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***Sazerac Brands v. Peristyle:***  
**Bourbon History Matters as a Matter of Law**

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INTRODUCTION

It would be difficult to discuss Kentucky's history without recognizing the role of bourbon. In a state with more bourbon barrels than people due to its pristine limestone-filtered water, abundant natural resources, and a grain-friendly climate—which combine to produce ninety-five percent of all bourbon—it is not surprising that bourbon distilleries, old and new, have contributed richly to the history, economy, and tourism of the Commonwealth.<sup>1</sup> The diversity of Kentucky's bourbon industry was hit hard by Prohibition, however, consolidating hundreds of distilleries into a few lucky government-approved distillers.

Those distilleries that were not so lucky were often left abandoned and many were never reopened or were later used for different purposes.<sup>2</sup> Some other distilleries that survived after Prohibition were later abandoned as a result of consolidation.<sup>3</sup> Although bourbon is America's only native spirit, as declared by Congress on May 4, 1964,<sup>4</sup> the bourbon industry struggled from

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<sup>1</sup> See *Sazerac Brands, LLC v. Peristyle, LLC*, 892 F.3d 853, 855 (6th Cir. 2018).

<sup>2</sup> See generally Phil Kollin, *Exploring Kentucky's Abandoned Bourbon Distilleries*, MINT JULEP LOUISVILLE (June 27, 2018), <https://mintjuleptours.com/2018/06/27/kentuckys-abandoned-distilleries/> [<https://perma.cc/L3ZQ-94UD>] (detailing the discovery of abandoned distilleries across the state of Kentucky).

<sup>3</sup> See *Prohibition – The Great Experiment*, LEX HISTORY <http://lexhistory.org/wikilex/prohibition-great-experiment> [<https://perma.cc/P9AS-HYZF>].

<sup>4</sup> S. Con. Res. 19, 88th Cong., 78 Stat. 1208 (May 4, 1964) (declaring bourbon “a distinctive product of the United States” and prohibiting the importation into the United States of any whiskey designated as bourbon).

that decade through the mid-1990s.<sup>5</sup> Since 1999, however, bourbon production has increased more than 250 percent and bourbon is now an \$8.6 billion industry in Kentucky, generating more than 20,000 jobs.<sup>6</sup> Indeed, this resurgence is known as the “bourbon renaissance.”<sup>7</sup>

Throughout Kentucky, the bourbon renaissance has given rise to the revival of historic brands and distilleries. One challenge (among many) in restoring historic distilleries is how to describe the history and geographical location of the property, particularly when a competitor may have acquired trademark rights related to the historic property. This is precisely the issue that faced the purchasers of the abandoned Old Taylor Distillery in Millville, Kentucky. Although the business adopted the name Castle & Key Distillery before opening to the public, the geographical location of the property was described as the historic or former Old Taylor Distillery and, at times, just Old Taylor. Sazerac Brands, LLC, which owns the Buffalo Trace Distillery and the “Old Taylor” and “Colonel E.H. Taylor” brands produced there, sued Castle & Key alleging trademark infringement and other claims. This lawsuit eventually led to the Sixth Circuit’s opinion in *Sazerac Brands, LLC v. Peristyle, LLC*.<sup>8</sup>

In *Sazerac Brands*, the Sixth Circuit became the first court to formally recognize that the Lanham Act’s fair-use defense can protect the use of a historically accurate geographic name of a property, even when that name is part of a recognized trademark.<sup>9</sup> This conclusion opens new doors for those seeking to invest in historic property.<sup>10</sup> This holding may also provide protection if historic property investors intend to refer to the property’s historically accurate name, even if there are

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<sup>5</sup> See Clay Risen, *The Billion-Dollar Bourbon Boom*, FORTUNE (Feb. 6, 2014), <http://fortune.com/2014/02/06/the-billion-dollar-bourbon-boom/> [https://perma.cc/9VBW-G33V].

<sup>6</sup> See *Bourbon Facts*, KY. DISTILLERS’ ASS’N, [https://kybourbon.com/bourbon\\_culture-2/key\\_bourbon\\_facts/](https://kybourbon.com/bourbon_culture-2/key_bourbon_facts/) [https://perma.cc/R7Y5-DF9E].

<sup>7</sup> *Id.*

<sup>8</sup> See *Sazerac Brands*, 892 F.3d at 855.

<sup>9</sup> See *id.* at 858–59.

<sup>10</sup> See *id.* at 859 (stating that courts will look at how individuals use historic marks and whether these marks are used “fairly and in good faith”).

trademark concerns.<sup>11</sup> However, this protection is not absolute. If there is evidence that a party is using the trademark with the intention of exploiting the goodwill of the brand associated with the trademark, and not simply enjoying the goodwill inherent in the historic nature of the property, the fair-use defense is unlikely to apply.<sup>12</sup>

This Article first describes how historical facts have become increasingly more popular in marketing in the bourbon industry, including a discussion of the facts giving rise to dispute underlying the Sixth Circuit's opinion in *Sazerac Brands*. After discussing trademark infringement law under the Lanham Act and providing an overview of the fair-use defense, the Article will address how courts before *Sazerac Brands* applied the fair-use defense to geographical locations. Then, this Article will analyze the opinions of the Eastern District of Kentucky and the Sixth Circuit in *Sazerac Brands*, including a discussion of the Sixth Circuit's application of the fair-use defense. Finally, this Article examines factors that could influence the application of the fair-use defense to the use of a historically accurate geographic name of a property.

## I. WHAT'S OLD IS NEW IN THE BOURBON INDUSTRY

Bourbon and American history go hand-in-hand. Bourbon is, after all, the only spirit that must be 100 percent made in the United States.<sup>13</sup> Numerous books have been written on the subject of bourbon and history.<sup>14</sup> Bourbon enthusiasts appear to have a unique interest in the history of the bourbons they drink. Bourbon bloggers routinely provide obscure historical stories<sup>15</sup> or

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<sup>11</sup> *See id.* at 857 (stating the fair-use defense has two elements: (i) use the label in a descriptive or geographic sense and (ii) do so fairly and in good faith).

<sup>12</sup> *See id.*

<sup>13</sup> S. Con. Res. 19, 88th Cong., 78 Stat. 1208 (May 4, 1964).

<sup>14</sup> *See, e.g.*, BRIAN F. HAARA, *BOURBON JUSTICE: HOW WHISKEY LAW SHAPED AMERICA* (2018); FRED MINNICK, *BOURBON: THE RISE, FALL & REBIRTH OF AN AMERICAN WHISKEY* (2016); REID MITENBULER, *BOURBON EMPIRE: THE PAST AND FUTURE OF AMERICA'S WHISKEY* (2016); MICHAEL R. VEACH, *KENTUCKY BOURBON WHISKEY: AN AMERICAN HERITAGE* (2013).

<sup>15</sup> For example, author Brian Haara has told the story of bourbon history through a glimpse into legal history and cases involving the bourbon industry. *See, e.g.*, Brian F. Haara, *Bourbon Takes on the L&N Railroad – Two Titans of the Late 1800s, a Fire-Breathing Locomotive and Bourbon Set Ablaze*, BRIAN HAARA BLOG (July 11, 2018),

in-the-weeds analyses of economic and legal issues,<sup>16</sup> alongside detailed tasting notes of various bourbons ranging from premium to more run-of-the-mill selections and reviews of factors influencing bourbon flavors.<sup>17</sup> Bourbon producers highlight industry history through tourism, as well as the use of historic brand names and historically accurate geographic names of distilleries—history that became a critical component of the dispute between Sazerac and Castle & Key.

*A. Bourbon Producers Are Invoking History, Including the Use of Historic Names*

In addition to commentary by bourbon enthusiasts and historians examining American history influenced by the bourbon industry, nearly all bourbon distilleries offer tours that detail the distilling process, the history of their brands, distilleries, and bourbon in general. Several distilleries even have tours that offer a more detailed look into the intersection

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<https://brianhaara.com/2018/07/11/bourbon-takes-on-the-ln-railroad-two-titans-of-the-late-1800s-a-fire-breathing-locomotive-and-bourbon-set-ablaze/> [<https://perma.cc/UY4A-F6T6>] (exploring a lawsuit arising out of a fire at the original T.W. Samuels distillery, which was started by a Louisville & Nashville Railroad locomotive); Brian F. Haara, *Distillery Slop – Bourbon’s First Environmental Challenge*, BRIAN HAARA BLOG (Mar. 3, 2016), <https://brianhaara.com/2016/03/03/distillery-slop-bourbons-first-environmental-challenge/> [<https://perma.cc/FKB2-WR9U>] (discussing lawsuits involving environmental waste created by bourbon distilleries). Years before Old Taylor Distillery was revitalized into Castle & Key, Fred Minnick told the story of the then-abandoned and crumbling Old Taylor Distillery through photos. Fred Minnick, *Old Taylor Distillery: Bourbon’s Reminder of Great to Nothing (Photo Essay)*, FRED MINNICK BLOG (Feb. 27, 2013), <https://www.fredminnick.com/2013/02/27/old-taylor-distillery-bourbons-reminder-of-great-to-nothing-photo-essay/> [<https://perma.cc/C33K-Q9M4>].

<sup>16</sup> For example, Brett Atlas of Bourbon & Banter explores theories of behavioral economics and psychology as applied to bourbon purchases. See Brett Atlas, *Bourbonomics: Taking Advantage of Human Nature*, BOURBON & BANTER (Apr. 24, 2018), <https://www.bourbonbanter.com/banter/bourbonomics-taking-advantage-of-human-nature/> [<https://perma.cc/DJ4L-JAXG>] (making a case for why whiskey’s “gray” market is wrongly being used as a scapegoat by bourbon distillers who cannot keep up with demand); see Brett Atlas, *Red, White and Gray: Realities of the Bourbon Market*, BOURBON & BANTER (June 9, 2016), <https://www.bourbonbanter.com/banter/red-white-gray/> [<https://perma.cc/Y7WS-H7T7>] (analyzing whiskey’s “gray” market).

