

Using Third Parties' Trademarks: Unpacking Commerciality, Competition, and Confusion

By Brooke Erdos Singer and Maxine Sharavsky

I. Introduction

Drawing the line between permissible and impermissible uses of a third party's trademark (whether in a competitive context or otherwise) is a matter of some complexity, involving consideration of the bounds of First Amendment protected speech, the distinctions between commercial and non-commercial use, defenses to infringement and dilution that are available for purposes of allowing competition and critique, and, of course, the likelihood of consumer confusion as to the source or endorsement of goods or services. Further complicating the analysis is the lack of consistency in the treatment of these topics from jurisdiction to jurisdiction.

This article sets forth a basic framework for considering whether the use of a third party's trademark is permissible, with particular emphasis on uses in advertising and digital contexts. It also presents some hypothetical examples to explore the boundaries and potential pitfalls associated with uses of third-party marks.¹

II. A Framework for Use of Third Parties' Trademarks

A. Distinguishing Between Commercial and Non-Commercial Use

Both the Supreme Court's First Amendment jurisprudence and the Lanham Act afford a higher level of protection to non-commercial speech than to commercial speech, including, in the context of the Lanham Act, with respect to uses of third-party trademarks. Under the First Amendment, non-commercial speech may be subject to governmental regulation only if the regulation survives strict constitutional scrutiny.² Commercial speech also is entitled to First Amendment protection,³ but the regulation of commercial speech is subject to a less rigorous level of judicial scrutiny.⁴

First Amendment protections and the favored treatment of non-commercial speech are reflected in the fact that under the Lanham Act and related case law, it is a defense to both trademark infringement and trademark dilution claims that the challenged use of another's trademark is non-commercial. Specifically, with respect to trademark infringement claims, it is a defense that the use of another's mark is not "on or in connection with a good or service."⁵ With respect to trademark dilution claims,⁶ it is a defense that the use of another's mark is "noncommercial."⁷

Although there is little uniformity in judicial approaches to determining whether a use is non-commercial for purposes of infringement, dilution, and First Amend-

ment defenses,⁸ the following sections provide insight into how courts draw the boundary between commercial and non-commercial use in various contexts.

1. Advertising

The use of a mark "in connection with a good or service" does not require use of the mark in connection with offering a *specific* product or service: an advertisement's general promotion of patronage or intent to enhance consumer goodwill is likely to be found to constitute commercial use, as explained by the Seventh Circuit in *Jordan v. Jewel Food Stores, Inc.*⁹ Time, Inc., the publisher of *Sports Illustrated* magazine, published a commemorative issue of the magazine devoted exclusively to Michael Jordan in celebration of his induction into the NBA Hall of Fame. Jewel-Osco supermarket placed a full-page spread in the magazine congratulating Jordan on his induction (but not advertising any particular product or offer). Jordan sued Jewel-Osco alleging, *inter alia*, false endorsement under the Lanham Act.¹⁰ The district court held that the ad was fully protected noncommercial speech, but the Seventh Circuit reversed, explaining that "[a]n advertisement is no less 'commercial' because it promotes brand awareness or loyalty rather than explicitly proposing a transaction in a specific product or service."¹¹

2. Gripe Sites

In *Bosley Medical Institute, Inc. v. Kremer*¹² the Ninth Circuit held that the defendant's maintenance of a gripe site located at www.BosleyMedical.com (incorporating the plaintiff's registered trademark), where the defendant "to put it mildly, was uncomplimentary of the Bosley Medical Institute"¹³ and its hair restoration services, was not infringing because the defendant was not using the mark "in connection with the sale of goods or services" where the defendant's website "contain[ed] no commercial links . . . offer for sale any product or service or contain paid advertisements from any other commercial entity."¹⁴ However, businesses considering using their competitors' trademarks to critique the competitors' products and services should note that the identity of the critic matters: the *Bosley* holding was based, in large part, on the fact that the defendant was not offering competing services to the public (such that the defendant's use of the Bosley Medical mark could not have misled consumers into purchasing a competing product).¹⁵

Printed with permission from: *Bright Ideas*, Spring 2017, Vol. 26, No. 1, published by the New York State Bar Association, One Elk Street, Albany, New York 12207

3. Fan Sites

In *Taubman Co. v. Webfeats*,¹⁶ the defendant, a web designer, operated a website using the name of the plaintiff's shopping mall as its domain name; the website included information about the mall and links to the websites of tenant stores. The defendant described the site as a "fan site" with no commercial purpose, but it contained links to the defendant's web design business and to his girlfriend's apparel business. The inclusion of these links led the Sixth Circuit to conclude that, "though minimal[ly]," the defendant was using the plaintiff's mark in a commercial manner.¹⁷ The court was clear, however, that aside from the commercial links on the website, it found "no use 'in connection with the advertising' of goods and services" and that the Lanham Act therefore could not properly be invoked.¹⁸ Case law regarding fan sites or other fan content is limited, likely because, as a practical matter, businesses stand to benefit from fan content and thus are more likely to tolerate or encourage it and/or to resolve conflicts with fan content creators without litigation.¹⁹

