

1
2 UNITED STATES COURT OF APPEALS
3 For the Second Circuit
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5
6 August Term, 2012
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8 (Argued: September 25, 2012

Decided: May 31, 2013)

9
10 Docket No. 12-1207-cv
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13 SIMONE KELLY-BROWN and OWN YOUR POWER COMMUNICATIONS, INC.,

14
15 *Plaintiffs-Appellants,*

16
17 —v.—
18

19 OPRAH WINFREY, HARPO PRODUCTIONS, INC., HARPO, INC., HEARST CORPORATION, HEARST
20 COMMUNICATIONS, INC., WELLS FARGO & CO., ESTEE LAUDER COMPANIES, INC., CLINIQUE
21 LABORATORIES, LLC, CHICO’S FAS, INC., ABC COMPANIES (1-100), and JOHN DOES (1-100),
22

23 *Defendants-Appellees.*
24

25
26 Before: STRAUB, SACK and CHIN, *Circuit Judges.*
27

28 On appeal from judgment entered pursuant to an Order dated March 6, 2012 by the
29 United States District Court for the Southern District of New York (Paul A. Crotty, *Judge*)
30 granting Defendants-Appellees’ motion to dismiss. Plaintiff is the owner of a motivational
31 services business named “Own Your Power Communications, Inc.,” and has a registered service
32 mark in “Own Your Power.” Defendants published a magazine cover, hosted an event, and built
33 a section of a website all utilizing the phrase “Own Your Power.” Plaintiffs bring suit alleging
34 trademark infringement under the Lanham Act. The District Court held that the defendants’ use
35 of the phrase “Own Your Power” constituted fair use and also held that plaintiffs’ claims failed
36 because she failed to meet the threshold requirement of showing use as a mark. We disagree
37 with the District Court’s holding that the defendants have demonstrated fair use and also with its
38 holding that plaintiffs are required to make a threshold showing that defendants’ used “Own
39 Your Power” as a mark in order to state a claim for trademark infringement. We therefore
40 **VACATE** the judgment of the District Court with respect to plaintiffs’ trademark infringement,
41 false designation of origin, and reverse confusion claims and **REMAND** for further proceedings
42 not inconsistent with this opinion. The District Court granted defendants’ motion to dismiss
43 plaintiffs’ counterfeiting, vicarious infringement, and contributory infringement claims on
44 separate grounds, and we **AFFIRM** with respect to these claims.

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2 Judge SACK concurs in the result in a separate opinion.
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6 PATRICIA LAWRENCE-KOLARAS, The PLK Law Group, P.C., Hillsborough, NJ, *for*
7 *Plaintiffs-Appellants.*
8

9 JONATHAN R. DONNELLAN (Ravi V. Sitwala, Debra S. Weaver, *on the brief*), The Hearst
10 Corporation, New York, NY, Charles L. Babcock, Jackson Walker L.L.P.,
11 Houston, TX, *for Defendants-Appellees.*
12

13 STRAUB, *Circuit Judge:*

14 Plaintiff Simone Kelly-Brown (“Kelly-Brown”) is the owner of a motivational services
15 business, Own Your Power Communications, Inc., that holds events and puts out publications
16 under the registered service mark “Own Your Power.” Defendants Oprah Winfrey (“Oprah”),
17 Harpo, Inc., and Harpo Productions, Inc. (collectively, “Harpo”), and Hearst Corp. and Hearst
18 Communications, Inc. (collectively, “Hearst”) were involved in the production of a magazine,
19 event, and website also employing the phrase “Own Your Power.” Kelly-Brown argues that in
20 so using the phrase, the defendants infringed upon her mark. She brings suit for claims including
21 trademark infringement, false designation of origin, reverse confusion, and counterfeiting. She
22 also brings suit for vicarious and contributory infringement against Wells Fargo & Co. (“Wells
23 Fargo”), Clinique Laboratories, LLC (“Clinique”), Estee Lauder Cos., Inc. (“Estee Lauder”), and
24 Chico’s FAS, Inc. (“Chico’s”), which were all corporate sponsors of the allegedly infringing
25 “Own Your Power” event.

26 Kelly-Brown appeals from the grant of a motion to dismiss in the Southern District of
27 New York (Paul A. Crotty, *Judge*), finding that the defendants’ use of the phrase “Own Your
28 Power” was fair use. The District Court dismissed Kelly-Brown’s counterfeiting, vicarious
29 infringement, and contributory infringement claims on additional grounds. Because we find that

1 the defendants have not adequately established a fair use defense, we **VACATE** the judgment of
2 the District Court with respect to Kelly-Brown’s trademark infringement, false designation of
3 origin, and reverse confusion claims and **REMAND** this case for further proceedings not
4 inconsistent with this opinion. We agree with the District Court’s holdings with respect to Kelly-
5 Brown’s vicarious infringement, contributory infringement, and counterfeiting claims and
6 therefore **AFFIRM** with respect to these claims.

7 **BACKGROUND**

8 The allegations recited below are taken from the complaint, and we assume they are true
9 for the purposes of this appeal.

10 Kelly-Brown owns a motivational services business organized around the concept “Own
11 Your Power.” Kelly-Brown hosts a radio show, holds conferences and retreats, and writes a blog
12 promoting the concept of “owning” one’s power. She also has a federally registered service
13 mark in the phrase “Own Your Power.”

14 The service mark registered with the United States Patent and Trademark Office is
15 displayed in a distinctive font that Kelly-Brown uses on her website and other materials, as
16 follows:¹



18 The service mark states, “THE COLOR(S) LIGHT BLUE IS/ARE CLAIMED AS A FEATURE
19 OF THE MARK. THE MARK CONSISTS OF LIGHT BLUE SCRIPTED LETTERS WHICH
20 CREATE THE WORDS OWN YOUR ‘POWER.’” Kelly-Brown’s service mark was registered
21 May 27, 2008.

¹ The images discussed in this opinion are also available online at
http://www.ca2.uscourts.gov/Docs/Video_files/12_1207/Kelly-Brown_images.pdf

1 Defendant Oprah almost needs no introduction, but warrants one in this context. She
2 runs a vast media empire, which consists of, *inter alia*, a magazine, and a website, which is run
3 by Harpo, and (until recently) a television program. Oprah’s name and images figure
4 prominently in the branding of these enterprises.

5 At roughly the same time that Kelly-Brown was seeking to register her service mark in
6 “Own Your Power,” the defendants also sought to register a trademark in a new Oprah venture,
7 the Oprah Winfrey Network, to be known as “OWN.” During the creation of OWN, Harpo
8 arranged for the transfer of a trademark in “OWN ONYX WOMAN NETWORK” from its
9 original owner to Harpo to avoid an infringement action from that mark’s original owner.
10 Defendants would likely have been aware of Kelly-Brown’s pending registration for the service
11 mark in “Own Your Power,” since the same search defendants would have run to locate and
12 negotiate the transfer of the trademark in “OWN ONYX WOMAN NETWORK” would have
13 also revealed Kelly-Brown’s mark.

14 Kelly-Brown alleges that the defendants infringed upon her service mark by producing a
15 bevy of publications, events, and online content all using the phrase, “Own Your Power.” For
16 example, the October 2010 issue of O, the Oprah Magazine (the “Magazine”), which was
17 distributed on or about September 13, 2010, prominently featured the words “Own Your Power”
18 on its front cover. Beneath these words were the sub-headings “How to Tap Into Your
19 Strength”; “Focus Your Energy”; and “Let Your Best Self Shine.” It also contained the
20 following headline set off to the right side: “THE 2010 O POWER LIST! 20 Women Who Are
21 Rocking the World.”



O
THE OPRAH
MAGAZINE
YOUR BEST LIFE

**UNLOCK
YOUR INNER
SUPERSTAR**
Our 4-step plan
page 217

**THE 2010
O POWER
LIST!**
20 Women
Who Are Rocking
the World

**SPECIAL
AN URGENT
MESSAGE
FROM
DR. OZ**
page 154

Own Your Power!

How to Tap Into Your Strength
Focus Your Energy
Let Your Best Self Shine

OF THE MONTH
PERFECT \$49
ALL SHOE!

OCTOBER 2010 \$4.50
OPRAH.COM
0 75470 08616 108 of 1

A103

1 The Power List therein consisted of a list of people who were influential in various fields,
2 with each serving as an example of a particular “kind” of power. For example, one page
3 contained a photograph of the actress Julia Roberts and a paragraph describing her. Set off from
4 the text is a red circle containing the phrase “THE POWER OF . . . living large.”

5 On September 16, 2010, the Magazine, in connection with various other businesses,
6 including defendants Wells Fargo, Clinique, and Chico’s, held an “Own Your Power” event (the
7 “Event”). At the Event, various celebrities posed for promotional photographs in front of an
8 “Own Your Power” backdrop that also contained trademarks for Chico’s, Wells Fargo, Clinique,
9 and the Magazine. The Event involved a seminar and workshop offering motivational advice
10 regarding self-awareness, self-realization, and entrepreneurship, under the aegis of the theme
11 “Own Your Power.” The Event was subsequently described in the December 2010 issue of the
12 Magazine as the “FIRST-EVER OWN YOUR POWER EVENT.”

