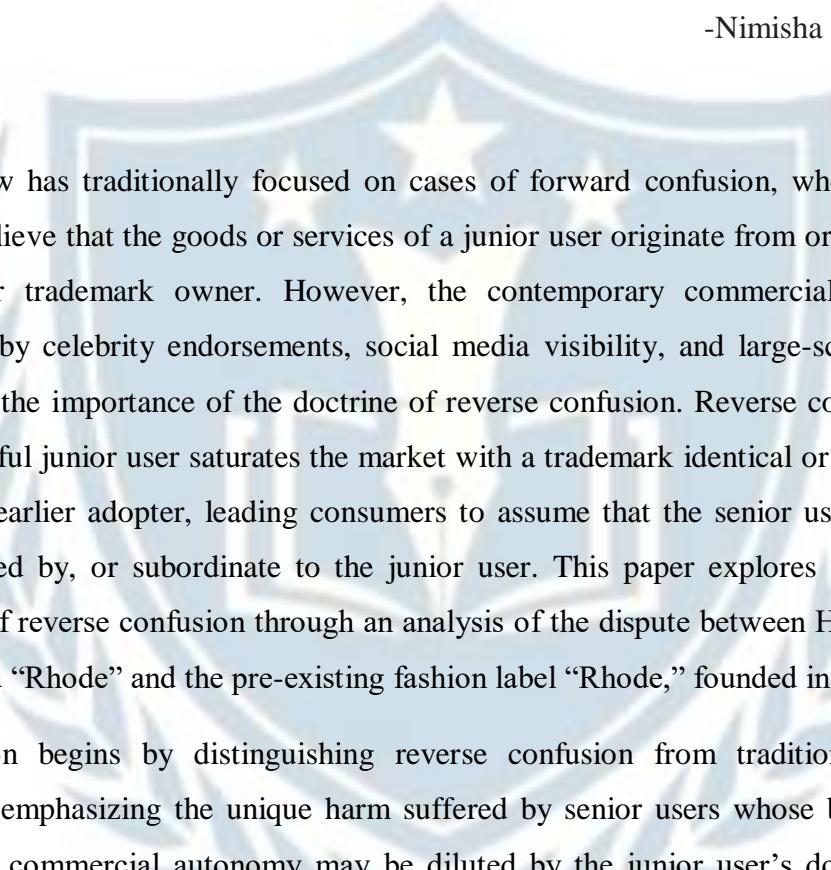

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**EVALUATING TRADEMARK OVERLAP AND MARKET
DOMINANCE IN RHODE V. RHODE**

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Abstract

Trademark law has traditionally focused on cases of forward confusion, where consumers mistakenly believe that the goods or services of a junior user originate from or are connected with a senior trademark owner. However, the contemporary commercial environment characterized by celebrity endorsements, social media visibility, and large-scale marketing has amplified the importance of the doctrine of reverse confusion. Reverse confusion arises when a powerful junior user saturates the market with a trademark identical or similar to that of a smaller, earlier adopter, leading consumers to assume that the senior user is affiliated with, sponsored by, or subordinate to the junior user. This paper explores the scope and implications of reverse confusion through an analysis of the dispute between Hailey Bieber's skincare brand "Rhode" and the pre-existing fashion label "Rhode," founded in 2014.

The discussion begins by distinguishing reverse confusion from traditional trademark infringement, emphasizing the unique harm suffered by senior users whose brand identity, goodwill, and commercial autonomy may be diluted by the junior user's dominance. The paper then outlines the background of the original Rhode fashion brand, its development within the luxury apparel market, and its efforts to protect its trademark rights. This is followed by an examination of the 2022 launch of Bieber's skincare brand, whose extensive promotional reach and global recognition triggered concerns of reverse confusion. The significance of prior negotiations in 2018, demonstrating the junior user's awareness of the senior user's mark, is also analyzed.

The legal framework governing the dispute is assessed under the Lanham Act, with particular reference to the Lapp factors used to determine the likelihood of confusion. The paper

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evaluates how these factors are applied in reverse confusion cases and critically examines the court's decision to deny a preliminary injunction. The court's reasoning centering on the perceived limited national strength of the senior mark, the distinction between fashion and skincare markets, and insufficient evidence of actual confusion is discussed in detail. Additionally, the role of trademark filings before the USPTO and proceedings involving the Trademark Trial and Appeal Board illustrates the procedural complexities of trademark enforcement.

