

4-1-2005

## Still a Ball of Confusion: KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.

Nikki Pope

Follow this and additional works at: <https://scholarship.kentlaw.iit.edu/ckjip>



Part of the [Intellectual Property Law Commons](#)

---

### Recommended Citation

Nikki Pope, *Still a Ball of Confusion: KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 4 Chi. -Kent J. Intell. Prop. 289 (2005).

Available at: <https://scholarship.kentlaw.iit.edu/ckjip/vol4/iss2/7>

This Article is brought to you for free and open access by Scholarly Commons @ IIT Chicago-Kent College of Law. It has been accepted for inclusion in Chicago-Kent Journal of Intellectual Property by an authorized editor of Scholarly Commons @ IIT Chicago-Kent College of Law. For more information, please contact [jwenger@kentlaw.iit.edu](mailto:jwenger@kentlaw.iit.edu), [ebarney@kentlaw.iit.edu](mailto:ebarney@kentlaw.iit.edu).

**Still A Ball of Confusion: KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.**

By

Nikki Pope<sup>1</sup>

© 2005, Chicago-Kent Journal of Intellectual Property

I. Introduction

In *KP Permanent Make-up, Inc. v. Lasting Impression I, Inc.*,<sup>2</sup> the United States Supreme Court ruled that a defendant in a trademark infringement action is not required to prove an absence of confusion to successfully assert the fair use affirmative defense. While most observers and interested parties expected the Court to rule as it did, the ruling further obfuscated trademark law, doing little to clarify the relation of “likelihood of confusion” to fair use. The opinion overturned a Ninth Circuit decision and rejected the notion that fair use and consumer confusion cannot co-exist.<sup>3</sup> The opinion did not, however, foreclose the consideration of likelihood of confusion in the face of a successful fair use defense. This note reviews basic trademark concepts applicable to the fair use defense in Part II; examines the factual background of the case in Part III; discusses the District and Appellate Court holdings in Parts IV and V; and analyzes the Supreme Court opinion and considers the fair use questions that were unasked and unanswered in Part VI.

---

<sup>1</sup>Ms. Pope is an attorney in the Antitrust Division of the United States Department of Justice; J.D., Santa Clara University School of Law, Order of the Coif. M.B.A., Kellogg School of Management. B.A., Carleton College. The author wishes to thank Rajiv Dharnidharka and Carolyn Renner for reviewing earlier drafts. Special thanks to the author’s mother, Lena Pope, and to professors Allen Hammond and Ellen Kreitzberg for their advice and support. The views expressed in this article are those of the author and are not purported to reflect those of the United States Department of Justice.

<sup>2</sup>*KP Permanent Make-up, Inc. v. Lasting Impression I, Inc.*, 125 S. Ct. 542 (2004) (“KP 3”).

<sup>3</sup>*Id.* at 550.

## II. Fair Use Basic Concepts

A trademark owner may defend her trademark against infringement under the federal trademark statutes<sup>4</sup> or under common law. Although trademarks do not need to be registered to be valid and enforceable, the trademark owner benefits from registration. One important benefit of trademark registration is the acquisition of incontestable status for a mark.<sup>5</sup> To attain incontestability a trademark must meet four requirements: (1) there must be no final decisions that are adverse to the registrant's rights in the mark; (2) there must be no pending proceedings in the Patent and Trademark Office or any court involving the registrant's trademark rights; (3) an affidavit must be filed in the sixth year of the mark's registration with five consecutive years of use prior to filing; and (4) the mark cannot be the generic name for the registered product or service.<sup>6</sup> Incontestability conveys important benefits to the registrant. The mark is presumed valid and registered.<sup>7</sup> The registrant is presumed to own the mark and have the exclusive right to use the mark.<sup>8</sup> Finally, if the mark is descriptive, it is presumed to have acquired a secondary meaning.<sup>9</sup>

---

<sup>4</sup>Lanham Act, 15 U.S.C. § 1051 et seq. (2004).