4. Social Media Platforms

Courts have not directly addressed the commerciality of content posted on social media and other user-generated content platforms, but generally speaking, such content, when published by or on behalf of a business, is treated in the same manner, for trademark purposes, as other commercial content promoting the business.²⁰ Insofar as businesses use their (and their sponsored influencers') social media pages to build support for their brands, products, and services in much the same manner as they use their websites and other online advertising, businesses should assume that their uses of third-party trademarks on social media platforms will be treated as commercial uses for Lanham Act purposes (although, depending on the context, such uses may be susceptible to descriptive or nominative fair use defenses, discussed further below, or may not give rise to a likelihood of consumer confusion).

That the use of a third party's mark is commercial in nature does not automatically make it impermissible; as discussed below, one of several other available defenses may apply.

B. Descriptive Fair Use

The classic or "descriptive" fair use defense to trademark infringement under the Lanham Act involves the use of another's mark not as a trademark (i.e., not to refer to the trademark owner or its goods or services), but solely as a descriptor of the advertiser's own goods.²¹ For example, in *Sorensen v. WD-40 Co.*,²² a chemical company's use of the word "inhibitor" to describe its corrosion inhibition product was found to be a descriptive fair use and not an infringement of the registered mark THE INHIBITOR owned by a company selling other corrosion inhibition products.²³ Courts also have extended descriptive

fair use beyond purely literal identification of goods and services to permit the use of certain figurative expressions, such as the words "love potion" to advertising a perfume despite the ownership by a competing fragrance company of a trademark registration for LOVE POTION.²⁴ In *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*²⁵ the Supreme Court held that a party raising a descriptive fair use defense does not have the burden to negate a likelihood of consumer confusion,²⁶ although the ability of the party claiming infringement to prove a likelihood of consumer confusion is relevant to the fair use analysis.²⁷

The availability of the descriptive fair use defense provides reasonable comfort to businesses that third parties' (including their competitors') trademark ownership of terms that are descriptive or suggestive of key goods or services in an industry will not prevent the use of the same terms to describe such goods or services in a non-trademark manner. However, businesses expecting to rely on a descriptive fair use defense must take care to use the terms "in good faith,"²⁸ meaning, according to at least some circuits, without intent "to trade on the good will of the trademark owner by creating confusion as to the source of the goods or services."²⁹ To avoid any inference of lack of good faith, businesses expecting to rely on a descriptive fair use defense should avoid using more of the third party's mark than is required. For instance, the use of a third party's particular stylization of a word, as opposed to just the word itself, would not be appropriate in the context of a descriptive fair use, as it would be inconsistent with the concept of describing the business's *own* goods (although, as described below, some uses of third parties' stylizations may constitute nominative fair use).

C. Nominative Fair Use

Nominative fair use as a defense to trademark infringement is a judicial creation: it was first developed by the Ninth Circuit in *New Kids on the Block v. News Am. Publ'g, Inc.*, where the court described it as the use of another's mark as "the only word reasonably available to describe a particular thing."³⁰ Although nominative fair use can take many forms, of particular interest from a commercial perspective is the nominative use by a business of competitors' trademarks for purposes of referring to the competitor or its goods or services in comparative advertising. Such uses generally are permissible so long as the comparison does not disparage the competitor, make claims that are inaccurate or untruthful or mislead consumers,³¹ or cause consumers to be confused about the source of goods or services or the relationship between the businesses.³² Nominative uses in comparative advertising can include consumer surveys, references to the brand in stating facts about products or services, and assurances as to the advertiser's product's compatibility with a competitor's product.

In *New Kids* the Ninth Circuit set forth a three-factor nominative fair use test, requiring that (i) the plaintiff's

product or service not readily be identified without the use of the trademark; (ii) the defendant has used only so much of the mark as is necessary to identify the product or service; and (iii) the defendant has not done anything that would suggest the plaintiff had sponsored or endorsed the defendant.³³ Businesses expecting to rely on the defense should be aware, however, that there is a lack of consistency among the circuits in the application of the nominative fair use defense (although the principles underlying the *New Kids* factors remain relevant across the circuits).

In particular, in 2016 the Second Circuit held in *International Information Systems Security Certification Consortium, Inc. v. Security University, LLC*³⁴ that a modified likelihood-of-confusion analysis, using the *Polaroid* factors³⁵ to the extent applicable,³⁶ still should apply in the nominative fair use context but with the addition of factors substantially similar to the *New Kids* factors.³⁷ This means that, in the Second Circuit, a use that complies with each of the nominative fair use factors still could be impermissible to the extent it is likely to result in consumer confusion when considered in light of the *Polaroid* factors. Conversely, a nominative use that would not pass muster under the Ninth Circuit's approach (for example, because it uses a third party's logo rather than just its name, which may be more of the mark than necessary to identify the relevant product or service) might nevertheless be permissible under the Second Circuit's approach if the *Polaroid* factors suggest that no confusion is likely.