<sup>17</sup> *The Truth About Seasoned Wood*, BOURBON TRUTH (Apr. 3, 2016), <http://thebourbontruth.tumblr.com/post/142198798761/the-truth-about-seasoned-wood> [<https://perma.cc/25TG-DF95>] (detailing the process for drying wood and its impact on the taste of bourbon); *Bourbon Storage Experiment*, BREAKING BOURBON, <http://www.breakingbourbon.com/bourbon-storage-experiment.html> [<https://perma.cc/2JA8-5JU4>] (describing the effect of oxidation on bourbon taste and the results of an at-home experiment testing oxidation).

between bourbon and American history.<sup>18</sup> The number of visitors to the Kentucky Bourbon Trail continues to grow, indicating that consumers appreciate the opportunity to learn more about the history of the bourbons they drink.<sup>19</sup> For the last two years, the number of visits to distilleries on the Kentucky Bourbon Trail topped one million.<sup>20</sup>

Bourbon producers are also increasingly reintroducing historic brand names and renovating abandoned distilleries in an attempt to pay homage to bourbon past. In 1996, Brown-Forman reopened the historic Labrot & Graham Distillery in Woodford County, Kentucky.<sup>21</sup> Although the Labrot & Graham Distillery is now called the Woodford Reserve Distillery, the distillery still bears references to its historic name.<sup>22</sup> The histories of numerous Kentucky distilleries—including Woodford Reserve—persist because of their designations as National Historic Landmarks: Burks' Distillery (Maker's Mark Distillery) in Loretto; George T. Stagg Distillery (now Buffalo Trace) in Frankfort; James E. Pepper Distillery in Lexington; Labrot & Graham's Old Oscar Pepper Distillery (Woodford Reserve) in Versailles; Old Prentice

<sup>18</sup> For example, Maker's Mark offers the "Heritage Tour," which is an "in-depth specialty tour [that] is a great treat for anyone interested in a deep dive into the legacy of Maker's®, bourbon in general and American history." See *Maker's Mark Distillery Tours*, <https://www.makersmark.com/tours> [https://perma.cc/W5YM-LCT9]. Woodford Reserve offers a "National Landmark Tour," which "explores the 200+ [year] history and architecture of [its] National Historic Landmark property and its impact on Kentucky heritage." See *Woodford Reserve Tours*, <https://www.woodfordreserve.com/distillery/tours/> [https://perma.cc/N4U9-69LJ].

<sup>19</sup> See KENTUCKY BOURBON TRAIL, *Make it Double: New Study Shows Bourbon Industry Has Doubled Economic Impact in 10 Years* (Feb. 6, 2019), <https://kybourbontrail.com/make-it-a-double-new-study-shows-bourbon-industry-has-doubled-economic-impact-in-10-years/> [https://perma.cc/DH4Q-LPBK].

<sup>20</sup> Janet Patton, *Like Visiting Kentucky Distilleries? You Have Lots of Company*, LEXINGTON HERALD-LEADER (Jan. 25, 2018), <https://www.kentucky.com/news/business/article196617849.html> [https://perma.cc/4QWR-3CVD]; Press Release, Kentucky Distillers' Association, Kentucky Bourbon Trail® Tours Surpass 1 Million Milestone For Second Straight Year (Jan. 25, 2018), <https://kybourbon.com/kentucky-bourbon-trail-tours-surpass-1-million-milestone-second-straight-year/> [https://perma.cc/5U25-QDAB].

<sup>21</sup> Press Release, Brown Forman, Woodford Reserve Tops 50,000 Cases Worldwide (Jan. 21, 2004), <https://www.brown-forman.com/WoodfordReserveTops50000CasesWorldwide/> [https://perma.cc/6SLT-VG4U]. The Labrot & Graham Distillery will be discussed later in this article, as a dispute over the name of that distillery led to a case that could be called a predecessor to the fair-use defense. See *infra* Section III.C.

<sup>22</sup> See *id.*

Distillery (now Four Roses) in Lawrenceburg; and Old Taylor Distillery (Castle & Key) in Millville.<sup>23</sup> The application process required to gain designation as a National Historic Landmark is time-consuming and requires extensive historical research and documentation.<sup>24</sup>

Bourbon producers underscore the importance of history to consumers through the development of products like limited-edition bourbons in specialty bottles designed to entice “history buffs.”<sup>25</sup> For example, Heaven Hill Brands announced the release of a limited-edition series of Old Fitzgerald Bottled-In-Bond Kentucky Straight Bourbon Whiskey bottled in ornate decanters.<sup>26</sup> The bottles were “inspired by an original 1950’s Old Fitzgerald diamond decanter” and the press release announcing the line claims that “whiskey aficionados and history buffs alike will revel in the newest edition of the Old Fitzgerald family.”<sup>27</sup> Heaven Hill is not alone. Brown-Forman recently released bourbon aged fourteen years under the name of “King of Kentucky,” which is a label established in 1881, acquired by Brown-Forman in 1936, and discontinued in 1968.<sup>28</sup> And, like Castle & Key, the historic James E. Pepper Distillery in Lexington was in near-apocalyptic condition, but it was restored

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<sup>23</sup> See generally, U.S. DEP’T OF THE INTERIOR, NAT’L PARK SERV., NATIONAL REGISTER OF HISTORIC PLACES – NOMINATION FORM, [https://npgallery.nps.gov/\[https://perma.cc/4785-GEHB\]](https://npgallery.nps.gov/[https://perma.cc/4785-GEHB]) [hereinafter NOMINATION FORM] (providing background on National Historic Landmarks and detailing the nomination process).

<sup>24</sup> See generally, U.S. DEP’T OF THE INTERIOR, NAT’L PARK SERV., HOW TO PREPARE HISTORIC LANDMARK NOMINATIONS, NAT’L REGISTER BULLETIN (1999), <https://www.nps.gov/nr/publications/bulletins/pdfs/NHLS.pdf> [https://perma.cc/QQ9M-XB3U].

<sup>25</sup> Clay Whittaker, *10 Rare Bourbons You’ll Want to Get Your Hands on Immediately*, TOWN & COUNTRY (Dec. 11, 2017), [https://www.townandcountrymag.com/leisure/drinks/g2824/best-bourbons/\[https://perma.cc/2SKW-M5GC\]](https://www.townandcountrymag.com/leisure/drinks/g2824/best-bourbons/[https://perma.cc/2SKW-M5GC]).

<sup>26</sup> Press Release, Heaven Hill, Heaven Hill Distillery Announces Release of Old Fitzgerald Bottled-in-Bond Series (Feb. 19, 2018), <https://www.heavenhill.com/press-detail.php?postid=heaven-hill-distillery-announces-release-of-old-fitzgerald-bottled-in-bond-series> [https://perma.cc/S4HL-FHXA].

<sup>27</sup> *Id.*

<sup>28</sup> Janet Patton, *The Most Expensive Bourbon Brown-Forman has Ever Released is Coming to Stores*, LEXINGTON HERALD-LEADER (June 4, 2018), <https://www.kentucky.com/living/food-drink/article212476094.html> [https://perma.cc/EVU3-YLJ3].

and started distilling operations again in December 2017.<sup>29</sup> Unlike Castle & Key, though, the James E. Pepper 1776 brand had been revived before the distillery.<sup>30</sup>

Disputes over the use of historic names further demonstrates the importance of history to bourbon producers. In addition to the dispute that gave rise to the *Sazerac Brands* litigation, a similar dispute arose between Chatham Imports—the producer of the modern Michter’s brand of whiskey—and Heritage Spirits, a company attempting to revitalize an abandoned distillery in Pennsylvania known as Bomberger’s Distillery.<sup>31</sup> Bomberger’s was one of the nation’s oldest distilleries, dating back to the mid-1750s.<sup>32</sup> However, like many distilleries, it struggled after Prohibition and later passed through a succession of owners.<sup>33</sup> In 1975, it began operating as Michter’s Distillery, but again shut down in the 1990s and abandoned its trademarks.<sup>34</sup>

Shortly after the original Michter’s Distillery closed, Chatham Imports, a company affiliated with a variety of spirits brands, registered the abandoned trademarks and introduced its own Michter’s brand.<sup>35</sup> A few years later, a Pennsylvania couple partnered with Dick Stoll—the former master distiller at Bomberger’s Distillery—and formed Heritage Spirits with the

<sup>29</sup> See *History*, JAMES E. PEPPER DISTILLING CO., <https://jamesepepper.com/pepper-history/> [https://perma.cc/J9BC-N2R4].

<sup>30</sup> See *Our Whiskeys*, JAMES E. PEPPER DISTILLING CO., <https://jamesepepper.com/#whiskey> [https://perma.cc/35E7-PEGG].

<sup>31</sup> See Fred Minnick, *Trademark Fight: Michter’s and Pa. Distillery Trade Blows Over ‘Bomberger’s’*, FRED MINNICK BLOG (Mar. 5, 2015), <https://www.fredminnick.com/2015/03/05/trademark-fight-michters-and-pa-distillery-trade-blows-over-bombergers/> [https://perma.cc/R2KW-GA94] [hereinafter *Trademark Fight*]; Lenay Ruhl, *Local Whiskey Relabeled After Legal Battle*, CENTRAL PENN BUS. J. (Aug. 5, 2015), <http://www.cpbj.com/article/20150805/CPBJ01/150809930/local-whiskey-relabeled-after-legal-battle#> [http://www.cpbj.com/article/20150805/CPBJ01/150809930/local-whiskey-relabeled-after-legal-battle#].

<sup>32</sup> See NOMINATION FORM., *supra* note 23, at 2–3.

<sup>33</sup> *Id.* at 12.

<sup>34</sup> *Id.*; Ruhl, *supra* note 31.

