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Trademarks and the Burdened Imagination*

*Graeme W. Austin**

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I. INTRODUCTION

In F. Scott Fitzgerald's *The Great Gatsby*,¹ the "blue and gigantic eyes"² of Doctor T.J. Eckleburg stare out from a giant advertising billboard situated on the road connecting Long Island to the city of New York. The Jack Clayton film based on the novel depicts the oculist's advertisement as a dilapidated but arresting monument to mass marketing.³ The eyes of Dr. Eckleburg fix both Fitzgerald's characters and the film's audience with an hypnotic glare. The advertisement's psychological impact is most chillingly suggested at the turning point in the narrative. Immediately before George Wilson departs into the night, eventually to murder Gatsby, he is portrayed staring at the advertisement, in a trance-like state. He is mesmerized by it: "his face close to the window pane, nodding into the twilight,"⁴ repeating the phrase, "God sees everything."⁵

Hardly an exemplar of rationality or free will, Wilson does not have much in common with the liberal legal subject. He does, however, have quite a lot in common with another construction of the modern legal system: trademark law's "ordinarily prudent consumer."⁶ Just as Wilson seemed overwhelmed by the Eckleburg advertisement, modern

their careful and insightful editing, and to Osborn Maledon and the University of Arizona Law College Association for their continuing support of faculty research.

¹ F. SCOTT FITZGERALD, *THE GREAT GATSBY* (Scribner Paperback ed., 2003) (1925) [hereinafter FITZGERALD, *THE GREAT GATSBY*].

² *Id.* at 27.

³ For a discussion about the rise of mass marketing in the 1920s, see JULIET B. SCHOR, *THE OVERSPENT AMERICAN: UPSCALING, DOWNSHIFTING, AND THE NEW CONSUMER* 8 (1998) [hereinafter SCHOR, *OVERSPENT AMERICAN*] (describing the changes in systems of production in the 1920s that "made possible an outpouring of identical consumer goods that nearly everybody wanted – and were better able to afford"). See also Lizabeth Cohen, *Encountering the Mass Culture at the Grassroots: The Experience of Chicago Workers in the 1920's*, 41 AM. Q. 6 (1989) (discussing and critiquing assumptions about the rise of mass marketing and a national consumer culture in the 1920s) [hereinafter Cohen, *Encountering the Mass Culture*].

⁴ "That's an advertisement," Michaelis assured him. Something made him turn away from the window and look back into the room. But Wilson stood there a long time, his face close to the window pane, nodding into the twilight." FITZGERALD, *THE GREAT GATSBY*, *supra* note 1, at 167-68.

⁵ *Id.*

⁶ I do not mean, of course, to suggest that trademark law's ordinarily prudent consumers ordinarily commit murders. *But see* Oralandar Brand-Williams, *Frenzy Over New Nike Shoe Worries Parents: Too Few Air Jordans May Spur Violence*, DETROIT NEWS, March 7, 2001 (discussing the relationship between violence and newly marketed cult brands for sports shoes), available at <http://www.detnews.com/2001/metro/0103/07/d01-196466.htm>.

trademark law often seems to be premised on the idea that consumers are mesmerized by brands and are incapable of very much independent thought. Indeed, important aspects of trademark doctrine render consumer thought largely irrelevant to liability theories.⁷ Modern trademark law understands the “consumer” as somebody whose imagination has been “burdened” by brands, and characterizes as “trademark infringement” and/or “unfair competition” attempts by other firms to *unburden* a consumer’s imagination by expressing different messages and offering different choices through a set of similar or identical symbols.⁸ The law assumes that the ordinarily prudent consumer unthinkingly accepts the messages trademark proprietors seek to enforce through their branding strategies,⁹ which as one leading jurist observed, frequently involve well-orchestrated campaigns intended to “burn” trademarks into our collective consciousness.¹⁰ In much trademark law, legally cognizable harm equates with damage that rival traders might do to the “branded” consumer worldview.¹¹

⁷ See *infra* Part IV.

⁸ This point is illustrated most clearly by the doctrine of initial interest confusion, which characterizes acts by defendants that peak consumers’ interest as “infringement” even when any confusion is dissipated at the point of sale. Initial interest confusion is discussed *infra* Part IV.B.2.

⁹ As I discuss in more detail *infra* Part V, these assumptions are belied by important new trends in consumer marketing strategies, which apprehend the consumer as far more actively involved in relationships with firms that are mediated by trademarks and branding strategies. This perspective is also inconsistent with postmodernist ideas that conceive of brands as constituent elements in the construction of identity. Professor Rosemary Coombe, for example, has argued that trademarks contribute to the dialogic construction of reality, whereby the subject is constantly constructing herself through her engagements with artifacts of meaning that circulate in society. See ROSEMARY J. COOMBE, *THE CULTURAL LIFE OF INTELLECTUAL PROPERTIES: AUTHORSHIP, APPROPRIATION, AND THE LAW* (1998).

¹⁰ Writing extra-judicially, Judge Alex Kozinski deftly deployed this metaphor in his article, *Trademarks Unplugged*, 68 N.Y.U. L. REV. 960 (1993), observing that “words and images do not worm their way into our discourse by accident; they’re generally thrust there by well-orchestrated campaigns intended to burn them into our collective consciousness.” *Id.* at 975.

¹¹ Cf. ALISSA QUART, *BRANDED: THE BUYING AND SELLING OF TEENAGERS* (2003) (elaborating on the metaphor of the “branded consumer” in a critical evaluation of marketing aimed at teenagers). See also Bob Tedeschi, *E-Commerce Report: Consumer Products Companies Use Web Sites to Strengthen Ties with Customers*, N.Y. TIMES, Aug. 25, 2003, at C6 (citing market analysts, who “say the sites are keeping those visitors in place long enough to etch their logos in the consumers’ consciousness, to ‘brand’ them, in packaged foods parlance”).

Oddly, consumers appear to be getting smarter about brands,¹² yet trademark rights continue to expand.¹³ In traditional trademark infringement cases, the core issue is whether ordinarily prudent consumers would be confused in some legally relevant way by the defendant's use of a contested symbol.¹⁴ Finding that consumer confusion is "likely" is usually

¹² See C.K. Prahalad & Venkatram Ramaswamy, *Co-Opting Customer Competence*, HARV. BUS. REV., Jan.-Feb. 2000, at 79. See also Conor Dignam, *Prosumer Power: Communication Between Brands and Consumers Has Created the "Prosumer,"* MARKETING (U.K.), Mar. 14, 2002, at 24. Dignam draws on the concept of the "prosumer," a term coined in ALVIN TOFFLER, *FUTURE SHOCK* (1970), signaling the breakdown in traditional divisions between consumers and producers. Contributing to this phenomenon is the "greater brand literacy" of consumers. See Richard Cross & Janet Smith, *Retailers Move Toward New Customer Relationships*, DIRECT MARKETING, Dec. 1994, at 20 (noting that "[a]dvertising clutter has produced a nation of ad weary and ad savvy buyers"). See also Glynn S. Lunney, Jr., *Trademark Monopolies*, 48 EMORY L.J. 367, 373-420 (1999) [hereinafter Lunney, *Monopolies*]. The significance of these themes for the present analysis is discussed *infra* Part IV.B.

¹³ See, e.g., SCHOR, *OVERSPENT AMERICAN*, *supra* note 3, at 37-38.

¹⁴ The principal legal basis for causes of action for infringement of federally registered trademark rights is contained in Section 32 of Lanham Act, which provides:

(1) Any person who shall, without the consent of the registrant –

(a) use in commerce 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; or

(b) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive,

shall be liable in a civil action by the registrant for the remedies hereinafter provided. Under subsection (b) hereof, the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is intended to be used to cause confusion, or to cause mistake, or to deceive.

15 U.S.C. § 1114 (2000).

The Lanham Act also creates, *inter alia*, a "federal cause of action for traditional trademark infringement of unregistered marks." *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003). Section 43(a) of the Lanham Act provides:

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which –

(A) 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, or

enough to enjoin a defendant from using a contested mark.¹⁵ It also helps determine the scope of a trademark proprietor's rights, by establishing that the defendant was doing something that only the trademark proprietor was entitled to do.¹⁶ But if consumers are becoming increasingly sophisticated, we might anticipate that they are likely to be confused less often. As a corollary, the scope of trademark proprietors' rights should become more limited. The doctrinal position is, however, the reverse: The stronger the plaintiff's brand, the more likely the court will find legally cognizable consumer confusion.¹⁷

One explanation for the expansion in trademark rights is that over the last several decades trademark doctrine and legislation have added new types of trademark infringement that firms can invoke to protect the value that they have established in their brands.¹⁸ This Article concerns a different and broader explanation: trademark law's understanding of the "consumer." One of the unusual things about trademark

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities,

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

15 U.S.C. § 1125(a) (2000).

¹⁵ The meaning of "likelihood of confusion" is discussed in more detail *infra* Part III.B. In trademark infringement cases, likelihood of confusion is usually enough to enjoin a defendant's activities under the Lanham Act. An award of monetary damages can require a showing of actual confusion. *Res. Developers, Inc. v. Statute of Liberty-Ellis Island Found., Inc.*, 926 F.2d 134, 139-40 (2d Cir. 1991). Use of the plaintiff's mark "in commerce" is a prerequisite for liability for trademark infringement under the Lanham Act. The Lanham Act defines "use in commerce" as "the bona fide use of a mark in the ordinary course of trade." 15 U.S.C. § 1127 (2000). Accordingly, if a defendant uses the plaintiff's mark in a "non-trademark" way – that is, in a way that does not identify the source of a product – then trademark infringement and false designation of origin laws do not apply." *Interactive Prods. Corp. v. a2z Mobile Office Solutions, Inc.*, 326 F.3d 687, 695 (6th Cir. 2003). As is to be expected, courts have been quite creative in fleshing out the concept of "use of a trademark." According to some courts, trademark "use" includes preventing consumers from accessing a trademark proprietors' website. *See, e.g., People for the Ethical Treatment of Animals v. Doughney*, 263 F.3d 359, 365 (4th Cir. 2001); *but compare Wells Fargo & Co. v. WhenU.com, Inc.*, 293 F. Supp. 2d 734, 758-59 (E.D. Mich. 2003).

¹⁶ *See generally* Barton Beebe, *The Semiotic Analysis of Trademark Law*, 51 U.C.L.A. L. REV. 621 (2004).

¹⁷ *See, e.g., Quality Inns Int'l v. McDonalds Corp.*, 695 F. Supp. 198 (D. Md. 1988) (weighing the strength of the "McDonald's" trademark heavily in favor of finding infringement by use of "McSleep" for hotels).

¹⁸ *See generally* Beebe, *supra* note 16, at 624, 669. As Professor Beebe suggests in his exhaustive analysis of the semiotics of trademark law, traditional, economically-focused trademark analysis cannot account for newer understandings of trademarks, whereby trademarks are produced, consumed, and given legal protection as much for their status-signaling function as for their search- and quality-enhancing functions.

infringement cases is that liability most often depends on the state of mind of none of the parties to the litigation.¹⁹ As a result, trademark law must always apprehend the consumer worldview at a distance. Two aspects of trademark law's understanding of the consumer are of particular interest here: First, the "ordinarily prudent consumer,"²⁰ whose attitudes and beliefs shape trademark rights, is largely a legal construct. Like her cousin, tort law's "reasonable person," the "ordinarily prudent consumer" is an amalgam of legal and policy aspirations, commitments and beliefs, distilled over time as doctrines emerge and legislators innovate. Whereas tort law's reasonable person is recognized as an analytical tool,²¹ trademark law's ordinarily prudent consumer is a proxy for real people – the actual consumers who might be confused by the defendant's use of a contested symbol. Second, trademark law constructs the consumer worldview in ways that minimize the relevance of consumers' own independent thinking. Trademark law's "ordinarily prudent consumer" is very often less than prudent, exhibiting instead unthinking and irrational responses to branding messages.

Both of the Supreme Court's 2003 trademark decisions help illustrate these points. *Dastar v. Twentieth Century Fox Film Corp.*,²² which concerned consumers' ideas about the "origin" of goods for the purposes of the Lanham Act, illustrates how judicial assumptions about what consumers might think or believe actually produce the characteristics of the consumer worldview.²³ *Mosely v. V Secret Catalog*²⁴ illustrates how trademark doctrine sometimes seeks to protect consumers from thinking very hard about branding messages. The Court characterized the "harm" in trademark dilution cases as uses of trademarks that risk displacing consumers' "mental

¹⁹ Harvey S. Perlman, *The Restatement of the Law of Unfair Competition: A Work in Progress*, 80 TRADEMARK REP. 461, 466-67 (1990). For a discussion on the relevance of the defendant's fault in trademark infringement litigation, see *infra* Part II.B.

²⁰ The status of the "ordinarily prudent consumer" in trademark infringement analysis is discussed *infra* Part II.A.

²¹ See generally Ronald J. Allen & Ross M. Rosenberg, *Legal Phenomena, Knowledge, and Theory: A Cautionary Tale of Hedgehogs and Foxes*, 77 CHI.-KENT L. REV. 683, 683-88 (2002); Anita Bernstein, *The Communities That Make Standards of Care Possible*, 77 CHI.-KENT L. REV. 735 (2002); Hilary Allen, *One Law for All Reasonable Persons?*, 16 INT'L J. SOC. L. 419 (1988).

²² 539 U.S. 23 (2003).

²³ See *infra* Part IV.

²⁴ 537 U.S. 418 (2003).

impression" of senior users' marks.²⁵ As will be suggested below, the Supreme Court's analysis in *V Secret* was close to a recent suggestion by the Seventh Circuit that trademark dilution is a legal wrong because it imposes on consumers an "imagination cost" from which they need to be protected.²⁶

Because the scope of trademark rights frequently depends on determinations about what "ordinarily prudent consumers" think,²⁷ high stakes accompany trademark law's understanding and construction of the consumer worldview. Despite this, there is little academic commentary on the way that the law has shaped this critically important element of trademark doctrine. This Article seeks to begin filling that void. To that end, my discussion of this topic proceeds as follows. Part II outlines the traditional rationales for legal protection of trademark rights and the critiques these rationales have attracted. The orthodox justification for protecting trademarks is that trademarks enhance the efficient functioning of a competitive marketplace by ensuring that consumers can either find goods from the same source as goods they have enjoyed previously, or can find goods whose reputation has been advanced through advertising. This rationale for trademark protection is based on the idea that trademarks reduce consumer search costs, and encourage firms to at least control,²⁸ and hopefully to enhance,²⁹ the goodwill in the goods and services they purvey. Another rationale for trademark protection is concerned more obviously with protecting firms from "misappropriation" of the value they have built up in brands than with protecting consumers from confusion. As Part II explains, neither rationale is uncontroversial. The consumer search costs approach, with its focus on the efficient expression of consumer preferences, deals only awkwardly with the reality that production itself, and an

²⁵ *Id.* at 434.

²⁶ See *Ty Inc. v. Perryman*, 306 F.3d 509, 511 (7th Cir. 2002). See *infra* Part IV.B.1.

²⁷ See *infra* Part III.

²⁸ See *El Greco Leather Prods. Co. v. Shoe World, Inc.*, 806 F.2d 392, 395 (2d Cir. 1986) (observing that "actual quality of the goods is irrelevant; it is the control of quality that a trademark holder is entitled to maintain").

²⁹ For an example, see the comments of Judge Newman in *Nitro Leisure Prods. v. Acushnet Co.*, 341 F.3d 1356 (Fed. Cir. 2003): "[I]n an ever more complex commercial economy, it is increasingly important to preserve standards of quality and confidence. Trademark law carries this burden. . . . The role of the trademark is its assurance of quality, and its value depends on the consistent quality of the product that bears the mark." *Id.* at 1369-70 (Newman, J., dissenting).

accompanying – and incessant – promotion of brands *create* consumer preferences, even as the protection of trademarks ensures that consumers are able to *express* those preferences. Similarly, the misappropriation rationale avoids the key question it seeks to answer: As many commentators point out, this rationale fails to identify a cogent reason for rewarding firms with property rights based on their investment in and promotion of brands. However, the critiques of these rationales are themselves problematic. Critiques of the consumer search costs model, even if sound, provide no obvious basis for calibrating trademark rights in the light of the insights they offer; critiques of the misappropriation approach may be too much at odds with the realpolitik of modern trademark law to be very useful.

Part III identifies and discusses the “inchoate empiricism” of modern trademark law. Trademark law is certainly interested in “real-life” consumers as they engage in various marketplace activities – shopping, browsing on the World Wide Web, confronting goods in post-sale contexts, and so on. For the most part, however, trademark law does not get to know consumers from empirically ascertained “fact.”³⁰ Survey evidence, which provides empirical data about the likelihood that consumers would be confused by the defendant’s conduct,³¹ carries weight in trademark infringement cases relatively infrequently.³² Included in Part III is an impressionistic survey of trademark infringement cases over the last decade, which discloses that in about half the litigated cases, litigants offered no survey evidence to the court or, if they did, courts accorded it little weight. In the majority of cases, accordingly, the conclusion that a defendant’s conduct is likely to confuse consumers flows from judicial speculations and assumptions about what consumers believe. Courts conjure the ordinarily prudent consumer out of circumstantial

³⁰ See, e.g., Graeme B. Dinwoodie, *Reconceptualizing the Inherent Distinctiveness of Product Design Trade Dress*, 75 N.C. L. REV. 471, 485-88 (1997) (advocating for a greater role for empirical analysis in trademark litigation).

³¹ Though empirical in character, survey evidence is sometimes characterized as “circumstantial evidence,” to distinguish it from direct evidence, such as testimony from members of the buying public. See, e.g., *PBX Enters. v. Audio Fidelity Entes.*, 818 F.2d 266, 271 (2d Cir. 1987). In this article I distinguish between “empirical” evidence, which includes survey evidence, and “circumstantial” evidence, which means the analysis of the various “likelihood of confusion factors” that is typical of trademark infringement cases. See, e.g., *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492 (2d Cir.), cert. denied, 368 U.S. 820 (1961). The factor analysis is discussed *infra* Part III.B.

³² See *infra* Part III.A.

evidence, usually by analysis of various "factors," which they invoke to determine whether consumer confusion is likely.³³ The final section of Part III notes some of the ways that policy, doctrinal, and constitutional concerns affect the law's cognizance of consumer confusion in a variety of contexts.

Part IV elaborates on the argument that much of modern trademark law can be understood as a continually unfolding process of the legal construction of the "ordinarily prudent consumer." As *Dastar* indicates, and the survey of cases in Part III confirms, the worldview of the ordinarily prudent consumer is frequently based upon judicial assumptions. Most important for present purposes, however, is *how* it is constructed. As John Dewey said long ago, an underlying theory of the legal person is implicit in much legal activity; he also observed that one of the tasks of legal theory is to "make explicit what is implied."³⁴ Part IV begins the task of interrogating the cluster of ideas that lie beneath the surface of trademark doctrine that help construct trademark's consumer. We can make explicit what is implied about the consumer by teasing out legal actors' ideas about what will harm consumers, what consumers care about, and what their value systems comprise. Furthermore, evidence of the normative construction of trademark law's consumer can be found in many strands of trademark doctrine: the idea that having to "think harder" is a burden; the rationalization of post-sale confusion on the basis that consumers need to be protected in their investment in prestigious brands;³⁵ the idea that "harm" occurs when shoppers' interest is piqued by the wrong brand, even if the confusion is dissipated before any purchase is made;³⁶ and the presumption that consumers will be confused by unlicensed promotional goods.³⁷ Even assumptions about how astute consumers are, their capacities to detect differences in marks, their expectations about how readily firms "bridge" market gaps, and so on, are critical to the scope of trademark rights. Much of this doctrine minimizes the relevance of consumer thinking and discrimination. Even if consumers *were* more

³³ See *infra* Part III.B.

³⁴ John Dewey, *The Historic Background of Corporate Legal Personality*, 35 YALE L.J. 655, 660 (1926).

³⁵ *Hermes Int'l v. Lederer de Paris Fifth Ave., Inc.*, 219 F.3d 104 (2d Cir. 2000). See *infra* Part III.B.1.

³⁶ See *infra* Part IV.B.2.

³⁷ See *infra* Part IV.C.

discerning than is often assumed, trademark doctrine frequently renders such discernment irrelevant to the analysis.

The subtitle of one of the best-selling books on advertising of recent years, *Positioning*, by Al Ries and Jack Trout,³⁸ is "The Battle for Your Mind." It may be possible to see the "battle" for consumers' minds differently, and to use the normative character of the consumer worldview in trademark law as a springboard for critical evaluation of the ideas, assumptions, and prejudices that inform the construction of the ordinarily prudent consumer. Part V explores an alternative vision of the consumer, one that is informed by values such as self-determination and agency – or as John Stuart Mill put it, "the human faculties of perception, judgment, discriminative feeling, mental activity, and even moral preference."³⁹ I draw on two quite different sources for ideas about how to imagine an alternative "consumer." First, I consider part of the history of consumer movements in the United States. This history reveals numerous examples of American consumers exhibiting quite sophisticated attitudes towards branded products and services and using their purchasing power in a highly deliberative manner. Inspired by the kind of "politicized consumerism" that has frequently characterized American marketplace activity, judicial construction of the "ordinarily prudent consumer" might be more consistent with values of self-awareness, deliberation, agency, and free exercise of choice – values that correspond with the ideals of liberal capitalism that trademark law is meant to serve. Second, I examine the way that marketing professionals currently think about consumers. Once again, we see signs that, even as marketing professionals still seek to produce the kind of unthinking responses to brands that much trademark law assumes occurs, many actually think of consumers as quite smart and highly discriminating in their interactions with firms and their marketing endeavors.

Part V concludes with a preliminary exploration of the implications for trademark law of this "re-imagined" consumer. Inevitably, in trademark law, as in so much other legal activity, there will be a dynamic tension between the "real" and

³⁸ AL RIES & JACK TROUT, *POSITIONING: THE BATTLE FOR YOUR MIND* (2000). The cover of the book claims that there are 1.2 million copies in print.

³⁹ John S. Mill, *On Liberty*, reprinted in *THE PHILOSOPHY OF JOHN STUART MILL* 252 (M. Cohen ed. 1981).

the “constructed” legal person.⁴⁰ One lesson of the current project is that, so long as perceptions of consumers remain relevant to the scope of trademark rights, we need to disaggregate actual and assumed characteristics of the consumer worldview. Our understanding of how “real” minds work, through insights such as those provided by cognitive science, is enhancing apace.⁴¹ Trademark law should perhaps be more receptive to the insights of cognitive science. However, where empirical evidence about consumer responses is absent, legal actors should also scrutinize more carefully the implications of the kind of consumer they construct.

It will be for others to determine whether the re-imagining of the consumer in trademark law presented here offers a preferable vision.⁴² For now, it may be enough to identify differences between this re-imagined consumer and the “ordinarily prudent consumer” who currently populates trademark jurisprudence. Even if “re-imagining” the consumer in this way offers only awareness of the constructed character of trademark’s consumer, and a different set of characteristics from which to draw when legal actors envisage what the “ordinarily prudent consumer” might be like, that may be sufficient. Choice, after all, is a large part of what trademark law is meant to be about.

II. MARKETS AND MORALITY

Current debates about the purposes of trademark law seem to be at an impasse, which is one of the reasons that focusing on the construction of the consumer in trademark doctrine itself might be a more helpful way to think through

⁴⁰ See generally Ngaire Naffine, *Who Are Law's Persons? From Cheshire Cats to Responsible Subjects*, 66 MOD. L. REV. 346 (2003); Note, *What Do We Talk About When We Talk About Persons: The Language of a Legal Fiction*, 114 HARV. L. REV. 1745 (2001). For an exploration of similar themes in economic literature – the tension between normative and positive theories of consumer behavior, Richard H. Thaler, *Toward a Positive Theory of Consumer Choice*, in CHOICES, VALUES, AND FRAMES 269 (Daniel Kahneman & Amos Tversky eds., 2000).

⁴¹ See generally STEVEN L. WINTER, *A CLEARING IN THE FOREST: LAW, LIFE, AND MIND* (2001); WALTER J. FREEMAN, *HOW BRAINS MAKE UP THEIR MINDS* (2000); STEVEN PINKER, *THE BLANK SLATE: THE MODERN DENIAL OF HUMAN NATURE* (2002).

⁴² Aware that this analysis risks essentializing a particular version of human nature, I believe nonetheless that trademark law's current construction of the consumer already involves a more problematic form of essentializing, which derives general – and often dispositive – principles in a manner that is “disdainful of human experience and empirical fact.” See Martha C. Nussbaum, *The Use and Abuse of Philosophy in Legal Education*, 45 STAN. L. REV. 1627, 1628 (1993).

some of the normative issues that trademark law concerns. This focus avoids directly engaging with the far grander theoretical controversies that feature in much contemporary trademark commentary, controversies that offer little prospect of useful resolution.

A. *Trademarks and the Efficient Functioning of Consumer Markets*

Trademark law is "troubling"⁴³ in part because of the lack of consensus about what protecting trademarks is meant to achieve. Identifying the purposes of trademark law, and then tethering trademark rights to those purposes, has been a perennial concern in trademark jurisprudence.⁴⁴ Judge Learned Hand once warned that "[w]e are nearly sure to go astray . . . as soon as we lose sight of [trademark law's] underlying principle,"⁴⁵ which for him was preventing consumer confusion. Judge Hand's concerns echoed, and more elegantly refashioned, similar expressions of anxiety from earlier times.⁴⁶ Much recent commentary on trademark law returns to the question of identifying rationales for trademark rights.⁴⁷ Many

⁴³ Cf. Stephen L. Carter, *The Trouble with Trademark*, 99 YALE L.J. 759 (1990) [hereinafter Carter, *Trouble with Trademark*].

⁴⁴ For an excellent intellectual history of trademark law, which traces the interplay between the various rationales for imposing liability, see Daniel M. McClure, *Trademarks and Competition: The Recent History*, 59 L. & CONTEMP. PROBS., Spring 1996, at 13.

⁴⁵ *S.C. Johnson & Son v. Johnson*, 116 F.2d 427, 429 (2d Cir. 1940), quoted in Ralph S. Brown, Jr., *Advertising in the Public Interest: Legal Protection of Trade Symbols*, 57 YALE L.J. 1165, 1184. As Professor Mark Lemley observes, for Professor Brown, the wisdom of trademark doctrine was to be measured by how well it hews to the purpose identified by Learned Hand in *Johnson*. Mark Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687, 1688-89 (1999).

⁴⁶ Courts were concerned with constraining trademark rights from at least the middle of the nineteenth century. For instance, in an 1849 case, Judge Duer of the New York Superior Court cautioned that the power to restrain trademark infringement was "not to be exercised so as to involve a violation of the principles upon which it is founded." *Amoskeag Mfg. Co. v. Spear*, 2 Sand. 599, 606 (N.Y. Sup. Ct. 1849). The Supreme Court characterized this case as "leading" in *Lawrence Mfg. Co. v. Tennessee Mfg. Co.*, 138 U.S. 537 (1891):

We quote thus at length, because the decision is a leading one, which has been repeatedly referred to and approved as presenting the philosophy of the law applicable to trade-marks in a clear and satisfactory manner, as should also, indeed, be said of Judge Duer's noted opinion in the case therein cited.

Id. at 546-47 (quoting *Amoskeag Manufacturing and Canal Co. v. Clark*, 80 U.S. (13 Wall) 311, 322 (1870) (citing Judge Duer's language from *Amoskeag Manufacturing*)).

⁴⁷ Professor McCarthy has observed that trademarks serve a "number of important functions," including: helping identify one seller's goods and distinguish them from goods sold by others; designating the source from which all goods bearing

contemporary critics argue that the continued expansion of trademark rights thwarts the fundamental principles upon which the trademark system is based, and that legislative and judicial protectionism should be rigorously curbed.⁴⁸

Instrumentalist rationales tend to dominate modern trademark discourse. Modern trademark jurisprudence emphasizes the deleterious effects on the functioning of consumer markets⁴⁹ caused by trademark infringement or passing off.⁵⁰ Originally,⁵¹ however, the action for trademark

the mark come or are which are controlled by a single source; serving a "quality function," indicating that all goods bearing the marks are of an equal level or quality; and an "advertising function," by promoting and assisting in sales. J. THOMAS MCCARTHY, MCCARTHY'S DESK ENCYCLOPEDIA OF INTELLECTUAL PROPERTY 444 (2d ed. 1995). This is not the same, however, as identifying compelling reasons why society might wish to have the law protect traders in the tasks they have identified for trademarks. Put another way, that firms have identified functions for trademarks that they find helpful does not fully explain why from a societal perspective those functions might warrant legal protection. For a recent attempt to describe, and limit, the scope of trademark rights in terms of a "purposive" approach, see Graeme B. Dinwoodie, *The Rational Limits of Trademark Law*, in U.S. INTELLECTUAL PROPERTY LAW AND POLICY (Hansen ed., 2002) [hereinafter Dinwoodie, *Rational Limits*].

⁴⁸ See, e.g., Dinwoodie, *Rational Limits*, *supra* note 47 (reaffirming "the classic avoidance of consumer confusion rationale"); Jessica Litman, *Breakfast with Batman: The Public Interest in the Advertising Age*, 108 YALE L.J. 1717 (1999) [hereinafter Litman, *Breakfast With Batman*]; Rochelle Cooper Dreyfuss, *Expressive Genericity: Trademarks as Language in the Pepsi Generation*, 65 NOTRE DAME L. REV. 397, 397-98 (1990) [hereinafter Dreyfuss, *Expressive Genericity*]; Carter, *Trouble with Trademark*, *supra* note 43; Lemley, *supra* note 45; Lunney, *Monopolies*, *supra* note 12. See also COOMBE, *supra* note 9.

⁴⁹ See, e.g., *Blinded Veterans Ass'n v. Blinded Am. Veterans Found.*, 872 F.2d 1035, 1046 (D.C. Cir. 1989) (noting that to succeed in a passing off action, the plaintiff must prove that consumer confusion is the "likely effect" of the defendant's actions) (original emphasis).

⁵⁰ On the history of consumer markets in the United States, see WILLIAM LEACH, *LAND OF DESIRE* (1993); SUSAN STRASSER, *SATISFACTION GUARANTEED* (1989); JULIANN SIVULKA, *SOAP SEX AND CIGARETTES: A CULTURAL HISTORY OF AMERICAN ADVERTISING* (1998); DANIEL HOROWITZ, *THE MORALITY OF SPENDING: ATTITUDES TOWARD THE CONSUMER SOCIETY IN AMERICA, 1875-1940* (1985); LIZBETH COHEN, *A CONSUMERS' REPUBLIC* (2003).

⁵¹ The origins of trademark law are conventionally traced to the seventeenth century English decision *Southern v. How* that referred to an earlier decision in which action for deceit was maintained where one clothier sold his cloth as that of another. (1618) Popham 143. The earlier case was identified by legal historians, J.H. Baker and S.F.C. Milsom, as *J.G. v. Samford*. J.H. BAKER & S.F.C. MILSOM, *SOURCES OF ENGLISH LEGAL HISTORY: PRIVATE LAW TO 1750*, 615-8 (1986). See also C.D.G. PICKERING, *TRADE MARKS IN THEORY AND PRACTICE* 2 n.8 (1998) [hereinafter PICKERING, *TRADEMARKS*]. In the nineteenth century, English judges relied on *Southern v. How* to establish the antiquity of their jurisdiction over trademark piracy. See, e.g., *Blanchard v. Hill*, 2 Atkyns 484 (1742), where Hardwick L.C. invoked the case as authority for the proposition that affixing a mark "with fraudulent design" was a legal wrong, but declined to issue an injunction on the specific facts because the plaintiff's mark was designed to enforce an unlawful monopoly. A detailed history of trademarks was provided by Frank Schetcher, who traced the affixation of trademarks by trade guilds as a way of both controlling monopoly power and as a way of identifying the source of

infringement protected traders only against deliberate fraud by the junior user.⁵² But by the middle of the nineteenth century, the English Chancery Courts had tempered their earlier insistence on a showing of fraud,⁵³ and held that "a remedy was allowed in Equity even in the absence of any fraudulent intent on the part [of] the defendant."⁵⁴ United States case law in the nineteenth century closely paralleled the English developments. Though American courts initially required showing of a "fraud on the plaintiff,"⁵⁵ by the latter half of the century state and federal courts began adopting the view that defendants' fraudulent intention could be inferred from their actions.⁵⁶ In the early decades of the twentieth century, the

goods and services of inadequate quality. As Schechter recounts, the history of trademark law involves a transformation of trademarks from a *liability* to an *asset*. Trademarks were initially regulatory, to the extent that they facilitated the punishment of guild members responsible for poor quality craftsmanship. See FRANK I. SCHECHTER, *HISTORICAL FOUNDATIONS OF THE LAW RELATING TO TRADE-MARKS* (1925). RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9 cmt. b (1995) ("The purpose of such compulsory marking was primarily regulatory since the marks fixed responsibility for defective merchandise and facilitated enforcement of the territorial monopolies enjoyed by the guilds.").

⁵² The Chancery Courts originally distinguished between frauds on the plaintiff, for which relief would be granted, and a fraud on the public, for which Equity would not intervene, "a fraud upon the public being no ground for coming to Chancery." Webster v. Webster, 3 Swan. 490, *noted in* Clark v. Freeman, 11 Beav. 112 (1848). On the application by an eminent physician, Sir James Clark, no injunction was issued against a "quack, who was advertising largely and selling 'Sir James Clark's Consumption Pills,' on the ground that no damage accrued to the plaintiff." *Id.*

⁵³ At Common Law, the approach to the issue of the defendant's fault was often subtle than that of the Chancery Courts, possibly because the latter were merely enforcing property rights whose *definition* was the responsibility of common law judges. The tension between the more robust approach of the Chancery and that of the Common Law Courts was adumbrated by the Master of the Rolls, Lord Langdale in Perry v. Truefitt, 6 Beav. 66, 73 (1842). Referring to the rule in Millington v. Fox, 3 Myl. & Cr. 338 (1838), that the "deception need not be intentional," Lord Longdale observed, "I am not aware that any previous case carried the principal (sic) to that extent." See also Addley Bourne v. Swan, 20 R.P.C. 105, 117 (1902) (fraud is not an element of the tort).