13 Following the Event, the Harpo website (the “Website”) contained video clips from the
14 Event and placed “Own Your Power” banners and content on at least 75 different individual
15 webpages. Each page containing the “Own Your Power” banner displayed the same header
16 image, with font and graphics that resembled the layout of the October issue of the Magazine. In
17 the center of the banner were the words “Own Your Power!” in a large italicized font. On either
18 side of these words were truncated, colored circles, each containing text. The text inside the left-
19 most circle contained the words, “The Power of . . .” To the right were arrayed other circles
20 containing ellipses followed by the words, “. . . heart,” “. . . vision,” “. . . one voice,” and “. . .
21 seizing the moment.”



1

2 The October issue contained pages with a similar format, with the phrase “the power

3 of . . .” surrounded by various concepts written in colored circles, each beginning with an

4 ellipsis. The “Own Your Power” bannered pages of the website included articles such as, “How

5 to Tap Into Your True Power,” “Motivation: One Entrepreneur’s Fabulous Story,” and “The

6 Secrets of Success.” Each page is accompanied by banner advertisements.

7 Approximately two weeks after the Event occurred, the Magazine’s Facebook page

8 displayed photographs taken that evening. On September 27, 2010, Oprah appeared on her

9 television show and displayed the cover of the October 2010 issue of the Magazine. In addition,

10 the December 2010 issue of the Magazine, circulated around November 13, 2010, contained

11 information encouraging readers to view the videos from the Event online at the Website.

1 Following the Magazine’s Own Your Power cover, Kelly-Brown and Own Your Power
2 Communications, Inc. received numerous inquiries from people who appear to have confused
3 Kelly-Brown’s services with Oprah’s Event, Website, and Magazine. Competition from Oprah
4 has been detrimental to Kelly-Brown’s brand.

5 As a result, Kelly-Brown brought this suit in the District of New Jersey on July 28, 2011,
6 alleging six causes of action under the Lanham Act: trademark counterfeiting, trademark
7 infringement, reverse confusion, false designation of origin, contributory trademark
8 infringement, and vicarious trademark infringement, as well as seven New Jersey state law
9 claims. On November 3, 2011, the District of New Jersey granted a motion to transfer venue of
10 the case to the Southern District of New York.

11 The defendants moved to dismiss. The District Court granted their motion in its entirety.
12 *Kelly-Brown v. Winfrey*, No. 11 Civ. 7875, 2012 WL 701262 (S.D.N.Y. Mar. 6, 2012). With
13 regard to the Lanham Act claims, the District Court held that the defendants’ use of the words
14 Own Your Power constituted fair use. The defense of fair use requires proof that the use was
15 made “(1) other than as a mark, (2) in a descriptive sense, and (3) in good faith.” *JA Apparel*
16 *Corp. v. Abboud*, 568 F.3d 390, 400 (2d Cir. 2009) (internal quotation marks omitted).

17 The District Court first reasoned that defendants engaged in a non-trademark use because
18 there was no chance that an observer of the Magazine or Event would believe that they were
19 created by Kelly-Brown and her company. *Kelly-Brown*, 2012 WL 701262, at *3. It noted that
20 Oprah was pictured on the October 2010 Magazine cover, indicating to the viewer who it was
21 that had put forward the Magazine. *Id.* Further, it stated that the placement of the phrase on the
22 Magazine’s cover indicated that it was simply a headline describing the contents of the
23 Magazine. *Id.* In deciding that the Magazine Cover employed a non-trademark use of “Own

1 Your Power,” the District Court indicated that the satisfaction of the first factor of the fair use
2 analysis alone would be sufficient to dismiss Kelly-Brown’s Lanham Act claims, but it went on
3 to discuss the other two elements of the analysis because these, too, it believed, supported its
4 determination that the defendants had engaged in fair use of the phrase “Own Your Power.” *Id.*
5 at *4.

6 Thus, the District Court determined that the use of the words “Own Your Power” was
7 descriptive because it described an action that it hoped that Magazine readers would take after
8 reading the Magazine. *Id.* at *4-5.

9 Finally, the District Court held that the defendants did not exhibit bad faith in using the
10 mark. It decided that Kelly-Brown had pleaded no facts that plausibly suggested that the
11 defendants intended to capitalize on her good will. *Id.* at *6. It reasoned further that there was
12 no likelihood of consumer confusion because the font, color, and formatting of the defendants’
13 use was significantly different from that protected by Kelly-Brown’s registered service mark. *Id.*
14 The District Court therefore held that all three of the elements of the fair use defense were met.

15 Having found that the defendants’ use constituted fair use, the District Court went on to
16 dismiss Kelly-Brown’s trademark infringement, reverse confusion, and false designation of
17 origin claims on that basis. *Id.* at *6-7. With regard to contributory and vicarious trademark
18 infringement, it held that those claims should be dismissed because there was no primary
19 infringement to which any defendant could have contributed, and because Kelly-Brown had not
20 adequately alleged a partnership or agency relationship among any of the defendants. *Id.* at *7-8.

21 The District Court then dismissed Kelly-Brown’s trademark counterfeiting claim because
22 there was no evidence that the defendants’ use was identical in appearance to her own. *Id.* at *8-
23 9. Because it found that Kelly-Brown’s complaint must be dismissed for all the above reasons, it

1 declined to reach the defendants’ First Amendment arguments. *Id.* at *9. The District Court also
2 declined to exercise supplemental jurisdiction over Kelly-Brown’s state law claims, thereby
3 dismissing her complaint in its entirety. *Id.*

4 This timely appeal followed.

5 DISCUSSION

6 On an appeal from a grant of a motion to dismiss, we review de novo the decision of the
7 district court. *Capital Mgmt. Select Fund Ltd. v. Bennett*, 680 F.3d 214, 219 (2d Cir. 2012). We
8 accept all factual allegations in the complaint as true, drawing all reasonable inferences in favor
9 of the plaintiff. *Tiberio v. Allergy Asthma Immunology of Rochester*, 664 F.3d 35, 36 (2d Cir.
10 2011). “To survive a motion to dismiss, a complaint must contain sufficient factual matter,
11 accepted as true, to state a claim to relief that is plausible on its face.” *Ashcroft v. Iqbal*, 556
12 U.S. 662, 678 (2009) (internal quotation marks omitted).

13 Kelly-Brown brings suit pursuant to §§ 32 and 43 of the Lanham Act. 15 U.S.C.
14 §§ 1114, 1125. Section 32(1)(a) of the Lanham Act prohibits any person from “us[ing] in
15 commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in
16 connection with the sale, offering for sale, distribution, or advertising of any goods or services on
17 or in connection with which such use is likely to cause confusion, or to cause mistake, or to
18 deceive.” 15 U.S.C. § 1114(1)(a). Section 43(a) similarly prohibits any person from “us[ing] in
19 commerce,” in connection with any goods or services, “any word, term, name, symbol, or
20 device, or any combination thereof . . . which . . . is likely to cause confusion, or to cause
21 mistake, or to deceive . . . as to the origin, sponsorship, or approval of his or her goods [or]
22 services . . . by another person” 15 U.S.C. § 1125(a)(1).

1 With one exception we discuss below, defendants here do not argue that Kelly-Brown has
2 failed to adequately allege the elements of an infringement claim. Rather, the defendants argue,
3 as the District Court decided, that their actions are protected by the doctrine of fair use. Before
4 we discuss the substance of that defense, it is helpful as background to observe that the Lanham
5 Act protects marks from two kinds of confusion. It protects against direct confusion, where there
6 is a likelihood that consumers will “believe that the trademark owner sponsors or endorses the
7 use of the challenged mark.” *EMI Catalogue P’ship v. Hill, Holliday, Connors, Cosmopolos*
8 *Inc.*, 228 F.3d 56, 62 (2d Cir. 2000). It also protects against so-called “reverse confusion,”
9 where the consumer will believe “that the junior user is the source of the senior user’s goods.”
10 *Banff, Ltd. v. Federated Dep’t Stores, Inc.*, 841 F.2d 486, 490 (2d Cir. 1988). In reverse
11 confusion cases, consumers may believe that the senior user is “an unauthorized infringer, and
12 the [junior user’s] use of the mark may in that way injure [the senior user’s] reputation and
13 impair its good will.” *Id.* Kelly-Brown here alleges that defendants’ repeated use of the phrase
14 “Own Your Power” causes reverse confusion within the market for motivational services and
15 publications, and therefore infringes her service mark in that same phrase.

16 In order to make a successful fair use defense to a trademark infringement claim, the
17 defendant must prove three elements: that the use was made (1) other than as a mark, (2) in a
18 descriptive sense, and (3) in good faith. *See* 15 U.S.C. § 1115(b)(4); *EMI Catalogue P’ship*, 228
19 F.3d at 64. The defendants offer only this narrow challenge to the adequacy of Kelly-Brown’s
20 pleading of infringement: that the first element of a fair use defense, use as a trademark, is a
21 threshold requirement for adequately alleging a claim of infringement. That is to say, if Kelly-
22 Brown has not satisfied the “as a mark” requirement, her infringement claims fail as a matter of
23 law. We consider this argument and then discuss defendant’s fair use defense.

1 **I. Trademark Use as a Threshold Requirement**

2 In its analysis the District Court stated that unless Kelly-Brown showed that the
3 defendants used the phrase “Own Your Power” as a trademark, her claim must fail as a matter of
4 law. *Kelly-Brown*, 2012 WL 701262, at *4. The defendants advance the same argument on
5 appeal. Defendants claim that our prior decisions and law from the Sixth Circuit support the
6 conclusion that use as a mark is a threshold requirement. We conclude that defendants
7 misinterpret our prior law, and we conclude that the Sixth Circuit’s analysis does not comport
8 with our law on consumer confusion.

