## 15.5 Trademark Liability—Theories and Policies (15 U.S.C. §§ 1114(1), 1125(a))

Trademark laws balance three often-conflicting goals: (1) protecting the public from being misled about the nature and source of goods and services, so that the consumer is not confused or misled in the market; (2) protecting the rights of a business to identify itself to the public and its reputation in offering goods and services to the public; and (3) protecting the public interest in fair competition in the market.

 The balance of these policy objectives vary from case to case, because they may often conflict. Accordingly, each case must be decided by examining its specific facts and circumstances, of which you are to judge.

 In these instructions, I will identify types of facts you are to consider in deciding if the defendant is liable to the plaintiff for violating trademark law. These facts are relevant to whether the defendant is liable for:

[(1) infringing plaintiff’s registered trademark rights, by using a trademark in a manner likely to cause confusion among consumers;]

[(2) unfairly competing, by using a trademark in a manner likely to cause confusion as to the origin or quality of plaintiff’s goods;]

[(3) unfairly competing, by using trade dress in a manner likely to cause confusion as to the origin or quality of plaintiff’s goods;]

[(4) infringing plaintiff’s trade name, by using similar corporate, business or professional names in a manner likely to cause confusion about the source of products in the minds of consumers;]

[(5) false advertising, by making a false statement that was material and that tended to deceive consumers, injuring the plaintiff in the market.]

**Comment**

 Instruct the jury on one or more of the above theories based on the theories relied on by the parties.

“The limited purpose of trademark protections set forth in the Lanham Trade-Mark Act, is to ‘avoid confusion in the marketplace’ by allowing a trademark owner to ‘prevent [ ] others from duping consumers into buying a product they mistakenly believe is sponsored by the trademark owner.’” *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 806 (9th Cir. 2003). *See id*. at 806-07 (“Generally, to assess whether a defendant has infringed on a plaintiff’s trademark, we apply a ‘likelihood of confusion’ test that asks whether use of the plaintiff’s trademark by the defendant is ‘likely to cause confusion or to cause mistake, or to deceive as to the affiliation, connection, or association’ of the two products.”) (citations omitted)). Federal trademark law addresses “the dual purposes of infringement law: ensuring that owners of trademarks can benefit from the goodwill associated with their marks and that consumers can distinguish among competing producers.” *Thane Int’l v. Trek Bicycle Corp*., 305 F.3d 894, 900-01 (9th Cir. 2002).

 The general test of liability under the trademark law is likelihood of confusion. *See* 15 U.S.C. §§ 1114(1), 1125(a). “[T]he ultimate test is whether the public is likely to be deceived or confused by the similarity of the marks . . . . Whether we call the violation infringement, unfair competition or false designation of origin, the test is identical–is there a ‘likelihood of confusion?’” *New W. Corp. v. NYM Co. of Cal., Inc.*, 595 F.2d 1194, 1201 (9th Cir. 1997). “[T]he single type of confusion most commonly in trademark law’s sights is confusion ‘about the source of a product or service.’” *Jack Daniel’s Props. v. VIP Prods. LLC*, 143 S. Ct. 1578, 1584 (2023) (quoting *Moseley v. V Secret Catalogue, Inc.*, 537 U. S. 418, 428 (2003)).

 Generally, liability for infringement of a registered trademark is handled under 15 U.S.C. § 1114(1). Unfair competition through infringing an unregistered trademark or infringing trade dress is handled under 15 U.S. C. § 1125(a). A cause of action for false advertising is also found in 15 U.S.C. § 1125(a). *See Harper House Inc. v. Thomas Nelson, Inc*., 889 F.2d 197 (9th Cir. 1989); *U-Haul Int’l v. Jartran, Inc*., 601 F.Supp. 1140 (D. Ariz. 1984), *aff’d in part, modified in part & rev’d in part,* 793 F.2d 1034 (9th Cir. 1986). Elements required for a false advertising claim, cognizable under 15 U.S.C. § 1125(a)(1)(B), are set forth in *Rice v. Fox Broadcasting Co*., 330 F.3d 1170, 1180 (9th Cir. 2003).

 For false endorsement claims under § 1125(a) based on the use of a celebrity’s likeness or persona, *see Fifty-Six Hope Road Music, Ltd. v. A.V.E.L.A., Inc.*, 778 F.3d 1059, 1067-73 (9th Cir. 2015) (describing false endorsement claim and listing eight factors relevant to determination of likelihood of confusion as to sponsorship or approval and adding that when “plaintiff is not the celebrity himself, an additional factor becomes relevant: the strength of association between the mark and the plaintiff”).

For a “false or misleading” description or representation of fact about “goods or services” in “commercial advertising or promotion,” 15 U.S.C. § 1125(a) “[c]omparative assertions about effectiveness, riskiness, and security are the kinds of generalized statements of product superiority that [the Ninth Circuit has] routinely found to be nonactionable.” *Oracle Int’l Corp. v. Rimini St., Inc.*, 123 F.4th 986, 1001 (9th Cir. 2024) (holding that a company’s statements that its services were more effective than its competitor’s services amounted to mere “puffery,” and were not actionable factual statements under the Lanham Act’s false advertising provision, as “[w]ithout an objective measure of the difference between” the services, any statement about their comparative effectiveness “was necessarily tinged with subjectivity”).

 The Ninth Circuit recognizes two theories of consumer confusion that support a claim of trademark infringement: forward confusion and reverse confusion. Forward confusion occurs when consumers believe that goods bearing the junior mark came from, or were sponsored by, the senior mark holder. By contrast, reverse confusion occurs when consumers dealing with the senior mark holder believe that they are doing business with the junior mark holder. Reverse confusion is not a separate trademark claim that must be specifically pleaded. Instead, it is a theory of likely confusion that may be alleged by itself or in addition to forward confusion. *Marketquest Grp., Inc. v. BIC Corp*., 862 F.3d 927, 932, 937 (9th Cir. 2017).

In *LegalForce RAPC Worldwide, PC v. LegalForce, Inc*., 124 F.4th 1122, 1125-26 (9th Cir. 2024), the Ninth Circuit held that using a mark to advertise and sell a defendant’s equity shares is not a sale of goods or services and does not constitute trademark infringement. Equity is not a good or a service for purposes of the Lanham Act.

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