

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEW MEXICO**

THE NAVAJO NATION, a sovereign Indian  
Nation, et. al,

Plaintiffs,

v.

URBAN OUTFITTERS, INC., a Delaware  
Corporation, et al.

Defendants.

CIVIL ACTION NO:

No. 1:12-cv-00195-KG-LAM

**PLAINTIFFS' REPLY IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT ON  
COUNT ONE (TRADEMARK INFRINGEMENT)**

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Plaintiffs’ Motion for Summary Judgment on Trademark Infringement (ECF No. 473) should be granted. Defendants’ Opposition (ECF No. 514) fails to raise any genuine dispute of material fact as to any element of Plaintiffs’ trademark infringement claim. Defendants failed to meet their burden to show the “Navajo” mark is generic, or that it was used fairly. In addition, Defendants have failed to rebut the overwhelming evidence showing that there is a likelihood of confusion between Defendants’ use of the identical “Navajo” term to market and sell goods similar to those sold by Plaintiffs and their licensees under the “Navajo” trademark.

# **I. RESPONSE TO DEFENDANTS’ STATEMENT OF DISPUTED FACTS**

The paragraphs below correlate in number with Defendants’ Statement of Disputed Facts. Defendants’ contentions are incorrect, immaterial, or simply do not address Plaintiffs’ stated facts, leaving Plaintiffs’ statements of fact undisputed.

1. Defendants’ contention that “Plaintiffs’ use of the term [Navajo] as a mark began only recently” is unsupported. The undisputed evidence cited in Plaintiffs’ Statement of Fact (SOF) No. 1 shows that Plaintiffs have filed federal trademark registrations averring continuous use of the “Navajo” mark since 1943. The Nation, its enterprises, and instrumentalities have 108 active federal registrations for trademarks they have been using for 150 years.

2. Defendants do not dispute that Plaintiffs have 108 active “Navajo” trademarks. While there are 10 trademarks in the classes of goods of jewelry, accessories, and clothing, there are 108 “Navajo” registrations for a variety of goods that are part of the Navajo “family of marks.” Tsosie Decl., ECF No. 246 at ¶¶ 19-22. The family of marks builds brand recognition across the different classes of goods. The claim that Mr. Damon’s testimony “is not supported by any evidence of record” is not a valid challenge under Fed. R. Civ. P. 56(c). Defendants offer no valid objection to render Mr. Damon’s declaration inadmissible, and present no contravening evidence to dispute the fact that the Nation sells goods/services throughout the United States using the “Navajo” marks.

3. The “objection” to the testimony of a knowledgeable witness, Ms. McGough, as to NACE’s own conduct is not a valid challenge under Fed. R. Civ. P. 56(c), and leaves the SOF undisputed. The SOF does not lack specificity as to time, and more current sales show the “Navajo”

mark continues to be widely used, which supports the commercial strength of the mark.

4. The “objection” based on the fact that Plaintiffs rely on the declarations of knowledgeable witnesses is groundless; the declarations are admissible. The legislative history of the Indian Arts and Crafts Act (“IACA”), which includes NACE’s testimony, is admissible as non-hearsay evidence to show that the IACA was designed to prevent non-Indians like Defendants from misbranding goods as “Navajo,” and that the Nation has historically relied on the IACA to police unauthorized use of its tribal name. The legislative history also falls under (at least) the public record and ancient document exceptions to the hearsay rule. Fed. R. Evid. 803(8) and 803(16).

5. Defendants provide no valid objection that actually disputes the SOF. The numerous retailers, including an enrolled member of the Navajo Nation and members of the Indian Arts and Crafts Association, sell only authentic “Navajo” goods, which also include goods of artisans listed in Plaintiffs’ disclosure of knowledgeable witnesses. ECF No. 58. Each of the declarations provide contemporaneous *and* historical information, showing continued, wide-ranging use of the mark.

6. Defendants point to only one purported “conclusion of law.” The other statements are undisputed. That Plaintiffs own five incontestable marks is a fact, the result of which is that those registrations are “conclusive evidence of the validity of the registered mark . . . and of the [Nation’s] exclusive right to use the registered mark in commerce.” 15 U.S.C. § 1115.

7. That dictionaries confirm “Navajo” refers to the Nation and its people, and note the fame of the Nation’s artisan goods, is relevant as evidence of, *inter alia*, the public’s understanding of the “Navajo” mark.<sup>1</sup> Recognition of the Navajo tribe also inures to the benefit of the Navajo brand.<sup>2</sup>

8. Defendants’ statement is false. Plaintiffs cited ***Defendants’*** briefing in which ***Defendants*** argued that the Unfair Practices Act claim should be dismissed because it “is a consumer remedy” that “does not afford relief to a business competitor” and that “[t]he Plaintiffs in this case are not buyers of Defendants’ goods. Instead, they are business competitors...” ECF No. 55 at 1, 6.

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<sup>1</sup> “Evidence of the public’s understanding may come from . . . consumer surveys, dictionary listings, newspapers and other publications.” *Creative Gifts v. UFO*, 235 F.3d 540, 545 (10th Cir. 2000).

<sup>2</sup> See *USX Corp. v. U.S. Steel Inc.*, No. 99-2186, 1999 WL 102025, \*3 (D. Kan. July 6, 1999) (considering not just the fame of trademark, but also the fame of *trade name*).

Defendants' statement is another example of their willingness to make misstatements to the Court.

