

ESTTA Tracking number: **ESTTA681119**Filing date: **07/01/2015**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91203884
Party	Defendant Joel L. Beling dba Supa Characters Pty Ltd
Correspondence Address	JOEL L BELING 1 MIRBOO COURT DALLAS VICTORIA, 3047 AUSTRALIA joelbeling@hotmail.com
Submission	Testimony For Defendant
Filer's Name	joelbeling@hotmail.com
Filer's e-mail	joelbeling@hotmail.com
Signature	/Joel Beling/
Date	07/01/2015
Attachments	Declaration of Joel Beling PUBLIC VERSION.pdf(60062 bytes) EXHIBIT JB-4.pdf(180851 bytes) EXHIBIT JB-5.pdf(59380 bytes) EXHIBIT JB-8A 85324453.pdf(44583 bytes) EXHIBIT JB-8B 85324457.pdf(48804 bytes) EXHIBIT JB-9A 74527204.pdf(25914 bytes) EXHIBIT JB-9B 74562261.pdf(6616 bytes) EXHIBIT JB-9C 75072159.pdf(16184 bytes) EXHIBIT JB-9D 75595803.pdf(6774 bytes) EXHIBIT JB-9E 75615329.pdf(19182 bytes) EXHIBIT JB-9F 75643180.pdf(17156 bytes) EXHIBIT JB-9G 76636412.pdf(15523 bytes) EXHIBIT JB-9H 77393203.pdf(18832 bytes) EXHIBIT JB-9I 78388576.pdf(19108 bytes) EXHIBIT JB-9J 78421318.pdf(19755 bytes) EXHIBIT JB-9K 78698743.pdf(52197 bytes) EXHIBIT JB-9L 86240567.pdf(18795 bytes) EXHIBIT JB-10 Lexis Nexis articles.PDF(3593736 bytes) EXHIBIT JB-11A.pdf(2394031 bytes) EXHIBIT 11-B ttabvue-91203884-OPP-21.pdf(29794 bytes) EXHIBIT 11-D ttabvue-91203884-OPP-29.pdf(1819445 bytes) EXHIBIT 11-E ttabvue-91203884-OPP-30.pdf(1198093 bytes) EXHIBIT 11-F ttabvue-91203884-OPP-33.pdf(364839 bytes) EXHIBIT 11-G ttabvue-91203884-OPP-36.pdf(82954 bytes) EXHIBIT 11-H ttabvue-91203884-OPP-37.pdf(886774 bytes) EXHIBIT 11-I ttabvue-91203884-OPP-38.pdf(50847 bytes) EXHIBIT 11J- ttabvue-91203884-OPP-40.pdf(1974379 bytes) EXHIBIT 11K ttabvue-91203884-OPP-65.pdf(274441 bytes) EXHIBIT 11L ttabvue-91203884-OPP-73.pdf(1239350 bytes) EXHIBIT JB-11M ttabvue-91203884-OPP-1.pdf(51727 bytes) EXHIBIT JB-11O ttabvue-91203884-OPP-107.pdf(3948871 bytes) EXHIBIT JB-11P ttabvue-91203884-OPP-113.pdf(4395508 bytes) EXHIBIT JB-12 TMLitigationReport_final_2011April27.pdf(341895 bytes) EXHIBIT JB-13 ttabvue-91205751-OPP-12 12 Sep 2012.PDF(47492 bytes) EXHIBIT JB-14A.pdf(1615315 bytes) EXHIBIT JB-14B.pdf(5435077 bytes) EXHIBIT JB-14D.pdf(2302960 bytes) EXHIBIT JB-14E.pdf(1513853 bytes)



Declaration of Joel Beling dated June 29, 2015

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

Opposition No. 91203884

Ennis Inc.

In re Registration No. 3,372,884
(COLORWORX), Registered
January 22, 2008

v.

Joel L. Beling d/b/a Supa Characters Pty Ltd

PUBLIC VERSION

DECLARATION BY JOEL BELING

1. I am the applicant in the present proceeding. I submit this declaration pursuant to Trademark Rule 2.20. It contains a statement of the facts relevant to my application to register my COLOR WARS Mark in the opposition proceeding against Ennis. Inc (“Ennis”).
2. For the record, I allege no attorney misconduct in this declaration against Ennis’ current and former attorneys.
3. I am making this declaration in my capacity as applicant in the above matter and as Director of Supa Characters Pty Ltd.
4. Supa Characters Pty Ltd is a character licensing company that I founded in 2011, having its place of business at 1 Mirboo Court, Dallas, Victoria, 3047, Australia (hereinafter referred to as “My Company”).
5. By reason of my position with my Company I am very familiar with the **COLOR WARS** trade mark intended to be used by My Company in the United States and around the world.
6. I have full and unrestricted access to the records of My Company and am authorized to make this Declaration on behalf of My Company. The information contained in this declaration comes from my own personal knowledge and belief, from information which I have obtained from the books and records of My Company kept in the ordinary course of business which I have inspected, and from public records and information.

7. I regard and designate the information which is disclosed in this Declaration to be TOP SECRET and COMMERCIALLY SENSITIVE pursuant to the Board's Standard Protective Order.

8. By way of background, My Company is an Australian-based company specializing in the creation of high concept, marketable characters for licensing use in, inter alia, motion pictures, television, digital media, video games, comic books, graphic novels, books, action figures, clothing, footwear, stationary, toys, theme parks, private and corporate functions, homewares, gifts and novelties, food and beverages, and collectibles. Now shown to me and marked **Exhibit JB-1** is a copy of additional material relating to My Company. I may be mistaken, but at the time I issued my press releases I had never heard of the concept of trademark bullying or linked Ennis' conduct in this proceeding with trademark bullying. As at June 29, 2015, my press release dated 9th May, 2013, is available online at the following address:

<http://www.onlineprnews.com/news/377955-1367976708-supra-characters-to-compete-with-disney-marvel-and-dc-comics-in-hollywood-character-licensing-biz.html>

9.

*** CONFIDENTIAL/REDACTED ***

10.

*** CONFIDENTIAL/REDACTED ***

11.

*** CONFIDENTIAL/REDACTED ***

12.

*** CONFIDENTIAL/REDACTED ***

13.

*** CONFIDENTIAL/REDACTED ***

14.

*** CONFIDENTIAL/REDACTED ***

15.

*** CONFIDENTIAL/REDACTED ***

16.

*** CONFIDENTIAL/REDACTED ***

17.

*** CONFIDENTIAL/REDACTED ***

18. I filed U.S. Trademark Application Serial No. 85/324,443 for the mark COLOR WARS for classes 016, 028 and 041 on May 18, 2011 based on my intent to use the mark in commerce. I have a bona fide intent to use the mark COLOR WARS in commerce in the United States and have a mountain of evidence to support my defense to Ennis' opposition.

19. I filed U.S. Trademark Application Serial Nos. 85/324,453 and 85/324,457 for the marks COLOR WARS: MY FAVOURITE COLOUR IS BLUE/BLACK/CYAN/BROWN/PINK/YELLOW/WHITE/VIOLET/RED/ORANGE/GREEN/GRAY and COLOUR WARS: COLOUR-LECTION: VOTE BLUE!/BLACK!/CYAN!/BROWN!/PINK!/ YELLOW!/WHITE!/VIOLET!/RED!/ORANGE!/GREEN!/GRAY!, respectively, for goods and services in international class 025 on May 18, 2011 based on an intent to use the mark in commerce. Now shown to me and marked **Exhibits JB-8A** and **JB-8B** are copies of the TESS search results for U.S. Trademark Application Serial Nos. 85/324,453 and 85/324,457. The marks in these two applications are based on the same goods or properties (color-based characters and concepts) as those underpinning U.S. Trademark Application Serial No. 85/324,443. Ennis did not oppose my applications to register the marks in U.S. Trademark Application Serial Nos. 85/324,443 and 85/324,443 and these have proceeded to registration (registration nos.: 4124579 and 4120865). I have a bona fide intent to use the marks COLOR WARS: MY FAVOURITE COLOUR IS BLUE/BLACK/CYAN/BROWN/PINK/YELLOW/

WHITE/VIOLET/RED/ORANGE/GREEN/GRAY and COLOUR WARS: COLOUR-
LECTION: VOTE BLUE!/BLACK!/ CYAN!/BROWN!/PINK!/YELLOW!/WHITE!/
VIOLET!/RED!/ORANGE!/GREEN!/GRAY!, in commerce in the United States and have a
mountain of evidence to support my defense.

20. I was forced to amended the identification of some of the goods and services in U.S.
Trademark Application Serial No. 85/324,443 to be limited to the “field of superhero and cartoon
characters” on May 18, 2011, by virtue of the forced-choice format of the application.

21. At the outset of the present litigation I had attempted to narrow the issues in dispute so as
to minimize the time and expenses of both parties and the Board. I wrote the following email to
Ennis’ former attorney, Mr. Scott A. Myer, on February 27, 2012 (at this stage I had not filed my
Answer to Ennis’ Notice of Opposition):

RE: Request for Opposition Form_
From: Joel beling (joelbeling@hotmail.com)
Sent: Monday, 27 February 2012 2:06:24 AM
To: smeyer@chalkerflores.com

Scott,

Do you mind asking your client to provide a one page or bullet point statutory declaration
particularising your client's company background, ie. Number of stores across the U.S. and
abroad, annual and historical sales data, advertising expenditure, product lines, etc. If
I had this information and it satisfied me I may be prepared to concede your claims as to prior
history/reputation, etc.

Also, can you please refer me to internet references of your client's business.

If this is done we could focus on the confusion/deception issues.

Thanks

Joel

I received no response from Mr. Myer on Ennis’ behalf to this email. Although I was not aware
of the procedure at the time, in February 2012, I would have happily agreed to deal with Ennis’
opposition via the Board’s Accelerated Case Resolution procedure.

22. I believe that Ennis is not likely to be harmed or damaged by the registration of my COLOR WARS Mark for the following reasons:

- i) While the identification of goods in International Classification 016 of U.S. Trademark Application Serial No. 85/324,443 for the mark COLOR WARS lists numerous items that are printed goods and are not restricted to the “field of superhero and cartoon characters,” my COLOR WARS range refers to highly distinctive color-based characters, stories and concepts, such as the Gray Ghoul, the Pink Princess, and the Green Gargoyle.
- ii) Ennis’ mark is the term COLORWORX and a design element. Ennis’ mark, by its own admission, “has the capacity to *significantly distinguish*, and in fact *significantly distinguishes*, [its] goods and services from the goods and services of other traders who use the marks “ColorWorx,” “Color Worx,” “ColorWorks,” and/or “Color Works.””
- iii) Ennis’ COLORWORX mark has a distinctive design element, a crosshairs logo, whereas there is no design element in my COLOR WARS Mark;
- iv) When spoken the mark COLOR WARS is distinctively different from the word COLORWORX: the former has a soft-sounding ending, while the latter has a harder-sounding ending. In my opinion, native English speaking consumers with normal hearing ability would experience no difficulty distinguishing the two terms; the only consumers who would experience difficulty distinguishing the two terms are perhaps those for whom English is a second language or consumers with a hearing impairment.
- v) The semantic difference between the marks COLORWORX and COLOR WARS. In my opinion the word WARS in my mark has a highly emotive, loaded and immediately recognizable meaning and impression, while while the suffix “-WORX” in Ennis’ mark is nondescript and ordinary.

23. On or about June 20, 2015 I downloaded a number of current status and title reports for third party trademark applications or registrations involving the terms COLORWORX, COLOR WORX, COLOR WORKS, and COLORWORKS from the USPTO's TSDR system. I believe these third party applications or registrations are relevant to showing the meaning of Ennis' COLORWORX Mark, or the COLORWORX portion of Ennis's Mark; the sense in which the terms COLORWORX, COLOR WORX, COLOR WORKS, and COLORWORKS are employed in the marketplace, or to show the ordinary use of the terms COLORWORX, COLOR WORX, COLOR WORKS, and COLORWORKS. Now shown to me and marked **Exhibits JB-9A-JB-9L** are the current status and title reports from the TSDR system for the following trademark application serial numbers: 74527204, 74562261, 75072159, 75595803, 75615329, 75643180, 76636412, 77393203, 78388576, 78421318, 78698743, and 86240567.

24. I genuinely believe that in this proceeding, Ennis has engaged in what I call trademark bullying or overenforcement of its rights in its COLORWORX Mark and design. In other words, I believe that Ennis has undertaken enforcement measures based on an unreasonable interpretation of the scope of its rights in its COLORWORX Mark and design for the purpose of intimidating me into compliance with Ennis' demands. I genuinely believe that trademark bullying or overenforcement should be a valid and legally sufficient affirmative defense. Now shown to me and marked **Exhibit JB-10** are journal, newspaper and other articles I downloaded from the publicly accessible Lexis Nexis legal database on or about June 20, 2015 which focus on or refer to trademark bullying or overenforcement.

25. The bases for my belief that Ennis has engaged in trademark bullying or overenforcement of its rights in its COLORWORX Mark include, but is not limited to, the following:

- a) Ennis failed to send a cease-and-desist letter to me to notify me of its rights in its COLORWORX Mark and design and my possible violation of those rights prior to commencing the current litigation;

- b) Ennis has claimed separate rights to portions of its COLORWORX Mark and design, such as to the word “COLOR,” the word “WORX,” the word “COLORWORX” and the design element, in addition to claiming rights to its COLORWORX Mark and design as a whole;
- c) Ennis has formally prosecuted an opposition to my application to register my COLOR WARS Mark in international class 041, despite the fact that in my opinion Ennis has never traded in goods or services in this class nor shown a bona fide intent to do so, and then withdrawn its opposition in international class 041;
- d) Ennis has informally prosecuted an opposition to my application to register my COLOR WARS Mark in international class 028, despite the fact that in my opinion Ennis has never traded in goods or services in this class nor shown a bona fide intent to do so;
- e) Ennis has on April 28, 2014, October 31, 2014 and November 25, 2014 attempted or purported to withdraw its opposition to my application to register my COLOR WARS Mark in international class 028 despite the fact that it never formally opposed my application to register my COLOR WARS Mark in international class 028, showing a complete lack of due diligence in prosecuting its case;
- f) Ennis has in my opinion engaged in abusive litigation tactics against me in this proceeding. I define an abusive litigation tactic as any litigation tactic which an objective person would regard as unreasonable, unfair or unethical when used against the opposing party. Now shown to me and marked **Exhibit JB-11** are examples of Ennis’ abusive litigation tactics in this proceeding.
- g) Ennis has failed to deny engaging in trademark bullying or abusive litigation tactics;
- h) On or about the 28th June, 2012, Ennis’ former attorney, Mr. Thomas G. Jacks, wrote to me via email and stated that Ennis “would prefer not to involve the TTAB in this matter”; and

i) Ennis has failed to instruct its attorneys to file a motion for sanctions against me in this proceeding for alleging trademark bullying or abusive litigation tactics against it.

For the above reasons, I genuinely believe that an affirmative defense based on trademark bullying or overenforcement should be created to protect me and trademark applicants in general from unfair, unreasonable and abusive pre-litigation and litigation conduct.

26. One authority which I believe supports my belief that Ennis has engaged in trademark bullying or overenforcement of its rights in its COLORWORX Mark and design is the Office of Governmental Affairs– United States Patent and Trademark Office’s *Report to Congress: Trademark Litigation Tactics and Federal Government Services to Protect Trademarks and Prevent Counterfeiting* (April 2011) (“*Report to Congress*”). Now shown to me and marked **Exhibit JB-12** is the *Report to Congress*.

27. The *Report to Congress* was cited by His Honor Judge Adlin (then an Interlocutory Attorney) in another T.T.A.B. *inter partes* opposition proceeding in which I was involved. Now shown to me and marked **Exhibit JB-13** is TTABVUE Doc. #12 dated September 12, 2012 from *Joel Beling v DC Comics*, opposition no. 91205751. The relevant reference is made at Note 5, on page 5.

28. From late December, 2013 to early January, 2014, I performed a series of internet searches concerning traders which use trademarks involving the terms COLORWORX, COLORWORX, COLORWORKS and/or COLOR WORKS in relation to the sale of goods and services in the United States. I printed out and scanned some of the pages from those websites (the exact dates and internet addresses are shown on the pages) and served them on Ennis in the two weeks preceding the close of discovery. Now shown to me and marked **Exhibits JB-14A-JB-14E** are copies of the pages from my internet searches.

I declare under penalty of perjury that the foregoing is true and correct to the best

of my knowledge and belief. Executed this 29TH day of June, 2015.

Dated: June 29, 2015

Respectfully submitted,

JOEL BELING

By: /Joel Beling/





Joel L. Beling
1 Mirboo Court, Dallas, Victoria, 3047, Australia
0405 329 078 (cell)
joelbeling@hotmail.com
Applicant

EXHIBIT JB-4 of DECLARATION OF JOEL BELING

Search Results

Your search request retrieved 78 matches.

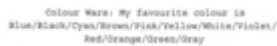
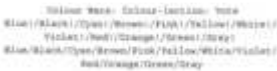
Criteria Used: Owner : joel(Part) AND beling(Part); Status : All; Search Data : Both;

	IR	TM Number	Words/Image Phrase	Class	Status
1. <input type="checkbox"/>		1407159	SUPA 	16	Registered Registered/Protected
2. <input type="checkbox"/>		1407212	SUPA 	25	Registered Registered/Protected
3. <input type="checkbox"/>		1407213	SUPA 	41	Registered Registered/Protected



4. <input type="checkbox"/>	1407214 Big Five	16	Registered Registered/Protected
5. <input type="checkbox"/>	1407215 Joint Superchiefs: Airfo, Navo, Marino, Armo	16	Registered Registered/Protected
6. <input type="checkbox"/>	1408387 Warriors of the World	16	Registered Registered/Protected
7. <input type="checkbox"/>	1408388 Energy Men	16	Registered Registered/Protected
8. <input type="checkbox"/>	1408389 Colour Wars	16	Registered Registered/Protected
9. <input type="checkbox"/>	1408392 Music Men	16	Registered Registered/Protected
10. <input type="checkbox"/>	1408399 Green Gang	16	Registered Registered/Protected

11. <input type="checkbox"/>	1408401 Mad Scientists	16	Never Registered Withdrawn
12. <input type="checkbox"/>	1408407 Battle of the Planets	16	Registered Registered/Protected
13. <input type="checkbox"/>	1408657 Big Five	25	Never Registered Withdrawn
14. <input type="checkbox"/>	1408669 Big Five	28	Never Registered Withdrawn
15. <input type="checkbox"/>	1408671 Big Five	41	Never Registered Withdrawn
16. <input type="checkbox"/>	1408676 Big Five	39	Never Registered Withdrawn
17. <input type="checkbox"/>	1412743 Joint Superchiefs: Armo, Navo, Marino, Airfo	25	Registered Registered/Protected
18. <input type="checkbox"/>	1412746 Joint Superchiefs: Armo, Navo, Marino, Airfo	41	Registered Registered/Protected
19. <input type="checkbox"/>	1412748 Warriors of the World	41	Never Registered Lapsed - Accepted

20. <input type="checkbox"/>	1412749 Energy Men	41	Registered Registered/Protected
21. <input type="checkbox"/>	1414533 Warriors of the World	28	Registered Registered/Protected
22. <input type="checkbox"/>	1414535 Joint Superchiefs: Armo, Navo, Marino, Airfo	28	Registered Registered/Protected
23. <input type="checkbox"/>	1414537 Warriors of the World	25	Registered Registered/Protected
24. <input type="checkbox"/>	1414540 Energy Men	25	Never Registered Lapsed/Not Protected
25. <input type="checkbox"/>	1414541 Colour Wars: My favourite colour is Blue/Black/Cyan/Brown/Pink/yellow/White/Violet/Red/Orange/Green/Gray	25	Registered Registered/Protected
			
26. <input type="checkbox"/>	1414542 COLOUR WARS: COLOUR-LECTION: VOTE BLUE!/BLACK!/CYAN!/BROWN!/PINK!/YELLOW!/WHITE!/VIOLET!/RED!/ORANGE!/GREEN!/GRAY! BLUE/BLACK/CYAN/BROWN/PINK/YELLOW/WHITE/VIOLET/RED/ORANGE/GREEN/GRAY	25	Registered Registered/Protected
			
