No. ____________

IN THE SUPREME COURT OF THE UNITED STATES

BIC CORPORATION, NORWOOD PROMOTIONAL PRODUCTS, LLC, and BIC USA INC.,

Petitioners,

v.

MARKETQUEST GROUP, INC.,

Respondent.

On Petition for a Writ of Certiorari
To the United States Court of Appeals
For the Ninth Circuit

PETITION FOR WRIT OF CERTIORARI

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QUESTION PRESENTED

May a district court grant summary judgment for trademark infringement defendants based on the fair use defense, without being required first to analyze likelihood of confusion?

PARTIES TO THE PROCEEDINGS

The parties to the proceedings are: Petitioners BIC Corporation, Norwood Promotional Products, LLC, and BIC USA Inc.; Respondent Marketquest Group, Inc.

RULE 29.6 CORPORATE DISCLOSURE STATEMENT

BIC Corporation is a wholly owned subsidiary of Société BIC, a French société anonyme or public limited company, abbreviated S.A., equivalent to a corporation in the United States.

Norwood Promotional Products, LLC is a wholly owned subsidiary of BIC USA Inc.

BIC USA Inc. is a wholly owned subsidiary of BIC Corporation.

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PETITION FOR A WRIT OF CERTIORARI

Petitioners BIC Corporation, Norwood Promotional Products, LLC ("Norwood"), and BIC USA Inc. ("BIC USA") respectfully petition for a writ of certiorari to review the Mandate of the United States Court of Appeals for the Ninth Circuit.

OPINIONS BELOW

The opinion of the United States Court of Appeals for the Ninth Circuit addressing issues presented in this Petition was issued on July 7, 2017, reported at 862 F.3d 927, and is reproduced as the concurrently-bound Appendix A.

The underlying April 17, 2015 opinion of the United States District Court for the Southern District of California granting Norwood's and BIC USA's motion for summary judgment, and which was reversed by the Ninth Circuit, was unreported, and is reproduced as Appendix B.

JURISDICTION

The Ninth Circuit denied rehearing *en banc* in a 2-1 Panel vote on August 21, 2017. This opinion is reproduced as Appendix C. This Court has jurisdiction under 28 U.S.C. § 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

This Case involves determinations under Sections 32 and 43(a) of the Lanham Act (15 U.S.C.

§§ 1114 and 1125(a), respectively) regarding trademark infringement; as well as the fair use defense to trademark infringement, Section 33(b)(4) of the Lanham Act (15 U.S.C. § 1115(b)(4)).

INTRODUCTION

Common sense and cost-efficiency dictate that when a complete defense is available that would prevent liability, a district court can grant summary judgment on behalf of defendants without the need to analyze the plaintiff's *prima facie* case. Yet in the ruling below, based in large part of a misapplication and misunderstanding of this Court's ruling in *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 125 S. Ct. 542 (2004), the Ninth Circuit Court of Appeals has essentially carved out an exception to this rule for trademark infringement defendants asserting a fair use defense.

As it makes no sense to single out for special treatment or a different rule for defendants who simply use the English language to describe their products, and as the subject Ninth Circuit opinion contradicts those in the Second, Sixth, and Seventh Circuit Courts of Appeals, Petitioners respectfully request that the Court grant this Petition.

STATEMENT OF THE CASE

I. Background

On March 28, 2011, Marketquest Group, Inc. ("Marketquest"), a San Diego promotional products supplier, cited to its federal trademark registrations for the purported marks "ALL-IN-ONE" and "THE WRITE CHOICE" in filing trademark infringement claims against Petitioners.

Norwood is a promotional products supplier specializing in customized, imprinted goods (e.g., "Hilton Hotel" pens, or "Supreme Court" coffee mugs). Prior to 2011, Norwood offered for sale a number of so-called hard goods product lines, such as writing instruments, drinkware, gifts, bags, etc., that could be so customized. Norwood printed separate catalogues for each major category, totaling eight separate catalogues. However, for its 2011 catalogue, following its acquisition by BIC USA in 2009, Norwood consolidated these many unwieldy catalogues into one, using the phrase "all in one" to describe the new consolidated catalogue, and in a few other instances used the phrase in other materials featuring or referring to the consolidated catalogue.