9. Defendants do not dispute that they used "Navajo" to sell products via retail stores, the Internet, catalogs, and wholesale channels. Defendants' responses to interrogatories requesting sales information for goods "sold with the 'Navajo' mark" are an admission that they used the mark. ECF Nos. 88-1 at 9; 320-7 (Exs. B, D, F) (emphasis added). Defendants also used the "Navajo" mark in their retail stores, including on hangtags and on receipts. UO's 30(b)(6) witness testified that hangtags were generated by the Island Pacific inventory system. The Island Pacific system included the "Navajo" mark in the product name for goods at issue in this case. ECF No. 497-2 (Island Pacific names). Free People ("FP") and Anthropologie also used Island Pacific, and Anthropologie's 30(b)(6) witness testified that "Navajo" appeared in the Island Pacific description. 497-6 at 152:11-17; ECF Nos. 476-1 & 476-2 (UO hangtags and receipts); 299-4 (FP hangtag).

10, 11. Defendants provide no contravening evidence to dispute the ways in which Defendants used "Navajo." As discussed below, Defendants have failed to show that "Navajo" is generic for a type of style, and fail to show fair use. Defendants do not dispute that they paid marketing affiliates and provided photos and copy material to include in advertisements that directed Internet traffic to Defendants' websites. Nor do they dispute that their affiliates purchased the keyword "Navajo" and advertised using "Navajo" in their ad copy. Nor do they dispute that UO failed to take any action to ensure that its affiliates ceased using the copy material that UO provided, even after agreeing to do so. Defendants knew or had reason to know that their affiliates were purchasing and using the "Navajo" trademark in their keyword advertising, and authorized them to do so, because Defendants received regular reports of their affiliates' activities, and assisted in providing keywords to use. ECF No. 497-24 at 458:23-460:16, 462:2-9 (Hartman Tr.); 497-29 at 82:22-87:12, 102:18-103:25 (Paulson Tr.). Affiliates also wrote the copy of the advertisements, and Defendants reviewed the text of the affiliates' ads. *Id.* at 99:24-100:21, 102:13-24 (re Adlucent & RKG). Defendants encouraged, had control over, and had authority to stop third parties from using the keyword "Navajo." *Id.* at 179:14-18; 497-24 at 462:2-9 (Hartman Tr.); 497-6 at 199:19-25 (Albright Tr.); 497-26 at 179:8-13 (Hayne Tr.). Despite the knowledge

that affiliates were using the “Navajo” trademark, Defendants did not instruct them to stop using the Navajo mark for years after Plaintiffs filed this lawsuit.<sup>3</sup> It was not until over two years after Plaintiffs filed this lawsuit that FP alerted its marketing affiliate to cease using the “Navajo” mark in advertisements for FP’s goods. *See also* ECF Nos. 497-29 at 77:3-80:12 (Paulson Tr.), 497-26 at 178:20-179:7 (Hayne Tr.), 497-24 at 418:13-15 (Hartman Tr.), 497-6 at 200:2-12 (Albright Tr.), 497-33 & 497-34 (keywords from May 2014). Defendants have admitted that using a brand name as a keyword for search engine advertising when defendants did not actually sell that brand of a product “would mislead a customer.” ECF No. 497-24 at 483:22-484:11 (Hartman Tr.).

**12.** This fact is undisputed and Defendants provide no valid basis to object. The continued use of Defendants’ infringing product names by second-hand sellers supports post-sale confusion.

**13.** Defendants’ ignore that Mr. Brader’s license is not exclusive and is for a limited number of goods. ECF No. 352 at 21, 28, 29; ECF No. 353 at 11. The Nation reserved the right to sell certain items, including Indian-made goods, and does so directly through the NACE stores, as well as through individual members of the Nation. Defendants ignore the evidence showing Plaintiffs adhere to strict quality control standards. ECF Nos. 262 at ¶¶ 8-10; 454 at ¶ 7 & 454-5; ECF No. 250 at ¶¶ 3-11, 16. Moreover, the license agreements Defendants discuss include multiple, specific quality control provisions. ECF Nos. 35-1, Ex. B at 3; 352 at 22 (agreements). Defendants’ citation to alleged third-party use is irrelevant. The Frank Report and Squire-Holder Declaration are inadmissible. *See* ECF Nos. 270, 269, and 467. But even if admitted, this evidence is unavailing. A review of these exhibits shows that Defendants conflate possible fair use—such as “Navajo-inspired”—with some potentially infringing use. The Frank report also relies on numerous examples of Plaintiffs’ own use of their trademark, that of Navajo artisans, and that of authorized

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<sup>3</sup> For example, FP produced documents identifying some affiliates, including NetMedia Planet. One such document is a **May 15, 2014** e-mail chain between FP’s Internet Marketing Manager, Lisa Steinberg, and NetMedia’s Shirley Sy. Ms. Steinberg asked Ms. Sy to confirm Net Media’s ads “are not using the term Navajo.” Ms. Sy explained that NetMedia was running two ads for “free people navajo cardigans” and “free people navajo sweaters.” Ms. Steinberg responded that “There are major legal implications. Were we using the term in the ad copy? I need screenshots ASAP.” ECF No. 498-12. FP produced screenshots confirming that the ad copy included Plaintiffs’ trademark. ECF Nos. 498-11; 498-2 at 75:1-16 (Rapp Tr.).



retailers of authentic “Navajo” products, as though they were infringing uses. ECF Nos. 531 at 4; 270; 453 at ¶¶ 5-10. Many of these exhibits are manipulated to exclude the information showing that they are Plaintiffs’ or authorized use. *Id.* The Squire-Holder Decl. includes examples of fair use. *See* ECF No. 531 at 4, 5, 10. Defendants do not materially dispute that the Nation does not allow others to use its mark unless authorized, and that when infringement is brought to the Nation’s attention, it engages in enforcement efforts. *Id.* at 5.