⁵⁴ PICKERING, *TRADEMARKS*, *supra* note 51, at 2 (citing Millington v. Fox, 3 Myl. & Cr. 338, 352 (1838) (granting an injunction in the absence of a finding of fraud)). Even so, in the mid-19th century, writs in cases at common law still recited that the defendant's imitative mark was affixed "wrongfully, knowingly and fraudulently." See, e.g., *Crawshay v. Thompson*, 4 Man. & G. 357, 384 (1842) (Justice Creswell quoting terms of the writ). Professors Handler and Pickett regard this as the only reported case in which the evidence of fraud was insufficient. Milton Handler & Charles Pickett, *Trade-Marks and Trade Names - An Analysis and Synthesis: II*, 30 COLUM. L. REV. 759, 769 n.47 (1930).

⁵⁵ See, e.g., *Thomson v. Winchester*, 36 Mass. 214, 217 (1837) (holding there was no valid cause of action without a showing of fraud); *Marsh v. Billings*, 61 Mass. 322 (1851) (same).

⁵⁶ See, e.g., *Amoskeag Mfg. Co. v. Spear*, 2 Sand. 599, 607 (N.Y. Sup. Ct. 1849): ("[A]ffixing to his own goods . . . the name or style of another person . . . is,

Supreme Court also came to characterize the “essence of the wrong” in a trademark infringement case as simply “sale of the goods of one manufacturer or vendor for those of another.”⁵⁷ Trademark proprietors were to be afforded redress, the Court reasoned, “upon the ground that a party has a valuable interest in the goodwill of his trade or business, and in the trademarks adopted to maintain and extend it.”⁵⁸

This rationale sees the purpose of trademark rights as “merely” to protect a firm’s goodwill.⁵⁹ Trademarks are not

generally speaking, conclusive evidence of a fraudulent intent[.]”). See also *Lawrence Mfg.*, 138 U.S. 537, 549 (1891) (1891) (holding that fraudulent intent is to be inferred from defendant’s actions). Some courts distinguished between cases involving duplication of the plaintiff’s mark and more general cases of unfair competition, involving the appropriation of other kinds of indicia of origin, such as trade names. The latter class of case required actual fraud, whereas in cases of the former type, fraud could be assumed. For a detailed discussion of the distinction between ordinary trademark cases and broader unfair competition principles, see Milton Handler & Charles Pickett, *Trade-marks and Trade Names – An Analysis and Synthesis: I*, 30 COLUM. L. REV. 168, 169 (1930). By 1938, the Supreme Court had affirmed that the facts supporting a trademark infringement action and those supporting a claim on broader unfair competition grounds were substantially the same. See *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 U.S. 315, 325 (1938).

⁵⁷ *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 412-13 (1916) (citations omitted). The eviscerated role of fraudulent intention as a separate requirement for liability was succinctly captured in *Lawrence Manufacturing*, 138 U.S. at 549 (holding that wrongful use of a trademark “is of itself evidence that the party intended to defraud, and to palm off his goods as another’s”) (citations omitted). See also *Elgin Nat’l Watch Co. v. Illinois Watch Case Co.*, 179 U.S. 665 (1901):

If a plaintiff has the absolute right to the use of a particular words or words as a trademark, then if an infringement is shown, the wrongful or fraudulent intent is presumed, and although allowed to be rebutted in exemption of damages, the further violation of the right of property will nevertheless be restrained.

Id. at 674. See also *McLean v. Fleming*, 96 U.S. 245, 253-54 (1877) (“Positive proof of fraudulent intent is not required where the proof of infringement is clear, as the liability of the infringer arises from the fact that he is enabled, through the unwarranted use of the trade-mark, to sell a simulated article as and for the one which is genuine.”). See also *Blinded Veterans Ass’n v. Blinded Am. Veterans Found.*, 872 F.2d 1035, 1045 (D.C. Cir. 1989) (noting that there is no necessity for the plaintiff in a passing off action to prove intent on the part of the passer off).

⁵⁸ *Hanover Star Milling*, 240 U.S. at 412.

⁵⁹ Goodwill, a notoriously elusive concept, means, *inter alia*, the “expectancy of continued patronage” that can be achieved when consumers can identify goods and services as coming from the same source as those previously enjoyed. J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 2:18 (4th ed. 1996) [hereinafter MCCARTHY ON TRADEMARKS]. Judge Learned Hand defined the concept of “good will” as follows:

[I]t includes not only the likelihood that customers will return to the old place of business, but also that they will continue to do business with the old name. Whether this is because they assume that the quality of the service or the honesty of the management will continue; or whether because of the mere inertia of past habit – like the ‘good-will’ which results from advertising – we need not inquire. However acquired, our law recognizes the competitive

themselves the subject of property except in connection with an existing business.⁶⁰ This perspective resists characterizing trademarks as rights "in gross,"⁶¹ and it is broadly consistent with a number of traditional doctrinal commitments and legislative constraints, such as forfeitures of rights following both naked licensing of trademarks⁶² and assignments of marks

advantage that this disposition gives to the successor of an established business, and treats it as 'property.'

Mutual Life Insurance v. Menin, 115 F.2d 975, 977 (2d. Cir. 1940), *cert. denied*, 313 U.S. 578 (1941).

⁶⁰ *See, e.g., United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 98 (1918) (stating that a trademark "is merely a convenient means for facilitating the protection of one's good-will in trade by placing a distinguishing mark or symbol – a commercial signature – upon the merchandise or the package in which it is sold"). *See also Canal Co. v. Clark*, 80 U.S. (13 Wall.) 311 (1872):

No 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. If he could, the public would be injured rather than protected, for competition would be destroyed.

Id. at 323.

⁶¹ *See United Drug Co.*, 248 U.S. 90 (1918). The Court identified "the fundamental error" of:

supposing that a trade-mark right is a right in gross or at large, like a statutory copyright or a patent for an invention, to either of which, in truth, it has little or no analogy. There is no such thing as property in a trade-mark except as a right appurtenant to an established business or trade in connection with which the mark is employed. The law of trade-marks is but a part of the broader law of unfair competition[.]

Id. at 97 (citations omitted).

⁶² United States courts initially considered property rights in a trademark to be incompatible with trademark licensing. *See, e.g., Macmahon Pharmacal Co. v. Denver Chem. Mfg. Co.*, 113 F. 468, 475 (8th Cir. 1901) (reasoning that "[a]n assignment or license without [a transfer of the business] is totally inconsistent with the theory upon which the value of a trade-mark depends"). Venerable authority continues to support the view that "naked licensing" and assignments without goodwill effected abandonment of the trademark. *See, e.g., Dawn Donut Co. v. Hart's Food Stores, Inc.* 267 F.2d 358 (2d Cir. 1959):

[U]nless the licensor exercises supervision and control over the operations of its licensees the risk that the public will be unwittingly deceived will be increased and this is precisely what the Act is in part designed to prevent. Clearly the only effective way to protect the public where a trademark is used by licensees is to place on the licensor the affirmative duty of policing in a reasonable manner the activities of his licensees.

Id. at 367 (citation omitted). *See also Gorenstein Enters., Inc. v. Quality Care-USA, Inc.*, 874 F.2d 431, 435 (7th Cir. 1989) ("The owner of a trademark has a duty to ensure the consistency of the trademarked good or service. If he does not fulfill this duty, he forfeits the trademark."). These controls have not deterred the practice of trademark licensing; by the end of the 1980s, there were an estimated \$50 billion worth of licensed consumer goods being sold in stores. NEIL J. WILKOF, *TRADE MARK LICENSING* 1 (1995) (quoting Breyer, *Sublicensing Intellectual Property Rights in the United States*, *THE LICENSING JOURNAL*, 1989, at 4). The extent to which legal requirements relating to quality control actually inhibit trademark licensing will be a reflection of the rigor with which contractual terms providing for control will be policed and scrutinized.

without the goodwill of a business.⁶³ The theory is also consistent with principles establishing priority of trademark rights based on use of the mark rather than mere adoption.⁶⁴

Trademarks became increasingly important vehicles for expressing consumer choices as the distance between consumers and producers grew. When consumers started to purchase "goods made by unknown hands,"⁶⁵ and interacted less with the actual producers or merchants,⁶⁶ they needed to rely more on indicia of origin as guarantees of quality and as means to express their purchasing choices.⁶⁷ The doctrinal emphasis on objective marketplace effects helped establish the "consumer search costs"⁶⁸ rationale as the principal basis for

⁶³ See, e.g., *Clark & Freeman Corp. v. Heartland Co. Ltd.*, 811 F. Supp. 137, 139 (S.D.N.Y. 1993); *Warner-Lambert Pharm. Co. v. General Foods Corp.*, 164 U.S.P.Q. (BNA) 532 (T.T.A.B. 1970). The ability of trademark proprietors to assign their trademark without the transfer of the business is now addressed at international law. Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, art. 21, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 33 I.L.M. 1197, 1205 (1994).

⁶⁴ These principles have recently been tempered by the "intent to use" system, ushered in by the Trademark Law Revision Act of 1988, Pub. L. No. 100-667, 102 Stat. 3935 (1988), amending the Lanham Act. Under the intent to use system, priority of trademark rights can be achieved through filing documentation confirming a bona fide intention to use a mark. The rights in the trademark are perfected on actual use. See Lanham Act § 1, 15 U.S.C. § 1051(a)(2) (2000) (requiring the applicant for registration to state "the date of the applicant's first use of the mark" and "the date of the applicant's first use of the mark in commerce").

⁶⁵ WESLEY CLAIR MITCHELL, *BUSINESS CYCLES* 21 (1913), quoted in WILLIAM LEACH, *LAND OF DESIRE* 7 (1993). See also STRASSER, *supra* note 50, at 15-16. In American colonies, this sense of distance between consumer and producer occurred earlier than in England, where, as recent historical research reveals, 18th century store keepers whose inventory comprised many goods from local artisans. The 18th century American colonies were, however, much more dependent on goods from England, and there developed active trading networks, whereby locally produced goods, such as tobacco, were exchanged for English imports. See generally CAROLE SHAMMAS, *THE PRE-INDUSTRIAL CONSUMER IN ENGLAND AND AMERICA* 225-60, 266-85 (1990).

⁶⁶ While the 1920s are commonly identified with the rise of mass-marketing, with an accompanying rise in the purchase of nationally branded goods, this should not be overstated. Elizabeth Cohen's study of merchandizing in Chicago in the 1920s reveals, for example, that working class people continued to engage in "face to face" commerce to a significant degree, allowing them to carefully scrutinize the actual quality of goods, and to maintain strong relationships (often revolving around the provision of credit) with local merchants. See Cohen, *Encountering the Mass Culture*, *supra* note 3.

⁶⁷ As is discussed *infra* Part V.B, however, the phenomenon of private branding is beginning to reassert the power of the retailer over the customer that was displaced in the early decades of the twentieth century by the rise of national brands. See also Mathew Boyle, *Brand Killers*, *FORTUNE*, Aug. 11, 2003, at 89.

⁶⁸ Professor Landes and Judge Posner developed a formal economic model showing the total costs of goods to consumers as the sum of the nominal price and the cost to the consumer of gaining information about the source or quality of a product. See William M. Landes & Richard A. Posner, *Trademark Law: An Economic*

protecting trademarks.⁶⁹ According to this analytical model, trademarks help lower the search costs to consumers of looking for goods they have enjoyed previously (or in whose reputation they are confident), enable consumers accurately to express marketplace preferences for goods from a particular source,⁷⁰ and encourage firms to build up their goodwill.⁷¹ On a number of occasions, the Supreme Court has endorsed the view that protecting trademarks enhances competition.⁷² Among circuit

Perspective, 30 J. LAW & ECON. 265, 285 (1987). According to this model, the total cost of a product to the consumer is inversely related to the reliability and ease of obtaining this information. For trademarks to enable consumers to find goods and services efficiently, it must be cheaper to search for the trademark than ascertain the quality of the goods by more direct means. Consumers are prepared to bear an "information cost" for the information trademarks provide: the premiums charged for branded goods are cheaper than the costs a search would be without the trademarks. *See also* William M. Landes & Richard A. Posner, *The Economics of Trademark Law*, 78 TRADEMARK REP. 267 (1988); Carter, *Trouble with Trademark*, *supra* note 43, at 761 ("Successful trademarks are valuable because of the information that they convey."). In many important consumer markets, however, consumers may be paying more than once for the new kinds of information brands provide. Supermarkets and modern fast-food restaurants, for example, are monuments to "cost externalization." Certainly brands help consumers find products, but prior to the rise of self-service retailing, consumers did far less work than they do today locating the goods. Similarly, the rise in fast-food restaurants, and the intense branding campaigns associated with them coincided with a reduction in the degree of personalized retailing service. *See* JAMES B. TWITCHELL, LEAD US INTO TEMPTATION: THE TRIUMPH OF AMERICAN MATERIALISM 92 (2000) (suggesting that consumers "pay twice: once for the ad and once for the product"); *id.* at 125 (discussing cost externalization in supermarkets). For discussion on the rise of supermarkets in the 1930s, see STRASSER, *supra* note 50, at 249, and COHEN, *supra* note 50, at 257-89.

⁶⁹ *See, e.g.,* Qualitex Co. v. Jacobson Products Co., 514 U.S. 159, 163-64 (1995) (observing that a trademark "reduce[s] the customer's costs of shopping and making purchasing decisions," for it quickly and easily assures a potential customer that *this* item – the item with this mark – is made by the same producer as other similarly marked items that he or she liked (or disliked) in the past") (citation omitted).

⁷⁰ The "source" of goods with which trademark law is concerned is not necessarily the physical source of goods. Instead, U.S. trademark law adopted the "single anonymous source" doctrine, whereby "the purchaser of goods bearing a given label believes that what he buys emanated from the source, whatever its name or place, from which goods bearing that label have always been derived." *Manhattan Shirt Co. v. Sarnoff-Irving Hat Stores Inc.*, 164 A. 246, 250 (Del. Ch. 1933), *aff'd*, 180 A. 928 (Del. 1934).

⁷¹ Federal trademark law thus addresses "the dual purposes of infringement law: ensuring that owners of trademarks can benefit from the goodwill associated with their marks and that consumers can distinguish among competing producers." *Thane Int'l Inc. v. Trek Bicycle Corp.*, 305 F.3d 894, 901 (9th Cir. 2002).

⁷² *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 854 n.14 (1982) (observing that "blatant trademark infringement inhibits competition . . . [because] the infringer deprives the owner of the goodwill which he spent energy, time, and money to obtain" and "deprives consumers of their ability to distinguish the goods of competing manufacturers"). In *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992), the Court reasoned that:

Protection of trade dress, no less than of trademarks, serves the [Lanham] Act's purpose to secure to the owner of the mark the goodwill of his business

courts, this rationale has perhaps received its firmest endorsement from the Seventh Circuit, which has characterized the reduction in consumer search costs as trademark law's "fundamental purpose."⁷³

B. *Morality and Property*

The search costs rationale has never succeeded in suppressing a different rationale that is concerned less with objective marketplace effects and more with issues of commercial morality. Somewhat ironically, while the fortunes

and to protect the ability of consumers to distinguish among competing producers. National protection of trademarks is desirable, Congress concluded, because trademarks foster competition and the maintenance of quality by securing to the producer the benefits of good reputation.

Id. at 774 (quoting *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 198 (1985) and citing S. Rep. No. 79-1333, at 3-5 (1946)). See also *Qualitex*, 514 U.S. at 163-64 (endorsing the search costs rationale).

⁷³ *Ty Inc. v. Perryman*, 306 F.3d 509, 510 (7th Cir. 2002). The Seventh Circuit echoed earlier elaborations of the search costs rationale, observing:

Confusingly similar marks make consumers' task in searching for products harder. The similar mark also dilutes the hostage value of the first, because the firm that created the mark may lose business on account of the inferior products of its rival, while the rival may not lose as much business as its own quality dictates because customers mistakenly blame the first firm for the failings of the second. As marks become less useful for identification, search, and hostage purposes, firms invest less in them and consumers suffer.

Scandia Down Corp. v. Euroquilt, Inc., 772 F.2d 1423, 1430 (7th Cir. 1985), *cert denied*, 475 U.S. 1147 (1986). See also *W.T. Rogers Co., Inc. v. Keene*, 778 F.2d 334 (7th Cir. 1985):

The purpose is to reduce the cost of information to consumers by making it easy for them to identify the products or producers with which they have had either good experiences, so that they want to keep buying the product (or buying from the producer), or bad experiences, so that they want to avoid the product or the producer in the future.

Id. at 338. The Second Circuit recently acknowledged the "search costs" rationale in *Brennan's Inc. v. Brennan's Restaurant, L.L.C.*, 360 F.3d 125, 132 (2004). Judge Leval articulated a similar rationale in *U.S. Shoe Corp. v. Brown Group, Inc.*, 740 F. Supp. 196 (S.D.N.Y. 1990), *aff'd*, 923 F.2d 844 (2d Cir. 1990):

In general, the law disfavors the grant of exclusive monopoly rights. Exceptions exist, however, where the grant of monopoly rights results in substantial benefits to society. Because of the benefits to society resulting from the ability easily to recognize the goods or services of a purveyor or manufacturer, the trademark law grants the exclusive right to employ an identifying mark. A reciprocal benefit results. The merchant is thereby permitted to profit from a well earned reputation; the public is thereby enabled to choose the products produced by those who have satisfied them in the past, avoid those that have disappointed and recognize an unknown quantity as exactly that. The benefits are great, and because potential identifying marks exist in virtually inexhaustible supply, the cost of the monopoly to society is minimal.

740 F. Supp. at 198.

of the discrete tort of "misappropriation" are probably waning,⁷⁴ quite an energized impulse to prevent firms from reaping where they have not sown⁷⁵ seems to animate trademark and unfair competition law.⁷⁶ Despite the instrumentalist emphasis on "search costs," courts also rationalize imposing liability for trademark infringement on general principles of commercial morality,⁷⁷ basing their analyses on broad unfair competition

⁷⁴ See Richard A. Posner, Essay, *Misappropriation: A Dirge*, 40 HOUSTON L. REV. 621, 621 (2003) (noting that misappropriation doctrine "is of uncertain but diminished scope," and arguing that the doctrine should be jettisoned in intellectual property law) [hereinafter Posner, *Misappropriation*]; Diane Leenheer Zimmerman, *Fitting Publicity Rights into Intellectual Property and Free Speech Theory: Sam, You Made the Pants Too Long!*, 10 DEPAUL-LCA J. ART & ENT. L. & POL'Y 283, 295 (2000). The Supreme Court endorsed the "misappropriation tort," albeit in the narrow context of time sensitive, "hot" news in *Int'l News Service v. Associated Press*, 248 U.S. 215 (1918). Though the Court has never overturned this decision, lower courts have often distinguished the case, to the extent that it is probably now confined to its precise facts. See, e.g., *Cheney Bros. v. Doris Silk Corp.*, 35 F.2d 279 (2d Cir. 1929), cert. denied, 281 U.S. 728 (1930); *Nat'l Basketball Ass'n v. Motorola, Inc.*, 105 F.3d 841 (2d Cir. 1997). See also *McKevitt v. Pallasch*, 339 F.3d 530, 534 (7th Cir. 2003) (observing that "[r]ecent cases . . . in recognition of the nebulosity of misappropriation doctrine, place tight limitations on it"). For a discussion of the broader relevance of the "restitutionary" focus of intellectual property law, see generally Wendy Gordon, *On Owning Information: Intellectual Property and the Restitutionary Impulse*, 78 VA. L. REV. 149 (1992) [hereinafter Gordon, *Restitutionary Impulse*].

⁷⁵ See generally Gordon, *Restitutionary Impulse*, supra note 74.

⁷⁶ For example, the Court of Appeals for the Ninth Circuit has held that the marketing of a statuette known as the "Star Award," infringed the "Oscar" trademark, which it closely resembled. *Acad. of Motion Picture Arts and Sciences v. Creative House Promotions, Inc.*, 944 F.2d 1446 (9th Cir. 1991). The Court reasoned, "[W]hen one party knowingly adopts a mark similar to another's, reviewing courts presume that the defendant will accomplish its purpose, and that the public will be deceived." *Id.* at 1456 (citations omitted). While other factors pointed toward likelihood of confusion, the finding of intention allowed the Circuit Court to overturn the District Court's finding that the marketing of the defendant's statuette was likely only to give rise to an "association" between the "Oscar" and the defendant's statuette. Characterizing this approach as "unduly strict," the Ninth Circuit used the factor of "intention" to pave the way to a new factual confusion, that consumers were likely to be "confused." See *Best & Co. v. Miller*, 167 F.2d 374, 377 (2d Cir. 1948) (observing in dicta that, "[i]f the defendant selects a trade-mark or trade name similar to the plaintiff's with intent to palm off his wares as those of the plaintiff, proof of his intent may be strong evidence of, and in proper circumstances establish, the likelihood of confusion").

⁷⁷ Inhibiting "free riding" even plays an important role in traditional likelihood of confusion analysis. Like any assessment of the likelihood of a future event, analysis of "likelihood of confusion" is often a highly speculative endeavor, and often involves a large measure of opinion. One Circuit Judge has observed that recourse to the "factors" that are relevant to assessing likelihood of confusion means that "[t]o reach a principled conclusion in a trademark case, it is just as essential to recite the right formulas as it was for Ali Baba to say 'Open Sesame' in order to open the door to the treasure cave of the Forty Thieves." *Centaur Communications, Ltd. v. A/S/M Communications, Inc.*, 830 F.2d 1217, 1219 (2d Cir. 1987) (Cardamone, J.). This comment prompted the following response from Judge Sprizzo in a concurring opinion:

I do not share the view that a proper analysis of th[e] factors can or should be properly characterized as a recital of "the right formulas" akin to Ali Baba's

concepts.⁷⁸ A related development is that trademarks are often, and increasingly, conceptualized as property in their own right,⁷⁹ allowing trademark proprietors to borrow from the rhetoric associated with the enforcement of property rights in other intellectual property contexts.

The defendant's intention to pass off its goods as those of the plaintiff is often invoked⁸⁰ to help determine whether doing so is unlawful. Where the right in the mark is clear, as is the case with the right to affix a mark to the same goods with respect to which the goodwill has been established, the intention can usually be assumed.⁸¹ Where the scope of the

magical incantation "Open Sesame," nor do I believe that a proper resolution of future cases raising these issues will be aided or enhanced by encouraging district court judges to perceive their function in the mechanistic fashion which that language suggests.

Id. at 1230 (Sprizzo, J., concurring). Beyond a particularly egregious case of trademark counterfeiting, the most courts can do in very many cases is speculate as to whether consumers would actually be confused in a way that materially raises the cost of search.

Courts are often concerned with whether the defendant deliberately acted to pass off its goods as those of the plaintiff. But, according to the "search costs" rationale, it should not matter whether the defendant intended the results achieved. The key analytical issue is whether the defendant's activity has the effect of making consumer searches for goods more costly. However, given the speculative nature of the inquiry, it is not surprising that the defendant's intention, whose formation is past "fact" to be objectively ascertained, weighs quite heavily in the analysis. It may, however, be possible to rationalize this on an economic basis. If the defendant knows that he or she deliberately tried to pass off goods as those of the senior user, the defendant may be in the better position to take steps to prevent this from occurring. See Landes & Posner, *supra* note 68, at 279-84. However, even this rationale is problematic, on the basis that firms are *meant* to compete with each other, and competitive activity is, of course, likely to be more efficient if deliberate rather than accidental. The rationale equates intentionally competitive activity with intentionally infringing activity, in a manner that continues to beg the question of *identifying* and *characterizing* activity as infringing.

⁷⁸ See *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918) (observing that trademark infringement cases are a part of broader law of unfair competition).

⁷⁹ See generally Lunney, *Monopolies*, *supra* note 12. The dual purposes of trademark rights – to protect both consumers *and* business interests – were mentioned by Congress in the course of the passage of the Lanham Act. 92 Cong. Rec. 7524 (1946) (observing that the purpose of the Act was "to protect legitimate business and consumers of the country").

⁸⁰ Some analysis is more consistent with earlier approaches and can be found in the case law, however. See, e.g., *Int'l Bancorp v. Societe Des Bains De Mer Et Du Cercle Des Etrangers A Monaco*, 192 F. Supp. 2d 467 (E.D. Va. 2002) (finding bad faith established though literal copying of the plaintiff's mark); *Beer Nuts, Inc. v. Clover Club Foods Co.*, 805 F.2d 920, 927-28 (10th Cir. 1986) (departing from District Court's decision that the defendant did not intend to pass off its goods as the plaintiff's, and holding that intention may be inferred from similarity of goods).

⁸¹ See *Fleischmann Distilling Corp. v. Maier Brewing Co.*, 314 F.2d 149 (9th Cir. 1963):

right is less clear, however, such as in cases involving *similar* marks or *similar* goods to those in which the plaintiff has established goodwill, the defendant's intention will often be relevant, even "crucial,"⁸² to determining the defendant's liability and thus the scope of the plaintiff's rights.⁸³

Trademark law's concern with prohibiting misappropriation of the value in a mark is also consistent with the modern marketing reality that brand value is often only partially captured by its "core" functional purpose of symbolizing a firm's goodwill.⁸⁴ Today, the suggestion that trademark law "deals *merely* with symbols that identify the source of a product and distinguish that product from others,"⁸⁵ has become increasingly misleading.⁸⁶ There is much in modern trademark law that the search costs rationale does not

We cannot conclude but that [the defendant] deliberately adopted the name knowing that Black & White was the name and trademark of [the plaintiff] and they must have done so with some purpose in mind. The only possible purpose could have been to capitalize upon the popularity of the name chosen. This popularity, they must have known, would extend to their product because the public would associate the name Black & White with something old and reliable and meritorious in the way of an alcoholic beverage.

Id. at 157. See also *Interstellar Starship Services, Ltd. v. Epix, Inc.*, 184 F.3d 1107, 1111 (9th Cir. 1999) ("Adopting a designation with knowledge of its trademark status permits a presumption of intent to deceive.") (citing *Brookfield Communications, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1059 (1999)).

⁸² See, e.g., *Washington Speakers Bureau, Inc. v. Leading Authorities, Inc.*, 33 F. Supp. 2d 488, 500 (E.D. Va. 1999) (describing defendant's intent in adopting the allegedly infringing mark as a "crucial" factor).

⁸³ See generally *Acad. of Motion Picture Arts and Sciences v. Creative House Promotions, Inc.*, 944 F.2d 1446 (9th Cir. 1991).

⁸⁴ Cf. *Sport Supply Group v. Columbia Casualty Co.*, 335 F.3d 453, 462 (5th Cir. 2003) (reasoning that because "a trademark is a form of property," "trademark infringement would appear to be a form of misappropriation of another person's property (his trademark)," thereby appearing to subsume even conventional trademark infringement within the concept of misappropriation) (citations omitted).

⁸⁵ Graeme B. Dinwoodie, *The Death of Ontology: A Teleological Approach to Trademark Law*, 84 IOWA L. REV. 611, 614 (1999) (emphasis added). Professor Dinwoodie has written eloquently and compellingly on the wide range of purposes served by trademark law in modern economies. See, e.g., Dinwoodie, *Rational Limits*, *supra* note 47. The limited understanding of the purposes of trademark law finds support in judicial dicta, however. See, e.g., *Smith v. Chanel, Inc.*, 402 F.2d 562, 566 (9th Cir. 1968) (articulating "the traditionally accepted premise that the *only* legally relevant function of a trademark is to impart information as to the source or sponsorship of the product") (emphasis added).

⁸⁶ See generally Beebe, *supra* note 16. Of course, it depends on what one understands by "symbols that identify source." It may well be true that some, or even most, consumers recognize trademarks as designators of source *and* value the marks in their own right, and to say that they value trademarked goods as "property" is probably as helpful as any metaphor. Perhaps a more accurate way of putting the critique is to suggest that trademark law still protects brands even if they are not, or not principally *valued*, by consumers for their source designating function.

explain;⁸⁷ indeed, today, product differentiation is only a small part of the work done by brands in the modern marketplace.⁸⁸ Consumers often value trademarks for their own sake, and the incessant promotion of brands blurs the dividing line between the trademark and the goods themselves.⁸⁹ They have also become mechanisms for *consumers'* communication with each other, as much as they are mechanisms for firms to communicate with consumers.⁹⁰ Angela Chao and Juliet Schor's empirical work on the communicative effects of cosmetic brands establishes, for instance, that the greatest premium is paid for branded goods used in public, whose prestige other people can see, such as lipsticks.⁹¹ In the cosmetics market, consumers are

⁸⁷ The search costs rationale was elaborated in the context of a dispute as to the potential anti-competitive effects of trademarks as they have been traditionally conceived: as symbols of the source of goods or services. The modern origin of the idea that trademarks are conducive of economic monopoly comes from EDWARD CHAMBERLIN, *THE THEORY OF MONOPOLISTIC COMPETITION* (1935). Chamberlin argued:

[T]he protection of trade-marks from infringement and of business men generally from the imitation of their products . . . is the protection of monopoly. To permit such infringements and imitation would be to purify competition by eliminating monopoly elements. . . . For if the goods were *perfectly* standardized, buyers would have no basis for discrimination; one producer could secure no larger volume of sales than another and hence no larger profits. . . . They are due to the dissimilarity, not the similarity of the goods, hence to the monopolistic, not the competitive, elements.

Id. at 204-05 app. E. *See also* Brown, *supra* note 45. For a discussion on the eventual dominance of the contrary view, urged by the Chicago School, that trademarks *serve* the interests of free competition, see McClure, *supra* note 44, at 22-38 (tracing the influence of "Chicago School" economic rationales for trademark law on the development of trademark doctrine). *See also* PICKERING, *TRADEMARKS*, *supra* note 51, at 71-95.

⁸⁸ Kevin L. Keller et al., *Three Questions You Need to Ask about Your Brand*, HARV. BUS. REV., Sep. 2002, at 80 (contesting the conventional wisdom that says creating a brand is about differentiating products"). For an exhaustive analysis of this point, *see* Beebe, *supra* note 16.

⁸⁹ *See, e.g.*, Kozinski, *supra* note 10, at 963 (noting how trademarks are now "pressed into service as products"); Lunney, *Monopolies*, *supra* note 12.

⁹⁰ Sidney J. Levy, *Symbols for Sale*, HARV. BUS. REV., July 1959, at 117 (presenting the classic statement of the idea that marketers are selling symbols as wells as products). For analysis focused on the role of brands in constructing identity, *see* Richard Elliott & Kritsadarat Wattanasuwan, *Brands as Symbolic Resources for the Construction of Identity*, 17 INT'L J. ADVERTISING 131 (1998).

⁹¹ Angela Chao & Juliet B. Schor, *Empirical Tests of Status Consumption: Evidence from Women's Cosmetics*, 19 J. ECON. PSYCHOL. 107 (1998). For an early exploration of these ideas (not based on empirical research), *see* JOHN RAE, *THE SOCIOLOGICAL THEORY OF CAPITAL; BEING A COMPLETE REPRINT OF THE NEW PRINCIPLES OF POLITICAL ECONOMY*, 1834 (Charles Whitney Mixter ed., Macmillan Co. 1905).

Articles of which the consumption is not conspicuous, are incapable of gratifying this passion [vanity]. The vanity of no person derives satisfaction from the sort of timber used in the construction of the house he occupies,

prepared to pay less for products, such as moisturizers, that are most often used in private.⁹² Brands also provide consumers with “the full satisfaction they have in knowing they have purchased goods bearing the famous mark,” as Justice Kennedy put it in his *V Secret* concurrence.⁹³ Associating “satisfaction” with a trademark has much to do with the “aura” of the brand, something brand managers and marketers achieve through their investment and creative effort. Consumers often desire branded products because wearing a brand, owning it, eating it, or drinking it helps satisfy a desire to be “cool” or “sophisticated,” to “belong,”⁹⁴ or even to be “patriotic,” as some drivers of the absurd “Humvee” utility vehicles have acknowledged.⁹⁵ As Professor Rochelle Dreyfuss once put it, “[t]rademarks have come a long way.”⁹⁶

Just how far trademarks have come is indicated by recalling the Supreme Court’s initial antagonism toward the kind of effort required of firms to establish trademark rights. In the 1879 *Trade-Mark Cases*,⁹⁷ the Supreme Court held that the Constitution’s Copyright and Patents Clause did not empower Congress to enact a federal trademark statute.⁹⁸ For

because the wood work is usually concealed by paint or something else. . . . Thus coal is consumed for the heat given out by it, and the different quantities of heat yielded by different qualities of coal are easily ascertained. One scarcely, therefore, prides himself on burning one sort in preference to another.

Id. at 247 app. 1 (The Nature and Effects of Luxury).

⁹² Chao & Schor, *supra* note 91.

⁹³ *Id.*

⁹⁴ See generally QUART, *supra* note 11.

⁹⁵ Danny Hakim, *In Their Hummers, Right Beside Uncle Sam*, N.Y. TIMES, April 5, 2003, at C1:

In my humble opinion, the [Hummer] is an American icon. Not the military version by any means, but it’s a symbol of what we all hold so dearly above all else, the fact we have the freedom of choice, the freedom of happiness, the freedom of adventure and discovery, and the ultimate freedom of expression.

Id. (quoting the founder of “I.H.O.G.”, the International Hummer Owners Group). The article also quotes a consumer researcher employed by General Motors acknowledging that the 2003 U.S./Iraq war helped sales of the Hummer SUV. *Id.* “The Hummer is a car in uniform. Right now we are in a time of uncertainty, and people like strong brands with basic emotions.” *Id.*

⁹⁶ Dreyfuss, *Express Genericity*, *supra* note 48, at 397.

⁹⁷ *United States v. Steffens*, *United States v. Wittemann*, *United States v. Johnson*, 100 U.S. 82 (1879) [hereinafter *The Trade-Mark Cases*].