<sup>5</sup>15 U.S.C. § 1065.

<sup>6</sup>*Id.*

<sup>7</sup>15 U.S.C. § 1115(b).

<sup>8</sup>*Id.*

<sup>9</sup>15 U.S.C. § 1052; *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 205 (1985); *Entrepreneur Media v. Smith*, 279 F.3d 1135, 1142 (9th Cir. 2002); see also MCCARTHY ON TRADEMARKS, § 5:5 ("The prime element of secondary meaning is a *mental association* in buyers' minds between the alleged mark and a single source of the product.").

To prove infringement, the trademark owner must show that there is a likelihood of consumer confusion concerning the source, sponsorship or affiliation of the goods or services in question, pursuant to 15 U.S.C. § 1114(1)(a):

Any person who shall, without the consent of the registrant, use in commerce any reproduction, counterfeit, copy or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake or to deceive . . . shall be liable in a civil action by the registrant . . . <sup>10</sup>

A party defending against an allegation of trademark infringement may avail himself of a number of affirmative defenses, one of which is “fair use.”<sup>11</sup> There are two types of fair use defense under trademark law—statutory (also known as “classic”) and nominative.<sup>12</sup> Statutory fair use applies when a defendant uses a trademark to describe his own product or service.<sup>13</sup> Nominative fair use applies when a defendant uses a trademark to describe the trademark owner’s product or service.<sup>14</sup> Pursuant to 15 U.S.C. § 1115(b)(4), statutory fair use is defined as “a use, otherwise than as a mark, . . . of a term or devise which is descriptive of and used fairly

---

<sup>10</sup>15 U.S.C. § 1114(1)(a).

<sup>11</sup>15 U.S.C. § 1115(b).

<sup>12</sup>J. Thomas McCarthy, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, § 11:45 (4th ed., 2004) (“MCCARTHY ON TRADEMARKS”).

<sup>13</sup>*Id.*

<sup>14</sup>*Id.*

and in good faith only to describe the goods or services of [the allegedly infringing] party”.<sup>15</sup> A grocer who advertises, “Give an Apple to Your Teacher,” during the back-to-school shopping season may argue a statutory fair use defense against an allegation of infringement brought by Apple Computer.

The nominative fair use defense was created by the Ninth Circuit Court of Appeals in *New Kids on the Block*.<sup>16</sup> Nominative fair use requires three elements: (1) plaintiff’s product cannot be identified without use of its mark; (2) defendant used only so much of plaintiff’s mark as was necessary; and (3) defendant’s use of plaintiff’s mark does not suggest sponsorship, endorsement, or other unauthorized affiliation.<sup>17</sup> Using “Playmate of the Year” to describe Terri Wells, a former Playboy Playmate of the Year, was held to be a permissible nominative fair use, because “[the use] serve[d] to identify Wells as a past PEI ‘Playmate of the Year.’”<sup>18</sup>

### III. Factual and Procedural Background

Petitioner KP Permanent, Inc (“KP”) and Respondent Lasting Impression I, Inc.<sup>19</sup> (“Lasting”) manufacture and sell “permanent make-up”; a combination of pigment and liquid that is injected under the skin like a tattoo. Both parties use the term “micro color” in some form to market and sell their permanent make-up products. Lasting registered a trademark for a stylized

---

<sup>15</sup>15 U.S.C. § 1115(b)(4).

<sup>16</sup>*New Kids on the Block v. News America Publishing, Inc.*, 971 F.2d 302 (9th Cir. 1992).

<sup>17</sup>*Id.* at 308.

<sup>18</sup> *Playboy Enters. v. Welles*, 279 F.3d 796, 800-02 (9th Cir. 2002).

