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8th Circuit

TRADEMARKS / TRADE DRESS

1. What are the standards for nominative fair use of a mark in your Circuit?

The Eighth Circuit has not adopted a standard for nominative fair use, resulting in some inconsistency among the district courts within the Eighth Circuit. In *Edina,* the Court applied the *Century 21* test for nominative fair use: "(1) that the use of plaintiff's mark is necessary to describe both the plaintiff's product or service and the defendant's product or service; (2) that the defendant uses only so much of the plaintiff's mark as is necessary to describe plaintiff's product; and (3) that the defendant's conduct or language reflect the true and accurate relationship between plaintiff and defendant's products or services." *Edina Realty, Inc. v. TheMLSonline.com*, No. 04-4371 (JRT/FLN), 2006 U.S. Dist. LEXIS 13775 at *14 (D. Minn. Mar. 20, 2006); citing *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 222 (3rd Cir. 2005).

More recently, several district courts in the circuit have adopted the Ninth Circuit's nominative fair use analysis from *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992). This defense has three prongs: (1) the product "must be one not readily identifiable without use of the trademark"; (2) only as much of the mark as necessary may be used "as is reasonably necessary to identify the product"; and (3) the user cannot do anything in conjunction with the mark to suggest sponsorship or endorsement by the trademark owner. *See, e.g. Teter v. Glass Onion, Inc.*, 723 F.Supp.2d 1138, 1156(W.D. Mo. 2010), (citing *New Kids*, 971 F.2d at 308–09); *Visual Dynamics, LLC v. Chaos Software Ltd.*, 309 F.Supp. 3d 609, 625 (W.D. Ark. 2018) *Infogroup, Inc. v. DatabaseUSA.com LLC*, 95 F.Supp. 3d 1170, 1189 (D. Nebr. 2015).

2. Does your Circuit hold that the Lanham Act can be used to impose an injunction on conduct outside the United States?

The Eighth Circuit has been silent on this issue. However, some district courts within the Circuit have adopted reasoning from other circuits as to circumstances where the Lanham Act might apply to conduct outside the United States. See *Wal-Mart Stores, Inc. v. Case-Mate, Inc.*, No. 5:16-CV-05215, 2017 U.S. Dist. LEXIS 14063 (W.D. Ark. Jan. 25, 2017); *Hazelden Betty Ford Found. v. My Way Betty Ford Klinik, GmbH*, No. 20-409 (JRT/TNL), 2021 U.S. Dist. LEXIS 157840 (D. Minn. Aug. 20, 2021).

3. Are there any recent trends in your District or Circuit regarding the application of trade dress law, including with respect to functionality (utilitarian and aesthetic), color and color schemes, and the line between trade dress and patent protection?

The Eighth Circuit recently reaffirmed its traditional analysis regarding trade dress in *Munro v. Lucy Activewear, Inc.*, 899 F.3d 585, 589 (8th Cir. 2018). To allege a claim, a plaintiff must prove that the trade dress is "(1) distinctive; (2) nonfunctional; and (3) likely to 'be confused with the accused product.'" *Id.* citing *Aromatique, Inc. v. Gold Seal, Inc.*

28 F.3d 863, 868 (8th Cir. 1994). A plaintiff in a trade dress claim must show that the design had acquired a "secondary meaning" so that consumers can identify the source of the product rather than the product itself. *Id*. at 589, citing *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 208 (2000). The Eighth Circuit evaluates trade dress consisting of a product's design or color (i.e., its inherent distinctiveness) along the same spectrum traditionally used for assessing the inherent distinctiveness of traditional word trademarks. *Stuart Hall Co. v. Ampad Corp.*, 51 F.3d 780, 786 (8th Cir. 1995). This spectrum consists generally of features that are: fanciful, arbitrary, suggestive, descriptive, or generic. *Id.* (citing *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976). As such, trade dress is inherently distinctive and eligible for trademark protection if it is fanciful, arbitrary, and suggestive, as established in *Abercrombie*. *Id.* The law expressed by the *Stuart c*ourt is still good law in the Eighth Circuit, and there have not been any significant trends since the opinion was delivered in 1995.

Similarly, functionality has not experienced any recent trends in the Eighth Circuit. The United States Court of Appeals for the Eighth Circuit has combined the *Inwood* and *Qualitex* functionality definitions and stated that a function product design feature is one that either: (1) is essential to the product's use or purpose or affects the cost or quality of the product; or (2) would deprive competitors of a significant non-reputation-related advantage. *Home Builders Ass'n v. L&L Exhibition Mgmt., Inc.*, 226 F.3d 944, 958 (8th Cir. 2000); *see also Frosty Treats Inc. v. Sony Computer Ent'mt Am. Inc.*, 426 F.3d 1001, 1007 (8th Cir. 2005). The court has further explained that a product feature is functional if it is an important ingredient in the commercial success of the product; and trade dress is nonfunctional if it is an arbitrary embellishment adopted for identification unrelated to consumer demand for the product. *Gateway, Inc. v. Companion Prods., Inc.*, 384 F.3d 503, 508 (8th Cir. 2004) (citing *Prufrock Ltd. v. Lasater*, 781 F.2d 129, 133 (8th Cir. 1986)).

