**15.24 Defenses— “Classic” Fair Use
(15 U.S.C. § 1115(b)(4))**

 The [owner] [assignee] [licensee] of a trademark cannot exclude others from making a fair use of that trademark. A defendant makes fair use of a mark when the defendant uses it as other than a trademark, to accurately describe the [geographic location] [maker] of the defendant’s own [product] [services].

 The defendant contends that it fairly used the trademark to describe the defendant’s [product] [service]. The defendant has the burden of proving its fair use of the mark by a preponderance of the evidence.

 The defendant makes fair use of a trademark when the defendant:

First, used the mark [other than as a trademark] [other than to distinguish the defendant’s goods from the plaintiff’s and to indicate the source of the defendant’s goods];

Second, used the mark fairly and in good faith; and

Third, used the mark only to describe the defendant’s goods or services [or their geographic location] as those of the defendant’s [and not at all to describe the plaintiff’s product].

**Comment**

 The Ninth Circuit identifies two types of fair use - classic and nominative. *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1150 (9th Cir. 2002) (“We distinguish two types of fair use: ‘classic fair use,’ in which ‘the defendant has used the plaintiff’s mark to describe the defendant’s *own* product,’ and ‘nominative fair use,’ in which the defendant has used the plaintiff’smark ‘to describe the *plaintiff’s* product’ for the purpose of, for example, comparison to the defendant’s product.”). *See* Instruction 15.25 (Defenses—Nominative Fair Use).

 The elements of the classic fair use defense set out in this instruction are drawn from: *Cairns*, 292 F.3d at 1150-51 (noting that to establish a classic fair use defense under 15 U.S.C. § 1115, a defendant must prove: “1. Defendant’s use of the term is not as a trademark or service mark; 2. Defendant uses the term ‘fairly and in good faith’; and 3. [Defendant uses the term] “[o]nly to describe” its goods or services.”); *see also Horphag Rsch. Ltd. v. Pellegrini*, 337 F.3d 1036, 1041 (9th Cir. 2003).

 The first element of the instruction reflects the limitation of the statute, requiring that the mark at issue be descriptive. The classic fair use defense applies only when the trademark at issue has both a primary meaning and a secondary meaning. *Horphag*, 337 F.3d at 1041 (“The classic fair use defense ‘applies only to marks that possess both a primary meaning and a secondary meaning–and only when the mark is used in its primary descriptive sense rather than its secondary trademark sense.’” (quoting *Brother Records, Inc. v. Jardine*, 318 F.3d 900, 905-06 (9th Cir. 2003))).

 In considering the second element of fair use, the Ninth Circuit suggests as “relevant factors for consideration by the jury in determining the fairness of the use are the degree of likely confusion, the strength of the trademark, the descriptive nature of the term for the product or service being offered by [plaintiff] and the availability of alternate descriptive terms, the extent of the use of the term prior to the registration of the trademark, and any differences among the times and contexts in which [plaintiff] has used the term.” *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 408 F.3d 596, 608-09 (9th Cir. 2005).

 The third element of the instruction is drawn from the definition of “classic” fair use involving a defendant’s use of “the plaintiff’s mark *only* to describe his [defendant’s] own product, *and not at all to describe the plaintiff’s product*.” *Cairns*, 292 F.3d at 1151.

 Prior to 2004, the Ninth Circuit applied fair use analysis only when it had been shown that there was no likelihood of confusion. *Cairns*, 292 F.3d at 1150-1151 (“In our Circuit, the classic fair use defense is not available if there is a likelihood of customer confusion…The classic fair use analysis, therefore, only *complements* the likelihood of customer confusion analysis . . . .”). The circuit subsequently revisited this application to find that “[t]he fair use defense only comes into play once the party alleging infringement has shown by a preponderance of the evidence that confusion is likely.” *KP Permanent Make-Up, Inc.*, 408 F.3d at 608-09 (citing *KP Permanent Make-Up v. Lasting Impression I, Inc.*, 543 U.S. 111, 118, 121-22 (2004) (holding that application of classic fair use as complement to determining likelihood of confusion is “a long stretch” because it requires defendant to prove no likelihood of confusion, reversing proper allocation of burden in which “the burden of proving likelihood of confusion rests with the plaintiff, and the fair use defendant has no free-standing need to show confusion unlikely”; determining that it follows (contrary to Court of Appeals’ view) that “some possibility of consumer confusion must be compatible with fair use, and so it is”)).

 The fair use defense also applies in the trade dress infringement context. *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 809-10 (9th Cir. 2003) (“Applying…fair use standards to the trade dress context, we hold that a defendant’s use is classic fair use where the defendant has used the plaintiff’s dress to describe or identify the defendant’s own product and not at all to describe or identify the plaintiff’s product.” (emphasis omitted)).

 The circuit occasionally refers to other types of “fair use” besides the classic or nominative fair use tests. For example, the doctrine of trade dress functionality (rendering a feature of trade dress non-infringing) was described as “one form of fair use.” *See id.* at 809 n.18 (“It is well-established that use of a product feature or trade dress that has become functional will qualify as one form of fair use.”). An instruction governing functionality is provided at Civil Instruction 15.12 (Infringement—Elements—Validity—Trade Dress—Non-Functionality Requirement). Similarly, First Amendment considerations may also be referred to under the rubric of “fair use” and defeat a claim of infringement. *See, e.g.*, *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 901 (9th Cir. 2002) (noting that the Lanham Act applies “to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression”; adopting the Second Circuit’s First Amendment balancing test for whether title of artistic work infringes). Parody may also be characterized as a form of fair use because such use is non-commercial. *See Walking Mountain Prods.*, 353 F.3d at 812 (holding that trademark owner “cannot use ‘trademark laws to ... censor all parodies or satires which use [its] name’ or dress” (quoting *New Kids on the Block v. News Am. Pub., Inc.*, 971 F.2d 302, 309 (9th Cir. 1992))).

 In cases involving a fair use defense to a theory claiming reverse confusion, *see Marketquest Group, Inc. v. BIC Corp*., 862 F.3d 927, 932, 937 (9th Cir. 2017).

 Although federal registration presumptively entitles the senior user to nationwide protection, 15 U.S.C. § 1057(b), the Lanham Act preserves legal and equitable defenses that could have been asserted prior to registration, *id*. § 1115(a). Under this rule, already-established common law rights are carved out of the registrant’s scope of protection. *Stone Creek, Inc. Omnia Italian Design, Inc*., 875 F.3d 426, 436 (9th Cir. 2017). The *Tea Rose-Rectanus* doctrine is a common law affirmative defense separate and apart from an underlying infringement claim, and the doctrine provides that common law trademark rights extend only to the territory where a mark is known and recognized, so a later user may sometimes acquire rights in pockets geographically remote from the first user’s territory. *Id*. Addressing a split in the circuits, the Ninth Circuit concluded “that there is no good faith if the junior user had knowledge of the senior user’s prior use.” *Id*. at 437.

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