

## LEGAL UPDATE

### HOW FAIR IS FAIR?: *KP PERMANENT V. LASTING IMPRESSION* AND THE LIKELIHOOD OF CONFUSION IN FAIR USE

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#### I. INTRODUCTION

Trademark holders must vigorously protect and defend their marks, lest they go the way of those once-renowned, like aspirin and zipper, and become generic. Competitors, meanwhile, may use common descriptive terms to describe their products, even if someone else has registered them as a trademark. Thus, two Boston-based moving companies, Gentle Movers and Gentle Giant, may share the same adjective. The fair use doctrine as codified in the Lanham Act allows an alleged infringer to claim that it was using the mark “fairly”<sup>1</sup> and therefore may continue to do so, even if such use would otherwise infringe the markholder’s rights.

In *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*,<sup>2</sup> the Supreme Court addressed the role of consumer confusion in determining whether a use is fair. The Ninth Circuit had held that unless the alleged infringer showed that there was no possibility of consumer confusion, then the use could not be fair.<sup>3</sup> Other circuits allow some likelihood of confusion to occur within the limits of fair use.<sup>4</sup> The Supreme Court read the statute strictly and held that an alleged infringer need not prove that there is no likelihood of confusion. However, a court may consider the degree of confusion in deciding whether to consider a use fair.<sup>5</sup> The Supreme Court thus continues its recent trend of holding

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<sup>1</sup> Lanham Act § 33(b)(4), 15 U.S.C. § 1115(b)(4) (2000).

<sup>2</sup> 125 S. Ct. 542 (2004).

<sup>3</sup> *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 328 F.3d 1061, 1072 (9th Cir. 2003).

<sup>4</sup> See, e.g., *Cosmetically Sealed Indus., Inc. v. Chesebrough-Pond’s USA Co.*, 125 F.3d 28, 30-31 (2d Cir. 1997); *Shakespeare Co. v. Silstar Corp. of Am.*, 110 F.3d 234, 243 (4th Cir. 1997).

<sup>5</sup> 125 S. Ct. at 550-51.

trademark holders to the express terms of the Lanham Act and expanding protection for alleged infringers.

## II. CASE HISTORY: KP PERMANENT AND LASTING IMPRESSION

Lasting Impression I, Inc. (“Lasting”) and KP Permanent Make-Up, Inc. (“KP”) compete in the permanent makeup industry.<sup>6</sup> The parties compare permanent makeup to a tattoo, because each involves trained professionals injecting pigment into the skin.<sup>7</sup> The primary difference comes from the cosmetic and medical uses of permanent make-up.<sup>8</sup> People may use permanent makeup to create permanent eyeliner, enhance eyebrows, hide scars, or conceal cases of pigmentary disorder.<sup>9</sup> Permanent makeup is also known as “micropigmentation.”<sup>10</sup>

Both Lasting and KP sell their products in small bottles to the trained professionals who inject it.<sup>11</sup> They each sell a variety of colors to both medical and cosmetic professionals.<sup>12</sup> Both also use the words “micro color”<sup>13</sup> when describing their respective products and had done so for many years before the use challenged in this suit.<sup>14</sup>

KP claims to have used the words “micro colors” to describe its line of pigment colors since 1990 in its advertising flyers, and since 1991 on its pigment bottles.<sup>15</sup> Lasting began using “micro colors” as a trademark for its pigments in 1992.<sup>16</sup> Lasting applied for registration of its mark that year, and the United States Patent and Trademark Office issued a registration for the mark on the Principal Register in May 1993.<sup>17</sup> Lasting’s mark consists of the words “micro” and “color” in white lettering appearing directly over one another, enclosed in a black rectangle, with a green horizontal bar separating

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<sup>6</sup> *KP Permanent*, 328 F.3d at 1065.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> *KP Permanent*, 328 F.3d at 1065.

