

“Nominative Fair Use” Defense May Enable Use of Another’s Trademark

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Certain third-party trademark uses can be deemed a “nominative fair use” that does not infringe another’s trademark rights even in the absence of permission to use the other’s mark. For example, “Our show will feature the GRAMMY AWARD® winning artist...” is a line that contains the registered trademark of the National Academy of Recording Arts and Sciences. Yet, use of this line by an entity other than The Recording Academy without the term “GRAMMY AWARD®” would not make any sense. In instances such as this, courts have permitted use of a trademark as a “nominative fair use” and, therefore, acceptable, even though permission has not been obtained.

Unfortunately, there are no bright line rules to determine when a use is a nominative fair use, and courts in different jurisdictions apply different standards. Generally, however, the following three legal factors (developed in the original Ninth Circuit case, *New Kids on the Block v. News America Publishing, Inc.*) are instructive. First, the product or service must be one not readily identifiable without use of the trademark. Second, only so much of the mark may be used as is reasonably necessary to identify the product or service. Third, the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.

The U.S. Court of Appeals for the Second Circuit ruled on the nominative fair use issue in 2016 in *International Information Systems Security Certification Consortium, Inc. v. Security University, LLC*, and added yet another standard that incorporated the three factors above along with the likelihood of confusion factors used in an infringement analysis. Some of the elements considered in a likelihood of confusion analysis are the strength of the marks, the proximity of the goods and services, the similarity of the marks, and consumer sophistication. The U.S. Supreme Court declined to hear the International Information Systems case to determine the proper approach to assess nominative fair use. Therefore, marketers should exercise caution before using a third party’s trademark.

Key Takeaways

- To help to demonstrate a nominative fair use, the third party’s trademark should be depicted accurately and not altered or disparaged in any form.
 - Use of the word mark rather than the logo may help support a claim that the trademark was used in a limited manner.
 - The mark also should not be positioned prominently or highlighted in a manner suggesting an affiliation or sponsorship with the trademark owner.
 - A proper trademark notice (TM or ®), attribution or disclaimer also should be used under certain circumstances.
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