<sup>19</sup>There is some confusion among the courts as to whether the defendant’s name is “Lasting Impression” or “Lasting Impression I.” The District Court uses the former; the Appellate and Supreme Courts use the latter.

design of the words “Micro Colors” in 1993,<sup>20</sup> which became incontestable in 1999.<sup>21</sup> KP alleged its use of the words “micro colors” began in 1990, pre-dating Lasting’s 1992 initial use.<sup>22</sup> In 1999, KP produced a 10-page brochure advertising its permanent make-up colors using the term “microcolor” in a large stylized typeface.<sup>23</sup> Lasting sent KP a cease and desist letter, which prompted KP to sue Lasting for trademark infringement in the Central District of California (“District Court”), alleging it had a common law trademark in “microcolors” and that its use of the term did not infringe Lasting’s logo trademark in “Micro Color.”<sup>24</sup> Lasting counterclaimed alleging trademark infringement.<sup>25</sup> Both parties filed cross motions for summary judgment.<sup>26</sup>

The District Court granted KP’s motion for summary judgment on the grounds that KP successfully established a fair use defense pursuant to 15 U.S.C. § 1115(b)(4).<sup>27</sup> Lasting appealed and the Ninth Circuit reversed on numerous grounds including error by the District Court for not analyzing the likelihood of confusion in making its decision.<sup>28</sup> The Ninth Circuit

---

<sup>20</sup>See Appendix 1.

<sup>21</sup>*KP Permanent Make-up, Inc. v. Lasting Impression, Inc.*, No. 00-276-GLT, p. 6 l.8 (D.C. Cal. May 16, 2001) (“KP 1”).

<sup>22</sup>*Id.* at p. 1 line 24.

<sup>23</sup>*KP Permanent Make-up, Inc. v. Lasting Impression I, Inc.*, 328 F.3d 1061, 1065 (9th Cir. 2003) (“KP 2”); *see also* Appendix 1.

<sup>24</sup>*KP 1*, No. 00-276-GLT at p. 1 l. 19.

<sup>25</sup>*Id.* at p. 1 l. 20.

<sup>26</sup>*Id.* at p. 2 l. 2.

<sup>27</sup>*Id.* at p. 1 l.19.

<sup>28</sup>*KP 2*, 328 F.3d at 1061.

held that a finding of likelihood of confusion precluded a fair use defense.<sup>29</sup> It also implied that KP bore the burden of disproving likelihood of confusion.<sup>30</sup> KP appealed to the Supreme Court, which granted certiorari on the narrow question of whether an alleged infringer bore the burden of proving the absence of confusion when pleading the fair use affirmative defense.

#### IV. The Federal District Court Decision

The District Court agreed with KP's claim that the term "micro color" is generic.<sup>31</sup> Both parties presented evidence of web searches indicating that "microcolors" was used in various industries, but not in the permanent make-up industry.<sup>32</sup> The district court accepted KP's logic that since "pigment" and "colors" are used interchangeably in the industry, "micropigments" and "microcolors" are synonyms.<sup>33</sup> Since Lasting did not offer evidence that "micro colors" is not used commonly or interchangeably with "micro pigment" or "micro pigment colors," the court found the term "micro color" to be generic.<sup>34</sup>

The district court found that even if "micro color" is not generic, it is descriptive with no secondary meaning.<sup>35</sup> Lasting argued that "micro color" and "microcolors" are descriptive marks

---

<sup>29</sup>*Id.* at 1073.

<sup>30</sup>*Id.*

<sup>31</sup>*KP I*, No. 00-276-GLT at p. 4 l. 16; *see also Abercrombie & Fitch, Co. v. Hunting World, Inc.*, 537 F.2d 4 (2d Cir. 1976) (establishing four categories for trademarks ". . . in an ascending order which roughly reflects their eligibility to trademark status and the degree of protection accorded, these classes are (1) generic, (2) descriptive, (3) suggestive, and (4) arbitrary or fanciful"; a generic term cannot be trademarked and a descriptive term requires secondary meaning in order to be trademarked).

<sup>32</sup>*Id.* at p. 4 l. 1.