In January 2017, the Supreme Court denied the petition for certiorari in *Security University*,³⁸ leaving businesses uncertain as to the appropriate nominative use analysis, particularly in national advertising campaigns or other multi-jurisdictional speech. A conservative approach, therefore, would include consideration of the traditional likelihood-of-confusion factors³⁹ as well as of the nominative fair use factors in determining appropriate comparative trademark uses and would not assume that because the use is nominative, there is no confusion.⁴⁰

The Trademark Dilution Revision Act of 2006 codified the nominative fair use doctrine as a complete defense in trademark dilution suits,⁴¹ although it remains solely a common-law defense in the context of infringement suits. The codification of fair use in the dilution context specifically references and permits use of famous marks in comparative advertising and in parodying, criticizing, or commenting on the owner of the famous mark or on the owner's goods or services.⁴²

Given the lack of a uniform judicial approach to nominative fair use, and taking into account the principles that all of the circuits' approaches have in common, prudent nominative uses of third parties' marks, whether in comparative advertising or otherwise, will do the following:

1. Use the mark for the sole purpose of identifying the competitor or its goods or services, not as an indicator of the source of the speaker's goods or services or to suggest any association between the speaker and the mark owner.
2. Use only so much of the mark as is necessary to achieve the intended reference. The use of a word mark only is a more conservative approach where practicable.
3. Where third parties' logos or stylized word marks are used, particularly those of competitors, avoid altering the form in which the mark appears from the form traditionally used by the mark owner.⁴³
4. Make sure there is adequate substantiation for any claims regarding the mark owner or its goods or services.
5. Where practicable, include disclosure as to the owner of the mark and a disclaimer as to any endorsement or sponsorship of the speaker by the mark owner.

D. News Reporting and Commentary

Separate from nominative use (but often overlapping with it) are news reporting and news commentary, which, under the Federal Trademark Dilution Act of 1995, are statutory defenses to trademark dilution claims.⁴⁴ Although there is very little case law on this defense, a Southern District of California court has extended it beyond traditional news media to a blogger who reported critically on a company that resells goods on eBay.⁴⁵ The court stated that the content, not the format, should be examined for purposes of determining whether material constitutes journalism and that the blogger's article was written "for the purpose of conveying information to the public."⁴⁶

E. Parody

The Federal Trademark Dilution Act of 1995 and the Trademark Dilution Revision Act of 2006 also provide a statutory dilution defense for parody.⁴⁷ Although the statute does not expressly protect parody, courts typically recognize parody as fully protected speech.⁴⁸ In addition to the First Amendment interests at stake, courts have recognized that since parody "must convey two simultaneous and contradictory messages—that it is the original but also that it is *not* the original"⁴⁹—likelihood of confusion is low where a parody is effective.⁵⁰

F. Considerations Regarding Use of Third-Party Marks in Special Contexts

1. Keyword Advertising

Keyword advertising platforms such as Google AdWords allow an advertiser to "purchase" particular search

terms for purposes of ensuring that links to websites controlled by the advertiser and featuring the advertiser's products or services are the top results for searches that include the purchased search terms. One technique some businesses have employed is to purchase their competitors' trademarks as search terms so that a search for the competitor's mark yields, as the top result, the "sponsoring" advertiser's website rather than that of the competitor/trademark owner.

Although courts have made clear that purchasing trademarks as keyword advertising search terms constitutes the use of a trademark in commerce (despite the keyword purchase not being consumer-facing),⁵¹ such purchases are not necessarily infringing; rather, the appropriate inquiry is whether the purchase of a competitor's trademark for keyword advertising purposes gives rise to a likelihood of consumer confusion as to the source of the advertiser's paid search result.⁵² Addressing that question requires fact-based analysis of the particular heading and content of the paid search result: if seeing the search result (or its heading, before clicking on the result) would lead a consumer to make incorrect inferences regarding the source of the result or the association between the trademark owner and the party controlling the search result, then the keyword, together with the search result to which it is linked, could constitute trademark infringement. Advertisers purchasing competitors' trademarks as advertising keywords should take care that the web results to which paid search terms are linked make the source of the web result clear by, for example, including the name of the party controlling the website in the page heading (and *not* including the competitor's name in the page heading).