⁹⁸ U.S. CONST. art. I, § 8, cl. 8. The Court also held that the statute was not empowered by the Commerce Clause. *Trade-Mark Cases*, 100 U.S. 82 (1879). In a different context, the Supreme Court in *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 123 S. Ct. 2041 (2003), has recently confirmed its analysis in *The Trade-Mark Cases*, emphasizing that rights in a trademarks are not rewards for – and have no necessary relation to – innovation or creativity. *Dastar*, 123 S. Ct. at 2048

the present analysis, the significance of the case is in the Court's refusal to characterize trademarks as "fruits of intellectual labor."⁹⁹ Securing trademark rights, the Court emphasized, did not require "novelty, invention, discovery, or any work of the brain."¹⁰⁰ The trademark proprietor's efforts, which were rewarded by the federal protections, "require[d] no fancy or imagination, no genius, no laborious thought;"¹⁰¹ rights in a trademark accrued only through "use."¹⁰² Moreover, as the Court persistently emphasized in the early decades of the twentieth century,¹⁰³ it is only through use of the mark in commerce that goodwill in a mark could be established and enhanced.¹⁰⁴

In the 1870s, branding was a relatively new commercial concept.¹⁰⁵ Today, most marketing professionals would likely find the Supreme Court's characterization to be laughable at best, perhaps insulting, and certainly wildly at odds with the creative efforts expended in the task of building and managing brands.¹⁰⁶ Marketing professionals today regard building and promoting a brand as enormously creative and investment-intensive tasks. A whole academic discipline and a large popular literature (some of it quite cynical)¹⁰⁷ have grown up

(quoting *TraFFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 22, 34 (2001) ("The Lanham Act . . . does not exist to reward manufacturers for their innovation in creating a particular device; that is the purpose of the patent law and its period of exclusivity.")).

⁹⁹ *Trade-Mark Cases*, 100 U.S. at 94.

¹⁰⁰ *Id.*

¹⁰¹ *Id.*

¹⁰² *Id.*

¹⁰³ *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403 (1916). *See also* note 60.

¹⁰⁴ *Hanover Star*, 240 U.S. at 412 ("Courts afford redress or relief upon the ground that a party has a valuable interest in the good will of his trade or business, and in the trade-marks adopted to maintain and extend it.").

¹⁰⁵ NANCY F. KOEHN, *BRAND NEW: HOW ENTREPRENEURS EARNED CONSUMERS' TRUST FROM WEDGWOOD TO DELL* 59 (2001).

¹⁰⁶ *See* KOEHN, *supra* note 105, at 60. For an interesting English comparison, see *Exxon Corp. v. Exxon Insurance Consultants Int'l*, [1982] Ch. 119 (C.A.), where the English Court of Appeal concluded that copyright did not subsist in the word "Exxon," notwithstanding that "considerable time and work" were expended on devising the word. *Id.* at 129.

¹⁰⁷ An early exemplar was work by Thorstein Veblen, which coined the phrase "conspicuous consumption." THORSTEIN VEBLEN, *THE THEORY OF THE LEISURE CLASS: AN ECONOMIC STUDY IN THE EVOLUTION OF INSTITUTIONS* (1899). The concepts discussed by Veblen, including the notion of conspicuous consumption, have a much longer pedigree. *See* RAE, *supra* note 91, at 249, 243. The mid-20th Century saw best selling author Vance Packard provide a scathing critique of the manipulative dangers of mid-Century advertising practices. VANCE PACKARD, *THE HIDDEN PERSUADERS* (1957). Other examples of popular literature exploring the role of the societal impact of marketing include: MARSHALL McLuhan, *THE MEDIUM IS THE MESSAGE* (1967);

around the phenomenon of achieving, sustaining, and advancing "brand consciousness." Building brands is a "creative development experience,"¹⁰⁸ and products are now "artifacts around which customers have experiences."¹⁰⁹ Those experiences are produced by the associations generated by the brands and accompanying marketing efforts, as much as by the products themselves.¹¹⁰ Brands are not merely "leveraged" or "grown;"¹¹¹ they have "metaphysics;"¹¹² they have "aesthetics;"¹¹³ they are a "genetic code" to be cracked.¹¹⁴ The terminology brand managers and advertising executives use to discuss what they do suggests that they see their endeavors every bit as creative and as much the "work of the brain" as the kinds of activities that U.S. law rewards with patents or copyrights.

Modern trademark law offers a rich doctrinal and statutory repertoire that protects trademarks beyond their core function of symbolizing the provenance of goods, and that

DOUGLAS RUSHKOFF, *COERCION: WHY WE LISTEN TO WHAT "THEY" SAY* (1999); JOHN DE GRAF ET AL., *AFFLUENZA: THE ALL-CONSUMING EPIDEMIC* (2002); QUART, *supra* note 11; and NAOMI KLEIN, *NO LOGO: TAKING AIM AT THE BRAND BULLIES* (2000) (exploring issues of brand fetishization from a global-political perspective).

¹⁰⁸ JON STEEL, *TRUTH, LIES, AND ADVERTISING: THE ART OF ACCOUNT PLANNING* 222 (1998).

¹⁰⁹ See, e.g., JAMES PINE, II & JOSPEH H. GILMORE, *THE EXPERIENCE ECONOMY: WORK IS THEATRE AND EVERY BUSINESS A STAGE* (1999). See also SCOTT BEDBURY, *A NEW BRAND WORLD: EIGHT PRINCIPLES FOR ACHIEVING BRAND LEADERSHIP IN THE 21ST CENTURY* 16 (2002); DIANA LASALLE & TERRY A. BRITTON, *PRICELESS: TURNING ORDINARY PRODUCTS INTO EXTRAORDINARY EXPERIENCES* (2002).

¹¹⁰ Professor Jessica Litman captures this phenomenon perfectly in her discussion of character merchandizing. Adding a brand, such as "Batman" to the packaging of a cereal box arguably creates a unique "product." Litman, *Breakfast With Batman*, *supra* note 48, at 1727:

Ask a child, and he'll persuade you that the difference between a box of Kellogg's Corn Flakes with a picture of Batman on it and some other box without one is real. There is nothing imaginary about it. It has nothing to do with the way the cereal tastes. What kids want isn't a nutritious part of a complete breakfast; they want Batman to have breakfast with them. One box supplies that; the other doesn't.

See also Alex Kozinski, *supra* note 10, at 972-73 (1993); Rudolf Rayle, *The Trend Toward Enhancing Trademark Owners' Rights, A Comparative Study of U.S. and German Trademark Law*, 7 J. INTELL. PROP. L. 227, 281-82 (2000). Professor Tim Kasser speculates that children who experience nonnurturant parenting may be especially susceptible to consumer messages that prey on insecurities and promise happiness and security through consumption. See TIM KASSER, *THE HIGH PRICE OF MATERIALISM* 31-32 (2002).

¹¹¹ See, e.g., David A. Aaker, *Should You Take Your Brand to where the Action Is?*, HARV. BUS. REV., Sept./Oct. 1997, at 135.

¹¹² BEDBURY, *supra* note 109, at 18.

¹¹³ See BERND SCHMITT & ALEX SIMONSON, *MARKETING AESTHETICS: THE STRATEGIC MANAGEMENT OF BRANDS, IDENTITY AND IMAGE* (1997).

¹¹⁴ BEDBURY, *supra* note 109, at 23-59.

responds to the new kinds of “value” trademarks have in consumer markets.¹¹⁵ “Extended” forms of trademark infringements seem to accommodate the concerns of firms and their marketing and advertising experts far better than traditional likelihood of confusion analysis. For example, section 43(a) of the Lanham Act includes liability for causing a likelihood of confusion, mistake, or deception as to “affiliation, connection, or association,” a form of liability that bolster firms’ ability to drive away competition in the promotional goods context.¹¹⁶ “Initial interest confusion”¹¹⁷ can protect against other firms’ uses of trademarks to pique consumers’ interest, even where the confusion is wholly absent at the point of any purchase. The “post-sale confusion”¹¹⁸ doctrine imposes liability where the purchaser knows he is not buying a product from the trademark proprietor, but where third parties viewing the product might be confused as to the origin of the goods.¹¹⁹ “Trademark dilution”¹²⁰ protects the value firms have built up in famous marks against being “blurred” by the uses of the same or similar marks, even where these uses do not cause

¹¹⁵ See generally Jerre B. Swann, *Dilution Redefined for the Year 2002*, 92 TRADEMARK REP. 585 (2002) [hereinafter Swann, *Dilution Redefined*].

¹¹⁶ See, e.g., *Boston Athletic Ass’n v. Sullivan*, 867 F.2d 22 (1st Cir. 1989). See *infra* Part IV.C.

¹¹⁷ See, e.g., *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254, 260 (2d Cir. 1987) (finding trademark infringement based on the use of a mark to generate “interest,” even where the confusion would be dispelled prior to purchase). See also *infra* Part IV.B.2.

¹¹⁸ See, e.g., *Mastercrafters Clock & Radio Co. v. Vacheron & Constantin-Le Coultre Watches, Inc.*, 221 F.2d 464 (2d Cir.), *cert. denied*, 350 U.S. 832 (1955). See also *infra* Part IV.D.

¹¹⁹ What “friends and family” think of our purchases may be particularly important to the goodwill that firms build up in their brands. Some research into the sources of consumer desires suggests that among the most powerful stimulators of desire to purchase goods are the goods friends and family have, see SCHOR, *OVERSPENT AMERICAN*, *supra* note 3, at 69 (citing Susan Fournier & Michael Guiry, *A Look into the World of Consumption Dreams, Fantasies, and Aspirations*, Research Report, University of Florida, December 1991, suggesting that trademark proprietors will be vigilant about protecting the meanings accorded to brands in these kinds of context by invoking doctrines such as “post-sale” confusion). Adding to the concern to protect the impressions of goods gained by friends and family viewing these purchases is the fact that these impressions are harder won today, a result of the increased privacy of the American home. See generally DAVID HALLE, *INSIDE CULTURE: ART AND CLASS IN THE AMERICAN HOME* (1993).

¹²⁰ Trademark dilution was federalized in 1985 under the Federal Trademark Dilution Act (1985), which added a new Section 43(c) to the Lanham Act, and a definition of dilution in Section 45. 15 U.S.C. § 1125(c) & 1127 (2000). See generally MCCARTHY ON TRADEMARKS, *supra* note 59, § 24.67. See also *infra* Part IV.B.1.

confusion.¹²¹ We shall consider each of these “extended” forms of liability in more detail below; all provide insight into the way that trademark jurisprudence thinks about the “consumer.”¹²²

C. *Traditional Critiques*

Both of the conventional rationales – the “objective” focus on marketplace effects and the “subjective” concern with defendants’ fault in free riding on the property of another – have provoked considerable controversy. One strand of critique concerns the extent to which protecting trademarks dovetails with the concept of the “sovereign consumer,” which in turn taps into fierce debates about whether this latter-day hero of economic liberalism¹²³ can survive, given prevailing modalities of preference formulation in markets saturated with manipulative selling methods. A second strand of critique is closer to traditional concerns of legal theory, and rehearses debates about whether property rights can or should be established merely because the trademark has achieved some discernible marketplace “value.” As is explained in this subpart, however, none of these controversies offers much possibility of resolution.

1. “Sovereign” vs. “Susceptible” Consumers

A key conceptual foundation of neo-liberalism,¹²⁴ the “sovereign consumer,” who rationally seeks out an optimal mix of goods and services,¹²⁵ remains one of the most influential

¹²¹ For a particularly illuminating exploration of the concept of blurring and dilution doctrine generally, see Sara Stadler Nelson, *The Wages of Ubiquity in Trademark Law*, 88 IOWA L. REV. 731 (2003).

¹²² See *infra* Part IV.

¹²³ DON SLATER, CONSUMER CULTURE & MODERNITY 34 (1997) (“‘Consumer sovereignty’ is the most powerful image of the consumer as social hero and has been a major ideological rallying cry for liberal assaults against ‘collectivism’ – socialist, communist and Keynesian – from the 1920s to the Cold War.”).

¹²⁴ SLATER, *supra* note 123, at 37-38. Though the notion of the sovereign consumer is championed by neo-liberalists, perhaps reaching its apogee in Anglo-American polities during the era of Thatcherism and Regonomics, see *id.* at 37, emphasis on the sovereign consumer echoes much earlier ideas. Adam Smith famously championed the interests of consumers with a “maxim . . . so perfectly self-evident, that it would be absurd to attempt to prove it”: “Consumption is the sole end and purpose of all production; and the interest of the producer ought to be attended to, only so far as it may be necessary for promoting that of the consumer.” ADAM SMITH, AN INQUIRY INTO THE NATURE AND CAUSES OF THE WEALTH OF NATIONS vol. II, bk. IV, ch. 8, at 179 (Edwin Cannan ed., U. of Chicago Press 1976) (1776).

¹²⁵ SLATER, *supra* note 123:

academic accounts of consumer behavior.¹²⁶ The sovereign consumer is part of a cluster of commitments and economic ideals that valorize, and regard as central to societal welfare, the ability of individuals to express private preferences, largely unimpeded by governmental regulation.¹²⁷ Because trademarks facilitate the expression of consumer choices, legal protection of trademarks seems to comport with and support the consumer sovereignty framework.

Competing with the "sovereign" consumer is the notion of the "susceptible" consumer, whose vulnerability to making irrational choices is caused and exacerbated by advertising and the promotion of trademarks.¹²⁸ Some critiques of the consumer sovereignty ideal emphasize the deleterious effects of advertising on the formulation of rational choices.¹²⁹ Trademarks are implicated in these critiques because they

[L]iberalism places individual choice at the center of social theory; social institutions must derive from or respond to the way in which individuals formulate their private, self-defined interests as social demands, as choices of these goods, those policies, these laws; choices that are made by individuals purely as part and parcel of their pursuit of their own agenda.

Id. at 40.

¹²⁶ Douglas A. Kysar, *The Expectations of Consumers*, 103 COLUM. L. REV. 1700, 1747 (2003) (examining consumer expectations in context of products liability) [hereinafter Kysar, *Expectations*].

¹²⁷ Championing the sovereign consumer in this way gives rise to a kind of "economic amorality," conventionally defended on three bases. The first is ethical: characterizing the pursuit of liberty through expression of individual choice. Within this intellectual tradition, social coordination occurs only as the sum of individual choices, a concept most famously articulated through the familiar notion of the "invisible hand." SMITH, *supra* note 124. Secondly, the sovereign consumer concept is consistent with the Enlightenment commitment to separating knowledge from values and beliefs. SLATER, *supra* note 123, at 49. Thirdly, the sovereign consumer concept acknowledges limits to the analytical competence of economic theory: emphasizing expressed preferences, rather than the reasons why preferences are formed, means that "murky" issues of psychology are avoided. SLATER, *supra* note 123, at 46. In classic economic thought, utility is to be *inferred* from expressed choices. The consumer sovereignty theory emphasizes not *what* consumers choose: rather, what is important is *that* they choose. Preferences are "revealed," not judged. See generally George J. Stigler & Gary S. Becker, *De Gustibus Non Est Disputandum*, 67 AM. ECON. REV. 76 (1977).

¹²⁸ The classic statement of the susceptibilities of consumers to persuasion comes from JOHN KENNEDY GALBRAITH, *THE AFFLUENT SOCIETY* (4th ed. 1998). A seminal legal analysis of these issues was offered by Professor Ralph Brown. Brown, *supra* note 45.

¹²⁹ See, e.g., GALBRAITH, *supra* note 128; RUSHKOFF, *supra* note 107. Professor Juliet Schor offers a slightly different explanation, noting that, notwithstanding the onslaughts of advertisers, consumers continue to be very discriminating about their purchasing choices and the signaling effects of *other* consumers' choices. SCHOR, *OVERSPENT AMERICAN*, *supra* note 3, at 34-35.

enhance the efficacy of advertising.¹³⁰ Economist John Kenneth Galbraith famously identified the "dependence effect" of modern systems of production that are aided and abetted by advertising, whose "central function is to create desires – to bring into being wants that previously did not exist."¹³¹ According to Galbraith, levels of production do not respond to the expression of individual consumer desires; rather, consumer desires are created "for"¹³² the consumer through production itself and advertisers' accompanying onslaughts. Accordingly, advertising's contribution to the production of desires renders the sovereign consumer a risible fiction.¹³³

The implications of this analysis for the search costs rationale are potentially devastating. How can trademarks be neutral vehicles for transmitting information efficiently to consumers to enable them to distinguish between, and express preferences for, goods from one source as opposed to those from other sources, when trademarks themselves are bundled together¹³⁴ with promotional and advertising strategies that manipulate consumer desires? Moreover, those promotional and advertising strategies, rather than assisting in the efficient

¹³⁰ See generally Frank Schecter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813 (1927).

¹³¹ GALBRAITH, *supra* note 128 (footnote omitted). Galbraith was not the first to identify the creation of wants and needs by production. Historian, James Axtell quotes the letter of an English visitor to colonial Baltimore, who observed of the American economy: "As wealth and population increased, wants were created, and many considerable demands, in consequence, took place for the various elegancies as well as the necessities of life." James Axtell, *The First Consumer Revolution*, in CONSUMER SOCIETY IN AMERICAN HISTORY: A READER 85, 86 (Lawrence B. Glickman ed., 1999).

¹³² GALBRAITH, *supra* note 128. Galbraith was writing at a time of increased attention by firms to market segmentation and product differentiation, strategies that reflected firms' increasing understanding of the marketing implications of the realities of imperfect competition. A "bending of demand to the will of supply," product differentiation was in part a response to the reality that "[n]ot all consumers have the desire or the ability to shop in a sufficiently efficient or rational manner as to bring about selection of the most needed or most wanted goods or services." Wendell R. Smith, *Product Differentiation and Market Segmentation as Alternative Marketing Strategies*, J. MARKETING, July 1956, at 3, 4, 5. New marketing strategies were in part made possible by technological changes that provided alternatives to the homogeneity of mass-marketing, such as technological advances allowing smaller product runs to be economically efficient. *Id.* at 6.

¹³³ See, e.g., GALBRAITH, *supra* note 128, at 124.

¹³⁴ See generally Jacob Jacoby et al., *Price, Brand Name, and Product Composition Characteristics as Determinants of Perceived Quality*, 55 J. APPLIED PSYCH. 570 (1971) (noting that consumers' impressions of products are due to a number of cues, including price, product composition characteristics, packaging, brand, manufacturer and store image, advertising, word of mouth reports and past purchase experience).

transfer of information from trader to consumer, frequently contain very little meaningful product information, but rather are "arresting images, whimsical characters, and compelling minidramas, all of which seem quite unrelated to the product on offer."¹³⁵ As Professor Douglas Kysar puts the point, the predominance of these techniques in the promotion of goods and services gives consumer sovereignty theorists much to explain.¹³⁶

Consumers' susceptibility to manipulation through advertising, and the implications of this kind of manipulation for competitive efficiency, have certainly been acknowledged by U.S. courts,¹³⁷ even if the kinds of critiques put forward by Galbraith and others¹³⁸ have not achieved widespread currency among economists.¹³⁹ But judicial disapprobation of advertisers' selling techniques has never led to much serious questioning of the judicial, or, indeed, the legislative, function in upholding trademark rights per se. For courts, this may partly be due to their reluctance (or inability) to differentiate between some of the different kinds of consumer preferences that are relevant to

¹³⁵ Kysar, *Expectations*, *supra* note 126.

¹³⁶ Kysar, *Expectations*, *supra* note 126.

¹³⁷ See, e.g., *Smith v. Chanel*, 402 F.2d 562 (9th Cir. 1968):

The primary value of the modern trademark lies in the 'conditioned reflex developed in the buyer by imaginative or often purely monotonous selling of the mark itself.' Deering, *Trade-marks on Noncompetitive Products*, 36 OR. L. REV. 1, 2 (1956). To the extent that advertising of this type succeeds, it is suggested, the trademark is endowed with sales appeal independent of the quality or price of the product to which it is attached; economically irrational elements are introduced into consumer choices; and the trademark owner is insulated from the normal pressures of price and quality competition. In consequence the competitive system fails to perform its function of allocating available resources efficiently.

Moreover, the economically irrelevant appeal of highly publicized trademarks is thought to constitute a barrier to the entry of new competition into the market. '[T]he presence of irrational consumer allegiances may constitute an effective barrier to entry. Consumer allegiances built over the years with intensive advertising, trademarks, trade names, copyrights and so forth extend substantial protection to firms already in the market. In some markets this barrier to entry may be insuperable.' Papandreou, *The Economic Effect of Trademarks*, 44 CAL. L. REV. 503, 508-09 (1956). High barriers to entry tend, in turn, to produce 'high excess profits and monopolistic output restriction' and 'probably . . . high and possibly excessive costs of sales promotion.' J. BAIN, *BARRIERS TO NEW COMPETITION* 203 (1955). *Id.* at 566-67 (footnotes omitted).

¹³⁸ See, e.g., CHAMBERLIN, *supra* note 87, at 119-20, discussing the "new scheme of wants" created by "selling methods that play upon the buyer's susceptibilities" and the implications that such methods have on the transmission of accurate information in the marketplace.

¹³⁹ Kysar, *Expectations*, *supra* note 126, at 1753.

this debate.¹⁴⁰ According to one strand of counter-critique,¹⁴¹ advertising and the promotion of brands should be reconceptualized as providing "information" about matters that are important to consumers, such as firms' confidence in the products they promote, information that is itself "consumed" by consumers engaged in making rational marketplace choices.¹⁴² If trademarks are aspects of goods that are consumed, whose value includes the "information" consumers derive from them and the use to which such information is put,¹⁴³ it is presumably neither the courts' nor the government's job to limit consumers' access to aspects of the "products" from which they derive value.¹⁴⁴

¹⁴⁰ As Professor Kysar notes, Justice Harlan made this point in his concurrence in *Federal Trade Comm'n v. Proctor & Gamble Co.*, 386 U.S. 568 (1967), reasoning that if an advertisers brand name is an assurance of quality, it is not the government's function to decide which of the benefits offered the consumer should be considered useful and which should be considered the symptoms of industrial 'sickness.' *Id.* at 603-04. The Court concluded: "It is the consumer who must make that election, through the exercise of his purchasing power." *Id.* at 604.

¹⁴¹ See, e.g., Stigler & Becker, *supra* note 127, at 83-87. Professors Stigler and Becker directly contest the view promulgated by Galbraith that advertising molds consumer preferences and tastes. *Id.* at 83-84. They reconstruct the utility derived by consumers from a market good as including consumer knowledge of its "true or alleged properties." *Id.* at 84. In Stigler and Becker's analysis, the family does not maximize utility by expressing preferences through purchases; rather, the full utility of goods includes the information consumers derive from them, and the use to which such information is put. See generally *id.* at 77.

¹⁴² See also Ronald Coase, *Advertising and Free Speech*, 6 J. LEGAL STUD. 1, 8 (1977). A slightly different, though related, perspective is offered by Professors Richard Elliott and Krisadarat Wattanasuwan, who focus on the role of consumption in consumer's "symbolic project" of identity creation. Elliott & Wattanasuwan, *supra* note 90, at 132. However, these authors also recognize the paradox that though the consumer exercises "free will to form images of who and what he or she wants to be," this freedom of will "is directed by values that are probably also a social product." *Id.* These authors characterize the relationship between consumption and production of advertising as cyclical:

The relationship between advertising and the consumer is dialectical: advertising not only helps in creating, modifying and transforming cultural meanings for the consumer, but also represents cultural meanings taken from the consumer's world view and invested into the advertised product. This dialectical relationship drives a cyclical flow of symbolic meanings derived from culture and transferred into the semiotic world of advertising, then interpreted and used by consumers to construct internally their self-concept and externally their social world.

Id. at 136.

¹⁴³ See Stigler & Becker, *supra* note 127.

¹⁴⁴ The counter-criticism is itself problematic, however, in part because it is probably impossible to confirm whether the susceptible consumer really can be crowned anew, on the basis that they rationally consume the information advertising provides. See Kysar, *Expectations*, *supra* note 126, at 1757. It may be very difficult to determine whether consumers actually "consume" advertising information in the way theorists such as Stigler and Becker suggest, deriving useful messages from it such as

Even if its resolution were possible, one problem with this debate is that it is unlikely to distil any meaningful implications for shaping of modern trademark policy. On the one hand, the view that consumer “utility” results from the value consumers derive and produce from the “information” they take from products, including trademarks, is probably untestable.¹⁴⁵ On the other hand, if theorists such as Galbraith are right, and consumer susceptibility to advertising and the promotion of trademarks significantly undermines the consumer sovereignty theory, we are left without any basis for determining the scope of protection that ought to be afforded to trademarks (assuming that the implication of Galbraith’s insight is that trademarks should be afforded less protection than they currently are). That is, even if the “sovereign” consumer is displaced by the “susceptible” consumer, this does not tell us how the rights in trademarks should be calibrated.

Assume, for example, that the proprietor of trademark “X” has convinced consumers through incessant advertising and promotion – and, yes, the quality of its goods and services as well – that X brand goods and services are “cool.” Assume also that the X brand attaches to a wide range of goods and services: “mega music stores” purveying CDs, mobile phones and other electronic devices, an airline, wine stores, motorbikes, clothing, perfume, resort hotels, and financial services. Now assume that a different trader has started

how confident firms are in their brands, or whether they are simply swept away by their surface persuasions. Galbraith himself remained incredulous. Responding to his critics, he retorted: “Economists . . . did not (still do not) watch television.” John Kenneth Galbraith, *Foreword* to THE CONSUMER SOCIETY xxi (Neva R. Goodwin et al. eds., 1997), cited in Jon D. Hanson & Douglas Kysar, *Taking Behavioralism Seriously: Some Evidence of Market Manipulation*, 112 HARV. L. REV. 1420, 1439 (1999). There is, nevertheless, some strong historical research suggesting that brands are strongest when firms are sensitive to the supply side of the demand equation. See generally KOEHN, *supra* note 105. Cf. Hanson & Kysar, *supra*, at 1467-1552 (presenting a fascinating analysis of the manipulative selling techniques of the tobacco industry and their effects on consumer risk perception). Some psychologists have argued that advertising has particularly intense effects on preference formulation where viewers experience “discrepancies” – a term used to describe people’s emotional states that are largely a function of how far they are from who, what, or where they ideally would like to be. KASSER, *supra* note 110, at 51 (citing E.T. Higgins, *Self Discrepancy: A Theory Relating Self and Effect*, 94 PSYCH. REV. 319 (1987)). People who idealize wealth, attractiveness, and status are particularly attuned to information in their environments that reinforce materialistic values. Kasser cites a number of research studies suggesting that these ideas lead people frequently to experience discrepancies and dissatisfaction. KASSER, *supra* note 110, at 52.

¹⁴⁵ See generally Kysar, *Expectations*, *supra* note 126 (noting that the argument that advertising contributes to utility of the goods is “essentially nonfalsifiable”).

purveying a different category of goods under the X brand. Whether we accept that a preference for X branded goods is an expression of a consumer preference for “cool,” there seems to be no workable basis for distinguishing between *genuine* X brand goods from the imposters, for the associations of “cool” that are connected with the X brand *already* connect otherwise unrelated categories goods and services in the consumer mind. If consumers “know” that anything to which the X brand attaches is “cool,” it would seem to follow that the trademark proprietor must have the right to attach, and prevent others from attaching, the X mark to *any* product or service. The point of such branding campaigns is often to make *anything* seem “cool” to the consumer, so long as it has the X brand attached. But it is entirely unclear whether this should lead to more expansive or more constrained trademark rights in the X brand. On the one hand, if there is no obvious basis for anticipating *ex ante* the kinds of products that consumers would expect the X brand to mark, the connection between the X brand and new categories of goods and services might be quite attenuated. As a corollary, X brand may have only limited power to ward off other goods and services beyond those categories in which the brand is established. On the other hand, it may be precisely *because* consumers now believe that anything to which the X brand attaches is “cool” that they require protection from imposters. In a regime of less protection, consumers might be both *manipulated* into thinking that X brand is cool, and *deceived* by other traders who free ride on the associations built up by the proprietor of the X brand.

It is also possible that the terrain of the debate has shifted already, following increasing recognition of the implications for legal theory of work by economists and psychologists that has identified the “bounded rationality”¹⁴⁶

¹⁴⁶ See generally BOUNDED RATIONALITY: THE ADAPTIVE TOOLBOX (Gerd Gigerenzer & R. Selten eds., 2002) [hereinafter BOUNDED RATIONALITY]. The idea of bounded rationality owes its origins to H.A. Simon’s seminal work *Rational Choice and the Structure of Environments*, 63 PSYCH. REV. 129 (1956). “Bounded rationality” is not the same as “irrationality”: rather, its theory aims to identify reasons, including those characterized by the concept of “an adaptive tool box,” for non-optimizing behavior. See generally Gerd Gigerenzer, *The Adaptive Toolbox*, in BOUNDED RATIONALITY, *supra*, at 37. As Professor Douglas Kysar and Jon Hansen argue, the insights of cognitive science, particularly their concern with issues of framing and presentation of choices, may be helpful for understanding the responses of consumers to the use of symbols by both plaintiffs and defendants in trademark infringement actions. See Jon D. Hansen & Douglas A. Kysar, *Taking Behavioralism Seriously: The Problem of Market*

consumers bring to bear on their marketplace choices. Work by Daniel Kahneman and Amos Tversky that contests the notion of the “rational actor” informing the assumptions of much economic theory has surely achieved at least partial regicide of the sovereign consumer. The work of Kahneman, Tversky, and others¹⁴⁷ suggests that consumers respond to available choices with limited information, using mental processes that can be summoned at different rates, and according to imperatives distilled as much from biological adaptation as from rational choice. Insights from cognitive science may side-step debates about the causes of consumer susceptibility.¹⁴⁸ Consumers simply may not be “wired” with the kind of rational self-interest in marketplace activities that traditional theories of trademark law seem to assume.¹⁴⁹

2. The “Vicious Cycle” – Legal Rights for Perceived Value

Whether the law should protect any value in a trademark beyond its core function of distinguishing the goods and services of one trader from others has long been controversial.¹⁵⁰ Much recent scholarship and some judicial commentary have pointed out that characterizing a defendant’s

Manipulation, 74 N.Y.U. L. REV. 630 (1999) [hereinafter Hansen & Kysar, *Taking Behavioralism Seriously*]. The implications for trademark jurisprudence of ideas associated with bounded rationality have yet to be theorized, and is a topic beyond the scope of this article. Nevertheless, as I suggest below, work in cognitive sciences may provide helpful evidence for courts attempting to assess how consumers might respond to contested uses of trademarks.

¹⁴⁷ See, e.g., ROBERT H. FRANK, CHOOSING THE RIGHT POND: HUMAN BEHAVIOR AND THE QUEST FOR STATUS 33 (1985).

¹⁴⁸ See generally Swann, *Dilution Redefined*, *supra* note 115.

¹⁴⁹ Some of the implications of cognitive science for the processes by which courts come to apprehend the consumer is discussed in further detail *infra* Part IV.C.

¹⁵⁰ Doctrinally, these issues are reflected in different attitudes towards assertions of trademark rights that go beyond the traditional function of symbolizing a firm’s goodwill. Compare *Boston Professional Hockey Ass’n v. Dallas Cap & Emblem Mfg.*, 510 F.2d 1004, 1011 (5th Cir. 1975), *cert denied*, 423 U.S. 868 (1975) (finding trademark liability by defendant who marketed embroidered emblems of sports teams, acknowledging that the holding “may slightly tilt the trademark laws from the purpose of protecting the public to the protection of the business interests of the plaintiffs”), with *Int’l Order of Job’s Daughters v. Lindeburg & Co.*, 633 F.2d 912, 918 (9th Cir. 1980), *cert denied*, 452 U.S. 941 (1981) (declining to follow *Dallas Cap*, and holding that manufacture and sale of jewelry in the shape of the plaintiff’s emblem does not constitute trademark infringement, partly on the basis that the Job’s Daughters trademark was marketed “for its own intrinsic utility to consumers”).

actions as "free riding" often begs the very question at issue,¹⁵¹ which is whether the production of excess value in a mark gives rise to a property interest.¹⁵² It is one thing to suggest that building a brand takes creative effort;¹⁵³ it is another to determine whether and why firms should be protected against appropriation of all or most of the value such efforts produce.¹⁵⁴ Prohibiting "misappropriation of value" has long been regarded as a thinly-disguised excuse for rewarding advertising expenditures with little accompanying societal benefit.¹⁵⁵ Professor Jessica Litman puts it well: "[I]f competition is still the American way of doing business, then before we give out

¹⁵¹ There are also evidential problems with the continued relevance of the junior user's intention to determine whether consumer confusion is likely. The fact that the defendant might have intended to pass off its goods does not tell us whether or not the defendant will actually succeed in its intention to mislead customers in a particular case. On occasion, there may be evidence of actual confusion that helps bolster this conclusion. But, as we have seen, evidence of actual confusion is not a necessary determinant of the legal standard of likely confusion. If, in some cases at least, it is possible *not* to succeed, a defendant's intention should not in itself be dispositive of the likelihood of consumer confusion. Moreover, there is no obvious basis for distinguishing between cases in which the defendant's intention carries predictive promise, and those in which intention is merely a convenient tie-breaker in an otherwise highly speculative analysis.

¹⁵² See *Mobil Oil Corp.*, 818 F.2d 254, 260 ("Such initial confusion works a sufficient trademark injury."). In *Mobil Oil*, the likelihood that an oil trader might listen to a cold call from "Pegasus Petroleum," mistakenly thinking it was related to Mobil Oil, is a kind of 'confusion' sufficient for infringement even though the oil trader would soon be unconfused and not actually enter into a business transaction with Pegasus in a confused state of mind. *Id.* at 259. One of the factors in *Mobil Oil* giving rise to liability was the Second Circuit's view that the defendant had deliberately adopted a mark that would give rise to initial interest confusion. *Id.* at 260. *Mobil Oil* is discussed in more detail *infra* Part IV.B.2. See also *Grottrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons*, 365 F. Supp. 707, 717 (S.D.N.Y. 1973), *aff'd.*, 523 F.2d 1311 (2d Cir. 1975) (finding actionable trademark infringement on the basis that, though a sophisticated purchaser of a piano worth thousands of dollars would not buy a "Grottrian-Steinweg" instead of a "Steinway" by mistake, once inside the store selling Grottrian-Steinwegs, she may satisfy herself with a less expensive piano); *Elvis Presley Enterprises Inc. v. Capece*, 141 F.3d 188 (5th Cir. 1998) (finding infringement where a bar was named "Velvet Elvis" even though once inside a patron would realize that there was no connection with the Elvis Presley estate).

¹⁵³ See *supra* Part II.B.

¹⁵⁴ The Ninth Circuit has observed that a "large expenditure of money does not in itself create legally protectable rights." *Smith v. Chanel*, 402 F.2d 562, 568 (1968).