Meanwhile, in the first quarter of 2011, BIC USA celebrated the 30th anniversary of the introduction of its iconic ROUND STIC® pens in the United States. In connection with this anniversary, BIC USA offered its distributors a discount on this famous pen line, and used the punny phrase "the write pen choice for 30 years" on anniversary promotions.

Marketquest then sued at the end of March 2011. Many months later, at the end of the year, Marketquest filed a motion for preliminary injunction seeking to enjoin Norwood from using the phrase "all in one" (but did not seek to enjoin BIC

USA from using the phrase "the write choice"). The district court denied the motion, finding that while there might be likelihood of confusion, Marketquest was nevertheless unlikely to succeed on the merits of the case because Norwood's accused use was likely protected under the fair use doctrine.

II. Motions for Summary Judgment

After the close of "scorched earth" discovery which spanned more than three years, the parties filed cross-motions for summary judgment. In particular, Norwood filed its motion for summary judgment based on the fair use of the phrase "all in one," among other things. Likewise, BIC USA also filed its motion for summary judgment based on the fair use of the phrase "the write pen choice for 30 years," among other things.

On April 17, 2015, the district court granted Norwood's and BIC USA's motions for summary judgment, holding that the fair use doctrine provided a complete defense both for Norwood's use of the phrase "all in one," and for BIC USA's use of the phrase "the write pen choice for 30 years" (and thus did not consider alternate arguments presented in the motions). (Appendix B.)

Marketquest appealed the decision to the Ninth Circuit Court of Appeals, which reversed.

III. Ninth Circuit Decision

The Ninth Circuit found that while Norwood's use of the phrase "all in one" on its catalogue may have been descriptive and non-trademark use, a genuine issue of material fact remained as to other incidental uses of the phrase. *Marketquest Grp., Inc. v. BIC Corp.*, 862 F.3d 927, 936-37 (9th Cir. 2017). The Ninth Circuit found that the district court had already conducted a likelihood of confusion analysis during the preliminary injunction stage, which obviated the need to perform the analysis again during the summary judgment stage. *Id.* at 938.

As to "the write choice," however, the Ninth Circuit wrote:

> [The district court's] fair use analysis was in error because "[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. v. Lasting Impression I, Inc.*, 408 F.3d 596, 608 (9th Cir. 2005).] The district court could not properly find here that there was no evidence of confusion, fail to conduct a *Sleekcraft* analysis, and still conclude that the Defendants qualified for the fair use defense. Thus, we remand for the district court to consider Marketquest's trademark infringement claim regarding Defendants' use of "The Write Choice."

Id. at 939.

This ruling fundamentally misunderstands the *KP Permanent* cases, which came before the Court and resulted in the pertinent ruling in *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 119 (2004).

In the *KP Permanent* cases, the district court granted summary judgment for the defendant in a trademark infringement claim due to the fair use defense. 543 U.S. at 115-16. The Ninth Circuit reversed, "[taking] the view that no use could be recognized as fair where any consumer confusion was probable," that is, that if likelihood of confusion (the *prima facie* case) is found, then the fair use defense (the affirmative defense) would not be available. *Id.* at 116.

This Court vacated the reversal, stating that "[i]t defies logic to argue that a defense may not be asserted in the only situation where it even becomes relevant." *Id.* at 120 (citation omitted). Thus, while it is true 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," that phrase must be construed in the proper context—that is, as this Court ruled, proving a *prima facie* case cannot deprive a defendant of its affirmative defense, the exact time when an affirmative defense is needed.

That same sentence—namely, "[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"—should not, however, be construed to mean, as the Ninth Circuit has done here, that summary judgment based on an affirmative defense cannot be granted when the *prima facie* case has not been proven. Such a construction would also defy logic, because there would be no point to going through a *prima facie* analysis in the knowledge that an affirmative defense would be dispositive in any event. This is discussed in further detail below.