<sup>33</sup>*Id.* at p. 4 l. 12.

<sup>34</sup>*Id.* at p. 4 l. 26.

<sup>35</sup>*Id.* at p. 5 l. 8.

and that KP did not prove it had acquired secondary meaning in the terms.<sup>36</sup> The court agreed, stating that what holds true for KP also would hold true for Lasting.<sup>37</sup> Although Lasting's trademark in "Micro Colors" had achieved incontestable status, which presumes secondary meaning, the court found that the mark's incontestability applied only to the "logo in its entirety" not just to "micro colors" textually.<sup>38</sup> The only evidence offered indicated that both parties were associated with the term "micro colors," leading the court to decide that neither had acquired secondary meaning in the term.<sup>39</sup> The district court determined that Lasting could not support its allegation of trademark infringement because KP's use of "micro colors" was fair use.<sup>40</sup> Lasting conceded the first and third elements of the statutory fair use defense: KP did not use "micro colors" as a mark and used it only to describe KP's products.<sup>41</sup> The court found that because KP's use of the term preceded Lasting's and had been continuous, KP's use had been fair and in good faith,<sup>42</sup> satisfying the second element of the statutory fair use defense. The court reasoned there was no issue of material fact as regarding the fair use defense and granted KP's motion for

---

<sup>36</sup>*Id.* at p. 5 l. 10.

<sup>37</sup>*Id.* at p. 6.

<sup>38</sup>*Id.* at p. 6 line 10; *see also Sunmark, Inc. v. Ocean Spray Cranberries*, 64 F.3d 1055, 1058 (7th Cir. 1995) (cranberry juice manufacturer did not infringe candy maker's trademark in "SweetTARTS" by describing cranberry juice as "sweet-tart" or as "sweet and tart" even though "SweetTARTS" was an incontestible mark; *also* Registration Support, United States Patent and Trademark Office ("USPTO") (Jan. 27, 2005) (a registrant of a trademark consisting of words and an image must register the words separately as text if the registrant intends the words themselves be treated as a trademark).

<sup>39</sup>*KP I*, No. 000-276-GLT, p. 7 l. 10.

<sup>40</sup>*Id.* at p. 9 l. 2.

<sup>41</sup>*Id.* at p. 8 l. 11.

<sup>42</sup>*Id.* at p. 8 l. 19.



summary judgment. The court did not reach the issue of likelihood of confusion because it had determined that “micro colors” was either generic or descriptive.<sup>43</sup>

#### V. The Ninth Circuit Court of Appeals Decision

The Ninth Circuit rejected the District Court’s determination that “micro color” was a generic term.<sup>44</sup> Lasting’s mark indisputably achieved incontestable status, which “includes the specific presumption that the trademark is not generic.”<sup>45</sup> Additionally, the Ninth Circuit found that, under *Park ‘N Fly*,<sup>46</sup> the words “micro colors” were protected by Lasting’s registration of the logo because the words were “the most salient feature of the logo trademark,”<sup>47</sup> making the words themselves incontestable. The burden was on KP to rebut the presumption that “micro colors” was not generic, which the Ninth Circuit ruled KP failed to do at the District Court.<sup>48</sup>

Because the Ninth Circuit determined that the words “micro colors” had achieved incontestable status, it also held that “micro colors” was presumed to have acquired secondary meaning.<sup>49</sup> Even though the term might be descriptive, it had acquired a secondary meaning for

---

<sup>43</sup>*Id.* at p. 9 l. 8.

<sup>44</sup>*KP 2*, 328 F.3d at 1070.

<sup>45</sup>*Id.* at 1069 (citing *Coca-Cola Co. v. Overland, Inc.*, 692 F.2d 1250, 1254 (9th Cir. 1982)).

<sup>46</sup>*Park ‘N Fly, Inc. v. Dollar Park and Fly, Inc.*, 718 F.2d 327, 331 (9th Cir. 1983).