<sup>12</sup> *Id.*

<sup>13</sup> In the words of the Supreme Court, “as one word or two, singular or plural.” *KP Permanent*, 125 S. Ct. at 546. For the purposes of consistency, this paper will use “micro color.”

<sup>14</sup> KP claims to have used the word since 1990 or 1991, and Lasting since 1992. KP’s use in 1999 in a brochure spurred Lasting to file this suit. *Id.*

<sup>15</sup> *Id.* Although Lasting denies that KP began using the term that early, both the district court and the Ninth Circuit accepted it as true.

<sup>16</sup> *KP Permanent*, 328 F.3d at 1065.

<sup>17</sup> *Id.* (citing Reg. No. 1,769,592).

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the words.<sup>18</sup> In 1999, after five years of Lasting's use of this mark, it became incontestable under section 15 of the Lanham Act.<sup>19</sup>

Also in 1999, KP began using a new form of the term "micro color."<sup>20</sup> On the labels of its bottles, KP had used the words in all capitals followed by the name of the color, such as "MICROCOLOR: BLACK."<sup>21</sup> In 1999, KP added "micro color" "in a stylized format" to its marketing brochures.<sup>22</sup> In this new use, "micro color" sat directly above the word "pigment," and a bottle with pigment flowing out of it appeared next to the words.<sup>23</sup> The words and bottle both sat above the word "chart," and the brochure contained a chart of all the colors that KP offered for its pigments.<sup>24</sup>

In March 2000, KP instituted a trademark declaratory relief action against Lasting seeking a judicial finding that its use did not infringe Lasting's trademark.<sup>25</sup> Lasting counter-claimed, alleging that KP's use did infringe its incontestable mark.<sup>26</sup> KP moved for summary judgment, claiming, among other things, that Lasting's registration of the logo mark did not give it exclusive rights to the term "micro color" apart from the logo, that KP could use "micro color" under the fair use doctrine, and that Lasting could not show any likelihood of confusion.<sup>27</sup> Lasting moved for summary adjudication claiming, among other things, that Lasting's trademark registration included not just the mark itself, but also the words apart from the mark.<sup>28</sup>

The district court granted KP's motion for summary judgment and denied Lasting's motion for summary adjudication.<sup>29</sup> The district court's holding had several parts. First, it held that KP could continue to use "micro color" in the manner that it had since 1991, and that Lasting could continue to use its trademarked logo with the words "micro color."<sup>30</sup> Second, it held that "micro

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<sup>18</sup> *Id.*

<sup>19</sup> *KP Permanent*, 125 S. Ct. at 546. See Lanham Act § 15, 15 U.S.C. § 1065 (2000) ("[T]he right of the registrant to use such registered mark in commerce for the goods or services on . . . which such registered mark has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce, shall be incontestable.").

<sup>20</sup> *KP Permanent*, 328 F.3d at 1066.

<sup>21</sup> *Id.* at 1065.

<sup>22</sup> *Id.* at 1066.

<sup>23</sup> *Id.*

<sup>24</sup> *Id.*

<sup>25</sup> *KP Permanent*, 328 F.3d at 1066.

<sup>26</sup> *Id.*

<sup>27</sup> *Id.*

<sup>28</sup> *Id.*

<sup>29</sup> *Id.*

<sup>30</sup> *KP Permanent*, 328 F.3d at 1066.

color” itself is generic, and if not generic, descriptive.<sup>31</sup> Third, it held that neither KP nor Lasting had acquired secondary meaning in their use of “micro color.”<sup>32</sup> Finally, the district court found that the fair use doctrine protected KP’s use of “micro color.”<sup>33</sup> Because it found the use to be fair, the district court did not discuss any likelihood of confusion.<sup>34</sup>

### III. FAIR USE, LIKELIHOOD OF CONFUSION, AND INCONTESTABILITY

Section 33(b) of the Lanham Act lists the affirmative defenses an alleged infringer may assert in response to an infringement claim by the holder of an incontestable mark.<sup>35</sup> A defendant may assert fair use when its use of the plaintiff’s mark is “descriptive of and used fairly and in good faith only to describe the goods or services of such party.”<sup>36</sup> There are thus three elements to a fair use defense. The use must be descriptive, the alleged infringer must use the mark fairly, and the alleged infringer must use it in good faith.