2. Social Media and Vanity URLs

Many social media platforms allow users to select "vanity URLs," personalizing the URL that redirects to a particular social media account. For example, Jane Doe might choose, for her personal Facebook page, www.facebook.com/janedoe; an automotive repair shop called John Doe Auto Body Shop might choose, for its business Facebook page, www.facebook.com/johndoeauto.⁵³ Businesses would be well-advised to avoid claiming competitors' trademarks as vanity URLs. Although the use of competitor trademarks in post-domain paths is largely untested in court,⁵⁴ such uses are very likely to be considered commercial in nature and do not appear to be susceptible to available fair use defenses.⁵⁵ Further, there would seem to be a strong case for consumer confusion where consumers are accustomed to typing in the name of an individual or business as a post-domain path to reach the social media page controlled by that individual or business.⁵⁶ In addition to (or in lieu of) raising any Lanham Act claims that may be available, a trademark owner typically need look no further than the platform terms of use for a venue for reporting alleged trademark infringements. Facebook, for example, established a trademark dispute resolution process wherein trademark

owners can use a form to report infringements.⁵⁷ Twitter has a similar form.⁵⁸

3. User-Generated Content

User-generated content (UGC) is, broadly speaking, any form of content produced by consumers through the use of an online platform (social media or otherwise). Examples of UGC include social media posts, discussion forum posts, chats, tweets, blog content, digital images, audio files, and video files.⁵⁹ There is no explicit special legal treatment of the use of third-party trademarks in UGC analysis of such uses should include consideration of commerciality, likelihood of confusion, and the defenses described herein. In many cases, by virtue of its creation by consumers, UGC is non-commercial and nominative in nature and therefore likely to constitute permissible use. Case law on use of trademarks in UGC is limited, but at least one court has, in dicta, acknowledged the importance of protecting consumers' rights to use UGC as a vehicle for discussing trademarked products.⁶⁰

III. Hypotheticals

The following hypotheticals are intended to illuminate certain of the principles discussed above. Although some aspects of these examples are based on case law, the circumstances and parties are entirely fictional. Further, the discussion of these examples is for limited illustrative purposes only and therefore intentionally omits consideration of other factors and areas of law that would be relevant to a complete legal analysis. It is not intended to constitute legal advice applicable to any particular real-life situation.

Example A: Company A, a manufacturer of energy drinks, is interested in producing a video, which it will post on its YouTube, Facebook, and other social media channels, in which real-life consumers (not paid actors) are approached in public and asked to compare Company A's product with a competing product sold by Company B and to discuss their reactions (in hopes of demonstrating that Company A's product is preferred). Company A approaches you for counsel prior to beginning production and asks for tips on limiting its risk of infringing the trademarks of Company B. What suggestions can you offer Company A?

Discussion: First, Company A must understand that posting the video in social media channels only (as opposed to, for example, posting it on Company A's primary website or running it as a network television ad) will not make the video a non-commercial use for purposes of trademark analysis. Company A should characterize its use as a nominative fair use in the context of comparative advertising and look to comply with the strictures necessary to qualify for such fair use protection.

Assuming the video will be accessible nationwide, it may not be clear to Company A which jurisdiction's law would apply if Company B brought a trademark infringement claim, so Company A should assume that both likelihood-of-confusion factors *and* the factors specific to nominative fair use will apply and should consider its use of Company B's marks from both a confusion perspective and a nominative use perspective. Since the circuits agree that advertisers using a third party's trademark in a nominative manner must not use more of the third party's mark than is necessary to identify the product or service, Company A should consider how it can limit its use of Company B's marks while still achieving its intended purpose. For example, it would be impossible to reliably illustrate for viewers a consumer drinking from a bottle of Company B's product without showing the bottle, including any word marks, logos, or trade dress embodied on or in it. (The bottle should be shown the way it ordinarily appears when distributed by Company B, not altered in any manner.) In contrast, it probably is *not* necessary for Company A to approach customers inside Company B's physical premises, thereby showing the trade dress used to outfit the Company B store.

To guard against confusion as to the ownership of Company B's trademarks, Company A may want to consider whether it is practicable to include a text disclaimer in the video making clear that the Company B name and any other Company B marks depicted in the video are the property of Company B.

Finally, but perhaps most importantly, Company A should be sure that it can substantiate the claims made or implied in the video. For example, if 80 percent of the individuals approached in production identify Company B's product as the favored product, Company A should consider refraining from posting the ad. Likewise, Company A should pay close attention to the nature of the statements individuals make about Company B's products and refrain from including any statements that are untrue or likely to mislead viewers of the video (e.g., a statement that Company B's product tastes more sugary than that of Company A, if Company A's product in fact contains a higher sugar concentration than that of Company B).

Example B: Suzie Smith is a beauty blogger who reviews new products she finds while shopping. She selects all of the products to review without input from any brands and is not sponsored or provided with any free products or other benefits by any brands. The blog includes an "About Me" tab that identifies Suzie as a trained makeup artist available for hire by appointment. On the blog, in addition to sharing her views on various aspects of the product, including the pricing, branding, size, and product quality, she (i) identifies each of the brands she

reviews by name, (ii) includes an image of the brand's primary logo, and (iii) shows a picture of herself holding the beauty item in its original packaging. Are her uses of the beauty brands' trademarks permissible, assuming the Ninth Circuit's *New Kids* factors apply to any nominative use analysis?