<sup>35</sup> See Fred Minnick, *Trademark Fight: Michter’s Responds, Bomberger’s Calls It ‘Legal Wrangling’*, FRED MINNICK BLOG (Mar. 7, 2015), <https://www.fredminnick.com/2015/03/07/trademark-fight-michters-responds-bombergers-calls-it-legal-wrangling/> [https://perma.cc/7RMP-C5NJ]; *Trademark Fight*, *supra* note 31.

goal of reopening Bomberger’s Distillery.<sup>36</sup> Heritage Spirits registered the name Bomberger’s Distillery and introduced its first whiskies under the same name.<sup>37</sup> Three months after Heritage Spirits applied for registration of the Bomberger’s Distillery mark, Chatham Imports applied for registration of a mark for the phrase “Bomberger’s Declaration.”<sup>38</sup> Although Heritage Spirits delivered a cease-and-desist letter to Chatham Imports, Chatham Imports refused to back down, claimed it was the proper owner of the mark, and demanded that Heritage Spirits cease using the name.<sup>39</sup> Like many start-ups, Heritage Spirits decided it could not face hefty legal fees to fight for its right to use the Bomberger’s Distillery mark and instead rebranded itself as Stoll & Wolfe.<sup>40</sup> The website for Stoll & Wolfe, however, still refers to the history of its brand, including “Bomberger’s Distillery,” which it also calls “(Pennsylvania) Michter’s Distillery.”<sup>41</sup>

*B. Facts Giving Rise to the Dispute Underlying Sazerac Brands: The History of Castle & Key*

Just as the owners of Heritage Spirits planned to revitalize an abandoned, historical distillery, the owners of Castle & Key had a vision for rescuing the Old Taylor Distillery—built by Colonel E.H. Taylor, Jr. (“Colonel Taylor”)—from near ruin.<sup>42</sup> Colonel Taylor has a rich history in Kentucky and the bourbon industry. He began working in bourbon when he was a partner at Gaines, Berry & Co., which owned the Old Crow

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<sup>36</sup> Bernard Harris, *Lititz Couple Reviving a Name and a Local Whiskey-Making Tradition*, LANCASTERONLINE (Oct. 2, 2014), [https://lancasteronline.com/news/local/lititz-couple-reviving-a-name-and-a-local-whiskey-making/article\\_6e2875a6-4a9a-11e4-a7ac-001a4bcf6878.html](https://lancasteronline.com/news/local/lititz-couple-reviving-a-name-and-a-local-whiskey-making/article_6e2875a6-4a9a-11e4-a7ac-001a4bcf6878.html) [<https://perma.cc/4BJU-T29V>].

<sup>37</sup> Ruhl, *supra* note 31.

<sup>38</sup> *Trademark Fight*, *supra* note 31 (providing links to copies of the respective trademark applications).

<sup>39</sup> *See id.*

<sup>40</sup> Ruhl, *supra* note 31.

<sup>41</sup> *Legacy*, Stoll & Wolfe Distillery, <https://www.stollandwolfe.com/legacy/> [<https://perma.cc/UP55-VW9B>].

<sup>42</sup> *Our Story*, Castle & Key, <https://castleandkey.com/story/> [<https://perma.cc/6Y7A-TV98>].



whiskey brand.<sup>43</sup> In connection with that position, Colonel Taylor traveled to Europe to study distilleries so he could implement what he learned when he returned to Kentucky.<sup>44</sup> In 1869, Colonel Taylor purchased a distillery in Leestown, Kentucky, which he rebuilt and named Old Fashioned Copper Distillery (“the O.F.C.”).<sup>45</sup> The property where the O.F.C. once stood has belonged to many owners and has been the site of many distilleries, and is now owned by Sazerac.<sup>46</sup>

For sixteen years, Colonel Taylor also served as the mayor of Frankfort.<sup>47</sup> After owning other distilleries, declaring bankruptcy, and recovering, Colonel Taylor ultimately acquired a distillery in Woodford County, which he rebuilt in 1887 along with his sons and named the Old Taylor Distillery.<sup>48</sup> Colonel Taylor designed the Old Taylor Distillery to resemble a medieval castle with manicured lawns and ornate buildings, and it was quickly regarded as a showcase property, frequented by tourists and picnickers.<sup>49</sup> Operating under the name “E.H. Taylor, Jr. & Sons,” Colonel Taylor developed the Old Taylor brand of bourbon at the Old Taylor Distillery.<sup>50</sup> Since Colonel Taylor’s death in 1923, the Old Taylor Distillery has been owned by various entities, including National Distillers and Jim Beam.<sup>51</sup> Although the property has not been in continual use as a distillery due to its closure, it has always been commonly referred to as the Old Taylor Distillery.<sup>52</sup>

In 2014, Peristyle, LLC was formed for the purpose of purchasing, renovating, and bringing life back to the historic Old

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<sup>43</sup> U.S. DEP’T OF THE INTERIOR, NAT’L PARK SERV., *National Register of Historic Places Registration Form, Old Taylor Distillery Historic District 4* (Oct. 10, 2016) [hereinafter *Old Taylor Distillery Registration Form*] (on file with authors).

<sup>44</sup> *See id.*, at 30.

<sup>45</sup> CHESTER ZOELLER, *BOURBON IN KENTUCKY: A HISTORY OF DISTILLERIES IN KENTUCKY 195* (2d ed. 2010).

<sup>46</sup> *Id.* at 196.

<sup>47</sup> *Colonel Edmund Haynes Taylor, Jr., The Legendary Craftsmen*, BUFFALO TRACE DISTILLERY, <https://www.buffalotracedistillery.com/craftsmen/taylor> [<https://perma.cc/VS6Y-PJFB>].

<sup>48</sup> *Old Taylor Distillery Registration Form*, *supra* note 43, at 28; ZOELLER, *supra* note 45, at 195-96, 215.

<sup>49</sup> *Old Taylor Distillery Registration Form*, *supra* note 43, at 33.

<sup>50</sup> ZOELLER, *supra* note 45, at 213.

<sup>51</sup> *Old Taylor Distillery Registration Form*, *supra* note 43, at 28-29.

<sup>52</sup> *Sazerac Brands, LLC v. Peristyle, LLC*, No. 3:15-cv-76, 2017 WL 4558022, at \*2 (E.D. Ky. July 14, 2017).

Taylor Distillery.<sup>53</sup> A year later Peristyle hired the first female master distiller since Prohibition, Marianne Eaves, who previously worked for Brown-Forman.<sup>54</sup> The property was still nowhere near complete, however, and the partners were searching for a new name for the distillery.<sup>55</sup> Before settling on the name “Castle & Key Distillery,” the company regularly referred to its location as “the Former Old Taylor Distillery” or simply “Old Taylor” while undergoing renovations.<sup>56</sup>

Sazerac acquired the Old Taylor trademark in 2009 and distributed whiskey under that mark thereafter.<sup>57</sup> In December 2014, Sazerac obtained a trademark for the phrase “Colonel E.H. Taylor” and began producing a premium bourbon under that mark.<sup>58</sup> Sazerac sued Peristyle alleging, among other things, trademark infringement under the Lanham Act. Perhaps in an attempt to avoid admitting that the historically accurate geographic name of the property purchased by Peristyle was the “Old Taylor Distillery,” Sazerac went so far as to call the distillery the “Frankfort Distillery” in its complaint against Peristyle.<sup>59</sup> However, the Old Taylor Distillery had never been known as the “Frankfort Distillery.”

Sazerac’s arguments demonstrate an overly broad interpretation of trademark rights at the expense of history. Sazerac complained about references to Old Taylor Distillery that were etched into the limestone of the Old Taylor castle and that still remained visible on historical signage at the distillery.<sup>60</sup> Sazerac took the position that Castle & Key could not refer to its

<sup>53</sup> *Sazerac Brands*, 892 F.3d at 859.

<sup>54</sup> Sara Havens, *Marianne Barnes, Kentucky’s First Female Master Distiller, Has Big Plans for Former Old Taylor Distillery*, INSIDER LOUISVILLE (Mar. 18, 2015), <https://insiderlouisville.com/economy/marianne-barnes-kentuckys-first-female-master-distiller-big-plans-former-old-taylor-distillery/> [<https://perma.cc/38F5-D8TH>]; *Marianne Barnes, Master Distiller of former Old Taylor Distillery*, BOURBON PURSUIT (June 26, 2015), <https://bourbonpursuit.com/2015/06/26/018-marianne-barnes-master-distiller-former-old-taylor-distillery/> [<https://perma.cc/6FUW-47VL>].

<sup>55</sup> *Sazerac Brands*, 892 F.3d at 856, 858.

<sup>56</sup> *Id.* at 856.

<sup>57</sup> *Id.* at 855.

<sup>58</sup> *Id.* at 855-56; *Sazerac Brands*, 2017 WL 4558022 at \*1.

<sup>59</sup> See Complaint at 3, *Sazerac Brands, LLC v. Peristyle, LLC*, No. 3:15-cv-00076 (E.D. Ky. Oct. 27, 2015).

<sup>60</sup> *Sazerac Brands*, 892 F.3d at 856, 858; *Sazerac Brands*, 2017 WL 4558022 at \*5.

historically accurate geographical location as the Old Taylor Distillery in almost any manner.<sup>61</sup> The fair-use defense, however, provides otherwise.

## II. THE FAIR-USE DEFENSE AS APPLIED TO GEOGRAPHICAL LOCATIONS BEFORE *SAZERAC BRANDS*

Trademark law can present a potential barrier to entry for those seeking to use historically accurate names of buildings to describe the history or geographical location of a property. Separate ownership of trademark rights that include the historic name of the property can affect the use of the name of the property depending on how the name is used. A discussion of the basic elements of trademark infringement, which hinges on consumer confusion, follows. This section then addresses the fair-use defense, an affirmative defense available where a defendant uses a trademark in a descriptive way and in good faith. Lastly, this section explores how case law before *Sazerac Brands* applied the fair-use defense in situations involving geographic terms.