<sup>47</sup>*KP 2*, 328 F.3d at 1068 (seems to assume that because the Ninth Circuit’s opinion in *Park ‘N Fly* was written by Judge Kennedy (now Justice Kennedy), the Supreme Court would uphold the Ninth Circuit’s reasoning if the question of whether the text in a logo must be registered separately were put to the Supreme Court); *see also* Appendix 1.

<sup>48</sup>*KP 2*, 328 F.3d at 1070.

<sup>49</sup>*Id.* at 1071.

trademark purposes.<sup>50</sup>

The Ninth Circuit found that the District Court erred when it failed to make a determination on likelihood of confusion after finding that KP met the requirements for a statutory fair use defense pursuant to 15 U.S.C. § 1115(b)(4).<sup>51</sup> The court reasoned that KP could assert a statutory fair use defense only “if there is no likelihood of confusion between KP’s use of the term ‘micro color’ and Lasting’s mark,”<sup>52</sup> implying being that KP bore the burden of proving an absence of confusion if it wanted to raise a classic fair use defense.

The Ninth Circuit reversed the District Court's decision and remanded the case back for further consideration.

## VI. The Supreme Court Decision

Despite the number of contestable issues raised by the Ninth Circuit’s opinion, the Question Presented to the Supreme Court was very narrow in scope: Does a party raising the statutory fair use affirmative defense to an allegation of trademark infringement pursuant to 15 U.S.C. § 1115(b)(4) bear the burden of negating any likelihood that the practice complained of will confuse consumers about the origin, source or affiliation of the goods or services affected?

Justice Souter delivered the opinion of a unanimous Court with respect to all but footnotes 4, 5 and 6.<sup>53</sup> In a strict textual reading of section 1115(b)(4), the Court held that a party

---

<sup>50</sup>*Id.* (“Thus, Lasting’s incontestable registration is conclusive evidence that the mark is non-descriptive or has acquired secondary meaning.”).

<sup>51</sup>*Id.* at 1072.

<sup>52</sup>*Id.* at 1072; *also* “. . . the fair use defense claimed by KP is a classic fair use defense that *requires* that there not be a likelihood of confusion,” at 1073 (emphasis added).

<sup>53</sup>*KP 3*, 125 S. Ct. at 545 (noting that Justice Scalia did not join footnotes 4 and 5 and Justice Breyer did not join footnote 6).

raising a statutory fair use affirmative defense to an allegation of trademark infringement does not bear the burden to negate any likelihood of confusion.<sup>54</sup>

The Supreme Court answered the question presented, but in doing so, it added another layer of complexity and confused the issue regarding the role of likelihood of confusion in a fair use defense. The Court was clear that the party asserting a statutory fair use defense is not obligated to demonstrate an absence of likelihood of confusion.<sup>55</sup> Likewise, it is clear that the party alleging trademark infringement does not need to show *actual* consumer confusion as part of its prima facie case, but only that confusion is *likely*.<sup>56</sup>

Two additional issues related to likelihood of confusion were raised in the decision – (1) whether consumer confusion and fair use could co-exist; and (2) whether the likelihood of confusion is a factor in determining fair use. Prior to *KP Permanent*, some federal courts endorsed McCarthy’s interpretation of trademark law as excluding a fair use defense when the plaintiff establishes likelihood of confusion.<sup>57</sup> The Court rejected this interpretation because it illogically prohibits making a fair use defense in the very situation where it is meant to be used.<sup>58</sup>

The Court explained that fair use, therefore, can occur along with at least some degree of

---

<sup>54</sup>*Id.* at 548 (noting that the elements of the fair use defense contain nothing about likelihood of confusion and that statutory interpretation presumes that when Congress includes a term, such as likelihood of confusion, in one section of an Act and omits it in another section of the same Act, the omission was intentional).

<sup>55</sup>*Id.* at 550.

<sup>56</sup>*Id.* at 548.