Circuit courts of appeals have variously interpreted the elements of the fair use defense, especially with respect to the role of the likelihood of confusion, which party has the burden to prove which elements, and what that means for “used fairly.”<sup>37</sup> The Ninth Circuit, for example, has essentially held that the “used fairly” element of the fair use defense requires that an alleged infringer show that there is no likelihood of confusion. If there were a likelihood of confusion, the court reasons, then the use would not be fair.<sup>38</sup>

Other courts have held that some likelihood of confusion necessarily accompanies fair use of another’s mark.<sup>39</sup> In the Fourth Circuit, for example,

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<sup>31</sup> *Id.*

<sup>32</sup> *Id.*

<sup>33</sup> *Id.*

<sup>34</sup> *Id.*

<sup>35</sup> Lanham Act § 33(b), 15 U.S.C. § 1115(b) (2000).

<sup>36</sup> Lanham Act § 33(b)(4).

<sup>37</sup> *See, e.g., Zatarains, Inc. v. Oak Grove Smokehouse*, 698 F.2d 786, 796 (5th Cir. 1983) (alleged infringers were free to use words contained in a trademark “in their ordinary, descriptive sense, so long as such use [did] not tend to confuse customers as to the source of the goods”); *Cosmetically Sealed*, 125 F.3d at 30-31 (the fair use defense may succeed even if there is likelihood of confusion); *Shakespeare*, 110 F.3d at 243 (“[A] determination of likely confusion [does not] preclud[e] considering the fairness of use”); *Sunmark, Inc. v. Ocean Spray Cranberries, Inc.*, 64 F.3d 1055, 1059 (7th Cir. 1995) (finding that likelihood of confusion did not preclude the fair use defense).

<sup>38</sup> *KP Permanent*, 328 F.3d at 1072 (an alleged infringer “can only benefit from the fair use defense if there is no likelihood of confusion”); *but see Shakespeare*, 110 F.3d at 243 (“[w]hile it is true that to the degree that confusion is likely, a use is less likely to be found fair, it does not follow that a determination of likely confusion precludes considering the fairness of use”).

<sup>39</sup> *See, e.g., Cosmetically Sealed*, 125 F.3d at 30 (“[f]air use is a defense to liability under

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the court wrote that it “defies logic to argue that a defense may not be asserted in the only situation where it even becomes relevant. If a fair use defense is not to be considered when there is a likelihood of confusion, then it is never to be considered.”<sup>40</sup> That court recognized that an alleged infringer would only have to rely on the affirmative defense of fair use when the markholder had successfully presented its prima facie case for infringement, which includes likelihood of confusion. “A defense which can be considered only when the prima facie case has failed is no defense at all.”<sup>41</sup> The court did acknowledge, however, that a court must consider the degree of confusion. The more confusion, the court argued, the less likely that the use will be found fair.<sup>42</sup>

The Second Circuit applies a slightly broader standard.<sup>43</sup> That court held that the defendant had used the words of the plaintiff’s mark only in their descriptive sense.<sup>44</sup> Although the two marks were very close,<sup>45</sup> the court held that any consumer confusion that resulted from the similarity was “a risk the plaintiff accepted when it decided to identify its product with a mark that uses a well known descriptive phrase.”<sup>46</sup> This court seemed willing to allow a broad fair use defense in cases where the plaintiff’s mark is very common and recognizable, denying markholders any special protection when they assume commonly known words and phrases as descriptive marks.

