

# THINGS ARE WORSE THAN WE THINK: TRADEMARK DEFENSES IN A “FORMALIST” AGE

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*To lose firm ground for once! To float! To err! To be mad!—that was part of the paradise and debauchery of former ages, whereas our bliss is like that of the shipwrecked man who has climbed ashore and is standing with both feet on the firm old earth—marveling because it does not bob up and down.*

—Friedrich Nietzsche<sup>1</sup>

*We are all textualists now.*

—Hon. Marjorie Rendell<sup>2</sup>

1. FRIEDRICH NIETZSCHE, THE GAY SCIENCE 60 (Bernard Williams ed., Josefine Nauckhoff & Adrian Del Caro trans., Cambridge Univ. Press 2001) (1888).

2. Marjorie O. Rendell, *2003—A Year of Discovery: Cybergenics and Plain Meaning in Bankruptcy Cases*, 49 VILL. L. REV. 887, 887 (2004); see also Jonathan R. Siegel, *Textualism and Contextualism in Administrative Law*, 78 B.U. L. REV. 1023, 1057 (1998) (“In a significant sense, we are all textualists now. The days when lawyers could ‘routinely . . . make no distinction between words in the text of a statute and words in its legislative history’ are surely over.” (quoting Antonin Scalia, *Common-Law Courts in a Civil-Law System: The Role of United States Federal Courts in Interpreting the Constitution and Laws*, in A MATTER OF INTERPRETATION: FEDERAL COURTS AND THE LAW 3, 31

## I. INTRODUCTION

Numerous articles decry the expansion of trademark law. This Article assumes the premise that these critiques are valid and asks what courts can do in response. The answer may be, not much. The “common law” practices that expanded trademark’s scope are not up to the task of creating adequate countervailing defenses.

It is by now commonplace to observe that trademark’s domain grew considerably in the last century.<sup>3</sup> A once-limited remedy designed to police the false “passing off” of goods has morphed into a broad right capable of targeting mere references to popular brands.<sup>4</sup> Critics warn that trademark’s expansion threatens competition,<sup>5</sup> stifles speech,<sup>6</sup> and creates “property” rights where none are deserved.<sup>7</sup> The commentary also offers a range of potential reforms. Some suggest that courts should require plaintiffs to prove that defendants engaged in a “trademark use” before the court will impose liability.<sup>8</sup> Others argue that courts should weigh the ef-

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(Amy Gutmann ed., 1997)) (footnote omitted).

3. See, e.g., Robert G. Bone, *Hunting Goodwill: A History of the Concept of Goodwill in Trademark Law*, 86 B.U. L. REV. 547, 592-615 (2006) (outlining expansion); Jessica Litman, *Breakfast with Batman: The Public Interest in the Advertising Age*, 108 YALE L.J. 1717, 1722 (1999); J. Thomas McCarthy, *Lanham Act § 43(A): The Sleeping Giant is Now Wide Awake*, 59 LAW & CONTEMP. PROBS. 45, 46 (1996) (“In a half-century, section 43(a) has undergone an amazing transformation at the hands of the federal judiciary. Section 43(a) has risen from obscurity as a largely ignored subsection of the Trade Registration Act in 1945 to today’s unrivaled legal instrument to combat unfair competition.”).

4. See, e.g., Mut. of Omaha Ins. Co. v. Novak, 836 F.2d 397 (8th Cir. 1987) (affirming a ruling that a T-shirt with the phrase “Mutant of Omaha” infringed “Mutual of Omaha” mark where a survey found that “ten percent of all the persons surveyed thought that Mutual ‘goes along’ with” defendant’s use); Litman, *supra* note 3, at 1722 (noting enforcement of trademark claims concerning “confusion about the possibility of sponsorship or acquiescence”).

5. Glynn S. Lunney, Jr., *Trademark Monopolies*, 48 EMORY L.J. 367, 485-86 (1999) (criticizing the “overbroad, ill-considered legal regime that serves simply to enrich certain trademark owners at the expense of consumers, the market’s competitive structure, and the public interest more generally”).

6. See, e.g., Lisa P. Ramsey, *Descriptive Trademarks and the First Amendment*, 70 TENN. L. REV. 1095, 1101 (2003) (arguing that protection of descriptive trademarks fails the *Central Hudson* commercial speech test).

7. See, e.g., Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687, 1693 (1999) (locating a tendency of courts to treat trademarks as assets in “a broader trend towards ‘propertizing’ intellectual property”); Lunney, *supra* note 5, at 372 (observing rise of “‘property mania’—the belief that expanded trademark protection was necessarily desirable so long as the result could be characterized as ‘property.’ ”).

8. See Margreth Barrett, *Internet Trademark Suits and the Demise of “Trademark*

fect of challenged practices on consumer search costs,<sup>9</sup> deemphasize the protection of a trademark holder's goodwill as a purpose of trademark law,<sup>10</sup> or apply stricter First Amendment scrutiny to trademark law.<sup>11</sup>

The underlying premise of many reform proposals is the belief that courts have the ability to implement these visions by creating new trademark defenses,<sup>12</sup> be it with new safe harbors, new doctrines, or modified defenses.<sup>13</sup> In their attack on the trademark use doctrine, for example, Graeme Dinwoodie and Mark Janis express confidence that courts have authority to craft more targeted defenses that will protect trademark defendants who engage in socially beneficial activities.<sup>14</sup> Their sparring

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"Use", 39 U.C. DAVIS L. REV. 371 (2006); Stacey L. Dogan & Mark A. Lemley, *Grounding Trademark Law Through Trademark Use*, 92 IOWA L. REV. 1669 (2007); Uli Widmaier, *Use, Liability, and the Structure of Trademark Law*, 33 HOFSTRA L. REV. 603 (2004).

9. See, e.g., Stacey L. Dogan & Mark A. Lemley, *Trademarks and Consumer Search Costs on the Internet*, 41 HOUS. L. REV. 777 (2004).

10. See, e.g., Bone, *supra* note 3, at 616–22; Michael Grynberg, *Trademark Litigation as Consumer Conflict*, 83 N.Y.U. L. REV. 60, 116–17 (2008).

11. See, e.g., Ramsey, *supra* note 6, at 1176 (“The First Amendment requires the government to revise the trademark laws to prevent registration and enforcement of exclusive rights in descriptive terms.”); cf. Rebecca Tushnet, *Trademark Law as Commercial Speech Regulation*, 58 S.C. L. REV. 737, 755 (2007) (“Taking modern First Amendment doctrine seriously would have significant effects on the Lanham Act, affecting everything from the standard of proof to the definition of what counts as misleading.”).

12. Unless otherwise noted, when I use the term “defense,” I mean it broadly to encompass any doctrine that a defendant may invoke to defeat a trademark claim notwithstanding the plaintiff’s ability to establish that a likelihood of confusion exists.

13. See, e.g., Graeme B. Dinwoodie, *Developing Defenses in Trademark Law*, 13 LEWIS & CLARK L. REV. 99, 112 (2009) [hereinafter Dinwoodie, *Developing Defenses*] (“[T]rademark law would be well-served by the development of real defenses more generally.”); William McGeeveran, *Rethinking Trademark Fair Use*, 94 IOWA L. REV. 49, 115–121 (2008) (proposing safe harbors); Mark P. McKenna, *Trademark Use and the Problem of Source*, 2009 U. ILL. L. REV. (forthcoming 2009) (manuscript at 78), available at [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1088479](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1088479) (“The most obvious way to curb further expansion of trademark rights is to recognize additional doctrines, like functionality, that are outcome determinative without regard to consumer understanding. Some existing defenses could be made more independent simply by ceasing to condition the defenses on lack of confusion.”) (footnote omitted).

14. Graeme B. Dinwoodie & Mark D. Janis, *Lessons from the Trademark Use Debate*, 92 IOWA L. REV. 1703, 1708–09 (2007) [hereinafter Dinwoodie & Janis, *Lessons*] (“[O]ur contextual approach contemplates that courts will continue to develop defenses as they are called upon to balance confusion-avoidance values against other values in new contexts. And we believe that the trademark statute provides them plenty of room do so.”) (footnote omitted); see also Graeme B. Dinwoodie & Mark D. Janis, *Confusion Over Use: Contextualism in Trademark Law*, 92 IOWA L. REV. 1597, 1616 (2007) [hereinafter Dinwoodie & Janis, *Contextualism*] (“U.S. trademark law has long recognized

partners and other commentators agree.<sup>15</sup>

This Article takes issue with this faith and argues that efforts to reform trademark law with new defenses lack a firm basis. At first glance, this claim may seem inconsistent with the history of trademark law. Courts nursed trademark's expansion by acting in the common law tradition, crafting judicial rules to respond to perceived needs. Even after the Lanham Act<sup>16</sup> filled the federal common law void left by *Erie Railroad Co. v. Tompkins*,<sup>17</sup> judicial elaboration of federal trademark law frequently left statutory text behind. Congress acquiesced by amending the law to conform to judicial interpretation of the original statute. Today's Lanham Act permits—even if it does not compel—a robust federal trademark law.<sup>18</sup>

Just as trademark liability has roots in the common law, so too do trademark defenses. Many of these defenses are now codified.<sup>19</sup> If the pendulum has swung too widely with respect to trademark rights, might courts employ similar “common law” decision making to create defenses to circumscribe trademark liability?

Perhaps not. We live in a different world, one in which judges are less confident about crafting rules to supplement statutes, and the Supreme Court routinely reminds litigants that the days of implied causes of action are over.<sup>20</sup> This reticence is manifest in the Court's recent resistance to assertions of trademark rights beyond the express confines of the Lanham Act.<sup>21</sup> If these outcomes bespeak a more formalist, textualist approach to

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extra-statutory defenses to statutory causes of action.”).

15. Dogan & Lemley, *supra* note 8, at 1685 (“The fact that Congress has codified explicit exclusions for some of these categories does not foreclose courts from recognizing others, particularly those that have long been implicit in trademark law. Indeed, most of the exclusions and defenses in the Lanham Act—including descriptive fair use—began as common-law doctrines.”); McGeeveran, *supra* note 13, at 121 (“Fortunately, common-law reasoning is alive and well in trademark law. Indeed, the entire structure of likelihood of confusion reasoning is extra-statutory. Just as courts created nominative fair use and First Amendment balancing as common law, they could establish safe harbors.”); McKenna, *supra* note 13 (manuscript at 78) (“Courts could determine, for example, that comparative advertising has social benefit and is not infringement *even if it causes some confusion.*”) (emphasis added).

16. 15 U.S.C. §§ 1051–1141n (2006).

17. 304 U.S. 64 (1938).

18. See *infra* Section II.A.4.

19. 15 U.S.C. § 1115(b) (2006).

20. See, e.g., *Stoneridge Inv. Partners, L.L.C. v. Scientific-Atlanta, Inc.*, 128 S. Ct. 761, 772 (2008) (“[I]t is settled that there is an implied cause of action only if the underlying statute can be interpreted to disclose the intent to create one . . . .”); see *infra* Section III.A.

21. See, e.g., *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 433–34 (2003)

trademark law, so much the worse for defensive innovations, which lack the broadly worded statutory language that continues to nourish expansive liability. Put another way, the swinging pendulum may have slowed trademark's spread, but past gains are safe.

Trademark defenses already enjoy an uneasy status in federal law. Trademark liability rests on broadly worded text. The Lanham Act contains two causes of action for trademark infringement—found in sections 32 and 43(a) of the statute. The first applies to infringement of registered marks,<sup>22</sup> the second sweeps more broadly to reach any use of a word, symbol, or device that is likely to cause confusion.<sup>23</sup> By contrast, trademark defenses are less expansive.<sup>24</sup> The Act's statutory defenses only expressly apply to the cause of action for *registered* marks.<sup>25</sup> While the application of these defenses to section 43(a) is arguably textually legitimate, either as an exercise of federal common law or as statutory construction, there is little room for courts to go further.<sup>26</sup>

What does this mean for the future of trademark law? If judges have only a limited ability to create trademark defenses, then broadened trademark defenses may require congressional action or reliance upon extrinsic

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(holding that the federal dilution statute required proof of actual dilution and not merely a likelihood of dilution). Congress negated this holding by passing the Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, 120 Stat. 1730 (amending scattered sections of title 15 of the United States Code); *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 32-37 (2003) (holding that the Lanham Act's prohibition of false designations of origin do not prohibit uncredited copying of another's work); *see generally infra* Section III.B.

22. 15 U.S.C. § 1114 (2006) (proscribing the “use in commerce [of] any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive.”).

23. 15 U.S.C. § 1125(a) (2006) (prohibiting use of “any word, term, name, symbol, or device, or . . . any false designation of origin, false or misleading description of fact, or false or misleading representation of fact” 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”).

24. *See infra* Section II.B.

25. 15 U.S.C. § 1115(b) (2006) (setting forth defenses to incontestable registered marks); *id.* § 1115(a) (providing that defenses to actions involving incontestable marks apply to those involving any registered mark).

26. *See infra* Section IV.A.2; 5 J. THOMAS McCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 27:19 (4th ed. 2009) (“[T]he statutory ‘defenses’ in a § 43(a) case are merely guidelines to ascertain the federal common law substantive ‘defenses’ to a § 43(a) claim.”).

sources of law, such as the First Amendment. Beyond that, the best hope may be for courts to roll back the expansion that they have paced. Congress may have given the courts a lever with which to control trademark's scope, but it is a lever that operates on liability, not defenses. And it is in the open wording of the Lanham Act's liability-creating provisions that judicial flexibility, to the extent that it exists, is to be found.

Part II outlines the problem created by trademark's expansion and the limited role that current doctrine leaves for defenses. Part III identifies trademark's "common law" problem and explains why the judicial style that spurred trademark's advance is not necessarily available to curtail it. Part IV discusses the consequences for future trademark defenses. Part V proffers potential solutions to the defense dilemma that are rooted in the text of the Lanham Act, while urging continued resistance of trademark's expansion. My argument nonetheless concludes on a pessimistic note. The doctrinal realities of modern trademark law make reform efforts based on judicial action unlikely to succeed.

## **II. TRADEMARK'S EXPANSION AND THE LIMITS OF TRADEMARK DEFENSES**

This Part explains the need for further development of trademark defenses. While broad and flexible doctrines set the scope of trademark liability, defenses to infringement are comparatively narrow and rigid. Consequently, they are often ill-equipped to act as a check against ambitious plaintiffs.

### **A. Trademark's Expanding Scope**

Trademarks and servicemarks perform the basic function of allowing sellers to brand their goods and services.<sup>27</sup> The Lanham Act protects marks by providing causes of action when a junior user's mark is likely to cause confusion with that of the senior user.<sup>28</sup>

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27. 15 U.S.C. § 1127 (2006) (defining trademarks and servicemarks). Unless otherwise noted, this Article uses the term "trademarks" to encompass both trademarks and servicemarks.

28. See 15 U.S.C. § 1114 (establishing liability for conduct that "is likely to cause confusion, or to cause mistake, or to deceive" with respect to registered marks); § 1125(a)(1)(A) (creating liability under "common law" trademark infringement action for conduct 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"). Though state laws may, and sometimes do, grant broader rights than the federal statute (subject to preemption principles), 3 McCARTHY, *supra* note 26, § 22:2,

A trademark plaintiff must meet several conditions for a successful claim. First, she must possess a valid trademark. This requirement encompasses the questions of mark ownership—as determined by prior use or registration<sup>29</sup>—and mark eligibility. The mark must be able to identify and distinguish goods and services in the marketplace, while avoiding various exclusions to trademark status.<sup>30</sup>

If the senior user has a valid mark, she must establish that the defendant is using it (or something similar) in a manner likely to cause consumer confusion,<sup>31</sup> which raises the difficult questions of what consumers must be confused about, when consumer confusion is measured, and how do we measure it?

Today, plaintiffs have an easier time clearing the hurdles described above. While courts have expanded the potential scope of trademark claims, they have been less diligent about erecting barriers to potential plaintiff overreaching.

The story of trademark's growth is oft-told and will only be summarized briefly in this section.<sup>32</sup> The key point for present purposes is that this growth was largely a judicial creation.<sup>33</sup> Judges gave expansive interpretations to seemingly restrictive statutory text, and Congress gave its blessing to the results.

### 1. What May Be a Trademark?

Federal trademark protection was once limited to “technical” trademarks, which encompassed inherently distinctive marks and excluded trade names or dress regardless of the acquisition of secondary meaning (i.e., association by consumers of the identifying device with a single source).<sup>34</sup> Today the Lanham Act broadly defines trademark to include

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today most state law unfair competition actions parallel their federal counterpart. 4 *id.* § 23:1.50 (“Most courts, in analyzing a claim of infringement based on both federal and state law, will apply to both a single analysis of the likelihood of confusion issue.”).

29. 15 U.S.C. § 1057(c) (2006) (declaring registration of a mark to give nationwide priority subject to rights of prior users, applicants, or foreign registrants meeting certain conditions).

30. 15 U.S.C. § 1127 (declaring that trademarks and servicemarks “identify and distinguish” goods and services); *id.* § 1052 (setting forth registration requirements and bars to registration).

31. 15 U.S.C. §§ 1114, 1125(a)(1).

32. For some sources telling the tale, see *supra* note 3.

33. See, e.g., U.S. Trademark Ass'n Trademark Review Comm'n, *Report and Recommendations to USTA President and Board of Directors*, 77 TRADEMARK REP. 375, 376 (1987) [hereinafter USTA Report] (“In the 1970s the courts transformed [section 43(a)] into a potent, far-reaching, commercial Bill of Rights for the honest businessman.”).

34. 1 MCCARTHY, *supra* note 26, § 4:5 (“Under archaic usage, marks that were not

"any word, name, symbol, or device, or any combination thereof" used to distinguish goods in the marketplace.<sup>35</sup> From this point of departure, the Supreme Court approved trademark protection for colors<sup>36</sup> and unregistered, but distinctive, trade dress.<sup>37</sup> In the latter case, the Court did so de-

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inherently distinctive were not protected as 'technical trademarks,' but were protected as 'trade names' under the law of 'unfair competition' upon proof of secondary meaning."); *id.* § 4:12 ("The Lanham Act of 1946 integrated the two types of common law marks (technical trademarks and trade names), calling both types 'trademarks' and treating them in essentially the same manner."); *id.* § 8:1 (noting that law of unfair competition encompassed trade dress and "[a]s with archaic 'trade names,' trade dress protected under the law of 'unfair competition' always required proof of secondary meaning"). Early federal trademark statutes restricted registration to these technical trademarks. *Id.* § 5:3; 1 WILLIAM D. SHOEMAKER, TRADE-MARKS: A TREATISE ON THE SUBJECT OF TRADE-MARKS WITH PARTICULAR REFERENCE TO THE LAWS RELATING TO REGISTRATION THEREOF 236 (1931) ("Physical characteristics of an article, its appearance, style or dress-up or features of containers or wrappers cannot be subject of exclusive appropriation . . .").

35. 15 U.S.C. § 1127; *cf.* RESTATEMENT (THIRD) OF UNFAIR COMPETITION, § 16 cmt. a (1995) ("With the abandonment of the distinction between technical 'trademarks' and other indicia of source, the protection of distinctive packaging and product design has been incorporated into the general law of trademarks.").

36. *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995). The Court dismissed the possibility that permitting colors to be trademarked would give rise to too many suits or inhibit competition by depleting the supply of available colors in the marketplace. *Id.* at 167-70. To be sure, *Qualitex* nodded at the concern by suggesting that secondary meaning was required for color to function as a mark. *Id.* at 163 ("We cannot find in the basic objectives of trademark law any obvious theoretical objection to the use of color alone as a trademark, where that color has attained 'secondary meaning' and therefore identifies and distinguishes a particular brand (and thus indicates its 'source')."). The Court later clarified that it did intend to so hold. *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 211 (2000) ("Indeed, with respect to at least one category of mark-colors we have held that no mark can ever be inherently distinctive." (citing *Qualitex*, 514 U.S. at 162-63)). *Compare* 1 SHOEMAKER, *supra* note 34, at 163 ("Whether mere color can constitute a valid trade-mark may admit of doubt. Doubtless it may be, if it be impressed in a particular design, as a circle, square, triangle, a cross or a star. But the authorities do not go further than this."), *with* NORMAN F. HESSELTINE, A DIGEST OF THE LAW OF TRADE-MARKS & UNFAIR TRADE 81, 81-82 (1906).

37. "Trade dress" is undefined by the Lanham Act, but is the term used to encompass the trademark functions performed by product packaging and/or design—i.e., the total marketplace presentation. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 16 cmt. a (1995) ("The term 'trade dress' is often used to describe the overall appearance or image of goods or services as offered for sale in the marketplace."). The question at issue in *Two Pesos, Inc. v. Taco Cabana, Inc.* was whether trade dress may be inherently distinctive, that is, be treated as a trademark without evidence that consumers had come to associate the trade dress with a single source. The alternative was first to require evidence that the dress had acquired "secondary meaning" with the consuming public. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 765 (1992). The Court held that secondary meaning was not required. *Id.* at 776. The Court later held, however, that secondary meaning was required if protection is sought for an allegedly distinctive product design

spite a strong textual argument that protection of unregistered trade dress fell outside the Lanham Act's original scope.<sup>38</sup> Justice Stevens, who made the argument, nonetheless concurred in the result, in part because the then-recent amendment of the statute indicated Congress's support of protection.<sup>39</sup>

## 2. About What Must Consumers Be Confused?

Justice Stevens based his skepticism of strong trade dress protection on section 43(a)'s original text, which restricted liability to defendants who "affix, apply, or annex, or use" a "false designation of *origin*."<sup>40</sup> The statutory text strongly implied that "origin" meant *geographic* origin insofar as it provided a cause of action "by any person doing business *in the locality falsely indicated as that of origin* or the region in which said locality is situated."<sup>41</sup> And indeed, for a time, practitioners perceived the scope of the cause of action as narrow.<sup>42</sup> Section 43(a) also had prohibited "any false description or representation," which lacked obvious applicability to trade dress.<sup>43</sup>

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(as opposed to packaging). Wal-Mart Stores, Inc., 529 U.S. 205 (2000).

38. *Two Pesos*, 505 U.S. at 777-79 (Stevens, J., concurring in the judgment); *id.* at 781 ("Even though the lower courts' expansion of the categories contained in § 43(a) is unsupported by the text of the Act, I am persuaded that it is consistent with the general purposes of the Act."). While somewhat dismissive of Justice Stevens's argument in his *Two Pesos* concurrence, *id.* at 776 (Scalia, J., concurring), Justice Scalia acknowledged its force in his later opinion for the Court in *Dastar*, noting that "a case can be made that a proper reading of § 43(a), as originally enacted, would treat the word 'origin' as referring only 'to the geographic location in which the goods originated,'" *Dastar*, 539 U.S. at 29 (quoting *Two Pesos*, 505 U.S. at 777 (Stevens, J., concurring in the judgment)).

39. *Two Pesos*, 505 U.S. at 776 (Stevens, J., concurring in the judgment) ("I agree with this transformation, even though it marks a departure from the original text, because it is consistent with the purposes of the statute and has recently been endorsed by Congress."). Specifically, Congress added language that "make[s] explicit that the provision prohibits 'any word, term, name, symbol, or device, or any combination thereof'" that is likely to cause confusion. *Id.* at 783 (quoting 15 U.S.C. § 1125(a)).

40. Trademark (Lanham) Act of 1946, ch. 540, § 43, 60 Stat. 427, 441 (current version at 15 U.S.C. § 1125 (2006) (emphasis added).

41. *Id.* (emphasis added); see also McCarthy, *supra* note 3, at 47-48 (observing that a restrictive view of § 43(a) was "conventional wisdom in 1946" and that the "future expansive possibilities of section 43(a) were only vaguely perceived at that time").

42. McCarthy, *supra* note 3, at 52 ("In 1956, Judge Clark of the Second Circuit remarked of section 43(a) that 'the bar has not yet realized the potential impact of this statutory provision.'").

43. Lanham Act § 43, 60 Stat. at 441 (current version at 15 U.S.C. § 1125 (2006)). That is, a trade dress does not seem to be an affixed "description or representation," certainly not the sort of trade dress at issue in *Two Pesos*. See *Two Pesos*, 505 U.S. at 778 (Stevens, J., concurring in the judgment) (arguing that the language served only to police

Similarly, the original cause of action for infringement of a registered trademark only extended to the use of a “reproduction, counterfeit, copy, or colorable imitation of any registered mark” where such use is likely to “cause confusion or mistake or to deceive *purchasers* as to the *source of origin of such goods or services.*”<sup>44</sup> Subsequently, Congress dropped the purchaser limitation and origin language, provoking interpretive debate as to the 1962 amendment’s significance.<sup>45</sup>

From these statutory roots, federal liability blossomed. Courts extended the section 43(a) cause of action to reach beyond designations of origin to encompass situations pertaining to confusion of source<sup>46</sup> or spon-

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false advertising and the common law tort of passing off). *But see id.* at 787 (Thomas, J., concurring in the judgment) (arguing that the language encompasses trade dress protection).