9 In interpreting our prior decisions, defendants conflate two distinct concepts, use *of* a
10 trademark in commerce and use *as* a mark, both of which, confusingly, we describe by the
11 shorthand phrase “trademark use.” Plaintiffs are required to show “use in commerce” as an
12 element of an infringement claim. *See* 18 U.S.C. §§ 1114(1)(a), 1125(a)(1). The Lanham Act
13 defines “use in commerce” as follows:

14 The term “use in commerce” means the bona fide use of a mark in the ordinary
15 course of trade, and not made merely to reserve a right in a mark. For purposes of
16 this chapter, a mark shall be deemed to be in use in commerce--

17 (1) on goods when--

18 (A) it is placed *in any manner* on the goods or their containers or the
19 displays associated therewith or on the tags or labels affixed thereto, or if
20 the nature of the goods makes such placement impracticable, then on
21 documents associated with the goods or their sale, and

22 (B) the goods are sold or transported in commerce, and

23 (2) on services when it is used or displayed in the sale or advertising of
24 services and the services are rendered in commerce, or the services are
25 rendered in more than one State or in the United States and a foreign country
26 and the person rendering the services is engaged in commerce in connection
27 with the services.

28 15 U.S.C. § 1127 (emphasis added).

1 A plaintiff is not required to demonstrate that a defendant made use of the mark in any
2 particular way to satisfy the “use in commerce” requirement. The element is satisfied if the mark
3 is affixed to the goods “in any manner.” 15 U.S.C. § 1127; *see also Rescuecom Corp. v. Google,*
4 *Inc.*, 562 F.3d 123, 125-26, 129 (2d Cir. 2009) (holding that Google’s use of the plaintiff’s
5 trademark as a keyword to trigger the display of the advertiser’s copy on Google’s search results
6 page and as a suggestion to advertisers as a keyword they might purchase were sufficient to
7 satisfy the “use in commerce” requirement).

8 Defendants do not argue that Kelly-Brown has not satisfied the “use in commerce”
9 requirement. Such an argument would be unavailing in any event. The defendants have
10 certainly used the words “Own Your Power” in commerce. The words “Own Your Power”
11 appeared prominently on the front cover of the Magazine—a good for sale—and on the Oprah
12 Website, which contained banner advertisements alongside “Own Your Power” content.

13 The analysis we conduct when considering whether a defendant has used a mark in
14 commerce contrasts sharply with the inquiry we conduct when, as here, we are considering
15 whether the defendant used a competitor’s mark “as a mark.” In determining whether a
16 particular use is made “as a mark,” we ask whether the defendant is using the “term as a symbol
17 to attract public attention.” *JA Apparel Corp.*, 568 F.3d at 400.

18 In *JA Apparel*, the defendant sold an eponymous clothing line; he subsequently began a
19 new clothing line and ran print ads for the line that included his trademarked name. *Id.* at 392.
20 We suggested, without deciding, that our conclusion as to whether defendant was using his own
21 name as a mark would differ depending on the content of the ad he ran. *Id.* at 402. We
22 suggested that an ad which contained, in small text, the words “Designer Joseph Abboud in a 2
23 Button Super 120 S Charcoal Chalkstripe from His Fall 2008 Jaz Collection,” would be a use of

1 defendant's name that was not a mark. *Id.* By contrast, we suggested that an ad which contained
2 the words, "A New Composition by JOSEPH ABBOUD," in larger text than the name of the
3 new brand, would be use as a mark. *Id.* When determining whether a defendant has used
4 something "as a mark," we must conduct a close examination of the content and context of the
5 use.

6 Thus, in determining whether the plaintiffs have satisfied the "use in commerce"
7 requirement, we ask whether the trademark has been displayed to consumers in connection with
8 a commercial transaction. In determining whether a use is made "as a mark," however, we make
9 a more detailed determination of the particular manner in which the mark was used.

10 In arguing that "trademark use" is a threshold requirement, defendants rely upon *I-800*
11 *Contacts, Inc. v. WhenU.com, Inc.*, 414 F.3d 400, 411-12 (2d Cir. 2005). They cite *I-800*
12 *Contacts* for the proposition that "'use' must be decided as a threshold matter." *Id.* at 412. An
13 examination of the surrounding text makes clear that *I-800 Contacts* refers not to use *as* mark,
14 but rather use *of* a mark in commerce. This passage reads,

15 Not only are "use," "in commerce," and "likelihood of confusion" three distinct
16 elements of a trademark infringement claim, but "use" must be decided as a
17 threshold matter because, while any number of activities may be "in commerce"
18 or create a likelihood of confusion, no such activity is actionable under the
19 Lanham Act absent the "use" *of* a trademark.

20 *Id.* (emphasis added). While we held in *I-800 Contacts* that demonstrating use in commerce is a
21 threshold burden on plaintiff, we have never so held with regard to use "as a mark." Defendants
22 are therefore incorrect that our case law requires plaintiffs to demonstrate they have used Own
23 Your Power "as a mark" in order to adequately allege a cause of action for trademark
24 infringement.

25 Defendants also rely upon Sixth Circuit law for the proposition that use *as* a mark is a
26 threshold requirement for a Lanham Act claim. The Sixth Circuit, unlike this Circuit, has held

1 that use *as* a mark is a threshold requirement. See *Hensley Mfg., Inc. v. ProPride, Inc.*, 579 F.3d
2 603, 610 (6th Cir. 2009); *Interactive Prods. Corp. v. a2z Mobile Office Solutions, Inc.*, 326 F.3d
3 687, 694-95 (6th Cir. 2003). The Sixth Circuit has extrapolated this requirement not from the
4 “use[] in commerce” element of the statute, 15 U.S.C. §§ 1114(1)(a), 1125(a)(1), but rather from
5 the consumer confusion element, reasoning that in instances where the defendant does not use
6 the mark as a designation of origin, consumers are unlikely to be misled as to the source of the
7 goods. *Hensley Mfg.*, 589 F.3d at 610; *Interactive Prods.*, 326 F.3d at 695.

8 The Sixth Circuit’s approach does not cohere with our jurisprudence on consumer
9 confusion. In determining whether there is a likelihood of consumer confusion, we apply the
10 eight-factor balancing test set forth in *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492 (2d
11 Cir. 1961). “The eight factors are: (1) strength of the trademark; (2) similarity of the marks; (3)
12 proximity of the products and their competitiveness with one another; (4) evidence that the
13 senior user may ‘bridge the gap’ by developing a product for sale in the market of the alleged
14 infringer’s product; (5) evidence of actual consumer confusion; (6) evidence that the imitative
15 mark was adopted in bad faith; (7) respective quality of the products; and (8) sophistication of
16 consumers in the relevant market.” *Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 588 F.3d
17 97, 115 (2d Cir. 2009). “The application of the *Polaroid* test is ‘not mechanical, but rather,
18 focuses on the ultimate question of whether, looking at the products in their totality, consumers
19 are likely to be confused.’” *Id.* (quoting *Star Indus., Inc. v. Bacardi & Co., Ltd.*, 412 F.3d 373,
20 384 (2d Cir. 2005)).

21 The Sixth Circuit has made a judgment that no consumer will be confused unless the
22 defendant is using the infringing content as a mark. But the *Polaroid* test, which we have long
23 used, is a fact-intensive inquiry that depends greatly on the particulars of each case. To elevate

1 one particular consideration, which is not even one of the eight *Polaroid* factors, above all of the
2 other factors would be inconsistent with this Circuit’s approach to Lanham Act cases.

3 Moreover, although we have never decided this precise issue, we have previously
4 allowed certain claims to proceed even where the defendant is not using the plaintiff’s mark as a
5 mark. *See, e.g., EMI Catalogue P’ship*, 228 F.3d at 64, 67-68 (holding that material issues of
6 fact existed as to whether use of the slogan “Swing Swing Swing,” playing off of the
7 trademarked song title “Sing Sing Sing (with a Swing),” was fair use, notwithstanding our
8 holding that the slogan was not used as a mark); *Louis Vuitton Malletier v. Burlington Coat*
9 *Factory Warehouse Corp.*, 426 F.3d 532, 539 (2d Cir. 2005) (holding that defendant’s handbag
10 meant to evoke Louis Vuitton’s trademarked handbags could create consumer confusion even in
11 the absence of an allegation that the defendant was attempting to establish its design as a
12 competing mark). The Sixth Circuit’s test would lead to the dismissal of these claims without
13 addressing what is beyond doubt the central question in considering consumer confusion:
14 whether consumers were actually confused by the allegedly infringing product.

15 We therefore decline to adopt the rule that Lanham Act plaintiffs must show that the
16 defendant was using the allegedly infringing content “as a mark” as a threshold issue in order to
17 establish consumer confusion.

18 **II. Fair Use**

19 In order to assert a successful fair use defense to a trademark infringement claim, the
20 defendant must prove three elements: that the use was made (1) other than as a mark, (2) in a
21 descriptive sense, and (3) in good faith. *See* 15 U.S.C. § 1115(b)(4); *EMI Catalogue P’ship*, 228
22 F.3d at 64. Because fair use is an affirmative defense, it often requires consideration of facts
23 outside of the complaint and thus is inappropriate to resolve on a motion to dismiss. Affirmative

1 defenses may be adjudicated at this stage in the litigation, however, where the facts necessary to
2 establish the defense are evident on the face of the complaint. *McKenna v. Wright*, 386 F.3d
3 432, 436 (2d Cir. 2004). Plaintiffs, in rebutting defendants’ arguments, are held only to the usual
4 burden of a motion to dismiss, *id.*, which is to say they must plead sufficient facts to plausibly
5 suggest that they are entitled to relief, *Iqbal*, 556 U.S. at 678.