**14.** Defendants do not dispute the facts in Plaintiffs SOF 14. Rather, they respond that the term Navajo is generic. However, their 30(b)(6) witnesses testified that the word “Navajo” was synonymous with other descriptors, such that it cannot be generic because, in order to become generic, it must be the primary signifier, not one of many signifiers. ECF Nos. 243-6 at 138:15-139:1 (Hartman Tr.); 243-8 at 216:23-218:11 (Albright Tr.); 243-9 at 63:1-9, 64:14-65:8 (Brunner Tr.); 243-10 at 163:2-8 (Paulson Tr.). Defendants’ statements also confirm that they were responsible for selecting and deciding to use the “Navajo” mark in product names, which shows they provided a misstatement to the Court when they averred that UO “‘*merely re-sold goods provided to it by its supplier[] which used the term ‘navajo’ . . .*’” Order, ECF No. 81 at 5 (emphasis by Court) (quoting Status Report, ECF No. 58 at 3). UO’s former Chief Merchandising Officer also testified that even in the few instances where a vendor selected the product name, UO could choose to change the name, ECF No. 497-19 at 21:8-11, 24:6-18 (Kessler Tr.), and UO’s 30(b)(6) witness testified that UO has control over the third-party goods sold in its stores, including the hangtags attached to those goods. ECF No. 497-1 at 96:2-23. In addition, Plaintiffs’ previously explained that Ms. Reich is not an expert, not qualified to provide testimony as to authenticity, that her testimony is inadmissible lay opinion testimony, and that her testimony includes substantial, inadmissible hearsay. ECF No. 485 at 16-21.

**15.** Defendants do not dispute Hartman’s testimony, which is undisputed evidence confirming the failure to include a disclaimer or distinguishing mark that would have clarified to consumers that “Navajo” was not used as a trademark. ECF No. 474-8 at 253:2-11 (Hartman Tr.). As discussed below (§ II (B)) that Defendants’ websites displayed a “house mark” at the top of the

webpage does not establish that use of another's mark in a product name is not a trademark use.

16. Whether a term is a trademark is a factual inquiry. The "Navajo" mark is not generic, and Defendants did not use the mark fairly. Defendants do not dispute any of the facts related to Ms. Reich, do not dispute that she is not a Rule 26 expert and not qualified to provide any opinion as to authenticity, nor do they dispute that much of her testimony is inadmissible hearsay.

17. Defendants dispute Mr. Johnson's findings by reference to their motion to exclude him, which should be denied. By contrast, Mr. Poret's survey is inadmissible because he failed to use a control group and used a subjective filter that improperly excluded 90% of responses indicating confusion. ECF No. 462. When this filter is removed, the rate of confusion he found goes up by an order of magnitude—even without correcting any of the survey's other flaws—which ultimately supports Plaintiffs' claim. The *Arizona Republic* article (ECF No. 261-3) was produced within an e-mail from an Indian Arts and Crafts Board ("IACB") Director. The document was produced via a FOIA request to the IACB, ECF No. 261 at ¶ 4, and is admissible under Fed. R. Evid. 803(8).

18. Defendants do not dispute SOF 18. Defendants' contentions about notice are directly belied by the undisputed fact Anthropologie and FP had notice that "Navajo" was a trademark as early as Oct. 22, 2011. *See* ¶ 19, *infra*. Defendants continued misstatements further support a finding of willfulness.

19. Defendants do not dispute that Plaintiffs' cease and desist letter was forwarded to Defendants' shared legal department (ECF Nos. 243-8 at 142:19-21 (Albright Tr.); 243-7 at 525:1-12, 526-12-16 (Hartman Tr.)); that in October 2011 Mr. Hartman discussed the letter's content with FP's director of marketing, Jed Paulson, and Anthropologie's Executive Director of Marketing, Amy Choyne (243-6 at 34:18-35:3; 41:22-42:1 (Hartman Tr.)); or that Anthropologie and FP knew that "Navajo" was a registered trademark at least as early as the October 22, 2011 e-mail from FP's David Hayne in which he states **"let's discuss at our marketing pow-wow (Navajo registered trademark®)."** ECF No. 440-1.

20. Defendants do not dispute that they never provided a substantive response to the Nation's Cease and Desist letter. Defendants take issue with the fact the General Counsel for UO, Inc., sent

the referenced October 24, 2011 letter, but he is also the General Counsel for Anthropologie and FP, and they all share one legal department. As explained above in ¶ 19, Anthropologie and FP had actual notice that “Navajo” was a trademark before October 24, 2011.

**21.** Defendants do not dispute Plaintiffs’ facts, or that Defendants have repeatedly misrepresented that they stopped using the “Navajo” mark. The “Navajo” mark is not generic.