27. <input type="checkbox"/>	1414544 Colour Wars	41	Registered

				Registered/Protected
28.	<input type="checkbox"/>	1414546 Colour Wars	28	Registered Registered/Protected
29.	<input type="checkbox"/>	1414547 Energy Men	28	Registered Registered/Protected
30.	<input type="checkbox"/>	1415725 Music Men	25	Registered Registered/Protected
31.	<input type="checkbox"/>	1415728 Music Men	28	Registered Registered/Protected
32.	<input type="checkbox"/>	1415730 Music Men	41	Registered Registered/Protected
33.	<input type="checkbox"/>	1415732 Green Gang	25	Registered Registered/Protected
34.	<input type="checkbox"/>	1415733 Green Gang	28	Registered Registered/Protected
35.	<input type="checkbox"/>	1415735 Green Gang	41	Registered Registered/Protected
36.	<input type="checkbox"/>	1415736 Battle of the Planets	25	Refused REFUSED

37.	<input type="checkbox"/>	1415737 Battle of the Planets	28	Refused REFUSED
38.	<input type="checkbox"/>	1416169 Battle of the Planets	41	Refused REFUSED
39.	<input type="checkbox"/>	1416171 Super Dogs	16	Removed Cancelled
40.	<input type="checkbox"/>	1416174 Super Dogs	25	Never Registered Withdrawn
41.	<input type="checkbox"/>	1416178 Super Dogs	28	Removed Cancelled
42.	<input type="checkbox"/>	1416180 Super Dogs	41	Removed Cancelled
43.	<input type="checkbox"/>	1416982 BIG 5 FIVE	25	Registered Registered/Protected



44. ☐ 1416983 BIG 5 FIVE



28 Registered
Registered/Protected

45. ☐ 1416984 Big Five

41 Registered
Registered/Protected

46. ☐ 1420659 Big Five

25 Registered
Registered/Protected

47. ☐ 1420660 Big Five

28 Never Registered
Lapsed/Not
Protected

48. ☐ 1421142 BIG 5 FIVE




16 Registered
Registered/Protected

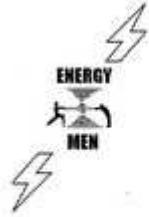
49. <input type="checkbox"/>	1421196 Ultimate Sporting Heroes	16	Never Registered Lapsed/Not Protected
50. <input type="checkbox"/>	1421197 Ultimate Sporting Heroes	25	Registered Registered/Protected
51. <input type="checkbox"/>	1421198 Ultimate Sporting Heroes	28	Never Registered Lapsed/Not Protected
52. <input type="checkbox"/>	1421199 Ultimate Sporting Heroes	41	Never Registered Lapsed/Not Protected
53. <input type="checkbox"/>	1421201 Empire of Elements	16	Registered Registered/Protected
54. <input type="checkbox"/>	1421202 Empire of Elements	25	Registered Registered/Protected
55. <input type="checkbox"/>	1421203 Empire of Elements	28	Registered Registered/Protected
56. <input type="checkbox"/>	1421205 Empire of Elements	41	Registered Registered/Protected
57. <input type="checkbox"/>	1430828 Heavenly Bodies, Star Sign Superstars and Zone of the Zodiac: Caprico the Goat, Aquario the Water-Bearer, Pisco the Fish, Aro the Ram, Tauro the Bull, Gemino Twins,	16	Registered

Canco the Crab, Lev and Leo the Lion, V-Girl and Virgo the Virgin, Libro the Balancer, Stingo and Scorpio the Scorpion, Sagittario the Archer. What's your star sign?

Registered/Protected

58. <input type="checkbox"/>	1430830	Heavenly Bodies, Star Sign Superstars and Zone of the Zodiac: Caprico the Goat, Aquario the Water-Bearer, Pisco the Fish, Aro the Ram, Tauro the Bull, Gemino Twins, Canco the Crab, Lev and Leo the Lion, V-Girl and Virgo the Virgin, Libro the Balancer, Stingo and Scorpio the Scorpion, Sagittario the Archer. What's your star sign?	25	Never Registered	Lapsed/Not Protected
59. <input type="checkbox"/>	1430834	Heavenly Bodies, Star Sign Superstars and Zone of the Zodiac: Caprico the Goat, Aquario the Water-Bearer, Pisco the Fish, Aro the Ram, Tauro the Bull, Gemino Twins, Canco the Crab, Lev and Leo the Lion, V-Girl and Virgo the Virgin, Libro the Balancer, Stingo and Scorpio the Scorpion, Sagittario the Archer. What's your star sign?	28	Never Registered	Lapsed/Not Protected
60. <input type="checkbox"/>	1430837	Heavenly Bodies, Star Sign Superstars and Zone of the Zodiac: Caprico the Goat, Aquario the Water-Bearer, Pisco the Fish, Aro the Ram, Tauro the Bull, Gemino Twins, Canco the Crab, Lev and Leo the Lion, V-Girl and Virgo the Virgin, Libro the Balancer, Stingo and Scorpio the Scorpion, Sagittario the Archer. What's your star sign?	41	Registered	Registered/Protected
61. <input type="checkbox"/>	1430841	Heavenly Bodies, Star Sign Superstars and Zone of the Zodiac: Caprico the Goat, Aquario the Water-Bearer, Pisco the Fish, Aro the Ram, Tauro the Bull, Gemino Twins, Canco the Crab, Lev and Leo the Lion, V-Girl and Virgo the Virgin, Libro the Balancer, Stingo and Scorpio the Scorpion, Sagittario the Archer. What's your star sign?	45	Registered	Registered/Protected
62. <input type="checkbox"/>	1431950	Sky Gods and Sky Goddesses, Weather Gods and Weather Goddesses, and Weather Wizards	16	Registered	Registered/Protected

63. <input type="checkbox"/>	1431953 Sky Gods and Sky Goddesses, Weather Gods and Weather Goddesses, and Weather Wizards	25	Registered Registered/Protected
64. <input type="checkbox"/>	1431954 Sky Gods and Sky Goddesses, Weather Gods and Weather Goddesses, and Weather Wizards	28	Registered Registered/Protected
65. <input type="checkbox"/>	1431956 Sky Gods and Sky Goddesses, Weather Gods and Weather Goddesses, and Weather Wizards	41	Registered Registered/Protected
66. <input type="checkbox"/>	1441251 USHC ULTIMATE SPORTING HEROES CHAMPIONSHIP ULTIMATE SPORTING HEROES USH ULTIMATE SPORTING HEROES	16	Registered Registered/Protected
			
67. <input type="checkbox"/>	1441489 ENERGY MEN	25	Pending Opposed



- | | | | |
|------------------------------|---|----|----------------------|
| 68. <input type="checkbox"/> | 1441879 USHC ULTIMATE SPORTING HEROES CHAMPIONSHIP ULTIMATE SPORTING HEROES
USH ULTIMATE SPORTING HEROES | 25 | Registered |
| | | | Registered/Protected |



- | | | | |
|------------------------------|---|----|----------------------|
| 69. <input type="checkbox"/> | 1441882 USHC ULTIMATE SPORTING HEROES CHAMPIONSHIP ULTIMATE SPORTING HEROES
USH ULTIMATE SPORTING HEROES | 28 | Registered |
| | | | Registered/Protected |



70. ☐ 1441888 USHC ULTIMATE SPORTING HEROES CHAMPIONSHIP ULTIMATE SPORTING HEROES 41 Registered
USH ULTIMATE SPORTING HEROES
Registered/Protected



71. ☐ 1442515 JOINT SUPERCHIEFS AIRFO ARMO NAVO MARINO 25 Registered
Registered/Protected



72. ☐ 1467506 SUPA CHARACTERS' BATTLE OF THE PLANETS JOEL BELING 25 Refused
REFUSED



73. ☐ 1467508 SUPA CHARACTERS' BATTLE OF THE PLANETS JOEL BELING

28 Refused
REFUSED



74. ☐ 1467509 SUPA CHARACTERS' BATTLE OF THE PLANETS JOEL BELING

41 Refused
REFUSED



- | | | | |
|------------------------------|--|----|----------------------|
| 75. <input type="checkbox"/> | 1489613 SUPA CHARACTERS SUPER DOGS THE NEIGHBOURHOOD KIDS WITH REAL BITE JOEL BELING | 16 | Registered |
| | | | Registered/Protected |



- | | | | |
|------------------------------|--|----|----------------------|
| 76. <input type="checkbox"/> | 1489614 SUPA CHARACTERS SUPER DOGS THE NEIGHBOURHOOD KIDS WITH REAL BITE JOEL BELING | 41 | Registered |
| | | | Registered/Protected |



- | | | | |
|------------------------------|--|----|----------------------|
| 77. <input type="checkbox"/> | 1489616 SUPA CHARACTERS SUPER DOGS THE NEIGHBOURHOOD KIDS WITH REAL BITE JOEL BELING | 25 | Registered |
| | | | Registered/Protected |



78. ☐ 1489618 SUPA CHARACTERS SUPER DOGS THE NEIGHBOURHOOD KIDS WITH REAL BITE JOEL 28 Registered
 BELING
 Registered/Protected



EXHIBIT JB-5 of DECLARATION OF JOEL BELING

TESS was last updated on Sat Jun 27 03:20:58 EDT 2015

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("Beling")[ON]

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Current Search: S6: S1,("Beling")[ON] docs: 27 occ: 54

	Serial Number	Reg. Number	Word Mark	Check Status	Live/Dead
1	85437351		USHC ULTIMATE SPORTING HEROES CHAMPIONSHIP; ULTIMATE SPORTING HEROES; USH; ULTIMATE SPORTING HEROES	TSDR	LIVE
2	85324443		COLOR WARS	TSDR	LIVE
3	85325826		BATTLE OF THE PLANETS	TSDR	LIVE
4	85347521		HEAVENLY BODIES, STAR SIGN SUPERSTARS AND ZONE OF THE ZODIAC: CAPRICO THE GOAT, AQUARIO THE WATER-BEARER, PISCO THE FISH, ARO THE RAM, TAURO THE BULL, GEMINO TWINS, CANCO THE CRAB, LEV AND LEO THE LION, V-GIRL AND VIRGO THE VIRGIN, LIBRO THE BALANCER, STINGO AND SCORPIO THE SCORPION, SAGITTARIO THE ARCHER. WHAT'S YOUR STAR SIGN?	TSDR	DEAD
5	85976401	4183468	WARRIORS OF THE WORLD	TSDR	LIVE
6	85975778	4128912	BIG 5 FIVE	TSDR	LIVE
7	85764152		SUPA CHARACTERS' SUPER DOGS THE NEIGHBOURHOOD KIDS WITH REAL BITE. JOEL BELING	TSDR	DEAD
8	85743283		SUPA CHARACTERS' SUPER DOGS THE NEIGHBOURHOOD KIDS WITH REAL BITE. JOEL BELING	TSDR	DEAD
9	85674704		SUPA CHARACTERS' SUPER DOGS THE NEIGHBOURHOOD KIDS WILL REAL BITE JOEL BELING	TSDR	DEAD
10	85672308		SUPA CHARACTERS' SUPER DOGS THE NEIGHBOURHOOD KIDS WITH REAL BITE. JOEL BELING	TSDR	DEAD
11	85356164		SKY GODS AND SKY GODDESSES, WEATHER GODS AND WEATHER GODDESSES, AND WEATHER WIZARDS	TSDR	DEAD
12	85356159		SKY GODS AND SKY GODDESSES, WEATHER GODS AND WEATHER GODDESSES, AND WEATHER	TSDR	DEAD

			WIZARDS		
13	85347523		HEAVENLY BODIES, STAR SIGN SUPERSTARS AND ZONE OF THE ZODIAC: CAPRICO THE GOAT, AQUARIO THE WATER-BEARER, PISCO THE FISH, ARO THE RAM, TAURO THE BULL, GEMINO TWINS, CANCO THE CRAB, LEV AND LEO THE LION, V-GIRL AND VIRGO THE VIRGIN, LIBRO THE BALANCER, STINGO AND SCORPIO THE SCORPION, SAGITTARIO THE ARCHER. WHAT'S YOUR STAR SIGN?	TSDR	DEAD
14	85325839		ULTIMATE SPORTING HEROES	TSDR	DEAD
15	85325778		EMPIRE OF ELEMENTS	TSDR	DEAD
16	85325751		SUPER DOGS	TSDR	LIVE
17	85325726		GREEN GANG	TSDR	DEAD
18	85325449		ENERGY MEN	TSDR	DEAD
19	85324615		WARRIORS OF THE WORLD	TSDR	DEAD
20	85324595		MUSIC MEN	TSDR	DEAD
21	85324466	4128096	BIG 5 FIVE	TSDR	LIVE
22	85324457	4120865	COLOUR WARS: COLOUR-LECTION: VOTE BLUE!/BLACK!/CYAN!/BROWN!/PINK!/YELLOW!/WHITE!/VIOLET!/RED!/ORANGE!/GREEN!/GRAY! BLUE/BLACK/CYAN	TSDR	LIVE
23	85324453	4124579	COLOR WARS: MY FAVOURITE COLOUR IS BLUE/BLACK/CYAN/BROWN/PINK/YELLOW/WHITE/VIOLET/RED/ORANGE/GREEN/GRAY	TSDR	LIVE
24	85321417	4163456	JOINT SUPERCHIEFS: ARMO, NAVO, MARINO, AIRFO	TSDR	LIVE
25	85320662		BIG FIVE	TSDR	DEAD
26	85318763	4120842	SUPA	TSDR	LIVE

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Mark:

COLOR WARS: MY FAVOURITE COLOUR IS BLUE/BLACK/CYAN/BROWN/PINK/YELLOW/ WHITE/VIOLET/RED/ORANGE/GREEN/GRAY

Color Wars: My favourite colour is Blue/Black/Cyan/Brown/Pink/Yellow/ White/Violet/Red/Orange/Green/Gray

US Serial Number: 85324453

Application Filing Date: May 18, 2011

US Registration Number: 4124579

Registration Date: Apr. 10, 2012

Filed as TEAS Plus: Yes

Currently TEAS Plus: Yes

Register: Principal

Mark Type: Trademark

Status: Registered. The registration date is used to determine when post-registration maintenance documents are due.

Status Date: Apr. 10, 2012

Publication Date: Jan. 24, 2012

Mark Information

Mark Literal Elements: COLOR WARS: MY FAVOURITE COLOUR IS BLUE/BLACK/CYAN/BROWN/PINK/YELLOW/ WHITE/VIOLET/RED/ORANGE/GREEN/GRAY

Standard Character Claim: Yes. The mark consists of standard characters without claim to any particular font style, size, or color.

Mark Drawing Type: 4 - STANDARD CHARACTER MARK

Color(s) Claimed: Color is not claimed as a feature of the mark.

Foreign Information

Priority Claimed: Yes

Foreign Application Number: 1414541

Foreign Application Filing Date: Mar. 16, 2011

Foreign Registration Number: 1414541

Foreign Registration Date: Oct. 17, 2011

Foreign Application/Registration Country: AUSTRALIA

Foreign Expiration Date: Oct. 17, 2021

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [...] indicate deleted goods/services;
- Double parenthesis ((...)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For: Adult novelty gag clothing item, namely, socks; Baby layettes for clothing; Belts; Belts for clothing; Belts made out of cloth; Bibs not of cloth or paper; Bottoms; Children's and infant's apparel, namely, jumpers, overall sleepwear, pajamas, rompers and one-piece garments; Children's and infants' apparel treated with fire and heat retardants, namely, jumpers, overall sleepwear, pajamas, rompers and one-piece garments; Children's and infants' cloth bibs; Children's cloth eating bibs; Children's headwear; Cloth bibs; Cloth bibs for adult diners; Cloth bibs for use by senior citizens or physically- or mentally-challenged persons; Cloth diapers; Clothing extension used to extend the normal size range of clothing items to accommodate pregnancy size changes; Clothing for athletic use, namely, padded elbow compression sleeves being part of an athletic garment; Clothing for athletic use, namely, padded pants; Clothing for athletic use, namely, padded shirts; Clothing for athletic use, namely, padded shorts; Clothing for babies, toddlers and children, treated with fire and heat retardants, namely, pajamas, jackets, shirts, pants, jumpers; Clothing for wear in judo practices; Clothing for wear in wrestling games; Clothing items, namely, adhesive pockets that may be affixed directly to the body as a decorative piece of clothing with utility; Clothing items, namely, adhesive pockets that may be affixed directly to the inside of clothing for storage and safekeeping of personal items; Clothing items, namely, blindfolds worn over the eyes; Clothing items, namely, gags worn over the mouth; Clothing shields, namely, pads applied to the underarms of shirts, blouses and sweaters; Clothing, namely, arm warmers; Clothing, namely, athletic sleeves; Clothing, namely, base layers; Clothing, namely, cowls and smoke ring scarves; Clothing, namely, crops; Clothing, namely, folk costumes; Clothing, namely, hand-warmers; Clothing, namely, khakis; Clothing, namely, knee warmers; Clothing, namely, maternity bands; Clothing, namely, neck tubes; Clothing, namely, thobes; Clothing, namely, wrap-arounds; Corsets; Costumes for use in children's dress up play; Costumes for use in role-playing games; Costumes for use in the amusement industry; Dance costumes; Dusters; Eyeshades; Fabric sold as an integral component of finished clothing items, namely, tops, bottoms; Figure skating clothing, namely, tops and bottoms; Fitted swimming costumes with bra cups; Footwear; Foulards; Gloves as clothing; Halloween costumes; Halloween costumes and masks sold in connection therewith; Headbands for clothing; Headgear, namely, caps, hats, and ski and sleep masks; Knit mace masks; Hoods; Infant and toddler one piece clothing; Infant cloth diapers; Inserts specially adapted for cloth diapers made of bamboo; Inserts specially adapted for cloth diapers made of hemp; Inserts specially adapted for cloth diapers made of microfiber; Jackets; Jerseys; Leather belts; Mantles; Masquerade costumes; Masquerade costumes and masks sold in connection therewith; Maternity clothing, namely, tops and bottoms; Men's and women's jackets, coats, trousers, vests; Men's dress socks; Men's socks; Men's suits; Men's suits, women's suits; Men's underwear; Mufflers; Non-disposable cloth training pants; Paper hats for use as clothing items; Parts of clothing, namely, gussets for tights, gussets for stockings, gussets for bathing suits, gussets for underwear, gussets for leotards and gussets for footlets; Parts of clothing, namely, underarm gussets; Party hats; Perspiration absorbent

underwear clothing; Pocket squares; Shifts; Short sets; Shoulder wraps; Shoulder wraps for clothing; Sun protective clothing, namely, tops and bottoms and hats; Swaddling clothes; Swimming costumes; Ties; Tops; Travel clothing contained in a package comprising reversible jackets, pants, skirts, tops and a belt or scarf; Triathlon clothing, namely, triathlon tights, triathlon shorts, triathlon singlets, triathlon shirts, triathlon suits; Underarm clothing shields; Wearable garments and clothing, namely, shirts; Women's clothing, namely, shirts, dresses, skirts, blouses; Wraps

International Class(es): 025 - Primary Class

U.S Class(es): 022, 039

Class Status: ACTIVE

Basis: 44(e)

Basis Information (Case Level)

Filed Use: No

Currently Use: No

Amended Use: No

Filed ITU: Yes

Currently ITU: No

Amended ITU: No

Filed 44D: Yes

Currently 44D: No

Amended 44D: No

Filed 44E: No

Currently 44E: Yes

Amended 44E: Yes

Filed 66A: No

Currently 66A: No

Filed No Basis: No

Currently No Basis: No

Current Owner(s) Information

Owner Name: Beling, Joel L

DBA, AKA, Formerly: DBA Supa Characters Pty Ltd

Owner Address: 1 Mirboo Court
Dallas, Victoria 3047
AUSTRALIA

Legal Entity Type: INDIVIDUAL

Citizenship: AUSTRALIA

Attorney/Correspondence Information

Attorney of Record - None

Correspondent

Correspondent Name/Address: BELING, JOEL L
1 MIRBOO COURT
DALLAS, VICTORIA 3047
AUSTRALIA

Phone: +61 405 329 078

Fax: N/A

Correspondent e-mail: joelbeling@hotmail.com

Correspondent e-mail Authorized: Yes

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Apr. 10, 2012	REGISTERED-PRINCIPAL REGISTER	
Jan. 24, 2012	OFFICIAL GAZETTE PUBLICATION CONFIRMATION E-MAILED	
Jan. 24, 2012	PUBLISHED FOR OPPOSITION	
Jan. 04, 2012	NOTIFICATION OF NOTICE OF PUBLICATION E-MAILED	
Dec. 21, 2011	LAW OFFICE PUBLICATION REVIEW COMPLETED	66213
Dec. 21, 2011	ASSIGNED TO LIE	66213
Dec. 01, 2011	APPROVED FOR PUB - PRINCIPAL REGISTER	
Dec. 01, 2011	EXAMINER'S AMENDMENT ENTERED	88888
Dec. 01, 2011	NOTIFICATION OF EXAMINERS AMENDMENT E-MAILED	6328
Dec. 01, 2011	EXAMINERS AMENDMENT E-MAILED	6328
Dec. 01, 2011	EXAMINERS AMENDMENT -WRITTEN	69195
Nov. 12, 2011	TEAS/EMAIL CORRESPONDENCE ENTERED	88889
Nov. 12, 2011	CORRESPONDENCE RECEIVED IN LAW OFFICE	88889
Nov. 12, 2011	TEAS RESPONSE TO SUSPENSION INQUIRY RECEIVED	
Sep. 29, 2011	NOTIFICATION OF LETTER OF SUSPENSION E-MAILED	6332
Sep. 29, 2011	LETTER OF SUSPENSION E-MAILED	6332

Sep. 29, 2011	SUSPENSION LETTER WRITTEN	69195
Sep. 22, 2011	TEAS/EMAIL CORRESPONDENCE ENTERED	88889
Sep. 21, 2011	CORRESPONDENCE RECEIVED IN LAW OFFICE	88889
Sep. 21, 2011	TEAS RESPONSE TO OFFICE ACTION RECEIVED	
Aug. 31, 2011	NOTIFICATION OF NON-FINAL ACTION E-MAILED	6325
Aug. 31, 2011	NON-FINAL ACTION E-MAILED	6325
Aug. 31, 2011	NON-FINAL ACTION WRITTEN	69195
Aug. 29, 2011	ASSIGNED TO EXAMINER	69195
May 26, 2011	NOTICE OF PSEUDO MARK MAILED	
May 25, 2011	NEW APPLICATION OFFICE SUPPLIED DATA ENTERED IN TRAM	
May 21, 2011	NEW APPLICATION ENTERED IN TRAM	

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: PUBLICATION AND ISSUE SECTION

Date in Location: Apr. 10, 2012

Generated on: This page was generated by TSDR on 2015-06-28 16:32:20 EDT

Mark:

COLOUR WARS: COLOUR-LECTION: VOTE BLUE!/BLACK!/CYAN!/BROWN!/PINK!/ YELLOW!/WHITE!/VIOLET!/RED!/ORANGE!/GREEN!/GRAY!
BLUE/BLACK/CYAN

COLOUR WARS:
COLOUR-LECTION: VOTE BLUE!
/BLACK!/CYAN!/BROWN!/PINK!
YELLOW!/WHITE!/VIOLET!/RED!
/ORANGE!/GREEN!/GRAY!
BLUE/BLACK/CYAN

US Serial Number: 85324457

Application Filing Date: May 18, 2011

US Registration Number: 4120865

Registration Date: Apr. 03, 2012

Filed as TEAS Plus: Yes

Currently TEAS Plus: Yes

Register: Principal

Mark Type: Trademark

Status: Registered. The registration date is used to determine when post-registration maintenance documents are due.