6 Defendants here note that the mere fact that someone owns a mark that contains a
7 particular word or phrase does not grant the holder the exclusive right to use that word or phrase
8 commercially. *See Sands, Taylor & Wood Co. v. Quaker Oats Co.*, 978 F.2d 947, 951 (7th Cir.
9 1992) (“The fair use doctrine is based on the principle that no one should be able to appropriate
10 descriptive language through trademark registration.”). “[T]he owner’s rights in a mark extend
11 only to its significance as an identifying source, not to the original descriptive meanings of a
12 mark,” *EMI Catalogue P’ship*, 228 F.3d at 64, and so where another person uses the words
13 constituting that mark in a purely descriptive sense, this use may qualify as permissible fair use.

14 We now consider whether the defendants have satisfied each element of a fair use
15 defense in turn.

16 *A. Trademark Use*

17 As noted above, in determining whether the defendants were using the words “Own Your
18 Power” as a mark, we ask whether they were using the term “as a symbol to attract public
19 attention.” *JA Apparel*, 568 F.3d at 400 (internal quotation marks omitted). Kelly-Brown
20 alleges that the defendants used the phrase “Own Your Power” in several unique instances and
21 that these collectively constitute use as a mark. She provides allegations regarding several such
22 uses, including: (1) the October Issue of the Magazine, featuring the phrase in the center of the
23 Issue’s cover; (2) the Own Your Power Event, billed as the “first ever,” that featured

1 motivational content; (3) promotion of the Event through social media; and (4) the online video
2 from the Event and other motivational articles provided on an “Own Your Power” section of
3 Oprah’s website. Kelly-Brown argues that, taken together, these uses suggest that the defendants
4 were attempting to build an association with consumers between the phrase “Own Your Power”
5 and Oprah.

6 At this stage in the litigation, this array of uses is sufficient for us to infer a pattern of use.
7 We thus conclude that Kelly-Brown has plausibly alleged that Oprah was attempting to build a
8 new segment of her media empire around the theme or catchphrase “Own Your Power,”
9 beginning with the October Issue and expanding outward from there. We have recognized that
10 established companies are allowed to seek trademarks in sub-brands. *See Abercrombie & Fitch*
11 *Co. v. Hunting World, Inc.*, 537 F.2d 4, 14 (2d Cir. 1976). Kelly-Brown’s complaint implies that
12 Oprah is a brand and is therefore the ultimate source of all things related to that brand, but that
13 defendants sought to use the phrase “Own Your Power” to denote a particular line of services
14 and content within the larger Oprah brand.

15 Defendants counter that this case is on all fours with *Packman v. Chicago Tribune Co.*,
16 267 F.3d 628, 633 (7th Cir. 2001). There, the Chicago Tribune published a newspaper with the
17 headline “The Joy of Six” after the Chicago Bulls won their sixth basketball championship. *Id.*
18 at 634. Plaintiff claimed she had a trademark in the phrase. *Id.* The Tribune later reproduced
19 this front page on various promotional items. *Id.* The Seventh Circuit concluded that this use
20 was merely a headline, rather than a use as a mark, because the Tribune’s masthead clearly
21 identified the source of the newspaper, and because the sports memorabilia at issue in the case
22 was more readily identifiable with the Tribune brand name than with the phrase “Joy of Six.” *Id.*
23 at 639-40. Defendants rely on *Packman* to argue that their use of the phrase “Own Your Power”

1 was similarly only a headline and that the subsequent use in connection with the Event and on
2 the Website were derivative of this use.

3 Defendants' use of the phrase "Own Your Power" was much different than the Chicago
4 Tribune's use of the phrase "The Joy of Six." Defendants' use was far more wide-ranging and
5 varied. At least with respect to the Website, the content was not merely derivative of the
6 October Issue in the sense that the promotional items in *Packman* were derivative of the original
7 headline. In *Packman*, the promotional hats and T-shirts plaintiff alleged infringed her
8 trademark merely reproduced the front page of a particular issue of the Chicago Tribune. By
9 contrast, the articles on the Website here contained unique content that was not previously
10 published in the October Issue of the Magazine. The webpages attached to the complaint do not
11 even directly reference the October Issue, its cover page, or its content. A viewer of these pages
12 could easily read their copy without realizing that an issue of the Magazine had ever so much as
13 used the phrase "Own Your Power."

14 The Complaint provides few allegations regarding what happened at the Event. It was,
15 however, referred to as the "first-ever" of its kind, suggesting that it was not directly tied to a
16 particular issue of the Magazine, but instead was to be a recurring enterprise within the Oprah
17 media empire.

18 Courts are more likely to treat recurring themes or devices as entitled to protection as a
19 mark, even where a single iteration might not enjoy such protection. The titles of literary series
20 enjoy more protection as marks than single works of artistic expression. *Compare EMI*
21 *Catalogue P'ship*, 228 F.3d at 63 (holding that a single work of artistic expression is entitled to
22 protection if the title has acquired secondary meaning) *with* 2 J. THOMAS MCCARTHY,
23 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 10:7 (4th ed. 2012) ("[S]econdary

1 meaning need not be proven for an inherently distinctive title of a literary series, newspaper,
2 periodical, television series or the like.”). Similarly, courts have protected advertising slogans
3 under the theory that companies have devoted a great deal of time and expense into creating an
4 association in the minds of consumers between a slogan and a particular product. *See, e.g., Nike,*
5 *Inc. v. “Just Did It” Enters.*, 6 F.3d 1225, 1227-28 (7th Cir. 1993); *Cont’l Scale Corp. v. Weight*
6 *Watchers Int’l, Inc.*, 517 F.2d 1378, 1379-80 (C.C.P.A. 1975); *Chem. Corp. of Am. v. Anheuser-*
7 *Busch, Inc.*, 306 F.2d 433, 436 (5th Cir. 1962).

8 Repetition is important because it forges an association in the minds of consumers
9 between a marketing device and a product. When consumers hear a successful slogan, for
10 example, they immediately think of a particular product without even being prompted by the
11 product’s actual name. When they encounter the title of a popular literary series, they will
12 recognize, just based on the name, that the work is one of that series and is therefore the work of
13 a particular author. The slogan or title becomes a symbolic identifier of a product or product line
14 through repetition.

15 It is adequately alleged in the complaint that the defendants were trying to create, through
16 repetition across various forms of media, a similar association between Oprah and the phrase
17 “Own Your Power.” The defendants began to create the association between that phrase and
18 Oprah with the cover of the October Issue of the Magazine, and continued to encourage it
19 through both the Event and the Website. Each of these employed usages of the phrase “Own
20 Your Power” involved separate content and context, and thus it is plausible that the defendants
21 were attempting to build up a line of wide-ranging content all denoted by the phrase “Own Your
22 Power.” “Own Your Power,” through these interrelated uses, would thus become symbolic
23 shorthand for the products and message as a whole, meant to remind consumers of a particular

1 kind of Oprah-related content. Thus, plaintiffs have alleged that this repeated and wide-ranging
2 usage of the phrase “Own Your Power” functioned as a mark. Of course, further information
3 may emerge during discovery that undermines Kelly-Brown’s theory that Oprah’s use was an
4 attempt to create a sub-brand, but her allegations are sufficient at this stage.

5 The fact that Oprah’s (household) name was also attached to the Magazine, the Website,
6 and the Event does not suffice to demonstrate that “Own Your Power” was not also employed as
7 a mark in each of its uses by defendants. It is well established law that both a slogan and a single
8 brand name can serve as co-existent marks. *See Grotrian, Helfferich, Schulz, Th. Steinweg*
9 *Nachf. v. Steinway & Sons*, 523 F.2d 1331, 1338-39 (2d Cir. 1975) (holding that “Steinway The
10 Instrument of Immortals” was a properly “registered slogan” notwithstanding the fact that
11 Steinway itself was also a protected mark); *see also Sands, Taylor & Wood Co. v. Quaker Oats*
12 *Co.*, 978 F.2d 947, 954 (7th Cir. 1992) (“Nor is a defendant’s use of a term in conjunction with
13 its own trademark *per se* a use other than as a trademark.” (internal quotation marks omitted)); 1
14 MCCARTHY ON TRADEMARKS § 7.21 (“The fact that a slogan is used in conjunction with a
15 previously existing trademark does not mean that the slogan does not also function as a mark, for
16 a product can bear more than one trademark.”).