### *A. Trademark Infringement Under the Lanham Act*

Trademark protection was originally a creature of common law. In 1879, the United States Supreme Court acknowledged that “[t]he right to adopt and use a symbol or a device to distinguish the goods or property made or sold by the person whose mark it is, to the exclusion of use by all other persons, has been long recognized by the common law and the chancery courts of England and of this country, and by the statutes of some of the States.”<sup>62</sup> However, early trademark protection—including protection provided by the Trademark Act of 1909, a predecessor statute to the Lanham Act—was narrow in scope, intended only to “prevent trade diversion by competitors,” or the passing off of one’s goods as another’s.<sup>63</sup> Put another way,

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<sup>61</sup> *Sazerac Brands*, 2017 WL 4558022, at \*5 (suggesting Sazerac would have permitted Castle & Key to orally mention the historic name of the property to visitors during tours or in a printed brochure).

<sup>62</sup> *In re Trade-Mark Cases*, 100 U.S. 82, 92 (1879).

<sup>63</sup> *Canal Co. v. Clark*, 80 U.S. 311, 322–23 (1872) (“[I]n all cases where rights to the exclusive use of a trade-mark are invaded, it is invariably held that the essence of the

“trademark law was not concerned with *any* use of a mark unless it deceived consumers into purchasing the defendant’s product instead of the plaintiff’s.”<sup>64</sup>

Over time, courts began to adopt a broader view of trademark infringement. Instead of limiting infringement to instances where a defendant’s use of the mark caused consumers to believe a plaintiff actually produced the defendant’s goods, courts expanded infringement to include instances when a defendant’s use of the mark caused consumers to believe the plaintiff sponsored or was affiliated with the defendant’s goods.<sup>65</sup> This broadened view of trademark infringement was reinforced through the adoption of the Lanham Act in 1946.

An owner of a registered trademark may bring an infringement action under Section 32 of the Lanham Act and an owner of an unregistered mark may bring an action under Section 43(a). Under Section 32, the “use . . . of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services” in a manner that “is likely to cause confusion, or to cause mistake, or to deceive” may be liable for trademark infringement.<sup>66</sup> Under Section 43(a), which applies to unregistered marks, “[a]ny person who . . . uses in commerce any word, term, name, symbol, or device, or any combination thereof,” in a way that “is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person” may be liable for trademark infringement.<sup>67</sup> Although there are separate statutory schemes governing infringement of registered and unregistered marks, courts treat the substantive inquiry of infringement in the same manner once the validity of the underlying mark has

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wrong consists in the sale of the goods of one manufacturer or vendor as those of another; and that it is only when this false representation is directly or indirectly made that the party who appeals to a court of equity can have relief.”); William McGeeveran & Mark P. McKenna, *Confusion Isn’t Everything*, 98 NOTRE DAME L. REV. 253, 259 (2013).

<sup>64</sup> McGeeveran & McKenna, *supra* note 63, at 262 (citing *Prestonettes, Inc. v. Coty*, 264 U.S. 359 (1924)).

<sup>65</sup> *Id.* at 267.

<sup>66</sup> 15 U.S.C. § 1114(1)(a–b).

<sup>67</sup> 15 U.S.C. § 1125(a)(1)(A).

been established.<sup>68</sup> Furthermore, the same standard frequently applies to state common law claims for trademark infringement.<sup>69</sup>

When interpreting Sections 32 and 43(a) of the Lanham Act, courts have concluded that likelihood of confusion is the “touchstone of liability” for trademark infringement.<sup>70</sup> Although all of the federal circuits agree that likelihood of confusion is the central issue in trademark infringement cases, there is no uniform set of factors applied by federal circuit courts.<sup>71</sup> Still, the factors enumerated by each circuit bear a distinct resemblance. For example, in *Polaroid Corp. v. Polarad Electronics Corp.*, the Second Circuit developed an eight-factor test to determine the likelihood of confusion, known as the “*Polaroid* test.”<sup>72</sup> Under the *Polaroid* test, courts consider “the strength of his mark, the degree of similarity between the two marks, the proximity of the products, the likelihood that the prior owner will bridge the gap, actual confusion, and the reciprocal of defendant’s good faith in adopting its own mark, the quality of defendant’s product, and the sophistication of the buyers.”<sup>73</sup> Likewise, the Sixth Circuit applies the following eight factors, sometimes known as the “*Frisch* factors”: “(1) strength of the senior mark; (2) relatedness of the goods or services; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) likely degree of purchaser care; (7) the intent of defendant in selecting the mark; and (8) likelihood of expansion of the product lines.”<sup>74</sup>

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<sup>68</sup> See, e.g., *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992); J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 27:18 (5th ed. 2018).

<sup>69</sup> *Maker’s Mark Distillery, Inc. v. Diageo N. Am., Inc.*, 703 F. Supp. 2d 671, 688 n.17 (W.D. Ky. 2010), aff’d, 679 F.3d 410 (6th Cir. 2012); *Oaklawn Jockey Club, Inc. v. Ky. Downs, LLC*, No. 1:15-CV-00118-GNS, 2016 WL 1574147, at \*2, 6 (W.D. Ky. Apr. 19, 2016).

<sup>70</sup> *Daddy’s Junky Music Stores, Inc. v. Big Daddy’s Family Music Ctr.*, 109 F.3d 275, 280 (6th Cir. 1997).

<sup>71</sup> J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 23:19 (5th ed. 2018).

<sup>72</sup> *Polaroid Corp. v. Polaroid Elect. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961).

<sup>73</sup> *Id.*

<sup>74</sup> *Daddy’s Junky Music Stores*, 109 F.3d at 280 (citing *Frisch’s Restaurants, Inc. v. Elby’s Big Boy, Inc.*, 670 F.2d 642, 648 (6th Cir. 1982)); see also *King of the Mountain Sports, Inc. v. Chrysler Corp.*, 185 F.3d 1084 (10th Cir. 1999) (adopting a six-factor test); *Frehling Enterprises, Inc. v. International Select Group, Inc.*, 192 F.3d 1330 (11th Cir. 1999) (adopting a seven-factor test); *Co-Rect Products, Inc. v. Marvy! Advertising*

The legislature and courts broadened the scope of what may constitute trademark infringement by allowing infringement actions in cases involving potential confusion regarding affiliation or sponsorship and by the adoption of the likelihood-of-confusion test.<sup>75</sup> Because of this, affirmative defenses like fair-use have become more important to ensure protection of defendants' commercial and First Amendment rights.<sup>76</sup>

### *B. Overview of the Fair-Use Defense*

Courts have recognized two types of fair-use: "classic fair-use" and "nominative fair-use."<sup>77</sup> Classic fair-use is an affirmative defense, but only to describe the defendant's goods or services, or their geographic origin, or to name the person involved in running the business.<sup>78</sup> In contrast, nominative fair-use, which is not central to this discussion, involves a junior user's use of a mark to describe the senior user's product, even if the junior user's ultimate goal is to describe and market its own product.<sup>79</sup>

The classic fair-use defense has been incorporated into the Lanham Act, providing a statutory defense to infringement of a registered mark when an otherwise protected term is used descriptively:

the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, of the party's individual name in his own

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Photography, Inc., 780 F.2d 1324, 1330 (8th Cir. 1985) (adopting a six-factor test); Pizzeria Uno Corp. v. Temple, 747 F.2d 1522 (4th Cir. 1984) (adopting a seven-factor test); Interpace Corp. v. Lapp, Inc., 721 F.2d 460 (3d Cir. 1983) (adopting a ten-factor test); Pignons S.A. de Mecanique de Precision v. Polaroid Corp., 657 F.2d 482, 487(1st Cir. 1981) (adopting an eight-factor test); AMF Inc. v. Sleekcraft Boats, 599 F.2d 341 (9th Cir. 1979) (adopting an eight-factor test); Helene Curtis Industries, Inc. v. Church & Dwight Co., 560 F.2d 1325, 1330 (7th Cir. 1977) (adopting a seven-factor test); Roto-Rooter Corp. v. O'Neal, 513 F.2d 44, 45 (5th Cir. 1975) (adopting a seven-factor test).

<sup>75</sup> Alexander J. Kasparie, *Freedom of Trademark: Trademark Fair-use and the First Amendment*, 18 U. PA. J. CONST. L. 1547, 1553 (2016); William McGeeveran, *Rethinking Trademark Fair-use*, 94 IOWA L. REV. 49, 62–63 (2008).

<sup>76</sup> Kasparie, *supra* note 75.

<sup>77</sup> Cairns v. Franklin Mint Co., 292 F.3d 1139, 1151 (9th Cir. 2002).

<sup>78</sup> J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 11:45 (5th ed. 2013).

<sup>79</sup> *Id.*

business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin.<sup>80</sup>

Courts applying the fair-use defense have described two elements: (1) use of the mark in a descriptive or geographic sense and (2) use that was done fairly and in good faith.<sup>81</sup>

The Supreme Court has made it clear that the fair-use defense applies even if a plaintiff establishes that the defendant's use of a mark is likely to confuse the public.<sup>82</sup> Before the Supreme Court's decision in *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, the federal circuit courts were in disagreement regarding whether a defendant invoking the fair-use defense also had to prove that confusion was not likely.<sup>83</sup> However, the Supreme Court rejected the argument that the statutory language requiring that the mark be "used fairly and in good faith" somehow incorporated the likelihood of confusion test.<sup>84</sup> Because 15 U.S.C. § 1115(b)(4) established an affirmative defense of fair-use, the Supreme Court reasoned that it was nonsensical to require defendants to disprove confusion:

[I]t would make no sense to give the defendant a defense of showing affirmatively that the plaintiff cannot succeed in proving some element (like confusion); all the defendant needs to do is to leave the fact-finder unpersuaded that the plaintiff has carried its own burden on that point. A defendant has no need of a court's true belief when agnosticism will do. Put another way, it is only

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<sup>80</sup> 15 U.S.C. § 1115(b)(4).