REASONS FOR GRANTING THE PETITION

I. The Fair Use Defense Against Trademark Infringement Claims Is an Important One, and Should Not Be Singled Out for Disparate, Unfair Treatment As Effectively Ineligible for Summary Judgment

To show that a defendant is liable for trademark infringement, a plaintiff must show that it is the owner of a valid, protectable mark, that the defendant used in commerce without plaintiff's consent, and whose use is likely to cause confusion. 15 U.S.C. § 1114(a); 15 U.S.C. § 1125(a)(1)(A). Whether confusion is likely depends on the weighing of certain factors that vary from Circuit to Circuit; in the Ninth Circuit, the likelihood of confusion factors are known as the *Sleekcraft* factors, after *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979). *See also Polaroid Corp. v. Polarad Elec. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961) (the "Polaroid" factors of the Second Circuit).

The classic fair use defense is available to trademark infringement defendants when "the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark . . . of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party." 15 U.S.C. § 1115(b)(4) (irrelevant portions omitted). The classic fair use defense is a complete one, and "some possibility of consumer confusion must be compatible with fair use," especially where an "originally descriptive term was selected to be used as a mark, not to mention the undesirability of allowing anyone to obtain a complete monopoly on the use of a descriptive term simply by grabbing it first." *KP Permanent*, 543 U.S. at 121-22.

This Court went further in *KP Permanent* to explain, in addition, that there is "no indication that [the Lanham Act] was meant to deprive commercial speakers of the ordinary utility of descriptive words." *Id.* at 122. "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." *Id.* (citation omitted).

Self-laudatory marks, or marks that merely describe the quality of the goods or services, are considered "descriptive." *See In re Wileswood, Inc.*, 201 U.S.P.Q. 400, 401 (TTAB 1978) (phrases such as "America's Best Popcorn" or "America's Favorite Popcorn" are descriptive); *Norm Thompson Outfitters, Inc. v. General Motors Corp.*, 448 F.2d 1293, 1294, 1296 (9th Cir. 1971) ("Escape from the Ordinary" is merely descriptive of the quality of plaintiff's clothing, sports equipment, and articles for smokers); *Reed v. Amoco Oil Co.*, 611 F. Supp. 9, 13 (M.D.Tenn. 1984) ("Goin' the extra mile" for a tire dealership merely described "the type of quality and service the general consumer could expect from the particular tire dealership"); *Captain Tony's Pizza, Inc. v. Domino's Pizza, Inc.*, 23 U.S.P.Q.2d 1552, 1555 (W.D.N.Y. 1992) (use of the phrase "Any way you want it" constituted fair use, not infringement).

Phrases such as "the write choice"—i.e., "the right choice" in relation to writing instruments--are thus descriptive and should not be monopolized by any one party. *See id.* As one district court put it, "[W]e see no advance in the public interest in permitting an enterprise to monopolize one form of announcing, 'Hey, we are good.'" *American Dairy Queen Corp. v. RTO, Inc.*, 16 U.S.P.Q.2d 1077, 1079 (N.D.Ill. 1990) (denying preliminary injunction for use of the phrase "We treat you right").

In other contexts, the Ninth Circuit has affirmed summary judgment based on affirmative defenses without needing the *prima facie* case to be first proven by a preponderance of the evidence. *Jarrow Formulas, Inc. v. Nutrition Now, Inc.*, 304 F.3d 829, 841 (9th Cir. 2002) (affirming summary judgment on Lanham Act false advertising claim based on laches); *Hardage v. CBS Broad. Inc.*, No. 03-35906, 2006 U.S.App.LEXIS 3017, at *12-13 (9th Cir. Feb. 8, 2006) (affirming summary judgment re company's vicarious liability for sexual harassment based on the *Ellerth/Faragher* affirmative defense).

In fact, in the context of copyright infringement, although the Ninth Circuit found that genuine issues of material fact remained as to whether the underlying use constituted copyright infringement against the original broadcaster (the district court granted summary judgment on the basis of no infringement rather than fair use), it nevertheless granted summary judgment for a re-broadcaster based on the copyright fair use defense without ruling that copyright infringement had been proven by a preponderance of the evidence. *L.A. News Serv. v. CBS Broad., Inc.*, 305 F.3d 924, 942 (9th Cir. 2002).