17 To be sure, we have previously noted that “the prominent display of the defendants’ own
18 trademarks” can contribute to a finding that the defendants were not using a different distinct
19 phrase as a mark. *See Cosmetically Sealed Indus., Inc. v. Chesebrough-Pond’s USA Co.*, 125
20 F.3d 28, 30-31 (2d Cir. 1997). In *Cosmetically Sealed*, a lipstick manufacturer had a display of
21 trial-sized lipsticks as well as complimentary postcards that customers were encouraged to use to
22 test the lipsticks. *Id.* at 29. The display featured the words, “Seal it with a Kiss!!” which another
23 lipstick manufacturer, the plaintiff, used as a slogan, and in which the plaintiff held a valid

1 trademark. *Id.* We there held that such use was not done “as a mark.” But *Cosmetically Sealed*
2 did not announce a rule that all use was other than “as a mark” if the defendant also displayed a
3 different mark, such as Oprah’s name in this case, in close proximity. Rather, this fact was one
4 of several considerations in a fact-intensive analysis. Also crucial to our finding there was the
5 fact that “[t]he challenged phrase [did] not appear on the lipstick itself, on its packaging, or in
6 any other advertising or promotional materials related to [the defendant’s] product.” *Id.* at 31.
7 The words “Seal it with a Kiss!!” thus did not help to identify the product in any context but a
8 single advertising campaign. The defendants’ use of the phrase “Own Your Power” here was not
9 similarly tangential.

10 Kelly-Brown therefore has plausibly alleged that the defendants intended to create a new
11 line of products and services offered by Oprah under the mark “Own Your Power.” Defendants
12 thus have not met their burden at this stage in the litigation in demonstrating that their use of the
13 phrase “Own Your Power” in its various iterations was use other than as a mark.

14 *B. Descriptive Sense*

15 The next element of a fair use defense is that the disputed use was in a descriptive sense.
16 Defendants argue that the use of the phrase “Own Your Power” was descriptive of the
17 publications to which that phrase was attached. They argue that the use of the phrase on the
18 Magazine’s cover describes its contents and also “served as an exhortation for readers to take
19 action to own their power and described a desired benefit of reading the Magazine Issue.” They
20 further assert that subsequent uses of the phrase in connection with the Event, on the Website,
21 etc., were merely referring back to this original, approved use.

22 At the outset, it should be noted that the phrase “Own Your Power” differs from the sort
23 of phrase which courts usually find to be used descriptively. Courts more readily find a phrase

1 descriptive when it is in common usage. For example, we have found the instruction “Seal it
2 with a Kiss!!” to be descriptive where lipstick testers were to kiss a postcard wearing the lipstick
3 and then send it to a loved one. *Cosmetically Sealed Indus.*, 125 F.3d at 30. In so holding, we
4 noted, “The phrase ‘sealed with a kiss’ is a fixture of the language, used by generations of school
5 girls, who have given it such currency that it is readily recognized when communicated only as
6 an acronym—SWAK.” *Id.* Similarly, the Seventh Circuit held that the phrase “The Joy of Six”
7 was descriptive after noting that the phrase “is a play on the 1970s book series *The Joy of Sex*”
8 and “has been used to describe positive feelings associated with six of anything.” *Packman*, 267
9 F.3d at 641. By contrast, we have held that the slogan “Swing Swing Swing” for golf clubs,
10 playing on the title of the Benny Goodman song “Sing Sing Sing,” was not descriptive because
11 golfers “swing” their clubs, not “swing swing swing” them. *EMI Catalogue P’ship*, 228 F.3d at
12 65.

13 Defendants have not argued that the phrase “Own Your Power” was in popular usage.
14 Nor indeed could they in a motion to dismiss. Doing so would surely require defendants to
15 reference material beyond the four corners of the complaint. Of course, discovery may reveal
16 that the phrase has some wider currency than is immediately apparent.

17 To be sure, there is no requirement that a usage be immediately recognizable as a popular
18 phrase for it to be descriptive. *See Sands, Taylor & Wood Co.*, 978 F.2d at 952-53. In *Sands*, the
19 court held that a material issue of fact existed regarding whether the tagline “Gatorade is Thirst
20 Aid” was descriptive notwithstanding the fact that it was not a “common phrase.” *Id.* at 953. It
21 so held because “the average consumer [could] perceive[] ‘Thirst Aid’ as describing a
22 characteristic of Gatorade—its ability to quench thirst.” *Id.*

1 But here the phrase “Own Your Power” does not describe the contents of the Magazine.
2 The words are prominently displayed in the center of the Magazine with the subtitles “How to
3 Tap Into Your Strength”; “Focus Your Energy”; and “Let Your Best Self Shine” in smaller type
4 below. Along the edges of the magazine are specific headlines for articles, including “THE 2010
5 O POWER LIST! 20 Women Who Are Rocking the World.” Although both the center phrase
6 and the article headline make use of the word “power,” it does not appear that the phrase “Own
7 Your Power” is meant to describe the contents of a particular item in the Magazine. For
8 example, the “Power List” inside the Magazine contains a list of admirable people, accompanied
9 by biographical information about each. But the list does not provide specific advice regarding
10 how a reader can follow in the footsteps of any of these individuals, nor does it provide advice
11 regarding how a reader can become more powerful in general.

12 The Table of Contents of the Magazine further underscores the fact that the phrase is not
13 used as a headline for a particular article or content. The bottom left corner of the page contains
14 a smaller picture of the cover and a list describing where the articles referenced on the cover can
15 be found. It does not list any article corresponding to the phrase “Own Your Power.”

16 It is the defendants’ burden here to show that their use of the phrase “Own Your Power”
17 was descriptive. At this stage in the litigation, defendants have not made that showing.

18 *C. Good Faith*

19 The final element of a fair use defense is a showing that the use was made in good faith.
20 We “equate a lack of good faith with the subsequent user’s intent to trade on the good will of the
21 trademark holder by creating confusion as to source or sponsorship.” *EMI Catalogue P’ship*,
22 228 F.3d at 66. Even where there is no direct evidence of intent, “if there is additional evidence
23 that supports the inference that the defendant sought to confuse consumers as to the source of the

1 product, . . . the inference of bad faith may fairly be drawn.” *Id.* (internal quotation marks
2 omitted).

3 Defendants, who bear the burden in establishing a fair use defense, assert that their good
4 faith is evident from the face of the complaint. They argue, in essence, that it is implausible that
5 someone as well-known as Oprah would attempt to trade on the goodwill of someone relatively
6 obscure like Kelly-Brown. *See Star Indus.*, 412 F.3d at 389 (finding good faith based in part on
7 “the implausibility of the notion that a premier international rum manufacturer would seek to
8 conflate its products with those of a regional discount vodka manufacturer”). The defendants
9 further observe that the phrase “Own Your Power” was comingled with other Oprah-related
10 marks, suggesting both that no consumer would be confused as to the origin of their “Own Your
11 Power” publications and that they were not trading on Kelly-Brown’s good will.

12 The defendants are correct that we have found good faith where a defendant prominently
13 displayed its own marks in a way that overshadows the plaintiff’s mark, reasoning that the
14 prominent placement demonstrates that the defendant had no intent to trade on the plaintiff’s
15 good will. *Cosmetically Sealed Indus.*, 125 F.3d at 30-31. But a plaintiff may also show absence
16 of good faith where a junior user had knowledge or constructive knowledge of the senior user’s
17 mark and chose to adopt a similar mark. *Star Indus.*, 412 F.3d at 389.

18 Kelly-Brown argues that she has pleaded facts sufficient to plausibly suggest that the
19 defendants had knowledge of her mark and chose to go forward with the “Own Your Power”
20 campaign anyway. Indeed, she alleges that prior to the rollout of Oprah’s new Oprah Winfrey
21 Network, to be known as “OWN,” the defendants bought the rights to use the acronym “OWN”
22 from a woman who had previously registered it as an acronym for the “Onyx Woman Network.”
23 Kelly-Brown argues that this transaction plausibly suggests that the defendants conducted a

1 trademark registration search for the word “Own,” and that such a search would have turned up
2 her then-pending service mark in the phrase “Own Your Power.” We agree that these allegations
3 do plausibly suggest that the defendants had knowledge of Kelly-Brown’s mark, liked it, and
4 decided to use it as their own. In other words, defendants’ allegations that they did not intend to
5 trade on Kelly-Brown’s good will, even if true, do not preclude a finding of bad faith. *See*
6 *Cadbury Beverages, Inc. v. Cott Corp.*, 73 F.3d 474, 483 (2d Cir. 1996) (declining to decide
7 good faith as a matter of law where defendant used a mark, which happened to be the name of
8 defendant’s parent company, knowing it was identical to plaintiff’s registered mark); *see also*
9 *Kiki Undies Corp. v. Promenade Hosiery Mills, Inc.*, 411 F.2d 1097, 1101 (2d Cir. 1969)
10 (explaining that defendant has the burden of persuasion in such circumstances).

11 At bottom, the defendants ask us to weigh their averments that they did not use the phrase
12 “Own Your Power” in order to trade on Kelly-Brown’s good will against Kelly-Brown’s
13 allegations that they were aware of her registered mark before launching the “Own Your Power”
14 campaign. Our role in considering a motion to dismiss is not to resolve these sorts of factual
15 disputes. Accordingly, the District Court erred in holding that the defendants have conclusively
16 demonstrated good faith in their use of the phrase “Own Your Power.”

17 *D. First Amendment Defense*

18 Defendants argue that the judgment of the District Court should be affirmed on the
19 ground that the First Amendment bars Kelly-Brown’s claims. We decline to consider this
20 argument in the first instance.

21 * * *

22 The District Court dismissed Kelly-Brown’s claims of trademark infringement, false
23 designation of origin, and reverse confusion because it found that Kelly-Brown had failed to

1 satisfy the threshold trademark use requirement and because it found that the defendants' use
2 was fair use. We hold that Lanham Act plaintiffs need not satisfy the first element of a fair use
3 defense as a threshold requirement for bringing claims pursuant to the Lanham Act. We also
4 hold that the defendants here have not adequately demonstrated that they are entitled to dismissal
5 of plaintiff's claims under the fair use defense. Accordingly, the judgment of the District Court
6 with respect to these claims is vacated.