<sup>81</sup> *Sazerac Brands*, 892 F.3d at 857–58; *Hensley Mfg. v. ProPride, Inc.*, 579 F.3d 603, 612 (6th Cir. 2009) ("In evaluating a defendant's fair-use defense, a court must consider whether [the] defendant has used the mark: (1) in its descriptive sense; and (2) in good faith.")

<sup>82</sup> *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 119–20 (2004).

<sup>83</sup> *Id.* at 116.

<sup>84</sup> *Id.* at 118.

when a plaintiff has shown likely confusion by a preponderance of the evidence that a defendant could have any need of an affirmative defense, but under [appellee's] theory the defense would be foreclosed in such a case.<sup>85</sup>

Accordingly, the Court acknowledged that “some possibility of consumer confusion must be compatible with fair-use.”<sup>86</sup> As the Court explained, the fair-use defense established by common law and later incorporated into the Lanham Act tolerates “a certain degree of confusion on the part of consumers followed from the very fact that . . . an originally descriptive term was selected to be used as a mark.”<sup>87</sup> This principle also derives from “the undesirability of allowing anyone to obtain a complete monopoly on use of a descriptive term simply by grabbing it first.”<sup>88</sup>

The Court left open the possibility that the degree of potential consumer confusion may be relevant to the analysis of the underlying elements of fair-use. Indeed, the Court identified instances in which lower courts had relied on a finding of confusion to conclude that a defendant's use of the mark was not fair.<sup>89</sup> Likewise, the Court acknowledged that Restatement (Third) of Unfair Competition § 28 raises additional considerations that may be relevant to the fair-use analysis, including commercial justification for the use and the strength of plaintiff's mark.<sup>90</sup>

The majority of cases addressing the fair-use defense have involved non-geographically descriptive terms.<sup>91</sup> For example, in *Hensley Manufacturing v. ProPride, Inc.*, Jim Hensley split with his prior business, Hensley Manufacturing, which sold trailer hitches that Hensley himself designed under the registered mark

<sup>85</sup> *Id.* at 120.

<sup>86</sup> *Id.*

<sup>87</sup> *Id.* at 121–22.

<sup>88</sup> *KP Permanent Make-Up*, 543 U.S. at 121–22.

<sup>89</sup> *Id.* at 123 (citing *Shakespeare Co. v. Silstar Corp.*, 110 F.3d 234 (4th Cir. 1997), and *Sunmark, Inc. v. Ocean Spray Cranberries, Inc.*, 64 F.3d 1055 (7th Cir. 1995)).

<sup>90</sup> *Id.* (citing RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 28, cmt. a (AM. LAW INST. 1995)).

<sup>91</sup> Joseph C. Daniels, *The Branding of America: The Rise of Geographic Trade-marks and the Need for a Strong Fair-Use Defense*, 94 IOWA L. REV. 1703, 1730 (2009).



“Hensley Arrow.”<sup>92</sup> After the split, Hensley Manufacturing retained the rights to the “Hensley Arrow” mark, but Jim Hensley continued to use his name in connection with advertising a new trailer hitch he helped design. Advertisements used by Hensley and his new company to promote this new product included “The Jim Hensley Hitch Story,” describing Hensley’s background, his contributions to the industry, and his relationship with the plaintiff.<sup>93</sup> Hensley Manufacturing sued Hensley and his new company, alleging trademark infringement based on the continued references to “Hensley” in advertisements for trailer hitches. In concluding that Hensley’s continued use of his name was a fair-use of the “Hensley” mark,<sup>94</sup> the Sixth Circuit explained that “[u]nder the fair-use doctrine, ‘the holder of a trademark cannot prevent others from using the word that forms the trademark in its *primary* or *descriptive* sense.’”<sup>95</sup> The Sixth Circuit further explained that Hensley had used his name “in a descriptive sense” by referring to his name “to identify him as a designer of trailer hitches . . . describe his relationship to [his new company], and tell the story behind his success.”<sup>96</sup>

If the use of a personal name can satisfy the fair-use defense when the use is descriptive and in good faith, then the use of an historically accurate geographical name of a property should also be able to satisfy the fair-use defense when the use is

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<sup>92</sup> *Hensley*, 579 F.3d at 607.

<sup>93</sup> *Id.* at 608.

<sup>94</sup> The Sixth Circuit separately concluded that there was also no likelihood of confusion because the defendants did not use “Hensley” as a trademark, which the Sixth Circuit has identified as a preliminary or threshold question for trademark infringement claims. *Id.* at 610 (“[T]he likelihood of confusion analysis also involves a preliminary question: whether the defendants ‘are using the challenged mark in a way that identifies the source of their goods.’” (quoting *Interactive Prods. Corp. v. a2z Mobile Office Solutions, Inc.*, 326 F.3d 687, 694 (6th Cir. 2003))). If courts continue to ask this threshold question, other cases involving the use of a historically accurate geographic name of a property in a “non-trademark way” may be able to rely on this argument to avoid trademark liability. The district court in *Sazerac Brands* decided the case in favor of Castle & Key on the threshold question by concluding that Castle & Key had not used the phrase “Old Taylor” as a trademark. *Sazerac Brands*, 2017 WL 4558022 at \*5-6. However, the Sixth Circuit acknowledged criticism of that test and affirmed judgment in favor of Castle & Key on other grounds. *Sazerac Brands*, 892 F.3d at 860 (citing *Kelly-Brown v. Winfrey*, 717 F.3d 295, 307-308 (2d Cir. 2013), and *Rosetta Stone, Ltd. v. Google, Inc.*, 676 F.3d 144, 169 (4th Cir. 2012)).

<sup>95</sup> *Id.* at 612 (quoting *Herman Miller, Inc. v. Palazzetti Imports and Exports, Inc.*, 270 F.3d 298, 319 (6th Cir. 2001)).

<sup>96</sup> *Id.*

descriptive and in good faith. Before the Sixth Circuit's opinion in *Sazerac Brands*, the only cases analyzing the fair-use defense as applied to geographical terms addressed general geographical locations and not the names of specific properties.

*C. Application of the Fair-Use Defense to Geographic Locations Before Sazerac Brands*

*i. Considerations from Pepper v. Labrot*

Before the Sixth Circuit's decision in *Sazerac Brands*, no court had addressed whether the use of the historically accurate geographic name of property could satisfy the fair-use defense under the Lanham Act. However, long before Congress enacted the Lanham Act, a federal court in Kentucky held that the name of a distillery stays with the physical location of the distillery, even when the distillery ownership changes and another company possesses a registered trademark containing that name.<sup>97</sup> The plaintiff in *Pepper v. Labrot*, James E. Pepper, the son of Oscar Pepper, built a distillery known as the "Old Oscar Pepper Distillery."<sup>98</sup> Oscar Pepper employed James Crow as his distiller, and Crow became famous for his "Old Crow" whiskey, which also became part of the name of the distillery.<sup>99</sup> After Oscar Pepper's death in 1865, the distillery was leased to Gaines, Berry & Co., which called the distillery "Oscar Pepper's 'Old Crow' Distillery."<sup>100</sup>

In 1874, James Pepper regained control of the distillery, which again became known as "Old Oscar Pepper Distillery."<sup>101</sup> James Pepper used the phrase "Old Oscar Pepper" as a trademark beginning in 1874 and registered that mark in

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<sup>97</sup> *Pepper v. Labrot*, 8 F. 29, 38–39 (C.C.D. Ky. 1881). Like distilleries, hotels traditionally took on "local names which generally belong[ed] to and designated the place rather than the proprietor of the business." *Freeland v. Burdick*, 200 Mo. App. 226, 204 S.W. 1123, 1124 (1918); see also Justin Hughes, *Landmark Trademarks*, 52 WAKE FOREST L. REV 1163, 1180–82 (2017) (discussing examples of building names that are physically attached to the building and, according to the author's theory, descriptive of the place and not just the person or entity that holds the goodwill associated with the name).

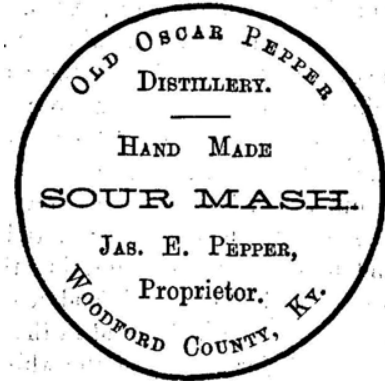
<sup>98</sup> *Pepper*, 8 F. at 32–33.

<sup>99</sup> *Id.* at 38.

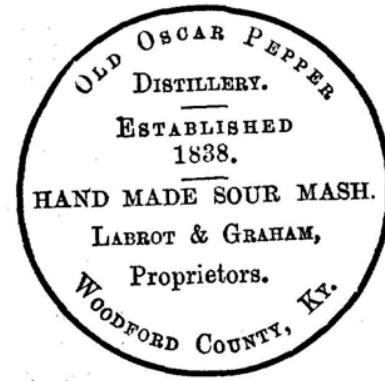
<sup>100</sup> *Id.*

<sup>101</sup> *Id.* at 31–32.

November 1877. He distilled whiskey at the Old Oscar Pepper Distillery and branded the barrels with the following mark:<sup>102</sup>



In March 1877, however, James Pepper lost the distillery in bankruptcy and it was ultimately acquired by the defendants, Labrot & Graham.<sup>103</sup> Labrot & Graham continued to operate the distillery and branded its barrels with the following mark:<sup>104</sup>



After reestablishing himself and building a new distillery in Lexington, Kentucky, James Pepper claimed he had the sole right to use the "Old Oscar Pepper" mark and sued Labrot & Graham to try to prevent it from continuing to sell whiskey

<sup>102</sup> *Id.* at 31.