Discussion: Although Suzie is an individual presenting commentary and criticism, her blog is commercial in nature insofar as it promotes Suzie's services as a makeup artist. Therefore, Suzie is not subject to the heightened protection afforded to non-commercial speech, but she may be able to characterize her uses of the brands' marks as nominative fair use. As an initial matter, to avoid "do[ing] [any]thing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder,"⁶¹ Suzie ought to include easily visible, clear disclaimers on the blog explaining that she is not endorsed by or provided with other benefits by any of the brands she reviews. Assuming no implication of sponsorship or endorsement, Suzie's use of the brands' *names* constitutes classic nominative use in that the name of the brand is, practically speaking, "the only word reasonably available to describe [the] particular thing."⁶² Without using the brand name, readers will not be able to use Suzie's commentary because they will not be able to identify what she is reviewing. The use of the packaging image, although less clear-cut than the use of the name, is also arguably necessary to identify the product (thereby allowing readers to identify it by appearance while shopping). The appropriateness of Suzie's use of the logos is more questionable than her use of the brand names and packaging images, as the applicable product or service would still be "readily identifiable without use of the [logo],"⁶³ and, relatedly, Suzie has seemingly used more of the mark than necessary to identify the product or service.⁶⁴

Given that in the Ninth Circuit the *New Kids* test "replaces the multi-factor test that the Ninth Circuit typically employs to determine consumer confusion,"⁶⁵ the application of the *New Kids* test in this case may result in a determination that there is a likelihood of confusion from a legal perspective where, from a practical perspective, there may have been none. The application of the Second Circuit's combined *Polaroid* and nominative use considerations, using the ordinarily applicable likelihood-of-confusion factors, might have resulted in a different and more permissive outcome regarding Suzie's use of the brand logos.

Example C: In an attempt at search optimization, AB Gaming purchases a keyword for "XY Adventures," the name of a competing video game enterprise. As a consequence of AB's keyword purchase, the first result arising from a Google search for "XY Adventures" is a page entitled "What You Need to Know About

XY.” Visitors who click on the search result are taken to a web page controlled by ABC that compares its games to those of XY, including discussing (accurately) some defects that have been found in XY’s product software. The page is located at the URL www.abgames.com/why-we-win/, has the AB logo at the top, and appears in the color scheme typical of AB product branding. The XY name is used on the website solely to reference XY in comparing and critiquing its product offerings. No XY logos or other XY marks are used on the website in any manner. Is AB’s keyword advertising use of XY Adventures’ trademark permissible?

Discussion: AB Games is using the XY Adventures trademark in two ways: (i) as a purchased advertising keyword and (ii) on the AB website for purposes of comparing AB to XY. That the nominative use of the XY mark on the AB website itself presents accurate critique and is fairly limited in degree and unlikely to result in consumer confusion as to the source of the website is irrelevant to the analysis of whether the use of the mark in keyword advertising presents a likelihood of confusion as to the source of the website to which the purchased keyword is linked. In *Rescuecom*, the Second Circuit stated that “[i]f the searcher sees a different brand name as the top entry in response to the search for ‘Rescuecom,’ the searcher is likely to believe mistakenly that the different name which appears is affiliated with the brand name sought in the search and will not suspect, because the fact is not adequately signaled by [the] presentation [of the entry], that this is not the most relevant response to the search.”⁶⁶

That concern may be all the more salient if the title of the search result bears, in fact, the *same* name the searcher was looking for: a result titled “What You Need to Know About XY” is unclear as to its source and in no way indicates that the source could be AB. Some consumers may assume that clicking on the result will lead them to a website controlled by (and offering firsthand information about) XY. That the consumer would promptly discover her error once she reached the website does not resolve the issue; she has already, by the time of her discovery, experienced initial interest confusion.⁶⁷ AB Games should revise the title of its search result page such that there is complete clarity as to the source of the page (e.g., “Welcome to AB Games” or “AB Games: How We Win”).

IV. Conclusion

Use of a third party’s trademark can be a powerful tool to allow or enhance a critique of a business or its products or services, whether from the perspective of a disgruntled consumer, a public informer, or a savvy competitor. In particular, businesses should take some comfort in the knowledge that commercial speech, notwithstanding its subsidiary position relative to non-com-

mercial speech, is entitled to a significant degree—and many types—of protection from a trademark perspective; businesses need not assume that they have no right to criticize third-party products and services due solely to the commercial nature of their critiques. However, given the inconsistent law across jurisdictions as to when speech is commercial and as to trademark defenses such as nominative fair use, a customized consideration of facts and a detailed search for supporting cases involving comparable facts is in order each time the use of a third party’s trademarks is contemplated.

