390 F.2d 117, 123 (9th Cir. 1968) (when the infringement is “entirely innocent” an injunction satisfies the equities of the case); El Greco Leather Prods. Co. v. Shoe World, Inc., 726 F. Supp. 25, 29 (E.D.N.Y.1989) (“unjust
enrichment” rationale does not authorize profits against a good faith infringer); Sands, Taylor & Wood Co. v. Quaker Oats Co., 978 F.2d 947 (7th Cir. 1992) (an award of profits against a defendant who had no knowledge of the plaintiff’s mark would not be “equitable”).

3. THE 1999 AMENDMENTS ARE NOT DETERMINATIVE

In 1996, Congress amended the Trademark Act to add a new cause of action for trademark dilution, specifying that a prevailing plaintiff would be entitled only to injunctive relief unless a defendant also “willfully intended to trade on the owner’s reputation or to cause dilution of the famous mark.” 15 U.S.C. § 1125(c)(2). A plaintiff who made that showing would also “be entitled to the [monetary] remedies set forth in section 1117(a) . . . subject to the discretion of the court and the principles of equity.” Id. § 1125(c)(5).

Congress failed, however, to amend Section 35(a) to reference the new dilution cause of action. As Congress explained, it therefore amended the statute again in 1999:

The language of the [1996 amendment] presented to the President for signing did not include the necessary changes to [Section 1117(a)] . . . . Therefore, in an attempt to clarify
Congress' intent and to avoid any confusion by courts trying to interpret the statute, section three makes the appropriate changes to [Section 1117(a)] to allow for . . . damages.


The 1999 amendment altered Section 35(a) as follows (added text in italics):

When a violation of any right of the registrant of a mark registered in the Patent and Trademark Office, or a violation under section 43(a), a violation under section 43(a), or a willful violation under section 43(c), shall have been established in any civil action arising under this Act, the plaintiff shall be entitled, . . . subject to the principles of equity, to recover (1) defendant's profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action.

Id. at 15.

As noted above, even before the 1999 amendment, different circuits came to different conclusions as to whether willfulness was a prerequisite for a disgorgement of profits for infringement and false designation. After the amendment, the split remained, with some circuits

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holding that, to the extent willfulness previously was a prerequisite, the 1999 amendment clarifying that monetary recovery under Section 35(a) was available for “willful violation under section 1125(c)” eliminated any willfulness requirement for claims under Sections 1114 and 1125(a).

INTA shares the Federal Circuit’s skepticism⁸ that Congress intentionally meant to resolve the existing circuit split as to whether proof of willfulness is required to recover profits under Sections 1114(1)(a) and 1125(a). If Congress were aware of the circuit split and intended to resolve it, then INTA assumes Congress would have done so in clear, direct terms, not by mere implication. Moreover, there is nothing in the legislative history of the 1999 amendments suggesting that Congress had the circuit split on its mind, much less sought to resolve it, by adding “or a willful violation of Section 1125(c)” to Section 35.

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⁸ INTA has been unable to find any indication that Congress considered the split between the circuits when it passed the 1999 amendment to Section 35(a). Congress has previously acknowledged INTA’s role in guiding and advocating legislation relating to trademarks. See, e.g., S. Rep. No. 100-515, at 2–3 (1988) (acknowledging role of INTA’s predecessor in guiding passage of 1988 Trademark Revision Act). INTA, which supported the amendment, did not advocate for the 1999 amendments as a way to resolve the circuit split.
To the extent the 1999 amendment’s express willfulness requirement has any significance on the issue before the Court, it is because it provides another example of Congress’ use of precise words to identify specific equitable factors that courts must consider under certain circumstances. (See discussion of Section 1114(1)(b) and Section 1114(2), supra.) Again, when Congress has wished to restrict courts’ discretion of equitable considerations for monetary relief, including an award of profits, it has done so using clear, unambiguous, and precise language—“intended to be used to cause confusion,” “innocent infringer,” “willful violation.” But INTA submits that it would be error to claim that the 1999 amendments show Congress’ intentional resolution of the existing circuit split.

4. COMPETING POLICY OBSERVATIONS

4.1 Overview

Allowing courts to consider diverse equitable factors best addresses the diverse policy objectives of the trademark community.
4.2 Requiring Willfulness as a Prerequisite to an Award of Profits Is Not Consistent with the Overall Purpose of the Lanham Act.