44. Lanham Act § 32, 60 Stat. at 437 (current version at 15 U.S.C. § 1114 (2006)) (emphases added).

45. Act of Oct. 9, 1962, Pub. L. No. 87-772, sec. 17, § 32, 76 Stat. 769, 773 (current version at 15 U.S.C. § 1114 (2006)). The USTA Report noted that courts took the amendment to mean more than it did. “The change was explained, innocently enough, as parallel to a similar change being made in Section 2(d),” which pertained to a registration bar for marks that were likely to cause confusion and was amended to by deleting the “purchasers” term “to make it clear that the provision related to potential as well as actual purchasers.” USTA Report, *supra* note 33, at 378. Instead, “a number of courts have viewed the deletion as evidence of Congressional intent to broaden the test for likelihood of confusion. Now, they say, the Act is designed to prohibit confusion of any kind, not merely of purchasers or customers nor as to source of origin.” *Id.* Compare Checkpoint Sys., Inc. v. Check Point Software Techs., Inc., 269 F.3d 270, 295 (3d Cir. 2001) (“[W]e agree with the view that Congress’s amendment of the Lanham Act in 1962 expanded trademark protection to include instances in which a mark creates initial interest confusion.”), with Elec. Design & Sales, Inc. v. Elec. Data Sys. Corp., 954 F.2d 713, 716 (Fed. Cir. 1992) (“We do not construe this deletion to suggest, much less compel, that purchaser confusion is no longer the primary focus of the inquiry.”).

46. McCarthy, *supra* note 3, at 51-52; *id.* at 59 (“While this expansion of the word source was criticized as unwise, by the early 1980s it had become a firmly embedded reality.”) (footnotes omitted). Professor McCarthy explains:

The phrase “false designation of origin” was thought to be limited to false advertising of geographic origin. The first expansion of the meaning of “origin” to include origin of source, sponsorship or affiliation in the classic trademark sense, came in 1963. In that year, the U.S. Court of Appeals for the Sixth Circuit held that “origin” did not refer only to geographic origin but also “to origin of source of manufacture.” This seemingly simple new spin put on the word “origin” raised the curtain on a whole new chapter in federal unfair competition law. It heralded the beginning of a new dimension of section 43(a) as a vehicle to assert in federal court a traditional case of infringement of an unregistered mark, name, or trade dress.

*Id.* at 58 (footnotes omitted).

sorship.<sup>47</sup> Other extensions stretched the concept of sponsorship from a form of endorsement or guarantee of quality to the mere permission to engage in a particular use.<sup>48</sup> As a result, trademark holders may be able to take control of merchandising markets in which a mark—e.g., a sports team logo on a baseball cap—is not serving as a source designation, but is rather the product itself.<sup>49</sup> Other courts recognized claims based on purported likelihood of consumer confusion that foreshadowed the later enacted federal dilution statute.<sup>50</sup>

### *3. When Do We Measure Confusion?*

Courts now assess likely confusion at times other than the point of purchase. For instance, courts adopting the theory of initial interest confusion assign liability for confusion even if it is dispelled before the point of sale.<sup>51</sup> Courts have applied the doctrine to a range of activities deemed to have “diverted” a consumer’s attention even if she knows what she is buying when she pays her money.<sup>52</sup> In other cases, the trademark cause of action has proven robust enough to include confusion of non-purchasers who view a product after purchase.<sup>53</sup>

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47. 4 MCCARTHY, *supra* note 26, § 24:6. Professor McCarthy writes that section 43(a) was originally seen as a minor provision that might be helpful in false advertising cases. *Id.* § 27:7.

48. *See, e.g., supra* note 4.

49. In such cases, the purchaser of the cap is attracted to the trademarked logo not because he believes that the mark owner is the physical source of the hat, but because he wants a hat with that particular logo. In this scenario, the logo is not a mark in the traditional sense, but rather an indispensable feature of the product. Many courts allow trademark holders to use the Lanham Act to restrict competition in the merchandising market. *See, e.g.,* Boston Prof’l Hockey Ass’n v. Dallas Cap & Emblem Mfg., Inc., 510 F.2d 1004 (5th Cir. 1975); *see generally* Stacey L. Dogan & Mark A. Lemley, *The Merchandising Right: Fragile Theory or Fait Accompli?*, 54 EMORY L.J. 461, 472-78 (2005) (surveying judicial treatment of the merchandising right).

50. Under the current federal dilution statute, dilution constitutes two harms: dilution by blurring and dilution by tarnishment. Dilution by blurring is “association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark.” 15 U.S.C. § 1125(c) (2006). Dilution by tarnishment is “association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.” *Id.* For an example of tarnishment reasoning appearing in a likelihood of confusion case, see, e.g., Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 604 F.2d 200, 205 (2d Cir. 1979) (upholding district court’s award of a preliminary injunction against adult film depicting characters with uniforms similar to that of professional team’s cheerleaders).

51. *See, e.g.,* Grotrian v. Steinway & Sons, 523 F.2d 1331, 1342 (2d Cir. 1975).

52. *See infra* notes 102-104 and accompanying text. Compare McCarthy, *supra* note 3, at 50 (noting that section 43(a) does not cover “bait-and-switch selling tactics”).

53. *See, e.g.,* Hermès Int’l v. Lederer de Paris Fifth Ave., Inc., 219 F.3d 104, 108

#### 4. *Expansive Trademark and the Lanham Act*

The judicial branch's leading role in trademark law's expansion is problematic.<sup>54</sup> Though the Lanham Act contains open provisions, it does not grant courts common law authority over unfair competition generally.<sup>55</sup> Yet many interpretations discussed above were, at least arguably, hostile to the statute's text and more consistent with common lawmaking than statutory interpretation.<sup>56</sup>

To some extent, this is unsurprising. The Lanham Act—like the law of trademarks more generally—leaves much to the judicial imagination. Most fundamentally, the basic fact question of whether consumers are likely to be confused is a murky one.<sup>57</sup> Trademark's roots, moreover, are

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(2d Cir. 2000) (condemning sales of knockoff products “for the purpose of acquiring the prestige gained by displaying what many visitors at the customers’ homes would regard as a prestigious article” (quoting *Mastercrafters Clock & Radio Co. v. Vacheron & Constantin-LeCoultre Watches, Inc.*, 221 F.2d 464, 466 (2d Cir. 1955))).

54. A point not lost on Justice Stevens in *Two Pesos*. See *supra* note 39.

55. See S. REP. NO. 79-1333 (1946), as reprinted in 1946 U.S.C.C.A.N. 1274, 1276-77 (observing that trademark rights were once largely based in the common law, but Supreme Court’s conclusion that federal common law does not exist, coupled with rise of national markets, necessitated statutes that would creates national rights).

56. The expansion of the original section 43(a)'s provision regarding “origin” is one example. See *supra* notes 38-42 and accompanying text. For an especially tortured interpretation of “likelihood of confusion,” see *Boston Prof'l Hockey Ass'n v. Dallas Cap & Emblem Mfg., Inc.*, 510 F.2d 1004, 1012 (5th Cir. 1975). The court noted, in a case involving sports team emblems:

It can be said that the public buyer knew that the emblems portrayed the teams' symbols. Thus, it can be argued, the buyer is not confused or deceived. This argument misplaces the purpose of the confusion requirement. The confusion or deceit requirement is met by the fact that the defendant duplicated the protected trademarks and sold them to the public knowing that the public would identify them as being the teams' trademarks. The certain knowledge of the buyer that the source and origin of the trademark symbols were in plaintiffs satisfies the requirement of the act.

*Id.*

57. Courts have developed multifactor tests to guide the analysis. 4 MCCARTHY, *supra* note 26, § 24:30-43 (listing factors used by various circuits). For example, the *Lapp* factors of the Third Circuit are:

(1) the degree of similarity between the owner's mark and the alleged infringing mark; (2) the strength of the owner's mark; (3) the price of the goods and other factors indicative of the care and attention expected of consumers when making a purchase; (4) the length of time the defendant has used the mark without evidence of actual confusion arising; (5) the intent of the defendant in adopting the mark; (6) the evidence of actual confusion; (7) whether the goods, though not competing, are

in the common law,<sup>58</sup> and common law practices may well persist even after the passage of a somewhat comprehensive federal statute.<sup>59</sup> Finally, courts were operating in what has been described as a less formalist age—one in which courts were more likely to bend a statute's text in an effort to conform to Congress's perceived purposes even if those purposes were not manifest from the words of the enacted legislation.<sup>60</sup>

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marketed through the same channels of trade and advertised through the same media; (8) the extent to which the targets of the parties' sales efforts are the same; (9) the relationship of the goods in the minds of consumers because of the similarity of function; (10) other facts suggesting that the consuming public might expect the prior owner to manufacture a product in the defendant's market, or that he is likely to expand into that market.

Interpace Corp. v. Lapp, Inc., 721 F.2d 460, 463 (3d Cir. 1983).

The number and, at times, vagueness of these tests leave them open to manipulation by the factfinder, particularly a factor like good faith, which lacks a necessary nexus to existence of likelihood of confusion. Grynberg, *supra* note 10, at 69. In an empirical study of the various circuits' applications of the tests, Barton Beebe has found that a relatively small number of factors predominate, leaving courts to "stampede" the remainder once a determination is made based on the critical factors. Barton Beebe, *An Empirical Study of the Multifactor Tests for Trademark Infringement*, 94 CALIF. L. REV. 1581, 1581-82 (2006).

The elusive nature of the underlying inquiry similarly invites appellate overreaching. Reviewing courts may scrutinize the lower court's application of certain test factors in order to second guess trial-level determinations of questions of fact. *See generally* 4 MCCARTHY, *supra* note 26, § 23:73 (surveying circuit standards of appellate review on likelihood of confusion question).

58. As a 1931 treatise observed, "[s]ince a trade-mark right is a common law right, defined by the common law, the essentials of such a right are measured and analyzed by the pronouncements of the courts as to what the common law is on these points." 1 SHOEMAKER, *supra* note 34, at 1.

59. Such expansions were not inevitable. Writing after the passage of the Lanham Act, Bartholomew Diggins observed that the statute self-consciously addressed trademarks and not the law of unfair competition as a whole. Bartholomew Diggins, *The Lanham Trade-Mark Act*, 35 GEO. L.J. 147, 150, 153 (1947); *see also* McCarthy, *supra* note 3, at 50-51. But then, as now, the Lanham Act was not a masterpiece of legislative drafting; it invited judicial play at the joints, as observed at its initial passage. *See* Diggins, *supra*, at 208 ("As a statute, the Act is not well drafted and many of its provisions are ambiguous or even contradictory. Extensive litigation is almost inevitable and the courts will be faced with difficult issues of statutory construction.").

60. *See infra* Section III.A. For example, section 43(a)'s expansion was not only with respect to scope, but also remedies, as courts routinely made available remedies for infringement of registered marks (provided by section 35 and including profits and damages) available under section 43(a) even though section 35, by its terms, applied only to registered marks. In *Rickard v. Auto Publisher, Inc.*, 735 F.2d 450 (11th Cir. 1984), for example, the court identified no statutory basis for overlooking the plain meaning of the text. Instead, it manufactured an ambiguity based on the fact that earlier holdings had

In any event, “[i]t was the federal courts that filled section 43(a) with this new and potent content” by broadly interpreting “seemingly narrow and innocuous statutory language.”<sup>61</sup> Small wonder then that shortly before the passage of the 1988 amendments to the act, a body of the U.S. Trademark Association could declare confidently that “under the rubric of Section 43(a), there is in every way but name only a federal common law of the major branches of the law of unfair competition.”<sup>62</sup> The breadth of the section 43(a) cause of action, in turn, shifted the focus of trademark litigation from state to federal courts and invited further development of federal trademark law.<sup>63</sup>

While judicial interpretation of the Lanham Act may have once outpaced its text, today’s broad cause of action has a clear statutory basis. Congress embraced the liberties taken with the original statute by rewriting the Lanham Act to conform to the courts’ interpretive practices.<sup>64</sup> Af-

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applied section 35 to section 43(a). *Id.* at 455. It then resolved the purported ambiguity by looking to its perceived purposes of the Act concluding that they would be best served by applying section 35 remedies to section 43(a) actions. *Id.* at 457-58.

61. McCarthy, *supra* note 3, at 45-46.

62. USTA Report, *supra* note 33, at 376; *see also* Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 780 (1992) (Stevens, J., concurring). Justice Stevens agreed:

Section 43(a) is an enigma, but a very popular one. Narrowly drawn and intended to reach false designations or representations as to the geographical origin of products, the section has been widely interpreted to create, in essence, a federal law of unfair competition. . . . It has definitely eliminated a gap in unfair competition law, and its vitality is showing no signs of age.

*Id.* (quoting USTA Report, *supra* note 33, at 426) (ellipses in original). *But cf.* *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 29 (2003) (“[B]ecause of its inherently limited wording, § 43(a) can never be a federal ‘codification’ of the overall law of ‘unfair competition,’ but can apply only to certain unfair trade practices prohibited by its text.”) (citation omitted) (internal quotations omitted). The USTA Report was the basis for the 1988 Lanham Act amendments. *See S. REP. No. 100-515*, at 2 (1988), *as reprinted in 1988 U.S.C.C.A.N. 5577, 5578*.

63. McCarthy, *supra* note 3, at 74 (“Before passage of the Lanham Act, such issues were largely played out in the context of state common law. Today, the battleground is section 43(a).”).

64. And it did so self consciously according to the Senate report:

[The bill] revises Section 43(a) of the Act (15 U.S.C. 1125(a)) to codify the interpretation it has been given by the courts. Because Section 43(a) of the Act fills an important gap in federal unfair competition law, the committee expects the courts to continue to interpret the section.

As written, Section 43(a) appears to deal only with false descriptions or representations and false designations of geographic origin. Since its enactment in 1946, however, it has been widely interpreted as

ter amendment in 1988, section 43(a) creates liability for use of “any word, term, name, symbol, or device, or any combination thereof” 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.”<sup>65</sup> As planned,<sup>66</sup> this change allowed broad causes of action without requiring radical stretches of the Act’s text.<sup>67</sup>

Contemporary trademark liability standards lack clear textual limitations. For illustration, one need look no further than the cornerstone of lia-

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creating, in essence, a federal law of unfair competition. For example, it has been applied to cases involving the infringement of unregistered marks, violations of trade dress and certain nonfunctional configurations of goods and actionable false advertising claims.

S. REP. NO. 100-515, at 40 (1988), *as reprinted in* 1988 U.S.C.C.A.N. 5577, 5603; *see also* USTA Report, *supra* note 33, at 426 (“The Commission was reluctant to recommend any change at all [to section 43(a)]. However, to prevent judicial back-tracking . . . the Commission believes it advisable to conform the language of Section 43(a) to the expanded scope of protection applied by the courts.”).

Section 43(a)’s liability provision was not the only area of congressional acquiescence. As the report noted, courts “with increased frequency [were] disregarding” the Lanham Act’s text and applying the remedies available for infringement of registered marks to 43(a) violations even though “[a]s written, the remedy sections of the Lanham Act . . . apply only to violations of a registered trademark.” S. REP. 100-515 at 39, 1988 U.S.C.C.A.N. at 5601-02 (citations omitted); *see also supra* note 60. Here, too, the response was to amend the Act to conform to the unfaithful judicial practice. S. REP. 100-515 at 39-40, 1988 U.S.C.C.A.N. at 5602.

65. Trademark Law Revision Act of 1988, Pub. L. 100-667, sec. 132, § 43, 102 Stat. 3935, 3946 (codified as amended at 15 U.S.C. § 1125 (2006)).

66. USTA Report, *supra* note 33, at 435-36 (“In drafting the foregoing language the Commission in no way intended to limit the continuously expanding scope of Section 43(a) as developed in forty years of decisions. We trust we have left unlimited room for the courts to expand even further this vigorous section.”).

67. See, for example, *Dastar Corp. v. Twentieth Century Fox Film Corp.*, which noted:

Under the 1946 version of the Act, § 43(a) was read as providing a cause of action for trademark infringement even where the trademark owner had not itself produced the goods sold under its mark, but had licensed others to sell under its name goods produced by them—the typical franchise arrangement. This stretching of the concept “origin of goods” is seemingly no longer needed: The 1988 amendments to § 43(a) now expressly prohibit the use of any “word, term, name, symbol, or device,” or “false or misleading description of fact” that is likely to cause confusion as to “affiliation, connection, or association . . . with another person,” or as to “sponsorship, or approval” of goods.

539 U.S. 23, 32 n.5 (2003) (citations omitted).

bility: the existence of a “likelihood of confusion.” The Act offers neither a quantitative nor a qualitative definition of the term. That is, the text does not explain how likely confusion must be before a court may act. Courts are therefore free to find a likelihood of confusion even if consumer surveys indicate that consumers are more likely than not to avoid confusion.<sup>68</sup> Similarly, there is no requirement that any likely consumer confusion be material to a purchasing decision.<sup>69</sup>

Likewise, the Lanham Act’s authorization of claims based on alleged confusion as to whether a trademark holder “approv[es]” of a use of her mark<sup>70</sup> provides textual support for cases in which the claimed confusion, if any, is simply over a point of law, specifically, whether the trademark holder has the right to enjoin the use of his marks even though the mark is not used to indicate a product’s source or origin.<sup>71</sup> Because “approval” is undefined, the term is textually capable of application to such claims.

In sum, whatever one may say about trademark’s past expansion as an exercise of fealty to congressional will, Congress has endorsed the result with language capable of expansive interpretation.<sup>72</sup> Perhaps the Lanham Act’s causes of action should be read narrowly, perhaps broadly, but the modern act’s text does not resolve the matter.<sup>73</sup>

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68. See 4 MCCARTHY, *supra* note 26, § 32:188 (discussing surveys deemed probative of likelihood of confusion).

69. Materiality considerations are not wholly absent from the Lanham Act. For example, “deceptive” trademarks may not be registered, and courts look to the materiality of misrepresentations to consumers to determine whether misdescriptive marks are deceptive. See, e.g., *In re Budge Mfg. Co.*, 857 F.2d 773 (Fed. Cir. 1988) (applying a materiality test to determine whether a trademark is “deceptive” and therefore ineligible for registration under section 2 of Lanham Act). Similarly, section 43(a)’s cause of action for false advertising has been interpreted to include a materiality element. See, e.g., *Time Warner Cable, Inc. v. DIRECTV, Inc.*, 497 F.3d 144, 153 n.3 (2d Cir. 2007) (“[T]he [false advertising] plaintiff must also demonstrate that the false or misleading representation involved an inherent or material quality of the product.”).

70. 15 U.S.C. § 1125(a)(1)(A) (2006).

71. 15 U.S.C. § 1125(a) (2006); see, e.g., *Mut. of Omaha Ins. Co. v. Novak*, 836 F.2d 397, 400, 403 (8th Cir. 1987) (citing survey indicating that “ten percent of all the persons surveyed thought that Mutual ‘goes along’ with” defendant’s use in upholding judgment that T-shirt with phrase “Mutant of Omaha” infringed “Mutual of Omaha” mark); Robert C. Denicola, *Freedom to Copy*, 108 YALE L.J. 1661, 1668 (1999) (“If trademark owners win enough high-profile cases or brag loudly enough about licensing revenues from ornamental use, consumers will naturally think that the products they see must be licensed, which in turn will help insure that a license is indeed required.”).

72. McCarthy, *supra* note 3, at 46 (describing congressional amendments of section 43(a) as a “stamp of approval” on judicial interpretations).

73. Indeed, this vagueness effectively expands the power of trademark by arming markholders with plausible (or, at least, plausible-sounding) threats of suit in contexts far

## B. Lagging Trademark “Defenses”

Before turning to the question of whether the modern Lanham Act accommodates new defenses as well as it does liability, we should first consider why new defensive doctrines may be needed.

A range of doctrines already limit trademark’s scope. These safeguards protect both the competitors of trademark holders and the consuming public at large. In particular, they correct the tendency of trademark jurisprudence to neglect the interests of non-confused consumers. A successful trademark claim protects a channel of communication between the trademark holder and her customers, but it simultaneously closes a similar channel belonging to the junior user. The lost communications often have real value to non-confused consumers, so trademark liability may come at their expense. Trademark defenses and related doctrines mitigate these costs.<sup>74</sup>

Some defensive doctrines protect consumer access to information.<sup>75</sup> Others safeguard a competitive marketplace by preventing the lock-up of functional designs under the guise of protecting the source-identifying function of product design and trade dress.<sup>76</sup> Courts have also developed doctrines based on the First Amendment to prevent trademark law from threatening expressive rights (and, in turn, the right of listeners to hear the speaker’s message).<sup>77</sup>

But while trademark’s expanding scope is characterized by malleable

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afield from traditional trademark infringement. The *in terrorem* prospect of a suit may suffice to deter legal trademark uses. See, e.g., James Gibson, *Risk Aversion and Rights Accretion in Intellectual Property Law*, 116 YALE L.J. 882, 913 (2007).

74. For a fuller discussion of this aspect of doctrines that limit trademark’s scope, see Grynberg, *supra* note 10, at 78-87.

75. So, for example, junior users are permitted to use trademarked words in their descriptive sense in the marketplace. See 15 U.S.C. § 1115(b)(4) (2006); *see generally infra* Section II.B.1 (discussing the classic fair use doctrine). Similarly, the first-sale, or exhaustion, doctrine protects the ability of the reseller of goods to do so notwithstanding the presence of affixed trademarks. See, e.g., Davidoff & CIE, S.A. v. PLD Int’l Corp., 263 F.3d 1297, 1301 (11th Cir. 2001) (“The resale of genuine trademarked goods generally does not constitute infringement. . . . Under what has sometimes been called the ‘first sale’ or ‘exhaustion’ doctrine, the trademark protections of the Lanham act are exhausted after the trademark owner’s first authorized sale . . . .”).

76. *See* 15 U.S.C. § 1115(b)(8) (2006).

77. *See, e.g.*, Rogers v. Grimaldi, 875 F.2d 994, 999 (2d Cir. 1989) (“[T]he [Lanham] Act should be construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression.”). In addressing a Lanham Act claim based on a movie title, *Rogers* adopted a balancing test that asks whether the title used by the defendant is artistically relevant to the underlying work and, if so, whether the use explicitly misleads as to source or content. *Id.*

standards of liability—i.e., a broad and vague conception of actionable confusion—traditional trademark defenses are comparatively rigid. Trademark law lacks any mechanism with the apparent flexibility of copyright's fair use defense.<sup>78</sup> The result may be an imbalance in trademark doctrine. Trademark liability expands to new realms without the counterbalance of translated defensive doctrines that are harder to apply in novel settings.<sup>79</sup>

For example, plaintiffs have used the Lanham Act to attack advertising that evokes the identity of unconsenting celebrities. In *Waits v. Frito-Lay*,<sup>80</sup> the Ninth Circuit allowed a false endorsement claim under section 43(a) by singer Tom Waits against the commercial use of a sound-alike musician.<sup>81</sup> The opinion's treatment of Waits's claim reflects the common

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78. 17 U.S.C. § 107 (2006) (setting forth multifactor test to determine whether use of a copyrighted work is a protected fair use). Copyright's fair use doctrine was codified with the intent that courts would continue the common law development of the concept. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 577 (1994) ("Congress meant § 107 'to restate the present judicial doctrine of fair use, not to change, narrow, or enlarge it in any way' and intended that courts continue the common-law tradition of fair use adjudication." (quoting H.R. REP. NO. 94-1476, at 66 (1976), as reprinted in 1976 U.S.C.C.A.N. 5659, 5679); S. REP. NO. 94-473, at 62 (1975)).

79. In one respect, trademark defenses are flexible in a manner detrimental to defendants. Many defensive doctrines incorporate the malleable likelihood of confusion standard into the determination of whether such confusion should be excused. While the Supreme Court has held that the classic fair use doctrine, codified in section 33(b)(4) of the Lanham Act, acts as a defense even where a likelihood of confusion exists, it held open the door for courts to consider the extent of any confusion in determining whether the defense applies. *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 123 (2004).