<sup>103</sup> *Pepper*, 8 F. at 33–34.

<sup>104</sup> *Id.* at 31.

under the “Old Oscar Pepper Distillery” name. The court narrowed the issues down to two questions. First, should Labrot & Graham be denied the right to continue to use the name “Old Oscar Pepper Distillery” to describe the whiskey it made? Second, should James Pepper be allowed to continue to use the name of his father’s former distillery, even though his new whiskey was not distilled there?<sup>105</sup>

The court answered both questions in the negative.<sup>106</sup> United States Supreme Court Justice Thomas Stanley Matthews, riding circuit and presiding in the Circuit Court for Kentucky, explained that the evidence showed that James Pepper adopted the name Old Oscar Pepper Distillery for the property in question so he could create an association with his father and take advantage of his father’s reputation.<sup>107</sup> Having adopted that name for the distillery, James Pepper could not prevent a subsequent owner like Labrot & Graham from using that historically accurate name.<sup>108</sup>

This case was not decided under the fair-use defense, but the court’s analysis still demonstrates why the fair-use defense should allow for the use of historically accurate geographic names of property to describe the property or goods or services offered there. Consistent with the reasoning in *Pepper*, other courts in a pre-Lanham Act era have held that the names of other historic buildings, like hotels, stay with the property absent separate contractual arrangements.<sup>109</sup>

*ii. Courts have found the fair-use defense satisfied in cases involving the use of geographic terms*

Although cases before *Sazerac Brands* did not address whether the use of a historically accurate geographic name of a property could satisfy the fair-use defense, courts have concluded the defense protects the use of general geographic terms when those uses are descriptive and made in good faith. For example,

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<sup>105</sup> *Id.* at 39. Modern day visitors to Woodford Reserve can still see the name “Old Oscar Pepper Distillery” etched in limestone.

<sup>106</sup> *Id.*

<sup>107</sup> *Id.* at 41.

<sup>108</sup> *Id.* at 39, 43–44.

<sup>109</sup> See Daniels, *supra* note 91.

in *Century Theatres Inc. v. Landmark Theatre Corp.*, Century Theatres, which owned a trademark for the phrase “Century Theatres,” sought an injunction to prevent Landmark Theatre from using the phrase “Landmark’s Century Centre Cinema” and other related phrases in connection with a movie theatre it was opening in Chicago’s Century Shopping Centre.<sup>110</sup> The Ninth Circuit denied Century Theatres’ motion for temporary restraining order, concluding that Landmark’s use of the phrase “Landmark’s Century Cinema” would be protected by the fair-use defense, because it was using that phrase to describe the physical location of its cinema: the Century Shopping Centre.<sup>111</sup>

The fair-use defense has also been used to protect the descriptive use of geographical terms referring to residential planned communities.<sup>112</sup> In *Dominion Federal Savings & Loan Ass’n v. Ridge Development Corp.*, the Eastern District of Virginia granted summary judgment in favor of Dominion Federal Savings and Loan Association (“Dominion”), which was accused of infringing the “Lake Ridge” mark. Ridge Development Corporation (“Ridge”) developed a residential planned community and named it “Lake Ridge.” Ridge also registered the mark “Lake Ridge.” The Lake Ridge community contained residential and commercial buildings and Ridge permitted a number of the businesses to use Lake Ridge in their names.<sup>113</sup> Dominion opened a branch on a road that bordered Lake Ridge,

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<sup>110</sup> *Century Theatres, Inc. v. Landmark Theatre Corp.*, No. C 00-00856 CW, 2000 WL 963997, at \*1 (N.D. Cal. Apr. 12, 2000).

<sup>111</sup> *Id.* at \*4 (“The Court agrees that Defendant’s use of the term ‘Century’ in the name ‘Landmark’s Century Centre Cinema’ is a protected nominative use of the mark in that the only words reasonably available to Defendant to describe the location of its theatre are ‘Century Centre.’”). Although the Ninth Circuit referred to the fair-use defense, it applied as the nominative fair-use defense and relied on other nominative fair-use defense cases, the type of defense it actually seemed to apply is more like the classic fair-use defense. Landmark Theatre did not use the “Century Cinema” mark to refer to Century Cinemas as one would expect under the nominative fair-use defense. Instead, it used that phrase to refer to and describe the geographical location of its new cinema. This type of fair-use defense falls under classic fair-use.

<sup>112</sup> *Dominion Fed. Sav. & Loan Ass’n v. Ridge Dev. Corp.*, No. CIV.A. 86-0140-A, 1986 WL 15438, at \*4 (E.D. Va. July 24, 1986); see also *Schafer Co. v. Innco Mgm’t Corp.*, 797 F. Supp. 477, 481-82 (E.D.N.C. 1992) (finding fair-use where defendant advertised its motel with the geographical description “South of Border Exit,” which was also a trademark used in connection with a theme-park, but had become the official name of the town surrounding the theme-park).

<sup>113</sup> *Dominion Fed. Sav. & Loan Ass’n*, 1986 WL 15438 at \*2.

although it was not located within the bounds of Lake Ridge. Nonetheless, Dominion referred to Lake Ridge in its advertisements and printed brochures. After a dispute with Ridge, Dominion sued Ridge seeking a declaration that the fair-use defense permitted its references to Lake Ridge. The Eastern District of Virginia granted summary judgment in Dominion's favor, concluding that "[t]here is no evidence that [defendant] is attempting to exploit the goodwill established through the high quality of services offered by Ridge. Dominion merely seeks to identify the location of its office."<sup>114</sup> Accordingly, Dominion's use of the phrase Lake Ridge was protected by the fair-use defense.

In another case analogous to the issue in *Sazerac Brands*, the Southern District of Texas held that the defendant fairly used the phrase "King Ranch Estates" to describe the geographical location of a subdivision in Thornton, Colorado, when the plaintiff owned and operated the 825,000 acre, "King Ranch," in Texas.<sup>115</sup> The defendant's subdivision was located on property previously used as a ranch in the 1920s and owned by a local family with the last name King.<sup>116</sup> When the city of Thornton annexed the property, it was called "King Ranch Estates" at the request of the former owners, who were descendants of the King family.<sup>117</sup> The defendant, a homebuilder, continued to use the name or the shortened "King Ranch" to refer to the geographic location of the developing subdivision.<sup>118</sup> Analogous to the facts underlying *Sazerac Brands*, the name "King Ranch" referred to historic property with significant local meaning.<sup>119</sup> Thus, the court concluded the defendant's use of the name "King Ranch Estates" did not infringe the plaintiff's King Ranch mark, because the defendant was describing the geographical location of the houses in good faith.<sup>120</sup>

Unlike the dispute between Sazerac and Castle & Key, however, *King Ranch* did not involve two prospective competitors

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<sup>114</sup> *Id.* at \*4.

<sup>115</sup> *King Ranch Inc. v. D.R Horton, Inc.*, H-12-797, 2012 WL 1788178, at \*1 (S.D. Tex. May 16, 2012).

<sup>116</sup> *Id.*

<sup>117</sup> *Id.*

<sup>118</sup> *Id.*

<sup>119</sup> *Id.*

<sup>120</sup> *King Ranch*, 2012 WL 1788178 at \*8.

who would be engaged in the same business. In fact, if *King Ranch* had involved competitors, it is possible the outcome would have been different. Despite the Supreme Court's holding in *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, that a defendant is not required to prove the absence of potential consumer confusion in order to satisfy the fair-use defense,<sup>121</sup> the district court in *King Ranch* asked if the defendant's use of the phrase "King Ranch Estates" created the likelihood of consumer confusion through its analysis of the good-faith element of the fair-use defense.<sup>122</sup> Some of the factors the court considered in its consumer confusion analysis included similarity in products and services, identity of retail outlets and purchasers, and identity of advertising media.<sup>123</sup> The analysis of the factors weighed against a finding of likely confusion because there were no similarities in the two businesses, and therefore, the court concluded the fair-use defense applied.<sup>124</sup>

Although *King Ranch* may support exhibiting caution when using a geographic term that incorporates a potential competitor's trademark, the Sixth Circuit in *Sazerac Brands* was not persuaded by that factor in its fair-use analysis.<sup>125</sup> Regardless, to claim fair-use, competitors must use any mark—including marks that make up historically accurate geographic names of places—descriptively and in good faith.<sup>126</sup>

*iii. The fair-use defense requires the use of geographically descriptive terms to be descriptive and in good faith.*

The fair-use defense does not protect just any use of a mark. Instead, the mark must be used (1) descriptively (in a non-trademark way), and (2) fairly and in good faith.<sup>127</sup> Courts routinely reject the fair-use defense when a defendant uses the plaintiff's trademark as part of its own trademark. For example, in *Humboldt Wholesale, Inc. v. Humboldt Nation Distribution*,

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<sup>121</sup> *KP Permanent Make-Up*, 543 U.S. at 121–22.

<sup>122</sup> *King Ranch*, 2012 WL 1788178 at \*8–9.

<sup>123</sup> *Id.* at \*8.

<sup>124</sup> *See id.* at \*10.

<sup>125</sup> *See Sazerac Brands*, 892 F.3d at 857–59.

<sup>126</sup> *Id.*

<sup>127</sup> 15 U.S.C. § 1115(b)(4) (1982).