¹⁵⁵ See Lunney, *Monopolies*, *supra* note 12; Lemley, *supra* note 45; Dreyfuss, *Express Genericity*, *supra* note 48; Dinwoodie, *Rational Limits*, *supra* note 47; Litman, *Breakfast with Batman*, *supra* note 48; Brown, *supra* note 45. The controversy is not confined to U.S. law. Leading European intellectual property jurist, Sir Robin Jacob, commenting on the treatment of trademarks under Benelux law as "something precious and important," has questioned why such status should be afforded to a mere "badge of origin." Robin Jacob, Speech at the University of Bristol (Feb. 29, 1996), quoted in PICKERING, *TRADEMARKS*, *supra* note 51, at 49.

exclusive control of some coin of competition, we need, or should need, a justification."¹⁵⁶

Critics of the emphasis on moral concerns in trademark law tend to rehearse perennial themes in property jurisprudence. In a famous law review article,¹⁵⁷ Legal Realist scholar Felix Cohen identified the "vicious cycle"¹⁵⁸ inherent in the reasoning supporting the expansion of trademark rights beyond contexts in which consumers are actually or likely to be confused. Protecting the value in a mark, according to Cohen's analysis, "purports to base legal protection on economic value, when, as a matter of actual fact, the economic value of a sales device depends upon the extent to which it will be legally protected."¹⁵⁹ Echoing Cohen's analysis, at least one court has recognized the "obvious" analytical flaw that "requires the court to assume that which is to be proved."¹⁶⁰ Critically, a firm's ability to compete may be significantly curtailed where, for instance, a junior user's "bad intention" can transform "likelihood of association" (probably lawful)¹⁶¹ into "likelihood of confusion" (definitely unlawful).¹⁶² This is doubly problematic in an economic system based on free competition, in which firms are meant to compete with each other by any lawful means.¹⁶³ If

¹⁵⁶ Litman, *Breakfast with Batman*, *supra* note 48.

¹⁵⁷ Felix S. Cohen, *Transcendental Nonsense and the Functional Approach*, 35 COLUM. L. REV. 809 (1935) [hereinafter Cohen, *Transcendental Nonsense*].

¹⁵⁸ *Id.* at 817.

¹⁵⁹ *Id.* at 815.

¹⁶⁰ *Holiday Inns, Inc. v. Holiday Out in America*, 481 F.2d 445, 449 (5th Cir. 1973) (also noting the circularity in the argument that: "confusing similarity is proved by the defendants' intent to confuse the public and that the defendants' intent to confuse the public is proved by the confusing similarity of the marks").

¹⁶¹ MCCARTHY ON TRADEMARKS, *supra* note 59, § 23.9 ("calling to mind is not infringement").

¹⁶² See, e.g., *Academy of Motion Picture Arts and Sciences v. Creative House Promotions, Inc.*, 944 F.2d 1446 (9th Cir. 1991). The First Circuit has downplayed the importance of intention to the likelihood of confusion analysis. See, e.g., *I.P. Lund Trading ApS v. Kohler*, 163 F.3d, 27, 44 (1998) (cautioning that "little weight should be given to the determination that [defendant] did not intend to copy [the mark]"). See also *Chrysler Corp. v. Silva*, 118 F.3d 56, 59 n. 3 (1st Cir. 1997) (noting that "[s]trictly, intent, or lack thereof, does not affect the eyes of the viewer"). The principal target of the Court's remarks in *Chrysler* were, however, an allegation by the defendant that it did not intend to copy – "[p]roof of good intent does not change appearance." *Id.*

¹⁶³ Anxiety about the purposes served by intellectual property rights is also partly product of fear of monopolies and the "exceptionality" of intellectual property rights in an economic system committed to the idea that consumers are served best when firms compete freely for their purchasing dollar. The Supreme Court has persistently articulated this concern. See, e.g., *Standard Oil Co. v. FTC*, 340 U.S. 231, 248 (1951); *H.P. Hood & Sons, Inc. v. Du Mond*, 336 U.S. 525, 539 (1949); *National Soc. of Professional Engineers v. United States*, 435 U.S. 679, 695 (1978). This concern relates to intellectual property law generally, but trademark law attracted its own

consumer search costs are underdetermining, and the theoretical foundations for misappropriation doctrine are less than compelling, we may be forced to acknowledge that there is no cogent response to the challenges posed by theorists such as Litman and Cohen. Coins of competition may be being handed out for no good reason at all, and the only principled response may be to close the bank.

The modern trademark law edifice seems, however, quite resilient to such critiques. Cohen articulated problems with the circularity of according property rights in trademarks based on misappropriation of "value" in 1935. Notwithstanding the pedigree and cogency of critiques of the current state of trademark doctrine, trademark rights have, for the most part,¹⁶⁴ continued to expand.¹⁶⁵ Indeed, the fact that both kinds of rationale are available to aid in the formulation of trademark law and policy may be one reason why this expansion continues. Where instrumentalist rationales are found wanting, trademark law's "moral" aspects are ever ready to provide an alternative justification. Moreover, if the search costs approach holds out the promise of rationality, the misappropriation focus seems to tap into deep, if contested, beliefs about basic issues of fairness. That one should not reap where one has not sown is, after all, an enduring, if somewhat under-theorized, idea.¹⁶⁶ To complain that misappropriation doctrine does not make *rational* sense may be missing much of its point.¹⁶⁷

strand of monopoly critique. See generally Beverly W. Pattishall, *Trade-Marks and the Monopoly Phobia*, 50 MICH. L. REV. 967 (1952).

¹⁶⁴ In his history of trademark jurisprudence, Daniel McClure notes a few occasions when trademark rights seem to abate. McClure, *supra* note 44, at 17-19.

¹⁶⁵ Lunney, *Monopolies*, *supra* note 12.

¹⁶⁶ See generally Gordon, *Restitutionary Impulse*, *supra* note 74, at 167 (discussing the role of the restitutionary principle in intellectual property law, and locating its roots in "a particular conception of the judicial role and of the proper relation of common law to the community; and . . . a particular conception of unjust enrichment"). See also Posner, *Misappropriation*, *supra* note 74, at 625.

¹⁶⁷ Moreover, it is not as if deriving legal "property" interest from traditions and practices that accord value to things lacks legal pedigree. For example, though the famous House of Lords decision in *Donaldson v. Beckett*, 4 Burr. 2408 (H.L. 1774), held that the Statute of Anne, the first copyright statute, provided the only legal basis for protecting copyrights, many of the Law Lords deciding the case considered that the practices of stationers, printers and authors prior to its enactment created a kind of common law property. See JOSEPH LOEWENSTEIN, *THE AUTHOR'S DUE: PRINTING AND THE PREHISTORY OF COPYRIGHT 13-22* (2002). In *Millar v. Taylor*, 4 Burr. 2303 (K.B. 1769), whose decision upholding the notion of common law copyright was overruled by *Donaldson v. Beckett*, Lord Aston said:

Attempts to tether trademark theory to its "classic avoidance of consumer confusion rationale"¹⁶⁸ seem inexorably to lead to the conclusion that much of modern trademark law is unsustainable. Accordingly, such critiques often end up appearing quite radical, to the extent that they appear to mount frontal attacks on established legal doctrines and trends. For example, in a recent examination of the proper scope of trademark rights, Professor Graeme Dinwoodie seems to suggest that, on a "rational" approach to trademark law, much of dilution doctrine would need to be jettisoned altogether.¹⁶⁹ The realpolitik of the trademark system indicate, however, that such critiques are unlikely to result in significant curtailment of trademark rights. Critics of current developments in trademark law, particularly those who see the increasing emphasis on the "trespass" paradigm as inconsistent with trademark law's core functions, are likely to find themselves shouting into the fierce winds of legislative and judicial expansionism. Characterizing the premises of expanded trademark rights as "transcendental nonsense,"¹⁷⁰ and then setting up that characterization in opposition to more economically rational approaches, is unlikely to suppress legal actors' impulse to curb misappropriation of the value of established trademarks.

III. CONSTRUCTING CONFUSION

Focusing on the *process* by which courts formulate trademark doctrine may be a way of avoiding the impasses in grand theoretical debates about the proper scope of trademark rights. A key aspect of that doctrine is trademark law's construction of the ordinarily prudent consumer. As this Part

The rules attending property must keep pace with its increase and improvement, and must be adapted to every case. A distinguishable existence in the thing claimed as property; an actual value in that thing to the true owner; are its essentials; . . . For this [the property right] is originally the author's: and, therefore, unless clearly rendered common by his own act and full consent, it ought still to remain his.

Millar, 4 Burr. at 2338-40. In the same case, Lord Mansfield understood authors' property in their works to be based "upon principles of right and wrong, the fitness of things, convenience, and policy, and therefore [on] the common law." *Id.*

¹⁶⁸ Dinwoodie, *Rational Limits*, *supra* note 47.

¹⁶⁹ From policy and theoretical perspectives, this outcome may well be welcome. Professor Dinwoodie's suggestion may also be supportable on purely doctrinal grounds: many modern trademark doctrines come perilously close to creating rights in gross. See *infra* Part IV.

¹⁷⁰ Cohen, *Transcendental Nonsense*, *supra* note 157.

explains, a number of factors contribute to the constructed character of trademark's ordinarily prudent consumer: the absence of much empirical evidence in many trademark infringement cases, vagaries in trademark doctrine, and broader doctrinal and policy issues, all of which can render largely irrelevant some of the responses that real consumers might have to defendants' activities.

A. *Trademark Law's Inchoate Empiricism*

More than sixty years ago, the Supreme Court observed that "[t]he protection of trade-marks is the law's recognition of the psychological function of symbols."¹⁷¹ The "psychological function" with which the Court was then concerned was inducing a purchaser to buy goods or services based on the selling power of the mark.¹⁷² For the most part, however, courts in trademark infringement cases do not interrogate actual psychological effects of the use of trademarks on "real-life" consumers.

¹⁷¹ *Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co.*, 316 U.S. 203, 205 (1942).

¹⁷² The relevant passage from *Mishawaka Rubber* continues as follows:

The protection of trade-marks is the law's recognition of the psychological function of symbols. If it is true that we live by symbols, it is no less true that we purchase goods by them. A trade-mark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of a mark exploits this human propensity by making every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. Whatever the means employed, the aim is the same - to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it appears. Once this is attained, the trade-mark owner has something of value. If another poaches upon the commercial magnetism of the symbol he has created, the owner can obtain legal redress. And in this case we are called upon to ascertain the extent of the redress afforded for infringement of a mark registered under the Trade-Mark Act of 1905.

Id. at 205.

A study of reported trademark infringement cases that went to final judgment, including applications for interim injunctions, during the last ten years¹⁷³ reveals that survey evidence (S.E.) is before the court around 57.4 percent of the time. Of that 57.4 percent, however, survey evidence is discounted or accorded little weight in around 22.2 percent of cases.¹⁷⁴ This suggests that survey evidence influences courts' deliberations on what potential consumers might think around 35.2 percent of the time:

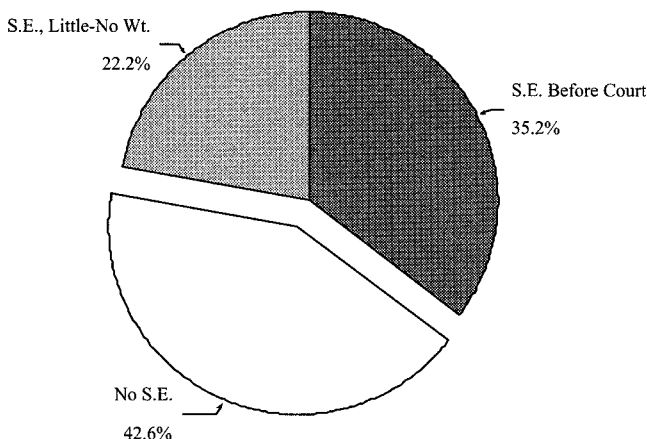


Figure 1: Use of survey evidence in Lanham Act judgments: Total cases between May 1993-May 2003.¹⁷⁵

¹⁷³ The survey sample was produced using LEXIS and Westlaw databases, using the following search terms: "Lanham Act," "trademark," "infringement." It includes cases decided between May 1993 through May 2003. The purpose of the study is to provide an impressionistic picture of the use of empirical data in trademark infringement cases. In each of the cases counted at least one of the causes of action involved allegations of infringement under both Section 32 and Section 43(1) of the Lanham Act. The survey suggests that a significant portion of trademark jurisprudence is developed without the aid of much empirical evidence about potential consumer reactions.

¹⁷⁴ Necessarily, assessment of the weight accorded by courts to survey evidence is somewhat subjective. However, not to include some kind of evaluation of the weight accorded to survey evidence would give the impression that empirical data influences decisions more often than it actually appears to. Even without discounting for cases in which little or no weight was given to the survey evidence, we find that surveys are not used as much as 42.6% of the time.

¹⁷⁵ This chart is based on the following cases:

I. Survey Evidence Presented

a. Little or no weight:

Leonard Studio Equip. Inc. v. Desmar Corp., No. 97-1511, 1998 U.S. App. LEXIS 25795 (Fed. Cir. Oct. 13, 1998); Conopco, Inc. v. Cosmair, Inc., 49 F. Supp. 2d

242 (S.D.N.Y. 1999); *Nabisco v. Warner-Lambert Co.*, 32 F. Supp. 2d 690 (S.D.N.Y. 1999); *Dick's Sporting Goods, Inc. v. Dick's Clothing & Sporting Goods, Inc.*, No. 98-1653, 1999 U.S. App. LEXIS 19942 (4th Cir. Aug. 20, 1999); *A&H Sportswear Inc. v. Victoria's Secret Stores, Inc.*, 237 F.3d 198 (3d Cir. 2000); *J & J Snack Foods Corp. v. Earthgrains, Co.*, 220 F. Supp. 2d 358 (D. N.J. 2002); *Troublé v. Wet Seal, Inc.*, 179 F. Supp. 2d 291 (S.D.N.Y. 2001); *NFL Props, Inc. v. ProStyle, Inc.*, 57 F Supp. 2d 665 (E.D. Va. 1999); *IDV N. Am. v. S & M Brands*, 26 F. Supp. 2d 815 (E.D. Va. 1998); *Trs. of Columbia Univ. v. Columbia/HCA Healthcare Corp.*, 964 F Supp. 733, (S.D.N.Y. 1997); *Dream Team Collectibles, Inc. v. NBA Props*, 958 F Supp. 1401 (E.D.Mo. 1997).

b. Weight.

Sterling Drug v. Bayer AG, 14 F.3d 733 (2d Cir. 1994); *Qualitex v. Jacobson Prods.*, 13 F.3d 1297 (9th Cir. 1994); *Indianapolis Colts v. Metropolitan Baltimore Football Club*, 31 U.S.P.Q.2d (BNA) 1801 (S.D. Ind. 1994); *Giant Brands Inc. v. Giant Eagle*, 228 F. Supp. 2d 646 (S.D. Md. 2002); *Guinness United Distillers & Vintners BV v. Anheuser-Busch*, 64 U.S.P.Q.2d (BNA) 1039 (S.D.N.Y. 2002); *YKK Corp v. Jungwoo Zipper Co.*, 213 F. Supp. 2d 1195 (C.D. Cal. 2002); *Miguel Torres SA v. Cantine Mezzacorona S.C.A.R.I.*, 52 U.S.P.Q.2d (BNA) 1557 (E.D. Va. 1999); *Blue Cross & Blue Shield Mut. v. Blue Cross & Blue Shield Ass'n.*, 1996 U.S. Dist. Lexis 17305 (N.D. Ohio 1996); *Kraft Gen. Foods v. Allied Old English*, 831 F. Supp. 123 (S.D.N.Y. 1993); *Sara Lee Corp. v. American Leather Prods.*, 1998 US Dist. LEXIS 11914 (N.D. Ill. 1998); *Pebble Beach v. Tour 18 I*, 942 F. Supp. 1513 (S.D. Tex. 1996); *Shakespeare, Co. v. Silistar Corp. of Am.*, 906 F. Supp. 997 (D.S.C. 1995); *Anheuser-Busch Inc., v. Balducci Publications*, 28 F.3d 769 (Fed. Cir. 1994); *Jordache Enters. v. Levi Strauss & Co.*, 841 F. Supp. 506 (S.D.N.Y. 1994); *National Distillers Prods. Co., L.L.C. v. Refreshment Brands Inc*, 198 F. Supp. 2d 474 (S.D.N.Y. 2002); *Cache v. M. Z. Berger & Co.*, 2001 U.S. Dist Lexis 226 (S.D.N.Y. 2001); *Racetrac Petroleum Inc. v. J.J.'s Fast Stop, Inc.*, 2003 U.S. Dist. Lexis 1569 (N.D.Tex. 2003); *Tonka Corp. v. Rose Art Indus.*, 836 F. Supp. 200 (D.N.J. 1994); *Brockmeyer v. Hearst Corp.*, 248 F. Supp. 2d 281, (S.D.N.Y. 2003).

II. No Survey Evidence Presented

Ice Cold Auto Air of Clearwater, Inc. v. Cold Air & Asccessories, Inc., 828 F. Supp. 925 (M.D. Fla. 1997); *Wyndham Co. v. Wyndham Hotel Co.*, 670 N.Y.S.2d 995, 176 Misc. 2d 116, (N.Y. Sup. Ct. 1997); *Hard Rock Café Int'l. (USA) Inc. v. Morton*, No. 97 Civ. 9483, 1999 U.S. Dist. LEXIS 8340, at *1 (S.D.N.Y. June 1, 1999); *Am. Family Life Ins. v. Hagan*, 266 F. Supp. 2d 682 (N.D. Ohio 2002); *Sam's Wines & Liquors, Inc. v. Wal-Mart Stores, Inc.*, No. 92 C 5170, 1993 U.S. Dist. LEXIS 12394 (N.D.Ill. Sept. 2, 1993); *J & J Snack Foods, Corp. v. Nestle USA, Inc.*, 149 F. Supp 2d 136 (D.N.J. 2001); *Apple Corps. Ltd. & Subafilms Ltd. v. Button Master, P.C.P., Inc.*, 47 U.S.P.Q.2d (BNA) 1236 (E.D. Pa. 1998); *Am. Auto. Ass'n v. AAA Auto. Club of Queens, Inc.*, No. 97 CV 1180, 1999 U.S. Dist. LEXIS 8892 (E.D.N.Y. Feb. 8, 1999); *Porsche Cars N. Am., Inc. v. Manny's Porshop, Inc.*, 1997 U.S. Dist. LEXIS 4519 (N.D.Ill. 1997); *CBS Inc. v. Liederman*, 866 F. Supp. 763 (S.D.N.Y. 1994); *Quantum Fitness Corp. v. Quantum Lifestyle Ctrs., L.L.C.*, 83 F. Supp. 2d 810 (S.D. Tex. 1999); *Graham Webb Int'l Ltd. v. Emporium Drug Mart, Inc.*, 916 F. Supp. 909, (E.D. Ark. 1995); *Maple Grove Farms v. Euro-Can Prod., Inc.*, 974 F. Supp. 85, 1997 (D. Mass. 1997); *Sea-Roy Corp. v. Parts R Parts*, No. 1998-1, 1997 U.S. Dist. LEXIS 21809 (M.D. N.C. Dec. 2, 1997); *Planet Hollywood, Inc. v. Hollywood Casino Corp.*, 80 F. Supp. 2d 815 (N.D. Ill 1999); *Playboy Enter. v. Terri Welles, Inc.*, 78 F. Supp. 2d 1066 (S.D. Cal. 1999); *Rainforest Café, Inc. v. Amazon, Inc.*, 86 F. Supp. 2d 886 (D. Minn. 1999); *Banfi Prods. Corp. v. Kendall-Jackson Winery, Ltd.*, 74 F. Supp. 2d 188 (E.D.N.Y. 1999); *Patsy's Brand, Inc. v I. O. B. Realty, Inc.*, 58 U.S.P.Q.2d (BNA) 1048 (S.D.N.Y. 2001); *Calvin Klein Jeanswear Co. v. Tunnel Trading*, No. 98 Civ. 5408, 2001 U.S. Dist. LEXIS 18738 (S.D.N.Y. Nov. 16, 2001); *Pocono Int'l. Raceway v. Pocono Mt. Speedway*, 171 F. Supp. 2d 427 (M.D. Pa. 2001); *Golden West Fin. v. WMA Mortg. Servs.*, No. C 02-05727 CRB, 2003 U.S. Dist. LEXIS 4100 (N.D.Cal. Mar. 12, 2003); *Locomotor USA v. Korus Co.*, 46 F.3d 1142 (9th Cir. 1995); *Int'l. Data Group v. Ziff Davis Media, Inc.*, 145 F. Supp. 2d 422 (D. Del. 2001).

The following chart tracks the use of surveys between 1993 and 2003 in more specific numerical terms by year:

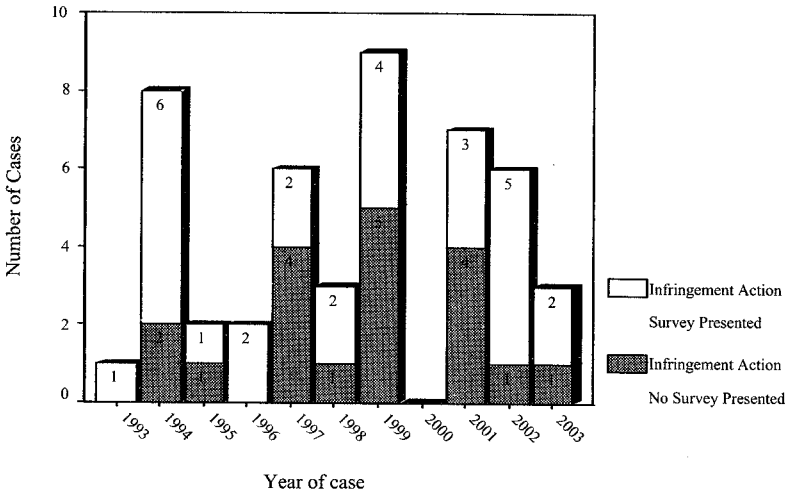


Figure 2: Use of survey evidence in Lanham Act judgments: Cases between May 1993-May 2003, by year.¹⁷⁶

As one would expect, fewer surveys were before courts where there was an application for a preliminary injunction:

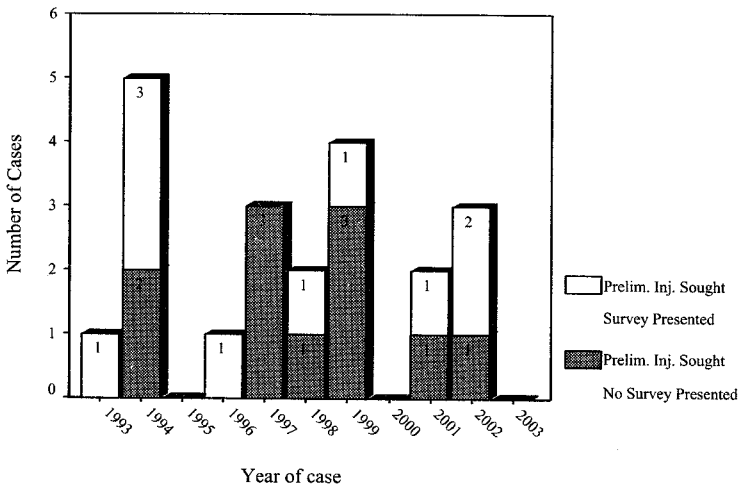


Figure 3: Use of survey evidence in Lanham Act opinions: Judgments on interim injunction applications: May 1993-May 2003.¹⁷⁷

¹⁷⁶ See *supra* note 175 (listing cases used to compile data for this chart).

¹⁷⁷ This chart is based on the following cases:

I. Survey Evidence and Preliminary Injunction Application
Conopco, Inc. v. Cosmair, Inc., 49 F. Supp. 2d 242 (S.D.N.Y. 1999); *Sterling Drug v. Bayer AG*, 14 F.3d 733 (2d Cir. 1994); *Qualitex v. Jacobson Prods.*, 13 F.3d

A number of reasons may account for the low use of survey data in trademark cases. First, as the third chart indicates, many trademark cases seek a preliminary injunction, leaving insufficient time to order a survey. As in other intellectual property contexts, the granting of interim relief can finally resolve the matter. Second, surveys are expensive. Smaller firms may not be able to afford to create this kind of evidence. Third, reliance on survey evidence can be quite precarious. The bases upon which courts may disregard survey evidence¹⁷⁸ usually concern flawed methodology, such as choosing the wrong universe of respondents,¹⁷⁹ leading

1297 (9th Cir. 1994); *Indianapolis Colts v. Metropolitan Baltimore Football Club*, 31 U.S.P.Q.2d (BNA) 1801 (S.D. Ind. 1994); *Giant Brands Inc. v. Giant Eagle*, 228 F. Supp. 2d 646, (S.D. Md. 2002); *Guinness United Distillers & Vintners BV v. Anheuser-Busch*, 64 U.S.P.Q.2d (BNA) 1039 (S.D.N.Y. 2002); *Blue Cross & Blue Shield Mut. v. Blue Cross & Blue Shield Ass'n.*, 1996 U.S. Dist. Lexis 17305 (N.D. Ohio 1996); *Kraft Gen. Foods v. Allied Old English*, 831 F. Supp. 123 (S.D.N.Y. 1993); *Sara Lee Corp. v. American Leather Prods.*, 1998 US Dist. LEXIS 11914 (N.D. Ill., 1998).

II. No Survey Evidence and Preliminary Injunction Application

Ice Cold Auto Air of Clearwater, Inc. v. Cold Air & Accessories, Inc., 828 F. Supp. 925 (M.D. Fla. 1997); *Wyndham Co. v. Wyndham Hotel Co.*, 670 N.Y.S.2d 995, 176 Misc. 2d 116 (N.Y. Sup.Ct. 1997); *Hard Rock Café Int'l. (USA) Inc. v. Morton*, No. 97 Civ. 9483, 1999 U.S. Dist. LEXIS 8340, at *1 (S.D.N.Y. June 1, 1999); *Am. Family Life Ins. v. Hagan*, 266 F. Supp. 2d 682 (N.D. Ohio 2002); *Sam's Wines & Liquors, Inc. v. Wal-Mart Stores, Inc.*, No. 92 C 5170, 1993 U.S. Dist. LEXIS 12394 (N.D. Ill. Sept. 2, 1993); *J & J Snack Foods, Corp. v. Nestle USA, Inc.*, 149 F. Supp. 2d 136 (D.N.J. 2001); *Apple Corps. Ltd. & Subafilms Ltd. v. Button Master, P.C.P., Inc.*, 47 U.S.P.Q.2d (BNA) 1236 (E.D. Pa. 1998); *Am. Auto. Ass'n v. AAA Auto. Club of Queens, Inc.*, No. 97 CV 1180, 1999 U.S. Dist. LEXIS 8892 (E.D.N.Y. Feb. 8, 1999); *Porsche Cars N. Am., Inc. v. Manny's Porshop, Inc.*, 1997 U.S. Dist. LEXIS 4519 (N.D. Ill. 1997); *CBS Inc. v. Liederman*, 866 F. Supp. 763 (S.D.N.Y. 1994); *Quantum Fitness Corp. v. Quantum Lifestyle Ctrs., L.L.C.*, 83 F. Supp. 2d 810 (S.D. Tex. 1999); *Int'l. Data Group v. Ziff Davis Media, Inc.*, 145 F. Supp. 2d 422 (D. Del. 2001).

¹⁷⁸ Evidentiary objections to survey evidence per se are not among them, although survey evidence, like other expert testimony must be "not only relevant, but reliable." *Daubert v. Merrell Dow Pharmaceuticals*, 509 U.S. 579, 589 (1993). Rule 702 of the Federal Rules of Evidence, as amended in 2000 provides:

If scientific, technical, or other specialized knowledge will assist the trier of fact to understand the evidence or to determine a fact in issue, a witness qualified as an expert by knowledge, skill, experience, training, or education, may testify thereto in the form of an opinion or otherwise, if (1) the testimony is based upon sufficient facts or data, (2) the testimony is the product of reliable principles and methods, and (3) the witness has applied the principles and methods reliably to the facts of the case.

FED. R. EVID. 702 (2000). While a trial judge has "basic gatekeeping obligation" to ensure that expert testimony is both relevant and reliable, *Kumho Tire Co. v. Carmichael*, 526 U.S. 137 (1999), survey evidence will ordinarily satisfy evidentiary standards so long as the surveys are conducted in accordance with accepted principles. *Southland Sod Farms v. Stover Seed Co.*, 108 F.3d 1134, n.8 (9th Cir. 1997)). See also JAMES WM. MOORE ET AL., *MOORE'S FEDERAL PRACTICE* § 56.14[1][e], at 56-169 to 56-170 (3d ed. 2002).

¹⁷⁹ See Fred W. Morgan, *Judicial Standards for Survey Research: An Update and Guidelines*, 54 J. MARKETING 59 (1990); Janet Hoek & Philip Gendall, *David Takes*

respondents to particular responses,¹⁸⁰ or failing to identify key issues, such as the distinction between names of products and brand names.¹⁸¹ Underlying these technical issues is also a concern that the artificiality of the survey setting, invariably somewhat removed from the actual purchasing context, means that survey evidence can only partially capture the responses of "real" consumers. Moreover, even when the law treats consumer attitudes as matters of empirical fact, its concern is with aggregates of consumers rather than identifiable individuals.¹⁸² Additionally, while important, survey evidence is not per se dispositive. Instead, as the following section discusses, it is one of a range of factors courts consider when assessing the likelihood of consumer confusion.¹⁸³

B. *Evaluating Confusion*

All circuit courts of appeals and the district courts below them use a non-exhaustive¹⁸⁴ set of factors to determine whether confusion is likely.¹⁸⁵ Analysis of the factors provides

on *Goliath: an Analysis of Survey Evidence in a Trademark Dispute*, 45 INT'L J. MARKET RESEARCH 99 (2003); see generally WILLIAM A. BELSON, *THE DESIGN AND UNDERSTANDING OF SURVEY QUESTIONS* (1981).

¹⁸⁰ See, e.g., *Quality Inns International, Inc. v. McDonald's Corp.*, 695 F. Supp. 198 (D. Md. 1988) (criticizing a survey for bringing the plaintiff's mark to mind with one question, which "fueled" the following question as to who owns or sponsors "McSleep Inn").

¹⁸¹ For a detailed outline of appropriate survey methodology in trademark infringement cases, see FEDERAL JUDICIAL CENTER, *MANUAL FOR COMPLEX LITIGATION*, THIRD § 21.493 (1995), cited in MCCARTHY ON TRADEMARKS, *supra* note 59, § 32.181. See also *Toys R Us, Inc. v. Canarsie Kiddie Shop, Inc.*, 559 F. Supp. 1189, 1205 (E.D.N.Y. 1983); *Weight Watchers Int'l, Inc. v. Stouffer Corp.*, 744 F. Supp. 1259, 1272 (S.D.N.Y. 1990) (applying the Federal Judicial Center's Manual).

¹⁸² Jacob Jacoby, *The Psychological Foundations of Trademark Law: Secondary Meaning, Genericism, Fame, Confusion and Dilution*, 91 TRADEMARK REP. 1013, 1026 (2001): "Trademark law concepts, such as acquired distinctiveness, fame, genericism, confusion, and dilution are not . . . applied to the contents of a single person's mind. Rather, they apply to aggregates of people, typically, the universe of purchasers or prospective purchasers of the particular product or service at issue."

¹⁸³ See, e.g., *Conopco, Inc. v. May Dept. Stores Co.*, 46 F.3d 1556 (Fed. Cir. 1994), cert. denied, 514 U.S. 1078 (1995).

¹⁸⁴ See, e.g., *Jeffrey Milstein, Inc. v. Greger, Lawlor, Roth, Inc.*, 58 F.3d 27, 34 (2d. Cir. 1995).

¹⁸⁵ See *Keds Corp. v. Renee Intern. Trading Corp.*, 888 F.2d 215, 222 (1st Cir. 1989); *Merchant & Evans, Inc. v. Roosevelt Bldg. Products Co., Inc.*, 963 F.2d 628, 637(3d Cir. 1992); *Anheuser-Busch, Inc. v. L & L Wings, Inc.*, 962 F.2d 316, 320 (4th Cir. 1992), cert. denied, 506 U.S. 872 (1992); *Sno-Wizard Mfg., Inc. v. Eisemann Prods. Co.*, 791 F.2d 423, 428 (5th Cir. 1986); *Homeowners Group, Inc. v. Home Marketing Specialists, Inc.*, 931 F.2d 1100, 1109-10 (6th Cir. 1991); *Smith Fiberglass Prods., v. Ameron, Inc.*, 7 F.3d 1327, 1329 (7th Cir. 1993); *SquirtCo v. Seven-Up Co.*, 628 F.2d 1086 (8th Cir. 1980); *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir.

courts with "circumstantial evidence"¹⁸⁶ from which to assess the likelihood of confusion. The Second Circuit's list, known as the "*Polaroid* factors" after *Polaroid Corp. v. Polarad Elects. Corp.*,¹⁸⁷ is illustrative. The *Polaroid* factors are: (1) the strength of the plaintiff's mark; (2) the degree of similarity between the plaintiff's and defendant's marks; (3) the proximity of the products or services; (4) the likelihood that plaintiff will bridge the gap between its products or services and those marketed by the defendant; (5) evidence of actual confusion; (6) defendant's good faith in adopting the mark; (7) the quality of defendant's products or services; and (8) the sophistication of the buyers. Actual confusion is thus one of many factors courts evaluate. Moreover, the *Polaroid* factors should be weighed "holistically," as the district court for the Southern District of New York has recently stated, in determining whether the infringement claim demonstrates a probability of consumer confusion.¹⁸⁸ And some courts have observed that a finding of confusion does not even require a positive finding on a majority of these "digits of confusion."¹⁸⁹ Furthermore, not all factors will be relevant in every case.¹⁹⁰

Trademark jurisprudence exhibits a large measure of uncertainty, both at the doctrinal level and in matters of evidence. Most important for present purposes are the wildly variable judicial descriptions of the characteristics of the ordinarily prudent consumer,¹⁹¹ a topic about which the Lanham Act is silent. Sometimes courts say that the consumer is "reasonably discerning,"¹⁹² at other times, the consumer is

1979); *Coherent, Inc. v. Coherent Technologies Inc.*, 935 F.2d 1122, 1125 (10th Cir. 1991); *Frehling Enters. Inc. v. Int'l Select Group, Inc.*, 192 F.3d 1330 (11th Cir. 1999).

¹⁸⁶ See *supra* note 31.

¹⁸⁷ 287 F.2d 492, 495 (2d Cir.), *cert. denied*, 368 U.S. 820 (1961).