**22-25.** Defendants do not dispute that they made misstatements to the Court or that they sold at least 13,280 units (in excess of \$502,000) after Nov. 1, 2011 of products using the “Navajo” mark. Defendants’ cite an interrogatory response to support the contention that they “discontinued their use of the ‘Navajo’ term in March 2012.” But documents show they sold at least 27,000 items using the “Navajo” mark after Nov. 2011, generating more than \$740,000 in sales, including *after* March 2012. Defendants do not dispute these figures. Each Defendant was also on actual notice that “Navajo” was a registered trademark at least five months earlier, in October 2011. ¶ 19, *supra*. Defendants do not dispute that the “Navajo” mark continued to be used in affiliate marketing campaigns; that Polyvore continued to advertise Defendants’ goods using the mark; that Defendants failed to notify Polyvore or direct it to remove the infringing advertising; or that the infringing ads still existed on Polyvore.com in Sept. 2014. The claim that Polyvore’s use continued “unbeknownst” to Defendants is belied by the fact that Defendants provided infringing copy material to Polyvore and that Defendants failed to take action even after it knew of continued use. ECF Nos. 320-4 at 475:18-20, 477:20-478:3 (Hartman Tr.); 474-1 (Polyvore.com Sept. 2014), 474-12 (Defs.’ Websites Sept. 2014), 497-26 at 193:10-208:7 (Hayne Tr.). Defendants do not dispute that they continued to use the “Navajo” mark in keyword advertising as late as May 2014. Claims that Anthropologie and FP removed “Navajo” as an advertising keyword “contemporaneously” are contradicted by e-mails showing “Navajo” was used both as a keyword and in ad copy as late as May 2014. *See* ¶ 10 *supra*. There is no evidence that Anthropologie and FP took *any* action in October 2011 to cease use of the “Navajo” mark after being on notice that “Navajo” was a registered trademark. The claim that infringing sales continued “unbeknownst” to Defendants is belied by the fact that UO’s 30(b)(6) witness testified that UO has control over the

third-party goods sold in its stores. ECF No. 497-1 at 96:2-23 (Hartman Tr.).

**26.** Defendants do not dispute Plaintiffs' SOF No. 26.

## **II. ARGUMENT**

Plaintiffs are entitled to summary judgment. They have a valid trademark, Defendants used the identical mark in commerce, and that use is likely to cause confusion.

### **A. Defendants Cannot Raise a Genuine Dispute as to Whether "Navajo" is Generic.**

Defendants claim Plaintiffs do not have a valid mark because the "Navajo" mark is generic. The test of genericness is the primary significance of the mark to relevant consumers, 15 U.S.C. § 1064(3) (2002); 2 J. MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 12:6 (4th ed.), and Defendants offer no evidence to dispute Plaintiffs' considerable evidence showing that the primary significance of the "Navajo" mark is not any genus of goods, or the indistinct "fashion trend." Plaintiffs incorporate by reference the detailed arguments contained in their Motion for Summary Judgment Dismissing Defendants' Fifth and Sixth Affirmative Defenses, ECF No. 470, and their Reply, ECF No. 531. Defendants' do not raise a genuine dispute as to whether "Navajo" is generic. The Nation's registered "Navajo" trademark is valid and protectable.

First, Defendants' evidence of third-party use is largely inadmissible, but even where it is admissible, it is irrelevant to this inquiry. Ultimately, even if Defendants' evidence were admissible, it does not demonstrate that the "Navajo" mark has lost its ability as a source identifier. Moreover, that some infringing use has occurred means just that: Defendants have identified some third parties who, like them, are infringing Plaintiffs' trademarks. But that does not support or equate to a finding "Navajo" is generic. *See id.* at 9-10.<sup>4</sup> Second, similar to the collection of alleged third-party uses, sporadic uses in trade press articles, or conclusory statements from self-styled industry "experts" do not establish the primary significance of "Navajo" to the relevant group of consumers. *Id.* at 13-14. Defendants' articles and competitors' scattered use do not create an issue of fact as to whether the *primary significance* of "Navajo" to relevant purchasers is a fashion trend,

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<sup>4</sup> Defendants' contentions (ECF No. 514 at 16) regarding the Nation's enforcement of its trademark, including that third-party infringing use "went entirely unchallenged by Plaintiffs," are misleading and patently false. *See* ECF No. 531 at 2, 6 (¶ 9) (genericness reply brief).

in part because so many of the articles include non-generic uses of the term “Navajo.” *Id.*

Third, Defendants’ argument regarding Plaintiffs’ evidence of dictionary definitions does not support their claim that the “Navajo” mark is generic for a “fashion trend.” Defendants do not dispute that each reference confirms “Navajo” refers to the Nation and its people, and many note the fame of the Nation’s artisan products. *See* ECF Nos. 293 at ¶ 15; 296-1 at 3; 297-1 at 34; *see also* 298-1 at 40 (attaching definition of “navajo rug” and “navajo blanket”); Order, ECF No. 52, at 21 ( “the term conveys information that the source of the rug or blanket is the Navajo tribe or a member thereof”). While some definitions provide secondary definitions for a color or a type of basketry stitch, neither basketry stitching nor paint colors are classes of goods at issue here, and these definitions offer no support for the claim that “Navajo” is generic for a fashion trend—itsself not a recognized class of goods—or clothing, jewelry, or accessories. The dictionary evidence thus supports Plaintiffs’ claims; and confirm “Navajo” refers to the Navajo Nation and members, and when used in reference to a product, reference the origin of source, the Navajo Nation.

Fourth, Defendants rely on Ms. Goldaper for the proposition that “the term ‘Navajo’ has acquired an alternate meaning that denotes a type of style or design” in the service of their genericness defense. ECF No. 514 at 18. But having conceded—in the face of the argument that Ms. Goldaper is not competent to testify as an expert as to the genericness defense—that she has no opinion on the matter, Defendants cannot now rely on her; more importantly, their reliance on her directly supports Plaintiffs’ motion to exclude her. ECF No. 325. Moreover, Ms. Goldaper’s opinion that “Navajo” has an “alternate or additional meaning” does not raise an issue of material fact as to the *primary significance* of the term. *See* ECF No. 531 at 7, 15.

Fifth, as Plaintiffs previously explained in detail, *id.* at 12-13, Defendant’s chosen evidence of Plaintiffs’ use of their own trademark directly supports Plaintiffs’ claims and illustrates the confusing nature of Defendants’ infringing use.