*LLC*, the Northern District of California rejected the defendant's fair-use defense because the defendant incorporated part of the plaintiff's registered marks, "Humboldt Wholesale" and "HW Humboldt Wholesale" into its own marks, "Humboldt Nation Distribution," "Humboldt Nutrients," and additional similar marks.<sup>128</sup> There was no dispute that the defendant used "Humboldt" as part of its trademarks since the defendant had registered marks containing the word.<sup>129</sup> Accordingly, the defendant could not satisfy the fair-use defense's requirement that the mark must be descriptive and be used as something other than a mark.<sup>130</sup>

To determine whether a phrase is used descriptively and not as a trademark, courts have considered how widely known the geographic term is. If a defendant is unable to prove the public associates the geographic term with the location where the defendant offers its goods and/or services, some courts will conclude the defendant failed to use the term descriptively. For example, in *Brimstone Recreation, LLC v. Trails End Campground, LLC*, Trails End Campground used the phrase "Brimstone" in its Internet domain names and to advertise the campground.<sup>131</sup> Brimstone was a registered mark belonging to Brimstone Recreation, which operated a recreational area, including a campground, adjacent to Trails End Campground.<sup>132</sup> The area where Brimstone Recreation and Trails End Campground was located had previously been owned by the Brimstone Land Company. Further, part of the land had been part of a geographic area known as Brimstone.<sup>133</sup> By the time Brimstone Recreation adopted its name, the use of "Brimstone" to describe the geographic area where the company was placed was no longer widely used.<sup>134</sup> The district court denied Trail End Campground's motion for summary judgment on the fair-use

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<sup>128</sup> *Humboldt Wholesale, Inc. v. Humboldt Nation Distribution, LLC*, C-11-4144, 2011 WL 6119149, at \*4-5 (N.D. Cal. Dec. 8, 2011).

<sup>129</sup> *Id.* at \*1.

<sup>130</sup> 15 U.S.C. § 1115(b)(4); *See also id.* at \*5.

<sup>131</sup> *Brimstone Recreation, LLC, v. Trails End Campground, LLC*, 3:13-CV-331-PLR-HBG, 2014 WL 4722501, at \*7 (E.D. Tenn. Sept. 22, 2014).

<sup>132</sup> *Id.* at \*2.

<sup>133</sup> *Id.*

<sup>134</sup> *Id.*



defense because Brimstone was not a “widely known geographic location.”<sup>135</sup>

Courts have held that even when the phrase at issue is being used to describe a geographical location, a fair-use defense will fail if the use is not in good faith. The court in *Humbolt Wholesale* held that the fair-use defense did not apply partially because the defendant did not establish that the use of a watermark was in good faith instead of simply attempting to trade on the plaintiff’s goodwill.<sup>136</sup> Courts will look to see if a defendant has actual knowledge of a plaintiff’s trademark and will ask if the defendant used that trademark solely in an attempt to be advantaged by the goodwill associated with it.<sup>137</sup>

The cases discussed in this section have addressed how the fair-use defense applies to the use of geographical terms to describe the general area from which a good or service may originate. The Sixth Circuit has gone a step further than the aforementioned cases and has recognized that the fair-use defense also protects the use of a historically accurate geographic name of a building, like Old Taylor Distillery

### III. ANALYSIS OF THE *SAZERAC BRANDS* OPINION

The Sixth Circuit’s opinion in *Sazerac Brands v. Peristyle* is a remarkable distinction from the Ninth Circuit because it is the first case addressing whether the fair-use defense applies to the use of a historically accurate geographic name of a property, like the Old Taylor Distillery.

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<sup>135</sup> *Id.* at \*8; see also *Anhing Corp. v. Thuan Phong Co.*, No.CV 13-5167, 2015 WL 4517846 (C.D. Cal. July 24, 2015). The district court refused to overturn a jury’s verdict finding trademark infringement and no fair-use, even though the defendant claimed it used the phrase “My Tho” on its noodle packages to refer to the city in Vietnam where the noodles were made. *Id.* at \*17. The court explained that “[t]he jury was . . . entitled to give credence to . . . testimonies that My Tho is not a famous city, and that consumers do not associate the words with a geographic place.” *Id.*

<sup>136</sup> *Humboldt Wholesale*, 2011 WL 6119149 at \*5.

<sup>137</sup> *Id.*; see also *Dominion Fed. Sav. & Loan Ass’n*, 1986 WL 15438 at \*4.

*A. Eastern District of Kentucky: Castle & Key Did Not Use Sazerac's Marks as Trademarks*

Judge Gregory F. Van Tatenhove of the U.S. District Court for the Eastern District of Kentucky distilled the complaints in *Sazerac* down to Castle & Key's (the plaintiffs) "use of the phrase 'Old Taylor' in a variety of fliers, advertisements, social media posts, and news articles, and [Castle & Key's] desire to maintain the historic 'Old Taylor Distillery Company' sign on its property despite rebranding itself as Castle & Key."<sup>138</sup> Where a Ninth Circuit Court would likely decide *Sazerac* on fair-use grounds, Judge Van Tatenhove ruled in the plaintiff's favor on the threshold question of trademark use.<sup>139</sup>

The Sixth Circuit has held that "[i]n some cases, a threshold question exists as to whether the challenged use of a trademark identifies the source of goods; if not, that use is in a 'non-trademark way' outside the protections of trademark law."<sup>140</sup> As Judge Van Tatenhove explained, "[t]o even trigger a trademark infringement inquiry, a party must use the challenged mark in a way that 'identifies the source' of the party's goods or services."<sup>141</sup> However, he concluded that Castle & Key had not used Sazerac's marks as trademarks, because it did not use those marks to identify the source of its goods or services:

[Castle & Key] has not identified itself as the source of Sazerac's Old Taylor or Colonel E. H. Taylor bourbons; it has identified itself as the former "Old Taylor Distillery Company," which, in fact, it is. For example, before Peristyle adopted the name Castle & Key, it invited future customers to sign up for a "Former Old Taylor Distillery" mailing list; sent newsletters promoting products

<sup>138</sup> *Sazerac Brands*, 2017 WL 4558022 at \*5.

<sup>139</sup> *Id.* at \*6.

<sup>140</sup> *Grubbs v. Sheakley Grp., Inc.*, 807 F.3d 785, 793 (6th Cir. 2015).

<sup>141</sup> *Sazerac Brands*, 2017 WL 4558022 at \*5.

from the “Former Old Taylor Distillery”; created fliers with headings such as “The Historic Old Taylor Distillery Coming Soon!”; allowed a third party barrel storage company to issue marketing materials identifying the distillery as “the origin that set the standard: the distillery formerly known as: Old Taylor”; and frequently identified itself in “Old Taylor” language on social media.

Although Sazerac maintains all of those references constitute trademark use, none of the references identifies [Castle & Key] as the source of Sazerac’s goods. Even where [Castle & Key] referred in some way to Old Taylor bourbon (that is, the original Old Taylor whiskey produced by Colonel Taylor, not the kind currently produced by Sazerac at Buffalo Trace), [Castle & Key] did nothing more than recount a historical fact. Sazerac’s OLD TAYLOR and COLONEL E. H. TAYLOR trademark rights prevent Peristyle from marketing itself as the source of Old Taylor bourbon today, *but they do not serve as a gag order on historical accuracies*.<sup>142</sup>

Judge Van Tatenhove’s opinion came with words of caution. His recognition that Castle & Key could refer to the location of its business as the Old Taylor Distillery was limited and did not mean Castle & Key gained “free reign to refer to Old Taylor however it pleases.”<sup>143</sup> In particular, Judge Van Tatenhove cautioned that Castle & Key “has a heightened responsibility to avoid using the historic signage and the Old Taylor name in a way that causes market confusion.”<sup>144</sup> Likewise, Castle & Key was cautioned against labeling a bourbon “Old Taylor” and from constructing new signs referring to “Old Taylor.”<sup>145</sup> Judge Van Tatenhove further acknowledged that

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<sup>142</sup> *Id.* (emphasis added).

<sup>143</sup> *Id.* at \*7.

<sup>144</sup> *Id.*

<sup>145</sup> *Id.*

Castle & Key did not need to “refrain altogether from mentioning the marks, or to prevent any photographs or depictions of the historic sign going forward.”<sup>146</sup> In sum, Sazerac could not issue a “gag order on historical accuracies.”<sup>147</sup>

*B. Sixth Circuit: Castle & Key Satisfied the Fair-Use Defense*

Unlike Judge Van Tatenhove’s opinion, the Sixth Circuit did not address the “threshold” issue of trademark use.<sup>148</sup> Instead, the Sixth Circuit concluded that Castle & Key’s use of Sazerac’s marks satisfied the fair-use defense.<sup>149</sup> The court emphasized that Castle & Key used Old Taylor in a descriptive way:

[Castle & Key] used the Old Taylor name in a descriptive and geographic manner. It referred to Old Taylor to pinpoint the historic location where [Castle & Key] planned to make a new bourbon, not to brand that bourbon. Keep in mind that [Castle & Key] has not begun selling its bourbon. It won’t hit the shelves for four years. When it does hit the shelves, the bourbon will be called Castle & Key and [Castle & Key] does not plan to put “Old Taylor” on the bottle.<sup>150</sup>

The court specifically held that Castle & Key used Sazerac’s marks descriptively. In their flyer, entitled “The Historic Site of the Old Taylor Distillery” Sazerac’s mark was used to identify a geographic location, furthered evidenced by stating “[w]e are busy making history and restoring this bourbon

<sup>146</sup> *Sazerac Brands*, 2017 WL 4558022 at \*7.

<sup>147</sup> *Id.* at \* 5.

<sup>148</sup> In fact, United States Circuit Judge Jeffrey S. Sutton, writing for the panel, recognized the external criticism of the threshold question. *Sazerac Brands*, 892 F.3d at 859–60; see also J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 23:11.50 (5th ed. 2018) (describing the split between the Sixth and Second Circuit on the issue of the threshold question, and citing the Sixth Circuit’s commentary in *Sazerac Brands* that it “‘might wish to reconsider’ its position in a future case”).

<sup>149</sup> *Id.* at 860.

<sup>150</sup> *Id.* at 857.