¹⁸⁸ 24 Hour Fitness USA, Inc. v. 24/7 Tribeca Fitness, 277 F. Supp. 2d 356, 366 (S.D.N.Y. 2003). As the First Circuit has noted, a number of factors can be weighed together, particularly those factors relating to the intersection between plaintiff and defendant's markets. *Pignons S.A. de Mechanique de Precision v. Polaroid Corp.*, 657 F.2d 482, 488 (1st Cir. 1981).

¹⁸⁹ *Conan Properties, Inc. v. Conans Pizza, Inc.*, 752 F.2d 145, 150 (5th Cir. 1985); *Homeowners Group, Inc. v. Home Mktg. Specialists, Inc.* 931 F.2d 1100, 1106-07 (6th Cir. 1991); *Elvis Presley Enters. v. Capece*, 141 F.3d 141, 194 (5th Cir. 1998).

¹⁹⁰ *Lipscher v. LRP Publ'ns, Inc.*, 266 F.3d 1305, 1313-14 (11th Cir. 2001) (noting that not all of the factors in *Frehling Enters.*, 192 F.3d 1330, will be relevant in every case).

¹⁹¹ See generally MCCARTHY ON TRADEMARKS, *supra* note 59, § 23:92.

¹⁹² *Farm Serv. v. United States Steel Corp.*, 414 P.2d. 898 (Idaho 1966).

"hasty, heedless and easily deceived."¹⁹³ We shall consider courts' views on the astuteness of the ordinarily prudent consumer in more detail below: How legal actors think about the perspicuity of consumers' decision-making process is a significant element that shapes the legal concept of the "consumer."¹⁹⁴

Also illustrating trademark doctrine's lack of precision are the peculiar semantic contortions in which courts engage when defining and applying the basic concept of "likelihood of confusion." Typical is this elaboration of the standard by the Fifth Circuit: "Likelihood of confusion is synonymous with a probability of confusion, which is more than a mere possibility of confusion."¹⁹⁵ Similarly, courts refuse to be drawn on how many consumers need to be confused,¹⁹⁶ invoking instead malleable standards such as "numerous customers who are ordinarily prudent consumers,"¹⁹⁷ or "an appreciable number of ordinarily prudent customers."¹⁹⁸ Even a small number of consumers may suffice¹⁹⁹ and, as the Sixth Circuit has observed,

¹⁹³ *Stix Products, Inc. v. United Merchants & Mfrs., Inc.*, 295 F. Supp. 479 (S.D.N.Y. 1968). The Third Circuit has taken the statutory silence to mean that trademark's consumer exercises a "normal measure of the layman's common sense and judgment." *United States v. 88 Cases, More or Less, Containing Bireley's Orange Beverage*, 187 F.2d 967 (3d Cir. 1951), *cert. denied*, 342 U.S. 861 (1951). The Supreme Court has said that trademark law is concerned with "ordinary purchasers buying with ordinary caution[.]" *McLean v. Fleming*, 96 U.S. 245 (1878). See also MCCARTHY ON TRADEMARKS, *supra* note 59, § 23:92.

¹⁹⁴ See *supra* Part IV.A.

¹⁹⁵ *Elvis Presley Enterprises, Inc. v. Capece*, 141 F.3d 188, 193 (5th Cir. 1998) (citing *Blue Bell Bio-Med. v. Cin-Bad, Inc.*, 864 F.2d 1253, 1260 (5th Cir. 1989)). See also *A & H Sportswear Inc. v. Victoria's Secret, Inc.*, 166 F.3d 197 (3d Cir. 1999) (holding that the court below erred when applying a "possibility of confusion" standard); see also MCCARTHY ON TRADEMARKS, *supra* note 59, § 23:3.

¹⁹⁶ MCCARTHY ON TRADEMARKS, *supra* note 59, § 23:2.

¹⁹⁷ *Estee Lauder Inc. v. The Gap, Inc.*, 108 F.3d 1503, 1511 (2d Cir. 1997).

¹⁹⁸ *McGregor-Doniger Inc. v. Drizzle Inc.*, 599 F.2d 1126 (2d Cir. 1979) (stating the test as an "appreciable number of ordinarily prudent purchasers are likely to be misled, or indeed simply confused, as to the source of the goods"). See also *American Ass'n for Advancement of Science v. Hearst Corp.*, 498 F. Supp. 244 (D.D.C. 1980) (stating that an "appreciable" number is not necessarily a majority); *International Ass'n of Machinists & Aero. Workers v. Winship Green Nursing Ctr.*, 103 F.3d 196, 201 (1st Cir. 1996) ("[T]he law has long demanded a showing that the allegedly infringing conduct carries with it a likelihood of confounding an appreciable number of reasonably prudent purchasers exercising ordinary care."); *Streetwise Maps, Inc. v. VanDam, Inc.*, 159 F.3d 739, 743 (2d Cir. 1998) ("A probability of confusion may be found when a large number of purchasers likely will be confused as to the source of the goods in question.").

¹⁹⁹ *McCormick & Co. v. B. Manischewitz Co.*, 206 F.2d 744, 745-47 (6th Cir. 1953) (citing three instances of actual confusion on the record). In some cases, however, courts have found too little confusion. See, e.g., *Brockmeyer v. Herst*, 248 F. Supp. 2d 281, 298 (S.D.N.Y. 2003) (stating that defendant's survey showed only less than 3% of

"the law sets no numerical standard for misguided purchasers."²⁰⁰ The relevance of the presence or absence of actual confusion provides another example of doctrinal opacity. The absence of such evidence may or may not weigh against a plaintiff.²⁰¹ Of course, flexibility may be required in some circumstances. However, the general uncertainty as to the sufficiency and type of confusion required contributes to the general impression that trademark liability is founded on an unsteady pile of vague standards.

Sometimes, courts deciding trademark infringement cases do articulate applicable standards with apparent precision. But the precision achieved may sometimes be illusory, particularly since courts determine liability based upon an holistic evaluation of the evidentiary "factors." Consider the attempt by the district court for the Northern District of Illinois in *Medic Alert Foundation v. Corel*²⁰² to pinpoint precisely what it is that consumers need be confused about. *Medic Alert* concerned whether use by Corel of a Medic Alert trademark in its clip art constituted infringement. The district court for the Northern District of Illinois held that confusion as to whether Medic Alert sponsored the use of its trademark by Corel was an insufficient basis for finding trademark infringement.²⁰³ Instead, Medic Alert was required to show a likelihood that consumers would think that Medic Alert had "approved of the Corel software."²⁰⁴ While this would appear to set the bar quite high to a finding of infringement, the court immediately acknowledged that in some cases an

respondents who saw connection between plaintiff's and defendant's products, which was held to be an insufficient level of confusion); *Cumberland Packing Corp. v. Monsanto Co.*, 140 F. Supp. 2d 241, 254 (E.D.N.Y. 2001) (finding survey's confusion rate of 7.84% insufficient to raise material fact as to likelihood of consumer confusion); cf. *RJR Foods, Inc. v. White Rock Corp.*, 603 F.2d 1058, 1061 (2d Cir. 1979) (finding a "consumer survey showing a fifteen to twenty percent rate of product confusion" to be probative of a showing of confusion).

²⁰⁰ *McCormick*, 206 F.2d at 747. That confusion of a small number of consumers is actionable sometimes makes commercial sense, and may be particularly important for trademark proprietors purveying expensive goods whose profits do not depend on high volume sales and to which even a handful of lost sales might do significant financial harm.

²⁰¹ *Hasbro Inc. v. Lanard Toys, Ltd.*, 858 F.2d 70, 78 (2d Cir. 1988) (citing *McGregor-Doniger*, 599 F.2d at 1136).

²⁰² 43 F. Supp. 2d 933 (N.D. Ill. 1999).

²⁰³ *Id.* at 937.

²⁰⁴ *Id.* (noting that the approval at issue was not "whether Medic Alert approved of the use, or alleged use, of its trademarked image, but whether Medic Alert approved of Corel's software").

impression of permission to use *can* give rise to a perception of approval of the product.²⁰⁵ Whether this perception arises appears to depend on a court's impression of the total factual circumstances and a weighing of all of the *Polaroid* (or equivalent) factors. Particularly relevant will be whether the goods and the marks are similar.²⁰⁶ Importantly, however, if "perception of permission to use" can, where other facts are present, tip over into "perception of approval or endorsement," any line between the two situations seems quite blurry indeed.

In the absence of empirical data about consumer responses, and in a doctrinal context riddled with uncertainty, courts sometimes spin quite creative narratives about what consumers think, believe, and value. A form of judicial notice, these kinds of assumptions about consumer worldviews permeate trademark law. The Supreme Court continued to model the technique in its most recent consideration of the scope of the Lanham Act in the 2003 case of *Dastar v. Twentieth Century Fox Film Corp.*²⁰⁷ Parts of the Court's analysis show just how detailed judicial assumptions about the consumer worldview can be. At issue was whether the defendant infringed section 43(a) of the Lanham Act when it copied and republished public domain audio-visual materials based on a memoir by President Eisenhower, *Crusade in Europe*,²⁰⁸ without acknowledging the party "originally"²⁰⁹ responsible for making the documentary. Holding that was not an infringement to do so, the Court elaborated its views about what consumers care about when confronting brands:

²⁰⁵ *Id.* (citing *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526 (5th Cir. 1998)) In *Pebble Beach*, the Fifth Circuit adopted exactly this analysis, observing:

For a party to suggest to the public, through its use of another's mark or a similar mark, that it has received permission to use the mark on its goods or services suggests approval, and even endorsement, of the party's product or service and is a kind of confusion the Lanham Act prohibits.

Pebble Beach, 155 F.3d at 544 (citations omitted).

²⁰⁶ See *Medic Alert*, 43 F. Supp. 2d at 938 (noting that the products in this case "could not [have been] more dissimilar").

²⁰⁷ 539 U.S. 23 (2003).

²⁰⁸ DWIGHT D. EISENHOWER, *CRUSADE IN EUROPE* (1948).

²⁰⁹ As the Court noted in *Dastar*, application of the prohibition in section 43(a)(1) against conduct likely to cause confusion or mistake as to the origin of goods in these facts distilled a number of ambiguities. The case involved video-tapes containing a television documentary based on a book by President Eisenhower. The Court described the claim of the respondent, Fox Film, to be the "origin" of the works as "limited." Equally valid – perhaps even better – claimants for that status might be the original television documentary makers, and other sources of the film, including the U.S. Army, Navy and Coast Guard, the British Ministry of Information and War Office, and the unidentified camera operators. 539 U.S. at 35-36.

Section 43(a) of the Lanham Act prohibits actions like trademark infringement that deceive consumers and impair a producer's goodwill. It forbids, for example, the Coca-Cola Company's passing off its product as Pepsi-Cola or reverse passing off Pepsi-Cola as its product. But the brand-loyal consumer who prefers the drink that the Coca-Cola Company or PepsiCo sells, while he believes that that company produced (or at least stands behind the production of) that product, surely does not necessarily believe that that company was the "origin" of the drink in the sense that it was the very first to devise the formula. The consumer who buys a branded product does not automatically assume that the brand-name company is the same entity that came up with the idea for the product, or designed the product – and typically does not care whether it is. The words of the Lanham Act should not be stretched to cover matters that are typically of no consequence to purchasers.²¹⁰

The Court's speculations about consumer expectations were relevant to the resolution of the controversy in the case – what confusion as to "origin" meant in section 43(a)(1) of the Lanham Act, and whether it made sense to think about origin in terms of the underlying copyright work from which the product was derived.²¹¹ For the present analysis, it matters not whether the Court's assumptions were correct; what is important is that these *are* speculations, and present as fairly naked speculations at that. Absent from the opinion are any references to empirical data substantiating the view that trademark law's consumer is more interested in the provenance of particular goods, rather than the intellectual components, such as recipes, designs, and ideas.

Cases involving the use of a trademark on secondhand goods provide further examples of quite detailed assumptions about the responses of consumers. These cases balance a trademark holder's ability to maintain control over the quality of the product to which the mark is attached with the sustainability of secondhand goods markets.²¹² Consumers benefit from both. In *Champion Spark Plug Co. v. Sanders*,²¹³ which involved reconditioned sparkplugs bearing the trademark under which they were sold when new, the Supreme Court declined to find infringement, observing that "inferiority

²¹⁰ *Dastar*, 539 U.S. at 32-33.

²¹¹ For the reasons discussed *supra* note 209, the Court recognized that it would be very difficult to identify exactly what the "underlying" work was. In addition to the filmic sources, President Eisenhower's book, *Crusade in Europe*, would have also been a good candidate.

²¹² See generally *Champion Spark Plug Co. v. Sanders*, 331 U.S. 125 (1947); *Ty Inc. v. Perryman*, 306 F.3d 509 (7th Cir. 2002).

²¹³ 331 U.S. 125 (1947).

is expected in most second-hand articles. Indeed, they generally cost the customer less.”²¹⁴ This comment has contributed to the ability of lower courts to spin out a complex trademark jurisprudence allowing for the marketing of branded secondhand goods, and to distinguish the secondhand goods context from cases involving altered new (often gray market) goods, where, apparently, consumer expectations are different, resulting in a greater likelihood of confusion.²¹⁵

In *Nitro Leisure Products, L.L.C. v. Acushnet Co.*,²¹⁶ the Federal Circuit recently invoked *Champion* in a case involving secondhand golf balls that had been damaged through use. The defendant had removed the base coat of paint and the clear coat layer, repainted the balls, added a new exterior coat, and re-affixed the plaintiff’s trademark. The court of appeals upheld the district court’s decision not to preliminarily enjoin the defendant, partly on the basis that “there is an understanding on the part of consumers of used or refurbished products that such products will be degraded or show signs of wear and tear and will not measure up to or perform at the same level as if new.”²¹⁷ One problem with this analysis, as Judge Newman implied in her dissenting opinion,²¹⁸ is that a general assumption about consumer expectations does not tell us whether consumers might be confused *in this instance* by such extensive refurbishing, notwithstanding their general predisposition to have lowered expectations when purchasing secondhand goods. For the majority, however, the assumption about consumer responses solved the problem presented by the case, which was to limit the trademark owner’s ability to wield too much control over after markets.²¹⁹

Neither the Supreme Court nor the Federal Circuit were doing anything particularly unusual: Judicial and

²¹⁴ *Id.* at 129-30.

²¹⁵ One of the leading cases of the latter type is *Davidoff & CIE, S.A. v. PLD Int’l Corp.*, 263 F.3d 1297 (11th Cir. 2001), involving fragrance products from which the defendant’s removal of serial numbers provided part of the basis for finding trademark infringement. *See also* *Societe Des Produits Nestle S.A. v. Casa Helvetia, Inc.*, 982 F.2d 633 (1st Cir. 1992) (same result following defendant’s use of different configurations of chocolate boxes, and colors and texture of packaging, from those used by the plaintiff trademark proprietor).

²¹⁶ 341 F.3d 1356 (Fed. Cir. 2003).

²¹⁷ *Id.* at 1362 (citing *Champion*, 331 U.S. at 129-30).

²¹⁸ *Id.* at 1366.

²¹⁹ *See generally* *Ty Inc. v. Perryman*, 306 F.3d 509 (7th Cir. 2002).

legislative “shaping” of the consumer worldview by judicial assumptions about what consumers understand and care about play a significant role in trademark jurisprudence.²²⁰ To suggest that judicial assumptions account for some of the characteristics of the ordinarily prudent consumer in trademark jurisprudence does not mean that the common assumptions that pepper trademark cases are always wrong or misguided.²²¹ And recourse to assumptions about the consumer worldview does not necessarily lead to expanded trademark rights, as *Dastar* itself indicates. The Court’s views on consumer beliefs about the “origin” of goods led to more curtailed trademark rights in that instance.²²² That said, an important implication of seeing how assumptions about the consumer worldview shape trademark jurisprudence – sometimes more than empirical data – may be greater awareness of the possibilities for normative analysis of the way that trademark law thinks about the consumer. But before examining in more detail the characteristics of trademark law’s “ordinarily prudent consumer,” it is also important to acknowledge the way that doctrinal and constitutional concerns also influence trademark law’s cognizance of consumer characteristics.

C. *Doctrinal and Constitutional Constraints*

Cases such as *Dastar* and *Nitro Leisure* illustrate the general point that part of trademark doctrine is about protecting what legal actors assume consumers think about

²²⁰ See *supra* Part III.

²²¹ While assumptions that consumers understand basic functions of brands are relatively uncontroversial, they are not always reliable. Even the most basic assumption about trademarks, that “marks are treated by purchasers as an indication that the trademark owner is associated with the product,” sometimes don’t hold true. *Kentucky Fried Chicken Corp. v. Diversified Packaging Corp.*, 549 F.2d 368, 387 (5th Cir. 1977). I once had a roommate from Odessa, in the former Soviet Union, who had “jumped ship” literally and figuratively and landed on the shores of New Zealand. Because André did not understand that X branded goods came from the same source as previously enjoyed X branded goods, a trip to the supermarket could take all afternoon. His breakfast cereal choices, for example, were dictated by reading the lists of ingredients on the box and studying the illustrations on the packages. Predictably, it could take quite some time to work down a single aisle. (“Judge Posner is right,” I muttered through gritted teeth, as I began to teach him about the meaning of “Kellogg’s.”). Suffice to say, after a month or so in New Zealand, André began shopping much more efficiently. Initially, grocery shopping with André illustrated *both* the veracity of the search costs rationale and that trademarks serve the purpose of lowering search costs only when consumers know how brands are meant to work.

²²² See *supra* notes 207-11 and accompanying text.

brands. They also illustrate how doctrinal and policy concerns help construct a zone of “legally non-cognizable confusion.”²²³ Preserving secondhand goods markets is not the only policy or doctrinal concern. In other cases, including *Dastar*, we can see a number of different doctrinal and constitutional concerns affecting the kinds of consumer confusion that are legally cognizable, thereby shaping the concept of the “consumer” as it is understood by trademark law.

Because *Dastar* did involve “communicative” material,²²⁴ material that might be valued for its “intellectual” aspects, the Court considered whether consumer expectations might differ for these kinds of products as compared with ordinary consumer items.²²⁵ The Court identified problems with this argument: in particular, the tension with other intellectual property policies that would arise if these kinds of consumer expectations were accorded legal significance. The requirement that patented and copyrighted works pass into the public domain on expiration of their term implies that the Lanham Act should not impose additional fetters on their exploitation. Moreover, copyright law already provides for a limited “author attribution” requirement for works of visual arts.²²⁶ The Court reasoned that to find in the Lanham Act a cause of action for misrepresentation of authorship of non-copyrighted works would render these limitations superfluous.²²⁷

²²³ See *infra* Part III.A.

²²⁴ *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 33 (2003).

²²⁵ *Id.* at 33-36.

²²⁶ Section 603(a) of the Visual Artists Rights Act of 1990, Pub. L. No. 101-650, 104 Stat. 5128, provides that the author of an artistic work “shall have the right to claim authorship of that work.” 17 U.S.C. § 106A(a)(1)(A) (2000). The attribution right attaches only to specified works of visual art that are personal to the artist and that endure only for “the life of the author.” *Id.* § 106A(b), (d)(1), (e); see also § 101 (definition of “work of visual art”).

²²⁷ *Dastar*, 539 U.S. at 35. A concern to ensure that trademark protection does not usurp other intellectual property rights is an important theme in U.S. intellectual property jurisprudence. See, e.g., *Saxlehner v. Wagner*, 216 U.S. 375, 380 (1910); *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111 (1938); *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 232 (1964); *Traffix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 30 (2001); *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 150-151. In *Comedy III Productions, Inc. v. New Line Cinema*, 200 F.3d 593 (9th Cir. 2000), the Ninth Circuit was concerned with the tension between the copyright system and protections afforded by the Lanham Act. Declining to hold that use of a clip from a film featuring the Three Stooges in which the copyright had expired in another movie, the Court refused to “entertain this expedition of trademark protection squarely into the dominion of copyright law, to allow for Lanham Act coverage of a piece of footage taken directly from a film by The Three Stooges.” *Id.* at 596. See also *Oliveira v. Frito-Lay, Inc.*, 251 F.3d 56 (2d Cir. 2001) (declining to extend trademark protection to a singer’s “signature song”).

Other limitations dictating how much and what kinds of confusion are legally relevant include genericism and functionality. Trademark law denies protection to generic terms²²⁸ notwithstanding the convictions of "real-life" consumers that the term designates a specific source of products or services.²²⁹ Like descriptive marks, generic terms can acquire secondary meaning through extensive advertising and other types of promotion. However, the concept of genericism renders almost entirely irrelevant any source-designating beliefs that consumers might have as a result of these promotional efforts.²³⁰ Any secondary meaning that might be achieved is characterized as "de facto," rather than "de jure."²³¹ The principle of genericism thus significantly reduces the legal relevance of any beliefs that "real-life" consumers might have in the source-designating significance of generic terms.

²²⁸ Were trademark law to permit generic terms to function as trademarks, the trademark would impose barriers to market entry by other firms who would be prevented from using the "name" of the product to attract customers. The needs of competition outweigh any interest a firm might have in using the term as a trademark. See, e.g., *A.J. Canfield Co. v. Honickman*, 808 F.2d 291, 304 (3rd Cir. 1986) ("Courts refuse to protect a generic term because competitors need it more to describe their goods than the claimed markholder needs it to distinguish its goods from others.").

²²⁹ For a discussion on the irrelevance of secondary meaning in the context of generic terms, see *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976) ("[N]o matter how much money and effort the user of a generic term has poured into promoting the sale of its merchandise and what success it has achieved in securing public identification, it cannot deprive competing manufacturers of the product of the right to call an article by its name."). See also *Application of Preformed Line Co.*, 323 F.2d 1007 (C.C.P.A. 1963); *Weiss Noodle Co. v. Golden Cracknel and Specialty Co.*, 290 F.2d 845 (C.C.P.A. 1961); *Application of G.D. Searle & Co.*, 360 F.2d 650 (C.C.P.A. 1966). The leading case on de facto secondary meaning is the Supreme Court's decision in *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111 (1938), which held that there was no trademark rights in "shredded wheat," despite the fact that consumers recognized that there was a single source of the product. See also *Miller Brewing Co. v. G. Heileman Brewing Co.*, 561 F.2d 75, 81 (7th Cir. 1977), *cert. denied*, 434 U.S. 1025 (1978) (holding "LITE" beer to be generic, despite consumer recognition of the term "LITE" as designating source); *Anheuser-Busch, Inc. v. John Labatt Ltd.*, 89 F.3d 1339, 1346 (8th Cir. 1996), *cert. denied*, 519 U.S. 1109 (1997) (deeming "ice" beer to be generic); *Dranoff-Perlstein Associates v. Sklar*, 967 F.2d 852 (3d Cir. 1992) (telephone numbers that designate generic terms not protectable, even if they have acquired secondary meaning).

²³⁰ Some authority exists for the proposition that, notwithstanding the genericism of a mark, the junior user may be required as a matter of fairness to take reasonable steps to dispel confusion. See *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111 (1938).

²³¹ See, e.g., *In re Deister Concentrator Co.* 289 F.2d 496, 502 (C.C.P.A. 1961) (explaining the difference between secondary meaning that gives rise to trademark rights, and de facto secondary meaning in generic terms, which does not).

The functionality doctrine aims at preventing trademark law from usurping the role of patents. It does this by precluding firms from asserting their trademark rights in ways that risk removing from the public domain technical innovations that have not achieved the level of inventiveness required by the patent system or innovations that were the subject of expired patents.²³² Accordingly, even if consumers think that “X-shaped goods come from the same source as X-shaped goods previously enjoyed,” if the “X shape” is also functional, there are overriding policy reasons for not protecting consumers in such beliefs.²³³ Like genericism, the functionality doctrine helps to render legally irrelevant some forms of “actual” consumer confusion that might be ascertained through survey evidence.²³⁴ The policy against establishing rights in functional aspects of products has also influenced the Supreme Court’s recent jurisprudence on the kind of distinctiveness required for product designs to be accorded trademark significance. In support of its holding in *Wal-mart Stores, Inc. v. Samara Brothers* that product designs require a showing of secondary meaning to act as trademarks, the Court expressed a concern about the potential anti-competitive effects of regarding product designs as inherently distinctive for trademark purposes.²³⁵ One result of *Wal-mart* is to resurrect a

²³² See *Traffix Devices*, 532 U.S. at 25, 32 (articulating the test for functionality in utilitarian product features as whether the features are “essential to the use or purpose of the device or when it affects the cost or quality of the device,” and holding that in cases involving aesthetic functionality, it is proper to inquire into whether the protection of the aspect of the product will give rise to a “significant non-reputation-related disadvantage”); *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, 164-65 (1995) (noting that the functionality doctrine prevents trademark law from inhibiting legitimate competition by protecting useful product features, which is the province of patent law). See also *W.T. Rogers Co. v. Keene*, 778 F.2d 334, 337 (7th Cir.1985) (noting that the functionality doctrine prevents conflict between trademark and patent law). According trademark protection to marks that serve functional purposes would impose barriers to entry for other firms. See, e.g., *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 775 (1992) (holding that only non-functional trade dress is protected “to assure that competition will not be stifled by the exhaustion of a limited number of trade dresses”); *Taco Cabana, Inc. v. Two Pesos, Inc.*, 932 F.2d 113, 1119 (holding that the functionality doctrine “secures for the marketplace a latitude of competitive alternatives”).

²³³ *Traffix Devices*, 532 U.S. at 34; See also *Wallace Int’l Silversmiths, Inc. v. Godinger Silver Art Co., Inc.*, 916 F.2d 76, 81 (2d Cir. 1990), *cert. denied*, 499 U.S. 976 (1991) (plaintiff may not exclude competitors from using functional design elements necessary to compete in the market, “whatever secondary meaning [plaintiff’s design] may have acquired”).

²³⁴ For further discussion, see Dinwoodie, *Rational Limits*, *supra* note 47.

²³⁵ 529 U.S. 205, 213 (2000).

concern with the trademark taxonomy.²³⁶ Some trade dress in the form of packaging can be regarded as inherently distinctive and, as a result of the Court's earlier decision in *Two Pesos, Inc. v. Taco Cabana*,²³⁷ some intermediate categories, such as restaurant décor, may also be distinctive.²³⁸ On the other hand, it may be more difficult to establish trademark significance in product design due to the categorical requirement of secondary meaning. *Wal-mart* invites litigants to argue over the category of the mark. Another implication of the decision is that it seems to render legally irrelevant *factual* concerns with how consumers might actually respond to distinctive product packaging.²³⁹

Constitutional concerns also have the potential to limit the scope of trademark rights. This potential exists particularly where trademarks cease to act as designators of source and become even more susceptible to characterization as property in their own right.²⁴⁰ As trademark rights become tethered less to the concept of goodwill, marketers and consumers may delight in more robust understandings of trademarks,²⁴¹ and semioticians might celebrate a more honest recognition of trademarks as "floating signifiers."²⁴² Yet if trademark rights expand too far, they risk challenge on the ground that the federal government should not be engaged in creating property rights of potentially perpetual duration beyond the more limited scope afforded by the Copyright and Patents Clause of the Constitution.²⁴³ Unless buoyed by some compelling,

²³⁶ Cf. Dinwoodie, *supra* note 85.

²³⁷ 505 U.S. 763 (1992). In *Qualitex Co. v. Jacobson Prods.*, 514 U.S. 159 (1995), the Court earlier added another categorical distinction. It held that colors may function as trademarks, but only on a showing of secondary meaning.

²³⁸ See *Wal-mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205 (2000).

²³⁹ This suggestion follows the analysis in Dinwoodie, *Rational Limits*, *supra* note 47.

²⁴⁰ See discussion *supra* note 89.

²⁴¹ Beebe, *supra* note 16, at 621.

²⁴² Beebe, *supra* note 16, at 626.

²⁴³ U.S. CONST. art. I, § 8, cl. 8: "Congress shall have the power . . . to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries." The reference to "limited times" in the clause indicates that Congress would not be empowered to enact copyrights or patents of unlimited duration. See *Eldred v. Ashcroft*, 537 U.S. 743 (2002). Instrumentalist rationales for trademark rights tend to distinguish them from copyrights and patents, characterizing trademarks as a limited type of property that attaches, and owes its existence, to a firm's existing goodwill. See, e.g., *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90 (1918):

The asserted doctrine is based upon the fundamental error of supposing that a trade-mark right is a right in gross or at large, like a statutory copyright or

alternative rationale, “rights in gross” – signifiers that aspire not only to float, but to float perpetually – risk being caught on the uncertain shores of emerging doctrine concerning the relationship between the Commerce and Copyright and Patents Clauses.²⁴⁴

In addition to creating property rights, trademarks are also part of speech,²⁴⁵ to the extent that trademark rights limit

a patent for an invention, to either of which, in truth, it has little or no analogy. . . . There is no such thing as property in a trade-mark except as a right appurtenant to an established business or trade in connection with which the mark is employed. The law of trade-marks is but a part of the broader law of unfair competition; the right to a particular mark grows out of its use, not its mere adoption; its function is simply to designate the goods as the product of a particular trader and to protect his good will against the sale of another's product as his; and it is not the subject of property except in connection with an existing business.

Id. at 97 (internal citation omitted). For a more recent iteration of the same principle, see *Traffix Devices*, 532 U.S. 23, 34 (2001): “[Trademark law] does not exist to reward manufacturers for their innovation in creating a particular device; that is the purpose of the patent law and its period of exclusivity.”

²⁴⁴ See, e.g., *United States v. Moghadam*, 175 F.3d 1269 (11th Cir. 1999) (holding anti-bootlegging statute empowered by Commerce Clause, notwithstanding arguable inconsistencies with the Copyright Clause). Until recently, the Supreme Court has been quite solicitous of the powers vested in Congress to shape trademark rights in accordance with commercial imperatives. For example, in *San Francisco Arts & Athletics, Inc. v. U.S. Olympic Committee*, 483 U.S. 522 (1987), the Court confronted an argument that statutory limitations on the use of “Olympic” by parties other than the U.S. Olympic Committee (USOC) were unconstitutional. Upholding the statute, the Court characterized the powers Congress has in the trademark context broadly enough to encompass recent expansions in trademark rights, including dilution doctrine:

Although the Lanham Act protects only against confusing uses, Congress' judgment respecting a certain word is not so limited. Congress reasonably could conclude that most commercial uses of the Olympic words and symbols are likely to be confusing. It also could determine that unauthorized uses, even if not confusing, nevertheless may harm the USOC by lessening the distinctiveness and thus the commercial value of the marks.

Id. at 539. In contrast, *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003), perhaps reflects a growing unease with too much expansion of trademark rights, particularly where the scope of the rights conflicts with copyright and patent law. Though *Dastar* involved arguments about the limited construction of the Lanham Act, the Court's analysis possibly also adverts to a more limited approach to the scope of the protections that can be afforded to trademarks that would be consistent with the constitutional structure for protecting intellectual property.

²⁴⁵ The Supreme Court captured this tension in *San Francisco Arts & Athletics*:

This Court has recognized that words are not always fungible, and that the suppression of particular words “run[s] a substantial risk of suppressing ideas in the process.” . . . Yet this recognition always has been balanced against the principle that when a word acquires value “as the result of organization and the expenditure of labor, skill, and money” by an entity, that entity constitutionally may obtain a limited property right in the word.

483 U.S. at 532 (footnotes and citations omitted). In copyright law, First Amendment concerns are largely addressed through the idea/expression dichotomy and the fair use defense. The potential for the First Amendment to constrain copyright law was vigorously pursued in argument before the Supreme Court in *Eldred v. Ashcroft*, 537

others' speech,²⁴⁶ they may implicate the First Amendment.²⁴⁷ First Amendment concerns have become more acute in trademark law in part because trademarks today do more expressive work than merely symbolizing firms' goodwill.²⁴⁸ In situations where it is necessary to identify a product or service using the trademark, the Ninth Circuit has spearheaded a version of the fair use defense for "referential" or "nominative" uses of trademarks.²⁴⁹ The defense is not available where the

U.S. 186 (2003). The Court did not accept the reasoning of the D.C. Circuit, that copyright law is "categorically immune" from First Amendment scrutiny. However, the Court reasoned that where copyright legislation that is consistent with copyright law's "traditional contours," by providing for fair use and protecting expression rather than ideas, further First Amendment scrutiny would not be necessary. *See id.* at 221.

²⁴⁶ First Amendment challenges have been raised in the context of section 2(a) of the Lanham Act, 15 U.S.C. § 1052(a) (2000), which precludes registration of marks that consist of or comprise "immoral, deceptive, or scandalous matter." The Federal Circuit has rejected such challenges on the basis that:

[p]revious decisions of this court and our predecessor court, however, have rejected First Amendment challenges to refusals to register marks under section 1052(a), holding that the refusal to register a mark does not proscribe any conduct or suppress any form of expression because it does not affect the applicant's right to use the mark in question.

In re Boulevard Entertainmnet Inc., 334 F.3d 1336, 1343 (Fed. Cir. 2003); *see also In re Mavety Media Group, Ltd.*, 33 F.3d 1367, 1374 (Fed. Cir. 1994); *In re McGinley*, 660 F.2d 481, 484 (C.C.P.A. 1981). In contrast, trademark infringement actions more obviously raise First Amendment concerns, because robust protection of trademark rights does risk precluding others' use of the trademarks (as opposed to their registration) in expressive communications.

²⁴⁷ *See, e.g., Robert C. Denicola, Trademarks as Speech: Constitutional Implications of the Emerging Rationales for the Protection of Trade Symbols*, 1982 WIS. L. REV. 158; Dreyfuss, *Express Genericity*, *supra* note 48. For an alternative perspective, arguing that trademark law does not need to be supplemented by First Amendment jurisprudence, *see Pierre N. Leval, Trademark: Champion of Free Speech*, 27 COLUM. J.L. & ARTS 187 (2004).

²⁴⁸ "Apple" for computers communicates relatively little. If confined to its "core" function, all the mark would really say is: "this is the symbol of the goodwill Apple Computers Inc. has established in its products and services." Conceptualized in this way, trademarks carry relatively little semiotic force; they can neither be agreed with nor argued with. Perhaps the only cogent response to a trademark is another trademark (e.g., "Dell," or "Gateway," or "IBM"). If trademark rights were constrained in this way, it is difficult to see how any First Amendment concerns would arise. It is of course *because* trademarks do so much more communicative work that numerous commentators have become concerned with their potential to impede communication. Some of the most interesting work in this context has been by Professor Rosemary Coombe, whose work explores whether the distinction between "commercial" uses of trademarks, and expressive uses – in newspaper articles, television news programs, and the like – has exhausted its usefulness. *See COOMBE, supra* note 9, at 274-97.