Endnotes

1. This article focuses on use of third parties’ trademarks from a U.S. law perspective. The analysis may differ for trademark uses outside the United States, including for advertisers undertaking global campaigns or those targeted at non-U.S. jurisdictions.
2. The government must demonstrate a compelling state interest in regulating non-commercial speech, and the regulation must be narrowly tailored to achieve that interest. *See, e.g., Citizens United v. FEC*, 558 U.S. 310, 340 (2010); *FEC v. Wis. Right to Life, Inc.*, 551 U.S. 449, 464 (2007); *Austin v. Michigan State Chamber of Commerce*, 494 U.S. 652, 655 (1990); *Boos v. Barry*, 485 U.S. 312, 334 (1988) (plurality); *First Nat’l Bank v. Bellotti*, 435 U.S. 765, 786 (1978); *Buckley v. Valeo*, 424 U.S. 1, 44-45 (1976).
3. *See Bigelow v. Virginia*, 421 U.S. 809, 818-26 (1975); *Va. State Bd. of Pharmacy v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 758-70 (1976); *see also Edenfield v. Fane*, 507 U.S. 761, 767 (1993) (“The commercial marketplace, like other spheres of our social and cultural life, provides a forum where ideas and information flourish. Some of the ideas and information are vital, some of slight worth. But the general rule is that the speaker and the audience, not the government, assess the value of the information presented. Thus, even a communication that does no more than propose a commercial transaction is entitled to the coverage of the First Amendment.”).
4. The test, as articulated in *Central Hudson Gas & Elec. Corp. v. Public Serv. Comm’n*, 447 U.S. 557, 566 (1980), requires, with respect to speech that is lawful and not misleading (a prerequisite to First Amendment protection), that (i) the asserted governmental interest is substantial; (ii) the regulation directly advances such interest; and (iii) the regulation is not extensive than necessary to serve such interest.
5. 15 U.S.C. § 1125(a)(1) (defining trademark infringement as the use of another’s mark “on or in connection with any goods or services” in a confusing or misrepresentative manner).
6. The Lanham Act defines dilution as a claim available to the owners of a famous mark against uses of a similar mark that, irrespective of any likelihood of confusion, is likely to impair the distinctiveness of the famous mark (“dilution by blurring”) or harm the reputation of the famous mark (“dilution by tarnishment”). 15 U.S.C. § 1125(c)(1)-(2).
7. 15 U.S.C. § 1125(c)(3)(C).
8. Further complicating the commerciality analysis is that the term “commercial” is used to represent multiple concepts in overlapping bodies of law, including First Amendment case law, trademark non-infringement case law, trademark dilution case law, and case law regarding the meaning of “use in commerce” for purpose of determining the limits of Congressional regulation. For a detailed discussion of the multiple and conflicting ways the concept of commerciality is defined and used, *see* Jennifer E. Rothman, *Commercial Speech, Commercial Use, and the Intellectual Property Quagmire*, 101 Va. L. Rev. 1929 (2015).
9. *Jordan v. Jewel Food Stores, Inc.*, 743 F.3d 509 (7th Cir. 2014).
10. *Id.* at 511.