Status Date: Apr. 03, 2012

Publication Date: Jan. 17, 2012

Mark Information

Mark Literal Elements: COLOUR WARS: COLOUR-LECTION: VOTE BLUE!/BLACK!/CYAN!/BROWN!/PINK!/ YELLOW!/WHITE!/VIOLET!/RED!/ORANGE!/GREEN!/GRAY! BLUE/BLACK/CYAN

Standard Character Claim: Yes. The mark consists of standard characters without claim to any particular font style, size, or color.

Mark Drawing Type: 4 - STANDARD CHARACTER MARK

Color(s) Claimed: Color is not claimed as a feature of the mark.

Foreign Information

Priority Claimed: Yes

Foreign Application Number: 1414542

Foreign Application Filing Date: Mar. 16, 2011

Foreign Registration Number: 1414542

Foreign Registration Date: Oct. 17, 2011

Foreign Application/Registration Country: AUSTRALIA

Foreign Expiration Date: Mar. 16, 2021

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [...] indicate deleted goods/services;
- Double parenthesis (()) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For: Adult novelty gag clothing item, namely, socks; Baby layettes for clothing; Belts; Belts for clothing; Belts made out of cloth; Bibs not of cloth or paper; Bottoms; Children's and infant's apparel, namely, jumpers, overall sleepwear, pajamas, rompers and one-piece garments; Children's and infants' apparel treated with fire and heat retardants, namely, jumpers, overall sleepwear, pajamas, rompers and one-piece garments; Children's and infants' cloth bibs; Children's cloth eating bibs; Children's headwear; Cloth bibs; Cloth bibs for adult diners; Cloth bibs for use by senior citizens or physically- or mentally-challenged persons; Cloth diapers; Clothing extension used to extend the normal size range of clothing items to accommodate pregnancy size changes; Clothing for athletic use, namely, padded elbow compression sleeves being part of an athletic garment; Clothing for athletic use, namely, padded pants; Clothing for athletic use, namely, padded shirts; Clothing for athletic use, namely, padded shorts; Clothing for babies, toddlers and children, treated with fire and heat retardants, namely, pajamas, jackets, shirts, pants, jumpers; Clothing for wear in judo practices; Clothing for wear in wrestling games; Clothing items, namely, adhesive pockets that may be affixed directly to the body as a decorative piece of clothing with utility; Clothing items, namely, adhesive pockets that may be affixed directly to the inside of clothing for storage and safekeeping of personal items; Clothing items, namely, blindfolds worn over the eyes; Clothing items, namely, gags worn over the mouth; Clothing shields, namely, pads applied to the underarms of shirts, blouses and sweaters; Clothing, namely, arm warmers; Clothing, namely, athletic sleeves; Clothing, namely, base layers; Clothing, namely, cowls and smoke ring scarves; Clothing, namely, crops; Clothing, namely, folk costumes; Clothing, namely, hand-warmers; Clothing, namely, khakis; Clothing, namely, knee warmers; Clothing, namely, maternity bands; Clothing, namely, neck tubes; Clothing, namely, thobes; Clothing, namely, wrap-arounds; Corsets; Costumes for use in children's dress up play; Costumes for use in role-playing games; Costumes for use in the amusement industry; Dance costumes; Dusters; Eyeshades; Fabric sold as an integral component of finished clothing items, namely, tops, bottoms; Figure skating clothing, namely, tops and bottoms; Fitted swimming costumes with bra cups; Footwear; Foulards; Gloves as clothing; Halloween costumes; Halloween costumes and masks sold in connection therewith; Headbands for clothing; Headgear, namely, caps, hats, and ski and sleep masks; Knit mace masks; Hoods; Infant and toddler one piece clothing; Infant cloth diapers; Inserts specially adapted for cloth diapers made of bamboo; Inserts specially adapted for cloth diapers made of hemp; Inserts specially adapted for cloth diapers made of microfiber; Jackets; Jerseys; Leather belts; Mantles; Masquerade costumes; Masquerade costumes and masks sold in connection therewith; Maternity clothing, namely, tops and bottoms; Men's and women's jackets, coats, trousers, vests; Men's dress socks; Men's socks; Men's suits; Men's suits, women's suits; Men's underwear; Mufflers; Non-disposable cloth training pants; Paper hats for use as clothing items; Parts of clothing, namely, gussets for tights, gussets for stockings, gussets for bathing suits, gussets for underwear,

gussets for leotards and gussets for footlets; Parts of clothing, namely, underarm gussets; Party hats; Perspiration absorbent underwear clothing; Pocket squares; Shifts; Short sets; Shoulder wraps; Shoulder wraps for clothing; Sun protective clothing, namely, tops and bottoms and hats; Swaddling clothes; Swimming costumes; Ties; Tops; Travel clothing contained in a package comprising reversible jackets, pants, skirts, tops and a belt or scarf; Triathlon clothing, namely, triathlon tights, triathlon shorts, triathlon singlets, triathlon shirts, triathlon suits; Underarm clothing shields; Wearable garments and clothing, namely, shirts; Women's clothing, namely, shirts, dresses, skirts, blouses; Wraps

International Class(es): 025 - Primary Class

U.S Class(es): 022, 039

Class Status: ACTIVE

Basis: 44(e)

Basis Information (Case Level)

Filed Use: No

Currently Use: No

Amended Use: No

Filed ITU: Yes

Currently ITU: No

Amended ITU: No

Filed 44D: Yes

Currently 44D: No

Amended 44D: No

Filed 44E: No

Currently 44E: Yes

Amended 44E: No

Filed 66A: No

Currently 66A: No

Filed No Basis: No

Currently No Basis: No

Current Owner(s) Information

Owner Name: Beling, Joel L

DBA, AKA, Formerly: DBA Supa Characters Pty Ltd

Owner Address: 1 Mirboo Court
Dallas, Victoria 3047
AUSTRALIA

Legal Entity Type: INDIVIDUAL

Citizenship: AUSTRALIA

Attorney/Correspondence Information

Attorney of Record - None

Correspondent

Correspondent Name/Address: BELING, JOEL L
1 MIRBOO COURT
DALLAS, VICTORIA 3047
AUSTRALIA

Phone: +61 405 329 078

Fax: N/A

Correspondent e-mail: joelbeling@hotmail.com

Correspondent e-mail Authorized: Yes

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Apr. 03, 2012	REGISTERED-PRINCIPAL REGISTER	
Jan. 17, 2012	OFFICIAL GAZETTE PUBLICATION CONFIRMATION E-MAILED	
Jan. 17, 2012	PUBLISHED FOR OPPOSITION	
Dec. 28, 2011	NOTIFICATION OF NOTICE OF PUBLICATION E-MAILED	
Dec. 09, 2011	LAW OFFICE PUBLICATION REVIEW COMPLETED	70884
Dec. 08, 2011	APPROVED FOR PUB - PRINCIPAL REGISTER	
Dec. 08, 2011	EXAMINER'S AMENDMENT ENTERED	88888
Dec. 08, 2011	NOTIFICATION OF EXAMINERS AMENDMENT E-MAILED	6328
Dec. 08, 2011	EXAMINERS AMENDMENT E-MAILED	6328
Dec. 08, 2011	EXAMINERS AMENDMENT -WRITTEN	69195
Dec. 08, 2011	TEAS/EMAIL CORRESPONDENCE ENTERED	70884
Dec. 08, 2011	CORRESPONDENCE RECEIVED IN LAW OFFICE	70884
Dec. 05, 2011	ASSIGNED TO LIE	70884
Nov. 12, 2011	TEAS RESPONSE TO SUSPENSION INQUIRY RECEIVED	
Sep. 29, 2011	NOTIFICATION OF LETTER OF SUSPENSION E-MAILED	6332
Sep. 29, 2011	LETTER OF SUSPENSION E-MAILED	6332

Sep. 29, 2011	SUSPENSION LETTER WRITTEN	69195
Sep. 22, 2011	TEAS/EMAIL CORRESPONDENCE ENTERED	88889
Sep. 21, 2011	CORRESPONDENCE RECEIVED IN LAW OFFICE	88889
Sep. 21, 2011	TEAS RESPONSE TO OFFICE ACTION RECEIVED	
Aug. 31, 2011	NOTIFICATION OF NON-FINAL ACTION E-MAILED	6325
Aug. 31, 2011	NON-FINAL ACTION E-MAILED	6325
Aug. 31, 2011	NON-FINAL ACTION WRITTEN	69195
Aug. 29, 2011	ASSIGNED TO EXAMINER	69195
May 26, 2011	NOTICE OF PSEUDO MARK MAILED	
May 25, 2011	NEW APPLICATION OFFICE SUPPLIED DATA ENTERED IN TRAM	
May 21, 2011	NEW APPLICATION ENTERED IN TRAM	

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: PUBLICATION AND ISSUE SECTION

Date in Location: Apr. 03, 2012

Generated on: This page was generated by TSDR on 2015-06-20 18:38:39 EDT

Mark: JILL KIRSH COLOR WORKS



US Serial Number: 74527204

Application Filing Date: May 17, 1994

Register: Principal

Mark Type: Trademark

Status: Abandoned because the applicant failed to respond or filed a late response to an Office action. To view all documents in this file, click on the Trademark Document Retrieval link at the top of this page.

Status Date: Sep. 25, 1995

Date Abandoned: Jun. 08, 1995

Mark Information

Mark Literal Elements: JILL KIRSH COLOR WORKS

Standard Character Claim: No

Mark Drawing Type: 3 - AN ILLUSTRATION DRAWING WHICH INCLUDES WORD(S)/ LETTER(S)/NUMBER(S)

Design Search Code(s): 20.01.04 - Blackboards; Boards, bulletin; Boards, clip; Boards, drawing; Bulletin and directory boards; Boards, memo; Clip boards; Clipboards; Easels; Memo boards; Palettes; Chalk boards

Name Portrait Consent: "JILL KIRSH" is the name of a living individual whose consent to use the mark is provided in the attached declaration.

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [...] indicate deleted goods/services;
- Double parenthesis ((...)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For: cosmetics and an instructional color swatch book

International Class(es): 016 - Primary Class

U.S Class(es): 038

Class Status: ABANDONED

Basis: 1(b)

For: kit composed of cosmetic brushes

International Class(es): 021 - Primary Class

U.S Class(es): 029

Class Status: ABANDONED

Basis: 1(b)

Basis Information (Case Level)

Filed Use: No

Currently Use: No

Amended Use: No

Filed ITU: Yes

Currently ITU: Yes

Amended ITU: No

Filed 44D: No

Currently 44D: No

Amended 44D: No

Filed 44E: No

Currently 44E: No

Amended 44E: No

Filed 66A: No

Currently 66A: No

Filed No Basis: No

Currently No Basis: No

Current Owner(s) Information

Owner Name: More Than Makeup, Inc.

Owner Address: 6100 Shadyglade Avenue
North Hollywood, CALIFORNIA 91606
UNITED STATES

Legal Entity Type: CORPORATION

State or Country Where CALIFORNIA
Organized:

Attorney/Correspondence Information

Attorney of Record	
Attorney Name: Rod S. Berman	Docket Number: 8030.0001
Correspondent	
Correspondent Name/Address:	ROD S BERMAN SPENSLEY HORN JUBAS & LUBITZ 1880 CENTURY PARK E FIFTH FL LOS ANGELES, CALIFORNIA 90067 UNITED STATES
Domestic Representative - Not Found	

Prosecution History

Date	Description	Proceeding Number
Sep. 25, 1995	ABANDONMENT - FAILURE TO RESPOND OR LATE RESPONSE	
Dec. 07, 1994	NON-FINAL ACTION MAILED	
Sep. 29, 1994	ASSIGNED TO EXAMINER	62126

TM Staff and Location Information

TM Staff Information	
TM Attorney: ZAK, HENRY S	Law Office Assigned: LAW OFFICE 15
File Location	
Current Location: FILE REPOSITORY (FRANCONIA)	Date in Location: Oct. 16, 1995

Generated on: This page was generated by TSDR on 2015-06-20 18:37:28 EDT

Mark: COLORWORKS

US Serial Number: 74562261

Application Filing Date: Aug. 17, 1994

Register: Principal

Mark Type: Trademark

Status: Abandoned because the applicant failed to respond or filed a late response to an Office action. To view all documents in this file, click on the Trademark Document Retrieval link at the top of this page.

Status Date: Sep. 21, 1995

Date Abandoned: Jul. 14, 1995

Mark Information

Mark Literal Elements: COLORWORKS

Standard Character Claim: No

Mark Drawing Type: 1 - TYPESET WORD(S) /LETTER(S) /NUMBER(S)

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [...] indicate deleted goods/services;
- Double parenthesis ((...)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *...* identify additional (new) wording in the goods/services.

For: stationery supplies, printing and graphic arts materials and coated foil paper

International Class(es): 016 - Primary Class

U.S Class(es): 037

Class Status: ABANDONED

Basis: 1(b)

Basis Information (Case Level)

Filed Use: No

Currently Use: No

Amended Use: No

Filed ITU: Yes

Currently ITU: Yes

Amended ITU: No

Filed 44D: No

Currently 44D: No

Amended 44D: No

Filed 44E: No

Currently 44E: No

Amended 44E: No

Filed 66A: No

Currently 66A: No

Filed No Basis: No

Currently No Basis: No

Current Owner(s) Information

Owner Name: PAPERDIRECT, INC.

Owner Address: 205 Chubb Avenue
Lyndhurst, NEW JERSEY 070710818
UNITED STATES

Legal Entity Type: CORPORATION

**State or Country Where
Organized:** NEW JERSEY

Attorney/Correspondence Information

Attorney of Record

Attorney Name: Bernard Malina

Docket Number: PD.252

Correspondent

Correspondent BERNARD MALINA

Name/Address: MALINA & WOLSON
60 E 42ND ST
NEW YORK, NEW YORK 10165
UNITED STATES

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Sep. 21, 1995	ABANDONMENT - FAILURE TO RESPOND OR LATE RESPONSE	
Jan. 13, 1995	NON-FINAL ACTION MAILED	
Jan. 09, 1995	ASSIGNED TO EXAMINER	60792
Jan. 09, 1995	ASSIGNED TO EXAMINER	59899

TM Staff and Location Information

TM Staff Information

TM Attorney: MAYERSCHOFF, GLENN E

Law Office Assigned: LAW OFFICE 8

File Location

Current Location: FILE REPOSITORY (FRANCONIA)

Date in Location: Sep. 26, 1995

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Mark: COLORWORKS

COLORWORKS

US Serial Number: 75072159

Application Filing Date: Mar. 13, 1996

US Registration Number: 2349187

Registration Date: May 16, 2000

Register: Principal

Mark Type: Trademark

Status: Registration cancelled because registrant did not file an acceptable declaration under Section 8. To view all documents in this file, click on the Trademark Document Retrieval link at the top of this page.

Status Date: Dec. 17, 2010

Publication Date: Nov. 26, 1996

Date Cancelled: Dec. 17, 2010

Mark Information

Mark Literal Elements: COLORWORKS

Standard Character Claim: No

Mark Drawing Type: 1 - TYPESET WORD(S) /LETTER(S) /NUMBER(S)

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [...] indicate deleted goods/services;
- Double parenthesis ((...)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For: computer generated color prints

International Class(es): 016 - Primary Class

U.S Class(es): 002, 005, 022, 023, 029, 037, 038, 050

Class Status: SECTION 8 - CANCELLED

Basis: 1(a)

First Use: Jul. 01, 1993

Use in Commerce: Jul. 01, 1993

Basis Information (Case Level)

Filed Use: Yes

Currently Use: Yes

Amended Use: No

Filed ITU: No

Currently ITU: No

Amended ITU: No

Filed 44D: No

Currently 44D: No

Amended 44D: No

Filed 44E: No

Currently 44E: No

Amended 44E: No

Filed 66A: No

Currently 66A: No

Filed No Basis: No

Currently No Basis: No

Current Owner(s) Information

Owner Name: FLM GRAPHICS CORPORATION

Owner Address: 123 Lehigh Drive
Fairfield, NEW JERSEY 07004
UNITED STATES

Legal Entity Type: CORPORATION

**State or Country Where
Organized:** NEW JERSEY

Attorney/Correspondence Information

Attorney of Record - None

Correspondent

**Correspondent
Name/Address:** FLM GRAPHICS CORPORATION
123 LEHIGH DR
FAIRFIELD, NEW JERSEY 07004
UNITED STATES

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Dec. 17, 2010	CANCELLED SEC. 8 (10-YR)/EXPIRED SECTION 9	
May 03, 2006	REGISTERED - SEC. 8 (6-YR) ACCEPTED	71378
May 03, 2006	ASSIGNED TO PARALEGAL	71378
Apr. 10, 2006	CASE FILE IN TICRS	
Feb. 06, 2006	REGISTERED - SEC. 8 (6-YR) FILED	
Feb. 06, 2006	PAPER RECEIVED	
May 16, 2000	REGISTERED-PRINCIPAL REGISTER	
Feb. 26, 2000	OPPOSITION TERMINATED NO. 999999	104845
Sep. 01, 1999	OPPOSITION DISMISSED NO. 999999	104845
Feb. 12, 1997	OPPOSITION INSTITUTED NO. 999999	104845
Dec. 18, 1996	EXTENSION OF TIME TO OPPOSE RECEIVED	
Nov. 26, 1996	PUBLISHED FOR OPPOSITION	
Oct. 25, 1996	NOTICE OF PUBLICATION	
Sep. 13, 1996	APPROVED FOR PUB - PRINCIPAL REGISTER	
Sep. 09, 1996	ASSIGNED TO EXAMINER	73700

Maintenance Filings or Post Registration Information

Affidavit of Continued Use: Section 8 - Accepted

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: POST REGISTRATION

Date in Location: May 03, 2006

Proceedings

Summary

Number of Proceedings: 1

Type of Proceeding: Opposition

Proceeding Number: [91104845](#)

Filing Date: Jan 27, 1997

Status: Terminated

Status Date: Feb 26, 2000

Interlocutory Attorney:

Defendant

Name: FLM GRAPHICS CORPORATION

Correspondent Address: GARY J. ZALARICK
SAMMARRO & ZALARICK, P.A.
262 PALISADE AVENUE P.O. BOX 769
GARFIELD NJ , 07026
UNITED STATES

Associated marks

Mark	Application Status	Serial Number	Registration Number
COLORWORKS	Cancelled - Section 8	75072159	2349187

Plaintiff(s)

Name: DESKTOP TECHNOLOGIES, INC.