²⁴⁹ *See New Kids on the Block v. New America Publishing*, 971 F.2d 302 (9th Cir. 1992). *See also KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 328 F.3d 1061, 1072 (2003) (holding that in such cases, it is not necessary to address the likelihood of confusion question, because the nominative fair use analysis replaces the confusion issue). Section 33(b)(4) of the Lanham Act also contains a more limited "statutory" fair use defense, 15 U.S.C. §1115(b)(4) (2000), which is available, *inter alia*, where trademark rights have been established in a descriptive term. Other traders

user of the trademark suggests sponsorship or endorsement by the trademark owner.²⁵⁰ Though the Ninth Circuit deliberately avoided deciding the case on First Amendment grounds,²⁵¹ it did regard the recognition of fair use defenses in trademark law as ameliorating, at least to some extent, the “primary cost” of recognizing trademark rights, namely the “removal of words from (or perhaps non-entrance into) our language.”²⁵² Where an “expressive” use of the trademark can be identified,²⁵³

may use the descriptive character of the mark, but not the “secondary” trademark sense. See *Brother Records, Inc. v. Jardine*, 318 F.3d 900, 905-06 (9th Cir. 2003); *KP Permanent Make-Up*, 328 F.3d at 1061, 1071. Cf. *Cardtoons, L.C. v. Major League Baseball Players Ass’n*, 95 F.3d 959, 970 (10th Cir. 1996) (observing that both copyright and trademark law have “built-in mechanisms” for accommodating First Amendment values).

²⁵⁰ *New Kids on the Block*, 971 F.2d at 308.

²⁵¹ “[W]here we are able to resolve the case on nonconstitutional grounds, we ordinarily must avoid reaching the constitutional issue.” *Id.* at 305 (citing *In re Snyder*, 472 U.S. 634, 642-43 (1985), and *Schweiker v. Hogan*, 457 U.S. 569, 585 (1982)).

²⁵² *New Kids on the Block*, 971 F.2d at 305.

²⁵³ Courts have confronted the tension between trademark rights and the First Amendment more directly in cases involving parodies of trademarks or other “expressive” uses. The “expressive” element aspect of the test is accompanied by a requirement of an “artistic relationship” between the contested mark and the artistic expression. *Rogers v. Grimaldi*, 875 F.2d 994, 999 (1989); see also *id.* at 1006 (Griesa, J., concurring). In a recent decision of the Court of Appeals for the Eighth Circuit, the Court remanded the issue of whether the use of “Rosa Parks” had sufficient artistic relevance to satisfy the *Rogers* test, characterizing this question as a matter for the tribunal of fact. *Rosa Parks v. LaFace Records*, 329 F.3d 437, 458 (6th Cir. 2003), *cert. denied*, 124 S. Ct. 925 (2003). For the purposes of the interaction of the First Amendment and trademark rights, parody is an “example” of the types of expressive content that is favored under First Amendment analysis. *Yankee Publishing Inc. v. News America Publ’g, Inc.*, 809 F.Supp. 267, 279 (S.D.N.Y. 1992). Some courts consider that parodies require “more protection than the labeling of ordinary commercial products” and have held that in deciding the reach of the Lanham Act in any case where an expressive work is alleged to infringe a trademark, it is appropriate to weigh the public interest in free expression against the public interest in avoiding consumer confusion. *Grimaldi*, 875 F.2d at 998-99; *Nike, Inc. v. Just Did It Enters.* 6 F.3d 1225, 1228 (7th Cir. 1993) (noting that in trademark cases, parody does not give rise to an affirmative defense and is “but an additional factor in the analysis”); *Cliff Notes, Inc. v. Bantam Doubleday Dell Publishing Group, Inc.*, 886 F.2d 490, 495 (2d Cir. 1989). The Ninth Circuit appeared to take a stricter approach in *Dr. Seuss Enterprises, L.P. v. Penguin Books USA Inc.*, 109 F.3d 1394 (9th Cir. 1997). See *Films of Distinction, Inc. v. Allegro Film Prods., Inc.*, 12 F. Supp 2d 1068, 1078 (C.D. Cal. 1998) (interpreting *Dr. Seuss* as establishing the proposition that the Ninth Circuit will not adapt the conventional likelihood of confusion analysis for book titles). More recently, however, the Ninth Circuit has accorded greater deference to First Amendment values in trademark infringement cases involving expressive use of trademarks. See *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 901 (9th Cir. 2002), *cert. denied*, 537 U.S. 1171 (2003) (distinguishing *Dr. Seuss*). The Tenth Circuit, in contrast, has held that trademark law has “built-in mechanisms that serve to avoid First Amendment concerns,” implying that special treatment for expressive uses of trademarks is not warranted. *Cardtoons, L.C. v. Major League Baseball Players Ass’n* 95 F.3d 959, 970-71 (10th Cir. 1996) (distinguishing federal trademark and copyright law from Oklahoma’s right of publicity statute, which does not make accommodations for First

defendants are given further leeway than is ordinarily the case in trademark law: Even if some consumer confusion arises, the constitutionally protected interest in freedom of expression “outweighs any minor injury to the plaintiffs’ trademark rights.”²⁵⁴

Trademark rights, then, are a product of far more – and far less – than what “real” consumers think or believe. The characteristics of the “ordinarily prudent consumer” are partly empirically determined, but they are also shaped by judicial assumptions about consumer beliefs and values, by economic policy concerns, such as the preservation of after markets, and also by a number of doctrinal and constitutional limitations. As the following Part discusses, trademark rights are also the product of legal actors’ assumptions about the characteristics of the reasonably prudent consumer.

IV. CONSTRUCTING CONSUMERS

Professor Justin Hughes has examined ways that intellectual property law serves a variety of “audience interests.”²⁵⁵ His analysis has purchase for trademarks as well as other forms of intellectual property where consumers seek to rely on, amongst other things, the “stability” and accuracy of the information provided by the mark.²⁵⁶ There is, however, an important preliminary step: identifying who the audience or

Amendment concerns). The Eighth Circuit recently discussed the relationship between First Amendment concerns in *Parks*, 329 F.3d 437 (6th Cir. 2003), and reasoned that expressive uses of trademarks warranted special treatment to give sufficient weight to First Amendment concerns. The Court reasoned that the approach of the Tenth Circuit in *Cardtoons*, and the approach adopted by the Eighth Circuit in *Mutual of Omaha Insurance Co., v. Novak*, 836 F.2d 397 (8th Cir.1987) (no defense available where the defendant had “sufficient alternative means” to convey his or her idea), *cert. denied*, 488 U.S. 933 (1988), were insufficiently protective of First Amendment concerns. *Parks*, 329 F.3d at 449-50.

²⁵⁴ *Yankee Publ’g*, 809 F. Supp at 272.

²⁵⁵ Justin Hughes, “Recoding” *Intellectual Property and Overlooked Audience Interests*, 77 TEX. L. REV. 923 (1999) (hereinafter Hughes, *Recoding*). Hughes uses the “audience interest” theme to critique scholarship that has suggested that too expansive intellectual property rights damage disenfranchised groups who seek to “re-code” intellectual products, deploying them to create new, and often iconoclastic cultural and personal meanings and to argue that solicitude for this perspective risks neglecting the interests that consumers of intellectual products might have in more passive kinds of consumption of intellectual property products and in the “stability” of intellectual creations. For a sample of this literature, see, e.g., Michael Madow, *Private Ownership of the Public Image: Popular Culture and Publicity Rights*, 81 CAL. L. REV. 125 (1993); Rosemary Coombe, *Objects of Property and Subjects of Politics: Intellectual Property Laws and Democratic Dialogue*, 69 TEX. L. REV. 1853, 1854 (1991).

²⁵⁶ Hughes, *Recoding*, *supra* note 255, at 991-92.

“the consumer” is. Answering that question requires interrogating the meaning trademark law accords to the consumer in a variety of doctrinal settings. In the discussion above, we saw that trademark law has various kinds of “people” in mind when courts apprehend the likely confusion of “consumers.” Legal actors accord different meanings to the “person,” and have a tendency to slip, often unthinkingly, between these meanings.²⁵⁷ One route toward making explicit trademark law’s theory of the consumer is to engage more deeply with the doctrine that ascribes characteristics to the “ordinarily prudent consumer.” In the previous Part, we saw that trademark law’s consumer *is* a legal construct. This Part examines in more detail *how* she is constructed.

A. *Perspicuity*

As we have seen, courts have adopted differing standards for the level of astuteness ordinarily prudent consumers bring to their purchasing decisions. At times, courts assume that “purchasers will act with ordinary care to see that they get what they want.”²⁵⁸ Some strands of case law, particularly from the early decades of the twentieth century, emphasized that “the public must be credited with a minimum capacity for discrimination.”²⁵⁹ More recently, however, ordinarily prudent consumers have also been characterized as “credulous,” “inexperienced,” and “gullible.”²⁶⁰ One result of the different standards available is that courts have a large measure of teleological flexibility. Professor J. Thomas McCarthy observes: “When the court wants to find no infringement, it says that the average

²⁵⁷ See generally Ngaire Naffine, *Who are Law’s Persons? From Cheshire Cats to Responsible Subjects*, 66 MOD. L. REV. 346 (2003); Note, *What We Talk About When We Talk About Persons: The Language of a Legal Fiction*, 114 HARV. L. REV. 1745 (2001).

²⁵⁸ *Hiram Walker & Sons, Inc. v. Penn-Maryland Corp.*, 79 F.2d 836, 839 (2d Cir. 1935) (citing *Ward Baking Co. v. Potter-Wrightington*, 298 F. 398 (1st Cir. 1924)).

²⁵⁹ *Id.* at 839 (citing *Armour & Co. v. Louisville Provision Co.*, 283 F. 42 (6th Cir. 1922), *Wornova Mfg. Co., v. McCawley & Co.*, 11 F.2d 465 (2d Cir. 1926), and *Stevens Linen Works v. William & John Don & Co.*, 121 F. 171, 173 (S.D.N.Y. 1903)).

²⁶⁰ See MCCARTHY ON TRADEMARKS, *supra* note 59, § 23:93; see also *supra* note 3. In a 1948 case involving likelihood of confusion between a famous New York nightclub, the Stork Club, and a modest bar in the San Francisco Tenderloin district with the same name, the Ninth Circuit said: “It may well be true that a prudent and worldly-wise passerby would not be so deceived. The law, however, protects not only the intelligent, the experienced, and the astute. It safeguards from deception also the ignorant, the inexperienced, and the gullible.” *Stork Restaurant, Inc. v. Sahati*, 166 F.2d 348, 359 (9th Cir. 1948).

buyer is cautious and careful and would never be confused. But if the judge thinks there is infringement, the judge sets the standard lower and says the average buyer is gullible and not so discerning, and would be easily confused by the similar marks.²⁶¹

How judges characterize the perspicuity of the consumer is, as Professor McCarthy's observation implies, an important element in determining the scope of trademark proprietors' rights. Sometimes, the way that judges calibrate the perspicuity of consumers is discernible from their conclusions about what might confuse consumers on the particular facts of a case. These can sometimes be more illuminating than their express statements on the topic. In *Best Cellars, Inc. v. Grape Finds at Dupont, Inc.*,²⁶² for example, the District Court for the Southern District of New York preliminarily enjoined the defendants from using design elements similar to those used by the plaintiff to decorate its wine stores and display its products.²⁶³ The focus of the case was the allegation that the defendant had copied the plaintiff's "Wall of Wine," a unique way the plaintiff had devised to display wine bottles.²⁶⁴ The court formulated the likelihood of confusion test as follows: "[I]s there a substantial likelihood that an ordinarily prudent consumer would, when standing in the [defendant's] store think he was standing in [the plaintiff's] store?"²⁶⁵ After applying the *Polaroid* factors, the court answered affirmatively.²⁶⁶ The court found a likelihood of success on the merits, notwithstanding a number of important differences in the layout of the parties' stores.²⁶⁷ From the court's holding and the manner in which it

²⁶¹ MCCARTHY ON TRADEMARKS, *supra* note 59, § 23:92.

²⁶² 90 F. Supp. 2d 431 (S.D.N.Y. 2000).

²⁶³ *Best Cellars* was a case, the Southern District of New York acknowledged, that "present[ed] the tension between the protection of certain intellectual property and free and open competition." *Id.* at 434.

²⁶⁴ The court described the "wall of wine" in these terms:

The essence of the look, however, is the "wall of wine," i.e., the color-coded, iconographic wall signs identifying eight taste categories above single display bottles on stainless-steel wire pedestals which run along the store perimeter, above identical color-coded textually formatted square shelf-talkers, above vertical arrays of nine glowing bottles stacked horizontally, above a strip of cabinets or drawers which extend to the floor.

Id. at 452.

²⁶⁵ *Id.* at 454.

²⁶⁶ *Id.*

²⁶⁷ The relevant findings were as follows:

There are differences between the two stores. The Grape Finds store has a vaulted ceiling, meant to evoke a wine cellar. It is a prominent design

articulated the test, it appears that the ordinarily prudent consumer is somebody who has no idea how she gets in and out of wine stores. Perhaps something about the product caused the court to be unconcerned with exactly how consumers ended up in the defendant's store. Presumably, however, there were some factors that might dissipate confusion, such as the different names of the store and the differences between the parties' trade dress. From the way that the court stated the test, however, it seems that the ordinarily prudent consumer is quite oblivious to these clues.²⁶⁸

There are innumerable examples in trademark law where findings of trademark infringement suggest that consumers really are quite susceptible to confusion: A purveyor of "Mountain King" artificial Christmas trees secured a preliminary injunction against a party selling the same goods under the "Alpine Emperor" mark,²⁶⁹ based on the conceptual similarity of the two marks. The United States Court of Customs and Patent Appeals has found that "Cup-O'-Cola" branded sodas would be confusingly similar to the famous "Coca Cola" brand, on the basis that "the semantic differences which may exist between the two marks 'Cup-O'-Cola' and 'Coca-Cola' would, we

feature. The floor of the store is cork. There are eleven mobile boxes in the store which can be used as seats, for display, and for storage of additional cases of wine. The boxes are arranged in varying ways on the store floor.

There is an alcove space at the back of the store where a wooden table and several chairs are located for wine tastings. In the alcove there is also traditional shelving with smoked glass panels. Grape Finds does not have a mobile cart for food preparation.

Stainless steel is more prominent in the Grape Finds design. As mentioned, there are stainless steel blades running from floor to ceiling, dividing the categories. On each blade is written the primary and the secondary descriptors for the Grape Finds category marked off by that blade.

The cash wrap is on wheels, has a linoleum top, has shelves along the front and top, is curved, and is finished with metal. It is located at the middle of one of the long walls.

There is no burgundy wall in the Grape Finds store.

The layout of the Grape Finds store resembles a wine bottle, though Adamstein testified that this was more happenstance based on the configuration of the lease space than deliberate design.

Id. at 443.

²⁶⁸ The opinion in subsequent litigation involving Best Cellars' attempt to protect its trade dress presents a more subtle analysis. In *Best Cellars, Inc. v. Wine Made Simple, Inc.*, No. 01 Civ. 11780, 2003 WL 1212815 (S.D.N.Y. March 14, 2003), Judge Lynch recognized that, in trade dress cases involving claims that consumer confusion is likely based on a similarity between two stores' décor, the combination of different elements used by the defendant in its trade dress may dispel consumer confusion.

²⁶⁹ *American Technical Industries, Inc. v. General Foam Plastics Corp.*, 200 U.S.P.Q. (BNA) 244 (S.D.N.Y. 1978).

think, be lost on the average purchaser in the market place."²⁷⁰ It is important, however, not to press too far the point that trademark's consumer does not seem particularly astute, given the risk that marginal cases might characterize the middle. Every case finding unlikely confusion to be actionable can be matched by cases where confusion that seems as likely was not actionable.²⁷¹ Moreover, findings about likelihood of confusion are necessarily impressionistic and present issues on which people might reasonably disagree.

More telling indications of how the law constructs the ordinarily prudent consumers can be found in the interstices of trademark doctrine and the legislative scheme, and in the justifications courts and commentators give for finding infringement under the various causes of action that comprise the universe of "trademark infringement."

B. *The "Thought Burden"*

Some parts of trademark law minimize the thinking required by consumers when confronting different traders' goods, suggesting that the ordinarily prudent consumer does not *want* to think particularly hard. In these cases, it doesn't matter how astute consumers are: Some strands of trademark doctrine seem to remove the opportunities that consumers might have to act with acuity in their marketplace activities. Dilution and initial interest confusion doctrine provide examples.

1. Dilution doctrine

Judge Posner's discussion of possible rationales for dilution doctrine in the recent case of *Ty Inc. v. Perryman*²⁷² evinces a concern with protecting consumers from having to engage in much discriminating thought. Dilution doctrine²⁷³

²⁷⁰ Coca-Cola Co. v. Clay, 324 F.2d 198, 200 (C.C.P.A. 1963).

²⁷¹ Compare Coca-Cola Co. v. Clay, 324 F.2d 198 (C.C.P.A. 1963) (holding that "coca-cola" and "cup-o'-cola" likely to be confusing), with Coca-Cola Co. Essential Products Co., 421 F.2d 1374 (C.C.P.A. 1970) (holding "coca cola" and "coco loco" not confusing). For an illuminating list of cases of each type, see MCCARTHY ON TRADEMARKS, *supra* note 59, § 23.23 to 24.

²⁷² 306 F.3d 509 (7th Cir. 2002).

²⁷³ Trademark dilution doctrine is probably best understood as a distinct genus of trademark liability. Prohibitions against dilution arguably create "trespass"-based rights, whereby the harm is conceptualized in terms of the damage to the plaintiff's property in the mark, rather than to the goodwill that the mark represents.

operates not where consumers would be confused as to the source of goods, but where the luster and clarity of the plaintiff's mark would be "blurred" by the defendant's use of the mark, even in remote market contexts. Positing the example of a restaurant that calls itself "Tiffany,"²⁷⁴ Judge Posner reasoned:

There is little danger that the consuming public will think it's dealing with a branch of the Tiffany jewelry store if it patronizes this restaurant. But when consumers next see the name "Tiffany" they may think about both the restaurant and the jewelry store, and if so the efficacy of the name as an identifier of the store will be diminished.²⁷⁵

Judge Posner continued: "Consumers will have to think harder – incur as it were a *higher imagination cost* – to recognize the name as the name of the store."²⁷⁶

Milton Handler, *Are the State Antidilution Laws Compatible with the National Protection of Trademarks?*, 75 TRADEMARK REP. 269, 273 (1985) [hereinafter Handler, *Antidilution Laws*]. Even within the "core" function of trademark law, trademark law recognized that a property right was being protected; however, consumer harm provided the reason for protecting this species of property. For a characterization of trademarks as a species of property, see, for example, *In re Trade-Mark Cases*, 100 U.S. 82, 92 (1879) (characterizing "the whole system of trade-mark" as founded on the concept of "a property right"). This view had also been adopted at the state level. See, e.g., *Derringer v. Plate*, 29 Cal. 292, 295 (Cal. Sup. Ct. 1865) ("[T]he right of property in a trade mark accrues without the aid of a statute."). For an explanation of the "dual purpose" of trademarks, that of protecting the public and the proprietor, see, for example, *Goldwyn Pictures Corp. v. Goldwyn*, 296 F. 391, 401 (2d Cir. 1924) ("[T]he court seeks to protect the purchasing public from deception and also the property rights of the complainant."). The difference between the "trespass" and "confusion" rationale remains important, however. The latter constructs trademarks as a "special" property, which is limited by the extent to which the defendant's conduct causes material consumer confusion. "Trespass-based" rights are not limited in this way, which explains why some commentators have characterized dilution doctrine as more consistent with a "trespass" paradigm. See Handler, *Antidilution Laws*, *supra*. Limits to the scope of dilution doctrine, are, however, emerging, as is indicated by the Supreme Court's analysis in *Mosely v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003). By implication, the Court's holding in *V Secret* that a showing of actual dilution is required underscores the doctrinal reality that, even within a dilution-based analysis, not all "trespasses" are infringing. For an excellent recent discussion of dilution doctrine, see Brian A. Jacobs, Note, *Trademark Dilution on the Constitutional Edge*, 104 COLUM. L. REV. 161 (2004).

²⁷⁴ Cf. *Tiffany & Co. v. The Boston Club, Inc.*, 231 F. Supp 836 (D. Mass. 1964).

²⁷⁵ *Ty Inc.*, 306 F.3d at 511.

²⁷⁶ *Id.* (emphasis added). As a further illustration of the nature of dilution, Judge Posner then gave an example of tarnishment, where the junior user of "Tiffany" is operating a strip joint rather than a restaurant. *Id.* Once again, "even more certainly" than in the restaurant case, consumers "will not think [that] the striptease joint [was] under common ownership with the jewelry store." *Id.* However, "because of the inveterate tendency of the human mind to proceed by association, every time they think of the word "Tiffany" their image of the fancy jewelry store will be tarnished by

The Supreme Court's more recent examination of dilution doctrine in *Moseley v. V Secret Catalogue, Inc.* seems, at first blush, to differ from Judge Posner's approach. The key doctrinal significance of *V Secret* lies in the Supreme Court's holding that the federal dilution statute requires a showing of "actual," as opposed to the mere "likelihood" of, dilution.²⁷⁷ However, the case is also likely to be important for its analysis of what "actual dilution" means, and the kind of evidence needed to establish that it has occurred (or might occur).²⁷⁸ The Court rejected the idea that "mere" mental association between the senior and junior users' marks is sufficient to establish

association of the word with the strip joint." *Id.* Thus, in Judge Posner's view, "tarnishment" is another species of "blurring," and, if the imagination costs rationale is correct, it would explain the imposition of liability for both forms of trademark infringement. Judge Posner has recently returned to the "Tiffany's" example in extra-judicial writing, and, with Professor Landes, has suggested that dilution "protects trademark owners from the loss of value resulting from nonconfusing duplication of their trademarks (as where a hot dog stand adopts the name "Tiffany's")." William M. Landes & Richard A. Posner, *Indefinitely Renewable Copyright*, 70 U. CHI. L. REV. 471, 485 (2003). It is important to record that Judge Posner's exegesis on dilution doctrine in *Ty Inc. v. Perryman* was speculative only, as is indicated by his statement that "[t]here are (at least) three possibilities relevant to this case, each defined by a different underlying concern." *Ty Inc.*, 306 F.3d at 511.

Certainly, dilution doctrine seems more palatable from a policy perspective if it does something positive for consumers rather than just protecting the property interests of proprietors of famous trademarks. Cf. Litman, *Breakfast with Batman*, *supra* note 48. An obvious problem with subsuming the "imagination costs" explanation within the economic orthodoxy of the search costs rationale however, is that it is not clear *why* imposing a higher imagination cost should give rise to dilution-based liability, when it does not give rise to liability for confusing or misleading uses of trademarks. Trademark law has long tolerated the use of the same or similar trademarks on different goods, where there is no likelihood of confusion. Even a famous mark such as "Apple," when used in conjunction with computers, has to compete with a number of other "apple" trademarks that might enter consumers' imaginations when they think of the stylish brand of computer merchandise. For recent judicial discussion of various uses of "apple" trademarks, see *Interstellar Starship Services, Ltd. v. Tchou*, 304 F.3d 936, 944 n.8 (9th Cir. 2002) (noting that the PTO website reports 679 active trademark registrations which include the word "apple"). There is an "Apple" bank in New York and elsewhere, for example, and many consumers will recall that records by the English pop group "The Beatles" were always published by "Apple Records." Moreover, "Apple" has all sorts of non-trademark meaning – as a literal description for a type of fruit, and in various metaphoric contexts, such as "Big Apple," which is a description for at least two American cities. Presumably, these marks and ordinary uses of the word "apple" might enter at least some consumers' minds when they confront the "Apple" trademark. Distinguishing between them requires the kind of cognitive activity against which Judge Posner suggests we need to be protected. But if having to think hard were the touchstone of liability, many of the commercial uses of "Apple" would presumably have been enjoined long ago.

²⁷⁷ See generally Beebe, *supra* note 16, at 690-91.

²⁷⁸ See also *V Secret*, 537 U.S. 418, 435 (Kennedy, J., concurring) (pointing out that interim relief remains available for trademark dilution and that accordingly, the prospect of dilution provides a basis for a court's intervention).

liability.²⁷⁹ Instead, the Court seems to require a kind of “association” that will lead to the mental impression of the senior user’s mark being changed, so that its meaning becomes associated with the junior user’s mark or less strongly associated with the senior user’s goods or services.²⁸⁰

At least one commentator²⁸¹ has suggested that the Supreme Court’s approach is consistent with the established principle that merely causing consumers to call to mind another’s mark is not trademark infringement.²⁸² However, when it is recalled *how* courts determine what consumers think,²⁸³ this may prove to be a distinction in degree rather than kind. The *V Secret* Court did not require that the plaintiff demonstrate economic consequences of dilution, such as loss of income as a result of the defendant’s conduct.²⁸⁴ Moreover, the Court confirmed that “direct evidence of dilution such as

²⁷⁹ *V Secret*, 537 U.S. at 433. “Blurring’ is not a necessary consequence of mental association. (Nor, for that matter, is ‘tarnishing.’)” *Id.* at 434.

²⁸⁰ These requirements can be inferred from the following parts of the Supreme Court’s analysis in *V Secret*. First, when discussing *Ringling Bros. Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449 (4th Cir. 1999), which concerned an allegation that “the greatest snow on earth” used for winter sporting events diluted the famous Ringling Brothers/Barnum & Bailey trademark, “the greatest show on earth,” the court observed:

We do agree, however, with that court’s conclusion that, at least where the marks at issue are not identical, the mere fact that consumers mentally associate the junior user’s mark with a famous mark is not sufficient to establish actionable dilution. As the facts of that case demonstrate, such mental association will not necessarily reduce the capacity of the famous mark to identify the goods of its owner, the statutory requirement for dilution under the FTDA. For even though Utah drivers may be reminded of the circus when they see a license plate referring to the “greatest snow on earth,” it by no means follows that they will associate “the greatest show on earth” with skiing or snow sports, or associate it less strongly or exclusively with the circus.

V Secret, 537 U.S. at 433-34. The standard adopted by the Supreme Court in *V Secret* seems quite close to a form of trademark liability known as “reverse passing off,” one of the manifestations of which is the swamping of senior user’s mark by the junior user. The legal “harm” is done to the mental impression that consumers have of the senior user’s mark, which risks being “displaced” by the new message being purveyed by the junior user. *See, e.g., Murray v. Cable National Broadcasting Co.*, 86 F.3d 858, 861 (9th Cir. 1996) (finding that the defendants had “so saturate[d] the market with promotion of [their] trademark that consumers come to believe that the infringer, rather than the plaintiff, is the source of the trademarked product.”). *See also Dreamwerks Production Group, Inc. v. SKG Studio, d/b/a DreamWorks SKG*, 142 F.3d 1127, 1130 (9th Cir. 1998).

²⁸¹ Stacey L. Dogan, *An Exclusive Right to Invoke*, 44 B.C. L. REV. 291 (2003).

²⁸² *See, e.g., Original Appalachian Artworks, Inc. v. Streeter*, 3 U.S.P.Q.2d (BNA) 1717 (T.T.A.B. 1987) (holding that while “Corn Patch Pigs” for toy stuffed animals may call to mind “Cabbage Patch Kids,” there is no likelihood of confusion).

²⁸³ *See supra* Part III.

²⁸⁴ *V Secret*, 537 U.S. at 433.

consumer surveys will not be necessary if actual dilution can reliably be proven through circumstantial evidence," noting that the "obvious case" where dilution might be established by circumstantial evidence is where the plaintiff's and defendant's marks are identical.²⁸⁵ This is exactly the kind of case Judge Posner was describing with his "Tiffany" examples: Because his example involved the same brand used in different contexts, the use of circumstantial evidence would be consistent with the Supreme Court dicta. Whereas some lower courts appear to be adopting a stricter approach to evidentiary requirements for dilution in the light of *V Secret*,²⁸⁶ for others it seems to be business as usual.²⁸⁷

When conclusions about the impact of a contested mark on consumers' minds are drawn from judicial analysis of various "factors,"²⁸⁸ any distinction between uses of trademarks that cause a defendant's mark to "come to mind" and those that "displace" the plaintiff's mark may prove somewhat illusory, at least in some cases.²⁸⁹ Accordingly, in a practical sense, there

²⁸⁵ *Id.* at 434. *But see* Savin Corp. v. Savin Group, 68 U.S.P.Q.2d (BNA) 1893 (S.D.N.Y. 2003) (rejecting this reading of *V Secret* and requiring actual confusion even where marks are identical).

²⁸⁶ *See, e.g.,* Voice-Tel Enterprises, Inc. v. JOBA, Inc., 258 F. Supp. 2d 1353 (N.D. Ga. 2003).

²⁸⁷ *See, e.g.,* Nike Inc. v. Variety Wholesalers, Inc., 274 F. Supp. 2d 1352 (S.D. Ga. 2003) (finding dilution based on the identity or near identity of the trademarks); Pinehurst, Inc. v. Wick, 256 F. Supp. 2d 424, 432 (M.D.N.C. 2003) (finding actual dilution where defendant used plaintiff's marks in its domain name because a customer using the internet "will be unable to discern any appreciable difference" between the defendant's domain name and the plaintiff's mark); Four Seasons Hotels & Resorts B.V. v. Consorcio Barr S.A., 267 F. Supp. 2d 1268 (S.D. Fla. 2003); Nasdaq Stock Market, Inc. v. Antartica, S.R.L., 69 U.S.P.Q.2d (BNA) 1718 (T.T.A.B. 2003) (discussing and applying the actual dilution standard in an opposition proceeding). *But compare* Savin Corp. v. Savin Group, 68 U.S.P.Q.2d (BNA) 1893 (S.D.N.Y. 2003) (requiring actual dilution, even where marks are identical).

²⁸⁸ The factors courts use to structure their analysis in dilution cases differ from those used in likelihood of confusion cases. In *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208, 217-22 (2d Cir. 1999), the court articulated a list of 10 factors to establish dilution: (1) the degree of distinctiveness of the senior user's mark; (2) the similarity of the marks; (3) the proximity of the products and likelihood of bridging the gap; (4) interrelationship among the distinctiveness of the senior mark, the similarity of the junior mark, and the proximity of the products; (5) shared consumers and geographic limitations (this factor looks to the overlap between consumers of the two goods or services); (6) sophistication of consumers; (7) actual confusion; (8) adjectival or referential quality of the junior use; (9) harm to the junior user and delay by the senior user; and (10) effect of senior's prior laxity in protecting the mark (this factor looks to the senior user's failure to protect the mark from dilution by third parties).

²⁸⁹ This point is further underscored by the fact that preliminary injunctions are available in trademark dilution doctrine cases, an issue to which Justice Kennedy adverted in his *V Secret* concurrence:

may in a number of instances be little difference between the approach in *Ty Inc.*, and the facially stricter approach articulated in *V Secret*.

Implicit in Judge Posner's approach is the idea that consumers *care* that they must think harder – that they suffer detriment, for instance, when they are forced to hold two or more different meanings of “Tiffany” in their heads.²⁹⁰ If dilution imposes an imagination “cost,” it follows that the ordinarily prudent consumer is somebody who prefers to have her imagination unburdened by conflicting messages about brands. But this is not necessarily so, or even more likely so. Close to the surface of Judge Posner's analysis is a normative preference: His conception of “harm” privileges one (assumed) consumer response above others. Plausibly, to have a “Tiffany” strip joint or greasy-spoon diner come to mind when thinking about the jewelry store might, for some people, be more fun than costly. The appeal that such associations have to their ludic sensibilities, for instance, may amply compensate for having to think a little harder to keep the jewelry brand “clear” in their minds.

Diminishment of the famous mark's capacity can be shown by the probable consequences flowing from use or adoption of the competing mark. This analysis is confirmed by the statutory authorization to obtain injunctive relief. 15 U.S.C. § 1125(c)(2). The essential role of injunctive relief is to “prevent future wrong, although no right has yet been violated.” Equity principles encourage those who are injured to assert their rights promptly. A holder of a famous mark threatened with diminishment of the mark's capacity to serve its purpose should not be forced to wait until the damage is done and the distinctiveness of the mark has been eroded.

Moseley v. V Secret Catalogue, Inc., 537 U.S. 418, 435-36 (Kennedy, J., concurring) (internal citation omitted). The availability of interim relief in trademark dilution cases suggests that, in some cases courts must draw a (hardly robust) distinction between action by the defendant that will probably cause the defendant's mark to be called to mind when apprehending the plaintiff's mark (no basis for judicial intervention) and action by the defendant that will probably displace the plaintiff's mark when thinking about the plaintiff's mark (a basis for judicial intervention).

²⁹⁰ *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200 (2d Cir. 1979), which concerned the use of the Dallas Cowboys Cheerleader marks and trade dress in a pornographic movie, shows a court in a similarly protective mode. Finding trademark infringement to be established, the court observed that “[t]he uniform depicted in ‘Debbie Does Dallas’ unquestionably brings to mind the Dallas Cowboys Cheerleaders. Indeed, it is hard to believe that anyone who had seen defendants’ sexually depraved film could ever thereafter disassociate it from plaintiff's cheerleaders.” *Id.* at 205. Once again, the legal harm is that consumers might have two conflicting images when they are confronted by the plaintiff's mark. One implication that follows is that consumers need to be *protected* against having to differentiate between these two meanings of “Dallas Cowboys Cheerleaders” – one presumably wholesome, the other apparently not.

The implications for constructing the consumer worldview are largely the same even if trademark dilution is rationalized as a benefit to firms rather than consumers. Indeed, most courts, including the Supreme Court in *V Secret*,²⁹¹ consider trademark dilution to be about protecting trademark proprietors rather than consumers.²⁹² Trademark dilution doctrine is premised on the idea that trademark proprietors are entitled to have consumers' minds relatively clear of conflicting messages about the meaning of a particular brand. If a trademark proprietor has managed to shape the consumer worldview through its advertising and promotional efforts so that consumers are convinced that "Tiffany means diamonds *only*" (and/or whatever other meanings Tiffany has taught us to associate with its brand), it is entitled to keep consumers' minds that way. That is, trademark dilution doctrine wants the ordinarily prudent consumer's response to the "Tiffany" trademark to be singular, well-trained, undiscriminating, automatic, and unthinking.