7 In addition, the District Court, having dismissed Kelly-Brown's federal claims, declined
8 to exercise supplemental jurisdiction over her remaining state law claims. Because we vacate the
9 District Court's judgment with respect to three of Kelly-Brown's federal claims, we also
10 reinstate her state law claims.

11 **III. Other Federal Claims**

12 *A. Secondary Trademark Infringement*

13 Kelly-Brown brings two claims of secondary trademark infringement against the
14 sponsors of the Own Your Power Event: vicarious trademark infringement and contributory
15 trademark infringement. The District Court dismissed these claims on the separate ground that
16 Kelly-Brown failed to allege that the sponsors were involved in a partnership with the primary
17 infringers or that the sponsors treated the primary infringers as agents. Kelly-Brown challenges
18 this holding.

19 "Vicarious liability for trademark infringement requires a finding that the defendant and
20 the infringer have an apparent or actual partnership, have authority to bind one another in
21 transactions with third parties or exercise joint ownership or control over the infringing product."
22 *Perfect 10, Inc. v. Visa Int'l Serv. Ass'n*, 494 F.3d 788, 807 (9th Cir. 2007) (internal quotation
23 marks omitted). Kelly-Brown does not challenge the District Court's conclusion that she has not

1 properly alleged a partnership or agency relationship. The District Court’s holding with regard
2 to vicarious trademark infringement is therefore affirmed.

3 “To be liable for contributory trademark infringement, a defendant must have (1)
4 ‘intentionally induced’ the primary infringer to infringe, or (2) continued to supply an infringing
5 product to an infringer with knowledge that the infringer is mislabeling the particular product
6 supplied.” *Id.* (quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 855 (1982)). With
7 respect to the first prong, Kelly-Brown alleges only that the corporate sponsors provided
8 sponsorship for the Own Your Power Event. This allegation is not sufficient to plausibly suggest
9 that the sponsors “intentionally induced” the remaining defendants to infringe. The complaint
10 also does not allege that Wells Fargo, Clinique (and its corporate parent Estée Lauder), and
11 Chico’s, the remaining defendants, supplied a product to an infringer with the knowledge that the
12 infringer was mislabeling that product. Thus, Kelly-Brown has not adequately alleged the
13 second prong of the applicable test, either. The District Court’s holding with respect to
14 contributory trademark infringement is therefore affirmed.

15 *B. Counterfeiting*

16 A counterfeit is “a spurious mark which is identical with, or substantially
17 indistinguishable from, a registered mark.” 15 U.S.C. § 1127. The District Court found that the
18 defendants had not produced a counterfeit mark after comparing Kelly-Brown’s service mark
19 with the logo displayed at the Event, and the headline on the cover of the Magazine. It found
20 that the font of the words “Own Your Power” in the Oprah publications was different from the
21 stylized powder-blue letters that Kelly-Brown registered as a part of her service mark. Kelly-
22 Brown argues that the District Court’s analysis was flawed because her mark was a service mark,

1 and so the ordinary consumer of her services would have less contact with the physical logo than
2 with the auditory representation of that mark.

3 This argument is of no effect with respect to the Website and the October Issue of the
4 Magazine. While it may be that these publications were in competition with Kelly-Brown's own
5 services and publications, consumers interact with a magazine and website visually, and would
6 recognize the differences between Kelly-Brown's mark and the defendants' representations of
7 the words "Own Your Power" from a cursory visual inspection. As the District Court noted, the
8 font, color, and capitalization of Kelly-Brown's mark differed from the offending uses made by
9 defendants.

10 Kelly-Brown's argument carries more weight in the context of the "Own Your Power"
11 Event. An audience member in such an event might encounter the phrase "Own Your Power"
12 aurally and so might experience the phrase similarly in either Kelly-Brown's or Oprah's event.
13 Nonetheless, Kelly-Brown alleges that Oprah's "Own Your Power" logo figured prominently in
14 displays featured at the event, including the backdrops against which celebrities had their
15 photographs taken. This logo is markedly different from Kelly-Brown's own mark, as already
16 discussed. Further, the majority of audience members were not present at Oprah's invitation-
17 only event. Most encountered the Event only later through video clips on Oprah's website,
18 which, as we have discussed above, contained obvious visual differences from Kelly-Brown's
19 mark. In this context, the differences between Oprah's logo and Kelly-Brown's logo would be
20 clear.

21 Kelly-Brown thus does not state a plausible claim for trademark counterfeiting, and the
22 District Court's dismissal of these claims is affirmed.

23

1 **CONCLUSION**

2 For the foregoing reasons, the judgment of the District Court is **VACATED** with respect
3 to Kelly-Brown’s trademark infringement, false designation of origin, and reverse confusion
4 claims. Kelly-Brown’s state law claims are also accordingly reinstated. We **AFFIRM** the
5 judgment of the District Court with respect to Kelly-Brown’s vicarious infringement,
6 contributory infringement, and counterfeiting claims. This case is **REMANDED** for further
7 proceedings not inconsistent with this opinion.

1 SACK, Circuit Judge, concurring in the result.

2 I concur in the result reached by the majority. I
3 write separately, however, in the (I hope groundless) fear that
4 the Court's opinion may be misconstrued to suggest a general
5 limitation upon the ability of a publisher in any medium to use a
6 trademarked term, in good faith, to indicate the contents of its
7 own communication -- whether by magazine cover, newspaper
8 headline, "blog" heading, or otherwise. Allowing a person or
9 entity's property right arbitrarily to trump the ability of the
10 initiator of a communication effectively to transmit news,
11 information, thoughts, and the like, using vernacular words and
12 phrases that are recognizable because they are also used as
13 trademarks, would be, in my view, legally unwarranted and 99 and
14 44/100 percent¹ foolish.

¹ "[Ivory Soap's] . . . well-known slogan, '99 44/100% Pure,' was based on the results of an analysis by an independent laboratory the founder's son, Harley Procter, hired to demonstrate that Ivory was purer than the castile soap then available." Ivory Soap, [http://en.wikipedia.org/wiki/Ivory_\(soap\)](http://en.wikipedia.org/wiki/Ivory_(soap)) (last visited May 28, 2013); Christopher Gray, Streetscapes: 11 East 52d Street; Midtown East Town-House Erosion, N.Y. TIMES, Feb. 21, 1993 (emphasis added) ("Harley Procter . . . sent the soap out for scientific analysis and coined the term '99 and 44/100 percent pure.'"). The Wikipedia entry includes reference to several uses of the slogan by third parties for parody, entertainment, communications, and similar purposes under the heading "**In mass media.**"

1 secondary meaning to consumers, as a means of communication, but
2 without trenching on the rights of the mark's owner.

3 Like the copyright laws, the Lanham Act is "designed to
4 balance the needs of merchants for identification as the provider
5 of the goods with the needs of society for free communication and
6 discussion." Pierre N. Leval, Trademark: Champion of Free
7 Speech, 27 COLUM. J.L. & ARTS 187, 210 (2004). This principle is
8 important when considering the defendants' uses of the phrase
9 "Own Your Power!" in this case.²

10 II. The Meaning of "Own"

11 Kelly-Brown claims to own the mark "Own Your Power," as
12 used in connection with the motivational services she offers.
13 Just as the majority begins its analysis by determining in what
14 sense the phrase "as a mark" is and has been used, ante at 12-16,
15 I think it useful to address at the outset the different senses
16 in which the word "own" is used in this litigation.

17 When we talk about "owning" a trademark, we obviously
18 use the traditional legal meaning of the word in the sense of
19 "rightfully hav[ing] or possess[ing] as property." BLACK'S LAW
20 DICTIONARY 1214 (9th ed. 2009). Taken literally and using the

² Parenthetically, and apparently by peculiar coincidence, one of the defendants in this case is Winfrey's production company, "Harpo Productions," "Harpo" being "Oprah" spelled backwards. Another, unrelated defendant is Chico's FAS, Inc., the owner of several brands of clothing. Thus the oddity: Two of defendants have the same name as two of the three Marx Brothers.

1 term "own" in this traditional³ sense, however, the invocation to
2 "Own Your Power" borders on the absurd. If the "Power" is mine,
3 do I not by definition already "Own" it? What am I being told to
4 do? Or what are the parties telling me that they can do --
5 doubtless at some price -- to help me?

6 Judging by the context in which it has been used by
7 both the plaintiff and the defendants, it is clear that the
8 meaning of the word "own" here is closer to "embrace and employ"⁴
9 than it is to possess or have legal ownership. This is hardly a
10 novel way to use the term.

11 By way of an easily accessible example, in the final
12 scene of the popular motion picture THE BIRDCAGE (United Artists
13 1996), a character played by Robin Williams is escorting an
14 uptight, politically and socially conservative character played
15 by Gene Hackman through a "drag club." Their purpose is to allow
16 Hackman's character to escape media recognition "by dressing [him
17 and his family] in drag and having them leave the club as the

³ "Who steals my purse steals trash; 'tis something,
nothing; 'Twas mine, 'tis his, and has been slave to
thousands" WILLIAM SHAKESPEARE, OTHELLO, act 3, sc. 3.