Correspondent Address: RICHARD O. CHURCH
DESKTOP TECHNOLOGIES, INC.
P.O. BOX 858
SHILLINGTON PA , 19607-0858
UNITED STATES

Associated marks

Mark	Application Status	Serial Number	Registration Number
------	--------------------	---------------	---------------------

Prosecution History			
Entry Number	History Text	Date	Due Date
1	FILED AND FEE	Jan 27, 1997	
2	NOTICE SENT; ANSWER DUE (DUE DATE)	Feb 12, 1997	Mar 24, 1997
3	PENDING, INSTITUTED	Feb 12, 1997	
4	DEF'S REPLY NOT OP	Mar 26, 1997	
5	DEF ALLOWED 30 DAYS FILE PROPER ANSWER	Apr 01, 1997	
6	ANSWER	May 01, 1997	
7	TRIAL DATES SET	May 13, 1997	
8	PL'S BRIEF RULE 2.128	Mar 30, 1998	
9	PL'S LETTER RE EVIDENCE	Apr 27, 1998	
10	SUBMITTED ON BRIEF	Feb 11, 1999	
11	BOARD'S DECISION: DISMISSED	Sep 01, 1999	
12	TERMINATED	Feb 26, 2000	

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Mark: COLORWORX

US Serial Number: 75595803

Application Filing Date: Nov. 25, 1998

Register: Principal

Mark Type: Service Mark

Status: Abandoned because no Statement of Use or Extension Request timely filed after Notice of Allowance was issued. To view all documents in this file, click on the Trademark Document Retrieval link at the top of this page.

Status Date: Jun. 29, 2000

Publication Date: Oct. 05, 1999

Notice of Allowance Date: Dec. 28, 1999

Date Abandoned: Jun. 29, 2000

Mark Information

Mark Literal Elements: COLORWORX

Standard Character Claim: No

Mark Drawing Type: 1 - TYPESET WORD(S) /LETTER(S) /NUMBER(S)

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [...] indicate deleted goods/services;
- Double parenthesis ((...)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *...* identify additional (new) wording in the goods/services.

For: HAIR SALON SERVICES

International Class(es): 042 - Primary Class

U.S Class(es): 100, 101

Class Status: ACTIVE

Basis: 1(b)

Basis Information (Case Level)

Filed Use: No

Currently Use: No

Amended Use: No

Filed ITU: Yes

Currently ITU: Yes

Amended ITU: No

Filed 44D: No

Currently 44D: No

Amended 44D: No

Filed 44E: No

Currently 44E: No

Amended 44E: No

Filed 66A: No

Currently 66A: No

Filed No Basis: No

Currently No Basis: No

Current Owner(s) Information

Owner Name: CREATIVE HAIRDRESSERS, INC

Owner Address: 2815 Hartland Road
Falls Church, VIRGINIA 22043
UNITED STATES

Legal Entity Type: CORPORATION

**State or Country Where
Organized:** VIRGINIA

Attorney/Correspondence Information

Attorney of Record

Attorney Name: Leslye S. Fenton

Docket Number: 01606-00

Correspondent

Correspondent LESLYE S FENTON
Name/Address: ODIN, FELDMAN & PITTLEMAN, PC
9302 LEE HWY STE 1100
FAIRFAX, VIRGINIA 22031
UNITED STATES

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Aug. 29, 2000	ABANDONMENT - NO USE STATEMENT FILED	
Dec. 28, 1999	NOA MAILED - SOU REQUIRED FROM APPLICANT	
Oct. 05, 1999	PUBLISHED FOR OPPOSITION	
Sep. 03, 1999	NOTICE OF PUBLICATION	
Jun. 16, 1999	APPROVED FOR PUB - PRINCIPAL REGISTER	
Jun. 11, 1999	ASSIGNED TO EXAMINER	76596

TM Staff and Location Information

TM Staff Information

TM Attorney: SOUDERS, MICHAEL J

Law Office Assigned: LAW OFFICE 115

File Location

Current Location: FILE REPOSITORY (FRANCONIA)

Date in Location: Aug. 29, 2000

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Mark: COLOR WORKSHOP

COLOR WORKSHOP

US Serial Number: 75615329
US Registration Number: 2373935
Register: Principal
Mark Type: Trademark
Status: The registration has been renewed.
Status Date: Feb. 25, 2011
Publication Date: Sep. 14, 1999
Application Filing Date: Jan. 04, 1999
Registration Date: Aug. 01, 2000
Notice of Allowance Date: Dec. 07, 1999

Mark Information

Mark Literal Elements: COLOR WORKSHOP
Standard Character Claim: No
Mark Drawing Type: 1 - TYPESET WORD(S) /LETTER(S) /NUMBER(S)
Disclaimer: "COLOR"

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [...] indicate deleted goods/services;
- Double parenthesis (()) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks "*" identify additional (new) wording in the goods/services.

For: Artists' materials, namely, arts and craft paint kits comprising paint boxes; paint brushes; pens, pencils, crayons and drawing instruments; stencils, drawing pads; [greeting cards,] pictures, posters
International Class(es): 016 - Primary Class
U.S Class(es): 002, 005, 022, 023, 029, 037, 038, 050
Class Status: ACTIVE
Basis: 1(a)
First Use: Mar. 1999
Use in Commerce: Mar. 1999

Basis Information (Case Level)

Filed Use: No	Currently Use: Yes	Amended Use: No
Filed ITU: Yes	Currently ITU: No	Amended ITU: No
Filed 44D: No	Currently 44D: No	Amended 44D: No
Filed 44E: No	Currently 44E: No	Amended 44E: No
Filed 66A: No	Currently 66A: No	
Filed No Basis: No	Currently No Basis: No	

Current Owner(s) Information

Owner Name: JAKKS PACIFIC, INC.
Owner Address: 22619 PACIFIC COAST HIGHWAY
MALIBU, CALIFORNIA 90265
UNITED STATES
Legal Entity Type: CORPORATION
State or Country Where Organized: DELAWARE

Attorney/Correspondence Information

Attorney of Record

Attorney Name: LARRY MILLER
Docket Number: P408.322-000

Correspondent

Correspondent Name/Address: Larry Miller
Feder Kaszovitz LLP
845 Third Avenue
11th Floor
New York, NEW YORK 10022

UNITED STATES

Phone: (212) 888-8200

Fax: (212) 888-7776

Correspondent e-mail: lmiller@fedkas.com

Correspondent e-mail Yes
Authorized:

Domestic Representative

Domestic Representative Name: FEDER, KASZOVITZ, ISAACSON, WEBER,
SKALA

Prosecution History

Date	Description	Proceeding Number
Feb. 25, 2011	REGISTERED AND RENEWED (FIRST RENEWAL - 10 YRS)	75184
Feb. 25, 2011	REGISTERED - SEC. 8 (10-YR) ACCEPTED/SEC. 9 GRANTED	
Feb. 02, 2011	CASE ASSIGNED TO POST REGISTRATION PARALEGAL	75184
Feb. 01, 2011	TEAS SECTION 8 & 9 RECEIVED	
Mar. 25, 2009	TEAS CHANGE OF CORRESPONDENCE RECEIVED	
Sep. 24, 2006	REGISTERED - SEC. 8 (6-YR) ACCEPTED & SEC. 15 ACK.	70853
Sep. 24, 2006	ASSIGNED TO PARALEGAL	70853
Jun. 20, 2006	REGISTERED - SEC. 8 (6-YR) & SEC. 15 FILED	
Jun. 20, 2006	TEAS SECTION 8 & 15 RECEIVED	
Mar. 06, 2006	CASE FILE IN TICRS	
Feb. 11, 2004	TEAS CHANGE OF CORRESPONDENCE RECEIVED	
Aug. 01, 2000	REGISTERED-PRINCIPAL REGISTER	
May 01, 2000	ALLOWED PRINCIPAL REGISTER - SOU ACCEPTED	
Apr. 23, 2000	STATEMENT OF USE PROCESSING COMPLETE	
Mar. 02, 2000	USE AMENDMENT FILED	
Dec. 07, 1999	NOA MAILED - SOU REQUIRED FROM APPLICANT	
Sep. 14, 1999	PUBLISHED FOR OPPOSITION	
Aug. 13, 1999	NOTICE OF PUBLICATION	
May 20, 1999	APPROVED FOR PUB - PRINCIPAL REGISTER	
May 13, 1999	EXAMINER'S AMENDMENT MAILED	
May 11, 1999	ASSIGNED TO EXAMINER	76406

Maintenance Filings or Post Registration Information

Affidavit of Continued Use: Section 8 - Accepted

Affidavit of Incontestability: Section 15 - Accepted

Renewal Date: Aug. 01, 2010

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: GENERIC WEB UPDATE

Date in Location: Feb. 25, 2011

Assignment Abstract Of Title Information

Summary

Total Assignments: 4

Registrant: P&M PRODUCTS LIMITED

Assignment 1 of 4

Conveyance: SECURITY AGREEMENT

Reel/Frame: [2394/0739](#)

Pages: 22

Date Recorded: Nov. 05, 2001

Supporting Documents: [assignment-tm-2394-0739.pdf](#)

Assignor

Name: P&M PRODUCTS LIMITED		Execution Date: Oct. 10, 2001
Legal Entity Type: LIMITED PARTNERSHIP	State or Country Where Organized: No Place Where Organized Found	
Assignee		
Name: PNC BANK NATIONAL ASSOCIATION		
Legal Entity Type: ASSOCIATION	State or Country Where Organized: No Place Where Organized Found	
Address: 1600 MARKET STREET PHILADELPHIA, PENNSYLVANIA 19103		
Correspondent		
Correspondent Name: CSC		
Correspondent Address: TONYA CHAPPLE 80 STATE STREET ALBANY, NY 12207		
Domestic Representative - Not Found		
Assignment 2 of 4		
Conveyance: ASSIGNS THE ENTIRE INTEREST		
Reel/Frame: 2737/0786	Pages: 6	
Date Recorded: Oct. 28, 2003		
Supporting Documents: assignment-tm-2737-0786.pdf		
Assignor		
Name: P & M PRODUCTS LIMITED		Execution Date: May 30, 2003
Legal Entity Type: CORPORATION	State or Country Where Organized: No Place Where Organized Found	
Assignee		
Name: JPI COLORWORKSHIP, INC.		
Legal Entity Type: CORPORATION	State or Country Where Organized: DELAWARE	
Address: 22619 PACIFIC COAST HIGHWAY MALIBU, CALIFORNIA 90265		
Correspondent		
Correspondent Name: LARRY MILLER		
Correspondent Address: 23RD FLOOR 750 LEXINGTON AVE NEW YORK, NY 10022		
Domestic Representative - Not Found		
Assignment 3 of 4		
Conveyance: ASSIGNS THE ENTIRE INTEREST		
Reel/Frame: 3228/0660	Pages: 4	
Date Recorded: Jan. 17, 2006		
Supporting Documents: assignment-tm-3228-0660.pdf		
Assignor		
Name: JPI COLORWORKSHOP, INC.		Execution Date: Dec. 01, 2005
Legal Entity Type: CORPORATION	State or Country Where Organized: DELAWARE	
Assignee		
Name: JAKKS PACIFIC, INC.		
Legal Entity Type: CORPORATION	State or Country Where Organized: DELAWARE	
Address: 22619 PACIFIC COAST HIGHWAY SUITE 250 MALIBU, CALIFORNIA 90265		
Correspondent		
Correspondent Name: GENERAL COUNSEL		
Correspondent Address: 22619 PACIFIC COAST HIGHWAY SUITE 250 MALIBU, CA 90265		
Domestic Representative - Not Found		
Assignment 4 of 4		
Conveyance: SECURITY INTEREST		
Reel/Frame: 5246/0539	Pages: 30	

Date Recorded: Mar. 28, 2014

Supporting Documents: [assignment-tm-5246-0539.pdf](#)

Assignor

Name: [JAKKS PACIFIC, INC.](#)

Execution Date: Mar. 27, 2014

Legal Entity Type: CORPORATION

State or Country Where
Organized: DELAWARE

Assignee

Name: [GENERAL ELECTRIC CAPITAL CORPORATION](#)

Legal Entity Type: CORPORATION

State or Country Where
Organized: DELAWARE

Address: 500 WEST MONROE STREET, SUITE 13-120
CHICAGO, ILLINOIS 60661

Correspondent

Correspondent Name: ADAM SPIEGEL, ESQ.

Correspondent Address: 2049 CENTURY PARK EAST, SUITE 3800
MCDERMOTT WILL & EMERY LLP
LOS ANGELES, CA 90067

Domestic Representative - Not Found

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Mark: COLOR WORKS

COLOR WORKS

US Serial Number: 75643180
US Registration Number: 2476288
Register: Principal
Mark Type: Trademark
Status: The registration has been renewed.
Status Date: Mar. 02, 2011
Publication Date: Mar. 28, 2000
Application Filing Date: Feb. 17, 1999
Registration Date: Aug. 07, 2001
Notice of Allowance Date: Jun. 20, 2000

Mark Information

Mark Literal Elements: COLOR WORKS
Standard Character Claim: No
Mark Drawing Type: 1 - TYPESET WORD(S) /LETTER(S) /NUMBER(S)
Disclaimer: "COLOR"

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [...] indicate deleted goods/services;
- Double parenthesis ((...)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For: paint color cards
International Class(es): 016 - Primary Class
U.S Class(es): 002, 005, 022, 023, 029, 037, 038, 050
Class Status: ACTIVE
Basis: 1(a)
First Use: Dec. 12, 2000
Use in Commerce: Dec. 12, 2000

Basis Information (Case Level)

Filed Use: No	Currently Use: Yes	Amended Use: No
Filed ITU: Yes	Currently ITU: No	Amended ITU: No
Filed 44D: No	Currently 44D: No	Amended 44D: No
Filed 44E: No	Currently 44E: No	Amended 44E: No
Filed 66A: No	Currently 66A: No	
Filed No Basis: No	Currently No Basis: No	

Current Owner(s) Information

Owner Name: SWIMC, INC.
Owner Address: PO Box 657
Newark, DELAWARE 197150657
UNITED STATES
Legal Entity Type: CORPORATION
State or Country Where Organized: DELAWARE

Attorney/Correspondence Information

Attorney of Record

Attorney Name: Robert E. McDonald, REG. NO. 29,193
Attorney Primary Email Address: LEGAL_IP@SHERWIN.COM
Docket Number: 3860E
Attorney Email Authorized: Yes

Correspondent

Correspondent Name/Address: Robert E. McDonald, REG. NO. 29,193
c/o The Sherwin-Williams Company

101 W. Prospect Avenue
1100 Midland Bldg. - Legal Dept.
CLEVELAND, OHIO 44115-1075
UNITED STATES

Phone: 2165662432

Fax: 2165154400

Correspondent e-mail: LEGAL_IP@SHERWIN.COM

Correspondent e-mail Yes
Authorized:

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Mar. 02, 2011	REGISTERED AND RENEWED (FIRST RENEWAL - 10 YRS)	67603
Mar. 02, 2011	REGISTERED - SEC. 8 (10-YR) ACCEPTED/SEC. 9 GRANTED	
Feb. 11, 2011	TEAS SECTION 8 & 9 RECEIVED	
Nov. 12, 2009	APPLICANT/CORRESPONDENCE CHANGES (NON-RESPONSIVE) ENTERED	88888
Nov. 12, 2009	TEAS CHANGE OF OWNER ADDRESS RECEIVED	
Aug. 23, 2007	REGISTERED - SEC. 8 (6-YR) ACCEPTED & SEC. 15 ACK.	67603
Aug. 21, 2007	ASSIGNED TO PARALEGAL	67603
Jul. 30, 2007	REGISTERED - SEC. 8 (6-YR) & SEC. 15 FILED	
Jul. 30, 2007	TEAS SECTION 8 & 15 RECEIVED	
Feb. 20, 2007	CASE FILE IN TICRS	
Aug. 07, 2001	REGISTERED-PRINCIPAL REGISTER	
May 01, 2001	ALLOWED PRINCIPAL REGISTER - SOU ACCEPTED	
Apr. 23, 2001	STATEMENT OF USE PROCESSING COMPLETE	
Dec. 20, 2000	USE AMENDMENT FILED	
Jun. 20, 2000	NOA MAILED - SOU REQUIRED FROM APPLICANT	
Mar. 28, 2000	PUBLISHED FOR OPPOSITION	
Feb. 25, 2000	NOTICE OF PUBLICATION	
Jan. 13, 2000	APPROVED FOR PUB - PRINCIPAL REGISTER	
Dec. 13, 1999	CORRESPONDENCE RECEIVED IN LAW OFFICE	
Jun. 14, 1999	NON-FINAL ACTION MAILED	
Jun. 09, 1999	ASSIGNED TO EXAMINER	76511

Maintenance Filings or Post Registration Information

Affidavit of Continued Use: Section 8 - Accepted

Affidavit of Incontestability: Section 15 - Accepted

Renewal Date: Aug. 07, 2011

TM Staff and Location Information

TM Staff Information - None
File Location

Current Location: GENERIC WEB UPDATE

Date in Location: Mar. 02, 2011

Assignment Abstract Of Title Information

Summary

Total Assignments: 2

Registrant: Sherwin-Williams Automotive Finishes Corp.

Assignment 1 of 2

Conveyance: ASSIGNS THE ENTIRE INTEREST

Reel/Frame: [2301/0482](#)

Pages: 5

Date Recorded: Aug. 03, 2001

Supporting Documents: [assignment-tm-2301-0482.pdf](#)

Assignor	
Name: SHERWIN-WILLIAMS AUTOMOTIVE FINISHES CORP.	Execution Date: Aug. 01, 2001
Legal Entity Type: CORPORATION	State or Country Where Organized: DELAWARE
Assignee	
Name: SHERWIN-WILLIAMS COMPANY, THE	State or Country Where Organized: OHIO
Address: 101 PROSPECT AVENUE, NW CLEVELAND, OHIO 44115-1075	
Correspondent	
Correspondent Name: THE SHERWIN-WILLIAMS COMPANY	
Correspondent Address: ROBERT E. MCDONALD, ESQ. 101 PROSPECT AVENUE, NW 1100 MIDLAND BLDG - LEGAL DEPT. CLEVELAND, OH 44115-1075	
Domestic Representative - Not Found	
Assignment 2 of 2	
Conveyance: ASSIGNS THE ENTIRE INTEREST	
Reel/Frame: 2302/0652	Pages: 8
Date Recorded: Aug. 07, 2001	
Supporting Documents: assignment-tm-2302-0652.pdf	
Assignor	
Name: SHERWIN-WILLIAMS COMPANY, THE	Execution Date: Aug. 01, 2001
Legal Entity Type: CORPORATION	State or Country Where Organized: OHIO
Assignee	
Name: SWIMC, INC.	State or Country Where Organized: DELAWARE
Address: 300 DELAWARE AVENUE WILMINGTON, DELAWARE 19801	
Correspondent	
Correspondent Name: THE SHERWIN-WILLIAMS COMPANY	
Correspondent Address: ROBERT E. MCDONALD 101 PROSPECT AVENUE, NW 1100 MIDLAND BLDG.- LEGAL DEPT. CLEVELAND, OH 44115-1075	
Domestic Representative - Not Found	

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Mark: COLOR WORKS

COLOR WORKS

US Serial Number: 76636412

Application Filing Date: Apr. 19, 2005

Register: Principal

Mark Type: Trademark

Status: Abandoned after an appeal of the examining attorney's final refusal. For further information, see TTABVue on the Trademark Trial and Appeal Board web page.

Status Date: Jan. 08, 2007

Date Abandoned: Jan. 08, 2007

Mark Information

Mark Literal Elements: COLOR WORKS

Standard Character Claim: Yes. The mark consists of standard characters without claim to any particular font style, size, or color.