2. Initial Interest Confusion

In *Mobil Oil Corp. v. Pegasus Petroleum Corp.*,²⁹³ a leading case on initial interest confusion, the Second Circuit enjoined the use by an oil trader of the trade name "Pegasus Petroleum" because it infringed Mobil's trademark rights in a "flying horse" symbol. It did this even though no one would be confused into buying wholesale oil from the wrong party. The defendant, which was in the business of wholesale oil trading, used the "Pegasus" name on letterhead and when soliciting telephone business. In a letter to between four and five hundred potential customers in the oil business, the defendant stated that its business was part of the "Callimanoulios group of companies," and used an interlocking "P" as a logo. It made no express representation that it was associated with Mobil Oil. The Second Circuit endorsed the district court's concern that "potential customers would be misled into an initial interest in Pegasus Petroleum," and that such initial interest "works a

²⁹¹ *V Secret*, 537 U.S. at 429 ("Unlike traditional infringement law, the prohibitions against trademark dilution are not the product of common-law development, and are not motivated by an interest in protecting consumers.").

²⁹² See, e.g., *Enterprises Rent-A-Car Co. v. Advantage Rent-A-Car, Inc.*, 330 F.3d 1333 (Fed. Cir. 2003); *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449, 453-54 (4th Cir. 1999).

²⁹³ 818 F.2d 254 (2d Cir. 1987).

sufficient trademark injury.²⁹⁴ According to the Second Circuit, legally cognizable harm occurs when a telephone call is accepted, for example, even though the recipient quickly realizes that she is talking to someone with whom she does not wish to speak.

Conventionally, "the law provides that confusion is unlikely if the products or services at issue are complex and expensive, the purchaser highly sophisticated, and the purchase process one that is lengthy and requires close attention and analysis by the purchasers,"²⁹⁵ a characterization that would seem applicable to the kinds of transactions at issue in *Pegasus Petroleum*: Few purchases of wholesale oil are likely to occur by mistake. However, the doctrine of initial interest confusion largely overrides the significance of this truism. In initial interest cases, a legal harm is consummated even before consumers are given the opportunity to engage in the kind of close attention and analysis that would avoid a mistaken purchase.²⁹⁶ By rendering unlawful messages that risk giving the junior user "credibility during the early stages of a transaction,"²⁹⁷ initial interest liability suppresses messages about trademarks that conflict with the interests of trademark proprietors. The interest that trademark proprietors have in prohibiting this kind of commercial activity is obvious: If a consumer decides to transact anyway, even knowing that the defendant's mark does not stand for the trademark proprietor, the trademark proprietor may lose a sale. As the Fifth Circuit has noted, the consumer may "possibly bar the senior user from consideration . . . once the confusion is dissipated."²⁹⁸

But if the confusion has dissipated, the consumer is never confused into buying the wrong thing. Indeed, so long as the consumer is *not* confused, the result of the defendant's

²⁹⁴ *Id.* at 260.

²⁹⁵ Checkpoint Sys., Inc. v. Check Point Software Techs., Inc., 104 F. Supp. 2d 427, 460 (D.N.J. 2000) (citations omitted).

²⁹⁶ Initial interest confusion has been invoked by plaintiffs seeking relief under the Lanham Act for other parties' use of their marks as metatags. *See, e.g.,* Niton Corp. v. Radiation Monitoring Devices, Inc., 27 F. Supp. 2d 102 (D. Mass. 1998) (holding that direct copying of plaintiff's metatags and HTML code constituted trademark infringement). *But compare* Wells Fargo v. WhenU.com, Inc., 293 F. Supp. 2d 734, (E.D. Mich. 2003) (emphasizing that mere use of another's trademark as a metatag is not infringement under the Lanham Act absent likelihood of confusion).

²⁹⁷ *Elvis Presley Enterprises Inc. v. Capece*, 141 F.3d 188, 204 (5th Cir. 1998) ("Once in the door, the confusion has succeeded because some patrons may stay, despite realizing that the bar has no relationship with [plaintiff].").

²⁹⁸ *See id.*

action may be to give the consumer greater purchasing choice. From the consumer's perspective, it may very well be the "right thing," based on information that distinguishes the object of the purchase from goods or services purveyed under the proprietor's trademark. The paradox of initial interest liability is that it involves analysis of whether consumers would be confused,²⁹⁹ yet the doctrine is only required because there is no confusion at the point of purchase. As a result, initial interest confusion doctrine obliterates the relevance of quite a lot of meaningful thinking by ordinarily prudent consumers.

Initial interest confusion is not entrenched in all circuits.³⁰⁰ But where it is, the doctrine establishes that a legal harm occurs when a consumer's hand reaches for the "wrong" product from a supermarket shelf, a harm that cannot be undone even if the consumer realizes the mistake and returns the misperceived product before making any purchase. Initial interest doctrine thus accords trademark proprietors a right to our *unthinking* responses to brands, without regard for the effect of later thought upon those initial responses. Trademark proprietors' rights, it seems, extend to control over that series of learned responses to brands that begins with the consumers' recognition of the brand and ends with the purchase of the product.³⁰¹

C. *Licensing Assumptions – Promotional Goods*

Protections afforded to trademark proprietors in the promotional goods context provide further insights into the characteristics of trademark law's ordinarily prudent

²⁹⁹ The *Pegasus Oil* court, for example, analyses the trademark infringement issue by applying the *Polaroid* "factors." See *supra* note 185.

³⁰⁰ The position in the First Circuit appears to be unclear, for instance. See, e.g., *Hasbro, Inc. v. Clue Computing, Inc.*, 232 F.3d 1, 2 (1st Cir. 2000) (endorsing the district court's "refusal to enter the 'initial interest thicket'"). A district court in the First Circuit has observed that initial interest confusion is "not cognizable" under the First Circuit's trademark law. *Northern Light Tech., Inc. v. Northern Lights Club*, 97 F. Supp. 2d 96, 113 (D. Mass. 2000), *aff'd on other grounds*, 236 F.3d 57 (1st Cir. 2001). But see *EMC Corp. v. Hewlett-Packard Co.*, 59 F. Supp. 2d 147, 150 (D. Mass. 1999) (declining to accept the argument that the initial interest confusion is not part of the First Circuit's trademark law). The Sixth Circuit also seems to be ambivalent, particularly in the Internet context. See, e.g., *Taubman Co. v. Webfeats*, 319 F.3d 770 (6th Cir. 2003). As is discussed *infra* Part V.B., there seems to be a (welcome) trend to accord web surfers greater acuity than was perhaps the case in the past.

³⁰¹ As is noted below, however, initial interest is less readily found, particularly in the Internet context, where the defendant and plaintiff do not market similar goods. See *infra* Part V.C.

consumer. These cases show how trademark law's consumer is somebody who has learned to assume that promotional goods require sponsorship, even if this means that consumers end up paying the "information cost"³⁰² when all they might want are the promotional goods themselves, regardless of their provenance.³⁰³

A key conceptual problem with the use of trademarks for promotional goods is that the trademarks on promotional goods frequently do not serve as badges of origin of goods or services. Some consumers simply want to wear something with the logo of their favorite sports team: They don't necessarily care whether the item is officially sponsored.³⁰⁴ That some consumers do believe that promotional goods need to be sponsored has, however, been established by some consumer surveys.³⁰⁵ According to Professor McCarthy, this helps establish the legal basis for trademark protection: "[I]f consumers think that approval is needed for the use of a trademark on certain goods, then approval via a license is required."³⁰⁶ However, this may be a dubious line of inquiry because it requires consumers to have formed a view about what is essentially a matter of legal analysis.³⁰⁷ There is thus a

³⁰² See *supra* Part IV.B.

³⁰³ Compare *Arsenal Football Club plc v. Reed*, 2 C.M.L.R. (C.A. 2003) (citing 2002 Eu L.R. 806 (E.C.J.), available at 2002 WL 31712). In *Arsenal*, the European Court of Justice reasoned that, where the defendant used the Arsenal football club's trademarks on promotional goods accompanied by a disclaimer of any association with the club, "[t]here is a clear possibility . . . that some consumers, in particular if they come across the goods after they have been sold by [the defendant] and taken away from the stall where the [disclaimer] notice appears, may interpret the sign as designating Arsenal . . . as the undertaking of origin of the goods." *Id.*

³⁰⁴ The facts of a recent case before the European Court of Justice are illustrative. *Arsenal Football Club plc v. Reed*, 2 C.M.L.R. (C.A. 2003). *Arsenal* involved unofficial promotional goods for the Arsenal football team. These goods apparently sold, notwithstanding a sign disclaiming any official affiliation with the famous football club.

³⁰⁵ See *National Football League v. Governor of Delaware*, 435 F. Supp. 1372 (D. Del. 1977). In this case, which involved a state lottery based on football games, the Judge said the following of a consumer survey: "Apparently, in this day and age when professional sports teams franchise pendants, teeshirts, helmets, drinking glasses and a wide range of other products, a substantial number of people believe, if not told otherwise, that one cannot conduct an enterprise of this kind without NFL approval." *Id.* at 1381.

³⁰⁶ MCCARTHY ON TRADEMARKS, *supra* note 59, §§ 23.8, 24.9.

³⁰⁷ The theoretical difficulty most often identified with these cases is that trademark doctrine assumes the consumer to know the answer to a critical legal question: whether or not the use of the trademark needs to be licensed. See, e.g., *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526 (5th Cir. 1998). This has not, however, deterred some courts from imposing liability. See *id.*; *Indianapolis Colts, Inc. v. Metropolitan Baltimore Football Club*, 34 F.3d 410 (7th Cir.1994). Other courts have

large measure of analytical circularity in Professor McCarthy's observation.

Recognizing the circularity problem, some courts have articulated legal presumptions that favor finding liability where defendants use others' marks in a promotional goods context. In the light of problems with ascertaining *actual* consumers' views about the (legal) need for sponsorship, the doctrinal position effectively sidesteps the task of ascertaining those views. The First Circuit's approach seems largely to remove consumers' actual responses from the analysis altogether, articulating the test as follows: "Given the undisputed facts that (1) defendants intentionally referred to the Boston Marathon on its shirts, and (2) purchasers were likely to buy the shirts precisely because of that reference, we think it fair to presume that purchasers are likely to be confused about the shirt's source or sponsorship."³⁰⁸ The Fifth Circuit articulates the test in these terms: "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

taken a more critical view. *See, e.g.,* Major League Baseball Properties, Inc. v. Sed Non Olet Denarius, Ltd., 817 F. Supp. 1103, 1122-23 (S.D.N.Y.1993) (rejecting a survey for asking the leading question, "Do you believe that [the defendant] had to get authorization, that is, permission to use the name . . . ?"), *vacated pursuant to settlement*, 859 F. Supp. 80 (S.D.N.Y. 1994). Professor McCarthy succinctly captures, but does not appear to be concerned with, the circularity in this analysis: "[I]t is consumer perception that creates 'the law' of whether permission is needed. . . . And it is likelihood of confusion that creates 'the law' that requires permission for a given use of a mark." MCCARTHY ON TRADEMARKS, *supra* note 59, § 24.9. One logical difficulty with relying on *consumers'* assumptions as to the legal need for "official" endorsement is that it requires consumers to have only a *partial* understanding of the (legal) need for sponsorship. The question remains: Why are consumers assumed to know about the need for sponsorship and not any countervailing principles or policies, such as the need to ensure that according trademark rights does not usurp copyright policies? *See, e.g.,* Comedy III Prods. Inc. v. New Line Cinema, 200 F.3d 593 (9th Cir. 2000).

³⁰⁸ Boston Athletic Ass'n v. Sullivan, 867 F.2d 22, 34 (1st Cir. 1989). Similar kinds of presumptions have been adopted by other courts. *See, e.g.,* Perfect Fit Indus., Inc. v. Acme Quilting Co., 618 F.2d 950, 954 (2d Cir. 1980) (holding that when there is intentional copying of a product's trade dress, "the second comer will be presumed to have intended to create a confusing similarity of appearance and will be presumed to have succeeded") (citations omitted); Universal City Studios, Inc. v. Montgomery Ward & Co., 207 U.S.P.Q. (BNA) 852, 857 (N.D. Ill. 1980) (holding that defendant's use of plaintiff's mark "Jaws" on a trash compactor, "with an intent to capitalize on the plaintiff[s] mark permits the court to draw the strong inference of likelihood of confusion"). *But compare* Toho Co. v. Sears, Roebuck & Co., 645 F.2d 788, 791 n.2 (9th Cir. 1981) (stating, in contrast to *Universal City Studios*, that "in order to raise the inference of a likelihood of confusion, a plaintiff must show that the defendant intended to profit by *confusing consumers*") (emphasis in original).

that the source and origin of the trademark symbols were in plaintiffs satisfies the requirement of the act.³⁰⁹

Suppressed in this analysis, however, is *how* consumers gain this “certain” knowledge. The “ordinarily prudent consumer” in promotional goods cases appears to be somebody who has learned one of the key lessons trademark proprietors seek to instill, which is, to invoke Professor McCarthy’s analysis again, that any use of the mark requires a license. That consumers “know” this of course significantly bolsters the property rights subsisting in promotional trademarks.³¹⁰

The consumer, as constructed in promotional goods cases, thinks relatively little for herself – or, at least, her thinking is exactly in line with the aspirations trademark proprietors have for their brands. There is of course an important normative preference for one set of consumers over others that is close to the surface of these neutrally-expressed “presumptions.” As a result, the ordinarily prudent consumer gets constructed as somebody who *is* concerned with whether goods are officially sponsored, and not as somebody who values the brand for its affiliative symbolism alone.³¹¹ It is *not* prudent, apparently, for consumers to want promotional goods simply for their own sake, and possibly to pay cheaper prices, with little concern with the actual origin of the goods.³¹²

³⁰⁹ Boston Professional Hockey Ass’n, Inc. v. Dallas Cap & Emblem Mfg., Inc., 510 F.2d 1004, 1012 (5th Cir.) (emphasis added), *cert. denied*, 423 U.S. 868 (1975).

³¹⁰ Recent amendments to the Lanham Act preclude courts from considering source motivation in trademark infringement cases.

³¹¹ Cf. Arsenal Football Club Plc v. Matthew Reed, 2001 R.P.C. 46 (Ch.) (Laddie, J.). Holding that the use of the Arsenal trademarks was not “trademark use,” Justice Laddie reasoned that the marks “would be perceived as a badge of . . . affiliation to those to whom they are directed. They would not be perceived as indicating trade origin.” On appeal, the Court of Justice of the European Communities, 34 I.I.C. 542 (2003), disagreed with Justice Laddie and came to a different conclusion.

³¹² Doubtless, some important marking interests are served by insisting that promotional goods be officially sponsored, as reflected, for instance, in the assumption that proprietors of sports team brands or trademark proprietors engaged in trademark licensing police the quality of the goods and services to which the brands are attached. On the other hand, the quality of most promotional goods – t-shirts, scarves, drink-bottles, beer can sleeves, lunchboxes and the like – is usually obvious at the point of purchase. Both those consumers who regard the use of a trademark as a badge of affiliation and those who regard it as a badge of origin would, in many instances, be able to establish quite quickly whether the goods are of sufficient quality to merit purchasing at the price asked.

D. *Protecting Prestige – Post-Sale Confusion*

The value that consumers accord to prestige brands is enormously important to firms, as it enables them to charge premium prices for goods well above their marginal cost.³¹³ The post-sale impression of goods may be critical to a brand's success. Indeed, what "friends and family" think of our purchases may be particularly important to the goodwill that firms build up in their brands. Some research into the sources of consumer desires suggests that among the most powerful stimulators of desire to purchase goods are the goods friends and family have already purchased.³¹⁴ If so, trademark proprietors are likely to be vigilant about protecting the meanings accorded to brands in this context by invoking doctrines such as "post-sale" confusion. Adding to the concern to protect the impressions of goods gained by friends and family viewing these purchases is the fact that these impressions are harder won today, a result of the increased privacy of the American home.³¹⁵

Post-sale confusion doctrine³¹⁶ is an adaptation of trademark doctrine that protects the "value" that has been built up in the mark. The infringement claim reflects the reality that consumers often regard trademarks as valuable items in their own right.³¹⁷ In a leading case, the Second Circuit

³¹³ See note 91 (discussing Angela Chao and Juliet B. Schor study on the prestige value of, and premiums paid for, goods used in public).

³¹⁴ See SCHOR, *OVERSPENT AMERICAN*, *supra* note 3, at 69 (citing Susan Fournier & Michael Guiry, *A Look into the World of Consumption Dreams, Fantasies, and Aspirations*, (Research Report, University of Florida, Dec. 1991)).

³¹⁵ See generally HALLE, *supra* note 119.

³¹⁶ MCCARTHY ON TRADEMARKS, *supra* note 59, § 23.7. The expansion of the kinds of confusion that is actionable in part occurred as a result of Amendments to the Lanham Act in 1962, which struck out the requirement of confusion, mistake or decision of "purchasers as to the source of origin of such goods and services." Lanham Act, § 32(1), 15 U.S.C.A. § 1114, at Historical and Statutory Notes (2000) (amended Pub. L. No. 87-772, 76 Stat. 769 (1962)). Courts have held that this amendment supports the conclusion that trademark infringement may be found even when consumers are themselves not confused. See, e.g., *Insty*Bit, Inc. v. Poly-Tech Indus., Inc.*, 95 F.3d 663 (8th Cir. 1996); *Marathon Mfg. Co. v. Enerlite Prods Corp.*, 767 F.2d 214 (5th Cir. 1985); *Mastercrafters Clock & Radio Co. v. Vacheron & Constantin-Le Coultre Watches, Inc.*, 221 F.2d 464, 466 (2d Cir. 1955), *cert. denied*, 350 U.S. 832 (1955); *Checkpoint Systems, Inc. v. Checkpoint Software Technologies, Inc.*, 269 F.3d 270 (3d Cir. 2001); *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*, 631 F. Supp. 735 (S.D.N.Y. 1985), *aff'd.*, 799 F.2d 867 (2d Cir. 1986).

³¹⁷ *Plasticolor Molded Prods. v. Ford Motor Co.*, 713 F. Supp. 1329, 1332 (observing that in promotional goods cases, trademarks "have effectively become goods in their own right"). For further elaboration on this point, see Alex Kozinski, *supra* note 10, at 962; Litman, *Breakfast with Batman*, *supra* note 48; Dreyfuss, *Expressive*

reasoned that the copying of the distinctive appearance of an expensive clock is trademark infringement, even when the design was not protected by a design patent or other intellectual property right.³¹⁸ It rationalized the decision on the basis that anyone, other than the purchaser, who saw the cheaper electric version of the clock might think that it was the original prestige product. Professor McCarthy characterizes the “damage” to the senior user in such cases as the risk that “consumers could acquire the prestige value of the senior user’s product by buying the copier’s cheap imitation,”³¹⁹ concluding that “the senior user suffers a loss of sales diverted to the junior user, the same as if the actual buyer were confused.”³²⁰

Some courts have even rationalized “post-sale confusion” as a harm to the *purchaser* of the original prestige product. Referring to the proliferation of “knockoff” versions of prestigious goods, the Second Circuit observed:

The creation of confusion in the post-sale context can be harmful in that if there are too many knockoffs in the market, sales of the originals may decline because the public is fearful that what they are purchasing may not be an original [T]he purchaser of an original is harmed by the widespread existence of knockoffs because the high value of originals, which derives in part from their scarcity, is lessened.³²¹

Here, the purpose of trademark law is not to help consumers *find* goods, but rather to help consumers maintain the *value* of their goods.³²²

The Second Circuit’s analysis suggests that the consumer worldview that trademark law protects is one that appreciates trademarks for the prestige they garner, rather

Genericity, *supra* note 48, at 397. These doctrines contrast markedly with earlier formulations of the relevant law adopting the rule that a trademark must be something other than, and separate from, the merchandise to which it is applied. *See, e.g.*, *Davis v. Davis*, 27 F. 490, 492 (D. Mass. 1886).

³¹⁸ *Mastercrafters Clock & Radio Co.*, 221 F.2d at 466.

³¹⁹ MCCARTHY ON TRADEMARKS, *supra* note 59, § 23.7.

³²⁰ *Id.* The flaw in this analysis, of course, is that characterizing post-sale confusion as equivalent to point of sale confusion on the basis that the two have the same effect on the trademark proprietor begs the very question at issue. Both legitimate and illegitimate forms of competition can have the same effect on the targeted firm, but coincidence of effects does not necessarily render the legal significance of the former equivalent to that of the latter.

³²¹ *Hermes Intern. v. Lederer de Paris Fifth Avenue, Inc.*, 219 F.3d 104, 108 (2d Cir. 2000).

³²² The analysis echoes the invective on luxury by John Rae in 1834: “The general consumption of any commodity by the vulgar lessens . . . in many minds, the pleasure it would otherwise give.” RAE, *supra* note 91, at 249.

than the information as to the source of products that they provide. Through the doctrine of post-sale confusion, trademark law is engaged in protecting that worldview – and a large measure of snobbery – by preventing firms from promulgating messages that conflict with what “ordinarily prudent consumers” believe or value about brands, even if this means that cheaper substitutable goods might not be available. Again, these doctrinal positions reveal normative preferences. The ordinarily prudent consumer is a brand snob – and trademark law provides doctrinal support to the proprietors of prestige brands who want to keep him that way.

V. RE-IMAGINING TRADEMARK’S CONSUMER

In summary, a range of different factors comprise trademark law’s underlying theory of the consumer. First, the empiricism of modern trademark law is incomplete; given the costs of information production and the exigencies of litigation, this is probably inevitable. And when survey evidence is used, it is only ever a proxy for evidence about the actual responses of consumers. Second, courts’ assessment of consumer responses is produced by a combination of different doctrinal concerns and a number of vague standards and judicial speculations that are structured by analyzing mostly circumstantial evidence under the various factors. These characteristics of trademark law provide significant scope for the generation of normative assumptions about what consumers are like and what they value. Third, a number of important strands of trademark doctrine disclose that an “ordinarily prudent consumer” is someone who gets confused relatively easily, does not want to think very hard, and readily internalizes the messages trademark proprietors seek to convey about promotional and prestige goods.

This Part offers a more aspirational vision of trademark law’s consumer than that offered by the current jurisprudence.³²³ The alternative construction of the consumer presented here draws first on the history of consumerism in the United States and then on ideas about consumers that appear in modern marketing literature. From these sources one can distil a picture of American consumers whose purchasing

³²³ Cf. JEREMY WALDRON, *LAW AND DISAGREEMENT* 14 (1999) (“[a] normative theory of law and politics needs an aspirational quality”).

activities manifest self-determination, agency, and careful deliberation. Importantly, by drawing on these two sources to “reconstruct” the consumer, I am not suggesting, as an empirical matter, that this is what “real” consumers are “like.” There are many examples of consumers behaving quite irrationally,³²⁴ in accordance with some of the doctrinal positions discussed above. Given the range of factors identified above that shape trademark law, trademark law’s knowledge of the “ordinarily prudent consumer” can only ever be incomplete, partly apprehended by empirical evidence and partly determined by normative construction. Legal norms emerge from cultural processes and bear the marks of history, prejudices, superstitions, and common sense,³²⁵ among many other things. The “reconstructed consumer” explored here is offered as a source of ideas that legal actors might draw on when expressing their own sense of what trademark law’s consumer might be like. My suggestion in this Part is that trademark law’s understanding of the consumer is sometimes much less rational than consumers have been throughout history, and perhaps ironically, trademark law’s consumer is also far less astute than she is often portrayed in marketing literature.

Of course, pursuing these ideas inevitably means hitching doctrinal preferences to one of many competing visions for the “good life.”³²⁶ Valorizing qualities such as rationality, freedom of choice, and self-awareness has attracted compelling critiques that characterize the liberal legal subject as “mythical” *because of his very rationality*.³²⁷ While I believe that

³²⁴ Behavior of this kind is discussed in KASSER, *supra* note 110; see also ROBERT H. FRANK, *LUXURY FEVER: WHY MONEY FAILS TO SATISFY IN AN ERA OF EXCESS* 3-9 (1999). For a somewhat more benign interpretation, see TWITCHELL, *supra* note 68.

³²⁵ See JANE M. GAINES, *CONTESTED CULTURE: THE IMAGE, THE VOICE AND THE LAW* 12 (1991).

³²⁶ The approach I advocate here necessarily involves a kind of “elaboration of virtues” from which true conceptions of human nature might be discovered. See generally Drucilla Cornell, *Toward a Modern/Postmodern Reconstruction of Ethics*, 133 U. PA. L. REV. 291, 314 (1985). This inevitably provokes anxiety as to whether it is possible to identify such conceptions, and how one goes about doing so. See, e.g., Martha Nussbaum, *Human Functioning and Social Justice: In Defense of Aristotelian Essentialism*, 20 POL. THEORY 202, 222 (1992) [hereinafter Nussbaum, *Human Functioning*]. Included in Professor Nussbaum’s list of “basic human functional capabilities” is “[b]eing able to form a conception of the good and to engage in critical reflection about the planning of one’s own life.” *Id.* at 222. This is an attribute that modern trademark law seems reluctant to ascribe to ordinarily prudent consumers.

³²⁷ KATHARINE T. BARTLETT & ROSANNE KENNEDY, *FEMINIST LEGAL THEORY: READINGS IN LAW AND GENDER* 7 (1991).

the vision of the consumer explored here is preferable to that underlying much of modern trademark law, I am not going to essay a thoroughly theorized justification for that position. Important work justifying the kind of perspective I am advocating has, however, been undertaken by theorists such as Martha Nussbaum, who have derived their vision of the good life in part from Aristotelian ideas about human nature.³²⁸ Instead, the principal purpose of this Part is to suggest that characterizing the consumer as rational and discriminating, as an agent in the processes of communication with firms that are mediated by brands, is as plausible as the characteristics that modern trademark law often accords to the ordinarily prudent consumer. Moreover, one of the ironies of trademark doctrine is that it fashions its consumer as somebody who fails to exhibit the "virtue" of rationality quite a lot of the time, even though, as we have seen, the principal justification for trademark rights focuses on the efficient functioning of markets, itself assumed to be produced by the conglomeration of sovereign consumers' rational choices.³²⁹ Instead of resisting whatever affronts marketing strategies make to consumer rationality, trademark doctrine constructs the "ordinarily prudent consumer" as someone who dutifully and passively internalizes their messages. As much as anyone, those who fully endorse "rational actor" theories as foundational principles in trademark jurisprudence should be concerned about the characteristics modern trademark law assumes consumers exhibit.

³²⁸ Nussbaum, *Human Functioning*, *supra* note 326. For exploration of these ideas in the context of intellectual property law, see William W. Fisher III, *Reconstructing the Fair Use Doctrine*, 101 HARV. L. REV. 1661, 1746 n.364 (1988) (examining the relevance of Aristotelian notions of the good life in the context of copyright's fair use doctrine).

³²⁹ See *supra* Part II.C.1. In his recent book, *The High Price of Materialism*, Professor Tim Kasser argues that materialism and autonomy are antonymic. He describes psychological studies indicating that people who exhibit materialistic values *devalue* "freedom-oriented" values such as participation in governmental decision-making and freedom of expression, and argues that the difference may be due to the fact that materialism and autonomy represent fundamentally different motivational systems that are responsible for driving behavior. In Professor Kasser's analysis, materialism derives from a motivational system concerned with rewards and praise, whereas autonomy and self-expression derive from a motivational system concerned with expression of interest, enjoyment, and challenge, and of doing things for their own sake. KASSER, *supra* note 110, at 75-76.

A. Politicized Consumption

When urging the public to go shopping after the September 11 terrorist attacks,³³⁰ the Bush administration invoked a long tradition of connecting the consumption of goods and services with politics.³³¹ History reveals many examples of Americans acting in consumer marketplaces with acute awareness of the political implications of their actions. Initially at least, the American Revolution centered on the concerns of consumers,³³² beginning as a consumer boycott of British goods.³³³ But in this aspect, the Revolutionary Era was not unique: The history of American marketplace activity includes many examples of specifically targeted consumption choices that linked purchasing power with political causes.

In the nineteenth century, American workers organized boycotts of specific goods in an effort to secure shorter working hours.³³⁴ In the Progressive Era, housewives in some local communities bolstered the efforts of reformers by successfully boycotting merchants to bring down prices.³³⁵ In the 1930s, a second consumer movement was one of the "countervailing

³³⁰ Glenn Kessler, *Riding to the Economy's Rescue: In Days After Attacks, Bush Team Bent Rules to Stabilize System*, WASH. POST, Sept. 25, 2001, at E1.

³³¹ See generally COHEN, *supra* note 50.

³³² See T.H. Breen, *Narrative of Commercial Life: Consumption, Ideology, and Community on the Eve of the American Revolution*, 50 WM. & MARY Q. (3rd Ser.) 471, 486 (1993) ("No previous popular rebellion had organized itself so centrally around the consumer."). From the mid-eighteenth century onwards, American colonists saw themselves in a complex commercial relationship with Great Britain, within a framework of a rapidly expanding consumer marketplace, supplied increasingly with imported luxury items from British merchants. The resistance to the British Parliament's attempts to tax its colonies was an early, and radical, example of consumer resistance. Consumption of, and decisions not to consume, imported goods was a source of political empowerment that created a community of shared, and uniquely egalitarian, commercial and political interests. Consumer resistance to imported goods politicized private economic choice for individuals from many more sectors of colonial society than were included in formal politics. In Professor T.H. Breen's analysis, liberal market ideology in the colonial period proved capable of producing and sustaining "interpretive communities," mobilizing ordinary men and women, linking the exercise of purchasing power with the common good. Importantly, as Breen recounts, the ideological aspects of commercial life were not lost on consumers in the pre-Revolutionary era: the boycott movements represented deliberate, carefully orchestrated manifestations of the "civic virtue" of personal restraint in consumer markets. See *id.*

³³³ MONROE FRIEDMAN, CONSUMER BOYCOTTS: EFFECTING CHANGE THROUGH THE MARKETPLACE AND THE MEDIA 3-4 (1999).

³³⁴ COHEN, *supra* note 50, at 21. Much of the following discussion draws on Professor Cohen's important recent work tracking the rise of the notion of the "consumer citizen."

³³⁵ COHEN, *supra* note 50, at 21-22.

powers³³⁶ spawned by the Great Depression, and a number of government agencies institutionalized consumer interests.³³⁷ Ordinary consumers became much more self-conscious about their identities and interests as consumers³³⁸ and organized into a number of grassroots movements directed at promoting these interests. Through this period, consumers' leagues and unionists continued to enlist consumers in their battles to improve workers' conditions.³³⁹

During the New Deal Era, women were particularly influential in the consumer movement. Throughout the 1930s consumer organizations mobilized on a national level, inspiring thousands of American women to join together to safeguard not only their families' interests, but also in an effort to safeguard American society more generally through the political exercise of purchasing power. For example, urging women shoppers to "Use Your Buying Power for Justice," the National League of Women Shoppers Inc., supported striking workers by boycotting their employers' goods, lending crucial purchasing power to strikers' causes.³⁴⁰ In some instances, by protesting against rising food prices, consumer organizations forced retail businesses to close down.³⁴¹

Also important in the New Deal Era were connections between good citizenship and consumption. Policymakers came to see increased consumer spending as critical to economic

³³⁶ See generally JOHN KENNETH GALBRAITH, *AMERICAN CAPITALISM: THE CONCEPT OF COUNTERVAILING POWER* (1952) (identifying as a lasting impact of the New Deal Era its implementation of "countervailing powers" or "counterorganizations" of weaker interests to balance more powerful economic interests).

³³⁷ Politicians also directed their attention to consumers. In his 1932 campaign, Franklin Roosevelt foreshadowed "a fundamental change in our popular economic thought," anticipating that "in the future, we are going to think less about the producer and more about the consumer." Franklin Delano Roosevelt, Address at Oglethorpe University (May 22 1932), available at Franklin and Eleanor Roosevelt Institute, <http://www.feri.org/archives/speeches/may2232.cfm>. In 1929, John Dewey and economist Paul Douglas had formed their own political party, the League for Independent Political Action, centered on the interests of the consumer. See COHEN, *supra* note 50, at 27. Though Dewey and Douglas's party did not receive much widespread political support, their writings during this period helped draw attention to the coincidence of interests between citizens as consumers and as voting citizens in a democracy. *Id.* See, e.g., John Dewey, *The Need for a New Party*, THE NEW REPUBLIC, March 18, 1931, at 115.

³³⁸ COHEN, *supra* note 50 at 31.

³³⁹ *Id.* at 23.

³⁴⁰ *Id.* at 35.

³⁴¹ *Id.* at 37. As with the importation boycotts in the Colonial Era, the consumer boycott movement through the 1930s succeeded in cutting across locale, ethnic and class barriers. *Id.* at 37.

recovery. The political implications of spending were persistently emphasized: At the micro-level, individual consumption choices were the exercise of political power. In addition, New Dealers came to understand revived capitalism as a means to achieve the survival of democracy and liberal equality. Consumer spending provided a bulwark against the external threats of communism and fascism.³⁴²

The Second World War further galvanized the "consumer as citizen" ideal.³⁴³ During this time, women's organizations meticulously scrutinized merchants' actions through local "Consumer Interest Communities."³⁴⁴ The price hikes that followed the end of the war provoked a succession of consumer protests through the remainder of the 1940s. Buying strikes were a persistent feature of the post-war economy, as consumers sought by their protest actions to discipline producers and retailers from further increasing prices.³⁴⁵ In the postwar era, a range of diverse economic interests coalesced around the idea that mass consumption was essential to a successful conversion from war to peacetime. In the media, the connections between individuals' consumer choices and good citizenship were persistently driven home.³⁴⁶

³⁴² *Id.* at 55.

³⁴³ A contemporary account of the importance of consumer movements to the war effort was provided by New Deal economist Caroline Ware. CAROLINE F. WARE, *THE CONSUMER GOES TO WAR: A GUIDE TO VICTORY ON THE HOME FRONT* (1942). See also Meg Jacobs, *'Democracy's Third Estate': New Deal Politics and the Construction of a 'Consuming Public'*, 55 INT'L LABOR & WORKING-CLASS HIST. 27 (1999). The Office of Price Administration and Civilian Supply (OPA) was established in 1941, and it came to oversee price controls on over nine thousand commodities. One of the initiatives of the OPA (subsequently thwarted through political pressure) was to grade branded canned goods "A" "B" and "C", to assist consumers with price and value comparisons. COHEN, *supra* note 50, at 69.