IV. *KP PERMANENT V. LASTING IMPRESSION* IN THE NINTH CIRCUIT

On appeal from the District Court for the Central District of California,<sup>47</sup> the Ninth Circuit reviewed de novo each of the lower court’s holdings in its grant of summary judgment to KP.<sup>48</sup> The Ninth Circuit framed its analysis in terms of a trademark infringement action.<sup>49</sup>

In a trademark infringement action, the trademark holder must show that it

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the Lanham Act even if a defendant’s conduct would otherwise constitute infringement of another’s trademark”); *Shakespeare*, 110 F.3d at 243 (“[w]hile it is true that to the degree that confusion is likely, a use is less likely to be found fair, it does not follow that a determination of likely confusion precludes considering the fairness of use”).

<sup>40</sup> *Shakespeare*, 110 F.3d at 243.

<sup>41</sup> *Id.*

<sup>42</sup> *Id.*

<sup>43</sup> *Cosmetically Sealed*, 125 F.3d at 30.

<sup>44</sup> *Id.*

<sup>45</sup> Plaintiff had registered “SEALED WITH A KISS” and challenged defendant’s use of “SEAL IT WITH A KISS.” *Id.* at 29.

<sup>46</sup> *Id.* at 30.

<sup>47</sup> *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, No. CV-00-00276-GLT (C.D. Cal. May 16, 2001).

<sup>48</sup> *KP Permanent*, 328 F.3d at 1066. *See supra* for the district court’s holdings.

<sup>49</sup> *KP Permanent*, 328 F.3d at 1067.

has a valid mark and a protectable interest in that mark, and that the alleged infringer's use "is likely to cause confusion, or to cause mistake, or to deceive."<sup>50</sup> Because the district court held that the mark was protectable but the words themselves were not, the Ninth Circuit first inquired whether the registration of the mark protected only the logo or both the logo and the words.<sup>51</sup>

Relying on its earlier analysis in *Park 'N Fly v. Dollar Park & Fly, Inc.*,<sup>52</sup> the Ninth Circuit found that registration protects not only the logo mark itself, but also its "most salient feature."<sup>53</sup> Because Lasting's mark consists almost entirely of the words "micro color," they constitute the most salient feature of the mark and are protected as well.<sup>54</sup> The Ninth Circuit then focused on the validity of protection for those words.

The district court had found that "micro color" was generic, and if not generic, then merely descriptive.<sup>55</sup> KP argued that "micro color" was generic, and therefore not subject to trademark protection.<sup>56</sup> However, "[f]ederal registration of a trademark endows it with a strong presumption of validity."<sup>57</sup> That presumption of validity includes the presumption that the trademark is not generic and extends to the most salient feature of the mark as well.<sup>58</sup> The burden to overcome that presumption, the Ninth Circuit found, rests on the party seeking to show genericness.<sup>59</sup> The district court erred, and KP should have had to produce evidence to overcome the presumption of validity.<sup>60</sup> Because KP presented no evidence to show that "micro color" is generic, no reasonable jury could determine that it is generic, and therefore KP's motion for summary judgment on this ground could not be granted, and Lasting's motion for summary adjudication should be granted.<sup>61</sup>

The Ninth Circuit also found that the district court erred in recognizing the incontestability of the logo but not the words.<sup>62</sup> Even if the alleged infringer does not copy the mark exactly, the challenger of an incontestable mark cannot claim that the most salient feature of the mark is descriptive and lacking

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<sup>50</sup> *Id.*; Lanham Act § 32(1)(a) & (b), 15 U.S.C. § 1114(1)(a) & (b) (2000).

<sup>51</sup> *KP Permanent*, 328 F.3d at 1068.

<sup>52</sup> 718 F.2d 327 (9th Cir. 1983), *rev'd on other grounds* 469 U.S. 189 (1985).

<sup>53</sup> *KP Permanent*, 328 F.3d at 1068-69.

<sup>54</sup> *Id.* at 1069.

<sup>55</sup> *Id.* at 1066.

<sup>56</sup> *Id.* at 1069.