This approach makes sense: district courts should be able to rule that, *even if a plaintiff could prove its* prima facie *case*, an affirmative defense completely protects the defendant, thereby vitiating the need to consider the *prima facie* case before dismissing it on summary judgment. Why go through the time, expense, and effort of such analysis if at the end of the day a complete defense will preclude liability, anyway?

The Ninth Circuit, however, in this case has stood the *KP Permanent* cases on their head to justify the exact opposite: that the fair use defense is unavailable to a trademark infringement defendant on summary judgment unless the *prima facie* case—here, likelihood of confusion—has first been proven by a preponderance of the evidence. *See Marketquest Grp., Inc. v. BIC Corp.*, 862 F.3d 927, 939 (9th Cir. 2017). Effectively this is to unfairly single out trademark infringement defendants asserting the fair use defense.

There is no reason why the fair use defense in a trademark infringement case should be singled out for disparate treatment. Instead, the law should protect those who use words in their ordinary, descriptive sense, and not subject them to needless litigation, and at the very least provide the same amount of protection as other defendants who are able to prove their affirmative defenses during the summary judgment stage without regard to the *prima facie* case.

II. The Ninth Circuit's Decision Is in Tension with Conflicts with the Law of Other Circuits

It makes sense, as a matter of logic, common sense, and prudent conservation of scarce judicial resources, for a defendant to prevail on summary judgment if that defendant is protected by the fair use doctrine and defense, and to prevail without the need to show whether plaintiff has proved likelihood of confusion. Other Courts of Appeals agree.

Thus the Second Circuit Court of Appeals has affirmed summary judgment on the basis of the fair use defense, without requiring further analysis of the likelihood of confusion factors. *Cosmetically Sealed Indus. v. Chesebrough-Pond's USA Co.*, 125 F.3d 28, 31 (2d Cir. 1997); *Dessert Beauty, Inc. v. Fox*, 568 F.Supp.2d 416 (S.D.N.Y. 2008), *aff'd*, 329 Fed.Appx. 333 (2d Cir. 2009). In fact, the Second Circuit Court of Appeals has *prioritized* granting summary judgment on the basis of the fair use defense. *See Car-Freshner Corp. v. S.C. Johnson & Son, Inc.*, 70 F.3d 267, 268 (2d Cir. 1995). In the *Car-Freshner* case, the district court had found that defendant was not entitled to the fair use defense, but granted summary judgment on the grounds that there was no likelihood of confusion. *Id.* The Second Circuit Court of Appeals specifically ruled that it was affirming summary judgment in favor of the defendant, but on the grounds of fair use, without the need to go through the likelihood of confusion findings. *Id.*

Likewise, the Seventh Circuit Court of Appeals has granted summary judgment based on the fair use defense, without the need to go through the likelihood of confusion factors. *Sorensen v. WD-40 Co.*, 792 F.3d 712, 725-26 (7th Cir. 2015) (the likelihood of confusion factors are only reviewed for the logo/design mark, where the fair use defense was not raised during summary judgment).

The Sixth Circuit Court of Appeals has also engaged in a fair use determination without the requirement of finding a likelihood of confusion. *Hensley Mfg. v. ProPride, Inc.*, 579 F.3d 603, 611-12 (6th Cir. 2009) ("[e]ven if [plaintiff's] complaint somehow cleared the hurdle of showing a likelihood of confusion, however, the affirmative defense of fair use applies to bar the trademark infringement claims").

The Ninth Circuit ruling at issue here, to the extent that it conflicts with these other Circuit Courts, could encourage plaintiffs to forum-shop and to bring federal infringement claims to district courts in the Ninth Circuit. It also punishes defendants for defending cases in district courts in the Ninth Circuit, when another result could have been reached had a defendant moved to change venue. Here, for example, while Respondent Marketquest Group, Inc. is located in California, Petitioner BIC Corporation is located in Connecticut, where its federal courts are part of the Second Circuit.

Because the Ninth Circuit's ruling directly conflicts with existing opinions by the Second, Sixth, and Seventh Circuit Courts of Appeals—as well as with itself as it applies to affirmative defenses in all other matters—this Petition should be granted to resolve the inter-circuit and intra-circuit conflicts as to this issue of federal trademark law, and to discourage forum shopping.