The expressive use test of *Rogers*, 875 F.2d 994, is another example. The Second Circuit announced the test as a way to mediate First Amendment and trademark policies when a trademark is used as the title of an expressive work. If the title is artistically relevant to the work, the test asks whether the defendant has done anything to mislead. This inquiry invites the return of confusion considerations. See, e.g., *Westchester Media v. PRL USA Holdings, Inc.*, 214 F.3d 658, 664-65 (5th Cir. 2000) (noting that under the Second Circuit applies the likelihood of confusion test to evaluate artistically relevant titles but that "the likelihood of confusion must be 'particularly compelling' to outweigh the First Amendment interests at stake") (citation omitted).

As Bill McGeveran notes, the degree to which likelihood of confusion considerations infect existing trademark defenses serves to strip potential defendants of any ex ante confidence regarding their litigation prospects. Even when defenses will ultimately protect socially beneficial uses, they may be unable to resolve cases at an early stage of the proceedings, therefore failing to provide prospective defendants with needed certainty. McGeveran, *supra* note 13, at 110-15.

80. 978 F.2d 1093 (9th Cir. 1992).

81. *Id.* The claim was made more viable by Waits's distinctive sound. He sounds like someone who "drank a quart of bourbon, smoked a pack of cigarettes and swallowed

law/congressional ratification dynamic discussed above. Even though Waits's singing style did not fit the traditional parameters of a trademark—and notwithstanding the questionable basis of false endorsement claims under the pre-amendment text of section 43(a)<sup>82</sup>—the court treated the defendant's practice as “the misuse of a trademark.”<sup>83</sup> To get there, however, the panel did not analyze the statutory text in any great detail. It relied instead on opinions from outside the circuit that had permitted false endorsement claims under the Lanham Act.<sup>84</sup> These expansionist interpretations were supported by Congress's then-recent amendment of section 43(a), which the court recognized as codifying many of the “broad” judicial interpretations on which Waits's claim depended.<sup>85</sup>

But if a celebrity's identity is treated like a trademark,<sup>86</sup> then it stands to reason that traditional trademark defenses would apply to any infringement claims. Not so. In *Abdul-Jabbar v. General Motors Corp.*,<sup>87</sup> the retired basketball star sued the carmaker for a commercial that included the trivia question, “Who holds the record for being voted the most outstanding player of th[e NCAA men's basketball] tournament?” The answer: “Lew Alcindor, UCLA, '67, '68, '69.”<sup>88</sup> This informative tidbit was followed by the question and answer: “Has any car made the ‘Consumer Digest’s Best Buy’ list more than once?” “The Oldsmobile Eighty-Eight has.”<sup>89</sup>

Abdul-Jabbar claimed the potential implication of endorsement vi-

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a pack of razor blades . . . . Late at night. After not sleeping for three days.” *Id.* at 1097.

82. These claims seemed to apply only to designations of geographic origin. See *supra* notes 40-43 and accompanying text.

83. Waits, 978 F.2d at 1110.

84. *Id.* at 1106-07.

85. *Id.* at 1107 (“[W]e read the amended language to codify case law interpreting section 43(a) to encompass false endorsement claims.”). The court further contended that the legislative history of the 1988 amendments “makes clear that in retaining the statute’s original terms ‘symbol or device’ in the definition of ‘trademark,’ Congress approved the broad judicial interpretation of these terms to include distinctive sounds and physical appearance.” *Id.* (citations omitted).

86. Although the Ninth Circuit applies the multifactor likelihood of confusion test in such cases, it has “adapted these factors so as to be applicable to the celebrity cases.” *Downing v. Abercrombie & Fitch*, 265 F.3d 994, 1007 (9th Cir. 2001).

87. 85 F.3d 407 (9th Cir. 1996).

88. *Id.* Abdul-Jabbar officially changed his name from Alcindor in 1971 and endorsed products under his new name. *Id.* at 409.

89. *Id.* During an ensuing film clip of the car, the ad further boasted “In fact, it’s made that list three years in a row. And now you can get this Eighty-Eight special edition for just \$18,995.” The clip concluded with the printed messages, “A Definite First Round Pick,” and “Demand Better, 88 by Oldsmobile” and voiceover, “It’s your money.” *Id.*

olated section 43(a).<sup>90</sup> His problem was that he had long since changed his name from Alcindor to Abdul-Jabbar. Insofar as he was making a trademark claim, he therefore appeared subject to the traditional trademark limitation that he not abandon his mark.<sup>91</sup>

Despite its comfort with employing the standard likelihood of confusion factors to establish the defendant's potential liability,<sup>92</sup> the court balked at importing an abandonment defense to an endorsement claim, concluding that to do so would "stretch" federal trademark law.<sup>93</sup> Trademark analogies could only be taken so far.<sup>94</sup>

My point is not that the abandonment defense should or should not have played a factor in *Abdul-Jabbar*.<sup>95</sup> Rather, unfair competition cases that accord trademark-like protections to nontraditional subject matter, like a celebrity's commercial identity, may not leave similar room for trademark-like defenses. Here, endorsement claims jumped the section 43(a) barrier, but the abandonment defense did not come along for the ride. The same dynamic appears in applications of defenses that are more

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90. *Id.* at 410. The endorsement claim had stronger statutory support than that in *Waits* because it arose under the amended (and current) text of the Act. See 15 U.S.C. § 1125(a) (2006) (providing cause of action for use of any "device" that is likely to cause confusion or mistake as to "approval" of one's "goods, services, or commercial activities by another person").

91. A mark is abandoned when "its use has been discontinued with intent not to resume such use" or "any course of conduct of the owner, including acts of omission as well as commission, causes the mark to become the generic name for the goods or services on or in connection with which it is used or otherwise to lose its significance as a mark." 15 U.S.C. § 1127 (2006). This limitation is codified as a defense to a claim of infringement of a registered mark. 15 U.S.C. § 1115(b)(2) (2006). Non-use of a mark for three years amounts to *prima facie* evidence of abandonment. 15 U.S.C. § 1127. *Abdul-Jabbar* had not used the Alcindor name for a commercial purpose in over ten years. *Abdul-Jabbar*, 85 F.3d at 409.

92. *Id.* at 413.

93. *Id.* at 411 ("One's birth name is an integral part of one's identity; it is not bestowed for commercial purposes, nor is it 'kept alive' through commercial use.").

94. The court elaborated:

In other words, an individual's given name, unlike a trademark, has a life and a significance quite apart from the commercial realm. Use or nonuse of the name for commercial purposes does not dispel that significance. An individual's decision to use a name other than the birth name—whether the decision rests on religious, marital, or other personal considerations—does not therefore imply intent to set aside the birth name, or the identity associated with that name.

*Id.* at 412.

95. Though one could argue on the underlying merits that identification of a celebrity by a name that he no longer wished to use in his personal life belies any false suggestion of endorsement.

central to consumer interests.

### 1. "Classic" Fair Use

Both the Lanham Act and the common law have long protected the right to use trademarked words in their descriptive sense.<sup>96</sup> Yet, the fair use doctrine's status as a true affirmative defense under the Lanham Act remained in doubt until recently.<sup>97</sup>

The defense is narrow. In its statutory incarnation, it extends only to use that "is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin" and is a use "otherwise than as a mark."<sup>98</sup> Each element ("descriptive," "used fairly and in good faith," "only to describe," and "otherwise than as a mark") is essential to the defense. While the "descriptive" limitation is capable of an expansive, pro-defendant reading,<sup>99</sup> it is likewise capable of a narrow one, particularly when read in conjunction with the other elements, which are malleable enough to render the defense inapplicable if a court so wishes.<sup>100</sup>

Fair use's limitations stymied an effort to use the defense to check the expansion of the initial interest confusion doctrine to the Internet.<sup>101</sup> *Brookfield Communications v. West Coast Entertainment Corp.* involved the trademarked term "moviebuff," which described a searchable database

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96. 15 U.S.C. § 1115(b)(4); *see also* 2 MCCARTHY, *supra* note 26, § 11:45 ("A junior user is always entitled to use a descriptive term in good faith in its primary, descriptive sense other than as a trademark.").

97. *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.* made clear that fair uses may be excused even if they cause some consumer confusion. 543 U.S. 111, 121-22 (2004). The Court, however, held open the possibility that the amount of confusion may have a bearing on whether the defense may be invoked. *Id.* at 123 ("It suffices to realize that our holding that fair use can occur along with some degree of confusion does not foreclose the relevance of the extent of any likely consumer confusion in assessing whether a defendant's use is objectively fair.").

98. 15 U.S.C. § 1115(b)(4). The statutory provision also defends the rights of those who share a name with a trademarked term to accurately describe themselves.

99. *See infra* note 106.

100. *See, e.g., infra* note 123 and accompanying text; Grynberg, *supra* note 10, at 69. The malleability problem is further exacerbated in courts, like the Ninth Circuit, that allow the existence of some likelihood of confusion to influence its conclusion as to whether the defense applies in the first instance. *See KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 408 F.3d 596, 609 (9th Cir. 2005).

101. "Initial interest confusion is customer confusion that creates initial interest in a competitor's product. Although dispelled before an actual sale occurs, initial interest confusion impermissibly capitalizes on the goodwill associated with a mark and is therefore actionable trademark infringement." *Playboy Enters., Inc. v. Netscape Commc'n Corp.*, 354 F.3d 1020, 1025 (9th Cir. 2004) (footnotes omitted).

of entertainment-related information.<sup>102</sup> The Ninth Circuit held that use by a competitor of the mark in the hidden text of its website created initial interest confusion because of the risk that web surfers might click on the “wrong” link when following search engine results.<sup>103</sup>

Whatever the harm to consumers of such diversions, they also carry potential benefits by enabling competitors to describe themselves as offering similar products or services to those of the trademark owner. So, for example, consumers who are unaware of the existence of generic acetaminophen may benefit if a search for “TYLENOL” returns the websites of drug sellers who offer a generic alternative and arrange to have their sites displayed in response to a search for the trademarked term.<sup>104</sup>

Though such uses honor the policies behind the classic fair use, they do not strictly comply with the letter of the doctrine. Accordingly, *Brookfield* rejected the defense with respect to the moviebuff mark. Because there was no space between the terms “movie” and “buff,” the defendant was not using the term in its “pure” descriptive sense (e.g., “the website for movie buffs”).<sup>105</sup>

To be sure, more flexible judicial interpretations of classic fair use exist in the case law.<sup>106</sup> But nothing in the text of section 33(b)(4) invites a flexible interpretation in the defendant’s favor—rather, the multiple requirements of the defense suggest the contrary. More importantly, nothing in the statute gives prospective defendants any certainty about whether to proceed in the face of a trademark holder’s threat of suit.<sup>107</sup>

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102. *Brookfield Commc’ns, Inc. v. W. Coast Entm’t Corp.*, 174 F.3d 1036 (9th Cir. 1999).

103. *Id.* at 1062 (despite lack of source confusion “there is nevertheless initial interest confusion in the sense that, by using ‘moviebuff.com’ or ‘MovieBuff’ to divert people looking for ‘MovieBuff’ to its web site, West Coast improperly benefits from the goodwill that Brookfield developed in its mark”).

104. See generally Grynberg, *supra* note 10, at 104-07 (discussing overlooked benefits of purported initial interest confusion). Nominative fair use may also address this problem in a limited way. See *infra* Section IV.C.

105. *Brookfield*, 174 F.3d at 1066 (“Even though [‘MovieBuff’] differs from ‘Movie Buff’ by only a single space, that difference is pivotal. The term ‘Movie Buff’ is a descriptive term, which is routinely used in the English language to describe a movie devotee. ‘MovieBuff’ is not. . . .”).

106. McGeeveran, *supra* note 13, at 87-88 (discussing cases in which the defense is any use of trademarked term in its “descriptive sense” and not restricted to a use that describes defendant’s product); see, e.g., *Packman v. Chicago Tribune Co.*, 267 F.3d 628 (7th Cir. 2001) (finding that a newspaper’s sale of memorabilia displaying reproduced newspaper headline “Joy of Six” to celebrate championship of Chicago Bulls constituted fair use).

107. McGeeveran, *supra* note 13, at 88 (“[I]nconsistent readings of § 33(b)(4) make it

## 2. Genericism

The problem raised by *Brookfield* also reflects the limitations of trademark's genericism doctrine, which serves a similar role to the classic fair use defense. Trademark law does not allow the protection of generic terms,<sup>108</sup> and trademarks that become generic lose protection.<sup>109</sup> The generic bar preserves the availability of certain market-useful terms (e.g., wine, book, car). However, the doctrine lacks a clear mechanism for protecting uses of another's mark in a generic way *even though* the mark retains distinctiveness. Returning to the example of a generic drug seller's use of TYLENOL as a keyword, such use may serve as the junior user's signal that "I am in the same product category as TYLENOL," not "I am TYLENOL." Permitting this kind of use would provide consumers with the same information benefits that genericism is intended to protect. Yet traditional generic mark doctrine, which pertains to the protectability of TYLENOL in the first instance, is not designed to accommodate this situation. Nor did *Brookfield* carve any new doctrinal space for such considerations.<sup>110</sup>

## 3. Functionality and the Question of Aesthetics

The bar to trademarking "functional" matter is another traditional marketplace protection that is now an enumerated defense to trademark infringement.<sup>111</sup> The functionality doctrine protects market competition by

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difficult to tell in advance whether the defense will be available, especially if it is unclear in which circuit an eventual lawsuit might be brought.").

108. See, e.g., *Canal Co. v. Clark*, 80 U.S. 311, 323 (1871) ("Nor can a generic name . . . be employed as a trade-mark and the exclusive use of it be entitled to legal protection.")

109. See, e.g., 15 U.S.C. § 1064(3) (2006) (allowing mark cancellation petitions "if the registered mark becomes the generic name for the goods or services, or a portion thereof"); 15 U.S.C. § 1065(4) (2006) (denying incontestable status to marks that have become generic); 15 U.S.C. § 1127 (2006) (deeming abandoned marks when "any course of conduct of the owner . . . causes the mark to become the generic name for the goods or services").

110. See Grynberg, *supra* note 10, at 86. Indeed, *Brookfield*'s embrace of initial interest confusion undermines other defenses like the first-sale doctrine. See *Std. Process, Inc. v. Total Health Disc., Inc.*, 559 F. Supp. 2d 932, 938-39 (E.D. Wis. 2008) (denying summary judgment to product reseller's first-sale and nominative use defenses in part on grounds that use of product's trademarked term in keyword advertising may cause consumer confusion).

111. 15 U.S.C. § 1115(b)(8) (2006); see also 15 U.S.C. § 1052(e)(5) (2006) (forbidding registration of trademark that "comprises any matter that, as a whole, is functional"); 15 U.S.C. § 1125(a)(3) (2006) ("In a civil action for trade dress infringement under this chapter for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is

preventing trademark protection of useful product features even if such features perform a source-identifying function.<sup>112</sup>

Functionality has traditionally focused on excluding utilitarian features from trademark.<sup>113</sup> Although trademarking aesthetically pleasing features poses some of the same problems as protecting utilitarian designs, some judges fear the consequences of excluding aesthetic design from protection, lest sellers be deterred from bringing attractive goods to market.<sup>114</sup> Courts sometimes finesse the issue by redefining what might appear to be an aesthetic feature as a utilitarian one.<sup>115</sup>

When push comes to shove, the functionality defense often fails outside of its paradigmatic utilitarian case.<sup>116</sup> In *Au-Tomotive Gold, Inc. v.*

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not functional."); *see generally* *TraffFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23 (2001) (setting forth tests for functional matter). The policy concerns animating the functionality bar are venerable. *See, e.g.*, *Canal Co. v. Clark*, 80 U.S. 311, 323 (1871) (observing that “[n]o one can claim protection for the exclusive use of a trade-mark or trade-name which would practically give him a monopoly in the sale of any goods other than those produced or made by himself,” otherwise “the public would be injured rather than protected, for competition would be destroyed.”).

112. *See, e.g.*, *TraffFix*, 532 U.S. at 35 (withholding trademark protection from a spring system designed to prevent roadside signs from blowing down in the wind).

113. *TraffFix* set forth two functionality tests. Under the so-called traditional test, “‘a product feature is functional,’ and cannot serve as a trademark, ‘if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.’” *Id.* at 32 (quoting *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 165 (1995)). Under the second test, “‘a functional feature is one the ‘exclusive use of which would put competitors at a significant non-reputation-related disadvantage.’” *Id.* (quoting *Qualitex*, 514 U.S. at 165). This latter test is often at play in aesthetic functionality situations.

114. *See, e.g.*, WILLIAM M. LANDES & RICHARD A. POSNER, THE ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY LAW 199-200 (2003) (contending that aesthetic features used as marks do not disadvantage other firms when such features do not become “an attribute of the product” in a consumer’s mind); Alex Kozinski, *Trademarks Unplugged*, 68 N.Y.U. L. REV. 960, 970 (1993) (“Allowing unrestricted copying of the Rolex trademark will make it less likely that Rolex, Guess, Pierre Cardin, and others will invest in image advertising, denying the image-conscious among us something we hold near and dear.”). This concern begs the question of whether such incentives are a legitimate concern of trademark—as opposed to copyright or design patent—law.

115. *Eco Mfg. LLC. v. Honeywell Int’l, Inc.*, 357 F.3d 649, 654 (7th Cir. 2003) (positing reasons why a circular thermostat shape may be functional independent of consumer aesthetic preference); *cf. Brunswick Corp. v. British Seagull Ltd.*, 35 F.3d 1527, 1531 (Fed. Cir. 1994) (ruling that use of the color black for outboard motors was not entitled to trademark protection because “the color black exhibits both color compatibility with a wide variety of boat colors and ability to make objects appear smaller,” creating a competitive need for the color by other engine manufacturers).

116. Despite the room in Supreme Court precedent for considerations of aesthetic functionality, *see supra* note 113, courts have been reluctant to embrace robust theories of aesthetic functionality. 1 MCCARTHY, *supra* note 26, § 7:80 (surveying federal circuit

*Volkswagen of America, Inc.*,<sup>117</sup> the holders of the Volkswagen and Audi trademarks sued the maker of automobile accessories who used the marks in key chains and license plate covers. The defendant argued that the logos were aesthetically functional aspects of the defendant's product.<sup>118</sup> That is, Volkswagen owners do not purchase a key with the VW logo because they think Volkswagen produced the key chain; they simply want their key chain to match their car.<sup>119</sup>

Note that the plaintiffs' cause of action depended on a prior expansion of trademark law beyond its traditional boundaries. No trademark claim would have been possible if courts had not expanded the likelihood of confusion concept to encompass situations in which the mark serves primarily not as a designator of source, but as the product itself (e.g., a Boston Celtics jersey, for which demand is for a Celtics jersey regardless of the physical source of the jersey).<sup>120</sup>

The Ninth Circuit had little difficulty embracing the expansion, concluding that the case presented an "easy analysis" with respect to likelihood of confusion.<sup>121</sup> Despite absence of any evidence of source confusion, the court weighed most of the multifactor test in favor of the plaintiffs<sup>122</sup> and found the defendant's business model—the legality of which the case was testing—to be in and of itself evidence of bad faith.<sup>123</sup> Similarly, the court relied on the theory of post-sale confusion of non-purchasers to dis-

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courts and observing that most have either explicitly rejected aesthetic functionality or expressed doubts as to its validity).

117. *Au-Tomotive Gold, Inc. v. Volkswagen of Am., Inc.*, 457 F.3d 1062 (9th Cir. 2006).

118. *Id.* at 1064.

119. *Id.*

120. See *supra* Section II.A.2.

121. *Au-Tomotive Gold*, 457 F.3d at 1076.

122. Some factors, like similarity of marks, *id.*, being especially easy once the underlying theory of litigation was accepted.

123. The court stated:

Auto Gold knowingly and intentionally appropriated the exact trademarks of Volkswagen and Audi. Auto Gold argues, however, that it does not "intend" to deceive the public as to the source of the goods, but merely sought to fill a market demand for auto accessories bearing the marks. This argument is simply a recasting of aesthetic functionality. Even if we credit Auto Gold's proffered lack of intent, the direct counterfeiting undermines this argument. This factor tips against Auto Gold.

*Id.*; cf. *id.* at 1064 ("Auto Gold's incorporation of Volkswagen and Audi marks in its key chains and license plates appears to be nothing more than naked appropriation of the marks. The doctrine of aesthetic functionality does not provide a defense against actions to enforce the trademarks against such poaching.").

count the defendant's use of disclaimers.<sup>124</sup>

No similar flexibility accompanied the court's analysis and rejection of the aesthetic functionality defense. Part of the problem stemmed from the fact that in the typical case, the functionality defense is strong medicine. The defendant's contention normally is that the mark in question does not merit protection.<sup>125</sup> But the defendant could have made a different conceptual claim in *Au-Tomotive Gold*. That the carmaker logos were functional *in context* need not have undermined their distinctiveness as marks. For the panel, however, the broad strokes of the functionality doctrine suggested an extreme outcome—the loss of trademark protection for Volkswagen's and Audi's logos—which would have meant the “death knell for trademark protection.”<sup>126</sup>

What is telling is that the court showed no inclination to adjust trademark defenses to accommodate a practice that arguably offers consumers the benefits of enhanced price competition. The court never considered the prospect that the functionality doctrine could be malleable enough to recognize functionality in the limited context of an adjacent market *without endangering* the protectability of the plaintiffs' marks in their core markets—where the marks *do* perform a source-identifying function—because to do so would render the “aesthetic function . . . indistinguishable from and tied to the mark's source-identifying nature.”<sup>127</sup> While the court welcomed a trademark claim that reached well beyond confusion as to source,<sup>128</sup> the perceived threat to source identification of an adjusted functionality defense proved too much to contemplate.

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124. *Id.* at 1077-78 (“Shorn of their disclaimer-covered packaging, Auto Gold's products display no indication visible to the general public that the items are not associated with Audi or Volkswagen. The disclaimers do nothing to dispel post-purchase confusion.”).

125. Cf. 15 U.S.C. § 1125(a)(3) (2006) (placing burden on plaintiff in cause of action for infringement of unregistered trade dress to demonstrate that claimed trade dress is not functional).

126. *Au-Tomotive Gold*, 457 F.3d at 1064.

127. *Id.* at 1074; *see also id.* at 1073 (“[T]he rule [defendant] advocates injects unwarranted breadth into our caselaw. . . . In practice, aesthetic functionality has been limited to product features that serve an aesthetic purpose wholly independent of any source-identifying function.”).

128. “A [l]ikelihood of confusion exists when customers viewing [a] mark would probably assume that the product or service it represents is associated with the source of a different product or service identified by a similar mark.” *Id.* at 1075-76 (quoting *Fud-druckers, Inc. v. Doc's B.R. Others, Inc.*, 826 F.2d 837, 845 (9th Cir. 1987) (alterations in original) (internal quotations omitted); *see also supra* notes 120-124 and accompanying text.

#### 4. Other Defenses

The Lanham Act codifies a number of other trademark defenses. They exist to police the conduct of the trademark claimant and rarely implicate the issues discussed above.<sup>129</sup> Other “defenses” are either closely tied to the underlying cause of action, like nominative fair use, or were derived from extra-trademark sources, specifically the First Amendment. They present their own difficulties and are discussed in greater detail below.<sup>130</sup>

### C. Summary

The modern equilibrium between the Lanham Act causes of action and trademark defenses disadvantages consumers. At its best, trademark law protects consumers and sellers alike. But overzealous mark protection may harm consumers by depriving them of valuable information or the benefits of market competition. Trademark defenses vindicate these interests, but rigid judicial interpretation often limits their effectiveness. For example, in *Au-Tomotive Gold*, the trademark holders were able to expand their monopoly to an adjacent market and deprive consumers of effective price competition because the asserted defense proved less flexible than the cause of action.<sup>131</sup> The court failed to analyze the interests of non-confused consumers in a meaningful way because there was no clear cut doctrinal box in which to place them, notwithstanding the existence of the functionality doctrine.

The Ninth Circuit’s reluctance to flexibly interpret aesthetic functionality suggests that courts are hardly eager to create new trademark defenses.<sup>132</sup> To be sure, the current judicial attitude towards such creativity

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129. See generally 15 U.S.C. § 1115(b)(4) (2006) (providing for defenses of fraudulent registration, abandonment, misrepresentation, prior use, violation of the antitrust laws, and indicating where equitable principles—such as laches, estoppel, and acquiescence—apply). See also notes 86–95 and accompanying text (discussing inapplicability of abandonment defense to *Abdul-Jabbar*).