Mark Drawing Type: 4 - STANDARD CHARACTER MARK

Disclaimer: "COLOR"

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [...] indicate deleted goods/services;
- Double parenthesis ((...)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For: Stationery, papers for ink-jet and laser printers and scrapbooking paper

International Class(es): 016 - Primary Class

U.S Class(es): 002, 005, 022, 023, 029, 037, 038, 050

Class Status: ACTIVE

Basis: 1(b)

Basis Information (Case Level)

Filed Use: No

Currently Use: No

Amended Use: No

Filed ITU: Yes

Currently ITU: Yes

Amended ITU: No

Filed 44D: No

Currently 44D: No

Amended 44D: No

Filed 44E: No

Currently 44E: No

Amended 44E: No

Filed 66A: No

Currently 66A: No

Filed No Basis: No

Currently No Basis: No

Current Owner(s) Information

Owner Name: Royal Consumer Products LLC

Owner Address: 108 Main Street
Norwalk, CONNECTICUT 06851
UNITED STATES

Legal Entity Type: LIMITED LIABILITY COMPANY

**State or Country Where
Organized:** DELAWARE

Attorney/Correspondence Information

Attorney of Record

Attorney Name: James R. Frederick

Docket Number: 854-129

**Attorney Primary Email
Address:** mail@wfva.net

**Attorney Email
Authorized:** No

Correspondent

**Correspondent
Name/Address:** JAMES R FREDERICK
WARE, FRESSOLA, VAN DER SLUYS
PO BOX 224
MONROE, CONNECTICUT 06468
UNITED STATES

Phone: (203) 261-1234

Fax: (203) 261-5676

Correspondent e-mail: mail@wfva.net

Correspondent e-mail No

Authorized:

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Aug. 01, 2007	ABANDONMENT NOTICE MAILED - AFTER EX PARTE APPEAL	
Jan. 08, 2007	ABANDONMENT - AFTER EX PARTE APPEAL	70458
Jul. 30, 2007	EXPARTE APPEAL TERMINATED	636412
May 17, 2007	EXPARTE APPEAL DSMSSED - FAILURE TO FILE BRIEF	636412
Feb. 08, 2007	ACTION DENYING REQ FOR RECON MAILED	
Feb. 08, 2007	ACTION CONTINUING FINAL - COMPLETED	80804
Jan. 18, 2007	EX PARTE APPEAL-INSTITUTED	636412
Jan. 18, 2007	JURISDICTION RESTORED TO EXAMINING ATTORNEY	636412
Jul. 05, 2006	FINAL REFUSAL MAILED	
Jul. 03, 2006	FINAL REFUSAL WRITTEN	80804
Jun. 28, 2006	AMENDMENT FROM APPLICANT ENTERED	69712
May 22, 2006	CORRESPONDENCE RECEIVED IN LAW OFFICE	69712
May 22, 2006	PAPER RECEIVED	
Nov. 18, 2005	NON-FINAL ACTION MAILED	
Nov. 17, 2005	NON-FINAL ACTION WRITTEN	80804
Nov. 17, 2005	ASSIGNED TO EXAMINER	80804
Apr. 28, 2005	NEW APPLICATION ENTERED IN TRAM	

TM Staff and Location Information

TM Staff Information	
TM Attorney: SINGH, TEJBIR	Law Office Assigned: LAW OFFICE 106
File Location	
Current Location: TMEG LAW OFFICE 106 - EXAMINING ATTORNEY ASSIGNED	Date in Location: Aug. 01, 2007

Proceedings

Summary

Number of Proceedings: 1

Type of Proceeding: Exparte Appeal

Proceeding Number: [76636412](#)

Filing Date: Jan 08, 2007

Status: Terminated

Status Date: Jul 30, 2007

Interlocutory Attorney:

Plaintiff(s)

Name: Royal Consumer Products Ilc

Correspondent Address: JAMES R. FREDERICK
WARE, FRESSOLA, VAN DER SLUYS
P.O. BOX 224
MONROE CT , 06468
UNITED STATES

Correspondent e-mail: mail@wfva.net

Associated marks

Mark	Application Status	Serial Number	Registration Number
COLOR WORKS	Abandoned - After Ex Parte Appeal	76636412	

Prosecution History

Entry Number	History Text	Date	Due Date
1	APPEAL TO BOARD	Jan 08, 2007	

2	APPEAL ACKNOWLEDGED; CASE REMANDED	Jan 18, 2007
3	PENDING, INSTITUTED	Jan 18, 2007
4	RECONSIDERATION DENIED	Feb 08, 2007
5	PROCEEDINGS RESUMED	Feb 23, 2007
6	BD'S DECISION: DISMISSED FOR FAILURE TO FILE BRIEF	May 17, 2007
7	TERMINATED	Jul 30, 2007

Generated on: This page was generated by TSDR on 2015-06-20 18:32:32 EDT

Mark: COLORWORKS

COLORWORKS

US Serial Number: 77393203
US Registration Number: 3632494
Register: Principal
Mark Type: Trademark
Status: Registered. The registration date is used to determine when post-registration maintenance documents are due.
Status Date: Jun. 02, 2009
Publication Date: Jun. 24, 2008
Application Filing Date: Feb. 10, 2008
Registration Date: Jun. 02, 2009
Notice of Allowance Date: Sep. 16, 2008

Mark Information

Mark Literal Elements: COLORWORKS
Standard Character Claim: Yes. The mark consists of standard characters without claim to any particular font style, size, or color.
Mark Drawing Type: 4 - STANDARD CHARACTER MARK

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [...] indicate deleted goods/services;
- Double parenthesis ((...)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *...* identify additional (new) wording in the goods/services.

For: Storage and organization systems comprising binders, folders, colored stickers, labels, adhesive notes and tabs for organizing, sorting, storing, and acting upon documents and the like
International Class(es): 016 - Primary Class
U.S Class(es): 002, 005, 022, 023, 029, 037, 038, 050
Class Status: ACTIVE
Basis: 1(a)
First Use: Mar. 01, 2009
Use in Commerce: Mar. 01, 2009

Basis Information (Case Level)

Filed Use: No	Currently Use: Yes	Amended Use: No
Filed ITU: Yes	Currently ITU: No	Amended ITU: No
Filed 44D: No	Currently 44D: No	Amended 44D: No
Filed 44E: No	Currently 44E: No	Amended 44E: No
Filed 66A: No	Currently 66A: No	
Filed No Basis: No	Currently No Basis: No	

Current Owner(s) Information

Owner Name: New Order Organizers LLC
Owner Address: 6557 Packard Court
Mentor, OHIO 44060
UNITED STATES
Legal Entity Type: LIMITED LIABILITY COMPANY
State or Country Where Organized: OHIO

Attorney/Correspondence Information

Attorney of Record

Attorney Name: Richard S. MacMillan
Attorney Primary Email Address: docketing@mstfirm.com
Docket Number: 1-29860
Attorney Email Authorized: No

Correspondent

Correspondent Name/Address: RICHARD S. MACMILLAN
MACMILLAN, SOBANSKI & TODD, LLC

720 WATER ST., ONE MARITIME PLAZA
FIFTH FLOOR
TOLEDO, OHIO 43604
UNITED STATES

Phone: (419) 255-5900

Fax: (419) 255-9639

Correspondent e-mail: docteting@mstfirm.com

Correspondent e-mail No
Authorized:

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Jun. 02, 2009	REGISTERED-PRINCIPAL REGISTER	
Apr. 29, 2009	LAW OFFICE REGISTRATION REVIEW COMPLETED	69350
Apr. 23, 2009	ALLOWED PRINCIPAL REGISTER - SOU ACCEPTED	
Apr. 01, 2009	STATEMENT OF USE PROCESSING COMPLETE	69302
Mar. 11, 2009	USE AMENDMENT FILED	69302
Apr. 01, 2009	CASE ASSIGNED TO INTENT TO USE PARALEGAL	69302
Mar. 11, 2009	TEAS STATEMENT OF USE RECEIVED	
Sep. 16, 2008	NOA MAILED - SOU REQUIRED FROM APPLICANT	
Jun. 24, 2008	PUBLISHED FOR OPPOSITION	
Jun. 04, 2008	NOTICE OF PUBLICATION	
May 22, 2008	LAW OFFICE PUBLICATION REVIEW COMPLETED	69350
May 22, 2008	ASSIGNED TO LIE	69350
May 21, 2008	ASSIGNED TO LIE	66121
May 21, 2008	APPROVED FOR PUB - PRINCIPAL REGISTER	
May 21, 2008	EXAMINER'S AMENDMENT ENTERED	88888
May 21, 2008	NOTIFICATION OF EXAMINERS AMENDMENT E-MAILED	6328
May 21, 2008	EXAMINERS AMENDMENT E-MAILED	6328
May 21, 2008	EXAMINERS AMENDMENT -WRITTEN	77868
May 21, 2008	ASSIGNED TO EXAMINER	77868
Feb. 14, 2008	NOTICE OF PSEUDO MARK MAILED	
Feb. 13, 2008	NEW APPLICATION ENTERED IN TRAM	

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: PUBLICATION AND ISSUE SECTION

Date in Location: Apr. 29, 2009

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Mark: COLORWORX

COLORWORX

US Serial Number: 78388576

Application Filing Date: Mar. 22, 2004

Register: Principal

Mark Type: Service Mark

Status: Abandoned because no Statement of Use or Extension Request timely filed after Notice of Allowance was issued. To view all documents in this file, click on the Trademark Document Retrieval link at the top of this page.

Status Date: Oct. 06, 2005

Publication Date: Jan. 11, 2005

Notice of Allowance Date: Apr. 05, 2005

Date Abandoned: Oct. 06, 2005

Mark Information

Mark Literal Elements: COLORWORX

Standard Character Claim: Yes. The mark consists of standard characters without claim to any particular font style, size, or color.

Mark Drawing Type: 4 - STANDARD CHARACTER MARK

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [...] indicate deleted goods/services;
- Double parenthesis (()) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For: Wholesale distributorship featuring jewelry

International Class(es): 035 - Primary Class

U.S Class(es): 100, 101, 102

Class Status: ACTIVE

Basis: 1(b)

Basis Information (Case Level)

Filed Use: No

Currently Use: No

Amended Use: No

Filed ITU: Yes

Currently ITU: Yes

Amended ITU: No

Filed 44D: No

Currently 44D: No

Amended 44D: No

Filed 44E: No

Currently 44E: No

Amended 44E: No

Filed 66A: No

Currently 66A: No

Filed No Basis: No

Currently No Basis: No

Current Owner(s) Information

Owner Name: D'Elia, Christopher Writer

Owner Address: 2720 Congress Street
Fairfield, CONNECTICUT 06824
UNITED STATES

Legal Entity Type: INDIVIDUAL

Citizenship: UNITED STATES

Attorney/Correspondence Information

Attorney of Record - None

Correspondent

Correspondent Name/Address: D'ELIA, CHRISTOPHER WRITER
2720 CONGRESS ST
FAIRFIELD, CONNECTICUT 06824-7158
UNITED STATES

Phone: 203-451-1573

Fax: 203-259-7950

Correspondent e-mail: writerd@optonline.net

Correspondent e-mail Yes
Authorized:

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Dec. 05, 2005	ABANDONMENT NOTICE MAILED - NO USE STATEMENT FILED	
Dec. 05, 2005	ABANDONMENT - NO USE STATEMENT FILED	46996
Apr. 05, 2005	NOA MAILED - SOU REQUIRED FROM APPLICANT	
Jan. 11, 2005	PUBLISHED FOR OPPOSITION	
Dec. 22, 2004	NOTICE OF PUBLICATION	
Nov. 05, 2004	LAW OFFICE PUBLICATION REVIEW COMPLETED	76537
Oct. 19, 2004	ASSIGNED TO LIE	76537
Oct. 13, 2004	APPROVED FOR PUB - PRINCIPAL REGISTER	
Sep. 30, 2004	ASSIGNED TO EXAMINER	67424
Apr. 01, 2004	NEW APPLICATION ENTERED IN TRAM	

TM Staff and Location Information

TM Staff Information

TM Attorney: CORDOVA, RAUL

Law Office Assigned: LAW OFFICE 114

File Location

Current Location: INTENT TO USE SECTION

Date in Location: Apr. 05, 2005

Generated on: This page was generated by TSDR on 2015-06-20 18:07:24 EDT

Mark: COLORWORX

COLORWORX

US Serial Number: 78421318

Application Filing Date: May 19, 2004

Register: Principal

Mark Type: Trademark

Status: Abandoned because the applicant failed to respond or filed a late response to an Office action. To view all documents in this file, click on the Trademark Document Retrieval link at the top of this page.

Status Date: Feb. 22, 2006

Date Abandoned: Jan. 30, 2006

Mark Information

Mark Literal Elements: COLORWORX

Standard Character Claim: Yes. The mark consists of standard characters without claim to any particular font style, size, or color.

Mark Drawing Type: 4 - STANDARD CHARACTER MARK

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [...] indicate deleted goods/services;
- Double parenthesis ((...)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *...* identify additional (new) wording in the goods/services.

For: Non-electric mirrors and personal compact mirrors

International Class(es): 020 - Primary Class

U.S Class(es): 002, 013, 022, 025, 032, 050

Class Status: ACTIVE

Basis: 1(b)

Basis Information (Case Level)

Filed Use: No

Currently Use: No

Amended Use: No

Filed ITU: Yes

Currently ITU: Yes

Amended ITU: No

Filed 44D: No

Currently 44D: No

Amended 44D: No

Filed 44E: No

Currently 44E: No

Amended 44E: No

Filed 66A: No

Currently 66A: No

Filed No Basis: No

Currently No Basis: No

Current Owner(s) Information

Owner Name: Conair Corporation

Owner Address: One Cummings Point Road
Stamford, CONNECTICUT 06902
UNITED STATES

Legal Entity Type: CORPORATION

**State or Country Where
Organized:** DELAWARE

Attorney/Correspondence Information

**Attorney of Record - None
Correspondent**

**Correspondent
Name/Address:** CONAIR CORPORATION
ONE CUMMINGS POINT RD
STAMFORD, CONNECTICUT 06902
UNITED STATES

Phone: (203) 351-9164

Fax: (203)975-4685

Correspondent e-mail: vindra_richter@conair.com

Correspondent e-mail No
Authorized:

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Feb. 22, 2006	ABANDONMENT NOTICE MAILED - FAILURE TO RESPOND	
Feb. 22, 2006	ABANDONMENT - FAILURE TO RESPOND OR LATE RESPONSE	
Oct. 12, 2005	ASSIGNED TO EXAMINER	76745
Jul. 27, 2005	FINAL REFUSAL MAILED	
Jul. 26, 2005	FINAL REFUSAL WRITTEN	77869
Jul. 05, 2005	TEAS/EMAIL CORRESPONDENCE ENTERED	88888
Jul. 05, 2005	CORRESPONDENCE RECEIVED IN LAW OFFICE	88888
Jun. 23, 2005	TEAS RESPONSE TO OFFICE ACTION RECEIVED	
Dec. 23, 2004	NON-FINAL ACTION E-MAILED	6325
Dec. 23, 2004	NON-FINAL ACTION WRITTEN	77869
Dec. 19, 2004	ASSIGNED TO EXAMINER	77869
May 26, 2004	NEW APPLICATION ENTERED IN TRAM	

TM Staff and Location Information

TM Staff Information

TM Attorney: MAHONEY, PAULA M

Law Office Assigned: LAW OFFICE 101

File Location

Current Location: TMEG LAW OFFICE 101 - EXAMINING
ATTORNEY ASSIGNED

Date in Location: Feb. 22, 2006

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Mark: COLORWORX



US Serial Number: 78698743

Application Filing Date: Aug. 23, 2005

US Registration Number: 3372884

Registration Date: Jan. 22, 2008

Register: Principal

Mark Type: Service Mark

Status: A cancellation proceeding is pending at the Trademark Trial and Appeal Board. For further information, see TTABVue on the Trademark Trial and Appeal Board web page.

Status Date: Mar. 26, 2012

Publication Date: Nov. 06, 2007

Mark Information

Mark Literal Elements: COLORWORX

Standard Character Claim: No

Mark Drawing Type: 3 - AN ILLUSTRATION DRAWING WHICH INCLUDES WORD(S)/ LETTER(S)/NUMBER(S)

Color(s) Claimed: Color is not claimed as a feature of the mark.

Design Search Code(s): 21.03.12 - Targets without crosshairs or alignment guides; Dart boards
26.01.21 - Circles that are totally or partially shaded.
26.17.06 - Diagonal line(s), band(s) or bar(s); Bars, diagonal; Lines, diagonal; Bands, diagonal

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [...] indicate deleted goods/services;
- Double parenthesis ((...)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For: Printing Services

International Class(es): 040 - Primary Class

U.S Class(es): 100, 103, 106

Class Status: ACTIVE

Basis: 1(a)

First Use: Aug. 2002

Use in Commerce: Aug. 2002

Basis Information (Case Level)

Filed Use: Yes

Currently Use: Yes

Amended Use: No

Filed ITU: No

Currently ITU: No

Amended ITU: No

Filed 44D: No

Currently 44D: No

Amended 44D: No

Filed 44E: No

Currently 44E: No

Amended 44E: No

Filed 66A: No

Currently 66A: No

Filed No Basis: No

Currently No Basis: No

Current Owner(s) Information

Owner Name: Ennis, Inc.

Owner Address: 2441 Presidential Pkwy
Midlothian, TEXAS 76065
UNITED STATES

Legal Entity Type: CORPORATION

State or Country Where
Organized: TEXAS

Attorney/Correspondence Information

Attorney of Record	
Attorney Name: Edwin S. Flores	Docket Number: ENNI:3010
Attorney Primary Email Address: docket@chalkerflores.com	Attorney Email Authorized: Yes
Correspondent	
Correspondent Name/Address: DANIEL J CHALKER CHALKER FLORES LLP 14951 N DALLAS PARKWAY SUITE 400 DALLAS, TEXAS 75254 UNITED STATES	
Phone: 214-866-0001	Fax: 214-866-0010
Correspondent e-mail: docket@chalkerflores.com	Correspondent e-mail Authorized: Yes
Domestic Representative - Not Found	

Prosecution History

Date	Description	Proceeding Number
Apr. 21, 2014	PETITION TO DIRECTOR DENIED	73373
Feb. 04, 2014	TEAS PETITION TO DIRECTOR RECEIVED	
Dec. 10, 2013	TEAS PETITION TO DIRECTOR RECEIVED	
Jun. 20, 2013	ASSIGNED TO PETITION STAFF	80796
Jun. 07, 2013	TEAS PETITION TO DIRECTOR RECEIVED	1111
Feb. 13, 2013	NOTICE OF ACCEPTANCE OF SEC. 8 & 15 - E-MAILED	
Feb. 13, 2013	REGISTERED - SEC. 8 (6-YR) ACCEPTED & SEC. 15 ACK.	64591
Feb. 12, 2013	CASE ASSIGNED TO POST REGISTRATION PARALEGAL	64591
Jan. 31, 2013	TEAS SECTION 8 & 15 RECEIVED	
Mar. 26, 2012	CANCELLATION INSTITUTED NO. 999999	55374
Jul. 06, 2011	ATTORNEY REVOKED AND/OR APPOINTED	
Jul. 06, 2011	TEAS REVOKE/APPOINT ATTORNEY RECEIVED	
Apr. 29, 2011	TEAS CHANGE OF CORRESPONDENCE RECEIVED	
Jan. 22, 2008	REGISTERED-PRINCIPAL REGISTER	
Nov. 06, 2007	PUBLISHED FOR OPPOSITION	
Oct. 17, 2007	NOTICE OF PUBLICATION	
Oct. 02, 2007	LAW OFFICE PUBLICATION REVIEW COMPLETED	77978
Oct. 02, 2007	APPROVED FOR PUB - PRINCIPAL REGISTER	
Sep. 29, 2007	LIE CHECKED SUSP - TO ATTY FOR ACTION	77978
Sep. 29, 2007	ASSIGNED TO LIE	77978
Mar. 28, 2007	REPORT COMPLETED SUSPENSION CHECK CASE STILL SUSPENDED	
Sep. 28, 2006	LETTER OF SUSPENSION E-MAILED	6332
Sep. 28, 2006	SUSPENSION LETTER WRITTEN	81878
Sep. 28, 2006	TEAS/EMAIL CORRESPONDENCE ENTERED	70824
Sep. 11, 2006	CORRESPONDENCE RECEIVED IN LAW OFFICE	70824
Sep. 11, 2006	TEAS RESPONSE TO OFFICE ACTION RECEIVED	
Mar. 10, 2006	NON-FINAL ACTION E-MAILED	6325
Mar. 10, 2006	NON-FINAL ACTION WRITTEN	81878
Mar. 10, 2006	ASSIGNED TO EXAMINER	81878
Aug. 31, 2005	NEW APPLICATION ENTERED IN TRAM	

Maintenance Filings or Post Registration Information

Affidavit of Continued Use: Section 8 - Accepted

Affidavit of Incontestability: Section 15 - Accepted

TM Staff and Location Information

TM Staff Information - None File Location

Current Location: PETITIONS OFFICE

Date in Location: May 08, 2014

Assignment Abstract Of Title Information

Summary

Total Assignments: 1

Registrant: Ennis, Inc.