11. *Id.* at 518.
12. *Bosley Med. Inst., Inc. v. Kremer*, 403 F.3d 672 (9th Cir. 2005).
13. *Id.* at 674.
14. *Id.* at 678. See also *Lamparello v. Falwell*, 420 F.3d 309 (4th Cir. 2005) (rejecting a claim that the defendant's use of the domain name "fallwell.com" to operate a gripe site criticizing Reverend Jerry Falwell constituted trademark infringement). Although such holding was ultimately based on an absence of likelihood of confusion rather than a determination that the use was not commercial, the discussion of confusion cited the fact that the site was being used solely to criticize the markholder, not to capture the markholder's customers and profits. *Id.* at 317-18.
15. *Bosley*, 403 F.3d at 679-80. Consumers also may be able to avail themselves of non-trademark protections in connection with their public posting of (non-libelous, non-defamatory, non-slanderous) gripe content. Consider, for instance, the Consumer Review Fairness Act of 2016 (15 U.S.C. § 45b), enacted in 2016 to protect consumers' ability to "share their honest opinions about a business's products, services, or conduct, in any forum, including social media." Federal Trade Commission, *Consumer Review Fairness Act: What Businesses Need to Know* (Feb. 2017), <https://www.ftc.gov/tips-advice/business-center/guidance/consumer-review-fairness-act-what-businesses-need-know>. Certain states had similar bills prior to the enactment of the CRFA. See, e.g., Cal. Civ. Code § 1670.8.
16. *Taubman Co. v. Webfeats*, 319 F.3d 770 (6th Cir. 2003).
17. *Id.* at 775.
18. *Id.*
19. Some businesses have established written policies specifically applicable to the development and distribution of fan content. That approach is particularly popular in the gaming industry. See, e.g., Epic Games' policy (<https://www.epicgames.com/about/fan-art-policy/>); Dungeons & Dragons policy (<http://dnd.wizards.com/articles/features/fan-site-kit>); Habbo policy (<https://help.habbo.com/hc/en-us/articles/221643408-Habbo-Fansite-Policy>).
20. For example, the FTC treats social media content as commercial content in the context of endorsements and social influencer speech, where a lack of transparency can result in consumer confusion as to the independence of the speaker on a particular product or service. See, e.g., *In the Matter of Lord & Taylor, LLC* (FTC 2016) (treating content posted by Lord & Taylor-sponsored influencers on, *inter alia*, Instagram as commercial content subject to regulation); *In the Matter of Warner Bros. Home Entertainment, Inc.* (FTC 2016) (treating influencer postings on YouTube as commercial content subject to regulation).
21. 15 U.S.C. § 1115(b)(4).
22. *Sorensen v. WD-40 Co.*, Case No. 14-3067 (7th Cir. June 11, 2015).
23. *Id.*
24. *Dessert Beauty, Inc. v. Fox*, 568 F. Supp. 2d 416 (S.D.N.Y. 2008) (stating that the defendant "did not use 'love potion' as a trademark because the source of its fragrance products was not identified by that term" (*id.* at 424) and that the words were instead used "to describe the effects that the products may have [when] worn by the wearer" (*id.* at 425)).
25. *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111 (2004).
26. *Id.* at 114.
27. The Supreme Court remanded the case for further proceedings on the issue of confusion, specifically, whether a cosmetics seller's use of the term "microcolor" was likely to result in consumer confusion with a competitor's incontestable trademark registration for MICRO COLORS). *Id.* at 124.
28. 15 U.S.C. § 1115(b)(4).
29. *Int'l Stamp Art, Inc. v. United States Postal Serv.*, 456 F.3d 1270, 1274 (11th Cir. 2006); see also *Kelly-Brown v. Winfrey*, 717 F.3d 295, 312 (2d Cir. 2013).
30. *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992).
31. Claim substantiation, while important in all advertising, is especially critical in the comparative advertising context, where the advertising is likely to draw the competitor's attention. In addition to the spectre of private claims under the Lanham Act and/or its counterparts at the state level, competitors also could raise claims with the National Advertising Division of the Council of Better Business Bureaus, and false advertising may be subject to regulatory discipline by the Federal Trade Commission.
32. *New Kids*, 971 F.2d at 308.
33. *Id.*
34. *Int'l Info. Sys. Sec. Certification Consortium, Inc. v. Sec. Univ., LLC*, 823 F.3d 153 (2d Cir. 2016).
35. The Second Circuit's *Polaroid* factors are (1) strength of the senior user's trademark; (2) similarity of the marks; (3) proximity of the products and their competitiveness with one another; (4) evidence that the senior user may "bridge the gap" by developing a product in market of the alleged infringer's product; (5) evidence of actual confusion; (6) evidence that the imitative mark was adopted in bad faith; (7) quality of the defendant's product; and (8) sophistication of buyers in the relevant market. *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961).
36. The Second Circuit acknowledged that certain of the *Polaroid* factors are "a bad fit" in the nominative use context. *Int'l Info. Sys.*, 823 F.3d at 168.
37. See also *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211 (3d Cir. 2005), in which the Third Circuit treated nominative fair use as an affirmative defense, applicable only after a plaintiff proves a likelihood of confusion, and articulated its own test with factors derived from the *New Kids* test. *Id.* at 222. For a more in-depth discussion of the Second Circuit's analysis of nominative fair use, see Jonathan Bloom and Jessica Falk, *Second Circuit Weighs in on Nominative Fair Use, Certification Marks*, BRIGHT IDEAS, Fall 2016, Vol. 25, No. 2, at 30-33.
38. *Int'l Info. Sys.*, 823 F.3d 153, *cert. denied*, 2017 U.S. LEXIS 521 (U.S. Jan 9, 2017).
39. Most jurisdictions have established likelihood-of-confusion factors analogous to the Second Circuit's *Polaroid* factors. See, e.g., *Interpace Corp. v. Lapp, Inc.*, 721 F.2d 460, 463 (3d Cir. 1983); *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979); *Helene Curtis Indus. v. Church & Dwight Co.*, 560 F.2d 1325, 1330 (7th Cir. 1977).
40. Note also that the Second Circuit made clear that "confusion" analysis applies not only with respect to the source of goods, but also with respect to sponsorship, affiliation or connection between the parties. *Int'l Info. Sys.*, 823 F.3d at 161.
41. 15 U.S.C. § 1125(c)(3)(A).
42. 15 U.S.C. § 1125(c)(3)(A)(i)-(ii).
43. See, e.g., *Deere & Co. v. MTD Products, Inc.*, 41 F.3d 39 (2d Cir. 1994) (defendant's use of a modified form of the famous "leaping deer" trademark of Deere and Company constituted dilution of a famous mark).
44. 15 U.S.C. § 1125(c)(3)(B). There is no explicit statutory news reporting defense to trademark infringement claims, but most news reporting and commentary is, by its nature, likely to be subject to a nominative use defense.
45. See *BidZirk, LLC v. Smith*, No. 6:06 709-HMH, 2007 U.S. Dist. LEXIS 78481 (D.S.C. Oct. 22, 2007) (holding that an article titled "Special Report: You Gotta Be Berserk to Use an eBay Listing Company! The Whole Story," depicting BidZirk's trademark and relating the author's experience utilizing an eBay listing company

such as BidZirk, qualified for a news reporting defense under 15 U.S.C. § 1125(c)(3)(B)).