The paper concludes by addressing the 2024 settlement and co-existence agreement, highlighting how negotiated resolutions often provide practical outcomes in complex trademark disputes. Overall, the Rhode v. Rhode case exemplifies the evolving challenges of trademark protection in markets shaped by celebrity branding and underscores the growing relevance of reverse confusion in modern intellectual property law.

Introduction

Trademark laws protect businesses, customers and the market which ensures that the trademark owners possess the right to protect their brand identity and protects them from any confusion arising when two parties use similar marks in commerce. In most infringement cases, the concern is that a newcomer (significantly known as the junior user) adopts a trademark resembling that of an established senior user, causing the public to mistakenly believe that the junior user's goods or services originated from, or are associated with the senior user.

However, trademark law also recognises a complex phenomenon, but equally significant doctrine known as "Reverse confusion". Reverse confusion arises when a smaller, earlier adopter of a trademark faces marketplace domination by a much larger and powerful junior user. This junior user, often backed by extensive financial resources and massive promotional campaigns, can overshadow the senior user's brand to such an extent that the public begins to assume the senior user's products are associated with, sponsored by, or stem from the junior user. Such type of confusion harms the senior user by diminishing the individuality and goodwill they have developed over the years.

This theory has been demonstrated by the conflict between Hailey Bieber's skincare brand "Rhode" and the pre-existing fashion label "Rhode", which was established in 2014. The legal issues addressed in this case provide a valuable opportunity to analyze how reverse

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confusion operate under the Lanham Act and how courts establish the likelihood of such confusion.

Understanding Reverse Confusion

Traditional (Forward) vs. Reverse Confusion

In case of a typical infringement scenario, the public wrongfully assumes that the junior user's goods originate from the senior user. This narrative is changed by reverse confusion, with the senior user considered as an imitation of the larger junior user. This usually happens when the junior user invests heavily into marketing, attracts a massive consumer base, and swiftly saturates the market with its branding.

As the outcome of the reverse confusion: The identification of the senior user's brand is weakened which leads the consumers to lose their ability to distinguish between the two brands. The junior user's dominance effectively eliminates the commercial presence of the senior user.

Background of the Original “Rhode” Brand

The original Rhode brand was established in 2014 by designers Purna Khatau and Phoebe Vickers. It became recognized in the luxury fashion sector, with its clothing and accessories frequently highlighted by major fashion retailers and magazines. Rhode's designs appeared in outlets such as Vogue, and high-profile celebrities, including Beyoncé, were seen wearing their pieces. Over the years, the brand built a strong presence in the upscale market.

To legally protect their brand, Rhode secured trademark registrations for the use of “Rhode” in relation to apparel and accessories. Their goal was not only to secure the distinctiveness of their mark but also to support potential future brand expansions.

Entry of Hailey Bieber's Skincare Brand: A Trigger for Conflict

On June 15, 2022, Hailey Bieber introduced her skincare line under the name “Rhode”, which immediately caught public attention due to her large online following and celebrity status. This launch created direct tension with the original Rhode fashion label, which argued that Bieber's brand name infringed on their trademark rights and risked causing marketplace confusion.

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A crucial detail in the dispute was that Bieber's team had approached Rhode in 2018 with the intention of purchasing the "Rhode" trademark. Rhode rejected this offer, choosing to keep control of their brand identity. This prior communication was later used to demonstrate that Bieber was fully aware of Rhode's prior use of the trademark before launching the skincare line.

The fashion label feared that Bieber's global influence and massive promotional reach would overshadow their own brand and mislead consumers forming the essence of a reverse confusion claim.

Legal Framework Under the Lanham Act

The case was evaluated under the Lanham Act, the federal statute governing trademarks, consumer confusion, and remedies for infringement in the United States. Courts assess likelihood of confusion using various multi-factor tests, and in this case, the factors articulated in *Interpace Corp. v. Lapp, Inc.*, 721 F.2d 460 (3d Cir. 1983)² commonly known as the Lapp factors were relevant.

These factors help determine whether two marks are likely to confuse consumers, even when the products are not directly competing.

The Lapp Factors Include:

1. Strength of the Senior User's Mark

How distinctive and widely recognized the senior user's trademark is.

2. Similarity of the Marks

Whether the marks appear, sound, or convey concepts similarly.

3. Evidence of Actual Confusion

Whether consumers have already shown signs of misunderstanding the source.