⁴ Another way to understand the phrase as used by both the
plaintiff and the defendants is in less concrete terms: "to
possess psychologically," or "to integrate the power you have
into your sense of yourself." In any event, and under any such
approach, the term is used similarly by the parties and is
sharply distinguishable from "own" in its traditional sense.

1 night's show ends." The Birdcage, http://en.wikipedia.org/wiki/The_Birdcage (last visited May 28, 2013).

3 But Hackman's character, uptight as he is, finds it
4 all-but-impossible to give a convincing portrayal of a man acting
5 and dressed as a woman. Williams's character turns to him and
6 shouts encouragingly, "Work it. Sell it. Own it."⁵ I think it
7 is almost certainly in this BIRDCAGE sense -- to embrace and
8 employ -- or one very like it that the parties here used the word
9 "own" in their businesses and publications, if not in discussing
10 who "owns" the trademark at issue.

11 Using "own" in that sense, the phrase "Own Your Power"
12 has more currency than the plaintiffs let on in their complaint
13 -- although the extent to which this precise use antedates either
14 the defendants' use or the filing of the complaint is unclear.
15 Writers have employed the word "own" in similarly figurative, if
16 not necessarily identical, senses for many years.⁶ And by now
17 the phrase "Own Your Power" itself, using "own" in this way, has
18 apparently gained an established meaning in the language.⁷

⁵ See <http://www.youtube.com/watch?v=dYLk34GCXbo> (final scene of THE BIRDCAGE) (last visited May 28, 2013) (emphasis added).

⁶ "It was a disguise; it was the refuge of a man afraid to own his own feelings, who could not say, This is what I like -- this is what I am" VIRGINIA WOOLF, TO THE LIGHTHOUSE 56 (CRW Publishing Ltd. 2004) (1927).

⁷ See [1] JEWISH WOMAN MAGAZINE, <http://www.jwi.org/page.aspx?pid=3406> (last visited May 28, 2013) ("**Own Your Power**

1 III. Fair Use as to Use of "Own Your Power!" on the Magazine

2 Understanding the meaning of "Own Your Power" thus, I
3 think that the defendants' use of it on the cover of the
4 Magazine, without more, is plainly and legally "fair" and
5 therefore lawful. I have little doubt, more generally, that the
6 use of a trademarked phrase on the cover of a magazine to refer
7 in a general way to its contents is, standing by itself and in
8 most cases, entirely legitimate -- a straightforward and
9 significant case of fair use. I differ from the majority insofar
10 as its analysis implies otherwise.

11 But I understand the majority and I are both reading
12 the plaintiffs' complaint not to attack this single use standing

With New Ways of Activism: As women, we have made giant strides, but **now's the time to own your power.**" (emphasis added); [2] **Own Your Power!** Online Course: The Art & Science of Shifting Consciousness[;] 8-Lesson Series with Dr. Darren Weissman and Dr. Bruce Lipton, http://www.hayhouse.com/event_details.php?event_id=1692 (emphasis added)(last visited May 28, 2013); [3] Shann Vander Leek, True Balance lifecoaching[;] Own Your Personal Power, http://www.truebalancelifecoaching.com/articles/own_your_personal_power.php (last visited May 28, 2013; emphasis added); [4] Leadership Strategies for Women,[®] LLC, **Own Your Power: 8 Leadership Strategies for Women**, <http://leadershipstrategiesforwomen.com/2012/07/own-your-power-8-leadership-strategies-for-women-2> (last visited May 28, 2013; emphasis added); [5] AMY APPELBAUM, **OWN YOUR POWER: CREATE CONFIDENCE** (2012) (hypnotherapy audio book; emphasis added); [6] Tetka Rhu, **OWN YOUR POWER: GODDESS BOOK OF PRAYERS** (2010) (emphasis added); [7] JANINA RENEE, TAROT, YOUR EVERYDAY GUIDE: PRACTICAL PROBLEM SOLVING AND EVERYDAY ADVICE 28 (2003) ("Because the Empress is a card of sovereignty, you are encouraged to **own your own power**"); [8] **Own Your Power in the Bedroom Workshop for Women**, <http://marriageintimacyexpert.com/workshops/own-your-power-in-the-bedroom/> (last visited May 28, 2013) (emphasis added).

1 alone. See ante at 18 ("Kelly-Brown argues that, taken together,
2 these uses suggest that the defendants were attempting to build
3 an association with consumers between the phrase 'Own Your Power'
4 and Oprah." (emphasis added)). It is the defendants' use seen as
5 part of a campaign of recurring uses, across different media,
6 designed to appropriate the defendants' source-identifier, or
7 without regard for a high likelihood of that occurring, that
8 defeats their fair use defense. This is not to say that even the
9 use of "Own Your Power" for the Magazine, website, and seminar
10 event (the "Event") together may not also constitute fair use.
11 Only that any such conclusion is foreclosed at this stage of the
12 proceedings.

13 As the majority explains, ante at 16, the use of the
14 phrase "Own Your Power" on the Magazine is a fair use, and
15 therefore not actionable under the Lanham Act, if and only if the
16 phrase was used "(1) other than as a mark, (2) in a descriptive
17 sense, and (3) in good faith." JA Apparel Corp. v. Abboud, 568
18 F.3d 390, 400 (2d Cir. 2009) (internal quotation marks omitted).
19 Because the application of the third element seems to me to be
20 dispositive, I address them in reverse order, i.e., use (1) in
21 good faith, (2) in a descriptive sense, and (3) other than as a
22 mark.

23 1. Good Faith. Were the issue limited to the use of
24 "Own Your Power!" on the Magazine's cover, I would conclude that

1 there are no facts plausibly pled that support the conclusion
2 that the defendants "inten[ded] to trade on the good will of the
3 [plaintiffs] by creating confusion as to source or sponsorship."
4 EMI Catalogue P'ship v. Hill, Holliday, Connors, Cosmopulos Inc.,
5 228 F.3d 56, 66 (2d Cir. 2000). But the plaintiffs allege that
6 the Magazine's use of the phrase "Own Your Power" "was only the
7 beginning of a pattern of deliberate and systematic unauthorized
8 use by Defendants and a malicious intent to identify the
9 [Defendants] as the source for the [Plaintiffs'] Services."

10 Compl. ¶ 41. Further:

11 [u]pon information and belief,
12 Defendants knowingly concealed,
13 suppressed, and/or omitted the material
14 fact that they are not the owners of the
15 [Own Your Power] Trademark and the
16 source for motivational communications
17 services in the areas of self-awareness,
18 self-realization, and entrepreneurship
19 under the [Plaintiffs'] Trademark with
20 intent that the public rely on the
21 concealment, suppression, and/or
22 omission in connection, distribution and
23 advertisement of their Counterfeit
24 Campaign.

25
26 Compl. ¶ 43. And later:

27
28 Upon information and belief, the [Defendants']
29 multi-tiered campaign, utilizing the extensive
30 reach of television, the internet, and print
31 media, has already reached millions of consumers.
32 Defendants' media presence has been documented to
33 persuade, influence and command the opinion of its
34 audience. The OYP Partnership's sheer saturation
35 of the market by Defendants' concerted efforts,
36 Counterfeiting and other campaigns have destroyed
37 Plaintiffs' ability to use the Trademark without

1 reversing the confusion and damage that has
2 already been done.

3
4 Compl. ¶ 99.

5 The plaintiffs have thus alleged facts that raise the
6 plausible inference that the defendants used the phrase on the
7 Magazine cover as part of a careful plan that included the Event
8 and the website, and sought collectively to appropriate the "Own
9 Your Power" mark from the plaintiffs with knowledge that the
10 plaintiffs owned it and with total disregard for the plaintiffs'
11 rights. I therefore join the majority's conclusion that a
12 finding of "good faith" with respect to use of the phrase on the
13 Magazine cover is inappropriate at this stage of the proceedings.

14 It remains, of course, for the plaintiffs to prove
15 their allegations. The evidence may show that the defendants,
16 even knowing of the plaintiffs' trademark, reasonably believed
17 that the use of the words "Own Your Power" on the Magazine or
18 elsewhere would confuse no one as to source; that the use would
19 in any event be a fair one; or that it was not in fact a
20 calculated part of a more elaborate effort to appropriate the
21 plaintiffs' property. Cf. Arrow Fastener Co., Inc. v. Stanley
22 Works, 59 F.3d 384, 397 (2d Cir. 1995) ("Prior knowledge of a
23 senior user's trade mark does not necessarily give rise to an
24 inference of bad faith and may be consistent with good faith.");
25 Campbell v. Acuff Rose Music Inc., 510 U.S. 569, 585 n. 18 (1994)
26 ("Even if good faith were central to [copyright] fair use, 2 Live

1 Crew's actions do not necessarily suggest that they believed
2 their version was not fair use If the use is otherwise
3 fair, then no permission need be sought or granted.").

4 2. In a descriptive sense. I would conclude, if we
5 were called upon to do so on the pleadings alone, that the phrase
6 "Own Your Power" was used in a "descriptive sense" in connection
7 with the Magazine's content as a matter of law. I do not think
8 any contrary reading of the pleadings is plausible.