Finally, the Poret Survey does not show that the “Navajo” mark is generic. Mr. Poret’s survey is also the subject of a motion to exclude because, among other serious errors, he failed to use a control group and used a subjective filter that improperly excluded some 90% of responses

indicating confusion. ECF No. 462. When this filter is removed, the rate of confusion he found goes up substantially (even without correcting the survey's other flaws), which supports Plaintiffs' claims concerning the understanding of relevant consumers. These rates are sufficiently high to support a finding of infringement. *See, e.g., Bruce Lee Enters., LLC v. A.V.E.L.A., Inc.*, No. 10-2333, 2013 WL 822173, at \*21-22 (S.D.N.Y. Mar. 6, 2013) (confusion of 11% not sufficiently low enough to support summary judgment on non-infringement); 6 MCCARTHY §32:188 at 32-486 n. 9 and n.10 (rates of 8.5% to 12% have been found to support of confusion). Thus, the only evidence Defendants offer that actually addresses the focus of the genericness inquiry, even if not excluded, actually supports Plaintiffs' claim.

**B. The Fair Use Defense is Not Available; Defendants Did Not Use the Mark Fairly.**

Defendants failed to meet their burden to show their use of the "Navajo" mark falls within the Lanham Act's fair use exception. Plaintiffs incorporate by reference the detailed arguments contained in their MSJ on Defendants' Seventh and Nineteenth Affirmative Defenses (ECF No. 480) and their Reply. First, the fair use exception is not available because the "Navajo" mark is inherently distinctive (and incontestable), and cannot be used descriptively. Thus, Defendants could not have used it descriptively. *See* ECF No. 480 at 9-10. Second, even if the fair use defense were available, Defendants' use does not fall into the Lanham Act's fair use exception because Defendants used "Navajo" not descriptively but as a trademark, and failed to use distinguishing marks.

Defendants put forth an absurd argument that they have shown non-trademark use because Defendants' websites "displayed their house mark at the top of their webpages." ECF No. 22. Obviously, the fact that a retailer (whose business includes selling hundreds of different brand name goods) lists its own trademark on its retail website does not, in any context, establish that its use of another's trademark *in a product name* is not a trademark use. The undisputed facts show that Defendants did not use any distinguishing marks such that consumers would know that the goods advertised were not made by a member of the Nation (or otherwise associated with the Nation), or that the use of "Navajo" in the products' names was intended to be merely descriptive

of a style. ECF No. 480 at 16-20. A review of Defendants' websites also shows that the most prominent feature was the product and the product's name. *See, e.g.*, ECF No. 97-1 at 36.<sup>5</sup> In deciding Defendants' motion to dismiss, the Court (assuming without deciding if fair use was possible) already found that Defendants' websites did not clarify "that 'Navajo' did not indicate the source of the items." ECF No. 52 at 19-20. Defendants' argument is also undermined by the fact that the IACB found the same use of other tribal names on FP's website falsely suggested to consumers the goods were derived from those tribes. *See* ECF No. 181-1 (FP must use qualifiers like "in the Lakota style" or "inspired by the Lakota people"). Here, Defendants did not market goods as "inspired by the Navajo people" or "in the Navajo style," they advertised their goods the same way in which the Nation advertises its goods—as Navajo goods (e.g. "Navajo Feather Earring" and "Navajo Blossom Pin," ECF No. 97-1 at 8, 36). Defendants did this despite the fact that numerous alternatives were available. *See* ECF No. 480 at 17 (listing alternatives, citing *Fortune Dynamic, Inc. v. Victoria's Secret*, 618 F.3d 1025, 1042 (9th Cir. 2010)).

Defendants also ignore the numerous other infringing uses at issue, including use of the "Navajo" mark on hangtags and receipts, in advertisements, catalogs, in marketing e-mails, in keywords for search engine advertising, in metatags, and in the copy material (provided by Defendants) and used by marketing affiliates. ECF No. 473 at ¶¶ 9-11.

Defendants' other arguments (ECF No. 514 at 23-24) are without merit. That some other retailers may have infringed the Nation's mark does not make Defendants' infringing use "fair." For the "vintage" items FP claims were authentic Navajo goods, the record contains no admissible evidence that could provide a basis to believe the items were genuine, and FP's use of the "Navajo" mark does not fall within the fair use exception. *See* ECF No. 480 at 15-16.

### **C. Defendants Fail to Raise Any Genuine Dispute as to a Likelihood of Confusion.**

The likelihood of confusion "is amenable to summary judgment in appropriate cases." *King of the Mountain Sports v. Chrysler Corp.*, 185 F.3d 1084, 1089 (10th Cir. 1999). "The relevant

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<sup>5</sup> Defendants claim that product details for a few goods explain the goods were imported. ECF No. 514 at 23. Whether a product was imported says nothing about whether it was made by or affiliated with the Navajo Nation or its members, and is not a sufficient distinguishing mark.



inquiry is not how the mark is understood by any particular industry, but how it is perceived by the consumer in the marketplace . . .” *HealthONE of Denver, Inc. v. UnitedHealth Grp., Inc.*, 872 F. Supp. 2d 1154, 1177 (D. Colo. 2012) (citation omitted). Summary judgment is appropriate here because Defendants’ used the *identical* mark to sell goods nearly identical to the Nation’s. Thus, there can be no question a likelihood of confusion exists.<sup>6</sup>