Assignment 1 of 1

Conveyance: SECURITY INTEREST

Reel/Frame: [4094/0597](#)

Pages: 17

Date Recorded: Nov. 11, 2009

Supporting Documents: [assignment-tm-4094-0597.pdf](#)

Assignor

Name: [ENNIS, INC.](#)

Execution Date: Nov. 03, 2009

Legal Entity Type: CORPORATION

State or Country Where
Organized: TEXAS

Name: [ENNIS BUSINESS FORMS OF KANSAS, INC.](#)

Execution Date: Nov. 03, 2009

Legal Entity Type: CORPORATION

State or Country Where
Organized: KANSAS

Name: [CONNOLLY TOOL AND MACHINE COMPANY](#)

Execution Date: Nov. 03, 2009

Legal Entity Type: COMPANY

State or Country Where
Organized: DELAWARE

Name: [ADMORE, INC.](#)

Execution Date: Nov. 03, 2009

Legal Entity Type: CORPORATION

State or Country Where
Organized: TEXAS

Name: [PFC PRODUCTS, INC.](#)

Execution Date: Nov. 03, 2009

Legal Entity Type: CORPORATION

State or Country Where
Organized: DELAWARE

Name: [ENNIS ACQUISITIONS, INC.](#)

Execution Date: Nov. 03, 2009

Legal Entity Type: CORPORATION

State or Country Where
Organized: NEVADA

Name: [NORTHSTAR COMPUTER FORMS, INC.](#)

Execution Date: Nov. 03, 2009

Legal Entity Type: CORPORATION

State or Country Where
Organized: MINNESOTA

Name: [GENERAL FINANCIAL SUPPLY, INC.](#)

Execution Date: Nov. 03, 2009

Legal Entity Type: CORPORATION

State or Country Where
Organized: IOWA

Name: [CALIBRATED FORMS CO. INC.](#)

Execution Date: Nov. 03, 2009

Legal Entity Type: CORPORATION

State or Country Where
Organized: KANSAS

Name: [CRABAR/GBF, INC.](#)

Execution Date: Nov. 03, 2009

Legal Entity Type: CORPORATION

State or Country Where
Organized: DELAWARE

Name: [ROYAL BUSINESS FORMS INC.](#)

Execution Date: Nov. 03, 2009

Legal Entity Type: CORPORATION

State or Country Where
Organized: TEXAS

Name: [ALSTYLE APPAREL LLC](#)

Execution Date: Nov. 03, 2009

Legal Entity Type: LIMITED LIABILITY COMPANY

State or Country Where
Organized: DELAWARE

Name: [A AND G, INC.](#)

Execution Date: Nov. 03, 2009

Legal Entity Type: CORPORATION

State or Country Where
Organized: ILLINOIS

Name: [ALSTYLE ENSENADA LLC](#)

Execution Date: Nov. 03, 2009

Legal Entity Type:	LIMITED LIABILITY COMPANY	State or Country Where Organized:	ILLINOIS
Name:	ALSTYLE HERMOSILLA LLC	Execution Date:	Nov. 03, 2009
Legal Entity Type:	LIMITED LIABILITY COMPANY	State or Country Where Organized:	ILLINOIS
Name:	DIACO USA, LLC	Execution Date:	Nov. 03, 2009
Legal Entity Type:	LIMITED LIABILITY COMPANY	State or Country Where Organized:	CALIFORNIA
Name:	TENNESSEE BUSINESS FORMS COMPANY	Execution Date:	Nov. 03, 2009
Legal Entity Type:	COMPANY	State or Country Where Organized:	TENNESSEE
Name:	TBF REALTY, LLC	Execution Date:	Nov. 03, 2009
Legal Entity Type:	LIMITED LIABILITY COMPANY	State or Country Where Organized:	DELAWARE
Name:	BLOCK GRAPHICS, INC.	Execution Date:	Nov. 03, 2009
Legal Entity Type:	CORPORATION	State or Country Where Organized:	OREGON
Name:	SPECIALIZED PRINTED FORMS, INC.	Execution Date:	Nov. 03, 2009
Legal Entity Type:	CORPORATION	State or Country Where Organized:	NEW YORK
Name:	B&D LITHO OF ARIZONA, INC.	Execution Date:	Nov. 03, 2009
Legal Entity Type:	CORPORATION	State or Country Where Organized:	DELAWARE
Name:	SKYLINE BUSINESS FORMS, INC.	Execution Date:	Nov. 03, 2009
Legal Entity Type:	CORPORATION	State or Country Where Organized:	DELAWARE
Name:	SKYLINE BUSINESS PROPERTIES LLC	Execution Date:	Nov. 03, 2009
Legal Entity Type:	LIMITED LIABILITY COMPANY	State or Country Where Organized:	DELAWARE
Name:	SPF REALTY, LLC	Execution Date:	Nov. 03, 2009
Legal Entity Type:	LIMITED LIABILITY COMPANY	State or Country Where Organized:	DELAWARE
Name:	AMERICAN FORMS I, L.P.	Execution Date:	Nov. 03, 2009
Legal Entity Type:	LIMITED PARTNERSHIP	State or Country Where Organized:	TEXAS
Name:	ADAMS MCCLURE I, L.P.	Execution Date:	Nov. 03, 2009
Legal Entity Type:	LIMITED PARTNERSHIP	State or Country Where Organized:	TEXAS
Name:	TEXAS EBF, L.P.	Execution Date:	Nov. 03, 2009
Legal Entity Type:	LIMITED PARTNERSHIP	State or Country Where Organized:	TEXAS
Name:	ENNIS SALES, L.P.	Execution Date:	Nov. 03, 2009
Legal Entity Type:	LIMITED PARTNERSHIP	State or Country Where Organized:	TEXAS
Name:	ENNIS MANAGEMENT, L.P.	Execution Date:	Nov. 03, 2009
Legal Entity Type:	LIMITED PARTNERSHIP	State or Country Where Organized:	TEXAS
Assignee			
Name:	BANK OF AMERICA, N.A., AS ADMINISTRATIVE AGENT		
Legal Entity Type:	NATIONAL BANKING ASSOCIATION	State or Country Where Organized:	UNITED STATES
Address:	901 MAIN STREET MAIL CODE: TX1-492-14-11 DALLAS, TEXAS 75202-3714		
Correspondent			
Correspondent Name:	ANDREA WALKER, WINSTEAD PC		
Correspondent Address:	P.O. BOX 50784 DALLAS, TX 75250-0784		

Proceedings

Summary

Number of Proceedings: 3

Type of Proceeding: Cancellation

Proceeding Number: [92055374](#)

Filing Date: Mar 25, 2012

Status: Pending Court Appeal

Status Date: Mar 25, 2012

Interlocutory Attorney: ELIZABETH A DUNN

Defendant

Name: Ennis, Inc.

Correspondent Address: DANIEL J CHALKER
CHALKER FLORES LLP
14951 N DALLAS PARKWAY , SUITE 400
DALLAS TX , 75254
UNITED STATES

Correspondent e-mail: dchalker@chalkerflores.com , docket@chalkerflores.com , cminchillo@chalkerflores.com , jflores@chalkerflores.com

Associated marks

Mark	Application Status	Serial Number	Registration Number
COLORWORX	Cancellation Pending	78698743	3372884

Plaintiff(s)

Name: Joel L. Beling dba Supa Characters Pty Ltd

Correspondent Address: JOEL L BELING
1 MIRBOO COURT
DALLAS VICTORIA , 3047
AUSTRALIA

Correspondent e-mail: joelbeling@hotmail.com

Associated marks

Mark	Application Status	Serial Number	Registration Number
COLOR WARS	Opposition Pending	85324443	

Prosecution History

Entry Number	History Text	Date	Due Date
1	FILED AND FEE	Mar 25, 2012	
2	NOTICE AND TRIAL DATES SENT; ANSWER DUE:	Mar 26, 2012	May 05, 2012
3	PENDING, INSTITUTED	Mar 26, 2012	
4	D MOT FOR MORE DEFINITE STATEMENT OR MOT TO STRIKE	May 07, 2012	
5	ANSWER	May 07, 2012	
6	P CHANGE OF NAME	May 09, 2012	
7	P MOT TO AMEND PLEADING/AMENDED PLEADING	May 08, 2012	
8	P OPP/RESP TO MOTION	May 21, 2012	
9	P MOT TO AMEND PLEADING/AMENDED PLEADING	Jun 03, 2012	
10	CONSOLIDATED - CHILD of 91203884	Jul 13, 2012	
11	DELETE ENTRY	Sep 19, 2012	
12	DELETE ENTRY	Sep 19, 2012	
13	DELETE ENTRY	Sep 19, 2012	
14	D CHANGE OF CORRESP ADDRESS	Jul 11, 2013	
15	BOARD'S ORDER	Dec 13, 2013	
16	P MOT FOR SUMMARY JGT GRANTED	Sep 30, 2014	
17	APPEAL TO CAFC	Oct 03, 2014	
18	P MOTION	Dec 01, 2014	

Type of Proceeding: Opposition

Proceeding Number: [91203884](#)

Filing Date: Feb 15, 2012

Status: Pending Court Appeal

Status Date: Feb 15, 2012

Interlocutory Attorney: ELIZABETH A DUNN

Defendant

Name: Joel L. Beling dba Supa Characters Pty Ltd

Correspondent Address: JOEL L BELING
1 MIRBOO COURT
DALLAS VICTORIA , 3047
AUSTRALIA

Correspondent e-mail: joelbeling@hotmail.com

Associated marks

Mark	Application Status	Serial Number	Registration Number
COLOR WARS	Opposition Pending	85324443	

Plaintiff(s)

Name: Ennis, Inc.

Correspondent Address: DANIEL J CHALKER
CHALKER FLORES LLP
14951 N DALLAS PARKWAY, SUITE 400
DALLAS TX , 75254
UNITED STATES

Correspondent e-mail: dchalker@chalkerflores.com , jflores@chalkerflores.com , docket@chalkerflores.com , cminchillo@chalkerflores.com

Associated marks

Mark	Application Status	Serial Number	Registration Number
COLORWORX	Cancellation Pending	78698743	3372884

Prosecution History

Entry Number	History Text	Date	Due Date
1	FILED AND FEE	Feb 15, 2012	
2	NOTICE AND TRIAL DATES SENT; ANSWER DUE:	Feb 16, 2012	Mar 27, 2012
3	PENDING, INSTITUTED	Feb 16, 2012	
4	ANSWER	Mar 04, 2012	
5	D REQUEST FOR DISCOVERY CONFERENCE-PHONE	Apr 13, 2012	
6	BOARD'S COMMUNICATION	Apr 26, 2012	
7	P MOT FOR MORE DEFINITE STATEMENT	May 11, 2012	
8	D MOT TO COMPEL DISCOVERY	Jul 08, 2012	
9	D MOT TO COMPEL DISCOVERY	Jul 08, 2012	
10	D MOT TO COMPEL DISCOVERY	Jul 08, 2012	
11	D MOT TO COMPEL DISCOVERY	Jul 08, 2012	
12	D MOT TO COMPEL DISCOVERY	Jul 08, 2012	
13	CONSOLIDATED W 92055374 - PARENT	Jul 13, 2012	
14	D MOT TO COMPEL DISCOVERY	Jul 16, 2012	
15	SUSPENDED	Jul 17, 2012	
16	D MOTION TO DIVIDE	Jul 18, 2012	
17	D MOT TO COMPEL DISCOVERY	Jul 18, 2012	
18	P SECOND AMENDED PETITION TO CANCEL	Jul 27, 2012	
19	P MOT TO DISMISS COUNTERCLAIM: FRCP 12(B)	Aug 27, 2012	
20	ANSWER	Aug 27, 2012	
21	P OPP/RESP TO MOTION	Sep 14, 2012	
22	P REPLY IN SUPPORT OF MOTION	Sep 14, 2012	
23	P RESP TO BD ORDER/INQUIRY	Sep 14, 2012	
24	P MOTION TO EXCEED PAGE LIMIT W/ SECOND AMENDED PETITION TO CANCEL	Sep 18, 2012	
25	P OPP/RESP TO MOTION	Sep 18, 2012	
26	P OBJECTIONS AND RESPONSES TO D'S THIRD REQUEST FOR ADMISSIONS	Sep 18, 2012	
27	PROCEEDINGS RESUMED	May 15, 2013	

28	P REQ TO W/DRAW AS ATTORNEY	May 30, 2013
29	D MOT TO COMPEL DISCOVERY	Jun 20, 2013
30	P OPP/RESP TO MOTION	Jul 05, 2013
31	P CHANGE OF CORRESP ADDRESS	Jul 11, 2013
32	D REPLY IN SUPPORT OF MOTION	Jul 15, 2013
33	DEF SUPP DISC RESPONSES	Aug 19, 2013
34	PL EXPERT DISCLOSURES	Aug 21, 2013
35	SUSP PEND DISP OF OUTSTNDNG MOT	Aug 22, 2013
36	D RESP TO BD ORDER/INQUIRY	Aug 31, 2013
37	P OPP/RESP TO MOTION	Sep 16, 2013
38	D REPLY IN SUPPORT OF MOTION	Sep 23, 2013
39	PROCEEDINGS RESUMED	Nov 12, 2013
40	D MOTION FOR RECONSIDERATION	Dec 10, 2013
41	D PETITION FOR DISQUALIFICATION	Dec 10, 2013
42	D MOTION FOR SUSPENSION W/O CONSENT	Dec 10, 2013
43	BOARD'S ORDER	Dec 13, 2013
44	TRIAL DATES REMAIN AS SET	Dec 20, 2013
45	D RESP TO BD ORDER/INQUIRY	Dec 20, 2013
46	D RESP TO BD ORDER/INQUIRY	Dec 21, 2013
47	TRIAL DATES REMAIN AS SET	Dec 23, 2013
48	CONFIDENTIAL CAFC FILING	Jan 01, 2014
49	TRIAL DATES REMAIN AS SET	Jan 03, 2014
50	REDACTED CAFC FILING	Jan 05, 2014
51	D NOTICE OF SERVICE	Jan 05, 2014
52	D MOT FOR EXT W/O CONSENT	Jan 02, 2014
53	RESPONSE DUE JAN 17, 2014/TRIAL DATES REMAIN AS SET	Jan 07, 2014
54	D RESP TO BD ORDER/INQUIRY	Jan 08, 2014
55	P OPP/RESP TO MOTION	Jan 09, 2014
56	P MOTION	Jan 10, 2014
57	P REPLY IN SUPPORT OF MOTION	Jan 10, 2014
58	TRIAL DATES REMAIN AS SET	Jan 13, 2014
59	NOTICE OF DEP WITHDRAWN	Jan 13, 2014
60	D REQ FOR RECON	Feb 04, 2014
61	D PETITION FOR DISQUALIFICATION	Feb 04, 2014
62	TRIAL DATES REMAIN AS SET	Feb 07, 2014
63	D MOTION	Feb 11, 2014
64	P OPP/RESP TO MOTION	Feb 26, 2014
65	D REPLY IN SUPPORT OF MOTION	Mar 02, 2014
66	D MOT TO COMPEL DISCOVERY	Mar 04, 2014
67	PHONE CONFERENCE SCHEDULED 3/10/14	Mar 08, 2014
68	TRIAL DATES REMAIN AS SET	Mar 11, 2014
69	P MOT FOR SUMMARY JUDGMENT	Mar 11, 2014
70	P MOT FOR SUMMARY JUDGMENT	Mar 11, 2014
71	D COMMUNICATION	Mar 12, 2014
72	D MOTION	Mar 13, 2014
73	D MOTION	Mar 15, 2014
74	SUSP PEND DISP OF OUTSTNDNG MOT	Mar 19, 2014
75	Confidential Defendant's Opposition/Response to Motion	Apr 11, 2014
76	D OPP/RESP TO MOTION	Apr 11, 2014

77	Confidential Defendant's Opposition/Response to Motion	Apr 11, 2014
78	Confidential Defendant's Opposition/Response to Motion	Apr 11, 2014
79	D OPP/RESP TO MOTION	Apr 11, 2014
80	D OPP/RESP TO MOTION	Apr 11, 2014
81	BELING WRIT OF MANDAMUS TO CAFC	Apr 16, 2014
82	REDACTED COPY OF #81	Apr 16, 2014
83	PETITIONS TO DIRECTOR DENIED	Apr 21, 2014
84	P RESPONSE TO CROSS MOT FOR SJ	Apr 28, 2014
85	D REPLY IN SUPPORT OF MOTION	May 09, 2014
86	D REPLY IN SUPPORT OF MOTION	May 09, 2014
87	D REPLY IN SUPPORT OF MOTION	May 09, 2014
88	D MOT FOR AUGMENTED PANEL HEARING	May 15, 2014
89	COPY OF D'S CAFC FILING	May 19, 2014
90	SUSP PEND DISP OF OUTSTNDNG MOT	May 27, 2014
91	Confidential Defendant's Opposition/Response to Motion	Jun 02, 2014
92	Confidential Defendant's Opposition/Response to Motion	Jun 02, 2014
93	D REPLY IN SUPPORT OF MOTION	Jun 02, 2014
94	D OPP/RESP TO MOTION	Jun 05, 2014
95	P REPLY IN SUPPORT OF MOTION	Apr 28, 2014
96	P OPP/RESP TO MOTION	Apr 28, 2014
97	D RESP TO BD ORDER/INQUIRY	Jun 02, 2014
98	COPY OF D'S CAFC FILING	Jun 15, 2014
99	CAFC ORDER	Jun 04, 2014
100	P COMMUNICATION	Jun 17, 2014
101	COPY OF #101	Jun 17, 2014
102	SUSP PEND DISP OF OUTSTNDNG MOT	Jun 18, 2014
103	PROCEEDINGS RESUMED	Sep 30, 2014
104	MOT TO AMEND ANS OR COUNTERCLAIM/AMENDED ANS OR COUNTERCLAIM	Oct 15, 2014
105	CAFC REHEARING DENIED	Oct 15, 2014
106	P OPP/RESP TO MOTION	Oct 30, 2014
107	P MOT FOR SUMMARY JUDGMENT	Oct 31, 2014
108	D REPLY IN SUPPORT OF MOTION	Nov 05, 2014
109	APPEAL TO CAFC	Nov 05, 2014
110	D OPP/RESP TO MOTION	Nov 10, 2014
111	Confidential Defendant's Opposition/Response to Motion	Nov 10, 2014
112	APPEAL TO CAFC	Nov 10, 2014
113	P REPLY IN SUPPORT OF MOTION	Nov 25, 2014
114	D REPLY IN SUPPORT OF MOTION	Nov 30, 2014
115	D MOT TO DISMISS: TM RULE 2.132(A)	Dec 19, 2014
116	P OPP/RESP TO MOTION	Jan 02, 2015
117	D REPLY IN SUPPORT OF MOTION	Jan 05, 2015
118	CORRECTED # 116	Jan 05, 2015
119	D MOT TO STRIKE	Jan 06, 2015
120	P OPP/RESP TO MOTION	Jan 21, 2015
121	SUSP PEND DISP OF OUTSTNDNG MOT	Feb 04, 2015
122	D MOT FOR SUMMARY JGT DENIED	Feb 27, 2015
123	D REQ FOR RECON	Mar 20, 2015
124	P OPP/RESP TO MOTION	Apr 03, 2015

125	D REPLY IN SUPPORT OF MOTION	Apr 14, 2015
126	TRIAL DATES REMAIN AS SET	May 11, 2015
127	P NOTICE OF RELIANCE	May 16, 2015
128	P TESTIMONY	May 16, 2015
129	D MOT TO STRIKE	May 23, 2015
130	P OPP/RESP TO MOTION	Jun 08, 2015
131	D NOTICE OF RELIANCE	Jun 16, 2015
132	D TESTIMONY	Jun 16, 2015
133	D NOTICE OF RELIANCE	Jun 16, 2015
134	D TESTIMONY	Jun 16, 2015
135	D NOTICE OF RELIANCE	Jun 19, 2015

Type of Proceeding: Opposition

Proceeding Number: [91203773](#)

Filing Date: Feb 10, 2012

Status: Terminated

Status Date: Sep 11, 2012

Interlocutory Attorney: ELIZABETH WINTER

Defendant

Name: Pioneer Supply Company, Inc.