130. See *infra* Part IV.

131. See, e.g., Grynberg, *supra* note 10, at 85–86.

132. Indeed, reluctance to create new defenses may bias the evaluation of an infringement claim. *McNeil Nutritionals, LLC v. Heartland Sweeteners, LLC*, 511 F.3d 350 (3d Cir. 2007), involved a trade dress claim by the seller of the artificial sweetener Splenda (the brand name for sucralose) against the distributor of chemically equivalent store brands (e.g., sucralose sold under the Food Lion label in Food Lion stores). Although the trade dress of these brands shared similar coloring to Splenda, the presence of a distinct mark on the packaging of some of the store brands counteracted any likelihood of confusion. *Id.* at 360–61. Other packaging lacked such a prominent distinguishing feature, and the district court (applying the multifactor likelihood of confusion test) weighed the similarity of the marks in favor of the plaintiffs. *Id.* at 363 n.4. With respect to that packaging, the Third Circuit reversed the finding of no likelihood of confusion. *Id.* at 367

says little about judicial freedom to act should such attitudes evolve. The next Part turns to the question of whether such leeway exists.

### III. A WAY OUT? TRADEMARK'S COMMON LAW PROBLEM

Arguments that trademark's scope is too broad are nothing new,<sup>133</sup> as are proposals for new or revitalized doctrines to check it. In recent years, courts<sup>134</sup> and commentators<sup>135</sup> alike have considered the existence and reach of a trademark "use" requirement and debated the extent to which the Lanham Act<sup>136</sup> or older common law sources<sup>137</sup> even contain the requirement. What is striking is the shared confidence of the debaters that courts have the power to craft new defenses to liability.<sup>138</sup> Their faith jibes well with trademark's history. Trademark liability expanded in the first instance through judges acting in a "common law" manner, even after enactment of a comprehensive federal statute in 1946. Given trademark's common law roots, why wouldn't that tradition enable and guide the development of defenses to complement and check any overgrowth of lia-

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("[T]here is no way the District Court could have ultimately balanced the *Lapp* factors against McNeil after weighing the first, second, seventh, eighth, and ninth *Lapp* factors in its favor."). Of interest is the court's preclusion of any reconsideration on remand because it feared that the lower court was attempting to create a new defense to infringement. In ruling against the plaintiff, the district court noted that consumer awareness of the existence of store brand products would negate any likely confusion especially when coupled with other signals like price differential and shelf location. *Id.* For the court of appeals this observation treaded too close to a categorical defense and thus justified taking the matter out of the trial court's hands.

The danger in the District Court's result is that producers of store-brand products will be held to a lower standard of infringing behavior, that is, they effectively would acquire *per se* immunity as long as the store brand's name or logo appears somewhere on the allegedly infringing package, even when the name or logo is tiny. The Lanham Act does not support such a *per se* rule.

*Id.* at 367-68.

133. See, e.g., *supra* notes 5-8.

134. Compare *Rescuecom Corp. v. Google Inc.*, No. 06-4881-cv, 2009 WL 875447 (2d. Cir. Apr. 3, 2009) (holding Google's sale of trademarked terms as keywords to be a use in commerce under the Lanham Act), with *1-800 Contacts, Inc. v. WhenU.com, Inc.*, 414 F.3d 400, 403 (2d Cir. 2005) (holding internet advertising service that supplied competitor pop-up ads when plaintiff's website was visited did not "use" plaintiff's trademarks).

135. See *supra* notes 8 and 14.

136. See, e.g., *Dogan & Lemley, supra* note 8, at 1675-77.

137. *Id.* at 1677. But compare, e.g., *Dinwoodie & Janis, Contextualism, supra* note 14, at 1609-22.

138. See *supra* notes 14-15 and accompanying text.

bility?

One answer is that times have changed. Whatever the past willingness of courts to treat statutes in an open-ended manner, ours is said to be a more self-consciously formalist age. Today commentators routinely note the prominence, if not triumph, of textualist interpretive theories that leave comparatively little room for judges to blunt harsh statutory edges with invocations of congressional intent, pragmatic considerations, or the discovery of statutory gaps in need of filling by federal common law.<sup>139</sup> Legislative history indicating Congress's intent for courts to "continue to interpret" section 43(a) may therefore not matter.<sup>140</sup>

Recent Supreme Court trademark jurisprudence is consistent with this storyline. Almost twenty years ago, *Two Pesos, Inc. v. Taco Cabana, Inc.* recognized expansive trademark rights in unregistered trade dress despite their questionable statutory pedigree.<sup>141</sup> While *Two Pesos* ratified earlier expansive judicial interpretation of the Lanham Act's scope, the Supreme Court acted against a background of congressional acquiescence and endorsement. Since then, the Court has used text-bound interpretations of the Lanham Act to slow further expansion of trademark's domain. The resulting opinions have checked further expansion of trademark's scope. But trademark had already come far, with many gains reinforced by open-ended statutory language. Because similar language does not exist with respect to trademark defenses, any "formalist shift" in trademark jurisprudence presents serious challenges for those who would rely on new defensive doctrines to curtail trademark's scope.

#### A. A Formalist Age?

Federal trademark law has always had a strong common law component. The pre-Lanham Act federal statute was limited, so much of the federal judicial action consisted of administering the pre-*Erie* federal common law of unfair competition.<sup>142</sup> This tradition continued after passage of the Lanham Act, and Congress largely endorsed the resulting de facto

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139. See *infra* Section III.A.

140. S. REP. NO. 100-515 (1988), as reprinted in 1988 U.S.C.C.A.N. 5577, 5603. The quoted passage, moreover, does not give an indication that Congress intended to invite the creation of new defenses as opposed to the continued application of the trademark cause of action to novel settings, given that the report focused on the statute's role as filling "an important gap in federal unfair competition law." *Id.*

141. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992); see *supra* notes 37-41 and accompanying text.

142. S. REP. NO. 79-1333 (1946), as reprinted in 1946 U.S.C.C.A.N. 1274, 1276-77 (citing the post-*Erie* lack of federal common law as reason for national trademark legislation); McCarthy, *supra* note 3, at 46-48.

"common law" of federal trademark protection by enacting more expansive statutory text.<sup>143</sup>

Had Congress remained silent, trademark's gains might be less secure. Numerous commentators argue that the current legal landscape is increasingly formalist.<sup>144</sup> That could mean any number of things,<sup>145</sup> but two aspects are of particular importance with respect to designing new trademark defenses. First, the increasing prominence of textualist statutory interpretation means that construction of statutory text is less likely than in the past to be guided by legislative history or pragmatic considerations.<sup>146</sup> Modern textualists emphasize, however, that statutory construction is not strictly limited to the text (and interpretive sources like contemporary dictiona-

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143. See *supra* Section II.A.

144. See, e.g., William N. Eskridge, Jr., *The New Textualism*, 37 UCLA L. REV. 621, 624 (1990) ("The new textualism is the most interesting development in the Court's legisprudence (the jurisprudence of legislation) in the 1980s."); Jerry L. Mashaw, *Textualism, Constitutionalism, and the Interpretation of Federal Statutes*, 32 WM. & MARY L. REV. 827, 832 (1991) ("Is textualism dominant, or at least a major new direction in the approach to statutory interpretation? My tentative answer is 'yes.' "); Jonathan T. Molot, *The Rise and Fall of Textualism*, 106 COLUM. L. REV. 1, 2 (2006) ("Textualists have been so successful discrediting strong purposivism, and distinguishing their new brand of 'modern textualism' from the older, more extreme 'plain meaning' school, that they no longer can identify, let alone conquer, any remaining territory between textualism's adherents and nonadherents."); Siegel, *supra* note 2, at 1057 ("[E]veryone must acknowledge the valuable and very significant achievement of Justice Scalia in recalling the attention of the legal community to the importance of text in statutory interpretation. In a significant sense, we are all textualists now."); Thomas C. Grey, *The New Formalism* (Stanford Pub. Law & Legal Theory Working Paper Series, Paper No. 4, 1999), available at <http://ssrn.com/abstract=200732> ("It has long been an insult in sophisticated legal circles to call someone a formalist. . . . But within the last decade or so (overnight in jurisprudential time) this has changed. . . .").

145. For example, Grey identifies four formalist jurisprudential urges: objectivism (the desire for determinate rules); originalism in constitutional law; textualism (as opposed to statutory interpretation based on legislative purposes); and conceptualism, the desire for bodies of law like contract or tort to be treated "as coherent structures of concepts or principles." Grey, *supra* note 144, at 2.

146. John F. Manning, *What Divides Textualists from Purposivists?*, 106 COLUM. L. REV. 70, 110 (2006) [hereinafter, Manning, *What Divides?*] ("Properly understood, textualism means that in resolving ambiguity, interpreters should give precedence to semantic context (evidence about the way reasonable people use words) rather than policy context (evidence about the way reasonable people would solve problems)."). Compare Molot, *supra* note 144, at 23 ("In the immediate aftermath of the New Deal and legal realism, the Court's strong purposivism was perceived to be entirely compatible with legislative supremacy."). It bears noting that definitions of textualism are not free from debate. See Caleb Nelson, *What is Textualism?*, 91 VA. L. REV. 347, 351 (2005) ("[S]omeone seeking to predict how textualist judges will diverge from intentionalist judges is well-advised to start with the distinction between rules and standards.").

ries), but rather considers broader statutory context as well.<sup>147</sup> This caveat dovetails with the second formalist strand relevant to trademark defenses—the effort to harmonize discrete bodies of law into internally consistent wholes.<sup>148</sup>

Textualism's impact extends beyond the academy.<sup>149</sup> While Professor Calabresi, writing in 1982, could advocate judicial updating of statutes as a form of common lawmaking that had long been practiced without open acknowledgment,<sup>150</sup> Judge Calabresi, writing in 2006, agreed that his fa-

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147. See, e.g., Scalia, *supra* note 2, at 17 (emphasizing interpretation of “‘objectified’ intent—the intent that a reasonable person would gather from the text of the law, placed alongside the remainder of the *corpus juris*”); Manning, *What Divides?*, *supra* note 146, at 79 (“In contrast with their ancestors in the ‘plain meaning’ school . . . modern textualists do not believe that it is possible to infer meaning from ‘within the four corners’ of a statute. Rather, they assert that language is intelligible only by virtue of a community’s shared conventions for understanding words in context.”) (footnote omitted).

148. Grey, *supra* note 144, at 2 (defining the “conceptualism” formalist tendency by explaining that formalists “prefer to treat abstract categories like contract and tort as coherent structures of concepts and principles, rather than as bodies of sublegislation generated in the course of judicial dispute-resolution”). While Grey defines this tendency with respect to common law categories (e.g., contract or tort), he makes clear that the impulse applies to bodies of law that have been reduced in whole or in part to statutory law. *Id.* at 24-25. He similarly fits Justice Scalia’s jurisprudence into this model, claiming that for Scalia, fidelity to the derived overarching rules may even trump apparent statutory text to the contrary. *Id.* at 25 (discussing Antonin Scalia, *Assorted Canards of Contemporary Legal Analysis*, 40 CASE W. RES. L. REV. 581 (1990) [hereinafter, Scalia, *Assorted Canards*]). For Scalia, and the new formalists more generally, ad hoc judgments must do more than simply avoid contradiction. “The system must be intelligible and transparent as well as consistent. Consistency can check judges only to the degree that inconsistency can readily be identified. This will not be the case with a ‘system’ made up of thousands of independent ad hoc totality-of-the-circumstances determinations.” *Id.* (footnotes omitted). For his part, Scalia argues:

Without such a system of binding abstractions, it would be extraordinarily difficult for even a single judicial law-giver to be confident of consistency in his many *ad hoc* judgments; and it would be utterly impossible to operate a hierarchical judicial system, in which many individual judges are supposed to produce ‘equal’ protection of the laws.

Scalia, *Assorted Canards*, *supra*, at 589.

149. See Manning, *What Divides?*, *supra* note 146, at 109 n.141 (collecting examples); Molot, *supra* note 144, at 32-33 (arguing that “the broad appeal of textualism’s underlying premises has led judges who do not consider themselves adherents to heed textualism’s warnings about the pitfalls of strong purposivism and to alter their approach to statutory interpretation” and collecting empirical studies confirming effect) (footnotes omitted); *infra* note 152.

150. GUIDO CALABRESI, A COMMON LAW FOR THE AGE OF STATUTES 178-181 (1982); *id.* at 164 (“What, then, is the common law function to be exercised by courts today? *It is no more and no less than the critical task of deciding when a retentionist or a*

vored approach “is simply not a part of our legal system.”<sup>151</sup> Consistent with these claims, commentators have observed that recent Supreme Court jurisprudence is less receptive to arguments based on legislative history or statutory purpose,<sup>152</sup> hostile to the use of the “federal common law,”<sup>153</sup>

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*revisionist bias is appropriately applied to an existing statutory or common law rule.”); id. at 166 (arguing that adopting advocated approach “will only be recognizing the changes, not making them” and that this would merely be a “seeing of the world as it is”).*

151. Hayden v. Pataki, 449 F.3d 305, 367 (2d Cir. 2006) (Calabresi, J., dissenting). He explained:

[S]ome scholars, myself included, have suggested that it might be a good idea if, as a starting point, in certain circumstances, courts were permitted to read the law according to what they perceived to be the will of the current Congress, rather than that of a long-gone-by one. But whatever the merits of such an arrangement in the abstract, it is simply not a part of our legal system.

*Id.* (citations omitted).

152. Thomas W. Merrill, *Textualism and the Future of the Chevron Doctrine*, 72 WASH. U. L.Q. 351, 355 (1994) (documenting Court’s increasing use of dictionaries and decreasing use of legislative history). Writing in 1990, Eskridge observed:

The Supreme Court has not thrown over its traditional approach to legislative history in favor of the new textualism, yet. In each year that Justice Scalia has sat on the Court, however, his theory has exerted greater influence on the Court’s practice. This influence has been manifest in three respects. First, the Court is now somewhat less willing to refer to legislative history when the statutory text has a plain meaning. Second, the Court more often determines that a statutory text has a plain meaning by reference to structural textual arguments. Third, the Court has been increasingly influenced by textual and procedural canons of statutory interpretation.

Eskridge, *supra* note 144, at 656. Other studies have found similar trends, though some observe a comparatively small countermovement on legislative history led by Justices Breyer and Stevens. Molot, *supra* note 144, at 32 n.135 (collecting sources); see also Michael H. Koby, *The Supreme Court’s Declining Reliance on Legislative History: The Impact of Justice Scalia’s Critique*, 36 HARV. J. ON LEGIS. 369, 395 (1999) (“[T]here has emerged a clear and unmistakable pattern of decline in the use of legislative history by the Supreme Court. While the pattern is most acute in the decisions of more conservative justices, moderate and liberal justices are also citing to legislative history less often.”). Other scholars challenge the categories used in such analyses as being incomplete. Jane S. Schacter, *The Confounding Common Law Originalism in Recent Supreme Court Statutory Interpretation: Implications for the Legislative History Debate and Beyond*, 51 STAN. L. REV. 1, 5 (1998) (“My analysis of the recent opinions suggests that these categories are far too stylized to capture the Court’s interpretive practices which, in fact, cut across these familiar categories.”); see generally FRANK B. CROSS, THE THEORY AND PRACTICE OF STATUTORY INTERPRETATION 134-39 (2008) (discussing research of the Court’s methodology).

153. Henry Paul Monaghan, *Supreme Court Review of State-Court Determinations of State Law in Constitutional Cases*, 103 COLUM. L. REV. 1919, 1984 n.317 (2003) (“The Court has increasingly treated federal common law as a suspect enterprise, except within

and disinclined to read causes of action or defenses into statutes that do not clearly provide for them.<sup>154</sup> While most scholarship focuses on the Supreme Court, at least some evidence suggests that the textualist trend is equally, if not more, pronounced in the federal circuit courts.<sup>155</sup>

*Ali v. Federal Bureau of Prisons*, decided last year, offers a nice example of judicial practice following academic commentary. *Ali* addresses a bar to suit based on detention of property by “any officer of customs or excise or any other law enforcement officer.”<sup>156</sup> The interpretive question is whether the phrase “any other law enforcement officer” literally means *any* law enforcement officer, or does the text limit the phrase to include only other officers when they are enforcing customs or excise laws? By a 5-4 vote, the Court took the first approach.

Of interest here is the relatively narrow battleground for the majority opinion and primary dissent. Their arguments were almost entirely textual, focusing on statutory context and application of interpretive canons like

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the narrowest range.”). Monaghan argues that this hesitation applies to use of federal common law to fill interstitial gaps in legislation. *See id.*

154. Last year, the Court declared it “settled that there is an implied cause of action only if the underlying statute can be interpreted to disclose the intent to create one.” *Stoneridge Inv. Partners, L.L.C. v. Scientific-Atlanta, Inc.*, 128 S. Ct. 761, 772 (2008); *see also Burlington Indus., Inc. v. Ellerth*, 524 U.S. 742, 755 (1998) (creating affirmative defense to liability under Title VII, but maintaining that “[t]he resulting federal rule . . . is statutory interpretation pursuant to congressional direction. This is not federal common law in the strictest sense.”) (internal quotation omitted); Monaghan, *supra* note 153, at 1984 n.317 (citing *Burlington Indus.* in support of proposition that “the Court has gone to rather startling lengths to cast its results as statutory interpretation rather than federal common law”). Regardless of the majority’s level of candor in *Burlington Indus.*, what is telling is its implicit agreement with the dissent that the creation of a defense based on policy alone would be illegitimate. *Cf. Burlington Indus.*, 524 U.S. at 772 (Thomas, J., dissenting) (characterizing the majority holding as “a product of willful policymaking, pure and simple”).

155. Cross’s own study of the Court’s statutory interpretation cases between 1994 and 2002 reports that the Court uses textualism more than legislative intent, but by not as large a margin as the commentary would suggest, CROSS, *supra* note 152, at 145, and that all Justices demonstrated pluralist tendencies. *Id.* at 158. Of greater interest, perhaps, is Cross’s analysis of interpretation practices in the circuit courts, which suggests that the “‘death of legislative history’ as an interpretive tool is much more profound in the circuit courts than in the Supreme Court.” *Id.* at 185; *id.* at 187 (speculating that the shift may be due to the “conventional wisdom” regarding the rise of textualism). At the same time, reliance on textualism increased. *Id.* at 188. Cross’s analysis also indicates an increase in use of references to pragmatism, though he cautions that his tools for identifying such cases are relatively crude. *Id.* at 189 (“Pragmatism may be becoming more acceptable as an interpretive tool for the judiciary, though its absolute frequency is uncertain.”).

156. *Ali v. Fed. Bureau of Prisons*, 128 S. Ct. 831, 834 (2008) (analyzing 28 U.S.C. § 2680(c)).

*ejusdem generis* and *noscitur a sociis*.<sup>157</sup> By contrast, Justice Breyer's separate dissent, which argued that the relevant context "extends well beyond Latin canons and other such purely textual devices" to invoke the statute's legislative history and pragmatic considerations, drew only the vote of Justice Stevens.<sup>158</sup>

*Ali* is obviously just one case, and the generalizations of the commentary are contestable.<sup>159</sup> This Article has no ambition of engaging, much

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157. Compare *id.* at 838-41 (rejecting arguments based on *ejusdem generis*, *noscitur a sociis*, and the presumption against superfluity), with *id.* at 842-44 (Kennedy, J., dissenting) (arguing to the contrary). *Ejusdem generis* ("of the same kind or class") is the canon of construction providing that where a general term follows a group of specific ones, the general term should be interpreted to include only matters of the same type as encompassed by the prior specific terms. BLACK'S LAW DICTIONARY 556 (8th ed. 2004). *Noscitur a sociis* ("it is known by its associates") is the principle that ambiguous words draw meaning from surrounding words. *Id.* at 1087.

158. *Ali*, 128 S. Ct. at 849 (Breyer, J., dissenting); see also *id.* at 850-51 (making arguments based on legislative history and practical implementation). Even when Justice Breyer's relatively less textual approach carried the day in *Zuni Pub. Sch. Dist. No. 89 v. Dep't of Educ.*, 550 U.S. 81 (2007), his colleagues noted discomfort with his method. *Zuni* was a 5-4 decision turning on interpretation of debatably ambiguous language in the federal Impact Aid Act (a school financing statute), Justice Breyer began his main analysis by "depart[ing] from a normal order of discussion" by "first examin[ing] the provision's background and basic purposes" rather than its text. *Id.* at 90. While holding his majority, Breyer's departure provoked ridicule by the dissent:

The opinion purports to place a premium on the plain text of the Impact Aid statute, but it first takes us instead on a roundabout tour of "[c]onsiderations *other* than language,"—page after page of unenacted congressional intent and judicially perceived statutory purpose. . . .

This is a most suspicious order of proceeding. . . .

*Id.* at 108-09 (Scalia, J., dissenting) (emphasis added by Justice Scalia) (citations omitted). More tellingly, as a reflection of the Court's currently favored practices, Breyer's structure provoked a separate concurrence. Joined by Justice Alito, Justice Kennedy observed:

In this case, the Court is correct to find that the plain language of the statute is ambiguous. It is proper, therefore, to invoke *Chevron*'s rule of deference. The opinion of the Court, however, inverts *Chevron*'s logical progression. Were the inversion to become systemic, it would create the impression that agency policy concerns, rather than the traditional tools of statutory construction, are shaping the judicial interpretation of statutes. It is our obligation to set a good example; and so, in my view, it would have been preferable, and more faithful to *Chevron*, to arrange the opinion differently. Still, we must give deference to the author of an opinion in matters of exposition; and because the point does not affect the outcome, I join the Court's opinion.

*Id.* at 107.

159. See *supra* note 152. Committed textualists have little difficulty identifying exceptions to the Supreme Court's textualist tilt. John F. Manning, *Justice Scalia and the*

less resolving, the attending debates.<sup>160</sup> And indeed, shifts in emphasis in interpretation methodology do not mean that judicial practices are not, on the whole, eclectic.<sup>161</sup> The claim here is not that the Court is or is not more formalist now than in the past. Nor is it necessary to argue that the Court is more formalist with respect to trademark litigation than in the past. My more modest contention is that since *Two Pesos*, the last time the Court construed the pre-1988 Lanham Act, all of the Court's important interpretations of the post-amendment statute have been consistent with the "formalist narrative" (specifically, its textual focus, and a desire to treat bodies of law as a unified whole) and incompatible with treating the Lanham Act as authorizing a federal common law of unfair competition. This is even true of those trademark opinions that appear to depart from the formalist line. These purported deviations are important, however, because they

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*Legislative Process*, 62 N.Y.U. ANN. SURV. AM. L. 33, 42 n.35 (2006). Likewise, several articles documenting the rise of formalist tendencies in the courts are often at pains to suggest that the changes seen may not be so profound. See, e.g., Grey, *supra* note 144, at 29 ("[A]t its theoretical core, the new formalism is just the old legal pragmatism, now mostly in the hands of conservatives rather than Progressives, New Dealers, and post-New-Deal liberals."); Siegel, *supra* note 2, at 1057 ("Although the battle over statutory interpretation has been waged with harsh words, the positions of the warring camps are not nearly as far apart as they might seem. Each of the competing methods of statutory interpretation accepts some of the insights of the others.") (footnote omitted). This is especially the case when combined with the observation that the newer forms of textualism are more open to contextual considerations than the old.

In scholarship and case law alike, what one finds is convergence of opinion. On one hand, the purposivism that prevailed in prior decades has largely disappeared and textualist rhetoric has made its way into mainstream judicial opinions. On the other hand, even the most committed textualists have openly acknowledged that text can be ambiguous, that judges must read statutes in context, and that statutory purposes merit consideration in at least some cases. Ironically, at a time when the textualism debate seems to be garnering more attention—and even making its way into the mainstream press—that which unites textualists and purposivists seems to outweigh that which divides them.

Molot, *supra* note 144, at 35-36 (footnotes omitted). While maintaining that their points of emphasis still differ from non-textualists, Manning, *What Divides?*, *supra* note 146, at 76 (arguing that purposivists, unlike textualists, will allow "sufficiently pressing policy cues to overcome" semantic evidence), some self-described textualists partially concede these points, *id.* at 75-76 (agreeing that interpretation requires looking beyond text and statutory purpose is relevant to construction if not derived from legislative history).

160. I am not arguing that textualism is superior to or more legitimate than intentionalist or pragmatic schools of judging. Nor am I defending the judicial proponents of textualist methodology from claims that they apply their doctrine inconsistently or in a manner that favors a political agenda.

161. CROSS, *supra* note 152, at 158 (observing that while justices vary in emphasis of methodology, "most justices show pluralist tendencies").

show potential avenues for doctrinal innovation notwithstanding the Court's trademark formalism.