# **1. Defendants Concede the Most Important Likelihood of Confusion Factors.**

With respect to the two most important likelihood of confusion factors (similarity of the marks and similarity of products & manner of marketing), Defendants fail to assert any argument, thereby conceding these two factors weigh in Plaintiffs’ favor. The Tenth Circuit has repeatedly explained that the similarity of the marks “is the ‘first and most important factor.’” *Hornady Mfg. Co. v. Doubletap, Inc.*, 746 F.3d 995, 1001 (10th Cir. 2014) (quoting *King of the Mountain*, 185 F.3d at 1091). Defendants’ concession on this factor alone supports a finding of a likelihood of confusion because the competing marks are not just similar, but *identical* in sight, sound, and meaning. *See, e.g.*, 4 MCCARTHY § 23:21 (“In an appropriate case, a finding of similarity as to [sight, sound, or meaning] may be sufficient to support a holding of a likelihood of confusion.”) (citing cases). Defendants also omit any argument on the similarity of products and manner of marketing. That factor also supports summary judgment because Defendants’ used the identical mark to sell jewelry and clothing that, while lower quality, look like they could be genuine Navajo goods, and sold those goods via the same channels of trade in which Plaintiffs’ market and sell their genuine goods. Given the identity of the marks, similarity of goods, and use in the same channels of trade, there is no question there is a likelihood of confusion. While these two factors provide a sufficient basis to find a likelihood of confusion, Defendants also fail to raise any material issue of fact as to the other four likelihood of confusion factors.

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<sup>6</sup> Even if it was a close issue, it should be resolved in Plaintiffs’ favor. *See, e.g.*, 4 MCCARTHY § 23:64; *Fotomat Corp. v. Cochran*, 437 F. Supp. 1231, 1244 (D. Kan. 1977) (“Where likelihood of confusion is a close issue, it should be resolved against the newcomer to the business.”).



## 2. The Four Remaining Factors Weigh in Plaintiffs' Favor.

### a. Defendants' Intent in Adopting the "Navajo" Mark.

Defendants wrongly assert that Plaintiffs' motion is "devoid of any evidence of record" that Defendants intended to derive benefit from the Nations' reputation or goodwill." ECF No. 514 at 28. Defendants simply ignore Plaintiffs' evidence. First, Defendants ignore that "[t]he high degree of similarity weighs strongly in favor of a finding of intent; the use of [] identical marks supports a conclusion that defendants intended to derive a benefit from [the Nation's] reputation, rather than rely upon their own." *Univ. of Kansas v. Sinks*, 565 F. Supp. 2d 1216, 1248 (D. Kan. 2008). *See also* ECF No. 473 at 21-22 (citing cases). Second, Defendants ignore the facts that show their selection of product names were conscious marketing decisions made to entice customers to buy their goods, which also supports an inference of likelihood of confusion. *Id.* at 22 (citing cases). Third, Defendants provide no argument in response to the substantial evidence that shows Defendants used the "Navajo" mark to drive Internet traffic to their websites. *Id.* at 22-23; *see also*, Raichur Rpt., ECF No. 302-1. The Tenth Circuit has confirmed the intent of an infringer weighs in favor of the plaintiff where the infringer "deliberately used the trademark[] to drive internet traffic to their own Web sites." *Australian Gold, Inc. v. Hatfield*, 436 F.3d 1228, 1240 (10th Cir. 2006). Fourth, Defendants admit their conduct was intentional. *See* ECF No. 242 at 16-17. Fifth, Defendants' have made numerous misstatements to Plaintiffs and the Court averring that they had stopped using the Nation's mark when in fact they had not. *See* ECF No. 473 at 9-12 (¶¶ 19-25); *see also* § I at ¶¶ 8, 14, 19, 20-25. This evidence shows that Defendants deliberately disregarded Plaintiffs' trademark rights, which supports finding willfulness and a likelihood of confusion.<sup>7</sup> Finally, Defendants cannot lay claim to good faith use of the Nation's mark because they failed to make any effort to determine whether they were entitled to use the "Navajo" mark before they began their infringing use. *See* ECF No. 473 at 24 (citing cases).

The sole reason Defendants offer in support of the claim that they acted in good faith is

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<sup>7</sup> *See W. Diversified Servs., Inc. V. Hyundai Motor Am., Inc.*, 427 F.3d 1269, 1274 (10 Cir. 2005) (willfulness if the defendant deceives the plaintiff into thinking he has ceased infringing use or submits "misrepresentation to the courts"); *TakeCare Corp. v. Takecare of Oklahoma, Inc.*, 889 F.2d 955 (10th Cir. 1989) (use after notice amounts to "willful and deliberate infringement").

that “each Defendant used the term because it had already been adopted by the fashion industry to describe a type of style.” ECF No. 514 at 28. But the fact that others may have infringed the Nation’s trademark does not give Defendants license to infringe the Nation’s mark. Defendants’ intent in adopting the “Navajo” mark also supports finding a likelihood of confusion.

**b. Evidence of Actual Confusion.**

The actual confusion factor should also be decided in Plaintiffs’ favor. Defendants incorrectly claim that Plaintiffs’ do not “cite any admissible evidence of record of a consumer being actually confused as to the source, sponsorship or endorsement of Defendants’ products.” *Id.* at 24. First, Plaintiffs submitted an *Arizona Republic* article that shows confusion. ECF No. 261-3 at 2-3. The article explains that “[t]he confusion was obvious on the [UO] website, where 10 users tagged the bracelets as ‘Native American.’” *Id.* Defendants argue that this article is inadmissible hearsay. However, as explained above in § I (¶ 17), that article is admissible. Plaintiffs’ linguistic expert, Gail Stygall, Ph.D, (who relied in part on the article) also concluded that “consumers are highly likely to be confused about the origin of Defendants’ so-called Navajo products.” Stygall Rpt., ECF No. 300-1 at 17. *See also* ECF No. 473 at 4, 15, 21, 30.