³⁴⁴ These were formed, often under the aegis of the OPA, which encouraged women at the local level to insist on compliance with OPA price regulations. The OPA issued "Anti-Inflation Shopping Lists" – forms which enabled consumers to minutely compare merchants' price tags with the ceiling prices set by the OPA. The OPA spawned a vast new bureaucracy that reached into every locale, propelling women into new levels of political influence.

³⁴⁵ COHEN, *supra* note 50, at 105. One of the most dramatic protests was the national boycott of meat purchasing that occurred in 1948.

³⁴⁶ At the macro-level, the burgeoning U.S. economy also served as a bulwark against the threat of communism. Throughout the Cold War Era private corporations and non profit organizations produced films for public consumption extolling the benefits of consumption, characterizing them as the "American Way of Life," and contrasting these values, and American economic success with "Soviet impoverishment." See COHEN, *supra* note 50, at 124-25. One of the best-known exemplars of this kind of politicization of consumption came with the "kitchen" debate between then Vice President Nixon and Soviet Premier Nikita Khrushchev at the American Exhibition in Moscow in 1959. Nixon characterized the displays of American

For African-Americans, the Civil Rights Era was not the first moment of "consumer politics." Prior to the Civil War, free Africans boycotted slave-owning merchants.³⁴⁷ During the 1930s African-American consumer activism reached unprecedented levels, responding to Jim Crow laws in the South by boycotting streetcars and refusing to shop where business refused to employ African-Americans.³⁴⁸ Political activists linked black purchasing power to social and political advancement, and the development of a "separate black economy" as key to African-Americans' prosperity.³⁴⁹ Disciplined consumer action, through boycotts and sit-ins, was of course among the many protest strategies³⁵⁰ that launched the civil rights struggles of the 1960s, leading eventually to the federal Civil Rights Act of 1964.³⁵¹

Professor Lizbeth Cohen characterizes the new political commitment to the rights of the consumer ushered in by President John F. Kennedy as a "third-wave consumer movement."³⁵² It had a number of successes, including the enactment of a substantial number of consumer protection

consumer abundance – new appliances, cars, homes – as exemplars of "what freedom means to us." See generally KARAL ANN MARLING, AS SEEN ON TV: THE VISUAL CULTURE OF EVERYDAY LIFE IN THE 1950S, at 243-83 (1994).

³⁴⁷ COHEN, *supra* note 50, at 55 (citing statement by Caroline Ware).

³⁴⁸ The "Don't Buy Where You Can't Work" campaigns resulted in agreements by the Woolworth's chain that a quarter of their staff in stores in African-American neighborhoods would be African-American. Chains such as Sears, Roebuck, A & P, and Walgreens Drugs began to welcome African-American customers with signs in their windows reading "We Employ Colored Salesmen." COHEN, *supra* note 50, at 44 (citing ST. CLAIR DRAKE & HORACE R. CLAYTON, BLACK METROPOLIS: A STUDY OF NEGRO LIFE IN A NORTHERN CITY (1935)). An important chapter in the legal history of the boycott movement included the U.S. Supreme Court decision in *New Negro Alliance v. Sanitary Grocery Co.*, 303 U.S. 552 (1938), which based its decision to uphold the right of African-Americans to picket businesses on the fact that African-Americans suffered employment discrimination due to their race. The protest signs mentioned by the Court read: "Do your Part! Buy Where You Can Work! No Negroes Employed Here!"

³⁴⁹ COHEN, *supra* note 50, at 43.

³⁵⁰ Some historians characterize the emphasis on protest action in consumer marketplaces as indicative of struggles within African-American organizations. One of the most well-known accounts of the civil rights struggle quotes a *Harpers Magazine* article of 1960 characterizing the student sit-in movement as sending a signal to NAACP leadership that African-American elites were no longer in control of the protest movement. JUAN WILLIAMS, EYES ON THE PRIZE: AMERICA'S CIVIL RIGHTS YEARS, 1954-1965, at 136 (1987).

³⁵¹ Recent historical work is drawing attention to the amount of protests that occurred in commercial spaces prior to the more well-known events of the early 1960s. See Robin D. G. Kelly, *We are Not What We Seem: Rethinking Black Working-Class Opposition in the Jim Crow South*, 1993 J. AM. HIST. 75. See also GRACE ELIZABETH HALE, MAKING WHITENESS: THE CULTURE OF SEGREGATION IN THE SOUTH, 1890-1940, at 121-97 (1998).

³⁵² COHEN, *supra* note 50, at 346.

measures.³⁵³ There was also a grassroots consumer movement, spurred on by consumers' declining confidence through the 1960s and 1970s in products, services, retailers, and advertisers, and by a desire for better regulation and legislation to protect consumers' interests.³⁵⁴ Consumers' interest groups, such as the Consumers' Federation of America, coordinated a grassroots explosion of consumer activism across the United States, campaigning for better inspection of weights and measures, more honest advertising of specials, and boycotts of specific brands and specific supermarket chains.³⁵⁵

Although the intensity of politicized consumerism waned in the years of the Reagan administration, there have been occasional instances of brand-focused consumer activism in more recent years. Sometimes, these have been more "underground" in nature, such as the email campaigns amongst gay men and lesbians aimed at encouraging a boycott against the Domino's Pizza brand because of allegations of antagonism towards homosexuals by its CEO. The same brand was also targeted by the pro-choice movement.³⁵⁶ The "McLibel" trial, involving consumer resistance towards the McDonald's hamburger chain, is an example of a grassroots protest whose impact, measured in terms of getting its message across about the business practices of McDonald's, was significant.³⁵⁷ Other instances have been more mainstream, such as the 1980s boycott against firms promoting infant formula in the third world as a (sometimes deadly) status symbol,³⁵⁸ and consumers' protests against clothing manufacturers using sweat shops to produce their goods.³⁵⁹

³⁵³ See COHEN, *supra* note 50, at 360 (listing enactments).

³⁵⁴ E.B. Weiss, *Does Consumerism Show Signs of Giving Up the Ghost? Not Quite*, AMERICAN ADVERTISER, Apr. 30, 1973, at 52, cited in COHEN, *supra* note 50, at 520, n.41.

³⁵⁵ See FRIEDMAN, *supra* note 333, at 76-84 (tracing the history of supermarket and commodity boycotts in the 1960s and 70s).

³⁵⁶ Duncan Campbell, *Pizza Fortune Builds Student Stairway To Salvation: Dislike Of Liberal Catholic Universities Prompts Domino's Founder To Plan Campus Serving Up A Diet Of Conservatism*, THE GUARDIAN (LONDON), Feb. 11, 2003, at 14.

³⁵⁷ See Greenpeace (London), Factsheet, *What's Wrong with McDonald's* (1986), cited in KLEIN, *supra* note 107, at 465 n.15, available at <http://www.mcspotlight.org/case/pretrial/factsheet.html>.

³⁵⁸ See Robert Reinhold, *Furor Over Baby Formulas - Where, When, and How*, N.Y. TIMES, May 24, 1981, § 4, at 9; Philip J. Hilts, *6½-Year Boycott of Nestle is Ended as Firm Adopts Baby-Formula Code*, WASH. POST, Jan. 27, 1984, at A1.

³⁵⁹ See KLEIN, *supra* note 107, at 347-48. In the late 1990s, the National Labor Committee was particularly astute in using targeted brands as a vehicle for getting

At the same time, the politicization of consumption can be seen in anti-consumer movements, including, most recently, in the rejection of branded products as a protest against some consumers' sense that large corporations wield too much power over their worldviews.³⁶⁰ But there is also a more benign kind of politicized consumption, where brands are hitched to high profile causes, as occurs, for instance, with corporate endorsement of breast cancer fundraising.³⁶¹ Another famous instance of the politicization of branding is the success of the brands promoted by actor Paul Newman, the profits from which are donated to charities.³⁶²

B. *Consumer Competencies*

In a range of different contexts, then, we see in this brief – and partial – history of American consumerism, “real” consumers acting in ways that are quite different from the somewhat unthinking, acquisitive “ordinarily prudent consumer” who peoples trademark cases. Somewhat ironically, strands of modern marketing theory also understand the consumer as exhibiting far greater agency than she is often accorded by trademark jurisprudence.

The early triumph of branding occurred around the turn of the twentieth century, as brands changed the relationship between retailer and customer.³⁶³ Prior to this time, the customer's key relationship was with the retailer, from whom they bought household goods from unmarked barrels and vats in small grocery or general stores.³⁶⁴ Through the latter decades

across its anti-sweatshop message. See Steven Greenhouse, *A Crusader Makes Celebrities Tremble*, N.Y. TIMES, July 4, 1996, at B4.

³⁶⁰ See QUART, *supra* note 11, at 189-201; KALLE LASN, *CULTURE JAM: HOW TO REVERSE AMERICA'S SUICIDAL CONSUMER BINGE – AND WHY WE MUST* (2000). Lasn's work discusses various strategies for resisting consumer culture, including “chain reactions of refusal,” such as “buy nothing days,” and counter-branding strategies, such as “culture jamming,” the promulgation of deliberately targeted counter messages about brands, through activities characterized as “Meme warfare.” Adbusters is a high profile group of “meme warriors,” who use brands against themselves, excavating the subtext of branded messages and using them to generate new meanings about the brands and the products they represent. See *id.* at 129-36.

³⁶¹ See, e.g., BON APPETIT, Sept. 2003, at 73 (printing advertisements linking KitchenAid, Gevalia and WeddingChannel.com brands to the Susan G. Komen Breast Cancer Foundation's “Cook for the Cure” campaign).

³⁶² Jon Gertner, *Newman's Own: Two Friends and a Canoe Paddle*, N.Y. TIMES, Nov. 16, 2003, § 3, at 4.

³⁶³ See STRASSER, *supra* note 50, at 29-57.

³⁶⁴ *Id.*

of the nineteenth century, powerful national brands arose, such as Nabisco, Quaker Oats, and Colgate, accompanied by advertising strategies that encouraged consumers to purchase these products "by name."³⁶⁵ Gradually, the role of the storekeeper in mediating consumer preferences abated, and customers came to have a more direct relationship with the distant manufacturer of branded products.³⁶⁶ Anyone who has been asked by a checkout operator whether a particular brand is good will have witnessed the passivity of the retailer's role in the processes of consumption: In this situation, the customer and the checkout operator *alike* are acting like consumers.³⁶⁷ Advertising expenditures aimed at national brands have achieved enormous customer recognition. In 1909, an executive for a soap company lamented that Ivory was almost one hundred percent "embedded in the broad American mind."³⁶⁸ The language is revealing: Displacing the "embedded" brand is part of the mischief against which dilution doctrine is meant to guard. It also bespeaks the passive role of the consumer: Consumers are the object in the relationship with the brand and the manufacturer, which echoes the ideas about consumer responses we have seen informing much trademark doctrine.³⁶⁹

This understanding of the customer as a firm's passive audience endured until about the end of the twentieth century.³⁷⁰ Some marketing commentators observe that the golden age of the brand is now over.³⁷¹ A number of factors account for its passing: customers experience the media as fragmented;³⁷² the continuing rise of a "culture of entitlement," which makes consumers much more demanding about what they want from retailers and manufacturers,³⁷³ and makes

³⁶⁵ *Id.* at 204.

³⁶⁶ *Id.*

³⁶⁷ STRASSER, *supra* note 50, at 287.

³⁶⁸ *The Ivory Soap Dent*, PRINTERS INK, Mar. 17, 1909, at 20, *cited in* STRASSER, *supra* note 50, at 57.

³⁶⁹ *See supra* Part IV.

³⁷⁰ Prahalad & Ramaswamy, *supra* note 12, at 80.

³⁷¹ *See, e.g.*, Boyle, *supra* note 67, at 92; Prahalad & Ramaswamy, *supra* note 12, at 80.

³⁷² *See* Boyle, *supra* note 67 (reporting that while in 1995 it took three TV commercials to reach 80% of the 18-49-year-old women, today it takes 97 advertisements to reach the same group); *see also* John Brady & Ian Davis, *Marketing's Midlife Crisis*, MCKINSEY Q., Spring, 1993, at 17 (noting the role of mass media in building trust between customers and brands); DEBORAH KANIA, *BRANDING.COM* 35-37 (2001).

³⁷³ *See generally* Diane Brady, *Why Service Stinks*, BUS. WEEK, OCT. 23, 2000 118.

relationship branding more difficult to achieve;³⁷⁴ and, of course, the Internet.³⁷⁵

Ours may be the "post-mass-media era,"³⁷⁶ as Professors Erich Joachimsthaler and David Aaker have characterized it. Symptoms of these changes include the reassertion of aspects of the retailer/customer relationship that became so attenuated in branding's golden age. For example, we are witnessing a rise in the power of the private brand, which is now aggressively competing with and sometimes displacing its national counterpart.³⁷⁷ In addition, marketing professionals are coming to understand the relationship between producer and customer as far more individualized and far less coercive than in the past.³⁷⁸ In part, this is due to the manner in which the Internet facilitates the individual tailoring of retail services to customer demands.³⁷⁹ This is not to suggest that firms are no longer interested in building brand loyalty in the online context: On the contrary, customer loyalty continues to be a prevalent concern in marketing literature.³⁸⁰ However, today's task is far more complex as a result of consumers' increasing agency in the process.³⁸¹

The key marketing implication flowing from the personalization of the consumer is enhanced customization. Marketing gurus gush about firms' ability to forge one-to-one relationships with individual customers, one at a time.³⁸² One

³⁷⁴ Dillard B. Tinsley, *Relationship Marketing's Strategic Array*, 45 BUS. HORIZONS, Jan/Feb 2002, at 70.

³⁷⁵ See generally KANIA, *supra* note 372; see also James Lardner, *Your Every Command: Consumers Are Getting the 'One-to-One Treatment'*, U.S. NEWS & WORLD REP., July 5, 1999, at 44; Alastair Ray, *Internet-Personalisation is Vital for Response*, MARKETING, May 29, 2003, at 27.

³⁷⁶ Erich Joachimsthaler & David A. Aaker, *Building Brands Without Mass Media*, HARV. BUS. REV., Jan./Feb. 1997, at 39.

³⁷⁷ See Boyle, *supra* note 67.

³⁷⁸ See Dignam, *supra* note 12.

³⁷⁹ See KANIA, *supra* note -372, at 230-34 (discussing "personalized branding" in the on-line context); Lardner, *supra* note 375 (discussing on-demand retailing strategies); Dignam, *supra* note 12 (examining the increasing brand literacy following two way communication facilitated by Internet retailing); See Pierre Berthon et al., *Brand Management Prognostications: New Technologies and Emerging Market Trends, Including a Shift In Power to Retailers, Are Converging to Alter Traditional Branding and Brand Management*, 40 SLOAN MGMT. REV. 53 (1999) (discussing information efficiencies that flow to consumers from on-line transactions).

³⁸⁰ See Pamela Paul, *Sell It to the Psyche*, TIME, 62, Sept. 15, 2003, at A2; Tinsley, *supra* note 374.

³⁸¹ Personalisation is Vital for Response, MARKETING, May 29, 2003, at 27.

³⁸² See generally DON PEPPERS & MARTHA ROGERS, *THE ONE TO ONE FUTURE: BUILDING RELATIONSHIPS ONE CUSTOMER AT A TIME* (1997).

commentator has noted the similarity between these kinds of relationships and those between store-keepers and individual customers around one hundred years ago.³⁸³ Corporations such as Dell Computers and Hewlett Packard were trail-blazers and the trend has spread to a diverse range of product segments: Land's End custom tailoring, customized "Friends of Barbie," customized airline sites, and customized news delivery services.³⁸⁴ Marketing theorists also draw on the insights of postmodernism to describe the relationship between the consumer and advertising as an active one, with consumers as an active and participating audience. These theorists see the meaning of an advertisement as itself a "constructed" process.³⁸⁵

Professors C.K. Prahalad and Venkatram Ramaswamy suggest that firms should recognize the increasing customer "competence" that has arisen as a result of technological and marketing changes, as a strategic asset.³⁸⁶ They argue that the intellectual capital of a firm includes knowledge of suppliers, and that firms should also try to capture the knowledge generated by customers in a market that "has become a forum in which consumers play an active role in creating and competing for value."³⁸⁷ They conceive of a firm's competencies as including the company, its suppliers, its partners, and its customers, and urge that firms need to harness customer competence by continuing to manage the kinds of personalized retail experiences that the Internet facilitates.³⁸⁸ Prahalad and Ramaswamy advise that firms should start conceiving of their customers as co-equals, actively engaged in producing valuable information for the firm,³⁸⁹ rather than as passive recipients of firms' marketing messages. Progressive Internet companies such as Amazon.com and Netflix³⁹⁰ already conceive of the

³⁸³ Lardner, *supra* note 375.

³⁸⁴ Lardner, *supra* note 375.

³⁸⁵ Elliott & Wattanasuwan, *supra* note 90, at 136, 137 (arguing that "advertising literacy is not only the skill to be able to understand and transfer the meanings from an advertisement, but also the ability to use those meanings within the social context of existence").

³⁸⁶ Prahalad & Ramaswamy, *supra* note 12.

³⁸⁷ *Id.* at 80. See also PATRICK H. SULLIVAN, VALUE-DRIVEN INTELLECTUAL CAPITAL: HOW TO CONVERT INTANGIBLE CORPORATE ASSETS INTO MARKET VALUE 57-58 (2000).

³⁸⁸ Prahalad & Ramaswamy, *supra* note 12, at 81-82.

³⁸⁹ *Id.* at 81.

³⁹⁰ See generally Nicholas Thompson, *Netflix Uses Speed to Fend Off Wal-Mart Challenge*, N.Y. TIMES, Sept. 30, 2003, at C1 (discussing the Netflix business model and comparing it with that adopted by Amazon.com).

customer as an interlocutor; these firms learn from the "information" consumers generate through "click trails," which feeds back into developing greater customization of the retail experience.³⁹¹

Of course, there are numerous variables in this endeavor, including the type of product at issue and the consumers who are attracted to them.³⁹² For present purposes, however, what is important is that the characteristics of the consumer underlying these ideas is quite different from those of the "ordinarily prudent consumer" in trademark doctrine. Just as American consumers have, since the colonial period, recognized the close connection between politics and consumption, these new perspectives on consumer behavior see consumers as far more actively engaged in the processes of consumption and production than was once thought.

C. *Implications*

These different perspectives on consumer behavior are sources for developing ideas about what trademark law's ordinarily prudent consumer might be like. It is vital to reemphasize, however, that the picture of the consumer that emerges from the historical literature on consumption and from marketing literature cannot claim to be an exact portrait of "real" consumers. The perspective is necessarily limited. Recall that all that politicized consumption occurred during the golden age of brands, when firms probably achieved quite a large measure of passive, unthinking responses to branded products. And even in the Internet era, consumers exhibit a range of very different responses to marketing campaigns.³⁹³ Moreover, some branding strategists in the online context continue to aspire to "etch" brands on the consumer consciousness.³⁹⁴ If they do nothing else, these perspectives underscore the arbitrariness of the characteristics that

³⁹¹ Prahalad & Ramawamay, *supra* note 12, at 82.

³⁹² Microsoft's ability to persuade thousands of customers to try out beta versions of software, becoming, in a sense, the software product's co-developers, is unlikely to be duplicated by many firms, for instance. *See id.* at 81.

³⁹³ *See, e.g.,* ISABELLE SZMIGIN, UNDERSTANDING THE CONSUMER 133-50 (2003) (discussing a wide range of different manifestations of consumer behavior); *see also* CARL SHAPIRO & HAL R. VARIAN, INFORMATION RULES: A STRATEGIC GUIDE TO THE NETWORK ECONOMY 57-58 (1999) (discussing how awareness of different attributes of consumers might prompt flexibility in designs of graphical user interfaces, pricing structures, etc.).

³⁹⁴ *See, e.g.,* Tedeschi, *supra* note 11.

trademark law often ascribes to ordinarily prudent consumers. Nonetheless, disaggregating fact from assumption, and acknowledging that there may be differences between individual consumers, and also their potential for greater agency in the consumer/firm relationship, might encourage legal actors to begin questioning the normative character of the consumer they conjure through the development of trademark doctrine.

One implication of greater awareness of the constructed character of trademark's consumer might be to insist on greater use of survey evidence.³⁹⁵ As part of an increased emphasis on empirical evidence of consumer responses, greater use might be made in trademark cases of the insights of cognitive science. As noted above,³⁹⁶ from a constantly developing understanding of human cognition, we are coming to recognize mental processes as inherently imaginative and interactive but also inherently grounded in "embodied" mental processes. For instance, cognitive scientists tell us that the resources of the brain that are available to us as we make innumerable decisions in the marketplace and elsewhere are limited; hence the interest of some scholars in the "heuristics" of decision making.³⁹⁷ These kinds of insights may be relevant to trademark law's understanding of consumers' susceptibility to confusion by a defendant's use of a contested brand.³⁹⁸ As Professors Kysar and Hansen have suggested in their work on perceptions of risk in the products liability context,³⁹⁹ control over the framing of information may be particularly relevant to the formulation and manipulation of consumer decision making.⁴⁰⁰

³⁹⁵ For a recent example of a court declining to find liability absent appropriate survey evidence, see *Wells Fargo & Co. v. WhenU.com, Inc.*, 293 F. Supp. 2d 734 (E.D. Mich. 2003). One issue in this case was whether consumers would be confused by the use of "pop up" advertisements that appeared in new windows on web surfers' browsers when they accessed particular websites. The types of advertisements were determined by an algorithm that analyzed web-browsing habits. The district court was not prepared to assume, absent appropriate survey evidence, that consumers would be confused by the appearance of the advertisements. *Id.* at 765.

³⁹⁶ See discussion *supra* note 147 and accompanying text.

³⁹⁷ See generally Gregory Mitchell, *Why Law And Economics' Perfect Rationality Should Not Be Traded For Behavioral Law and Economics' Equal Incompetence*, 91 GEO. L.J. 67 (2002); Christine Jolls et al., *A Behavioral Approach to Law and Economics*, 50 STAN. L. REV. 1471 (1998).

³⁹⁸ See WINTER, *supra* note 41.

³⁹⁹ Hansen & Kysar, *Taking Behavioralism Seriously*, *supra* note 146.

⁴⁰⁰ See, e.g., *id.* at 724-42 (discussing the inevitability of firms' taking advantage of manipulation of consumer perceptions in competitive markets). It is

Second, particular care should be taken in developing doctrine that results in limiting consumers' access to information that might inform purchasing decisions. The suggestion that dilution doctrine is a legal wrong because thinking is an "imagination burden" is one example. Careful reading of *V Secret* suggests that its analysis largely comports with this idea of what "harm" means in the dilution context. If dilution doctrine is to endure, and there is every likelihood that it will,⁴⁰¹ courts should insist that plaintiffs produce actual evidence of displacement of one mark by another, even when the contested marks are identical, and not rely on circumstantial evidence that can too easily base liability on defendants' uses of marks that "call to mind" the plaintiff's mark.⁴⁰²

Initial interest confusion provides a particularly egregious example of trademark doctrine limiting consumers' access to information. Encouragingly, however, there have been some limitations of this doctrine in the Internet context.⁴⁰³ Initial interest confusion has also been curtailed where there is no connection between the goods offered by the defendant and the senior user.⁴⁰⁴ This may not go far enough, however. Genuine choice exists when consumers can learn simultaneously that a product is similar to products previously enjoyed (or heard about), but is not the same product. Because brands are becoming more parts of products themselves,⁴⁰⁵

possible, of course, that an increased reliance on empirical evidence about consumer responses will distill a picture of the consumer that has more in common with the "susceptible" consumer than the "sovereign" consumer. As the discussion of genericism and functionality, *supra* Part III.C., indicates, however, it is possible that trademark doctrine may develop in ways that render the actual responses of consumers *less* relevant in some contexts.

⁴⁰¹ See, e.g., *Savin Corp. v. Savin Group*, 68 U.S.P.Q.2d (BNA) 1893 (S.D.N.Y. 2003) (holding as not very likely harm from consumers being "diverted" as a result of initial interest confusion); *Bihari v. Gross*, 119 F. Supp. 2d 309 (S.D.N.Y. 2000) (same). See also *Playboy Enterprises v. Netscape Corp.*, 354 F.3d 1020, 1034-36 (9th Cir. 2001) (Berzon, J., concurring) (criticizing the broad scope of initial interest confusion in earlier iterations of the doctrine in the Ninth Circuit). See discussion *supra* Part IV.B.2.

⁴⁰² See *supra* Part IV.B.1.

⁴⁰³ See, e.g., *Taubman Co. v. Webfeats*, 319 F.3d 770, 776 (6th Cir. 2003) (characterizing as "irrelevant" whether consumers are confused as to the source of websites, "unless there is confusion as to the origin of the respective products").

⁴⁰⁴ See, e.g., *The Network Network v. C.B.S., Inc.*, 54 U.S.P.Q.2d (BNA) 1150 (C.D. Cal. 2000): "Unlikely indeed is the hapless Internet searcher who, unable to find information on the schedule of upcoming NASCAR broadcasts or 'Dukes of Hazzard' reruns, decides to give up and purchase a computer network maintenance seminar instead." *Id.* at *30.

⁴⁰⁵ See *supra* Part II.B.

relevant points of comparison might need to encompass the trademarks themselves. That is, if trademark material – marks, packaging, character merchandising material, etc. – is part of the value customers ascribe to goods and services,⁴⁰⁶ opportunities for proper comparison may need to include, and tolerate, *non-confusing* uses that draw customers attention to those similarities. We should not therefore too readily assume that it is a burden for consumers to make these comparisons.

Third, more rigorous analysis of assumptions about consumers' acuity might be encouraged. The survey of consumers in history and in recent marketing literature suggests that they are often quite astute. In the Internet context, there are indications that some courts are constructing the consumer as more discriminating than in past cases. Sometimes, it seems, the ordinarily prudent consumer is not particularly naïve about the operation of the Web, and, has at least learned that where the same name is used by different businesses, any one of them might have secured the domain name.⁴⁰⁷ Similarly, the level of acuity some courts require of consumers in their interactions with Web search engines provides another example of a more optimistic vision of trademark's ordinarily prudent consumer. Often, without the aid of empirical evidence, courts are assuming that consumers know that firms pay for rankings produced by search engines. The subjection of search engine algorithms to commercial imperatives now seems to be something that ordinarily prudent consumers should understand.⁴⁰⁸

⁴⁰⁶ See *id.*

⁴⁰⁷ In *Interstellar Starship Servs. v. Epix, Inc.*, 304 F.3d 936 (9th. Cir. 2002), the Ninth Circuit consumer expectations arising from different kinds of domain names. It reasoned that "Consumers expect that owners of famous, fanciful trademarks will own the corresponding domain name, like www.XEROX.com or www.KODAK.com . . ." On the other hand, consumers "would not be shocked to find an apple grower at www.apple.com (although Apple Computer actually owns that domain name), or United Van Lines at www.united.com (although United Airlines happens to own that domain name). *Id.* at 944-45. Elaborating on the latter point, the Court observed, "[a]lthough a consumer might incorrectly guess that United Van Lines would be found at www.untied.com . . . , such an erroneous guess does not generally amount to a likelihood of initial interest confusion." *Id.* at 945 (citation and internal quotation and citation omitted). See also *GoTo.Com, Inc. v. Walt Disney Co.*, 202 F.3d 1199, 1205 (9th Cir. 2000).

⁴⁰⁸ In *Epix*, the Ninth Circuit also noted that "search engine algorithms incorporate corporate dollars into their formulae" and that "[f]irms can pay the search engines in return for primarily placement . . ." 304 F.3d at 945 n.10. Accordingly, the court found the results produced by search engines "largely irrelevant" and observed that its "initial interest confusion analysis does not depend on a given business's payment or lack thereof to the various search engines." *But compare* DeVry/Becker

A fourth implication of the analysis above might be to encourage greater scrutiny of the kinds of values that are ascribed to consumers and that are marshaled in support of liability theories. As we have seen, post-sale confusion constructs the consumer as someone who fetishizes prestige brands, who has dutifully absorbed the “because you’re worth it” messages of branding strategies. The ordinarily prudent consumer peopling post-sale confusion cases finds it hard to live with the idea that “other people can have one too.” A more rigorous analysis of whether consumers actually feel this way, combined with a deeper questioning of whether the law should be solicitous of this worldview in the formulation of trademark doctrine, might illuminate this area of law better than the traditional approach.

VI. CONCLUSION

Professor Patricia Williams describes how by the early 1990s students regarded delivery of an L.L. Bean jacket without the label as a fundamental breach of contract, the opposite of the response prompted by the hypothetical when she first started teaching.⁴⁰⁹ Williams fears that “masque [will] become the basis of our bargains,” and that “reordering social relations in favor of the luxurious” will create “new standards of irrelevance in our lives.”⁴¹⁰ In these passages, Williams hints at something that we might describe as the imagination burden *imposed* by prestigious brands, and the doctrines that protect them beyond traditional trademark infringement. Professor Tim Kasser has closely analyzed the relevant psychological literature on the relationship between psychological well-being and materialism. He has also conducted his own laboratory experiments aimed at exploring this relationship. Kasser concludes that the “one simple fact” that stands out across these studies is that “people who strongly value the pursuit of wealth and possessions report lower psychological well-being

Educational Development Corp. v. Totaltape, Inc., No. 00-C-3523, 2002 WL 99743, at *2-3 (N.D. Ill. Jan. 22, 2002) (defendant enjoined from use of mark “in connection with the retrieval of data or information (including the use of such terms as a keyword or keywords in pay-for-placement or pay-for-rank search engines”).

⁴⁰⁹ PATRICIA WILLIAMS, *THE ALCHEMY OF RACE AND RIGHTS* 39 (1991).

⁴¹⁰ WILLIAMS, *supra* note 409, at 40. For a seminal exploration of similar ideas, see JOHN RAE, *supra* note 91, at 245 app. 1 (Macmillan ed., 1905) (reprint *The New Principles of Political Economy* (1834)).

than those who are less concerned with such aims.⁴¹¹ Nevertheless, trademark doctrine privileges those consumers who are concerned with the prestige value of their goods over those who care somewhat less, or not at all. As Kasser's research suggests, the latter group, of whom trademark law seems somewhat less solicitous, may actually be healthier.⁴¹²

Smarter, more self-critical, more engaged, less mesmerized consumers are less likely to be easily confused. Accordingly, re-imagining the consumer in this way should lead to a curtailment of the scope of trademark rights, something numerous distinguished commentators have long been urging.⁴¹³ For the most part, however, debates about the scope of trademark law have focused on broad theoretical or policy issues, such as consistency with the purposes of trademark rights, whether they enhance or thwart fundamental premises of liberal capitalism, and so on – issues that are unlikely to be resolved anytime soon.⁴¹⁴ Of course, the approach I advocate here – more rigorous scrutiny of the way in which the law constructs the ordinarily prudent consumer – does not avoid difficult issues of theory and policy. Analyzing the construction of the “legal person,” whatever the circumstances, can seldom avoid tapping issues relating to the legal system's aspirations for and promulgation of values associated with such things as good citizenship, self-actualization, full personhood – and, in commercial contexts, fully *engaged* participation in markets and in consumer society. But focusing on the characteristics of consumers in trademark law to a large extent side-steps these broader policy and theory issues. This is because the “ordinarily prudent consumer” is already a key part of trademark doctrine. In the workaday world of trademark litigation, legal actors already engage in the continuing process of shaping the ordinarily prudent consumer's attributes and characteristics: sometimes expressly,

⁴¹¹ KASSER, *supra* note 110, at 5.

⁴¹² Societal health may also be at stake. Sociologist, Professor Robert D. Putnam has documented the decline in levels of civil engagement in the United States, reflected in decreasing participation in community organizations (Putnam uses the metaphor of the lone bowler to capture this sense of social disengagement). As Putnam's research attests to the “crowding out” of other meaningful activity by materialistic values. ROBERT PUTNAM, *BOWLING ALONE: THE COLLAPSE AND REVIVAL OF AMERICAN COMMUNITY* (2000).

⁴¹³ Lunney, *Monopolies*, *supra* note 12. Lemley, *supra* note 45; Dreyfuss, *Express Genericity*, *supra* note 48; Dinwoodie, *Rational Limits*, *supra* note 47; Litman, *Batman*, *supra* note 48; Brown, *supra* note 45.

⁴¹⁴ See *supra* Part II.

as they generate assumptions about consumers' acuity; sometimes implicitly, as they continue the process of developing and refining trademark law.

Greater awareness of the processes informing and the assumptions underlying this key part of trademark doctrine may enhance this important branch of U.S. commercial law. But pressing this point further, however, and suggesting that the consumer might be "re-imagined" as more astute, more discriminating, and more self-aware might strike many as excessively paternalistic to the extent that the analysis privileges certain attributes over others.⁴¹⁵ As the discussion in this Article indicates, however, legal actors are already making normative choices about the attributes of consumers. Hence, any normativity in this endeavor is probably unavoidable. But before we ascribe characteristics to consumers in ways that usually bolster the rights of trademark proprietors, we should at least require trademark proprietors to establish a firm evidentiary foundation, using survey evidence if available. However, due to the numerous doctrinal and policy factors that affect the scope of trademark rights,⁴¹⁶ the results of surveys cannot dictate the results of cases. Moreover, survey evidence is very often not available. Courts are likely to continue to construct "ordinarily prudent consumers," shaping the characteristics they ascribe to them out of assumptions, general observations, truisms, prejudices, and hunches.

Awareness of how trademark law assembles ordinarily prudent consumers might encourage us to "reconstruct" them as individuals who are better equipped to make all the choices a vibrant consumer marketplace offers. So long as trademark law continues to refer to consumers in its various liability theories, it might not be a bad thing if, at least in the absence of empirical evidence to the contrary, the "ordinarily prudent consumer" who peoples trademark cases were thought of as somebody who tends to be rational and discriminating: less like the George Wilsons of this world, with imaginations less burdened by brands.

⁴¹⁵ See generally TWITCHELL, *supra* note 68. For an exploration of these ideas in the copyright context, see Fisher, *supra* note 328, at 1762-66.

⁴¹⁶ See *supra* Part II.C.