### B. "Trademark Formalism" at the Supreme Court

Whatever can be said about the generalizations in the last section with respect to the judiciary as a whole, they jibe with the Supreme Court's trademark jurisprudence since *Two Pesos*. After embracing trademark's post-Lanham-Act-enactment expansion, the Court has since taken a skeptical view of further trademark expansion, using textualist rationales to guide their opposition. These opinions recognize that the Act—even the expansively worded section 43(a)—“does not have boundless application as a remedy for unfair trade practices.”<sup>162</sup> Accordingly, the Court confined the dilution cause of action,<sup>163</sup> limited the reach of “reverse passing off” claims,<sup>164</sup> clarified that the classic fair use defense is a true affirmative defense,<sup>165</sup> broadened the functionality doctrine,<sup>166</sup> and tightened the requirements for obtaining protection of trade dress.<sup>167</sup> Contrary to *Two Pesos*, the Court refused to ratify expansionist rulings by other courts absent any statutory signals of congressional agreement. Instead, the built-in protections of the Lanham Act found a ready audience in a Court disposed to focus on textual considerations in deciding trademark cases.<sup>168</sup>

#### 1. *Textual Checks to Further Trademark Expansion*

Trademark expansionism hit its Supreme Court peak in *Two Pesos*. Since then, further growth has received scant high-Court support with one exception. *Qualitex Co. v. Jacobson Products Co., Inc.* approved the use

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162. *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 29 (2003) (quoting *Alfred Dunhill, Ltd. v. Interstate Cigar Co.*, 499 F.2d 232, 237 (2d Cir. 1974)).

163. *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 433-34 (2003) (holding that the federal dilution statute required proof of actual dilution and not merely likelihood of dilution).

164. *Dastar*, 539 U.S. at 32-37 (2003) (holding the Lanham Act's prohibition of false designations of origin do not prohibit uncredited copying of another's work).

165. *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 121-22 (2004).

166. *TraffFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 32-35 (2001).

167. *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 211 (2000).

168. None of the cases discussed below drew a dissent, which is arguably consistent with a formalist narrative. RICHARD A. POSNER, *HOW JUDGES THINK* 50 (2008) (citing statistics indicating rising percentage of unanimous opinions in Supreme Court as possible evidence of increasing legalism among Justices, but proffering caveats and alternative explanations). To be sure, characterizing the Court's trademark jurisprudence based on the opinions of the Justices runs afoul of Judge Posner's contention that the formalist trappings of judicial opinions are more the product of law clerk drafting rather a true reflection of how the opinions are decided. *Id.* at 219-21.

of color as a trademark.<sup>169</sup> But this expansion, if it can be called an expansion,<sup>170</sup> found direct support in the Lanham Act's text, which provides that a trademark may be any "any word, name, symbol, or device, or any combination thereof."<sup>171</sup> Branding one's goods with color for source identification is at least arguably the use of a device.<sup>172</sup> Other efforts to expand trademark's scope had weaker foundations in the statutory text or structure, and they failed as a result.<sup>173</sup>

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169. 514 U.S. 159 (1995).

170. The Court noted that its confidence in color as a mark only extended to situations in which the color had achieved secondary meaning (in much the same circumstances as when a descriptive mark may be a trademark). *Id.* at 163. Later precedent characterized *Qualitex* as holding that color requires secondary meaning to serve as a trademark. *Wal-Mart*, 529 U.S. at 212.

171. 15 U.S.C. § 1127 (2006).

172. Justice Breyer, true to the form discussed above, invoked background principles of trademark, but did so in conjunction with the statutory text:

Both the language of the Act and the basic underlying principles of trademark law would seem to include color within the universe of things that can qualify as a trademark. The language of the Lanham Act describes that universe in the broadest of terms. It says that trademarks "includ[e] any word, name, symbol, or device, or any combination the reof." § 1127. Since human beings might use as a "symbol" or "device" almost anything at all that is capable of carrying meaning, this language, read literally, is not restrictive. The courts and the Patent and Trademark Office have authorized for use as a mark a particular shape (of a Coca-Cola bottle), a particular sound (of NBC's three chimes), and even a particular scent (of plumeria blossoms on sewing thread). *See, e.g.*, Registration No. 696,147 (Apr. 12, 1960); Registration Nos. 523,616 (Apr. 4, 1950) and 916,522 (July 13, 1971); *In re Clarke*, 17 U.S.P.Q. 2d 1238, 1240 (TTAB 1990). If a shape, a sound, and a fragrance can act as symbols why, one might ask, can a color not do the same?

A color is also capable of satisfying the more important part of the statutory definition of a trademark, which requires that a person "us[e]" or "inten[d] to use" the mark "to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown." 15 U.S.C. § 1127.

*Qualitex*, 514 U.S. at 162.

173. *See also* Graeme B. Dinwoodie, *The Trademark Jurisprudence of the Rehnquist Court*, 8 MARQ. INTELL. PROP. L. REV. 187, 202 (2004) ("Two Pesos might be read as the high point of trade dress protection under this Court, with *Qualitex* hinting at both expansion and caution. In [later cases], the Court signaled a desire to rein in claims under the Lanham Act."). Professor Dinwoodie acknowledges the textualist aspects of the Court's change of heart, but is more skeptical than I am with respect to their predominance. He argues that "the Court's inconsistent use of textual interpretation (most notably between *Two Pesos* and *Wal-Mart*) shows that other considerations do inform the Court's analy-

### a) Restricting Dilution

*Moseley v. V Secret Catalogue, Inc.*<sup>174</sup> unanimously rejected the claim that the Federal Trademark Dilution Act (“FTDA”) requires only likelihood of dilution (in much the same manner that the Lanham Act’s infringement cause of action only requires a likelihood of confusion). The reason was simple: the statute’s terms at the time only explicitly reached acts that “cause[] dilution” and not those causing “likelihood” of dilution.<sup>175</sup> This fact sufficed to cabin the dilution cause of action.<sup>176</sup>

Perhaps the most jurisprudentially interesting aspect of *Moseley* is that the issue generated a circuit split in the first place. Although some circuits relied on statutory language to embrace an actual dilution standard,<sup>177</sup> others looked elsewhere. The Sixth Circuit’s *Moseley* opinion, ultimately reversed by the Supreme Court, evaded the FTDA’s text by interpreting the statute’s legislative history to conclude that Congress intended a broad remedy, and was unlikely to have undermined that intention with the difficult standard of proof of an actual dilution requirement.<sup>178</sup> Similarly, the

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sis.” *Id.* at 207; *see also* Dinwoodie, *Defining Defenses*, *supra* note 13, at 143 n.182 (responding to draft version of this Article by arguing that the “formalist tendencies of the Supreme Court in recent cases are sufficiently coupled with more functionalist concerns not to discourage” efforts to create defenses). As I argue in this Section, however, the fact that non-textual factors may influence the Court when it chooses from among textually acceptable outcomes is a far cry from an invitation to render opinions in the common law style absent some reasonable textual basis.

174. 537 U.S. 418 (2003).

175. *Id.* at 433 (“This text unambiguously requires a showing of actual dilution, rather than a likelihood of dilution.”); *see also id.* (looking to statutory definition of dilution to further support conclusion). Justice Stevens’s opinion contained a brief section (not joined by Justice Scalia) on the dilution provision’s legislative history, *id.* at 430-31, but the discussion had no bearing on the holding.

176. Until Congress could weigh in, Congress undid the Court’s handiwork by passing the Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, 120 Stat. 1730 (codified as amended in scattered sections of 15 U.S.C.) (amending 15 U.S.C. § 1125(c) to make actionable acts causing a likelihood of dilution).

177. *See, e.g.*, *Westchester Media v. PRL USA Holdings, Inc.*, 214 F.3d 658, 670 (5th Cir. 2000) (“[W]e endorse the Fourth Circuit’s holding that the FTDA requires proof of actual harm since this standard best accords with the plain meaning of the statute.”).

178. *V Secret Catalogue, Inc. v. Moseley*, 259 F.3d 464, 476 (6th Cir. 2001). It is worth noting, moreover, how generally worded that history was, considering the mileage the panel got out of it:

As the Congressional Record indicates, dilution is “an injury that differs materially from that arising out of the orthodox confusion. Even in the absence of confusion, the potency of a mark may be debilitated by another’s use. This is the essence of dilution. Confusion leads to immediate injury, while dilution is an infection, which if allowed to spread,

Second Circuit had recognized that the FTDA's language supported an actual dilution standard "in that it uses the formulation, 'causes dilution,' rather than referring to 'likelihood of dilution.'"<sup>179</sup> Nonetheless that court rejected an actual dilution requirement as "excessive literalism" where such a standard would permit injury without compensation.<sup>180</sup> At the end of the day, of course, literalism prevailed at the Supreme Court without dissent.

b) A Defense Is a Defense Is a Defense

*KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.* held that the classic fair use defense, codified by section 33(b) of the Lanham Act, once established, excuses any liability for causing a likelihood of confusion.<sup>181</sup> Here again, the Lanham Act's text sufficed to rule that the fair use defense is just that: a defense that may prevail *notwithstanding* the presence of likely confusion. First, the burden of demonstrating confusion rests with the plaintiff; second, the terms of the defense itself are silent as to the relevance of likely confusion. "Starting from these textual fixed points, it takes a long stretch to claim that a defense of fair use entails any

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will inevitably destroy the advertising value of the mark." H.R. REP. No. 104-374 (1995), reprinted in 1996 U.S.C.C.A.N. 1029, 1032.

This passage is important in two respects. First, it evinces an intent to provide a broad remedy for the lesser trademark violation of dilution and recognizes that the essence of the dilution claim is a property right in the "potency" of a mark. While this does not reach the "property right in gross" proportions of Schechter's early dilution analysis, it does demonstrate an understanding that the right to be protected is in a mark's distinctiveness. Second, the passage's latter half—"confusion leads to immediate injury, while dilution is an infection, *which if allowed to spread, will inevitably destroy the advertising value of the mark*"—evinces an intent to allow a remedy *before* dilution has actually caused economic harm to the senior mark.

*Id.* at 475-76.

179. Nabisco, Inc. v. PF Brands, Inc., 191 F.3d 208, 224 (2d Cir. 1999).

180. *Id.* ("[S]uch a reading depends on excessive literalism to defeat the intent of the statute. Notwithstanding the use of the present tense in 'causes dilution,' it seems plausibly within Congress's meaning to understand the statute as intending to provide for an injunction to prevent the harm before it occurs."). The problem for the court was that the statute did not provide for damages unless the dilution was willful, creating the prospect that a trademark holder could not stop dilution until the harm had been consummated. *Id.* At that point, damages for the harm would likely be unavailable. *Id.*

181. 543 U.S. 111 (2004). Once again, notwithstanding the apparent simplicity of the matter as an exercise in textual interpretation, the case resolved a split in circuit authority. *Id.* at 116-17.

burden to negate confusion.”<sup>182</sup> The text of the Act thus preserved a long-standing trademark defense from being wholly subsumed in the likelihood-of-confusion analysis.<sup>183</sup>

## 2. Trademark “Contextualism”

Another purported hallmark of today’s formalism is the effort to rationalize bodies of law into coherent wholes, which requires statutory interpretation to fit within the larger context of the relevant field.<sup>184</sup> This goal dovetails with the modern textualist emphasis on context in statutory interpretation.<sup>185</sup> In trademark law, the contextualizing urge requires that

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182. *Id.* at 118. The Court elaborated:

It is just not plausible that Congress would have used the descriptive phrase “likely to cause confusion, or to cause mistake, or to deceive” in § 1114 to describe the requirement that a markholder show likelihood of consumer confusion, but would have relied on the phrase “used fairly” in § 1115(b)(4) in a fit of terse drafting meant to place a defendant under a burden to negate confusion. Where Congress includes particular language in one section of a statute but omits it in another section of the same Act, it is generally presumed that Congress acts intentionally and purposely in the disparate inclusion or exclusion. *Id.* (citations omitted) (alteration omitted) (quotation omitted). By the same token, the opinion turned away the senior user’s attempt to argue that the defense’s presence in the statute was akin to a drafting error and should have been removed when Congress amended the Lanham Act in 1989.

*Id.* at 120-21.

Justice Souter’s opinion added two dollops of legislative history in footnotes (not joined by the ever-vigilant Justice Scalia), but they did not guide the analysis. *See id.* at 118 n.4, 122 n.5.

183. This is not to say that the ruling was an unqualified triumph for opponents of expansive trademark. The Court held open the door for the argument that the presence of likely confusion may affect a court’s ruling on the viability of the fair use defense. *Id.* at 123 (“It suffices to realize that our holding that fair use can occur along with some degree of confusion does not foreclose the relevance of the extent of any likely consumer confusion in assessing whether a defendant’s use is objectively fair.”). On remand the Ninth Circuit took up the Court’s invitation to dilute the effectiveness of the defense and held that likelihood of confusion is relevant to successfully establishing the defense. *See KP Permanent Make-Up*, 408 F.3d at 609.

184. *See supra* note 148 and accompanying text.

185. *See supra* note 147 and accompanying text; *see also* Eskridge, *supra* note 144, at 655, stating:

Justice Scalia admits “coherence” arguments, that is, arguments that an ambiguous term is rendered clear if one possible definition is more coherent with the relevant legal authorities than other possible definitions. But, unlike defenders of legislative history, Justice Scalia admits only arguments based upon textual, or horizontal, coherence (this meaning is consistent with other parts of the statute or other terms in similar statutes), and not based upon historical, or vertical, coherence (this mean-

Lanham Act interpretations cohere with the rest of the statute as well as other realms of intellectual property law. The Supreme Court's treatment of functionality, origin, and product design as a form of trade dress reflects the desire for contextual coherence.<sup>186</sup>

a) Functionality

*TraFFix Devices, Inc. v. Marketing Displays, Inc.* offers a straightforward example of the Court's "trademark contextualism."<sup>187</sup> The Sixth Circuit rejected a district court ruling that the dual-spring design of a roadside sign (which prevented wind from blowing it down) was functional and therefore not protectable under section 43(a) of the Lanham Act.<sup>188</sup> The court of appeals believed that the district court should have considered the availability of alternatives to a dual-spring mechanism (e.g., a tri- or quad-spring design). A unanimous Court reversed. Once a product design is deemed functional, there is no need to engage in ad hoc consideration of the availability of alternatives.<sup>189</sup> Of note for present purposes, Justice Kennedy's opinion relied in part on the need to restrict trademark and patent law to their respective realms. Once a patent expires, the integrity of the patent regime requires free copying of the invention. Expansive trade dress protection would interfere with the time-limited monopoly bargain at

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ing is consistent with the historical expectations of the authors of the statute).

186. Cf. *supra* note 148. As such, my use of the term "contextualism" means something quite different than that of Dinwoodie and Janis in their discussion of the trademark use doctrine. See Dinwoodie & Janis, *Lessons*, *supra* note 14, at 1708-09.

187. 532 U.S. 23 (2000).

188. *Id.* at 27. The Court stated:

It was not sufficient, according to the Court of Appeals, that allowing exclusive use of a particular feature such as the dual-spring design in the guise of trade dress would "hinde[r] competition somewhat." Rather, "[e]xclusive use of a feature must 'put competitors at a *significant* non-reputation-related disadvantage' before trade dress protection is denied on functionality grounds."

*Id.* at 27-28 (alteration in original) (citations omitted).

The functional aspect of the springs was that they allowed the signs to yield to the wind without toppling over. An expired utility patent covered the design in question. *Id.* at 25.

189. *Id.* at 33-34 ("Here, the functionality of the spring design means that competitors need not explore whether other spring juxtapositions might be used. The dual-spring design is not an arbitrary flourish in the configuration of MDI's product; it is the reason the device works. Other designs need not be attempted."); cf. discussion *supra* note 148. Some courts continue to consider the existence of alternatives in deciding whether a design is functional in the first instance. See, e.g., *Valu Eng'g, Inc. v. Rexnord Corp.*, 278 F.3d 1268, 1276 (Fed. Cir. 2002).

the heart of patent law.<sup>190</sup>

b) The Meaning of “Origin”

*Dastar Corp. v. Twentieth Century Fox Film Corp.* demonstrates both the textualist preference for dictionaries over legislative history and the modern textualist emphasis on context.<sup>191</sup> *Dastar* involved a video producer who copied and edited an out-of-copyright television series and sold the resulting work under a new title.<sup>192</sup> Plaintiffs claimed that selling the series without attribution constituted “reverse passing off,” causing likely consumer confusion as to the product’s origin.<sup>193</sup>

Justice Scalia’s analysis emphasized at the outset that the Lanham Act is not an open-ended common law cause of action to which judges may supply content. “[B]ecause of its inherently limited wording, § 43(a) can never be a federal “codification” of the overall law of “unfair competition,” but can apply only to certain unfair trade practices prohibited by its text.”<sup>194</sup> The question, therefore, was the meaning of the word “origin” in section 43(a).<sup>195</sup> If “origin” simply means physical source, then the defendant was indeed the source of the product in question, but if “origin” means “author” or the like, then the plaintiffs might have a claim.<sup>196</sup>

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190. *TraffFix*, 532 U.S. at 29 (“Trade dress protection must subsist with the recognition that in many instances there is no prohibition against copying goods and products. In general, unless an intellectual property right such as a patent or copyright protects an item, it will be subject to copying.”). The Court stopped short of holding that the subject of an expired utility patent could *never* be protectable trade dress, *id.* at 35, but it was definitive that the existence of a prior patent was strongly probative of functionality, *id.* at 29-30, 32. Moreover, the Court’s desire to keep the various forms of intellectual property protection to their proper domains is hardly a new concern. *See, e.g.*, *Baker v. Selden*, 101 U.S. 99, 102-03 (1879).

191. 539 U.S. 23 (2003). *Dastar* was an 8-0 opinion with Justice Breyer not participating.

192. *Id.* at 26-27.

193. *Id.* at 27. “Passing off” involves representing your product as that of another (e.g., putting a TOYOTA label on your homemade car and selling it as a Toyota). “Reverse passing off” arises when one takes the product of another and attempts to sell it under one’s own mark (e.g., buying a Toyota and reselling it under the infringer’s label).

194. *Id.* at 29 (quoting 4 MCCARTHY, *supra* note 26, § 27:7). Justice Scalia paused to note that courts had in the past arguably outrun their statutory authority. *Id.* at 29-30. In light of the Lanham Act’s 1988 amendments, however, section 43(a)’s language is now “amply inclusive . . . of reverse passing off—if indeed it does not implicitly adopt the unanimous court-of-appeals jurisprudence on that subject.”). *Id.* at 30.

195. *Id.* at 31.

196. The court explained:

If “origin” refers only to the manufacturer or producer of the physical “goods” that are made available to the public (in this case the video-

Beginning with the dictionary definition of “origin,” the Court concluded that “the most natural understanding of the ‘origin’ of ‘goods’—the source of wares—is the producer of the tangible product sold in the marketplace.”<sup>197</sup> While that concept may “stretch” to encompass a mark holder who ordered or otherwise “stood behind” the product, it cannot encompass the source of the intellectual content (e.g., the author or inventor) of the product.<sup>198</sup>

The Court’s analysis did not end with the dictionary. It looked to broader context to interpret the term “origin.”<sup>199</sup> The Court made a potentially challengeable empirical observation with respect to consumer expectations. In the Court’s analysis, a purchaser of a Coke cares that her Coke will taste like the others she has tried, and is comparatively unconcerned with who invented the soda’s formula in the first place.<sup>200</sup> This move, however, is fully consistent with the traditional common law understanding: trademark law has not traditionally focused on matters of authorial source.

More importantly, *Dastar* concedes that literary and similar works may be an exception and that some consumers might care about proper

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tapes), *Dastar* was the origin. If, however, “origin” includes the creator of the underlying work that *Dastar* copied, then someone else (perhaps Fox) was the origin of *Dastar*’s product. At bottom, we must decide what § 43(a)(1)(A) of the Lanham Act means by the “origin” of “goods.”

*Id.*

197. *Id.*

198. *Id.* at 31-32. Professor Dinwoodie argues that the text underdetermines the result in *Dastar*:

But given that the language of Section 43(a) is clearly susceptible to more than one interpretation, one might suspect that there is something else going on. The *Dastar* Court appears willing to reject the endorsement of judicial development of this cause of action in the legislative history to the 1988 Berne Convention Implementation Act. Yet, the Court was also ready to accept in *Two Pesos* the endorsement of judicial expansion of the scope of trade dress actions in the legislative history to the 1988 Trademark Law Revision Act. Thus, mere statutory interpretation tools do not provide a complete explanation . . . .

Dinwoodie, *supra* note 173, at 203. A textualist might reply that the apparent contradiction is easily reconciled—legislative history does not matter. Congressional acquiescence to judicial practice as manifest in actual statutory text does. In any case, insofar as the differing results suggest a change in attitude toward “judicial development” of the trademark cause of action between 1992 and 2003, that supports the proposition that the Court’s trademark jurisprudence jibes with the formalist narrative described above.

199. As modern textualist partisans maintain is appropriate. *See supra* note 147.

200. *Dastar*, 539 U.S. at 32.

attribution of authorship.<sup>201</sup> But to support such expectations would be to bring trademark into conflict with copyright law by allowing authors and their assignees to police activity that the Copyright Act permits.<sup>202</sup> In this *Dastar* is very much a contextualist ruling, drawing upon the boundaries set by other bodies of intellectual property law, as well as the common law foundations of trademark law, to interpret the Lanham Act's text.<sup>203</sup>

c) What About *Wal-Mart*?

*Wal-Mart Stores, Inc. v. Samara Bros., Inc.* presents a harder case for the claim that the recent history of Supreme Court trademark cases is strongly formalist, to say nothing of the larger thesis that today's courts are constrained in devising defenses to trademark liability.<sup>204</sup> In another unanimous opinion written by Justice Scalia, the Court held that unregistered product design is never inherently distinctive. Trade dress protection for product design always requires secondary meaning.<sup>205</sup>

*Wal-Mart* may seem a functionalist departure from the formalist cases surveyed thus far, particularly in light of the opinion's frequent references to policy considerations.<sup>206</sup> No text in the Act distinguishes between prod-

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201. Professor Dinwoodie argues that this move is “amateur psychology” that presages what is actually a pragmatic opinion. Dinwoodie, *supra* note 173, at 204. It should be noted, however, that the opinion makes these observations *after* arriving at an interpretation of the semantic meaning of the term “origin” in the statute. The psychology, such as it is, is considered in determining whether to vary from the Court’s statutory interpretation; it is not the basis for it.

“Amateur psychology” is fairly common in trademark law. See, e.g., *Virgin Enters. Ltd. v. Nawab*, 335 F.3d 141, 148 (2d Cir. 2003). (“[T]he more distinctive the mark, the greater the likelihood that the public, seeing it used a second time, will assume that the second use comes from the same source as the first.”); *Rogers v. Grimaldi*, 875 F.2d 994, 1000 (2d Cir. 1989) (“[M]ost consumers are well aware that they cannot judge a book solely by its title any more than by its cover. We therefore need not interpret the Act to require that authors select titles that unambiguously describe what the work is about . . .”).

202. *Dastar*, 539 U.S. at 33. To hold otherwise would be to “create a species of mutant copyright law that limits the public’s federal right to copy and to use expired copyrights.” *Id.* at 34 (citation omitted) (quotation omitted). Moreover, identification of authors would present difficult challenges for Lanham Act purposes. *See id.* at 35-36.

203. *Id.* at 37 (“[R]eading the phrase ‘origin of goods’ in the Lanham Act in accordance with the Act’s common-law-foundations (which were *not* designed to protect originality or creativity), and in light of the copyright and patent laws (which *were*), we conclude that the phrase refers to the producer of the tangible goods[.]”).

204. *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 211 (2000).

205. *Id.* at 212.

206. *See, e.g., id.* at 214 (commenting on virtue of “summary dispositions of an anti-competitive strike suit”); *id.* (“Competition is deterred, however, not merely by successful suit but by the plausible threat of successful suit . . .”); *id.* at 213-14 (noting *in terro-*

uct design and packaging. Is this then a case of the Court's inventing doctrine to blunt the Lanham Act's extremes? No.

*Wal-Mart* is a contextualist holding in the same vein as others canvassed in this Section. It is textualist insofar as it elucidates statutory text based on the context provided by the rest of the statute. The resulting rule is an elaboration of the statute itself, not a product of common law statutory updating. The problem for the Court was that Congress updated the Lanham Act to broaden its cause of action, but omitted many important details of how the section 43(a) cause of action was to function. What may function as an unregistered trade dress was one such open issue.