<sup>57</sup> *Id.* (quoting *Coca-Cola Co. v. Overland, Inc.*, 692 F.2d 1250, 1254 (9th Cir. 1982)).

<sup>58</sup> *KP Permanent*, 328 F.3d at 1069 (citing *Coca-Cola*, 692 F.2d at 1254).

<sup>59</sup> *KP Permanent*, 328 F.3d at 1069.

<sup>60</sup> *Id.*

<sup>61</sup> *Id.* at 1070.

<sup>62</sup> *Id.* at 1071.

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secondary meaning.<sup>63</sup>

Thus, when the holder of an incontestable mark is complaining that the most salient feature of its mark is being imitated and a likelihood of confusion may result, the holder of the mark does not have to show that the salient feature, apart from the mark, has acquired secondary meaning. Rather, the conclusive presumption that the mark has acquired secondary meaning extends to the most salient feature of the mark.<sup>64</sup>

Both the logo and its most salient feature, “micro color,” are incontestable, have secondary meaning, and cannot be invalidated without affirmative proof from KP that the words “micro color” are generic. Lasting has no separate duty to show secondary meaning in the words apart from the logo.<sup>65</sup> The Ninth Circuit found that the district court erred in granting KP’s motion for summary judgment on this claim.<sup>66</sup>

The Ninth Circuit next addressed KP’s fair use defense. The district court upheld KP’s claim of fair use and determined that it need not consider the likelihood of confusion.<sup>67</sup> The Ninth Circuit decided that because this case involved “classic” fair use,<sup>68</sup> it did have to consider the likelihood of confusion.<sup>69</sup> “KP can only benefit from the fair use defense if there is no likelihood of confusion between KP’s use of the term ‘micro color’ and Lasting’s mark.”<sup>70</sup> The Ninth Circuit also stated that “there can be no fair use if there is a likelihood of confusion.”<sup>71</sup> Thus, the court had to address whether there was any likelihood of confusion.<sup>72</sup> Because the likelihood of confusion analysis requires examining and weighing many facts, a court cannot usually decide it at the summary judgment stage. In a likelihood of confusion analysis,

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<sup>63</sup> *Id.* (citing *Park ‘N Fly*, 469 U.S. at 192 n.2, 205).

<sup>64</sup> *KP Permanent*, 328 F.3d at 1071.

<sup>65</sup> *Id.*

<sup>66</sup> *Id.*

<sup>67</sup> *Id.*

<sup>68</sup> The court identifies two types of fair use, classic and nominal, as described in *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1150 (9th Cir. 2002). In classic fair use, the alleged infringer “has used the [trademark holder’s] mark *only* to describe his own product, *and not at all to describe the [trademark holder’s] product.*” *Id.* at 1151 (emphasis in original). In nominative fair use, the alleged infringer uses “the [trademark holder’s] mark to describe the [trademark holder’s] product, *even if the [alleged infringer’s] ultimate goal is to describe his own product.*” *Id.* (emphasis in original). In classic fair use, the court still applies the likelihood of confusion test. In nominative fair use, the alleged infringer must pass a different test. *Id.*

<sup>69</sup> *KP Permanent*, 328 F.3d at 1072.

<sup>70</sup> *Id.*

<sup>71</sup> *Id.*

<sup>72</sup> *Id.*

the Ninth Circuit applies an eight-factor test from *AMF, Inc. v. Sleekcraft Boats*.<sup>73</sup> The analysis of each of those factors involves many genuine issues of material fact, and the Ninth Circuit denied KP's motion for summary judgment on its fair use claim, because it had not shown that no genuine issues of material fact about the absence of a likelihood of confusion exist.<sup>74</sup> Thus, the Ninth Circuit reversed the district court's grant of summary judgment for KP, the denial of Lasting's motion for summary adjudication, and remanded the case to the district court.<sup>75</sup>

