

The 2nd Circuit Court of Appeals handed down a ruling on May 31 that answers several questions about fair use and a few heretofore open questions that will certainly raise some eyebrows among the trademark bar. The case is *Kelly-Brown v. Winfrey*, 2d Cir., No. 12-1207-cv, 5/31/13. Appellant owns the registered trademark OWN YOUR POWER. In its opinion the Court states in the Background section:

"Kelly-Brown owns a motivational services business organized around the concept "Own Your Power." Kelly-Brown hosts a radio show, holds conferences and retreats, and writes a blog promoting the concept of "owning" one's power."

Right away, one is surprised at the choice of words used by the Court to describe what it is that Kelly-Brown owns - a "concept" (the Court could have easily replaced this word with "trademark" or "brand"). It has been widely understood that many trademarks are in fact "concepts", but it has never been so clearly expressly endorsed as in this case. One sub-class of this type of mark is the "catch-phrase" mark. These marks often make for good news reporting, tend to be "faddish", with a short life, and include the likes of "Three-Peat", "Let's Roll", "You're Fired", and "Linsanity". These are trademarks that get their start from widespread public, non-trademark use and are generally applied for at the USPTO for goods such as hats, t-shirts and mugs.

A more "serious" type of concept mark is a legitimate trademark that just happens to serve more than a source identifying function. The mark itself has a meaning (or "concept") that itself is valuable to its owner. Unlike, say, Apple (the meaning of which has no independent value to Apple Inc.), such concept marks have a communicative function and value. For that reason, they are susceptible to use by others, not necessarily for their trademark value but for their inherent value (i.e. for their value as a concept that one might wish to "sell" or at least communicate in connection with goods or services). And for THIS reason, the doctrine of trademark fair use will inevitably arise in litigation involving a concept mark. *Kelly-Brown* is such a case.

Oprah Winfrey used the phrase "Own Your Power" with a bevy of publications, events, and online content including (i) the October 2010 issue of O, the Oprah Magazine, prominently featured the words "Own Your Power" on its front cover (ii) the Magazine, in connection with various other businesses, held an "Own Your Power" event. At the event, various celebrities posed for promotional photographs in front of an "Own Your Power" backdrop. The event involved a seminar and workshop offering motivational advice regarding self-awareness, self-realization, and entrepreneurship, under the aegis of the theme "Own Your Power." The Event was subsequently described in the December 2010 issue of O as the "FIRST-EVER OWN YOUR POWER EVENT." Following the event, Oprah's website contained video clips from the event and placed "Own Your Power" banners and content on at least 75 different individual webpages. Each page containing the "Own Your Power" banner displayed the same header image, with font and graphics that resembled the layout of the October issue of O Magazine. In the center of the banner were the words "Own Your Power!" in a large italicized font.

Kelly-Brown sued Oprah and won at the District Court. The District Court found Oprah Winfrey's use of Own Your Power to be protected under the fair use defense. On appeal however, the Second Circuit had a lot to say about this decision.

The first problem addressed by the Second Circuit was the District Court's view that "use as a mark" is a threshold issue for all trademark infringement actions and that where there is no use as a mark there can be no trademark infringement (or viewed another way, even if there would otherwise be infringement, without "use as a mark", the fair use defense would always apply). The Second Circuit said that such a view confused "use as a mark" with "use in commerce". The latter is the threshold issue for infringement. The former only applies in the context of the fair use test, as one of three factors. "Use in commerce" is defined in the Lanham Act and is satisfied much more easily than the "use as a mark" test. The Court stated that in the present case it was clear that the defendant used "Own Your Power" in commerce but the more difficult question was whether it was "use as a mark". The latter must consider public perception and whether the mark is used to "attract attention" according to the Court. According to the Court, "use in commerce" merely asks *whether* the mark was displayed whereas "use as a mark" asks *how* it is displayed.

The next logical conclusion that the Court makes with regard to "use as a mark" is that unlike in the Sixth Circuit, as an example and as argued by the defendant in this case, there is no weight given to whether a mark is used as a mark when determining whether a likelihood of confusion, and thus infringement, exists. This is perhaps an issue of first impression that has been resolved by this case. No longer can a defendant even consider arguing that it does not infringe because it doesn't use the mark as a mark (at least in the Second Circuit).