Notwithstanding this silence, *Wal-Mart*'s analysis still begins with the Lanham Act's text, specifically the description of what may be a *registered* trademark.<sup>207</sup> The opinion notes the contestable interpretive move made over time by lower courts to allow protectable trade dress to include product design, but cites *Qualitex*'s interpretation of the terms "symbol" and "device" in trademark's definition to support permitting the practice.<sup>208</sup>

This says nothing, however, about what sort of *unregistered* trade dress is protectable.<sup>209</sup> To address this issue, *Wal-Mart* looks first not to the common law or the Court's perception of the best policy, but rather to the statutory standards that exist for registered marks.<sup>210</sup> Those standards are found in section two of the Lanham Act,<sup>211</sup> which reflects the long-standing distinction between inherently distinctive marks, which are automatically eligible for protection, and non-distinctive marks, which receive protection only if consumers have come to associate them with a single source.<sup>212</sup> This contextualist move leaves open an important ques-

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*rem* effect of uncertainty to competitors); *id.* at 215 (noting that balance of utilities favors the Court's preferred rule).

207. *Id.* at 209 (discussing section 2 of the Lanham Act).

208. *Id.* Similarly, Congress appeared to acquiesce in the judicial practice of protecting product design under section 43(a) by amending the statute to refer specifically to such actions. *Id.* (noting § 43(a)(3), which places burden on the party claiming protection in unregistered trade dress to establish its lack of functionality).

209. *Id.* at 209-10 ("The text of § 43(a) provides little guidance as to the circumstances under which unregistered trade dress may be protected.").

210. Looking to standards for registered marks to fill the content of the cause of action for unregistered marks is commonplace for actions arising under section 43(a), *see 5 MCCARTHY, supra* note 26, § 27:18, and was the Court's method in *Two Pesos* as well. *See supra* note 37 and accompanying text.

211. 15 U.S.C. § 1052 (2006) (setting forth registration requirements).

212. *Wal-Mart*, 529 U.S. at 210. The Court explained:

The judicial differentiation between marks that are inherently distinctive and those that have developed secondary meaning has solid foun-

tion: does every category of mark contain inherently distinctive marks? “Nothing in § 2 . . . demands the conclusion.”<sup>213</sup>

*Wal-Mart* thus identifies the applicable rule—no protection for non-inherently distinctive marks absent secondary meaning—and an open question: Is product design ever inherently distinctive? It is only once the text runs out that the Court crafts its prophylactic rule, one giving breathing space to the other relevant textual command of the Lanham Act: functional subject matter does not get trademark protection.<sup>214</sup> Just as *Dastar* sought to prevent an innovative trademark claim from intruding on copyright’s realm, so *Wal-Mart* prevents a newer form of mark protection from encroaching upon a long-standing exclusion. In short, *Wal-Mart* is not fairly described as a “common law” trademark case. Rather, it is statutory construction of the elements of the Lanham Act’s cause of action. *Wal-Mart* implements Act’s commands of what may be a mark in the first place.

Perhaps none of this is persuasive.<sup>215</sup> One may argue that *Wal-Mart* is little more than a judgment rooted largely in another contestable empirical claim about how consumers behave. The same might be said, however, about a ruling to the contrary. Concluding that consumers (or some of them) see product design as inherently distinctive is also a factual judgment. Admittedly, this uncertainty may be reason enough to refer the decision to the factfinder on a case-by-case basis (notwithstanding considerations of judicial economy cited by the Court).<sup>216</sup>

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dation in the statute itself. Section 2 requires that registration be granted to any trademark “by which the goods of the applicant may be distinguished from the goods of others”—subject to various limited exceptions. 15 U.S.C. § 1052. It also provides, again with limited exceptions, that “nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant’s goods in commerce”—that is, which is not inherently distinctive but has become so only through secondary meaning. § 2(f), 15 U.S.C. § 1052(f).

*Id.* at 211.

213. *Id.*

214. 15 U.S.C. §§ 1052(e)(5), 1115(b)(8), 1125(a)(3) (2006).

215. For his part, Professor Dinwoodie views *Wal-Mart* as being equally grounded in concern for dangers to competition as in the text of the Lanham Act or the principles of trademark law. Dinwoodie, *supra* note 173, at 198 (labeling *Wal-Mart*’s holding as a “prudentially derived conclusion”). Cf. Merrill, *supra* note 152, at 372 (critiquing textualism as seemingly “transform[ing] statutory interpretation into a kind of exercise in judicial ingenuity”).

216. Professor Dinwoodie argues that the Court could have implemented its conclusions regarding the relative source identifying capabilities of product design and product

Note, however, that individualized scrutiny of the purported trade dress's viability remains possible under *Wal-Mart*. The analysis simply must proceed through the prism of secondary meaning, a form of analysis rooted in the common law of unfair competition and the text of the Lanham Act.<sup>217</sup> The *Wal-Mart* rule, therefore, channels the necessary case-by-case determinations into a framework familiar to trademark law rather than relying on ad hoc standards (which may or may not respect the functionality bar) to separate inherently distinctive from non-inherently distinctive designs.<sup>218</sup> *Wal-Mart* thus fits the new formalist narrative that favors enhancing predictability by trying to bring internal coherence to bodies of law and minimizing the unpredictability of case-by-case adjudication.<sup>219</sup>

What is important is that the Court viewed itself as doing something more modest than crafting a new common law rule to ride atop existing trademark doctrine. Whatever its faults, the dress/design distinction is an elaboration of the inherent distinctiveness requirement of section 2 of the Lanham Act. In other words, the Court found its freedom in the Lanham Act's text and structure—not, as might appear at first glance, in the statute's silences.<sup>220</sup> Contextual application of open-ended text is statutory

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packaging by crafting a rule that would still allow courts to evaluate actual consumer perceptions on a case-by-case basis. "Instead, the Court foreclosed individualized scrutiny of its (unsupported) social generalization, by embedding that generalization as a rule of law." Dinwoodie, *supra* note 173, at 197.

217. 15 U.S.C. § 1052(f) ("Except as expressly excluded . . . nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce.").

218. This is not to say, of course, that the secondary meaning inquiry is always predictable, simply that it is familiar to trademark law and finds a textual basis in statute. No similarly deep or long-lived body of law had evolved regarding the inherent distinctiveness of product design. Compare 1 SHOEMAKER, *supra* note 34, at 208 (describing secondary meaning doctrine as understood in 1931), with *id.* § 78 at 236 ("A trade-mark must be something distinct from the article marked; neither the thing itself nor any part or quality of it can be a trade-mark for that thing.").

219. See *supra* note 148 and accompanying text.

220. In a similar vein, *Burlington Indus., Inc. v. Ellerth*, 524 U.S. 742 (1998) created an affirmative defense to employer liability under Title VII based on the statute's definition of "employer" as including the term "agents." The Court stated, "Congress has directed federal courts to interpret Title VII based on agency principles. Given such an explicit instruction, we conclude a uniform and predictable standard must be established as a matter of federal law." *Id.* at 754. Quoting *Meritor Sav. Bank, FSB v. Vinson*, 477 U.S. 57, 72 (1986), the Court concluded that "Congress' decision to define 'employer' to include any 'agent' of an employer, 42 U.S.C. § 2000e(b), surely evinces an intent to place some limits on the acts of employees for which employers under Title VII are to be held responsible." *Id.* at 763.

interpretation and construction, not an exercise in common law jurisprudence.

### C. Summary

While the contention that we are in a formalist era may be contestable, the Supreme Court's recent approach to trademark cases is consistent with the claim. This may be bad news for trademark defenses. While the opinions canvassed above generally restrict trademark's scope for textualist reasons, the text of the Lanham Act generally supports today's expansive trademark doctrines. The real bite of the Court's "trademark formalism" may therefore be felt as an obstacle to future efforts at reform.

In *Wal-Mart*, however, the Court revealed one promising avenue for future development. The Court framed its holding as statutory construction of open-ended text. Those looking to create similar pro-defendant innovations might benefit from a search for similar examples of open text in the Lanham Act.

## IV. WHAT'S LEFT FOR TRADEMARK DEFENSES?

This Part surveys available sources of future innovation in trademark defenses. It concludes with a discussion of the "nominative fair use" doctrine as an example of the uncertainty and problems facing courts that would craft new defenses.

### A. The Source of Trademark Defenses

In considering trademark defenses, judges may look to the Lanham Act's text, the "federal common law" of trademark, and external legal requirements. This Section examines why none of these sources are a fully adequate basis for future judicial creativity.

#### 1. *The "Literal" Lanham Act*

Section 33(b) of the Lanham Act codifies several traditional common law defenses to trademark infringement and applies them to suits for the infringement of registered marks, regardless of incontestable status.<sup>221</sup> The

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221. After five years of use, a holder of a registered mark may obtain incontestable status. 15 U.S.C. § 1065 (2006). Incontestable status is "conclusive evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce." 15 U.S.C. § 1115(b) (2006).

Section 33(b) of the Lanham Act sets forth a list of defenses and defects to which a mark is subject notwithstanding incontestable status. 15 U.S.C. § 1115(b). Professor McCarthy argues that the listed defenses and defects were intended by Congress to

enumeration of specific defenses has always raised the question of whether the list is exclusive with respect to incontestable marks.<sup>222</sup> The Court has not considered the issue lately,<sup>223</sup> but the most recent relevant precedent suggests a closed list.

*Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*<sup>224</sup> considered whether an alleged infringer may defend on the basis that the plaintiff's incontestable mark was nonetheless descriptive, and thus ineligible for protection.<sup>225</sup> The answer was simple because section 33(b) contains no exceptions for descriptive marks.<sup>226</sup> To hold otherwise would "emasculate[]" the relevant statutory provision.<sup>227</sup>

*Park 'N Fly* implies that courts have scant room to maneuver with respect to defenses for infringing incontestable marks.<sup>228</sup> Partisans of tex-

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"merely reduc[e] the status of a conclusive presumption down to that of *prima facie*, with the challenger allowed to raise common law defenses," notwithstanding the judicial practice of reading the provision as setting forth defenses on the merits. 6 MCCARTHY, *supra* note 26, § 32:157.

222. Compare Diggins, *supra* note 59, at 195 ("The fact that Section 33(b) limits the defenses against an incontestable mark to seven specific issues is possibly not conclusive. It is difficult to imagine an equity court granting injunctive relief to a registrant who comes into court with unclean hands . . . ."), with Symposium, *Incontestable Trademark Rights and Equitable Defenses in Infringement Litigation*, 66 MINN. L. REV. 1067 (1982) (arguing that equitable defenses were unavailable under then-current Lanham Act text, which omitted the defenses). Congress resolved the question in 1988 by adding equitable defenses to section 33(b). Trademark Law Revision Act of 1988, Pub. L. No. 100-667, sec. 128(b), § 33(b), 102 Stat. 3935, 3944 (current version at 15 U.S.C. § 1115(b) (2006)).

223. In *KP Permanent* the Court reserved comment on the role of alternative defenses like nominative fair use. *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 115 n.3 (2004). Nominative fair use is discussed in greater detail below. See *infra* Section IV.C.

224. 469 U.S. 189 (1985).

225. Because a descriptive mark should not be registered unless the registrant can show that secondary meaning had been established, *Park 'N Fly* covered the situation in which an incontestable trademark was arguably improperly registered in the first instance. See 15 U.S.C. § 1052(f) (2006).

226. *Park 'N Fly*, 469 U.S. at 196-97.

227. *Id.* at 197. Unlike the rather sparse use of legislative history in the Court's opinions discussed above, and consistent with the scholarship that reports declining use of such history, see *supra* note 152, Justice O'Connor's majority opinion included a section on the Lanham Act's legislative history and policies and argued that neither contradicted the clear dictates of the text. *Park 'N Fly*, 469 U.S. at 197-202.

228. Cf. *Shakespeare Co. v. Silstar Corp. of Am.*, 9 F.3d 1091 (4th Cir. 1993) (holding incontestable mark may not be cancelled due to functionality of mark). But compare *Wilhelm Pudenz, GmbH v. Littlefuse, Inc.*, 177 F.3d 1204, 1209 (11th Cir. 1999) (disagreeing with *Shakespeare*).

tualism might note that *Park 'N Fly* accomplished precisely what rigorous adherence to statutory provisions is supposed to do: force Congress to speak on ambiguous matters. Since *Park 'N Fly*, Congress has twice added new defenses to section 33(b), providing that an equitable defense and the defense of functionality may be raised in response to an infringement claim of an incontestable mark.<sup>229</sup> These actions, in turn, only reinforce the *inclusio unius* ramifications of opinions like *Park 'N Fly*. It cannot be argued that Congress has not considered the appropriate content of the provision. Barring further congressional action, section 33(b) seems a closed set, which looms as a problem for any defensive innovations that cannot fit within its provisions.<sup>230</sup>

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229. Trademark Law Treaty Implementation Act, Pub. L. No. 105-330, sec. 201(a)(9), § 33(b), 112 Stat. 3064, 3070 (1998) (codified as amended at 15 U.S.C. § 1115(b) (2006)) (amending section to include functionality defense); Trademark Law Revision Act of 1988, Pub. L. No. 100-667, sec. 128(b)(5), (6), §§ 33(b), 34(a), 102 Stat. 3935, 3944-45 (codified as amended at 15 U.S.C. §§ 1115(b), 1116(a) (2006)) (amending section to include equitable defenses); *see also Wilhelm Pudenz*, 117 F.3d at 1211 ("[T]he legislative history of the Trademark Law Treaty Implementation Act indicates that the functionality provisions were meant to codify existing law and correct the flawed result reached by the Fourth Circuit in *Shakespeare*.").

230. Nor does the availability of "equitable principles" under section 33(b)(9) give courts room for innovation. In context, it is clear that the codified equitable defenses are the traditional ones, as the defense is implicated when "equitable principles, *including laches, estoppel, and acquiescence*, are applicable." 15 U.S.C. § 1115(b)(9) (emphasis added). This is the necessary implication of *Park 'N Fly*, which held that the provision authorizing injunctions "according to the principles of equity" did not open the door to asserting defenses based on a mark's descriptiveness. *Park 'N Fly*, 469 U.S. at 203. As the Court explained:

Whatever the precise boundaries of the courts' equitable power, we do not believe that it encompasses a substantive challenge to the validity of an incontestable mark on the grounds that it lacks secondary meaning. To conclude otherwise would expand the meaning of "equity" to the point of vitiating the more specific provisions of the Lanham Act.

*Id.*

In addition, the Court reserved the question of whether "traditional equitable defenses such as estoppel or laches" apply (as the case arose prior to the inclusion of defenses in section 33(b)). *Id.* at 203 n.7. If such equitable defenses were capable of extending beyond traditional equitable doctrines, the Court would have had to address the matter or explain why not (e.g., due to a party's waiver). The legislative history of section 33(b)(9) is in accord. S. REP. NO. 100-515 at 39 (1988), *as reprinted in* 1988 U.S.C.C.A.N. 5577; *see also* 6 MCCARTHY, *supra* note 26, § 32:151 ("The ability to raise 'equitable principles' does not open the door to any and all defenses. It is not a catch-all category." (citing *Levi Strauss & Co. v. GTFM, Inc.*, 196 F. Supp. 2d 971 (N.D. Cal. 2002))).

## 2. “Federal Common Law” Trademark Defenses

While the express defenses of the Lanham Act are limited, they are not the end of the story. Section 33(a) signals the existence of other defenses,<sup>231</sup> but says nothing about what they are, nor does it contain language authorizing courts to innovate.<sup>232</sup> The statute is likewise silent with

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231. 15 U.S.C. § 1115(a) (2006) (registration “shall not preclude another person from proving any legal or equitable defense or defect, including those set forth in subsection (b) of this section, which might have been asserted if such mark had not been registered”).

232. It is therefore best read as incorporating trademark requirements from elsewhere in the statute and allocating, where necessary, the burden of going forward. So, for example, a registered (but not contestable) mark may be presumed valid, but a defendant may still claim that it is defective because it is descriptive. *See* 15 U.S.C. § 1115(a) (registration is *prima facie* evidence of validity), *cf.* *Park 'N Fly*, 469 U.S. at 195-97. *Park 'N Fly* is in accord:

The Lanham Act expressly provides that before a mark becomes contestable an opposing party may prove any legal or equitable defense which might have been asserted if the mark had not been registered. Thus, § 33(a) would have allowed respondent to challenge petitioner's mark as merely descriptive if the mark had not become contestable.

*Id.* at 196 (citation omitted).

Judge Leval has argued to the contrary, contending that the Lanham Act is a delegating statute that stands for “complete common law development,” and that section 33(a)’s language is in fact an explicit delegation to the courts. Pierre N. Leval, *Trademark: Champion of Free Speech*, 27 COLUM. J.L. & ARTS 187, 198 (2004); *see also* Dinwoodie, *Developing Defenses*, *supra* note 13, at 138. While the open text of the statute authorizes some judicial creativity, *see infra* Section IV.B, the clause in question is not plausibly read as doing so. In full, the surrounding sentence reads:

Any registration issued under the Act of March 3, 1881, or the Act of February 20, 1905, or of a mark registered on the principal register provided by this chapter and owned by a party to an action shall be admissible in evidence and shall be *prima facie* evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the registration subject to any conditions or limitations stated therein, but shall not preclude another person from proving any legal or equitable defense or defect, including those set forth in subsection (b) of this section, which might have been asserted if such mark had not been registered.

15 U.S.C. § 1115(a). In other words, the effect of the clause is to limit the power of registration with respect to existing defenses or defects. Holders of registered marks are entitled to certain presumptions, but their rights are subject to other provisions of trademark law. A caveat to a provision providing benefits to trademark registrants seems an odd place to bury broad authorization to judges to craft new common law defenses.

Even if the language is read as authorizing interstitial lawmaking, it remains another leap to interpret it as inviting judges to go beyond trademark’s existing common law

respect to defenses to infringement of unregistered marks under section 43(a). Nonetheless, in what has been described as an exercise of the federal common law, courts apply the defenses of section 33(b) when adjudicating cases under section 43(a).<sup>233</sup> Why then may courts not go further and craft new defenses as part of the interstitial law of section 43(a)?<sup>234</sup>

First, past practice applying section 33(b) to section 43(a) cases may not be as “common law” as it appears.<sup>235</sup> In much the same manner that the requirements for trademark registration inform the scope of protection for unregistered marks, so the codified defenses for infringement of uncontested marks inform the scope of the rights held by a holder of an unregistered mark. In other words, courts are arguably engaging in contextualist statutory construction like that in *Wal-Mart*.<sup>236</sup> If so, it bears noting that *Wal-Mart* adopted a rule effectuating a doctrine found in the Lanham Act’s text; it did not go beyond the statutory principle.

Another way to approach the problem is to note that Congress wrote against existing background principles of law when it ratified the judicial expansion of section 43(a). The resulting handiwork should therefore be understood and interpreted against that legal context.<sup>237</sup> In other words,

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backdrop. See *infra* notes 243-248 and accompanying text; cf. *Dastar*, 539 U.S. at 29 (“[B]ecause of its inherently limited wording, § 43(a) can never be a federal ‘codification’ of the overall law of ‘unfair competition,’ but can apply only to certain unfair trade practices prohibited by its text.”) (citation omitted) (internal quotations omitted).

233. 5 MCCARTHY, *supra* note 26, § 27:19 (“[T]he statutory ‘defenses’ in a § 43(a) case are merely guidelines to ascertain the federal common law substantive ‘defenses’ to a § 43(a) claim.”).

234. Note, however, that even if discretion exists to innovate under section 43(a), the holding in *Park 'N Fly* suggests that such innovations cannot easily migrate to the cause of action for infringement of registered marks under section 32.

235. The term “common law” is used in the above sentence in the federal common law sense of interstitial lawmaking to fill gaps left by Congress. See generally ERWIN CHEMERINSKY, FEDERAL JURISDICTION 355-56, 376 (4th ed. 2003) (“Federal common law has developed out of necessity. In some instances there are simply gaps in the law; the application of statutory and constitutional provisions often requires the development of legal rules.”) (footnote omitted).

236. See *supra* Section III.B.2.

237. John F. Manning, *The Absurdity Doctrine*, 116 HARV. L. REV. 2387, 2467 (2003) [hereinafter, Manning, *Absurdity*] (“If the meaning of a text depends on the shared background conventions of the relevant linguistic community, then any reasonable user of language must know ‘the assumptions shared by the speakers and the intended audience.’” (quoting Frank H. Easterbrook, *What Does Legislative History Tell Us?*, 66 CHI. KENT L. REV. 441, 443 (1991))). In this manner, a number of doctrines are routinely applied to text that does not explicitly invoke them (even if those doctrines were the product of judicial intervention before becoming part of the legal background against which future legislatures acted). *Id.* at 2466-70 (collecting examples).

courts interpret the Lanham Act with long-standing common law and statutory defenses in mind, and read open statutory text accordingly.<sup>238</sup> This interpretation constrains rather than liberates the courts. It is one thing to assume that preexisting practices survive passage of a statute that does not explicitly negate them.<sup>239</sup> It is quite another to assume authorization to create new defenses that lack any statutory tether. Such an assertion rests on an entirely different conception of the judicial power.<sup>240</sup> Absent a textual basis, there are no standards for courts to employ. While that may not have mattered in the past, it does today.<sup>241</sup>

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238. Manning, *What Divides?*, *supra* note 146, at 82 & n.42 (observing that “settled” common law practices may be part of unstated background in which statute is understood to act and citing equitable tolling of statutes of limitations and interpretations of criminal statutes as examples); John F. Manning, *Textualism and Legislative Intent*, 91 VA. L. REV. 419, 435-36 (2005) (“Textualists assign common-law terms their full array of common-law connotations; they supplement otherwise unqualified texts with settled common-law practices, where such practices traditionally pertained to the subject matters covered within the statute . . . .”).

This reflects the practice of the courts with respect to incorporation of common law doctrines of geographic scope. Acting in the early part of the Twentieth Century, the Supreme Court had restricted the geographic scope of trademark rights to the active markets and zones of natural expansion of markholders. *See generally* 5 MCCARTHY, *supra* note 26, § 26:1-;30 (discussing common law use rights). This doctrine persists with respect to the geographic scope of unregistered marks enforceable by section 43(a). *Id.* § 26:52 (describing persistence of doctrine as federal common law).

239. Following this logic, *Wilhelm Pudenz, GmbH v. Littlefuse, Inc.* held that incontestable marks may be canceled on functionality grounds even though the Lanham Act did not mention the doctrine at the time the litigation arose:

Consequently, the mere fact that functionality is not enumerated in § 1115(b) is not sufficient to indicate congressional intent to eliminate the defense’s applicability to incontestable registrations. Indeed, given the absence of any explicit reference to the functionality doctrine, which is a judicially created concept that predates the Lanham Act, we should be hesitant to read the Act as limiting the doctrine’s reach. “The normal rule of statutory construction is that if Congress intends for legislation to change the interpretation of a judicially created concept, it makes that intent specific.”

177 F.3d 1204, 1210 (11th Cir. 1999) (quoting *Midlantic Nat’l Bank v. New Jersey Dep’t of Envtl Prot.*, 474 U.S. 494, 501 (1986)).

240. Manning, *Absurdity*, *supra* note 237, at 2466 (“Modern textualists unflinchingly rely on legal conventions that instruct courts, in recurrent circumstances, to supplement the bare text with *established* qualifications designed to advance certain substantive policies.”) (emphasis added).

241. *See supra* Section III.B. And even if legislative history bears on the question, the committee report on the amendment of section 43(a) provides no call for defensive innovation. In announcing a codification of past broad interpretations of liability under section 43(a), the report notes that “[b]ecause Section 43(a) of the Act fills an important gap

Even if one concedes some “gap filling” authority on the part of the courts (based either on the absence of detail in section 43(a) or the conundrums raised by giving unregistered trademarks greater protection than their registered counterparts),<sup>242</sup> that does not necessarily invite further innovation. The practice of looking to section 33(b), whether as a matter of construction or interstitial lawmaking, is a text-bound, rather than open ended, inquiry. It therefore suggests a *restrictive* rather than an expansive view of what federal “common law” defenses may be.

Another problem with the defense-as-interstitial-lawmaking argument, leaving aside the lack of clear statutory authorization,<sup>243</sup> is that it misconceives the nature of the “gap” left by Congress. It may be true that the federal trademark cause of action demands application of a federal rule, rather than a borrowed state rule, to a question arising within the “policy bundle” of the cause of action.<sup>244</sup> That does not mean that the judge has

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in federal unfair competition law, the committee expects the courts to continue to interpret the section.” S. REP. NO. 100-515 (1988), *as reprinted in* 1988 U.S.C.C.A.N. 5577, 5603. If anything, the statement in context cheers on further expansions of liability, not defensive carveouts.