V. *KP PERMANENT V. LASTING IMPRESSION*: THE SUPREME COURT DECISION

KP presented a narrow question on appeal for certiorari. KP asked the Court to consider whether the classic fair use defense required the alleged infringer to demonstrate an absence of likelihood of confusion, or whether the alleged infringer may claim it regardless of whether a likelihood of confusion exists.<sup>76</sup> The Court granted certiorari to resolve a split among the Courts of Appeals about whether an alleged infringer may only claim fair use when there is no likelihood of confusion, and whether the alleged infringer has the burden to show no likelihood of confusion.<sup>77</sup>

The Court began by examining the language of section 33(b) of the Lanham Act and found that it placed the burden of proving a likelihood of confusion on the markholder, even when that mark is incontestable.<sup>78</sup> The Court also found that Congress was silent on the issue of likelihood of confusion in putting forth the elements of a fair use defense in section 33(b)(4).<sup>79</sup> With this textual basis, "it takes a long stretch to claim that a defense of fair use entails any burden to negate confusion."<sup>80</sup> The Court argued that it is unlikely that Congress would have used detailed language, such as "likely to cause confusion, or to cause mistake, or to deceive" in section 32(a), but resort to vague terseness in section 33(b)(4) with "used fairly."<sup>81</sup> The Court followed its general presumption that Congress acted intentionally in using particular language in one part of a statute and different language in another.<sup>82</sup> This difference in language in the two sections makes it hard to argue that "used fairly" means the same as "likely to cause confusion, or to cause mistake, or to deceive."

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<sup>73</sup> 599 F.2d 341, 348-49 (9th Cir. 1979).

<sup>74</sup> *KP Permanent*, 328 F.3d at 1073.

<sup>75</sup> *Id.*

<sup>76</sup> Petition for a Writ of Certiorari at i, *KP Permanent*, 328 F.3d 1061 (No. 03-409).

<sup>77</sup> *KP Permanent*, 125 S. Ct. at 547.

<sup>78</sup> *Id.* at 548.

<sup>79</sup> *Id.*

<sup>80</sup> *Id.*

<sup>81</sup> *Id.*

<sup>82</sup> *KP Permanent*, 125 S. Ct. at 548 (citing *Russello v. U.S.*, 464 U.S. 16, 23 (1983)).

The Court decided that although a court must consider likelihood of confusion in fair use cases, a finding of confusion alone is not dispositive.<sup>83</sup> The Court further developed this idea by examining the usual progress of litigation in an infringement suit.<sup>84</sup> If a plaintiff successfully presents a prima facie case of infringement, which includes the element of a likelihood of confusion, then a defendant may offer evidence to rebut any of the plaintiff's evidence, or the defendant may offer an affirmative defense, such as fair use, or both.<sup>85</sup> But it makes no sense to force a defendant to prove that a plaintiff cannot prove an element of the plaintiff's case (such as confusion).<sup>86</sup> All the defendant must do is leave the court unpersuaded that the plaintiff has successfully proven its case. "A defendant has no need of a court's true belief when agnosticism will do."<sup>87</sup> In other words, Lasting's argument that a defendant has the burden to negate any likelihood of confusion when claiming fair use as an affirmative defense means that fair use is unavailable to defendants whenever a plaintiff has shown likely confusion by a preponderance of the evidence.<sup>88</sup> Quoting the Fourth Circuit, the Court says that it "defies logic to argue that a defense may not be asserted in the only situation where it even becomes relevant."<sup>89</sup> If a plaintiff has not shown likelihood of confusion by a preponderance of the evidence, then it cannot prevail in an infringement suit. If it does show likely confusion, then Lasting would have it that no defendant could claim fair use, because it would be impossible to show that no likelihood of confusion exists after a plaintiff has shown by a preponderance of the evidence that it does. It seems then that there will necessarily be some confusion in fair use cases, because only when there is a likelihood of confusion will the defendant have the need to assert fair use.

