

Syllabus

NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States v. Detroit Timber & Lumber Co.*, 200 U. S. 321, 337.

SUPREME COURT OF THE UNITED STATES

Syllabus

**KP PERMANENT MAKE-UP, INC. v. LASTING
IMPRESSION I, INC., ET AL.****CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR
THE NINTH CIRCUIT**

No. 03–409. Argued October 5, 2004—Decided December 8, 2004

Petitioner KP Permanent Make-Up, Inc., and respondents (collectively Lasting) all use the term “micro color” (as one word or two, singular or plural) in marketing permanent cosmetic makeup. The Court accepts KP’s claim that it has used the single-word version since 1990 or 1991. In 1992, Lasting registered a trademark that included the words “Micro Colors” under 15 U. S. C. §1051, and, in 1999, the registration became incontestable, §1065. When Lasting demanded that KP stop using the word “microcolor,” KP sued for declaratory relief. Lasting counterclaimed, alleging, *inter alia*, that KP had infringed Lasting’s trademark. KP responded by asserting the statutory affirmative defense of fair use, §1115(b)(4). Finding that Lasting conceded that KP used “microcolor” only to describe its goods and not as a mark, the District Court held that KP was acting fairly and in good faith because KP undisputedly had employed the term continuously from before Lasting adopted its mark. Without enquiring whether the practice was likely to cause consumer confusion, the court concluded that KP had made out its affirmative defense under §1115(b)(4) and entered summary judgment for KP on Lasting’s infringement claim. Reversing, the Ninth Circuit ruled that the District Court erred in addressing the fair use defense without delving into the matter of possible consumer confusion about the origin of KP’s goods. The court did not pointedly address the burden of proof, but appears to have placed it on KP to show the absence of such confusion.

Held: A party raising the statutory affirmative defense of fair use to a claim of trademark infringement does not have a burden to negate any likelihood that the practice complained of will confuse consumers

Syllabus

about the origin of the goods or services affected. Pp. 4–12.

(a) Although §1115(b) makes an incontestable registration “conclusive evidence . . . of the registrant’s exclusive right to use the . . . mark,” it also subjects a plaintiff’s success to “proof of infringement as defined in section 1114.” Section §1114(1) in turn requires a showing that the defendant’s actual practice is “likely to cause confusion, or to cause mistake, or to deceive” consumers about the origin of the goods or services in question, see, e.g., *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U. S. 763, 780. Thus, a plaintiff claiming infringement of an incontestable mark must show likelihood of consumer confusion as part of the prima facie case. This plaintiff’s burden must be kept in mind when reading §1115(b)(4), which provides the fair use defense to a party whose “use of the . . . term . . . charged to be an infringement is a use, otherwise than as a mark, . . . of a term . . . which is descriptive of and used fairly and in good faith only to describe the goods or services.” It is evident (1) that §1115(b) places a burden of proving likelihood of confusion (that is, infringement) on the party charging infringement even when relying on an incontestable registration, and (2) that Congress said nothing about likelihood of confusion in setting out the elements of the fair use defense in §1115(b)(4). It therefore takes a long stretch to claim that a fair use defense entails any burden to negate confusion. It is not plausible that Congress would have used §1114’s phrase “likely to cause confusion, or to cause mistake, or to deceive” to describe the requirement that a markholder show likelihood of consumer confusion, but would have relied on §1115(b)(4)’s phrase “used fairly” to give a defendant the burden to negate confusion. See, e.g., *Russello v. United States*, 464 U. S. 16, 23. Congress’s failure to say anything about a defendant’s burden on this point was almost certainly not an oversight, since the House Trademarks Subcommittee refused to forward a proposal expressly providing likelihood to deceive the public as an element of the fair use defense. Lasting argues unpersuasively that “used fairly” in §1115(b)(4) is an oblique incorporation of a likelihood-of-confusion test developed in the common law of unfair competition. While cases such as *Baglin v. Cusenier Co.*, 221 U. S. 580, are consistent with taking account of the likelihood of consumer confusion as one consideration in deciding whether a use is fair, they cannot be read to make an assessment of confusion alone dispositive or provide that the defense has a burden to negate it entirely. Finally, a look at the typical course of litigation in an infringement action points up the incoherence of placing a burden to show nonconfusion on a defendant. If a plaintiff succeeds in making out a prima facie case, including the element of likelihood of confusion, the defendant may offer rebutting evidence to undercut the force of the plaintiff’s evidence on this ele-

Syllabus

ment, or raise an affirmative defense to bar relief even if the prima facie case is sound, or do both. It would make no sense to give the defendant a defense of showing affirmatively that the plaintiff cannot succeed in proving some element (like confusion); all the defendant needs to do is to leave the factfinder unpersuaded that the plaintiff has carried its own burden on that point. Nor would it make sense to provide an affirmative defense of no confusion plus good faith, when merely rebutting the plaintiff's case on confusion would entitle the defendant to judgment, good faith or not. Pp. 4–9.

(b) Since the burden of proving likelihood of confusion rests with the plaintiff, and the fair use defendant has no free-standing need to show confusion unlikely, the Court recognizes (contrary to the Ninth Circuit's view) that some possibility of consumer confusion is compatible with fair use. It would be improvident to go further here, for deciding anything more would take the Court beyond the Ninth Circuit's consideration of the subject. Because the Court does not rule out the pertinence of the degree of consumer confusion under the fair use defense, it does not pass upon the Government's position that §1115(b)(4)'s "used fairly" requirement demands only that the descriptive term describe the goods accurately. Accuracy has to be a consideration in assessing fair use, but the proceedings below have raised no occasion to evaluate other concerns that courts might pick as relevant—*e.g.*, commercial justification and the strength of the plaintiff's mark—as to which the door is not closed. Pp. 9–11.

(c) This Court reads the Ninth Circuit as erroneously requiring KP to shoulder a burden on the confusion issue. P. 11.

328 F. 3d 1061, vacated and remanded.

SOUTER, J., delivered the opinion of the Court, in which REHNQUIST, C. J., and STEVENS, O'CONNOR, KENNEDY, THOMAS, and GINSBURG, JJ., joined, in which SCALIA, J., joined as to all but footnotes 4 and 5, and in which BREYER, J., joined as to all but footnote 6.