Second, Defendants erroneously claim the Johnson Survey is inadmissible. As explained in detail in previous briefing, ECF No. 364, the survey is admissible, and is properly considered as evidence of actual confusion (as much as a 53% confusion rate). *See* ECF No. 473 at 24-25. Further, Plaintiffs have shown that the Poret Survey, on which Defendants rely in an attempt to manufacture an issue of fact, violates multiple standards of practice and should be excluded. *See* ECF Nos. 462 and 505. Even if the Poret Survey is not excluded, when Poret’s survey results are corrected for the numerous biases introduced by that survey’s design, the Poret Survey’s data actually shows confusion rates from 11% to as high as 33%. *See* ECF No. 462 at 12-13. So both the Johnson Survey and Poret Survey data show a likelihood of confusion. Finally, Defendants do not address Plaintiffs’ arguments on post-sale and initial interest confusion. The Tenth Circuit has confirmed that both initial interest and post-sale confusion are actionable under the Lanham Act. *See* ECF No. 473 at 25-26 (citing *1-800 Contacts, Inc. v. Lens.com, Inc.*, 722 F.3d 1229, 1238

(10th Cir. 2013) and *Australian Gold*, 436 F.3d at 1240). Defendants do not rebut Plaintiffs' evidence and have conceded the existence of post-sale and initial interest confusion.<sup>8</sup>

**c. The Degree of Care Likely to Be Exercised by Purchasers.**

This factor also weighs in the Nation's favor because most of the goods are inexpensive and did not require a high-degree of care prior to purchasing. As Plaintiffs previously explained, the degree of care exercised by consumers is (as a matter of law) correlated to the price of the goods. *Beer Nuts, Inc. v. Clover Club Foods Co.*, 711 F.2d 934, 941 (10th Cir. 1983). *See also Univ. of Kansas*, 565 F. Supp. 2d at 1216. It is undisputed that many of the goods Defendants sold using the "Navajo" mark are inexpensive jewelry, accessories, and clothing. Defendants sold at least 74 items at issue for \$30 or less. ECF No. 474, at 4 (¶ 16). Thus, the facts show Defendants' customers would not have exercised a high degree of care.

Defendants assert an irrelevant argument based on UO's 2012 Form 10-K that states that UO's target customers are "culturally sophisticated, self-expressive, and concerned with acceptance by their peer group." ECF No. 514 at 29. Even if these unsupported statements about the "sophistication" of target customers could be considered reliable evidence of such a fact (and they cannot), the argument misses the mark. Whether someone is "culturally sophisticated," is not relevant to the degree of care Defendants' customers used in purchasing the inexpensive goods at issue here. Defendants also completely ignore that "the effect of purchaser care, while relevant, [is] less significant than, or largely dependent upon, the similarity of the marks at issue in that confusingly similar marks may lead a purchaser who is extremely careful and knowledgeable about the instrument that he is buying to assume nonetheless that the seller is affiliated with or identical to the other party." *Basis Int'l Ltd. v. Research in Motion Ltd.*, 827 F. Supp. 2d 1302, 1309 (D.N.M. 2011). Here, Defendants do not (and cannot) dispute that the two marks are identical. Thus, the degree of care factor is also easily decided in the Nation's favor.

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<sup>8</sup> *See, e.g. Federated Mut. Ins. Co. v. Ever-Ready Oil Co., Inc.*, No. 09-857, 2012 WL 11945481, at \*4 n. 7 (D.N.M. Mar. 9, 2012) (citing *Hopkins v. Women's Div., General Bd. of Global Ministries*, 284 F. Supp. 2d 15, 25 (D.D.C. 2003)) (when a party addresses only certain arguments raised in a dispositive motion a court may treat the unaddressed arguments as conceded).

**d. Strength or Weakness of the Mark.**

In assessing the relative strength of a mark, a reviewing court considers two different aspects of strength—conceptual strength and commercial strength. *King of the Mountain*, 185 F.3d at 1093. Conceptual strength refers to the placement of the mark along the distinctiveness spectrum. *Id.* Commercial strength refers to the marketplace recognition value of the mark. *Id.*

As to conceptual strength, Plaintiffs’ have explained the “Navajo” mark is strong because it is inherently distinctive. ECF No. 473 at 13-19, 28-29. Defendants claim the “Navajo” mark should be considered weak because Defendants have submitted evidence of “use of the term ‘Navajo’ by myriad retailers, *other than Plaintiffs’ or Defendants...*” ECF No. 514 at 27 (emphasis by Defendants). Defendants’ “crowded market” argument should be rejected because the Internet print-outs on which Defendants rely (attached to the Frank Report and Squire-Holder Declaration) are inadmissible and irrelevant. *See* ECF Nos. 270, 338, 452 (at 7, 12-13), 269, 467, 531.