This Court discerns the statute’s meaning by looking to the purpose and “broader context of the statute as a whole.” *Robinson v. Shell Oil Co.*, 519 U.S. 337, 341 (1997). As this Court has observed, a Senate Report accompanying the Lanham Act in 1946 stated that the Lanham Act has two goals:

One is to protect the public so it may be confident that, in purchasing a product bearing a particular trade-mark which it favorably knows, it will get the product which it asks for and wants to get. Secondly, where the owner of a trade-mark has spent energy, time, and money in presenting to the public the product, he is protected in his investment from its misappropriation by pirates and cheats.

*Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 782 n.15 (1992) (Stevens, J., concurring) (quoting S. Rep. No. 79-1333, at 3 (1946)). To require willfulness for an award of profits would only stymie these goals.

In many cases, an injunction alone cannot compensate a trademark owner for the injuries it has incurred. Moreover, in the wake of the Supreme
Court’s decision in *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (2006), it has become increasingly difficult for trademark owners to obtain injunctive relief, whether preliminary or permanent. See, e.g., *Herb Reed Enter., LLC v. Florida Entm’t Mgmt., Inc.*, 736 F.3d 1239 (9th Cir. 2013) (actual proof of irreparable harm needed to obtain preliminary injunction); *Active Sports Lifestyle USA, LLC v. Old Navy, LLC*, No. SACV 12–572 JVS (Ex), 2014 WL 1246497 (C.D. Cal. March 21, 2014) (applying *Herb Reed* standard to deny permanent injunction to prevailing defendant in trademark infringement case).

Furthermore, because a plaintiff’s actual damages are typically difficult to measure, an award of an infringer’s profits may in some cases be the only significant monetary relief that a mark owner can obtain. Indeed, many courts require proof of actual confusion as a prerequisite for recovering damages. See, e.g., *Brunswick Corp. v. Spinit Reel Co.*, 832 F.2d 513, 525 (10th Cir. 1987) (“Although damages may be awarded, . . . [l]ikelihood of confusion is insufficient; to recover damages plaintiff must prove it has been damaged by actual consumer confusion or deception resulting from the violation.”). This precludes damages in many cases because actual confusion is often extremely difficult to prove.
These barriers to remedies for trademark infringement devalue trademarks and create a real possibility that in some cases, proven trademark infringement will be a wrong without a remedy. They also deprive the public of an effective deterrent against future infringements. To erect willfulness as yet another artificial barrier to relief would only further frustrate the dual purpose of the Lanham Act.

4.3 Consideration of All Equitable Factors Does Not Give Plaintiff a Windfall

Many practitioners prefer willfulness as a precondition to profits because of the relative certainty it brings to litigation. As the Second Circuit explained in *George Basch Co.*:

While damages directly measure the plaintiff's loss, defendant's profits measure the defendant's gain. Thus, an accounting may overcompensate for a plaintiff's actual injury and create a windfall judgment at the defendant's expense. . . .

So as to limit what may be an undue windfall to the plaintiff, and prevent the potentially inequitable treatment of an “innocent” or “good faith” infringer, most courts require proof of
intentional misconduct before allowing a plaintiff to recover the defendant’s profits.

968 F.2d at 1540 (emphasis in original). But a requirement that courts consider all equitable factors does not stop a court from assigning extra, even determinative, weight according to the facts of any given case. Accordingly, INTA requests that the Court make clear that courts are free to exercise their discretion to elevate the importance of willfulness or good faith evidence and to avoid any impression that the standards for awarding profits have been loosened.

CONCLUSION

INTA urges the Court to reverse and hold that willfulness is not a precondition to an award of profits under Section 35(a). Instead, all equitable factors should be weighed, acknowledging the courts’ discretion to assign extra weight to the defendant’s state of mind according to the circumstances of the case. INTA does not, however, mean to support an ultimate finding in favor of Petitioner, and expresses no opinion about which party should prevail once all principles of equity are considered.
Respectfully submitted,

LAWRENCE K. NODINE  
*Counsel of Record*  
BALLARD SPAHR LLP  
999 Peachtree St., NE  
Suite 1000  
Atlanta, GA 30309  
(678) 420-9300

**Counsel for amicus curiae**

September 20, 2019

DAVID DONAHUE  
SEAN F. HARB  
FROSS ZELNICK LEHRMAN  
& ZISSU, P.C.  
151 West 42nd St.  
17th Fl.  
New York, NY 10036  
(212) 813-5900
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