



# THINK FORWARD

## Recent Sixth Circuit Decision in *Ohio State University v. Redbubble, Inc.* May Burst the Bubble for Online Marketplaces' Defenses of Non-Infringement

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The Sixth Circuit's recent ruling in *Ohio State University v. Redbubble, Inc.* <sup>[1]</sup> may strengthen brand owners' infringement claims against online marketplaces in certain instances, and such marketplaces should take note of the opinion's implications.

In December 2017, The Ohio State University ("OSU") asserted claims of direct trademark infringement <sup>[2]</sup> against Redbubble, Inc. ("Redbubble"), an on-demand printing company that allows its users to "get artwork printed on anything." Redbubble sold apparel, stickers, phone cases and various other products on Redbubble's digital marketplace that featured OSU's OSU and O marks, as well as the Brutus Buckeye Design (collectively "the OSU Marks"). OSU also asserted a violation of Urban Meyer's <sup>[3]</sup> right to publicity <sup>[4]</sup> based on Redbubble's sale of goods emblazoned with Meyer's image. Redbubble moved for summary judgment and argued that it was not liable for direct infringement of the OSU Marks because it does not use the marks in commerce. Redbubble further argued that the artists loading designs onto its site were the true sellers of products featuring the OSU Marks, and Redbubble claimed no title to these goods. Indeed, Redbubble's terms of service state that the third-party artists are the sellers. On the other hand, Redbubble arranged for the manufacture and shipment of the products, and the products displayed the Redbubble logo on the packaging sent to end consumers. The district court, in a narrow interpretation of the test for direct infringement, granted summary judgment in favor of Redbubble. In so holding, the district court equated Redbubble to Amazon or e-Bay, digital marketplaces that only serve to connect sellers to buyers, and determined that Redbubble's sales failed to meet the requirements for use of a mark in commerce because Redbubble acted merely as a "transactional intermediary" between the artists and consumers.

The Sixth Circuit reversed and remanded on appeal. The Court emphasized that, unlike Amazon or e-Bay, Redbubble is "more than a passive facilitator" because it "brings trademark-offending products into being by working with third-party sellers to create new Redbubble products, not to sell the artists' products." The Court placed particular focus on Redbubble's involvement in creating the products purchased on its site. While consumers may choose an artist's design, it is Redbubble that "facilitates the creation of goods bearing OSU's marks that would not have existed but for Redbubble" and then sells and ships these goods as "Redbubble products" or "Redbubble garments." These additional steps of facilitating creation of the product, sale, and shipment, all under the Redbubble brand, removed Redbubble from the ostensive safe harbor of passive facilitators, in the Court's view, and opened the door for Redbubble's potential direct infringement liability. On this basis, the Court determined that the district court's "overly narrow" interpretation of the Lanham Act "strayed" from the typical understanding of the direct infringement test and held that use in commerce is not simply limited to "sales" of goods or

services that a retailer owns, but is also found via other activities, including a product's advertisement or distribution.

In support of its reversal, the Court advised that, because Redbubble did not fall into the category of a passive facilitator, the district court could consider the manner in which Redbubble conducts business, including "Redbubble's contractual relationships with third-party manufacturers and shippers; ... the precise degree to which Redbubble is involved in selecting and imprinting trademark-infringing designs upon its products; details as to Redbubble's involvement in the process for returning goods; details on how Redbubble characterizes its own services; and facts about defenses to liability, such as possible fair use defense or defenses that confusion is not likely." Given the district court's impending use of a more liberal standard to assess Redbubble's activities, Redbubble, as well as other similarly situated marketplaces, may face an uphill battle in arguing their lack of use of the infringing marks in commerce.

## Implications

The Sixth Circuit made clear that online marketplaces that do more than merely facilitate the transaction between a buyer and seller may be liable to brand owners for trademark infringement. While an analysis of this potential liability will likely be heavily fact-specific, the Court's decision bodes well for brand owners in policing infringers in the digital space. Indeed, brand owners submitting form complaints to online marketplaces are often met with what they consider to be lackluster responses. This decision may result in changes to those forms, or at least the marketplace review of those forms, as well as more stringent requirements for artists' uploaded designs. On the other hand, while the lines have not yet been clearly drawn to differentiate between a "passive facilitator" and an active market participant, online marketplaces may consider whether it is necessary to minimize their involvement in the production of third parties' products to better insulate themselves from assertions of trademark infringement.

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<sup>[1]</sup> *Ohio State Univer. v. Redbubble, Inc.*, No. 19-3388 (6th Cir. Feb. 25, 2021).

<sup>[2]</sup> *Ohio State Univer. v. Redbubble, Inc.*, 369 F. Supp. 3d 840 (S.D. Ohio 2019).

<sup>[3]</sup> Urban Meyer is the former head coach of the OSU football team. The co-authors of this alert have significantly differing opinions regarding Coach Meyer, given their respective preference for the Buckeyes and Wolverines.

<sup>[4]</sup> As the assignee of Urban Meyer's right of publicity, OSU was able to assert violations of the State of Ohio's right of publicity statute.