Even the activist period of Lanham Act interpretation is the exception, not the rule in American jurisprudence. See John F. Manning, *Lawmaking Made Easy*, 10 GREEN BAG 2D 191, 196 (2007) (discussing Judge Friendly’s endorsement of the view that “judges should treat congressional grants of jurisdiction over particular substantive areas as invitations to develop federal common law rules of decision” and observing that view “is hardly a pervasive feature of American public law”). One hardly needs to be a textualist to appreciate the costs to predictability and certainty of leaving judges with broad leeway to fill perceived statutory gaps. They are clear to pragmatists. POSNER, *supra* note 168, at 49 (“Moderate legalists are matched by moderate pragmatists—pragmatists who believe that the institutional consequences of judicial decisions argue for a judicial approach heavily seasoned with respect for the language of contracts, statutes, and precedents.”); see also *supra* note 159.

242. Potentially raising an absurdity objection, which remains an acceptable interpretive tool for textualist judges if not scholars. Manning, *Absurdity*, *supra* note 237, at 2391 (criticizing the doctrine from a textualist perspective, but observing that “even the staunchest modern textualists still embrace and apply, even if rarely, at least some version of the absurdity doctrine.”).

243. CHEMERINSKY, *supra* note 235, § 6.3 at 379-80 (“The federal judiciary will formulate a body of common law rules only pursuant to clear congressional intent for such action.”).

244. Caleb Nelson, *The Persistence of General Law*, 106 COLUM. L. REV. 503, 544 (2006). Nelson explains:

Despite the variety of choice-of-law rules used in different American jurisdictions, those rules all tend to treat as a package certain issues that accompany the creation of a cause of action. Under virtually all American choice-of-law regimes, for instance, the same state’s law that governs whether a cause of action exists (and what its elements are) will

unbounded discretion. As Caleb Nelson argues, judges fill such gaps with rules of “general law—rules whose content is not dictated entirely by any single decisionmaker (state or federal), but instead emerges from patterns followed in many different jurisdictions.”<sup>245</sup> For example, the question of whether a federal cause of action survives the death of a party has frequently been decided by reference to evolving common law principles, rather than borrowing local law.<sup>246</sup>

As applied to the question of Lanham Act defenses, even though a federal court is unlikely to incorporate state law, its discretion with respect to section 43(a) is limited because application of the general law looks to existing defenses rather the judge’s own ingenuity.<sup>247</sup> In other words, the existing common law backdrop of the trademark cause of action guides the judge. The resulting conservative presumption against innovation is only reinforced by Congress’s specific incorporation of traditional, existing defenses in section 33(b) (statutory defenses to the infringement of incontestable marks). Worse, channeling trademark litigation to the federal courts limits the prospect that future defensive innovations might emerge from state common law.<sup>248</sup>

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also govern . . . the existence of substantive defenses . . . .

*Id.*

245. *Id.* at 503.

246. *Id.* at 545-46; *cf.* Hard Rock Cafe Licensing Corp. v. Concession Servs., Inc., 955 F.2d 1143, 1148 (7th Cir. 1992) (regarding questions of contributory trademark infringement, the courts “have treated trademark infringement as a species of tort and have turned to the common law to guide our inquiry into the appropriate boundaries of liability”). Not all Lanham Act questions have been seen as similarly part and parcel of the cause of action. *See, e.g.*, Sears, Roebuck & Co. v. Sears Realty Co., 932 F. Supp. 392, 401 (N.D.N.Y. 1996) (concluding that state law must govern the validity of settlement agreements under the Lanham Act “because there is no federal statute or common law rule on point that provides a rule of decision, and because the circumstances do not justify the creation of a federal common law rule”). But the general practice of gap filling under section 43(a) has been to look to either the standards for federally registered marks or traditional common law standards, not the invention of new law. 5 MCCARTHY, *supra* note 26, § 27:18.

247. Nelson, *supra* note 244, at 503 (“[W]hen courts articulate rules of ‘federal common law’ to fill vacuums created by written federal law, they assert less creative power than modern commentators typically suggest.”); *cf. id.* at 548 (“[T]he basic rule is simple: Absent contrary guidance from Congress, statutes creating federal causes of action to enforce federal duties are typically understood not only to federalize questions about the proper measure of damages, but also to draw the substance of the federal rules from principles of general law.”).

248. 4 MCCARTHY, *supra* note 26, § 23:1.50 (observing that courts generally apply a unified likelihood-of-confusion analysis to cases combining federal and state trademark claims and that unified approach allows citation of federal precedent); USTA Report,

The creation of new common law defenses faces a final, more conceptual problem. An affirmative defense is not any old statutory gap. A true defense defines an activity that is not subject to liability. To innovate in this area would be to take a congressional declaration that act X violates the law and declare that X does *not* violate the law. Beyond those defenses, like statute of limitations, that have always been seen as part and parcel of American jurisprudence (and thus the backdrop against which Congress legislated), defensive innovations seem to negate the statute itself.<sup>249</sup>

Nor is it a reply to argue that the broad *liability-creating* provisions of the Lanham Act compel a reciprocal flexibility in the availability of unenumerated defenses. If the chosen language of the Lanham Act controls in the absence of any manifest ambiguities, then we must distinguish situations in which Congress legislated narrowly, as in the case of enumerated defenses, from those in which it legislated broadly, as it did by choosing open-ended language for the law's causes of action.<sup>250</sup> Congress is free to legislate with varying levels of specificity, and the courts must live with the results.<sup>251</sup>

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*supra* note 33, at 377 (observing "the strongly federal cast" of trademark law and policy and noting that "federal courts now decide, under federal law, all but a few trademark disputes. State trademark law and state courts are less influential than ever.").

249. This is especially so given that section 43(a), while containing open provisions, is hardly without standards. *Cf. Tex. Indus., Inc. v. Radcliff Materials, Inc.*, 451 U.S. 630, 643-47 (1981) (concluding that while the Sherman Act authorizes creation of a federal common law, similar authorization does not appear on face of treble damages provision to create a right of contribution); *Getty Petroleum Corp. v. Island Transp. Corp.*, 862 F.2d 10, 16 (2d Cir. 1988) (applying a similar conclusion to the Lanham Act).

250. In other words, some provisions of the Lanham Act may be characterized as delegating broad authority to the courts to implement Congress's wishes, but others are not open to that interpretation. The law's provisions on defenses fall into the latter category. See *supra* note 232 and accompanying text. Congress is capable of legislating open defenses in the intellectual property realm, as it did in codifying the fair use defense in copyright. 17 U.S.C. § 107 (2006).

251. *Cf. Frank H. Easterbrook, Text, History, and Structure in Statutory Interpretation*, 17 HARV. J.L. & PUB. POL'Y 61, 68 (1994) ("Sometimes Congress specifies values or ends, things for the executive and judicial branches to achieve, but often it specifies means, creating loopholes but greater certainty."); Manning, *What Divides?*, *supra* note 146, at 105 ("If interpreters pay attention to the way a reasonable person would understand language in context, then legislative drafters can choose to convey policy directives with greater or lesser degrees of specificity.").

As Judge Easterbrook argues, a legislature may pursue a goal by allowing courts to design rules or by designing a rule itself. While legislatively selected rules are "bound to be imprecise, to be over- and under-inclusive," this does not justify a judge's decision to add to or subtract from Rule Y on the argument that, by doing so, it

### 3. External Constraints

Trademark law is not an island, and external constraints—particularly those imposed by the First Amendment—need to be accommodated. While such accommodations may form the basis of defensive doctrines, their potential is limited.

We have encountered several analogous accommodations in our discussion of the Supreme Court’s “contextualist” trademark rulings. Taking cues partly from the existence and requirements of copyright and patent law, the Court established a pair of defendant-friendly rules: (1) the Lanham Act does not address failures to attribute authorship of creative works; and (2) there is no protection for functional product design despite the availability of competitive alternatives. It should be noted that these external doctrines were not used as sources of the resulting rules, but merely guided the interpretation of provisions *internal* to the Lanham Act itself or the traditional law of trademark.<sup>252</sup>

The First Amendment is a potentially powerful source of trademark rules external to the Lanham Act. On one level, free speech interests often appear to exert a strong gravitational pull on trademark analysis.<sup>253</sup> On another, the fear of conflict with expressive rights has led various courts to create balancing tests to ensure that trademark liability maintains a safe distance from expressive considerations.<sup>254</sup>

That said, the commercial speech doctrine restricts the First Amendment’s promise as a significant check to trademark’s scope. The reduced scrutiny applied to regulation of trademark speech typically limits the

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can get more of Goal X. The judicial selection of means to pursue X displaces and directly overrides the legislative selection of ways to obtain X. It denies to legislatures the choice of creating or withholding gapfilling authority.

Frank H. Easterbrook, *Statutes’ Domains*, 50 U. CHI. L. REV. 533, 546-47 (1983).

252. See *supra* Section III.B.2.

253. *E.g.*, Hormel Foods Corp. v. Jim Henson Prods., Inc., 73 F.3d 497, 503 (2d Cir. 1996) (considering parodic intent as part of finding no likely confusion between SPAM trademark and puppet named “Spa’am”).

254. *Rogers v. Grimaldi*, 875 F.2d 994, 998 (2d Cir. 1989) (“Because overextension of Lanham Act restrictions in the area of titles might intrude on First Amendment values, we must construe the Act narrowly to avoid such a conflict.”). In *Rogers*, the Second Circuit concluded that use of a trademark in an artistic work’s title is infringing “only where the public interest in avoiding consumer confusion outweighs the public interest in free expression.” *Id.* at 999. To that end, the court adopted a balancing test looking to whether the use of the mark is artistically relevant to the underlying work. If the first prong is met, the test asks whether the use explicitly misleads regarding source or content. *Id.*

room available for judges inclined to innovate in the defense area.<sup>255</sup> The more typical reaction of the courts is to treat the trademark realm as fenced off from speech concerns.<sup>256</sup>

### B. What's Left? The "Implied" Lanham Act

Although judicial creativity with respect to defenses qua defenses may be limited, there is room to maneuver in other provisions of the Lanham Act. While the statute enumerates specific defenses, it is vaguer with respect to the standards that govern its substantive cause of action. In other words, the statute's open-ended liability-creating provisions may offer the best bet for the creation of de facto defensive doctrines.

To take a familiar example, before a trademark claim may succeed, a plaintiff must have a protectable mark. As discussed in Section III.B.2.c), existing law allows most anything to be a mark so long as it is distinctive. But it was the very openness of this requirement that enabled *Wal-Mart*'s distinction between product packaging (which may be inherently distinctive) and product design (which always requires secondary meaning). In other words, the defendant-friendly innovation stemmed from the Act's open provisions on mark validity and not its comparatively closed provisions on defenses.

The likelihood of confusion standard is the source of several similar judicial elaborations. Many favor trademark holders. For example, courts have found the likelihood of confusion requirement met even where con-

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255. A rigorous application of the doctrine could call much of trademark law into doubt. *See* Tushnet, *supra* note 11, at 755 ("Taking modern First Amendment doctrine seriously would have significant effects on the Lanham Act, affecting everything from the standard of proof to the definition of what counts as misleading."). Thus far, however, courts have not been so inclined. *See id.* at 747 (observing that courts follow "cursory" First Amendment analysis with respect to trademark claims).

256. *See Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 905 (9th Cir. 2002) ("[A] trademark injunction, even a very broad one, is premised on the need to prevent consumer confusion. This consumer protection rationale—averting what is essentially a fraud on the consuming public—is wholly consistent with the theory of the First Amendment, which does not protect commercial fraud." (citing *Cent. Hudson Gas & Elec. Corp. v. Pub. Serv. Comm'n*, 447 U.S. 557, 566 (1980)); *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395, 1401 & n.3 (9th Cir. 1992) (rejecting parody defense in a case dealing with the Lanham Act and publicity claims, in part because defendant's speech was commercial); *cf. S.F. Arts & Athletics, Inc. v. U.S. Olympic Comm.*, 483 U.S. 522 (1987) (upholding statute granting the United States Olympic Committee exclusive use of the word "Olympic" against a First Amendment challenge). Judge Leval has criticized reliance on the First Amendment in such cases, observing the risks of constitutionalizing more litigation than necessary. *Leval, supra* note 232, at 209.

sumers are more likely than not to avoid confusion.<sup>257</sup> But the flexibility of the standard also allows courts to overlook examples of *actual* confusion where appropriate.<sup>258</sup> The freedom to do so stems from the same vague text that allows expansive liability.<sup>259</sup> This method can also be used to craft doctrines that might limit trademark's reach as the Ninth Circuit's development of the nominative fair use "defense" demonstrates.

### C. The Curious Case of Nominative Fair Use

The nominative fair use doctrine highlights the ambiguous status of new trademark defenses. The Ninth Circuit's creation of the doctrine demonstrates the potential for judicial creativity even when courts are constrained in developing new infringement defenses. The Third Circuit's reinterpretation of nominative fair use indicates that the implications of the Supreme Court's "trademark formalism" have yet to be fully appreciated or internalized by the lower federal courts.

#### 1. *Development of the Nominative Fair Use Doctrine*

Nominative fair use reflects the simple insight that anybody should be free to refer to goods and services by their brand names. Courts handled this impulse in a variety of ways before the Ninth Circuit translated the notion into doctrine in *New Kids on the Block v. News America Publishing, Inc.*<sup>260</sup>

In an opinion by Judge Kozinski, *New Kids* rejected a trademark infringement claim by the band against two newspapers that had used the

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257. See 4 MCCARTHY, *supra* note 26, § 23:2 (discussing necessary levels of confusion in surveys submitted as evidence to establish likely confusion).

258. See, e.g., *Conopco, Inc. v. May Dep't Stores Co.*, 46 F.3d 1556, 1564-65 (Fed. Cir. 1994) (experience of actually confused purchaser dismissed as an "atypical and an isolated incident"); see generally 4 MCCARTHY, *supra* note 26, § 23:13 (describing cases that have deemed examples of actual confusion as being result of carelessness or inattention).

259. On the doctrinal level, the multifactor likelihood of confusion test provides formal recognition of the view that marks in nonadjacent markets are unlikely to cause confusion and therefore are less likely to incur liability. This is perhaps an overly generous interpretation of modern practice. The multifactor test first arose as a means of analyzing likely confusion with respect to marks in non-competing markets. See *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961).

260. 971 F.2d 302, 308 (9th Cir. 1992). Earlier cases include, for example, *Smith v. Chanel, Inc.*, 402 F.2d 562 (9th Cir. 1968) (protecting ability of seller of a smell-alike perfume to use competitor's name in comparative advertising), and *WCVB-TV v. Boston Athletic Ass'n*, 926 F.2d 42, 46 (1st Cir. 1991) (concluding television station's unauthorized use of Boston Marathon mark to describe coverage of the sporting event would not cause confusion especially since the words were used in their descriptive sense).

group's name to conduct phone-in polls.<sup>261</sup> Rather than ground its holding, as the district court did, in the First Amendment,<sup>262</sup> or attempt to shoehorn the facts into the classic fair use defense,<sup>263</sup> the court focused on the trademark cause of action itself. The panel defined defendants' uses as actions that were outside of trademark law. That is, assuming certain conditions,<sup>264</sup> defendants' conduct was by definition unlikely to cause confusion.

Indeed, we may generalize a class of cases where the use of the trademark does not attempt to capitalize on consumer confusion or to appropriate the cachet of one product for a different one. Such *nominative use* of a mark—where the only word reasonably available to describe a particular thing is pressed into service—lies outside the strictures of trademark law: Because it does not implicate the source-identification function that is the purpose of trademark, it does not constitute unfair competition; such use is fair because it does not imply sponsorship or endorsement by the trademark holder. “When the mark is used in a way that does not deceive the public we see no such sanctity in the word as to prevent its being used to tell the truth.”<sup>265</sup>

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261. *New Kids*, 971 F.2d at 304-05. Questions in the copy included, “Who’s the best on the block?” “Which of the five is your fave? Or are they a turn off?” “Now which kid is the sexiest?” and “Which of the New Kids on the Block would you most like to move next door?” *Id.*

262. The panel expressed concern about the ramifications of allowing plaintiffs to police unauthorized references to the band that bear on expressive considerations. *See id.* at 306 (“[W]e need not belabor the point that some words, phrases or symbols better convey their intended meanings than others.”); *id.* at 309 (“While the New Kids have a limited property right in their name, that right does not entitle them to control their fans’ use of their own money.”); *id.* n.9. But while expressive considerations may have exerted a gravitational pull on the final result, the panel was careful not to ground the opinion on free expression grounds, invoking the canon of constitutional avoidance. *Id.* at 305.

263. While the court noted the existence of the classic fair use defense and its incorporation in the Lanham Act, it explained that the situation raised by use of the New Kids mark to refer to the band and its members “is not the classic fair use case.” *Id.* at 308.

264. The elements are: (1) “the product or service in question must be one not readily identifiable without use of the trademark;” (2) “only so much of the mark or marks may be used as is reasonably necessary to identify the product or service;” and (3) “the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.” *Id.* at 308.

265. *Id.* at 307-08 (quoting *Prestonettes, Inc. v. Coty*, 264 U.S. 359, 368 (1924)). Later precedent confirmed that in the Ninth Circuit, nominative fair use is a substitute for the usual likelihood-of-confusion analysis and not a defense. *See, e.g., Playboy Enters., Inc. v. Welles*, 279 F.3d 796, 801 (9th Cir. 2002) (“In cases in which the defendant raises a nominative use defense, the above three-factor test should be applied instead of the test

In this manner, *New Kids* avoids the textualist objections that follow from inventing a new defense to supplement the defenses in section 33(b). Rather than add to the statute's closed text, the opinion designs a prophylactic rule under one of the law's most open provisions—likelihood of confusion—to sort infringing from non-infringing acts. It is not a true defense, but an alternative method of ascertaining whether liability exists in the first place.<sup>266</sup> The opinion foreshadows the Supreme Court's parallel approach in *Wal-Mart*, which establishes a similar rule to sort inherently distinctive from non-inherently distinctive trade dress. In both cases, the court creates a rule to clarify how a claimant is to establish that he is entitled to protection under the Lanham Act.<sup>267</sup>

The Ninth Circuit's nominative fair use test could be attacked as insufficiently protective of a defendant's interest in being able to use a plaintiff's mark for referential purposes.<sup>268</sup> The point for present purposes is to highlight that the court found freedom to create a potentially limiting trademark doctrine in the Lanham Act's open-ended liability provisions.

## 2. *The Third Circuit and the Persistence of "Common Law" Thinking*

Some courts continue to innovate outside the confines of the Lanham Act's text because they have not fully appreciated the implications of the Supreme Court's recent formalist trademark jurisprudence.<sup>269</sup> Judges vary

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for likelihood of confusion set forth in *Sleekcraft*."); *see also* 4 MCCARTHY, *supra* note 26, § 23:11 ("The 'nominative fair use' analysis is no more an 'affirmative defense' than is the multi-factor test of infringement used by all of the circuits.").

266. Cf. *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526, 545 (5th Cir. 1998) ("While a claim that the use was to identify the markholder's goods or services is analogous to the statutory fair-use defense, it is in actuality a claim that the use is noninfringing and thus creates no likelihood of confusion."). It is possible, of course, that a court may find that a use meets the nominative fair use test *notwithstanding* the presence of confused consumers. This would suggest that the doctrine may function like a true defense, but courts sometimes deny ordinary trademark claims notwithstanding the presence of actual confusion. *See supra* note 258.

267. One claiming trade dress in a product design could establish that the design has achieved secondary meaning with the consuming public. Similarly, the plaintiff of a nominative fair use case may argue that the defendant *has* done something to "suggest sponsorship or endorsement by the trademark holder." *New Kids*, 971 F.2d at 308.

268. Particularly in light of cases that place the burden on the defendant to demonstrate that the test is met, notwithstanding its purpose of establishing liability. *See, e.g.*, *Brother Records, Inc. v. Jardine*, 318 F.3d 900, 909 n.5 (9th Cir. 2003) ("[T]he nominative fair use defense shifts to the defendant the burden of proving no likelihood of confusion.").

269. As perhaps implied by the fact that some of the opinions canvassed in Section III.C resolved circuit splits notwithstanding their unanimous resolution on textualist

on the question whether they may supplement the Lanham Act with doctrines borrowed from background trademark principles or of their own creation.<sup>270</sup> The argument here is not that trademark cases have become

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grounds. *See* KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc., 543 U.S. 111, 116-17 (2004); Moseley v. V Secret Catalogue, Inc., 537 U.S. 418, 428 (2003). *But cf.* Leval, *supra* note 232, at 209 (“In dealing with new challenges in the last quarter century . . . we have often read statutes with excessive literalness.”).

270. For an example of borrowing background trademark principles, see *supra* note 239 and accompanying text. An example of new creations concerns the “famous marks” doctrine, which is a seldom-invoked exception to the territoriality principle. The issue concerns the priority of trademark use based on extra-territorial activity. That is, will the owner of the WIMBLEDON mark in England prevail against a user in the United States who used the mark first in the U.S., but after the mark became famous within the United States. *See* All Eng. Lawn Tennis Club (Wimbeldon) Ltd. v. Creations Aromatiques, Inc., 220 U.S.P.Q. (BNA) 1069 (T.T.A.B. 1983). In general, courts follow a strict territoriality rule. For a use of a mark to confer priority within the United States, said use must be within the nation’s borders. *See, e.g.*, ITC Ltd. v. Punchgini, Inc., 482 F.3d 135, 155 (2d Cir. 2007) (noting that the territoriality principle “is basic to American trademark law. . . . Precisely because a trademark has a separate legal existence under each country’s laws, ownership of a mark in one country does not automatically confer upon the owner the exclusive right to use that mark in another country”). This territoriality principle is long-pedigreed and is reflected in section 44 of the Lanham Act, which provides for the registration of, and priority for, foreign marks on the basis of foreign registration. *See* 15 U.S.C. § 1126 (2006).

A circuit split exists on the question of what to do if a foreign mark achieves fame in the United States *before* the first user engages in a use in the United States or avails herself of the procedures in section 44. In *Grupo Gigante SA De CV v. Dallo & Co., Inc.*, the Ninth Circuit relied on policy considerations to create an exception to the territoriality principle for famous foreign marks. 391 F.3d 1088 (9th Cir. 2004). The court stated:

An absolute territoriality rule without a famous-mark exception would promote consumer confusion and fraud. Commerce crosses borders. In this nation of immigrants, so do people. Trademark is, at its core, about protecting against consumer confusion and “palming off.” There can be no justification for using trademark law to fool immigrants into thinking that they are buying from the store they liked back home.

*Id.* at 1094 (footnote omitted).

Perhaps no justification exists, but neither does a statutory basis for the Ninth Circuit’s approach, as the Second Circuit recognized in *ITC*. In confronting the same issue, *ITC* acknowledges that earlier decisions from the Trademark Trial and Appeal Board had recognized the famous marks doctrine. There is, however, “a significant concern: nowhere . . . does the Trademark Board state that its recognition of the famous marks doctrine derives from any provision of the Lanham Act or other federal law.” *ITC*, 482 F.3d at 159. In light of its conclusion that neither the Act nor treaty supported the doctrine’s existence, and notwithstanding the “persuasive policy argument” in support of the doctrine, *ITC* rejects it on purely formalist terms. “The fact that a doctrine may promote sound policy, however, is not a sufficient ground for its judicial recognition, particularly in an area regulated by statute.” *Id.* at 165. The existence of a statute was especially relevant here “[i]n light of the comprehensive and frequently modified federal statutory

inexorably formalist, but rather that flagrant departures from the Lanham Act's text and structure are increasingly less tenable. In the Roadrunner cartoons, Wile E. Coyote remains suspended in air for a good amount of time after he runs off the cliff. At some point, however, he must look down, and that is when he inevitably falls.

Rather than looking down, the Third Circuit's approach to nominative fair use demonstrates the persistence of common law habits. In *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, the court rejected the Ninth Circuit's view that nominative fair use is not a "true" defense and held that the doctrine may excuse liability despite the presence of a likelihood of confusion.<sup>271</sup>

The source of the holding is less clear. Judge Rendell never explained the panel's authority to announce a new defense. It therefore faces a legitimacy objection that the Ninth Circuit avoids. Because *New Kids* treats nominative use as an act that is not likely to confuse, its version of the doctrine does not need an independent grounding in the Lanham Act; the likelihood-of-confusion standard itself is the textual basis. Under this view, the frustrated trademark plaintiff has little to complain about if the test is met. If there is no likely confusion in the first instance, then she did not make her case and has no Lanham Act claim.

