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Intellectual Property Law Alert

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"FAIR USE" DEFENSE STRENGTHENED FOR TRADEMARK INFRINGEMENT

The "fair use" defense for words that are used descriptively even though protected by a trademark is strengthened and expanded because it is now clear that alleged trademark infringers can rely on the "fair use" defense even if some consumer confusion exists. In *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 04 C.D.O.S. 10722 (December 8, 2004), the United States Supreme Court delved into the law of trademark infringement and unanimously ruled that the law tolerates "a certain degree of confusion on the part of consumers." The specific issue presented in *KP Permanent* relates to the fair use defense. Specifically, that provision creates an affirmative defense for an alleged trademark infringer when it uses an alleged trademark in good faith to describe its goods or services. In *KP Permanent*, the trademark owner, Lasting Impression, argued that KP Permanent had infringed its incontestable mark.

The United States Supreme Court considered the significance of likely confusion on a fair use defense to a trademark infringement claim, and the obligation of a party defending on that ground to show that its use is unlikely to cause consumer confusion. The United States Supreme Court held that, although a plaintiff must show likelihood of consumer confusion as part of its *prima facie* case, the defendant has no independent burden to negate the likelihood of any confusion in raising the fair use affirmative defense. The Court refused to go beyond its ruling that the mere risk of confusion will not rule out fair use. Specifically, the Court observed "that our holding that fair use can occur along with some degree of confusion does not foreclose the relevance of the extent of any likely consumer confusion in assessing whether a defendant's use is objectively fair." The Court left for another day to decide whether "the degree of likely consumer confusion bears not only on the fairness of using a term, but even on the further question of whether an originally descriptive term has become so identified as a mark that a defendant's use of it cannot realistically be called descriptive."

The Court's decision thus had something to offer to both trademark holders and alleged trademark infringers. That is, alleged trademark infringers can assert a fair use defense notwithstanding the existence of some level of consumer confusion. However, the Court left open the possibility that if there is extensive consumer confusion, the fair use defense may be inapplicable. The Court's decision would seem to make it more difficult for an alleged trademark infringer to be able to succeed on a motion for summary judgment based on the fair use defense where there is evidence of consumer confusion.

In any case, where fair use is a defense, both the trademark owner and the alleged infringer will want to analyze the amount of consumer confusion.

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