The Court does not let some confusion defeat a fair use claim for several reasons. The common law of unfair competition had tolerated some confusion among consumers even before the Lanham Act.<sup>90</sup> The common law had allowed some confusion both in situations like this one, where a mark had originally been descriptive, and also because of the undesirability of anyone having a monopoly on the use of a descriptive term simply by having used it first.<sup>91</sup> The Court noted that the Lanham Act adopted a similar position, with no indication that it intended to deprive people of the ordinary meanings of

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<sup>83</sup> *KP Permanent*, 125 S. Ct. at 549.

<sup>84</sup> *Id.*

<sup>85</sup> *Id.*

<sup>86</sup> *Id.*

<sup>87</sup> *Id.*

<sup>88</sup> *KP Permanent*, 125 S. Ct. at 549.

<sup>89</sup> *Id.* (quoting *Shakespeare*, 110 F.3d at 243).

<sup>90</sup> *Id.* at 550 (citing *Canal Co. v. Clark*, 80 U.S. (13 Wall.) 311, 323-24, 327 (1872)).

<sup>91</sup> *Id.* (citing *Canal Co.*, 80 U.S. (13 Wall.) at 323-24, 327).

descriptive words.<sup>92</sup> “If any confusion results, that is a risk the plaintiff accepted when it decided to identify its product with a mark that uses a well known descriptive phrase.”<sup>93</sup> The Court explained that this “right to describe” is one reason that descriptive terms only earn trademark protection after acquiring secondary meaning, and that the protection extends only to the secondary meaning identifying the markholder’s goods, rather than the term’s original descriptive meaning.<sup>94</sup>

The Court recognized that the risk of confusion alone does not foreclose an alleged infringer’s claim of fair use, but it declined to go further, stating that any further analysis would take it beyond the Ninth Circuit’s decision.<sup>95</sup> The Court came to the conservative holding that fair use can occur along with some degree of confusion, but the extent of that confusion may be considered when determining whether the alleged infringer’s use is fair.<sup>96</sup>

## VI. OPEN QUESTIONS AND CONCLUSION

Scholars, practitioners, and various *amici* briefs urged the Court to reach a wider-ranging decision, but it decided not to go beyond the immediate question posed by the petitioner, and left open some issues that many had hoped it would resolve. Some had urged the Court to consider not just how much confusion should be allowed, but also whether an originally descriptive term has become so identified with a product as to preclude use by anyone else at all.<sup>97</sup> The Court also declined to address the issue raised by the United States as *amicus* that the phrase “used fairly” of section 33(b)(4) requires only that the descriptive term accurately describe the goods.<sup>98</sup>

The Court also left open whether issues other than confusion may be relevant to the assessment of fair use, such as commercial justification and the strength of the plaintiff’s mark.<sup>99</sup> Seemingly begging for another opportunity to hear a fair use case on these and other questions, the Court wrote: “As to them, it is enough to say here that the door is not closed.”<sup>100</sup>

Because the Court read the statute literally and narrowly in overturning the

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<sup>92</sup> *Id.*

<sup>93</sup> *KP Permanent*, 125 S. Ct. at 549 (quoting *Cosmetically Sealed*, 125 F.3d at 30).

<sup>94</sup> *KP Permanent*, 125 S. Ct. at 549 (citing 2 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 11:45 (4th ed. 2004) (“The only aspect of the mark which is given legal protection is that penumbra or fringe of secondary meaning which surrounds the old descriptive word.”)).

<sup>95</sup> *KP Permanent*, 125 S. Ct. at 550.

<sup>96</sup> *Id.*

<sup>97</sup> *Id.* at 550-51.

<sup>98</sup> *Id.* at 551 (citing Tr. of Oral Arg. at 17).

<sup>99</sup> *Id.* (citing RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 28 (1995)).

<sup>100</sup> *KP Permanent*, 125 S. Ct. at 551.