III. The Ninth Circuit Ruling Calls for Inefficient Adjudication of Issues

If the fair use defense may never be considered absent prior analysis of likelihood of confusion, then a defendant in a trademark infringement case can never bring a summary judgment motion on the basis of fair use without either first admitting a likelihood of confusion (which it may not want to do nor have reason to do); or obtaining a prior ruling on the likelihood of confusion (which may not exist prior to a summary judgment motion), or a concurrent summary judgment motion as to likelihood of confusion (which may not be appropriate for summary judgment). None of the above constitutes a reasonable approach to the matter, nor would promote judicial efficiency.

Since fair use is a complete defense, it makes no sense to require briefing on the likelihood of confusion factors. *See KP Permanent Make-Up*, *supra*, 543 U.S. at 119. Further, inclusion of the likelihood of confusion factors may not only be unnecessary, but unwieldy.

This is not a minor or incidental matter. A likelihood of confusion analysis is not a short one. In the Ninth Circuit, for example, there are eight likelihood of confusion factors, also known as the *Sleekcraft* factors: (1) strength of the mark; (2) proximity of the goods; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) type of goods and the degree of care likely to be exercised by the purchaser; (7) defendant's intent in selecting the mark; and (8) likelihood of expansion of the product lines. *Sleekcraft*, 599 F.2d at 348-49. "This list of factors, while perhaps exhausting, is neither exhaustive nor exclusive." *E & J Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280, 1290 (9th Cir. 1992).

It makes little sense to require the parties—and the district court—to go through such an "exhausting" list of factors when the fair use defense, comprised of three simple elements, could eliminate a claim. *See* 15 U.S.C. § 1115(b)(4). In plain English, why bother?

To the extent, as found by the Ninth Circuit ruling, that the Supreme Court has not "foreclose[d] the relevance of the extent of any likely consumer confusion in assessing whether a defendant's use is objectively fair," and a high degree of likely confusion may lessen the chances that a use would be found to be fair, this line of reasoning was primarily relevant to consider instances where "an originally descriptive term has become so identified as a mark that a defendant's use of it cannot realistically be called descriptive." *KP Permanent*, 543 U.S. at 123. *That is not this case.* That was *not* the case below. No facts exist here that show that Marketquest's uses of "all in one" or "the write choice" are "so identified as a mark that a defendant's use of it cannot realistically be called descriptive" (as opposed to something more akin to Nike's famous "Just Do It" campaign). More importantly, just as a high degree of likely confusion can lessen the chances that a use will be fair, it must also be true that a use can be so fair that no amount of likely confusion can allow a plaintiff to monopolize commonplace, everyday phrases in the English language. *See KP Permanent*, 543 U.S. at 123.

While this Court may not have foreclosed the relevancy of the likelihood of confusion factors to fair use, neither has it required a court to go through all confusion factors before a fair use determination can be made. *See id.* And courts have routinely recognized that the factors that matter in each case vary depending on the circumstances; this flexibility should reasonably extend to the fair use defense and the need—and lack thereof—to examine the likelihood of confusion factors in every case. *See Brookfield Communs., Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1054 (9th Cir. 1999) ("Some factors are much more important than others, and the relative importance of each individual factor will be case-specific"). Thus, even if consumer confusion can *sometimes* be a factor in determining fair use, it makes no sense to require district courts in all circumstances to find that preponderance of evidence shows that confusion is likely before dismissing a case based on the fair use defense.

Thus, neither discussion of the likelihood of confusion factors, nor the finding of a likelihood of confusion by a preponderance of the evidence, should be a requirement before a district court grants summary judgment based on fair use in a trademark infringement case. To rule otherwise, as the Ninth Circuit has done here, seriously undermines judicial efficiency and does not comport with Federal Rule of Civil Procedure 1 "to secure the just, speedy, and inexpensive determination of every action and proceeding."

CONCLUSION

For the foregoing reasons, the petition for a writ of certiorari should be granted.

Respectfully submitted,

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