Not so with the Third Circuit's true "defense." The nominative defense

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scheme for trademark protection set forth in the Lanham Act." *Id.*

271. *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 221 (3d Cir. 2005) (analogizing to *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111 (2004)); *id.* at 223 n.3 ("A nominative use defendant need only prove fairness and is not required to negate confusion."). The court made a number of modifications to the nominative test. First, it held that a court should first find whether a likelihood of confusion exists, using a modified version of the Third Circuit's multifactor test. *Id.* at 224-26. If a plaintiff makes his case, the defendant may still prevail under a modified version of the Ninth Circuit's test. Under the Third Circuit's version, the three prongs are:

1. Is the use of plaintiff's mark necessary to describe (1) plaintiff's product or service and (2) defendant's product or service?
2. Is only so much of the plaintiff's mark used as is necessary to describe plaintiff's products or services?
3. Does the defendant's conduct or language reflect the true and accurate relationship between plaintiff and defendant's products or services?

*Id.* at 228.

There is much to criticize in the Third Circuit's approach, independent of the question of whether it had the authority to create the test it did. See, e.g., *id.* at 232 (Fisher, J., concurring in part and dissenting in part) (criticizing modified multifactor test because "to the extent the majority places any burden on plaintiffs at all, it is so watered-down that plaintiffs might prove likely confusion on one *Lapp* factor alone").

comes into play only if a likelihood of confusion exists.<sup>272</sup> But if the plaintiff proves her case, then the court cannot very well deprive her of her victory without a reason. As argued in Section IV.A.2, if a statute says “X creates liability,” and a judge holds “X exists, nevertheless, there is no liability,” the judge is negating the statute unless he acts pursuant to some legal authority. Regardless of whether the statute incorporates background common law defenses, there is no “gap” to be filled. The existence of the cause of action has answered the question.

*Century 21* never explains what independent legal reason allows the court to negate a statutory cause of action. Instead, it focuses on the Supreme Court’s conclusion in *KP Permanent* that fair use may coexist with a likelihood of confusion.<sup>273</sup> True enough, but *KP Permanent* addresses a statutory defense. Invoking that ruling ignores the question of whether a nominative fair use defense, in contrast to classic fair use, has any independent legal basis. One searches the opinion in vain for any such foundation, textual or otherwise.<sup>274</sup>

Whatever the acceptability of the Third Circuit’s “common law” approach in the early decades of the Lanham Act, it is increasingly anachronistic today. If the statute does not create a general common law of unfair competition, it must be true with respect to the creation of defenses as much as to the expansion of liability. Under this view, and practical merits aside, only the Ninth Circuit’s approach to nominative fair use appears legitimate against the backdrop of the Supreme Court’s interpretation of the post-amendment Lanham Act.

#### D. Summary

Efforts to create new trademark defenses lack a stable foundation. The full consequences of this observation have yet to be internalized by the lower courts. Today, it is possible for the author of *Century 21* to agree

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272. *Id.* at 222 (“Once plaintiff has met its burden of proving that confusion is likely, the burden then shifts to defendant to show that its use of plaintiff’s mark is nonetheless fair.”).

273. *Century 21*, 425 F.3d at 222-23.

274. At one point the majority suggests that it may view nominative fair use as a species of classic fair use, and thus potentially grounded in section 33(b)(4), but later indicates that it views the defenses as distinct. *Compare id.* at 221 (“Since the defendant ultimately uses the plaintiff’s mark in a nominative case in order to describe its own product or services, even an accurate nominative use could potentially confuse consumers about the plaintiff’s endorsement or sponsorship of the defendant’s products or services.”) (citation omitted), *with id.* at 222 (“Yet, the Supreme Court clearly views fair use (albeit classic fair use) as an affirmative defense.”).

that “we are all textualists now,”<sup>275</sup> and still invent a trademark defense in a decidedly nontextual opinion. But barring a shift in the Supreme Court’s jurisprudence, the writing is on the wall. Sooner or later, the impact of the Supreme Court’s trademark formalism and the general tenor of the age will be inescapable, leaving little room for defensive innovations that cannot be tied to actual provisions of the Lanham Act.

## V. THE FUTURE OF TRADEMARK DEFENSES

This Part outlines areas of potential development for trademark defenses in light of the foregoing analysis.

### A. Lanham Act Amendments

Congressional action is one obvious solution to the problems of the Lanham Act. Congress could add to the defenses available under section 33(b) of the Lanham Act or enact specific safe harbors for activities that are unlikely to cause confusion or those that may cause confusion, but whose social utility is high enough that the benefits of immunizing the acts outweigh any costs. Congress has taken this approach in its dilution legislation.<sup>276</sup>

One problem with a piecemeal legislative approach is that it does little to solve the fundamental problem of trademark defenses under the current act. Narrow carveouts and safe harbors will do little to counter future expansions of trademark liability. Unless the carveouts are broad,<sup>277</sup> the Lanham Act’s underlying problem of open-ended liability provisions and narrow defenses will continue to cause difficulties in future novel contexts.

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275. See *supra* note 2.

276. 15 U.S.C. § 1125(c)(3) (2006) provides:

The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection:

- (A) Any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person’s own goods or services, including use in connection with—
  - (i) advertising or promotion that permits consumers to compare goods or services; or
  - (ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.
- (B) All forms of news reporting and news commentary.
- (C) Any noncommercial use of a mark.

277. See, e.g., Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 905 (9th Cir. 2002) (construing dilution statute’s defense for “non-commercial” uses).

Congress could also give judges explicit authority to devise and apply flexible defenses to trademark liability when circumstances warrant. In much the same way Congress amended the Copyright Act to incorporate the fair use doctrine, previously a common law creation,<sup>278</sup> it could legislate a similarly open-ended standard for judges to apply in the trademark realm. Alternatively, Congress could follow the model of the FTC Act and create a standard that contains some guidance for courts to follow in determining whether to excuse purportedly infringing conduct.<sup>279</sup>

### B. Lanham Act Contextual “Defenses”

While the Lanham Act lacks a basis for the wholesale invention of new defenses, there is interpretive room for de facto defenses in the law’s liability provisions. This Section lays a preliminary case for recognition of an explicit materiality requirement within the likelihood of confusion requirement. Consistent with the discussion in the previous Part, however, the “defenses” discussed here are not true defenses, but rather glosses on the likelihood of confusion standard. This proves to be both virtue and vice.

#### 1. *Materiality*

One promising area of doctrinal development lies in giving a more overtly qualitative interpretation to the likelihood of confusion requirement. Courts could require that any alleged confusion be material before it is actionable. That is, to establish a likelihood of confusion, a trademark plaintiff must also prove that the confusion is relevant to the consuming public in making purchasing decisions.

Such a move would not be entirely novel. Materiality considerations apply to several provisions of the Lanham Act.<sup>280</sup> Most notably, judges have long imposed a similar materiality requirement for false advertising claims under both the current and pre-1988 versions of section 43(a).<sup>281</sup>

Even without an explicit requirement, materiality considerations are

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278. See *supra* note 78.

279. The Federal Trade Commission Act authorizes the FTC to police unfair competition but provides that they may not declare a commercial practice unlawful “unless the act or practice causes or is likely to cause substantial injury to consumers which is not reasonably avoidable by consumers themselves and not outweighed by countervailing benefits to consumers or to competition.” Federal Trade Commission Act, 15 U.S.C. § 45(n) (2006). In the trademark realm, Congress could apply a similar standard or call on courts to balance the costs and benefits to consumers in the aggregate for any given class of challenged activities. See Grynberg, *supra* note 10, at 113-14.

280. See *supra* note 69.

281. 5 MCCARTHY, *supra* note 26, § 27:25, :35.

difficult to avoid in practice. Someone somewhere is always going to be confused about something. That fact of life plus the malleability of the likelihood of confusion standard means that a wide range of activity could trigger trademark liability. Courts must make judgment calls,<sup>282</sup> such as determining when confusion is *de minimis* and non-actionable.<sup>283</sup> Similarly, it is standard practice to assess likely confusion with the target audience in mind. We don't worry about the views of soda drinkers when determining whether a trademark for jet engines infringes.<sup>284</sup> We worry about whether "reasonably prudent purchasers exercising ordinary care" would be confused<sup>285</sup> in part because theirs is the confusion that has a marketplace impact.

Expanding these precursors into an explicit materiality requirement does not suffer from a legitimacy objection. The Lanham Act does not define "likelihood of confusion." Just as courts have always had to make quantitative assessments about what level of potential confusion amounts to "likelihood," they cannot avoid qualitative interpretations of "confusion."<sup>286</sup> What degree of mistaken awareness suffices for confusion? Is it conscious confusion? Subconscious? Must it be confusion that the consumer would confront while shopping, or can it be hypothesized and demonstrated through laboratory testing or with surveys?

The Lanham Act likewise does not define "origin, sponsorship, or approval," so courts must interpret those terms and their interaction with the confusion requirement.<sup>287</sup> While confusion as to origin or sponsorship has obvious relevance to consumers, the importance of approval is less clear depending on the precise meaning given to the term. "Confusion" as to "approval" could mean a mistaken belief that permission was required before a logo could be used on a piece of clothing apparel. Or it could be

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282. See Grynberg, *supra* note 10, at 113.

283. See *supra* note 258 and accompanying text.

284. The multifactor tests of the various circuits generally consider consumer sophistication. See 4 McCARTHY, *supra* note 26, §§ 24:30–:43 (listing factors used by various circuits).

285. Attrezzi, LLC v. Maytag Corp., 436 F.3d 32, 38 (1st Cir. 2006) (quoting Int'l Ass'n of Machinists & Aerospace Workers AFL-CIO v. Winship Green Nursing Ctr., 103 F.3d 196, 201 (1st Cir. 1996)); see also 4 McCARTHY, *supra* note 26, § 23:91 n.1 (collecting examples of standards).

286. For example, in recognizing claims resting on initial interest or post-sale confusion, courts have justified themselves by explaining why such confusion might have a market impact. Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp., 174 F.3d 1036, 1064 (9th Cir. 1999) (initial interest confusion); Ferrari S.P.A. Esercizio Fabbriche Automobili E Corse v. Roberts, 944 F.2d 1235, 1244 (6th Cir. 1991) (post-sale confusion).

287. 15 U.S.C. § 1125 (2006).

more restrictive, and refer to those cases in which the markholder has placed her reputation behind the product. In choosing between the two, courts should remember that the benefits of policing consumer confusion often comes at a cost to non-confused consumers.<sup>288</sup> Weighing these costs and benefits may favor the more modest reading of “approval,” which is permitted by the statutory text.

Finally, leaving aside the potential public policy benefits of reading a materiality requirement into the Lanham Act’s open text,<sup>289</sup> the statute’s text and context support such recognition. Textualist canons of construction support reading “approval” as something narrower than mere “permission.”<sup>290</sup> At a broader level, trademark law’s traditional consumer-protection focus militates in favor of reading the Act to actually protect consumers.<sup>291</sup> At the broadest level, the Supreme Court’s interpretation of Article III suggests a materiality requirement. Applying the Lanham Act to activities that do not affect consumer purchases (and, by implication, sales by the trademark holder) raises a potential Article III standing issue.<sup>292</sup> Without material confusion the trademark plaintiff’s claim of an injury in fact looks dubious. Notwithstanding the poor track record of free speech challenges to trademark law, one could make a similar claim with respect to the First Amendment. If one finds confusion in situations far removed from traditional conceptions of consumer harm, one may ask if

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288. *See supra* note 74 and accompanying text.

289. If a goal of trademark law is to “protect the public so it may be confident that, in purchasing a product . . . , it will get the product which it asks for and wants to get,” S. REP. NO. 79-1333, at 3 (1946), *as reprinted in* 1946 U.S.C.C.A.N. 1274, 1274-5, then a materiality requirement preserves that goal while creating breathing space for activities that may cause marginal confusion, but benefit a different subset of the consuming public, *see* Grynberg, *supra* note 10, at 113-14.

290. One could take an *eiusdem generis* approach and argue that the term “approval” is a general one and should be interpreted consistently with the more specific terms “origin” and “sponsorship.” The same basic claim may be made under the *noscitur a sociis* canon. *See supra* note 157.

291. Even if the consumer protection goal shares time with seller protection. S. REP. NO. 79-1333, at 3, *as reprinted in* 1946 U.S.C.C.A.N. 1274, 1274-5.

292. The Court’s familiar standing inquiry provides:

[I]n order to have Article III standing, a plaintiff must adequately establish: (1) an injury in fact ( i.e., a “concrete and particularized” invasion of a “legally protected interest”); (2) causation (i.e., a “ ‘fairly . . . trace[able]’ ” connection between the alleged injury in fact and the alleged conduct of the defendant); and (3) redressability ( i.e., it is “ ‘likely’ ” and not “merely ‘speculative’ ” that the plaintiff’s injury will be remedied by the relief plaintiff seeks in bringing suit).

Sprint Commc’ns Co. v. APCC Servs., Inc., 128 S. Ct. 2531, 2535 (2008) (citing Lujan v. Defenders of Wildlife, 504 U.S. 555, 560-61 (1992)).

trademark liability is compatible with even the decreased First Amendment scrutiny given to commercial speech under the *Central Hudson* test.<sup>293</sup>

## 2. Safe Harbors

The reformist goal of increasing the number of safe harbors in trademark law may be accomplished through interpretation of the likelihood of confusion requirement.<sup>294</sup> The nominative fair use doctrine, which identifies a class of activities as per se unlikely to cause consumer confusion, is the model example.

Nominative fair use operates at a high level of generality, but courts could make narrower assessments of specific activities as being similarly unlikely to cause confusion. For example, trademark plaintiffs have sued Google and its clients for the search engine's practice of selling keyword advertising that enables purchasers to have their advertising returned in response to a search on a trademarked term.<sup>295</sup> These suits are traceable to the infamous *Brookfield* opinion, which concluded that arranging to have one's website displayed in response to a search for a trademarked term constitutes actionable "diversion" due to a misappropriation of the trademark holder's goodwill.<sup>296</sup> The contention that the activity satisfies the confusion requirement is largely definitional—one that may be just as easily resolved to the contrary.<sup>297</sup> There is room for courts to establish, if not an absolute safe harbor, a presumption that certain activities are not confusing, much like trademark law has treated comparative advertising.<sup>298</sup>

One may object that under the terms of the above analysis, the resulting doctrine would be less a safe harbor than a rebuttable presumption of no confusion, thus robbing the safe harbor of much of its protective force. This objection is regrettably correct and reflects a problem inherent to the

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293. *Cent. Hudson Gas & Elec. Corp. v. Pub. Serv. Comm'n*, 447 U.S. 557, 566 (1980) (asking whether a regulation of commercial speech directly advances a substantial government interest). *But see supra* notes 255-256.

294. *See supra* note 13.

295. *See, e.g., Google Inc. v. Am. Blind & Wallpaper*, No. C 03-5340 JF (RS), 2007 WL 1159950 (N.D. Cal. Apr. 18, 2007) (denying summary judgment to Google in part).

296. *Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1062 (9th Cir. 1999); *see also Playboy Enters., Inc. v. Welles*, 279 F.3d 796 (9th Cir. 2002); *Soilworks, LLC v. Midwest Indus. Supply*, 575 F. Supp. 2d 1118 (D. Ariz. 2008).

297. *Brookfield*, 174 F.3d at 1062 (equating diversion of consumers with improper appropriation of trademark holder's goodwill).

298. *See, e.g., Smith v. Chanel, Inc.*, 402 F.2d 562 (9th Cir. 1968). As noted above, however, sometimes courts move in the opposite direction lest they be seen to be creating defenses to trademark liability, as the Third Circuit's treatment of color in the sugar substitute market indicates. *See supra* note 132.

de facto defenses discussed in this Section.

### 3. *The Problem with Contextual Defenses*

A lively debate exists in the literature and the courts as to whether trademark law contains a distinct requirement that a plaintiff establish that her trademark was “used as a mark” by the junior user before proving a likelihood of confusion.<sup>299</sup> Opponents have a strong textual rebuttal. The classic fair use defense codified by section 33(b)(4) specifically refers to use “otherwise than as a mark.”<sup>300</sup> But if any non-trademark use is already immune from liability, then the statutory fair use defense is superfluous.<sup>301</sup>

Writing in the shadow of these difficulties, Mark McKenna offers a resolution consistent with the approach described in the previous sections. He locates a trademark use requirement within the likelihood of confusion standard and argues that the Lanham Act only polices confusion as to “source,” broadly defined.<sup>302</sup> He then defines trademark uses as those that, as a conceptual matter, may cause source confusion. “What types of uses of a trademark have the capacity to cause confusion about the source of a product or service?”<sup>303</sup> His answer is that “it is difficult to imagine how any use of a mark that does not indicate source could confuse consumers about source. What would cause the confusion, if not a source indication?”<sup>304</sup>

If Professor McKenna is correct, then the trademark use requirement has limited bite, for reasons that he himself identifies. The requirement is so inextricably bound with the underlying factual inquiry on liability as to be almost meaningless. The malleability of consumer perceptions is the very force that has helped spur the growth of trademark’s scope in the past, and “source indication, like virtually everything else in trademark law, can only be determined from the perspective of consumers.”<sup>305</sup> Basing efforts to check trademark’s expansion in these same perceptions re-

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299. See *supra* notes 8-14.

300. 15 U.S.C. § 1115(b)(4) (2006).

301. As opponents have noted. See Dinwoodie & Janis, *Contextualism*, *supra* note 14, at 1617. Similar textual problems arise from treating the liability requirement that a plaintiff demonstrate a “use in commerce” as being something more than a jurisdictional provision, given that the infringement provisions appear to be more expansive. See *id.* at 1609-16.

302. McKenna, *supra* note 13 (manuscript at 38-41). Professor McKenna defines “source” confusion under modern trademark doctrine to include sponsorship and affiliation relationships. *Id.* (manuscript at 39).

303. *Id.* (manuscript at 41).

304. *Id.*

305. *Id.* (manuscript at 83).

creates the underlying problem of flexible trademark liability without solving it.<sup>306</sup>

This difficulty, unfortunately, is common to the contextual defenses described above. Because they rely on text in the Lanham Act, they are free from the legitimacy objection that follows any wholesale invention of a defense. At the same time, they replicate the fundamental shortcoming of many existing defensive doctrines because they are bound in the vague likelihood of confusion inquiry.<sup>307</sup> Because they are not true defenses that would apply even if a likelihood of confusion were established, they leave room for a markholder to assert a confusion claim within the parameters of the defensive doctrine. Even if the plaintiff is ultimately unsuccessful, courts will not easily be able to dispose of cases at an early stage of litigation, eliminating much of the benefit of defensive innovations.<sup>308</sup>

A materiality requirement, for example, may be unable to counteract broad merchandising claims. The owner of a sports team's logo might avoid summary judgment by alleging that some consumers care whether their purchase of branded merchandise benefits the mark owner.<sup>309</sup> The claim may be supported by a survey that uncovers respondents who express a willingness to pay more for paraphernalia that supports the local team.<sup>310</sup> Even if the ultimate claim fails, it may well survive a motion to dismiss or for summary judgment. If much of trademark's current strength

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306. *Id.* (manuscript at 82-83); *see id.* (manuscript at 64) ("[B]ecause trademark use can be determined only from the perspective of consumers, it cannot serve as a threshold requirement separable from the likelihood of confusion inquiry.").

307. *See supra* note 79.

308. *See* McGeveran, *supra* note 13, at 112-13.

309. *See* McKenna, *supra* note 13 (manuscript at 83) ("It may be that, at least in some cases, consumers do care about more than the actual source of a product or service such that other types of relationships ('sponsorship' or 'affiliation' relationships) might affect those consumers' purchasing decisions."); Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 NOTRE DAME L. REV. 1839, 1916 (2007) ("Producers are able to frame just about any argument for broader protection in terms of consumer expectations, which they are in position to influence systematically through marketing.").

310. The holder of the Michelob beer mark used survey evidence to a similar effect in *Anheuser-Busch, Inc. v. Balducci Publns.*, 28 F.3d 769 (8th Cir. 1994). The case involved a humor magazine's satirical use in a fake advertisement of the beer marks as being drenched in oil. The court concluded a likelihood of confusion existed, relying in large part on survey evidence indicating that most viewers of the ad thought that mark holder's permission was required. *Id.* at 772-73. In addition, "[f]ifty-five percent construed the parody as suggesting that Michelob beer is or was in some way contaminated with oil. As a result, twenty-two percent stated they were less likely to buy Michelob beer in the future." *Id.* at 773. A future plaintiff could try to build a case for material confusion by asking instead if a prospective beer buyer would be less likely to purchase the plaintiff's product if the plaintiff had licensed her mark for an unappealing use.

comes from the *in terrorem* threat of litigation that cannot be easily turned away at an early stage, then a materiality requirement grounded in the likelihood of confusion requirement may prove less useful than hoped.<sup>311</sup>

### C. Roll Back Trademark's Expansion

If courts are incapable of devising new "true" defenses to trademark infringement, and quasi-defenses tied to the Lanham Act's liability-creating provisions are inherently weak, what's left? The problem with which we began: trademark's expansion. Rather than attempting to devise defensive doctrines to cabin trademark's expanded reach, reformist efforts may at times be better spent on the expansion itself.

Hope on this front stems from more than the various academic proposals for reforming trademark law. Courts might take their cue from the Supreme Court's recent reluctance to entertain expansive liability claims under the Lanham Act.<sup>312</sup> Many especially expansive rulings have received judicial as well as academic criticism, and removal of their deleterious consequences could just be an *en banc* review away.<sup>313</sup>

Optimism is tempered by the knowledge that any change in judicial policy must accommodate the text of the Lanham Act, which reflects trademark's past gains. So while the Supreme Court suggested, and eventually held, that color could not be trademarked without first establishing secondary meaning,<sup>314</sup> it viewed itself bound to the proposition that color can be trademarked in the first place.<sup>315</sup> Similarly, courts may give a re-

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311. See *supra* note 73 and accompanying text.

312. See *supra* Section III.B. And indeed it may be argued that the current trend is in favor of defendants when expressive uses of trademarks are at issue. See McGeeveran, *supra* note 13, at 61.

313. *Playboy Enters., Inc. v. Netscape Commc'n Corp.*, 354 F.3d 1020, 1034-35 (9th Cir. 2004) (Berzon, J., concurring). Judge Berzon expressed "concern that [Brookfield] was wrongly decided and may one day, if not now, need to be reconsidered *en banc*." She argued:

There is a big difference between hijacking a customer to another website by making the customer think he or she is visiting the trademark holder's website (even if only briefly), . . . and just distracting a potential customer with another choice, when it is clear that it is a choice.

*Id.*

314. See *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 163 (1995) ("We cannot find in the basic objectives of trademark law any obvious theoretical objection to the use of color alone as a trademark, where that color has attained 'secondary meaning' and therefore identifies and distinguishes a particular brand (and thus indicates its 'source')."); see also *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 212 (2000) ("We held that a color could be protected as a trademark, but only upon a showing of secondary meaning." (citing *Qualitex*, 514 U.S. at 162-63)).

315. *Qualitex*, 514 U.S. at 162 ("Since human beings might use as a 'symbol' or 'de-

strictive reading to the word “approval,” but they cannot read the term out of the statute.<sup>316</sup> Finally, to the extent that the structure of trademark litigation stacks the deck in favor of trademark holders, and by extension expansive trademark doctrines,<sup>317</sup> these tendencies will likely prove resistant to anything but a fundamental shift in judicial attitudes toward expansive trademark claims.

## VI. CONCLUSION

Efforts to reign in trademark law through the creation of defensive doctrines need open text to survive. Such text is found in the Lanham Act’s liability-creating clauses, particularly the likelihood of confusion standard. While such provisions do indeed have potential to help create de facto defenses, reliance upon them threatens to replicate many of the defects of current trademark jurisprudence. In particular, it is difficult to rely on the malleable likelihood of confusion standard to create a defense without importing the problems of indeterminacy that already complicate the swift resolution of trademark cases.

Absent congressional action, courts have only a limited ability to correct the imbalance between trademark liability and defenses. The alternative is to roll back the expansions of liability that have already occurred. But this approach also faces the tilted playing field of the Lanham Act’s textual defense/liability mismatch. Even then, it is not just a matter of convincing judges to “switch sides” with respect to views of expansive trademark. There remains the matter of the accumulated precedent to date. Any judicially paced effort may therefore be little more than a rearguard action. Things are worse than we think.

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vice’ almost anything at all that is capable of carrying meaning, this language, read literally, is not restrictive.”) (discussing 15 U.S.C. § 1127).

316. *See supra* Section V.B.1.

317. Grynberg, *supra* note 10, at 64-87 (arguing that the structure of trademark litigation drives trademark’s expansion).