46. *Id.* at *17-18.
47. 15 U.S.C. § 1125(c)(3)(A)(ii).
48. *See, e.g., Mattel, Inc. v. MCA Records*, 296 F.3d 894 (9th Cir. 2002); *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 260 (4th Cir. 2007); *People for the Ethical Treatment of Animals v. Doughney*, 263 F.3d 359 (4th Cir. 2001); *Jordache Enters. v. Hogg Wyld, Ltd.*, 828 F.2d 1482 (10th Cir. 1987).
49. *People for the Ethical Treatment of Animals*, 263 F.3d at 366 (internal quotations and citation omitted).
50. *Louis Vuitton*, 507 F.3d at 261.
51. *See Rescuecom Corp. v. Google, Inc.*, 562 F.3d 123, 127 (2d Cir. 2009); *Network Automation, Inc. v. Advanced Sys. Concepts, Inc.*, 638 F.3d 1137, 1145 (9th Cir. 2011).
52. *See Rescuecom*, 562 F.3d at 130 (“[A] defendant must do more than use another’s mark in commerce to violate the Lanham Act. The gist of a Lanham Act violation is an unauthorized use, which ‘is likely to cause confusion...as to the origin, sponsorship, or approval of . . . goods [or] services.’”).
53. Google+, LinkedIn, Twitter, Pinterest, and Instagram also provide for the selection of personalized URLs. *See, e.g.,* Ericka Lewis, *How to Claim Vanity URLs for Your Social Media Accounts*, Adhere Creative (Sept. 15, 2015), <https://www.adherecreative.com/blog/bid/187942/How-To-Claim-Vanity-URLs-For-Your-Social-Media-Accounts>.
54. In 2009, Major League Baseball manager Tony La Russa sued Twitter and the holder of an account that used La Russa’s name in its post-domain path, i.e., twitter.com/TonyLaRussa. *La Russa v. Twitter, Inc. and Does 1-25*, Case No. CGC-09.488101 (Cal. Super. Ct. filed May 6, 2009). The case ultimately settled, however, without a ruling on the merits. <http://www.dmlp.org/sites/citmedialaw.org/files/2009-06-26-La%20Russa%20Notice%20of%20Voluntary%20Dismissal.pdf>.
55. *Contrast Bosley*, 403 F.3d at 679, where the holding was based on the non-commercial nature of the use and that the defendant was not offering competing services to the public.
56. *See Brookfield Commc’ns, Inc. v. West Coast Entm’t Corp.*, 174 F.3d 1036, 1062 (9th Cir. 1999) (explaining that initial interest confusion online, even if later corrected, can damage a plaintiff trademark owner because web surfers who navigate to the defendant’s site by mistake may not bother to course-correct).
57. *See* Facebook’s trademark report form at <https://www.facebook.com/help/contact/284186058405647>.
58. *See* Twitter’s trademark report form at <https://support.twitter.com/forms/trademark>.
59. Kyle S. Richardson, *The Content Corner: How to Leverage User-Generated Content to Resonate With Your Audience*, U.S. Technology Transformation Service—DigitalGov (July 11, 2016), <https://www.digitalgov.gov/2016/07/11/how-to-leverage-user-generated-content-to-resonate-with-your-audience/>.
60. *See Stevo Design, Inc. v. SBR Mktg.*, 968 F. Supp. 2d 1082 (D. Nev. 2013).
61. *New Kids*, 971 F.2d at 308.
62. *Id.*
63. *Id.*
64. *Id.*
65. *Int’l Info. Sys.*, 823 F.3d at 166.
66. *Rescuecom*, 562 F.3d at 131.
67. *See Brookfield Commc’ns*, 174 F.3d at 1062 (explaining that web surfers who navigate to the defendant’s site by mistake will find a product offering similar enough to plaintiff’s “such that a sizeable number of consumers who were originally looking for [plaintiff]’s product will simply decide to utilize [defendant’s] offerings instead.”).

ABOUT THE AUTHORS



Brooke Erdos Singer is a partner in the Intellectual Property and Advertising, Marketing & Promotions Practice Groups. She may be reached at 212.468.4940 or bsinger@dglaw.com.



Maxine Sharavsky is an associate in the Intellectual Property and Advertising, Marketing & Promotions Practice Groups. She may be reached at 212.468.4845 or msharavsky@dglaw.com.