ICON, the Historic Site of the Old Taylor Distillery.”<sup>151</sup> Similarly, a social media post inviting people to join the “VIP Mailing List for the Former Old Taylor Distillery” was also held to be a descriptive use identifying a geographic location.<sup>152</sup> Even a poster promoting barrel storage services offered at “the distillery formerly known as: Old Taylor” constituted a descriptive use.<sup>153</sup>

The Sixth Circuit distinguished *Sazerac Brands* from *National Distillers Products Corp. v. K. Taylor Distilling Co.*, in which the *National Distillers* court concluded the defendant’s marketing of bourbon under the brands “Kenner Taylor” and “K. Taylor” infringed the plaintiff’s trademark in Old Taylor and was not protected by the fair-use defense.<sup>154</sup> As the court explained, the phrases “Kenner Taylor” and “K. Taylor” did not add any descriptive value to a bottle of bourbon.<sup>155</sup> Instead, those phrases “served only to dupe the public into thinking that Kenner Taylor bourbon was a successor to Old Taylor bourbon.”<sup>156</sup> In *Sazerac Brands*, the Sixth Circuit adopted the following reasoning set forth by Judge Van Tatenhove in concluding that Castle & Key was not engaged in similar duplicitous behavior:

[Castle & Key] is not attempting to trade off the goodwill of Sazerac. Instead, [Castle & Key] is enjoying the goodwill already ingrained in the property it purchased and is advertising itself for what it is: a distillery first built by Colonel Taylor, subsequently abandoned, but once again purchased, renovated, and restored to life as Castle & Key.<sup>157</sup>

In addition to concluding that Castle & Key used the historically accurate geographic name of the Old Taylor Distillery in a descriptive manner, the Sixth Circuit also

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<sup>151</sup> *Id.*

<sup>152</sup> *Id.*

<sup>153</sup> *Sazerac Brands*, 892 F.3d at 857.

<sup>154</sup> *Id.* (citing *National Distillers Products Corp. v. K. Taylor Distilling Co.*, 31 F. Supp. 611 (E.D. Ky. 1940)).

<sup>155</sup> *Id.*

<sup>156</sup> *Id.*

<sup>157</sup> *Id.* at 858 (quoting *Sazerac Brands*, 2017 WL 4558022 at \*5).

concluded that Castle & Key acted in good faith. Although it took Castle & Key over a year to select a new name, “[a]ll along, the company recognized that the Old Taylor trademark belonged to Sazerac and that [Castle & Key] would have to develop its own name to brand its products.”<sup>158</sup> Moreover, the historic signs at issue were not placed on the property by Castle & Key; the signs “adorned the building” before Castle & Key purchased the property and Castle & Key did not use the signs in bad faith.<sup>159</sup> In sum, the Sixth Circuit concluded that Castle & Key’s references to “Old Taylor Distillery”—even when used in a limited marketing capacity—were “quite natural in view of the reality that every event occurred on the site: the Old Taylor Distillery. One way to make sure that people get to an event is to describe the location accurately. Fair-use at each turn.”<sup>160</sup>

Unlike Judge Van Tatenhove, the Sixth Circuit did not caution Castle & Key about overstepping the bounds of fair-use. Still, the Sixth Circuit’s distinction of *National Distillers* suggests that Castle & Key might not want to market a bourbon under the Old Taylor brand,<sup>161</sup> but the Sixth Circuit did not provide examples of what conduct may cross the line into a use that is not protected by the fair-use defense.

#### IV. CONSIDERATIONS FROM SIXTH CIRCUIT’S DECISION IN *SAZERAC BRANDS*

The Sixth Circuit’s decision in *Sazerac Brands* opened up new doors for those looking to purchase or renovate a property that has a commonly known historic name. Absent contractual restrictions prohibiting the use of that historic name, use of the historically accurate name of property in a geographically descriptive manner and in good faith should be protected by the fair-use defense. The Sixth Circuit and other circuit courts are encouraged to recognize this common-sense rule. Of course, as other commentators have noted, the fair-use defense is a “retroactive solution” applied by courts *after* mark holders have

<sup>158</sup> *Sazerac Brands*, 892 F.3d at 858.

<sup>159</sup> *Id.*

<sup>160</sup> *Id.* at 858–59.

<sup>161</sup> *See id.* at 857–58.

filed suit seeking to protect their trademark interests.<sup>162</sup> Thus, the uncertainty and retroactivity of the defense might still have a freezing effect on speech and hinder competition by making people “shy away from an otherwise fair-use of a geographically descriptive term.”<sup>163</sup> However, the following factors should be considered by anyone seeking to use a trademark in a geographically descriptive way and hopes to seek the protection of the fair-use defense.

First, care should be taken to use the mark descriptively and not as a trademark.<sup>164</sup> Unlike the defendant in *Humboldt Wholesale, Inc. v. Humboldt Nation Distribution, LLC*, a junior user should not include the disputed phrase in any registered trademark.<sup>165</sup> If a disputed phrase is part of the junior user’s trademark—registered or otherwise—courts are likely to find that it is being used as a mark and that fair-use does not apply.

Courts might also struggle to find that a phrase is being used descriptively and not as a mark where the junior user has not adopted its own trademark, such that the disputed phrase continues to be the only name associated with the goods or services offered at that location. Indeed, one factor courts consider in determining whether there has been a likelihood of consumer confusion and therefore trademark infringement, is whether the junior user also displays a house mark.<sup>166</sup>

Care should also be used in how the disputed phrase is used or displayed on any packaging associated with goods offered by the junior user. For example, in *Sazerac Brands*, the Sixth Circuit explicitly warned against selling bourbon under the name “Old Taylor.”<sup>167</sup> However, it might not be the case that the disputed phrase cannot appear on the label at all. It is arguable

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<sup>162</sup> Allen Page, *We The People®: How the Liberalization of Federal Trademark Registration for Geographically Descriptive Marks is Monopolizing America’s Heritage*, DUQ. BUS. L. J. 1, 15-16 (2017) (citing Robert Brauneis & Roger E. Schechter, *Geographic Trademarks and the Protection of Competitor Communication*, 96 TRADEMARK REP. 782, 807 (July-Aug. 2006)).

<sup>163</sup> *Id.*

<sup>164</sup> 15 U.S.C. § 1115(b)(5).

<sup>165</sup> *Humboldt Wholesale*, 2011 WL 6119149 at \*1.

<sup>166</sup> See *AutoZone, Inc. v. Tandy Corp.*, 373 F.3d 786, 796 (6th Cir. 2004) (“The use of a challenged junior mark together with a house mark or house tradename can distinguish the challenged junior mark from the senior mark and make confusion less likely.”).

<sup>167</sup> *Sazerac Brands*, 892 F.3d at 857–58.

that as long as a product label refers to the disputed phrase descriptively to identify the place where the product is manufactured, the fair-use defense should still apply.

Second, any use should be made fairly and in good faith.<sup>168</sup> For example, courts are likely to reject the fair-use defense if the junior user creates a new name for a geographical location, which incorporates a trademarked phrase. This is particularly true where the evidence shows that the junior user adopted that geographical name to try to claim fair-use. In *House of Bryant Publications, LLC v. City of Lake City, Tennessee*, the Eastern District of Tennessee rejected the application of the fair-use defense in part because the defendant was instrumental in changing the name of City of Lake City, Tennessee, to Rocky Top, Tennessee, so that it could use the trademarked phrase “Rocky Top.”<sup>169</sup> Such conduct is incompatible with good faith.<sup>170</sup> Likewise, if there is a dispute as to whether the relevant location is actually known by the purported name, a court may struggle to find good faith.<sup>171</sup> Similarly, if the goods or services in question do not actually originate from the relevant geographical location, courts may not find good faith.<sup>172</sup>

Despite these suggestions, the law on the fair-use defense as applied to the use of geographic terms and the use of historically accurate geographic names of buildings is still developing and any analysis is extremely fact-dependent. Although courts have dismissed cases at the Rule 12(b)(6) stage by applying the fair-use defense, the application of the fair-use defense often presents factual questions that may make it difficult to win on a motion to dismiss.<sup>173</sup>

<sup>168</sup> 15 U.S.C. § 1115(b)(5).

<sup>169</sup> *House of Bryant Publications, LLC v. City of Lake City, Tenn.*, No. 3:24-CV-93, 2014 WL 5449672, at \*12 (E.D. Tenn. Oct. 22, 2014).

<sup>170</sup> *Id.*

<sup>171</sup> *Anhing Corp.*, 2015 WL 4517846 (“The jury was . . . entitled to give credence to . . . testimonies that My Tho is not a famous city, and that consumers do not associate the words with a geographic place.”).

<sup>172</sup> *Deer Park Spring Water, Inc. v. Appalachian Mountain Spring Water Co.*, 762 F. Supp. 62, 66-67 (S.D.N.Y. 1991) (denying defendant’s motion for summary judgment on the fair-use defense where there was evidence that defendant’s water did not come from the Deer Park springs).

<sup>173</sup> *Compare Hensley*, 579 3d. at 608-09, 612 (dismissing case at Rule 12(b)(6) stage on fair-use defense), *with Kelly-Brown*, 717 F.3d at 308 (“Because fair-use is an



## CONCLUSION

Trademark rights should not allow trademark holders to erase history by restricting a property holder's ability to tell historically accurate facts about the property or to refer to the historically accurate name of the property. The Sixth Circuit has become the first court to recognize that the fair-use defense can protect the use of a historically accurate geographic name of a property so long as that use is in a descriptive or geographic sense and in good faith. While it remains to be seen when the use of a historically accurate geographic name of a property falls outside of the fair-use defense, it seems likely that any suggestion that the name is being used as a mark and not descriptively would cross that threshold. Likewise, evidence that the name is being used to trade off the goodwill of the trademark holder may sway a court into believing that the fair-use defense should not apply. The Sixth Circuit's decision in *Sazerac Brands* provided a much-needed balance between the interests of trademark and property owners whose historic property shares a name with a trademarked brand.

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affirmative defense, it often requires consideration of facts outside the complaint and is thus inappropriate to resolve on a motion to dismiss").