<sup>57</sup> McCarthy section and cases.

<sup>58</sup> *KP3*, 125 S. Ct. at 549 (“[I]t defies logic to argue that a defense may not be asserted in the only situation where it even becomes relevant.”) (citation omitted).

consumer confusion.<sup>59</sup> This is especially true when the trademark allegedly infringed is a descriptive term.<sup>60</sup> The Court cited to a line of cases from various courts protecting the right to use descriptive language and preventing its “commercial monopolization.”<sup>61</sup> The Court did, however, acknowledge that the common law of unfair competition recognizes that likelihood of confusion may be taken into consideration when determining whether a use is fair.<sup>62</sup>

Even though some degree of consumer confusion can co-exist with fair use, the Court also suggested that there might be a limit as to just how much confusion may be tolerated before it prevents a finding of fair use.<sup>63</sup> The Court did not, however, offer any guidance as to just how much confusion would be needed to tip the scales against a finding of fair use. To further confuse the issue, the Court also implied that the trademark owner might need to show something other than consumer confusion to defeat fair use, particularly if there was not so much confusion as to clearly tip the scales against a finding of fair use.<sup>64</sup> Presumably this “something else” would show the defendant’s use either was not fair or was not in good faith.

---

<sup>59</sup>*Id.* at 550.

<sup>60</sup>*Id.* (“The Lanham Act adopts a similar leniency, there being no indication that the statute was meant to deprive commercial speakers of the ordinary utility of descriptive words.”).

<sup>61</sup>*Id.* (citing to *Park ‘N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 201 (1985), which explains “commercial monopolization” as the removal of a descriptive mark from the public domain once the mark achieves incontestable status.)

<sup>62</sup> *Id.* at 548-49.

<sup>63</sup> *Id.* at 551 (Various *amici* and commentators urged the Court to rule that the degree of consumer confusion bears on both the fairness of the use and whether the term can still “realistically be called descriptive.” The United States argued that “used fairly” means the descriptive term accurately describes the goods. The Court did not rule on either argument, stating only “the door is not closed” on the relevance of the likelihood of confusion in determining whether a use is “objectively fair.”).

<sup>64</sup>*Id.* at 549 (noting that although the cases the Court cited agree that confusion is a factor to consider in determining of whether a use is fair, “they do not stand for the proposition that an assessment of confusion alone may be dispositive.”).

Finally, it is important to note that the Court limits its discussion and analysis to statutory fair use, leaving open the question of whether its argument can be applied with any degree of certainty to nominative fair use.<sup>65</sup>

Although the Ninth Circuit opinion offered a number of potential appellate issues, Petitioner KP focused only on the single question posed—whether a party raising the statutory fair use affirmative defense to an allegation of trademark infringement bears the burden of negating any likelihood of confusion. As a result, the Court addressed only part of the problem raised by the Ninth Circuit opinion. The Court did note, however, that other questions were not asked and consequently were not going to be answered in its decision. Issues specifically avoided included (1) the role of likelihood of confusion as it applies to nominative fair use;<sup>66</sup> (2) whether “used fairly” means the term used accurately described the goods;<sup>67</sup> and (3) whether the degree of confusion could indicate that a once descriptive term had become so closely associated with the trademark owner that the term cannot be used in a descriptive sense.<sup>68</sup>

Petitioner KP elected not to challenge the Ninth Circuit on its conclusion that the words “micro colors” had achieved incontestable status because the words were the “most salient feature” of the logo that had achieved incontestable status, even though the words themselves had not been registered separate and apart from the logo.<sup>69</sup> The Supreme Court did not weigh in on

---

<sup>65</sup>*Id.* at 546 n.3.

<sup>66</sup>*Id.* (not surprising since the Court has never recognized or addressed “nominative fair use”).

<sup>67</sup>*Id.* at 551 (noting only that accuracy would be a consideration in the determination of fair use, but declining to go further).

