UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

Marketquest Group, Inc. v. BIC Corp.

862 F.3d 927 (9th Cir. 2017) · No. 15-55755 · Decided July 7, 2017

SUMMARY

The Ninth Circuit reversed summary judgment for the defendants in a trademark infringement action involving the marks “All-in-One” and “The Write Choice.” The court held that reverse confusion is a theory of likely confusion rather than a separately pleaded claim, and that the intent inquiry varies according to the confusion theory. It also held that genuine issues of material fact remained regarding the defendants’ fair use defense and remanded for further proceedings.

CASE DETAILS

COURT	United States Court of Appeals for the Ninth Circuit
WRITING FOR THE COURT	Milan D. Smith, Jr.; John B. Owens; Edward R. Korman
JURISDICTION	Federal
DECIDED	July 7, 2017
DOCKET	15-55755
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Marketquest appealed the Southern District of California's grant of summary judgment to the defendants on Marketquest's trademark-infringement claims involving the marks "All-in-One" and "The Write Choice."
STANDARD OF REVIEW	De novo review of summary judgment; the evidence is viewed in the light most favorable to Marketquest, with review of whether genuine issues of material fact exist and whether the district court correctly applied the substantive law.
PRECEDENTIAL VALUE	Published Ninth Circuit opinion; precedential.
PARTIES	Marketquest Group, Inc., dba All-In-One v. BIC Corp., BIC USA, Inc., Norwood Promotional Products, LLC, aka Norwood Operating Company, LLC, dba Norwood Promotional Products

TOPICS

trademark infringement · trademark law · intellectual property · appellate procedure · standard of review

PRACTICE AREAS

trademark · intellectual property · commercial litigation · appellate procedure

QUESTIONS PRESENTED

1. Whether Marketquest adequately pleaded a trademark-infringement claim under a reverse-confusion theory despite not specifically using the term "reverse confusion" in its complaint.
2. Whether the intent factor in the likelihood-of-confusion analysis requires a particular type of evidence in a forward- or reverse-confusion case.
3. Whether summary judgment was proper on defendants' classic fair-use defense concerning the "All-in-One" mark.
4. Whether the district court could apply the fair-use defense to "The Write Choice" after finding no evidence of likely confusion.

HOLDINGS

1. Reverse confusion is not a separate trademark-infringement claim requiring specific pleading; it is a theory of likely confusion that may be alleged alone or together with forward confusion. When reverse confusion is compatible with the infringement theory alleged, the plaintiff need not specifically plead it.
2. No particular type of evidence is required to establish intent in a trademark-infringement case under either a forward- or reverse-confusion theory. The relevance and importance of intent vary with the type of confusion and the circumstances of the case.
3. Summary judgment was improper on defendants' classic fair-use defense because genuine issues of material fact existed concerning whether defendants used "All-in-One" as a trademark, whether the use was descriptive, and whether it was in good faith. The degree of customer confusion may also be considered in evaluating whether the use was objectively fair.
4. The district court erred by applying the fair-use defense to "The Write Choice" after finding no evidence of actual or potential confusion and failing to conduct a likelihood-of-confusion analysis. The fair-use defense comes into play only after the plaintiff establishes likely confusion by a preponderance of the evidence.

KEY QUOTATIONS

> *“We now hold that reverse confusion is not a separate claim that must be specifically pleaded, but instead is a theory of likely confusion that may be alleged by itself or in addition to forward confusion.”* (at 934)

> *“However, no one type of evidence is required to establish intent in trademark infringement cases under either a forward or reverse theory of confusion.”* (at 937)

> *“A defendant must show that its use is (1) other than as a trademark, (2) descriptive of the defendant’s goods, and (3) in good faith.”* (at 939)

> *“The fair use defense only comes into play once the party alleging infringement has shown by a preponderance of the evidence that confusion is likely.”* (at 945)

FACTUAL BACKGROUND

Marketquest sold promotional products and had used its registered marks "All-in-One" and "The Write Choice" since 1999 and 2000. After BIC acquired Norwood, Norwood published a 2011 promotional-products catalogue using "All-in-One," and BIC used "The WRITE Pen Choice for 30 Years" in advertising and packaging for its pens. Marketquest alleged that these uses infringed its marks, while defendants asserted the classic fair-use defense.

PROCEDURAL HISTORY

Marketquest filed its operative First Amended Complaint in 2011. The district court denied a preliminary injunction concerning "All-in-One," later granted defendants' cross-motion for summary judgment, and held that fair use completely protected defendants' uses of both marks. The Ninth Circuit reversed and remanded.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The district court must conduct further proceedings consistent with the opinion, including reconsideration of the fair-use defense as to "All-in-One" and consideration of Marketquest's trademark-infringement claim concerning "The Write Choice" after addressing likelihood of confusion.

CASES CITED

- KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc., 543 U.S. 111, 114, 117-23 (2004)
- KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc., 408 F.3d 596, 602, 608-09 (9th Cir. 2005)
- Surfvivor Media, Inc. v. Survivor Prods., 406 F.3d 625, 629-34 (9th Cir. 2005)
- Murray v. Cable National Broadcasting Co., 86 F.3d 858, 861 (9th Cir. 1996)
- Dorpan, S.L. v. Hotel Melia, Inc., 728 F.3d 55, 65 n.12 (1st Cir. 2013)
- Fortune Dynamic, Inc. v. Victoria's Secret Stores Brand Mgmt., Inc., 618 F.3d 1025, 1030-31, 1040-43 (9th Cir. 2010)
- AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 348-49 (9th Cir. 1979)
- Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp., 174 F.3d 1036, 1054, 1059 (9th Cir. 1999)
- Cohn v. Petsmart, Inc., 281 F.3d 837, 841 n.5, 843 (9th Cir. 2002)
- Commerce Nat'l Ins. Servs., Inc. v. Commerce Ins. Agency, Inc., 214 F.3d 432, 444 (3d Cir. 2000)
- Dreamwerks Prod. Grp., Inc. v. SKG Studio, 142 F.3d 1127, 1130 (9th Cir. 1998)
- Freedom Card, Inc. v. JPMorgan Chase & Co., 432 F.3d 463, 479 (3d Cir. 2005)
- Cairns v. Franklin Mint Co., 292 F.3d 1139, 1150 (9th Cir. 2002)
- Brother Records, Inc. v. Jardine, 318 F.3d 900, 906 (9th Cir. 2003)
- Shakespeare Co. v. Silstar Corp. of Am., 110 F.3d 234, 243 (4th Cir. 1997)