Although the Eighth Circuit considers competitor need to use a design feature when assessing functionality, it has not expressly recognized aesthetic functionality. *See Home Builders*, 226 F.3d at 948. However, at least one district court has expressly recognized competitor need as relevant to assessing aesthetic functionality. *See Honeywell Int'l Inc. v. ICM Controls Corp.*, 45 F. Supp. 3d 969, 996 (D. Minn. 2014).

The United States District Court for the Eastern District of Missouri opined on the fundamental difference between patents and trademarks, but the Eighth Circuit has not. In *General Physiotherapy, Inc. v. Sybaritic, Inc.*, the court held that patents are limited to a process, machine, manufacture, or composition of matter which fulfills the conditions as defined in 35 U.S.C. §§ 101 and 102. 2006 WL 269991, at *5 (E.D. Mo. Feb. 1, 2006). "A trademark, however, is a designation that identifies the source of a product and distinguishes it from other sources." *Id.*

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4. What are the recent rulings in your Circuit regarding the "fair use" defense?

The leading case in the circuit addressing "fair use" is *Mulcahy v. Cheetah Learning LLC*, 386 F.3d 849 (8th Cir. 2004). The *Mulcahy* court held that fair use is a mixed question of law and fact. *Id.* at 855. The court opined that the four factors contained in 17 U.S.C. § 107 shall be considered, but are not exclusive. Those factors are: "(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work. *Id.* 854. These factors must be considered together (not in isolation), though the most crucial element for consideration is the use's effect on the potential market. *Id.* at 854 (citing *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 566 (1985)).

Below are recent cases that regard the fair use defense; however, none of the cases below substantially change or deviate from the *Mulcahy* court's approach.

- *MPAY Inc. v. Erie Custom Comput. Applications, Inc.*, 970 F.3d 1010, 1016 (8th Cir. 2020) ("To demonstrate copyright infringement, MPAY must show that it owned a valid copyright and that

Appellees violated MPAY's copyright 'by, for example, unauthorized reproduction and distribution of the copyrighted work.'").

- *Edland v. Basin Elec. Power Coop.*, No. 4:21-CV-04008-KES, 2021 WL 3080225, at *4 (D.S.D. July 21, 2021) (denying a defendant's motion to dismiss when the facts constituting fair use under § 107 are not apparent on the face of the complaint).
- *Wild v. Rockwell Labs, Ltd.*, 4:19-CV-00919-W-RK, 2020 WL 1921127, at *3-4 (W.D. Mo. Apr. 20, 2020) (acknowledging that fair use is a mixed question of law and fact and denying a motion to dismiss).

5. How does your District or Circuit approach claims that embedding content on one's website using html links infringes the original author's distribution and display rights under the Copyright Act? *See Nicklen v. Sinclair* (SDNY 2021); *Leader's Institute v. Jackson* (2017 WL 5629514 (ND Texas 2017)).

Though the Eighth Circuit Court of Appeals has not ruled on this issue, several district courts within the Eighth Circuit have analyzed issues in proximity. For example, the United State District Court for the Eastern District of Missouri, in *Kennedy v. Gish, Sherwood & Friends, Inc.*, reviewed a copyright dispute concerning the unauthorized display of photographs taken from the plaintiff's website. 143 F. Supp. 3d 898, 902 (E.D. Mo. 2015). The *Kennedy* court applied the factors contained in 17 U.S.C. § 107, and held that use of the plaintiff's photographs was sufficiently transformative to be protected by the fair use defense. *Id.* at 904.

6. What is necessary in your District or Circuit to prove (or disprove) that a work is "transformative' and thus fair use? (This issue is likely to be heard at the Supreme Court next term in Andy Warhol Foundation v. Goldsmith.)

A work is transformative, favoring a fair use finding, if it alters the plaintiff's work by adding new expression, meaning, or message. *Antioch Co. v. Scrapbook Borders, Inc.*, 291 F. Supp. 2d 980, 988 (D. Minn. 2003). If the defendant's work supersedes the original's use, it is not transformative and likely not a fair use (*Kennedy v. Gish, Sherwood & Friends, Inc.*, 143 F. Supp. 3d 898, 910 (E.D. Mo. 2015) (citing *Harper & Row Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 550-51 (1985)). The more transformative the defendant's work, the less significant are the other fair use factors weighing against fair use. *Antioch*, 291 F. Supp. 2d at 988, 992 (citing *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994)).