Correspondent Address: J MATTHEW PRITCHARD
THE WEBB LAW FIRM
420 FORT DUQUESNE BLVD STE 1200
PITTSBURGH PA , 15222 2803
UNITED STATES

Correspondent e-mail: ttab@webblaw.com

Associated marks

Mark	Application Status	Serial Number	Registration Number
PSC COLORWORKS	Abandoned - After Inter-Partes Decision	85374011	

Plaintiff(s)

Name: Ennis, Inc.

Correspondent Address: Scott A Meyer
Chalker Flores LLP
14951 N Dallas Parkway Suite 400
Dallas TX , 75254
UNITED STATES

Correspondent e-mail: tjacks@chalkerflores.com, smeyer@chalkerflores.com, docket@chalkerflores.com

Associated marks

Mark	Application Status	Serial Number	Registration Number
COLORWORX	Cancellation Pending	78698743	3372884

Prosecution History

Entry Number	History Text	Date	Due Date
1	FILED AND FEE	Feb 10, 2012	
2	NOTICE AND TRIAL DATES SENT; ANSWER DUE:	Feb 10, 2012	Mar 21, 2012
3	PENDING, INSTITUTED	Feb 10, 2012	
4	D'S MOT FOR EXTEN. OF TIME W/ CONSENT	Mar 21, 2012	
5	EXTENSION OF TIME GRANTED	Mar 21, 2012	
6	D'S MOT FOR EXTEN. OF TIME W/ CONSENT	Apr 20, 2012	
7	EXTENSION OF TIME GRANTED	Apr 20, 2012	
8	D'S MOT FOR EXTEN. OF TIME W/ CONSENT	May 21, 2012	
9	EXTENSION OF TIME GRANTED	May 21, 2012	
10	NOTICE OF DEFAULT	Jul 31, 2012	
11	CHANGE OF CORRESPONDENCE ADDRESS	Sep 06, 2012	
12	BOARD'S DECISION: SUSTAINED	Sep 11, 2012	
13	TERMINATED	Sep 11, 2012	

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Mark: COLORWORX

COLORWORX

US Serial Number: 86240567

Application Filing Date: Apr. 02, 2014

Filed as TEAS Plus: Yes

Currently TEAS Plus: Yes

Register: Principal

Mark Type: Trademark

Status: A final Office action refusing registration has been sent (issued) because the applicant neither satisfied nor overcame all requirements and/or refusals previously raised. The applicant may respond by filing (1) a request for reconsideration; and/or (2) an appeal to the Trademark Trial and Appeal Board. To view all documents in this file, click on the Trademark Document Retrieval link at the top of this page.

Status Date: Jan. 07, 2015

Mark Information

Mark Literal Elements: COLORWORX

Standard Character Claim: Yes. The mark consists of standard characters without claim to any particular font style, size, or color.

Mark Drawing Type: 4 - STANDARD CHARACTER MARK

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [...] indicate deleted goods/services;
- Double parenthesis ((...)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *...* identify additional (new) wording in the goods/services.

For: Hair care preparations; Hair coloring preparations; Hair styling preparations

International Class(es): 003 - Primary Class

U.S Class(es): 001, 004, 006, 050, 051, 052

Class Status: ACTIVE

Basis: 1(b)

Basis Information (Case Level)

Filed Use: No

Currently Use: No

Amended Use: No

Filed ITU: Yes

Currently ITU: Yes

Amended ITU: No

Filed 44D: No

Currently 44D: No

Amended 44D: No

Filed 44E: No

Currently 44E: No

Amended 44E: No

Filed 66A: No

Currently 66A: No

Filed No Basis: No

Currently No Basis: No

Current Owner(s) Information

Owner Name: Henkel AG & Co. KGaA

Owner Address: 67 Henkelstrasse
Duesseldorf 40589
GERMANY

Legal Entity Type: kommanditgesellschaft auf aktien (kgaa)

**State or Country Where
Organized:** GERMANY

Attorney/Correspondence Information

Attorney of Record

Attorney Name: A. Kate Huffman

Docket Number: ag - colorwo

**Attorney Primary Email
Address:** trademarks@us.henkel.com

**Attorney Email
Authorized:** Yes

Correspondent

**Correspondent
Name/Address:** A. KATE HUFFMAN
HENKEL CORPORATION
7201 E HENKEL WAY
SCOTTSDALE, ARIZONA 85255-9678

UNITED STATES

Phone: 480.754.2654

Fax: 480.754.6387

Correspondent e-mail: trademarks@us.henkel.com

Correspondent e-mail Yes

Authorized:

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Jan. 07, 2015	NOTIFICATION OF FINAL REFUSAL EMAILED	
Jan. 07, 2015	FINAL REFUSAL E-MAILED	
Jan. 07, 2015	FINAL REFUSAL WRITTEN	68788
Dec. 16, 2014	TEAS/EMAIL CORRESPONDENCE ENTERED	88889
Dec. 15, 2014	CORRESPONDENCE RECEIVED IN LAW OFFICE	88889
Dec. 15, 2014	TEAS RESPONSE TO OFFICE ACTION RECEIVED	
Jun. 17, 2014	NOTIFICATION OF NON-FINAL ACTION E-MAILED	6325
Jun. 17, 2014	NON-FINAL ACTION E-MAILED	6325
Jun. 17, 2014	NON-FINAL ACTION WRITTEN	68788
Jun. 09, 2014	ASSIGNED TO EXAMINER	68788
Apr. 17, 2014	NOTICE OF PSEUDO MARK E-MAILED	
Apr. 16, 2014	NEW APPLICATION OFFICE SUPPLIED DATA ENTERED IN TRAM	
Apr. 05, 2014	NEW APPLICATION ENTERED IN TRAM	

TM Staff and Location Information

TM Staff Information

TM Attorney: BUTLER, MIDGE FAE

Law Office Assigned: LAW OFFICE 107

File Location

Current Location: TMEG LAW OFFICE 107 - EXAMINING
ATTORNEY ASSIGNED

Date in Location: Jan. 07, 2015

1 of 47 DOCUMENTS

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LENGTH: 6954 words

ARTICLE: TRADEMARK EXTORTION REVISITED: A RESPONSE TO VOGEL AND SCHACHTER

NAME: KENNETH L. PORT

TEXT:

\$=P217 INTRODUCTION

In Volume 103 of the Trademark Reporter, Jason Vogel and Jeremy A. Schachter published an article stating that "concerns regarding trademark bullying do not justify new legislation, and instead there are sufficient safeguards in the form of sanctions, declaratory judgment actions, reverse domain name hijacking provisions, self-help, social media, and Internet publicity to address egregious conduct by trademark counsel." ⁿ¹ They claim to agree with the positions of INTA, AIPLA and IPO--that there is nothing that can be learned or gained through Congressional action. They insist, rather, that the problem will resolve itself without having to involve legislation. I respectfully dissent from these views. Mr. Vogel and Mr. Schachter's position, as well as the INTA, AIPLA and IPO, is purely anecdotal and unsupported by any data. I provide here an analysis of real cases based on real data that suggests that trademark bullying is a significant issue. In fact, the pervasiveness of trademark bullying is, statistically, as prevalent as the instances in which money damages are awarded to plaintiffs.

In 2008, I published an article titled *Trademark Extortion: The End of Trademark Law* ⁿ² where I discovered and reported alarming trends in trademark litigation. Specifically, the number of cases reaching a trial on the merits was falling drastically since the year 2000. The number of cases where damages were awarded and the amount of damages awarded were similarly falling--in fact, plaintiffs were awarded money damages only 5.5% of the time. ⁿ³ Treble damages were claimed more often but awarded less frequently and attorney's fees also showed decline. These trends occurred even though the number of cases initially filed continued to increase over time. ⁿ⁴

\$=P218 In *Trademark Extortion*, I argued that this was evidence that trademarks were being used for something other than the assertion of a right. ⁿ⁵ Rather than reducing transaction costs by promoting business goodwill, trademark litigation tactics--extortion, if you will--were effectively increasing the cost of market entry for third parties. Specifically, the evidence suggested that trademarks were increasingly being used as leverage against non-competing entities in an effort to coerce them into submission of their mark. This tactic serves to broaden the trademark holder's rights and, thereby, increase the likelihood that the mark will become famous. Once famous, competition is no longer relevant where the trademark holder asserts a dilution claim ⁿ⁶--a claim only available to famous marks. Conversely, where the mark is not famous, the holder must show that it is in competition with the alleged infringer, has actual plans to be in competition, or that competition is in the zone of natural expansion of the plaintiff's goods or services as a prerequisite to recovery. ⁿ⁷

The point of *Trademark Extortion* was to show that trademark holders are using the threat of litigation as an

additional vehicle by which they can broaden the scope of their trademark rights. The Constitution and the Lanham Act both contemplate that this broadening will happen through actual use of the mark in commerce. Alarming, it seemed to me in 2008 that we were embarking on a new course in trademark law and policy in the United States where rights were determined by litigation rather than by use.

For those suffering the consequences of this conduct, the trade organizations and the United States federal government have been remarkably disobliging. Rather, Vogel and Schachter, as well as the INTA, AIPLA, §=P219 IPO, and PTO, have joined forces in an effort to convince Congress that nothing should be done. They claim that existing rules, such as Rule 11 and others, are a sufficient response to trademark bullying, if bullying is happening at all.
n8

Yet, not only does trademark law permit trademark bullying to exist--it requires it. ⁿ⁹ Trademark holders have a duty to police their marks, as acquiescence to another's use of the same or similar mark on the same or similar goods entitles the junior user to a host of defenses to infringement. ⁿ¹⁰ The AIPLA insists that trademark extortion is essentially the exercise of that duty. The proposition that a mark holder has an affirmative duty to police all use of its mark, however, relies on dicta from a case decided over thirty-years ago in 1979. ⁿ¹¹ I submit that much, including trademark law, policy, the economy, the Internet, etc., has changed since 1979 to warrant a different approach even if this reference was not to gratuitous dicta. I attempt to use data, rather than merely supposition, to support my contention that trademark bullying is happening, is happening often, and is significant enough to warrant Congressional action.

Trademark bullying is an actual, measurable harm and it continues to grow. ⁿ¹² In fact, as the quality of trademark claims continues to decline, spurious claims increase. ⁿ¹³ Trademark bullying itself happens as often as a trademark holder is awarded money damages ⁿ¹⁴; it is present in at least 5.5% of all reported trademark cases. ⁿ¹⁵ Therefore, trademark bullying is, statistically, as prevalent as money damages in trademark litigation.

§=P220 As such, Congress should get involved to legislate a solution. The best solution is to amend Section 1117 of the Lanham Act ⁿ¹⁶ to clarify that defendants can obtain reasonable attorney's fees in egregious cases (like bullying) as well as plaintiffs. This would encourage attorneys to take trademark bullying cases and represent defendants. It would also discourage the prosecution of trademark cases that are only meant to harass or raise the cost of market access for defendants with little expectation of success on the merits. Anecdotal, we also know that once represented by competent trademark counsel, trademark bullying cases tend to evaporate. ⁿ¹⁷ Congress should get involved to create an income stream for trademark counsel who represent the bullied so that trademark counsel do not have to do it pro bono, if the bullied entity cannot pay.

II. Definition of Trademark Extortion

Today, most people refer to what I dubbed trademark extortion ⁿ¹⁸ as "trademark bullying." Trademark bullying is a less inflammatory term to describe the same conduct. Trademark extortion, or "bullying," means the use of a non-famous trademark to enjoin (or seek or threaten to enjoin) a non-competing use by a third party.

Some seem to presume that the relative size or capitalization of companies involved in trademark disputes is generally indicative of whether trademark bullying is present. ⁿ¹⁹ Although the relative size of a company may make the litigation more or less painful to fund, it does not, by definition, predict bullying. That is, often times, large companies sue small companies or individuals for trademark infringement. Most of the time, these cases are legitimate trademark complaints where the defendant knowingly or (most likely) unknowingly used the plaintiff's mark in commerce in an infringing manner. If our trademark system is legitimate and to be relied upon, we should not interfere with legitimate trademark infringement §=P221 cases. After all, every trademark defendant believes s/he is being bullied; most often, s/he is simply an infringer. ⁿ²⁰

Thus, a more clear and helpful definition of trademark bullying is needed. After researching trademark extortion for the better part of six years, as well as coining the term "trademark extortion," I have come up with the following

definition: Trademark Bullying occurs when there is evidence that a trademark holder asserts a non-famous mark against a noncompeting entity on or in connection with goods or services into which the plaintiff has no reasonable expectation of expanding.

A trademark bully is, according to this definition, not the holder of a famous appellation. The Lanham Act allows for the holders of famous marks to broadly assert trademark rights in the name of trademark dilution. ⁿ²¹ Trademark bullying contemplates a situation where the party asserting the trademark right would likely not prevail if the case were fully litigated because the parties are not competing (and there is no intention of competition in the future); however, if a mark is subject to dilution protection (meaning it is famous), competition becomes irrelevant. ⁿ²² Therefore, by definition, a famous mark cannot be the subject of trademark bullying because a famous mark can be legitimately enforced against even noncompeting entities. ⁿ²³

An axiom of American trademark jurisprudence (not dilution justification) has been that one seller of goods should not divert consumers from another. ⁿ²⁴ A long time ago, Learned Hand succinctly articulated the following:

§=P222 The law of unfair trade comes down very nearly to this - as judges have repeated again and again -- that one merchant shall not divert customers from another by representing what he sells as emanating from the second. This has been, and perhaps even more now is, the whole Law and the Prophets on the subject. . . ⁿ²⁵

Paradoxically, there is also the so-called "unrelated goods doctrine." ⁿ²⁶ Some claim that its existence requires an expanded view of trademark infringement and incentivizes trademark bullying. ⁿ²⁷ This doctrine recognizes that not all infringing conduct is on or in connection with goods or services that are immediately and directly competing. If a mark is strong, the relative range of goods and services on which it may be used grows. That is, the stronger the mark, the larger the range of goods and services for which the mark will be protected. The stronger the mark the more distinctive the mark and the more likely that one or more of the multiple factors will viewed in favor of the plaintiff--namely the likelihood that the plaintiff will bridge the gap between the non-competing goods or services. ⁿ²⁸

Each Circuit has adopted its own, distinct test for trademark infringement analysis. Yet, many of the Circuits' tests are very similar. For instance, five of the eleven Circuit Courts of Appeal tests for trademark infringement contain an express element that is, essentially, the likelihood the plaintiff will bridge the gap. Essentially, bridging the gap is the likelihood that the plaintiff will in the future sell a good or service that would more directly compete with the defendant's goods or services. ⁿ²⁹ Trademark §=P223 law is meant to be prospective ⁿ³⁰ and allow the trademark plaintiff's rights to expand over time. This expansion through the so-called related goods doctrine has to be objective and the record has to contain evidence that indicates the plaintiff actually intends such expansion or that the expansion is "natural." ⁿ³¹

The assertion of a mark in a reasonable (or natural) zone of expansion, too, is not bullying. Bullying contemplates enforcing trademark rights beyond the scope of the plaintiff's trademark rights and beyond a reasonable (or natural) expansion of those rights depending upon the strength of the plaintiff's mark. That is, whether or not bullying could or should be dealt with using existing rules regarding professional responsibility and the like, it is an extremely nuanced endeavor requiring an extremely nuanced analysis. We do this serious issue no favor by making bold, across the spectrum claims based on no data.

America is replete with anecdotal stories of trademark bullying where the only logical explanation for the conduct of the plaintiff was that it was engaging in bullying. In addition to the famous examples provided by Vogel and Schachter, some others include the following:

Rob Linden, a business owner that installs blown-in insulation into new homes, adopted the trade name (not the trademark) THERMAL WISE INSULATION as the name of his LLC. Mr. Linden operates solely within the Minneapolis, Minnesota area. Mr. Linden was sued by Questar, Inc. ("Questar") for allegedly infringing their mark

THERM-WISE to describe a rebate program and promotion where, as a regional monopoly in the state of Utah and immediate environs, it encourages people to wisely use energy. ⁿ³² Although Mr. Linden and Quester operate different businesses in different states, Questar is attempting to make Mr. Linden stop using the name of his LLC. ⁿ³³

§=P224 Lorenzo Borghese and his family were sued by Borghese, Inc. for use of the name BORGHESE in connection with the sale of pet care products. Borghese, Inc. is the assignee of the mark PRINCESS MARCHELLA BORGHESE for use on, or in connection with, cosmetics. ⁿ³⁴ Unless pet care products are a natural extension of cosmetics for women or unless Borghese, Inc. has specific plans to expand into pet care products, this part of the law suit is best characterized as trademark bullying.

A college student in Missouri attempted to fund his education by selling outdoor athletic gear under the appellation SOUTH BUTT, upsetting the manufacturers of North Face. ⁿ³⁵ Similarly, a man in Vermont attempted to register EAT MORE KALE, upsetting the Chick-fil-A corporation in light of its use of the mark EAT MOR CHIKIN (in the form of cows holding up a sign extorting such conduct--an example provided in the Vogel and Schachter article but they excluded the humorous context). ⁿ³⁶

The anecdotes abound. We are told, by people like Vogel and Schachter that these are not important and, ignoring any data that does exist, we should allow the law as it exists deal with these incidents. With this article, however, there is now good data that indicates that, more likely than not, trademark bullying is happening and should be dealt with by Congressional action.

III. DATA

Trademark bullying cases have been, heretofore, as elusive and anecdotal. Trademark plaintiffs are free to make claims of infringement, for legitimate or tactical reasons, without having to record or report such claims. Coupled with the vagaries of the requirement that trademark holders police potential infringing uses of their marks, it becomes exceedingly difficult to tell when a case amounts to bullying and when it is legitimate. ⁿ³⁷

§=P225 Until now, there have been no statistical attempts to show that bullying is real and/or and how frequently it happens. The data below suggests that it is very real and happens at same rate that trademark plaintiffs recover money damages.

To test for trademark bullying, I looked at all reported cases since the inception of the Lanham Act where the defendant moved for summary judgment. I used the database that I built in my original article *Trademark Extortion*. ⁿ³⁸ That database consists of every reported case that was dispositively terminated in America relying on the Lanham Act. The database consists of all reported cases from July 1, 1947 through 2011. I harvested from that database, all cases where the defendant moved for summary judgment and prevailed. ⁿ³⁹

General legal literature supports the notion that defendants are very unlikely to prevail in a motion for summary judgment in general subject matter jurisdiction. ⁿ⁴⁰ In fact, in general, defendants prevail in their motions for summary judgment only 4% of the time. ⁿ⁴¹ Trademark defendants, however, in the last decade prevailed at 5.5% of the time or slight more than general litigation. Further data would have to be collected and analyzed to determine if this difference is due to trademark bullying activity which may not be present or adequately represented in the general data.

Summary judgments for defendants are a good place to test the prevalence of trademark bullying. Usually, discovery has closed. ⁿ⁴² The judge looks at all of the plaintiff's evidence and, drawing all reasonable references in favor of the plaintiff, concludes that there are no material facts in dispute and that the defendant is entitled to a judgment as a matter of law. ⁿ⁴³ This is and should be a rare event. For the judge to grant a motion for summary judgment brought by the defendant, the judge is interfering with the plaintiff's chance to be heard, the chance to get a case before a jury, and a chance that, though not strong, it still might prevail. ⁿ⁴⁴ For the court to §=P226 grant a summary judgment motion brought by the defendant, the plaintiff's case must, by definition, be extremely weak. These are the cases that most likely encompass instances of trademark bullying.

There are some alarming trends when looking at the number of cases in the last 60 years broken-down by decade.