<sup>68</sup>*Id.*

<sup>69</sup>*Supra* note 47; *see also General Foods Corp. v. Borden, Inc.*, 1976 U.S. Dist. LEXIS 14572, 15 (N.D. Ill. 1976)

this issue when it reviewed *Park 'N Fly*, which the Ninth Circuit has interpreted to mean the Supreme Court agrees with the conclusion.<sup>70</sup> If allowed to stand, this interpretation suggests that a registrant may register a descriptive term as a stylized logo design and thereby achieve incontestable status for the words apart from their depiction as the logo. For example, a laundromat owner might register the phrase “Wash ‘N Watch” with a graphic of a front-loading washer and an old-fashioned television set as a logo. After achieving incontestable status, the Ninth Circuit’s interpretation means the laundromat owner would have an incontestable mark in the entire logo and also in the phrase “Wash ‘N Watch” as text alone. Another laundromat owner who installs a large-screen television set in her laundromat and puts up a sign reading “Betty’s Wash and Watch” would bear the burden of proving that “Wash ‘N Watch” does not have a secondary meaning associated with the trademark owner’s establishment. This makes the argument that a use is fair more difficult.

## VII. Conclusion

The implications of *KP Permanent* for trademark infringement plaintiffs are clear, whereas defendants have a less sure path to successfully asserting a statutory fair use defense. Plaintiffs alleging infringement of a descriptive mark can no longer rely on the mere existence of a likelihood of confusion to defeat a statutory fair use defense. Such plaintiffs will need to show not just a likelihood of consumer confusion, but enough confusion to negate the assertion that the allegedly infringing use was fair. The amount of confusion deemed “enough” is likely to vary

---

(the dominant portion of a trademark gets greater consideration when determining whether there is a likelihood of confusion, and therefore, infringement).

<sup>70</sup> *KP Permanent*, 328 F.3d at 1068.

from case to case, based on how the mark is being used and other fact-specific circumstances. While some confusion will not defeat statutory fair use, substantial confusion might.<sup>71</sup>

Since confusion alone may not be enough to defeat a statutory fair use defense, plaintiffs alleging trademark infringement should be prepared to present evidence that the defendant did not act “fairly and in good faith.” Such evidence also may defeat one of the three prongs of the statutory fair use defense. After *KP Permanent*, parties defending against an allegation of trademark infringement in the Ninth Circuit do not have the burden to negate likelihood of confusion when raising a fair use defense. If the plaintiff can establish likelihood of confusion sufficient to show that defendant’s use was not fair, the defendant will need to offer “rebutting evidence to undercut the force of the plaintiff’s evidence.”<sup>72</sup>

While the *KP Permanent* decision reverses the Ninth Circuit’s expansion of trademark rights, it does so only on the narrow point of the defendant’s burden of negating confusion when asserting a statutory fair use defense. It does not, however, bring clarity to other expansions of trademark rights by the Ninth Circuit and other federal courts. Those clarifications must await another day.

---

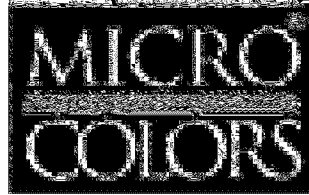
<sup>71</sup>RESTATEMENT (THIRD) OF UNFAIR COMPETITION, § 28, cmt b (1995) (“The fair use defense recognized in this Section can be applicable even if the trademark owner presents evidence sufficient to prove a likelihood of confusion. . . . A defendant who uses a descriptive term fairly and in good faith to describe its goods or services is not liable for infringement even if some residual confusion is likely. However, the strength of the plaintiff’s mark and the extent of likely or actual confusion are important factors in determining whether a use is fair.”).

<sup>72</sup> *KP 3*, 125 S. Ct. at 549.

## Appendix 1

Lasting Impression I, Inc.

Registered Trademark



Reg. No. 1,769,592.

---

KP Permanent Make-up, Inc.

Brochure Chart Heading