Ninth Circuit's decision, it can be seen as a strengthening of the trend in four recent Supreme Court decisions, *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*,<sup>101</sup> *TrafFix Devices, Inc. v. Marketing Displays, Inc.*,<sup>102</sup> *Moseley v. V Secret Catalogue, Inc.*,<sup>103</sup> and *Dastar Corp. v. Twentieth Century Fox Film Corp.*<sup>104</sup> The Court has taken a "traditionalist" approach to trademark law in these cases, including *KP Permanent*, by relying on the traditions of unfair competition to prevent trademark from becoming a means of filling in perceived gaps in intellectual property law.<sup>105</sup> The Court continues to read trademark law narrowly and to construe the applicable statutes strictly in favor of the alleged infringers.<sup>106</sup>

This case seems to have broadest implications in disputes over generic or store-brand product names and in cases where alleged infringers claim that a markholder has unfairly monopolized a common descriptive term.<sup>107</sup> Some have even viewed the decision as a "boost for freedom of expression."<sup>108</sup> The decision prevents a markholder from using trademark law to "impede the free flow of truthful information required to compete effectively."<sup>109</sup> This flow of truthful information – such as the idea that KP's pigments are "micro colors," or, in the words of Justice Breyer, "tiny, teeny, weenie, weenie bit[s] of color"<sup>110</sup> – allows companies that enter a market later to describe their goods accurately using common, and commonly known, terminology. Although the markholder might have used that term first, when that term represents the best way for a competitor to describe its goods, then fair use allows the competitor to do so. The Court has consistently protected the free market principle that competitors should be able to copy the products of others and even imitate their marketing techniques, as long as they do so within the textual limits of the

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<sup>101</sup> 529 U.S. 205 (2000).

<sup>102</sup> 532 U.S. 23 (2001).

<sup>103</sup> 537 U.S. 418 (2003).

<sup>104</sup> 539 U.S. 23 (2003).

<sup>105</sup> David S. Welkowitz, *The Supreme Court and Trademark Law in the New Millennium*, 30 WM. MITCHELL L. REV. 1659, 1700 (2004).

<sup>106</sup> *Id.*; see also Patti Waldmeir, *Judges Curb Protection from Law on Trademarks*, FINANCIAL TIMES, Dec. 9, 2004, at 3, available at 2004 WL 100698190 (quoting Michael Boudett, "This is a court that has shown some skepticism toward broadly asserted trademark rights.").

<sup>107</sup> Tony Mauro, *Confusion over Mark Held Relevant, Not Conclusive, in Infringement Case*, 178 N.J. L.J. 1028, Dec. 13, 2004, available at Westlaw.

<sup>108</sup> Michael A. Kahn, *Freedom of Expression Wins One, Loses One*, ST. LOUIS POST-DISPATCH, Dec. 21, 2004, at B7, available at 2004 WL 103382602.

<sup>109</sup> Laura Gustafson, *Fair Play: The Supreme Court Takes Confusion out of the Fair Use Defense*, THE RECORDER, Dec. 22, 2004, available at Westlaw.

<sup>110</sup> Tr. of Oral Arg., *KP Permanent* (No. 03-409).

Lanham Act.<sup>111</sup> The KP decision follows these other recent decisions and helps maintain a balance between fair use and the monopolization of common descriptive terms.<sup>112</sup>

This decision means that parties seeking new trademarks should do their best to avoid descriptive marks. Although they may benefit from immediate recognition and communication to the consumer about the product's nature, the markholders assume the risk that competitors will later be able to use the mark to describe their own products.<sup>113</sup> Those later comers do not have free rein to use previously descriptive marks, however. The Court indicated that the likelihood of consumer confusion does play a role in the fair use analysis, and will depend on the facts of each case.<sup>114</sup>

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<sup>111</sup> Gustafson, *supra* note 108.

<sup>112</sup> *Id.*

<sup>113</sup> *Id.*

<sup>114</sup> *KP Permanent*, 125 S. Ct. at 550; *see also* Gustafson, *supra* note 108.