4. Similarity of Marketing Channels

Whether the two parties advertise or sell through overlapping channels.

5. Degree of Consumer Care

The level of attention customers are likely to use when buying the goods.

6. Intent of the Junior User

Whether the junior user knowingly adopted a confusingly similar mark.

²Interpace Corp. v. Lapp, Inc., 721 F.2d 460 (3d Cir. 1983)

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7. Likelihood of Market Expansion

Whether customers might believe that either party intends to expand into the other's industry.

In reverse confusion cases, courts also consider the junior user's dominance—whether the junior user is likely to overshadow the senior user's presence despite being the later adopter.

Rhode's Request for Preliminary Injunction

Shortly after the launch, the fashion brand Rhode filed a motion for a preliminary injunction attempting to stop Bieber from using the name during the lawsuit. They argued that the similarity of names combined with Bieber's powerful influence would mislead the public and undermine the goodwill they had built over almost a decade.

However, the court declined to grant the injunction. The judge found that:

- Rhode's trademark, while valid, was not sufficiently strong or widely recognized at a national level.
- The two companies operated in different industries: fashion versus skincare which reduced immediate risk of confusion.
- Rhode had not provided compelling evidence of actual consumer confusion.
- Rhode had not established a "likelihood of success on the merits," a threshold requirement for temporary injunctions.

As a result, Bieber was allowed to continue using the name "Rhode" for her skincare line while the litigation proceeded.

Trademark Filings and TTAB Proceedings

Following the launch, Bieber filed two trademark applications with the USPTO: one for the "Rhode" word mark and another for the brand's logo, both limited to skincare and cosmetic products.

The fashion brand Rhode did not file oppositions to these trademark applications. This lack of opposition was later used by Bieber's team to suggest that Rhode may not have believed the applications posed a serious legal threat.

In response to the lawsuit, Bieber's attorneys filed cancellation petitions against several of Rhode's registered marks, claiming that the fashion brand was not actually using some of

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them for all the goods listed. To avoid lengthier administrative litigation at the Trademark Trial and Appeal Board (TTAB), Rhode chose to remove those goods from their registrations, making the cancellation dispute unnecessary.

Core of Rhode's Reverse Confusion Argument

Rhode contended that Bieber's brand, backed by celebrity influence and extensive advertising, was capable of overwhelming their identity. Their claims included:

- Consumers might wrongly believe that the fashion label Rhode is a branch of Bieber's skincare company.
- Their reputation, built slowly over ten years, would be eclipsed by the fame surrounding Bieber.
- Existing and potential partnerships could be jeopardized due to market confusion.
- Future expansion into new product categories could become impossible.

Court's Findings on Likelihood of Confusion

Ultimately, the court found that Rhode's arguments did not meet the legal standards required to justify early court intervention. The judge observed that the fashion brand, while respected within its niche, had not demonstrated broad national recognition. Without such recognition, it was difficult to prove that Bieber's entry into the skincare market would completely overshadow the senior user's goodwill.

The judge concluded that Rhode had not sufficiently shown a probable risk of confusion, particularly given the distinct product categories.

Settlement and Co-Existence Agreement

The litigation continued for roughly two years until the parties reached a settlement in July 2024. Although the terms remain confidential, public records indicate that they entered into a co-existence agreement, allowing both brands to continue using the "Rhode" name under mutually agreed conditions. Such agreements typically outline:

- Permitted product categories for each party;
- Guidelines for packaging and branding to avoid confusion;
- Restrictions on future expansions;
- Rules for how both brands may coexist without conflict.

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This settlement effectively ended the dispute without a final court ruling on the merits of the reverse confusion claim.

Conclusion

The Rhode v. Rhode case underscores the relevance and complexity of reverse confusion in modern trademark litigation. In an age dominated by social media influence and celebrity branding, a junior user with immense exposure can easily overshadow the senior user's identity even when operating in different markets.

This dispute highlights several important points:

- Trademark protection extends beyond direct market overlap.
- A powerful junior user can unintentionally engulf a smaller senior user's brand presence.
- Courts require strong, well-supported evidence when evaluating reverse confusion claims.
- Settlements and coexistence agreements often offer practical solutions when marketplace realities complicate strict legal outcomes.

Ultimately, the Rhode v. Rhode case serves as a contemporary illustration of how traditional trademark principles adapt to evolving business landscapes, especially where marketing dominance and celebrity-driven visibility play major roles.