9 In Cosmetically Sealed Indust., Inc. v. Chesebrough-
10 Pond's USA Co., 125 F.3d 28 (2d Cir. 1997), the plaintiff owned
11 the registered trademark SEALED WITH A KISS for its product, a
12 women's lip gloss. Id. at 29. The defendant used the same
13 phrase, "Seal it With a Kiss," in connection with an advertising
14 display for its Cutex brand lipstick, inviting each prospective
15 customer to leave a print of her lips, with the Cutex lipstick
16 applied, on a postcard; then to "'[t]ake [it] and send it to the
17 one you love!!'" Id. We concluded that this use was descriptive
18 even though it in no way described the color, consistency, or
19 long wear of the defendant's lip gloss. We decided that the
20 defendant used the phrase in a descriptive sense because "Seal it
21 With a Kiss" describes "an action that the sellers hope consumers
22 will take, using their product." Id. at 30.

23 Similarly, in B & L Sales Associates v. H. Daroff &
24 Sons, Inc., 421 F.2d 352 (2d Cir. 1970), we concluded that the

1 phrase "Come on Strong," which was used by the plaintiff as a
2 registered trademark for a wide variety of products, was used in
3 a descriptive sense by the defendant in advertisements for its
4 men's clothing line. We reasoned that the phrase communicates to
5 the prospective customer that defendant's clothing "would assist
6 the purchaser in projecting a commanding, confident, 'strong'
7 image to his friends and admirers."⁸ Id. at 353. We relied upon
8 this understanding to conclude both that the use was not likely
9 to cause confusion and that it was a descriptive fair use. Id.
10 at 354.

11 The defendants' use of "Own Your Power" on the Magazine
12 cover fits easily among the uses found to be descriptive in these

⁸ We have defined "descriptive sense" in arguably more capacious terms than our sister circuits. A hint as to the breadth of our rule lies in our discussion in Cosmetically Sealed. There, we read a prior case, Car-Freshener Corp. v. S.C. Johnson & Son, Inc., 70 F.3d 267, 270 (2d Cir. 1995), as having concluded that the pine-tree shape of a car freshener -- a "description (by the suggestive use of the image) of the period in which the product was sold" -- was "a description of the goods within the meaning of the fair use defense." 125 F.3d at 30 (emphasis added)(internal quotation marks omitted).

Other circuits, by contrast, appear to have adopted the view of the leading trademark treatise that "to be eligible for a fair use, defendant must be using the challenged designation in a descriptive, not merely suggestive, sense." MCCARTHY ON TRADEMARKS § 11.45 (citing Breuer Elec. Mfg. Co. v. Hoover Co., No. 97 C 7443, 1998 WL 427595 (N.D. Ill. July 23, 1998)). Thus the effort in Sands, Taylor & Wood Co. v. Quaker Oats Co., 978 F.2d 947, 952 (7th Cir. 1992), a Seventh Circuit case cited by the majority, to determine whether the phrase "Gatorade is Thirst Aid" was descriptive or merely suggestive. See also Fortune Dynamic, Inc. v. Victoria's Secret Stores Brand Mgmt., Inc., 618 F.3d 1025, 1042 (9th Cir. 2010) (citing MCCARTHY ON TRADEMARKS § 11.45).

1 cases. The feature story in the October issue is the 2010 O
2 Power List, The 2010 O Power List, O THE OPRAH MAGAZINE, October
3 2010, at 198, which honors public figures and other notables who
4 embody certain characteristics of power. Also inside the
5 Magazine are several shorter articles related to this theme. See
6 Dr. Phil, Personal Power: 6 Rules for How to Harness Yours, id.
7 at 74 (providing "strategies for tapping your inner power
8 reserves"); How to Light Up a Room, id. at 214-16 (theorizing
9 that charisma is the "X factor" possessed by all of the people
10 featured on the 2010 O Power List). The descriptive connection
11 is obvious -- indeed, it is difficult to see how any potential
12 reader with whom the defendants are trying to communicate, upon
13 picking up the Magazine and reading the coverline, would not
14 expect to find just these sort of articles inside. I thus find
15 implausible any assertion that the phrase "Own Your Power" is not
16 used in a descriptive sense here.

17 The majority -- although not called upon to do so in
18 light of our shared view that it is plausible that the Magazine
19 cover, as part of the defendants' alleged overall plan, was in
20 any event not a fair use -- finds that the phrase as used
21 specifically on the Magazine cover is not used in a descriptive
22 sense. The majority apparently does not consider the feature
23 article, or the "Personal Power" and "Light Up a Room" articles,
24 to contain "specific advice regarding how a reader can follow in

1 the footsteps" of the subjects featured on the O Power List, or
2 "advice regarding how a reader can become more powerful in
3 general," ante at 24.

4 Even if this were a fair characterization of the
5 Magazine's contents -- and I doubt that it is -- our law has
6 never required a connection as close and absolute as the majority
7 demands. Fortunately, the majority leaves open the possibility
8 that the defendants may adduce evidence of the requisite
9 descriptive connection, perhaps by either (a) providing a fuller
10 understanding of the sense in which the phrase "Own Your Power"
11 was used and was likely to be understood by the relevant consumer
12 group, and therefore illuminating the nexus between that phrase
13 and the Magazine's contents; or (b) demonstrating that the phrase
14 or phrases like it are commonly used. I think neither is
15 necessary.

16 3. Use other than as a mark. Finally, if we were
17 considering individually the size, location, and context of the
18 defendants' use of "Own Your Power!" on the cover of the
19 Magazine, as our law seems to prescribe, see JA Apparel Corp.,
20 568 F.3d at 400-401, it would be clear to me that the defendants
21 did not use the phrase as a mark.

22 The two most prominent items on the cover of the
23 October issue are the "O The Oprah Magazine" mark in the upper
24 left-hand corner and the full page photograph of Oprah herself.

1 That "the source of the defendants' product is clearly identified
2 by the prominent display of the defendants' own trademarks" is a
3 strong indication that the defendants' use is other than as a
4 mark. Cosmetically Sealed, 125 F.3d at 30. The size and
5 location of the phrase, moreover, considered in light of the
6 context of the use on a magazine cover further suggest that the
7 defendants did not use the phrase "as a symbol to attract public
8 attention." JA Apparel, 568 F.3d at 400 (emphasis added)
9 (internal quotation marks omitted). A reasonable consumer would
10 therefore expect the phrase to explain something about the nature
11 of the contents of this particular issue, not to denote the
12 source of those contents.

13 But the majority opinion does not consider this use
14 individually. It concludes instead that the "several unique
15 instances" -- that is, the use on the Magazine, at the Event, and
16 on the website -- "collectively constitute use as a mark," ante
17 at 17, apparently because "it is plausible that the defendants
18 were attempting to build up a line of wide-ranging content all
19 denoted by the phrase 'Own Your Power,'" id.

20 Perhaps this somewhat novel theory is useful at this
21 stage in determining the plausibility of the plaintiffs' factual
22 allegations.⁹ But I do not think, and I do not read the majority

⁹ I do think it worth noting that this "collective use" theory is in some tension with JA Apparel's call for individualized consideration of each particular use. See JA

1 opinion to mean, that the mere coincidence of several uses
2 forecloses the possibility that individual uses are "other than
3 as a mark." They do, I think, assert that if use of "Own Your
4 Power" on the Magazine's cover was part of an overall plan to
5 appropriate the plaintiffs' mark, then to that extent the use on
6 the Magazine may be actionable. In order to prevail at summary
7 judgment or trial, then, the plaintiffs must adduce proof in
8 support of that allegation in order to be able to prevail on the
9 claim relating to the Magazine. They must prove, for example,
10 that the Magazine use was indeed part of defendants' plan to
11 develop a line of goods or services under an "Own Your Power"
12 sub-brand, or that relevant consumers would be likely, perhaps as
13 a result of repetition, to perceive the phrase on the Magazine
14 "as a symbol to attract public attention," JA Apparel, 568 F.3d
15 at 400 (emphasis added), and not just as a coverline describing
16 the theme of the issue. Whether the plaintiffs can do this, of
17 course, remains to be seen.

Apparel, 568 F.3d at 402. I note also that the principal
authorities the majority cites in support of it are drawn from an
entirely different context -- the protectability of a mark as a
function of its value as an identifier of source. Ante at 19-20.

So although it may be true that the concept is helpful at this
stage, when our only task is to identify factual plausibility, I
would caution against reading the majority opinion to mean that
in all cases and at all stages of litigation unique uses are to
be considered "collectively."

1 IV. The Website and the Event

2 With respect to the defendants' use of "Own Your Power"
3 on the website and for the Event, I agree with the majority that
4 the plaintiffs have pleaded sufficient plausible facts to fend
5 off the fair use defense on a motion to dismiss.

6 * * *

7 If we were considering the October 2010 issue of the
8 Magazine alone, I would conclude that the defendants' use of the
9 trademarked phrase was a "fair" one. I simply do not think we
10 could conclude at this stage, were we asked to do so, that the
11 allegations in the plaintiffs' complaint relating to the Magazine
12 coverline considered alone can be read plausibly to describe a
13 use that is not fair as a matter of law. A holding to the
14 contrary might endanger the ability of publishers of all stripes
15 accurately and artfully to describe their publications.

16 But I, like the majority, understand the complaint not
17 to attack the defendants' use of "Own Your Power!" on the
18 Magazine's cover alone, but as part of an overall campaign by the
19 defendants in several media to wrest from the plaintiffs their
20 rights in the mark. It remains possible that a full record will
21 reveal that despite the multiple uses, any or all of them are
22 fair uses, and therefore not actionable under the Lanham Act. I
23 thus conclude, with the majority, that this case must be returned
24 in its entirety to the district court for further proceedings.