The Court next turns to the fair use factors. First up - use as a mark. According to the Court, a word or phrase is used as a mark merely if it is used "as a symbol to attract public attention". Thus, even a use of a headline on a magazine cover would be a use as a mark under this test. The concurring opinion by Judge Sack was written mainly out of a concern over this part of the ruling. Judge Sack wrote in defense of the First Amendment out of an abundance of caution over the possible impact of this decision. A first amendment defense would have been an interesting one to be ruled on, although it was not. After all, why should a use of a phrase, which is only for the phrase's communicative value, be disqualified from the fair use defense merely because it "attracts attention"? Is this taking trademark rights too far? Author's note - as straightforward as it seems on its face, the fair use doctrine never fails to create extremely interesting and controversial case law because of its fine nuances (the best example being the *KP Permanent Makeup* Supreme Court case).

The next proclamation by the Court is that "use as a mark" is a determination that may be made in consideration of a collection of uses as opposed to any single individual use of a phrase (or even presumably regardless of whether the individual uses are fair uses - THIS would be an interesting holding if in fact it was a holding in this case). Again, while not making much of it in the case, this would seem to be an issue of first impression that is casually conceded to the plaintiff as tending to prove that the defendant has used Own Your Power as a mark. The Court draws an analogy between this idea and the principle that rights in trademarks for titles of works of authorship

depend on "repetition". Here the Court completely misses the mark by connecting two completely inapposite ideas. The rule pertaining to titles has only to do with the unique nature of titles and it has no applicability beyond titles per se. Use of a title on multiple works has nothing to do with "repetition". If repetition were the real concern then the law would require some level of repetition (i.e. sales) before trademark rights would inure. However as long as a title is used on two books, it becomes a trademark even with a very low level of sales for each book. In any event, why should repetition matter if each use is a fair use? The Court does not address this question (perhaps another reason for the separate opinion by Judge Sack). In the words of the Court: "this array of uses is sufficient for us to infer a pattern of use. We thus conclude that Kelly-Brown has plausibly alleged that Oprah was attempting to build a new segment of her media empire around the theme or catchphrase "Own Your Power,"...". Here again, the Court uses the words "theme" and "catchphrase" instead of "trademark" or "brand". This is at least interesting and meaningless and at most a new light on the legal protection of catchphrases, concepts, and themes.

The Court turns next to the second factor in the fair use analysis, that being whether the phrase is used "in a descriptive sense". Here the Court makes it a point to clarify that a phrase need not be a popular phrase for it to be subject to the fair use defense. This is perhaps well settled but I believe it to be on slippery ground. For instance, if the descriptive meaning comes about as a result of a phrase's trademark significance, should another person be allowed to argue that it could also use the phrase as long as it's a "descriptive use"? In many cases, the fact that a phrase is not a common one has bearing on whether it is in fact being used in a descriptive sense. In any event, as long as the ultimate conclusion as to descriptive use is correct, one need not worry about this dismissal of the possible relevance of an "uncommon" phrase. As it turns out, this is the lesser of the two concerns one might have with the Court's analysis of this factor. The Court found that the defendant had not shown that it had used the phrase in a descriptive sense because, for example, "Own Your Power" does not specifically describe the contents of the magazine on which it appeared. However one can argue that a term can be used in a descriptive sense whenever it is used for it's meaning. Without any discussion, the Court instead applied the factor in a way that construes the meaning of "descriptive" as "descriptive of the goods or services with which it is used". This is clearly not the intent of the fair use defense, which often applies when a phrase is merely used in text in a "descriptive" manner (meaning, for the actual meaning of the word, and not as a reference to the trademark), whether the text appears on a product, in a magazine or in a book.

The final nail was placed in defendant's coffin when the Court found that the defendant had not proved that it used the phrase in good faith, because it was aware of plaintiff's trademark. This analysis borrows from the law of good faith as it pertains to willful infringement. By citing to the oft-cited *Star Industries* case, which dealt with bad faith infringement, not bad faith in the context of fair use, the Court demonstrated the same kind of confusion that it accused the defendant of in relation to the difference between "use in commerce" and "use as a mark". So its now back to the District Court on remand.