Second, “[t]he purpose of a defendant introducing third party uses is to show that customers have become so conditioned by a plethora of such similar marks that customers ‘have been educated to distinguish between different [such] marks on the basis of minute distinctions.’” 2 MCCARTHY § 11:88 (quoting *Standard Brands, Inc. v. RJR Foods, Inc.*, 192 U.S.P.Q. 383 (T.T.A.B. 1976)). This theory, however, is reserved for common terms “such as PREMIUM, SUN, BLUE RIBBON, NATIONAL, GIANT or AMERICAN” where “it may be reasonable to infer . . . that purchasers have been conditioned to expect different sources for specifically different goods or services even though such goods or services might be deemed sufficiently related to be attributable to a single source under an un-commonly used mark.” *National Cable Television Ass’n v. Am. Cinema Editors, Inc.*, 937 F.2d 1572 (Fed. Cir. 1991) (quoted in 2 MCCARTHY § 11:86). Here, the “Navajo” mark is not a common term (like “Premium” or “Blue Ribbon”) such that consumers would be able to distinguish between marketing of genuine Navajo goods and those produced by unassociated parties. *See, e.g., Standard Brands*, 192 U.S.P.Q. at 385 (no proof that the public had been educated by exposure to many uses of ROYAL marks to distinguish between different ROYAL marks). Defendants’ own purported trademark expert was unable to make such

a distinction as he filed numerous webpages showing authentic goods (including NACE's own goods) as alleged evidence of infringing use by unassociated third-parties. Licata Decl., ECF No. 453 at ¶¶ 5-10; McGough Decl., ECF No. 454 at ¶¶ 11-12. Thus, the evidence supports finding a likelihood of confusion as there is no question average consumers would be unable to differentiate Defendants' marketing of unaffiliated goods from the marketing of genuine Navajo goods.

Third, many of the alleged third-party uses are not trademark uses at all and include qualifying marks, which make that point clear to potential consumers. *See, e.g.*, ECF No. 368-3 at 15 ("Navajo-inspired necklaces"); *see also*, McDevitt Decl., ECF Nos. 532 at ¶ 6, and 532-5. The Court has already recognized the substantial difference between marketing something as "Navajo-inspired" and (as Defendants have done) simply "Navajo." ECF No. 52 at 19-20 (Order on MTD).

Fourth, the relevant inquiry "is not the extent to which any other third parties may be using similar marks, but rather whether they are using similar marks 'on similar goods.'" *Big Dog Motorcycles, L.L.C. v. Big Dog Holdings, Inc.*, 402 F. Supp. 2d 1312, 1337 (D. Kan. 2005) (quoting 2 MCCARTHY § 11:88). Here, Defendants rely upon Internet print-outs showing the marketing of wholly unrelated goods. *See, e.g.*, ECF No. 370-2 (Sherwin Williams Paint website).

Fifth, Plaintiffs have submitted evidence showing that the Nation polices its mark, including with respect to goods similar to those at issue here. ECF No. 531 at 1-2. This evidence undermines Defendants' reliance on alleged third-party use. *See HealthONE*, 872 F. Supp. 2d at 1179 (finding similar evidence nullified impact of third-party use on strength of mark). Finally, even "an inherently weak mark may be strengthened by such factors as extensive advertising, length of exclusive use, public recognition." *Id.* at 1178 (internal quotation omitted). Here, Plaintiffs have submitted conclusive evidence showing the "Navajo" mark is commercially strong.

As to commercial strength, Plaintiffs submitted extensive evidence showing the "Navajo" mark to be commercially strong because a substantial number of present or prospective customers understand the mark to refer to the Navajo Nation or its members. *See* ECF No. 473 at 29-30.<sup>9</sup> In

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<sup>9</sup> Plaintiffs submitted evidence showing (1) a high percentage (53%) of prospective customers understand the "Navajo" mark to identify the source of the good as the Nation (ECF No. 301-1

response, Defendants offer two arguments, neither of which rebuts Plaintiffs' extensive evidence, or prevents the Court from resolving the strength of the mark factor in Plaintiffs' favor. Defendants first contend that the Poret Survey shows the "Navajo" mark is commercially weak. ECF No. 514 at 27. But that survey is inadmissible, and the survey's data actually shows a substantial number of respondents understood the "Navajo" mark to refer to the Nation and the Nation's goods. *See* § I (¶ 17); § II at 9-10, 14. Citing only ECF Nos. 306 and 293, Defendants next contend that "Plaintiffs' statements" on commercial strength "are either unsupported by evidence of record showing trademark use, or rely on inadmissible hearsay." However, Defendants' arguments only address a small portion of the evidence, and even then, their claims are incorrect. *See* § I (¶¶ 1-5, 7).

### III. CONCLUSION

For the foregoing reasons, Defendants have failed to raise a genuine dispute of fact as to any of the elements underlying Plaintiffs' infringement claim. Accordingly, Plaintiffs' Motion for Summary Judgment on trademark infringement should be GRANTED.

RESPECTFULLY SUBMITTED this 2nd day of July, 2015.

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at 25); (2) that the Nation, its instrumentalities, and its people have been selling goods under the "Navajo" mark for at least 150 years, and at least since 1943 when its marks were registered (ECF Nos. 246 at ¶ 5; 306 at ¶¶ 2-3; 306-1 & 306-2; 293 at ¶¶ 2-3; 293-1 & 293-2); (3) that numerous dictionaries include reference to Plaintiffs' fame for the goods they sell (ECF Nos. 296-1, 297-1, 298-1); (4) that wide recognition of the Navajo tribe is also found in thousands of media articles, where the Navajo brand is referenced in relation to products because the adjectival use functions as an indicator of source (ECF No. 300-1 at 3, 12, 17); and (5), that the "Navajo" mark and Navajo goods are widely advertised and promoted through the Nation's instrumentalities and other independent retailers (ECF No. 473 at 30 referencing Mot. at § II, ¶¶ 2-5) (citing ECF Nos. 246, 247, 248, 249, 250, 251, 261-2, 262, 306, 453, 454, 454-1)).

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on the 2nd day of July, 2015, I filed the foregoing electronically through the CM/ECF system, which caused the following counsel to be served by electronic means:

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