Table 1:

Decade	Summary Judgment Granted to Defendant	Average strength of case cases	Percentage of all reported cases	Total number of all reported
1950-1959	4	1.87	1.4%	270
1960-1969	5	1.92	1.9%	251
1970-1979	14	1.84	4.5%	309
1980-1989	16	1.49	2.5%	636
1990-1999	40	1.41	5.8%	682
2000-2009	40	1.33	5.5%	731

The first obvious trend is that the raw incidents of cases where the defendant is granted a summary judgment have increased. They have not only increased in real terms, they have increased in relative terms. In the decade ending in 1969, there were a total of 251 cases in the database. In the decade ending in 2009, there were 731 cases. In the decade ending in 1969, this number accounted for 1.9% of the cases; by 2009, this number accounted for 5.5% of the cases. That is, in relative terms, the number of cases where summary judgment was granted to the defendant increased 8-times in 50 years while the rate of increase of all cases increased only by 2.91-times. ⁿ⁴⁵

\$=P227 Second, the average strength of the case dropped significantly during the same time frame. From a high of 1.9 out of 3 for a quality score in the decade that ended in 1969, it reached a low of 1.33 by the decade that ended in 2009. That is, in the same 50 years, the quality of the plaintiff's claim dropped by more than 71%.

Most significantly, the rate of summary judgment being awarded to the defendant is now 5.5% of reported cases. For those that feel trademark bullying is insignificant, marginal, and should not be studied or discussed further, this is an important finding. Trademark bullying happens at the same rate that money damages are awarded to the plaintiff. Statistically speaking, money damages are as relevant as trademark bullying.

More significant still, this data is quite well supported by statistical analysis.

A. Regression Analysis

1. Strength of Claim

Image 1

The strength of the claim brought by the plaintiff is declining. Statistically, this is well supported by regression analysis. In this case, where $Y = -0.0103x + 21.942$. That is, there is strong statistical evidence that indicates the strength of the plaintiffs' claims is weakening over time. Here, with a p value of 0.001, we can say with 99% certainty that the relative strength of trademark claims has diminished $\$P228$ over time. That is, the regression analysis for the strength of trademark produced favorable results for the hypothesis that trademark strength in trademark bullying cases is declining. We also can predict that, with no additional variables, the strength of the claim will continue to decrease.

This regression analysis also tells us that the relative strength of a trademark claim is predicted to decrease in quality of 0.01 each year based on a case rating scale from 1 - 3. For instance, if in the year 2000 the average strength of a claim where summary judgment was found in favor of defendant equals 1.342, then in 2001 we can expect that the strength of claim will equal 1.332. In one year, the strength of a claim is projected to fall 3/4 of one percent. That is, the

quality of the plaintiff's claim will continue to diminish.

2. Degree of Similarity

Image 2

The degree of similarity between the plaintiff's mark and the defendant's mark has decreased since the inception of the Lanham Act in cases where the defendant prevailed in a motion for a summary judgment, that is, when trademark bullying was present. This is statistically portrayed above and this conclusion is also quite accurate. $Y = -0.0115x + 24.664$ [t stat = -1.98 / p value = 0.052]. That is, the regression analysis for the degree of similarity between marks produced favorable results. We know with 94.98% certainty that the degree of similarity between a plaintiff and an allegedly infringing mark has diminished since 1949. The graph above describes this relationship. Where trademark bullying is likely, plaintiffs' marks are becoming more and more dissimilar to defendants' marks and this trend seems to be continuing.

1.

3. Distinctiveness of Plaintiffs' Marks

\$=P229 Image 3

Here, the regression analysis did not support the contention that plaintiff's trademarks, in general, were generally becoming weaker and less distinctive. Where the p-value is 0.80, no correlation can be said to exist.

The data does show, however, an interesting trend that in fact does support the contention that plaintiff's marks are becoming weaker. Specifically, of percentage of cases where summary judgment was found for defendant, it became increasingly rare for a plaintiff to assert rights in connection with an inherently distinctive mark. That is, from 1980 - 1990 there were six (6) inherently distinctive marks (of 16 cases); from 1990 - 2000, there were nine (9) inherently distinctive marks (of 40 cases); and, from 2000 - 2010, there were only four (4) inherently distinctive marks (of 40 cases).

During the period from 1980 - 1990, 38% of cases where summary judgment was found for defendant involved inherently distinctive marks; from 1990 - 2000, 23%; and, from 2000 - 2010, only 10%. Although the regression analysis does not support the contention that distinctiveness is declining over time, a simple consideration of the percentages of cases involved, demonstratively, does support such a hypothesis.

Therefore, it is safe to say that the distinctiveness of the plaintiff's marks in trademark bullying cases is in a declining trend. Fewer marks being used to enforce rights against trademark defendants are distinctive marks.

4. Proximity of Goods or Services

As with the distinctiveness of plaintiffs' marks, the regression analysis does not support the hypothesis that the goods or services of the plaintiffs is becoming more remote from defendants in cases of likely trademark bullying. This is most \$=P230 likely because there are excluded and unknown variables such as the expansion of the economy, diversity of products, etc. ⁿ⁴⁶

Image 4

IV. METHODOLOGY

The methodology for this study was time consuming but quite simple. I relied on the database I created for the *Trademark Extortion* article that I still maintain. This database lists all reported trademark cases in the United States that came to a dispositive result. It can be found at

<http://web.wmitchell.edu/intellectualproperty/the-mitchell-study-on-trademark-litigation/>. The database currently reports 2,972 trademark cases.

Of the 2,972 cases which had previously been coded for, among other things, the procedural posture of the case, I merely culled only those that reported the results of a summary judgment motion. Of course, these could have been complete summary judgment or partial summary judgment. I did not code for this distinction. I discovered 119 reported cases since the inception date of the Lanham Act, July 5, 1949, that involved a summary judgment motions.

Even though I did not code for the distinction between partial and complete summary judgment motions, to be included in the study, all cases had to come to a dispositive result terminating the case. Therefore, each of the 119 cases came to a dispositive result terminating the case or that issue in the case, but it is possible that another trademark-related or other cause of action permitted the case to proceed. In each of the 119 cases, at least one trademark-related cause of action was met with a summary judgment where the defendant prevailed.

Those 119 cases were then read and coded for the strength of the case. The strength of the case was determined by applying the Polaroid factors. Each case was coded 1-3 as to the likelihood that the plaintiff would prevail on the merits. Each case was read and given a score that reported its likelihood of success, one \$=P231 factor at a time. In the end, each case received a score of 1-3 where 1 was extremely unlikely and 3 was extremely likely that the plaintiff would succeed on the merits.

Obviously, this part of the study was extremely arbitrary and subjective, however, it was consistently arbitrary and/or subjective. Two students read each case and determined what level of strength the case had; difficult cases were adjudicated by me. Therefore, although subjective, it is consistent in its outcome. Collectively, one set of eyes made every judgment as to how to score the strength of each case. Therefore, although subjective, the results were consistent.

All cases were then tabulated and presented in the graphs as shown above.

V. SIGNIFICANCE

The significance of this study is hard to overstate. In the battle over whether trademark bullying happens or not and, if so, how often, this study provides conclusive evidence that it is happening and it is a growing issue. If summary judgments in favor of the defendant are indicative of trademark bullying, trademark bullying happens in 5.5% of the reported cases in the last decade.

The context for the number 5.5 is also startling. In 5.5% of the reported cases, money damages are awarded to the plaintiff. Therefore, trademark bullying is as meaningful to trademark jurisprudence as money damages.

This study is limited by the fact that it relies exclusively on reported cases where the defendant prevailed in its motion for summary judgment. Anecdotally, it is not hard to imagine many other cases where the defendant loses its motion for summary judgment. This could be because the plaintiff's case was stronger, material facts were unresolved, or the individual judge rarely granted summary judgments to defendants because he/she believed that every plaintiff deserves its day in court, etc. This study does not address the multiple reasons why a motion for a summary judgment by defendant might be denied. However, to be sure, many are denied. At least some of them might reasonably be considered to be part of this study but, because the judge denied the motion, it is not.

That is, 5.5% is a floor. Trademark bullying happens at least 5.5% of the time.

Also not considered in this study are all the times a defendant and victim of bullying simply ceases use of the mark and/or changes to a different mark. All of those instances are not captured in this study. Therefore, all the unreported cases where Party X sends Party Y a cease and desist letter and Party Y capitulates and stops using the mark or changes the mark are not part of this study. It may be that some or all or some percentage of all the Party Ys in the United States may have prevailed in a motion for summary judgment; however, because they capitulated, we will never know.

As there is no reporting requirement or registration system in the United States to publicize when a party sends or receives a cease and desist letter and the results, it is impossible to conclude how often this type of scenario happens. However, to be sure, it is not never. Therefore, 5.5% is a floor. Trademark bullying happens at least 5.5% of the time.

This is the primary finding of this study. I respectfully disagree with claims made by such authors as Vogel and Schachter based on no data whatsoever that §=P232 bullying is best dealt with by existing law, that as sanctions such as Rule 11 are available to defendants, no action is required by Congress to respond to trademark bullying, even if it does exist. However, in the 119 cases where the defendant succeeded in its motion for summary judgment, the most egregious case possible where the court dismissed the plaintiff's case or cause of action with no regard for its rights to a day in court, Rule 11 sanctions were awarded in a total of zero cases. In fact, Rule 11 sanctions are very rarely awarded at all. To posit that because a theoretical sanction exists, there should be no concern about the actual conduct that could lead to the sanction is particularly empty when the sanction is never awarded.

VI. CONCLUSION

Trademark bullying (a.k.a. trademark extortion) happens in 5.5% of the reported cases. This is the same rate that plaintiffs recover any money damages. In the reported cases, trademark bullying is as significant, relevant and worrisome as cases where the plaintiff recovers money damages. Also, 5.5% is a floor. Trademark bullying happens at least 5.5% of the time. Where the ceiling is cannot be told because there is no requirement in the United States to report or record the sending out of cease and desist letters or how many times a trademark holder files suit to enforce its marks. Microsoft self-reports that they filed 235 law suits from 2001-2005. ⁿ⁴⁷ However, nowhere are the results recorded, maintained or analyzed.

The people that are not troubled by trademark bullying do not see evidence of it and therefore are not concerned. As there is no reporting or recording requirement in the United States, trademark bullying, if it happens at all, can only be found if we use deductive reasoning. This article is based on the deductive notion that cases where summary judgment was granted for the defendant are likely to represent cases of trademark bullying.

In trademark bullying cases, the quality of the plaintiff's claim is declining. This conclusion is supported by regression analysis that indicates that it is accurate to over 99% certainty.

Trademark bullying cases are increasing. Today, 5.5% of the reported cases are likely bullying cases.

In trademark bullying cases, the degree of similarity between the marks at issue has decreased over time and continues to decrease.

In trademark bullying cases, the pace of growth of all reported trademark cases during the life of the Lanham Act has grown 2.91 times while the pace of growth whether the defendant prevailed in a summary judgment motion has grown at 8 times. That is, the growth rate of trademark bullying cases far exceeds the growth rate of general trademark infringement cases at large.

As no data (just suppositions) was provided by Vogel and Schachter, it is difficult to claim they are wrong in their analysis. Of course, Rule 11 and the other potential sanctions do exist. Without knowing how often they are used in cases §=P233 that manifest trademark bullying, it is impossible to take issue with their nonanalysis. Further, no data is relied on by the various trade organizations (simply outdated dicta from now ancient cases). The data here is the first attempt to prove or disprove trademark bullying. It is provided in the spirit of an academic inquiry. To me, the data here supports the idea that trademark bullying deserves the scrutiny that would be brought to bear if Congress elected to get involved. Clearly, the existing "safeguards" have been proven here to be anything but safe.

As such, Congress should act. Congress could go a long way in stopping trademark bullying if it amended Section 1117 of the Lanham to make it explicit that trademark infringement defendants as well as plaintiffs should be awarded its attorney's fees when the opposing party acts egregiously. Attorney's fees should be liberally awarded in cases where

the defendant moves for summary judgment and prevails as these cases are the clearest manifestation of trademark bullying.

Legal Topics:

For related research and practice materials, see the following legal topics:

Trademark Law Infringement Actions Summary Judgment General Overview Trademark Law Likelihood of Confusion Consumer Confusion Surveys Trademark Law Likelihood of Confusion Similarity Appearance, Meaning & Sound General Overview

FOOTNOTES:

n1 Jason Vogel & Jeremy A. Schachter, *How Ethics Rules Can Be Used to Address Trademark Bullying*, 103 TRADEMARK REP. 503, 518 (2013).

n2 Kenneth L. Port, *Trademark Extortion: The End of Trademark Law*, 65 WASH. & LEE L. REV. 585 (2008) [hereinafter Port, *Extortion*].

n3 *Id.* at 612.

n4 *See infra* Table 1.

n5 Port, *Extortion*, *supra* note 2, at 633.

n6 *See* Lanham Act § 43(c)(1), 15 U.S.C. § 1125(c)(1) (2012) (stating that injunctive relief is available *regardless* of the presence or absence of actual or likely confusion) (*emphasis added*).

n7 With this statement, I do not intend here to enter the debate as to the degree of competition that is required (or should be required) for a

plaintiff to have standing to file suit or enforce its mark. I am only intending to show that the traditional understanding of trademark jurisprudence was/is to require competition or the likelihood of competition before a case or controversy exists. *See, e.g., Leah Chan Grinvald, Shaming Trademark Bullies*, 2011 WIS. L. REV. 625, 636-37 (2011). To the extent that American trademark jurisprudence--mostly in the form of academic commentary--diverges from this traditional understanding, it renders the dilution rationale even more irrelevant and, interestingly, further incentivizes trademark holders to engage in bullying conduct because they don't have to show that their mark is famous to enjoin a non-competitor, they only have to show that the mark is distinctive and/or strong. *Id.* at 638. As I have argued elsewhere, dilution rationale is most easily understood when the traditional view of trademark jurisprudence is followed. Kenneth L. Port, *The Congressional Expansion of American Trademark Law: A Civil Law System in the Making*, 35 WAKE FOREST L. REV. 827, 831 (2000). That is, dilution rationale should be applied when the parties are not and will not be in competition. Infringement rationale should be applied when the parties are or will be in competition. Practitioners do not make this distinction easy on judges when they claim both infringement and dilution in the same case. Under traditional trademark jurisprudence, infringement and dilution ought to be mutually exclusive and not applicable to the same set of operative facts. Judges do not seem to understand this distinction when they find marks infringed and diluted.

n8 Vogel, *supra* note 1, at 505-06.

n9 *See* Ill. High Sch. Ass'n v. GTE Vantage, Inc., 99 F.3d 244, 246 (7th Cir. 1996) (Posner, J.) ("A serious trademark holder is assiduous in endeavoring to convince dictionary editors, magazine and newspaper editors, journalists and columnists, judges, and other lexicographically influential persons to avoid using his trademark to denote anything other than the trademarked good or service."); *Cullman Ventures, Inc. v. Columbian Art Works, Inc.*, 717 F. Supp. 96, 124 (S.D.N.Y. 1989) ("A trademark owner's efforts at policing its trademarks is further proof of the strength of those marks.").

n10 *See* Seller Agency Council, Inc. v. Kennedy Ctr. for Real Estate Educ., 621 F.3d 981, 988 (9th Cir. 2010) (stating that the defense of acquiescence "limits a party's right to bring suit following an *affirmative* act by word or deed by the party that conveys implied consent to another"); *Roederer v. J. Garcia Carrion, S.A.*, 569 F.3d 855, 858-59 (8th Cir. 2009) ("Laches is an equitable defense to an action to enforce a trademark. Laches applies when a claimant inexcusably delays in asserts its claim . . .").

n11 *Proctor and Gamble Co. v. Johnson and Johnson, Inc.*, 485 F. Supp. 1185, 1207 (S.D.N.Y. 1979).

n12 *See infra*, Part III.

n13 *See infra*, Part III.

n14 *See infra*, Part III.

n15 *See infra*, Part III.

n16 15 U.S.C. § 1117 (2008).

n17 They evaporate and enter settlement terms that prevents the bullied party from speaking about the terms and conditions of the settlement. What we do know indicates that these terms are often quite positive for the bullied entity including cash payments from the Plaintiffs themselves would brought the claim in the first place.

n18 Port, *Extortion*, *supra* note 1, at 585.

n19 Mark J. Miller, *Trademark Wars Escalate and it's all the Web's Fault* (March 5, 2012 10:01AM), <http://www.brandchannel.com/home/post/2012/03/05/Trademark-Wars-030512.aspx> (quoting noted American trademark law expert Professor Barton Beebe as saying "The big companies will do this to rough up their competitors.").

n20 In response to *Trademark Extortion*, some criticized me for seeming to be legitimizing or defending infringing conduct. [Find the Scott Johnston quote] Quite to the contrary, I believe in the rule of law and the value of a predictable, legitimate trademark system. Economic investment, growth and wealth all grow out of meeting economic expectations. To be sure, I am not arguing for something that does not recognize or respect the legitimate assertion of legitimate trademark rights.

n21 *See* Port, *Extortion*, *supra* note 2 at 590

n22 *See id.* at 590-91.

n23 15 U.S.C. § 1125(c)(1) (2012) ("the owner of a famous mark . . . shall be entitled to an injunction against another person who . . . commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, *regardless* of the presence or absence . . . of *competition* . . .").

n24 *See* *New Kids on the Block v. News America Pub., Inc.*, 971 F.2d 302, 305 (9th Cir. 1992) (noting that "the wrong protected against" by traditional trademark law was "[p]reventing products from free-riding on their rivals' marks"); *United States v. Hon*, 904 F.2d 803, 806 (2d Cir. 1990) (stating that one purpose of trademark law "protecting the trademark owner's investment in the quality of the mark and his product's reputation"); *Kroger Co. v. Johnson & Johnson*, 570 F.Supp 1055, 1060 (S.D. Ohio 1983) ([T]o permit a bystander who has spent a minimum of time, money, and effort in developing its product to profit by marketing the identical commodity with a similar name and packaging is contrary to state Congressional purpose of the Lanham Act.").

n25 *Yale Elec. Corp. v. Robertson*, 26 F.2d 972, 973 (2d Cir. 1928).

n26 *Aunt Jemima Mills Co. v. Rigney & Co.*, 247 F. 407 (2d Cir. 1917), *cert. denied*, 245 U.S. 672 (1918).

n27 Leah Chan Grinvald, *Shaming Trademark Bullies*, 2011 WISC. L. REV. 625, 636-37 (2011) (Although otherwise a substantively accurate piece, the author does claim that bullying is dependent on the relative size of the two corporations in a trademark dispute. As demonstrated below, the relative size or capitalization of the companies may make the case more or less sympathetic but is not, in itself, a manifestation of bullying conduct).

n28 The weakness of relying on the "bridging the gap" element was recent made plain in Robert G. Bone, *Taking the Confusion out of "Likelihood of Confusion": Toward a More Sensible Approach to Trademark Infringement*, 106 NW. U. L. REV. 1307, 1340-41 (2012).

n29 *See* *Lang v. Retirement Living Publ'g Co.*, 949 F.2d 576, 582 (2d Cir. 1991) (the perception of consumers affects the likelihood of confusion because if consumers perceive bridging the gap as probable, they are more likely to believe that the junior user's products emanate from the senior user).

n30 See *Paco Sport, Ltd. v. Paco Rabanne Parfums*, 86 F. Supp. 2d 305, 318 (S.D.N.Y. 2000) (citing *Hormel Foods Corp. v. Jim Henson Prods.*, 73 F.3d 497, 504 (2d Cir. 1996)) (the actual probability of bridging the gap is relevant because the trademark law protects, in part, the senior user's interest in being able to expand into a related field in the future).

n31 *GMA Accessories, Inc. v. Croscill, Inc.*, No. 06 Civ. 6236 GEL, 2007 WL 766294, *6-7 (S.D.N.Y. Mar. 12, 2007).

n32 See *QUESTAR GAS*, <http://www.thermwise.com/> (last visited Sept. 28, 2014). (Lists "home energy plan" and the tag line "If you conserve, you save.")

n33 See *Questar Gas v. Thermal Wise Insulation*, 2:12-cv-00007-DN, (Utah Jan. 4, 2012) (RFC Express), <http://www.rfcexpress.com/lawsuits/trademarklawsuits/utah-district-court/87570/questar-gas-v-thermal-wise-insulation/summary/> (last updated Jan. 4, 2012).

n34 Christine Haughney, *Borghese v. Borghese: Battle for a Royal Name*, NY Times, June 15, 2013, http://www.nytimes.com/2013/06/16/business/borghese-v-borghese-battle-for-a-royal-name.html?pagewanted=all&_r=0 (last visited on February 11, 2015).

n35 See Jim Salter, *North Face settles lawsuit against South Butt*, NBC NEWS (April 11, 2010), http://www.nbcnews.com/id/36334733/ns/businessconsumer_news/t/north-face-settles-lawsuit-against-south-butt/#.UeyH9D5VSnw.

n36 *Chick-fil-A Fails To Stop 'Eat More Kale' Trademark*, Forbes Magazine, Dec. 15, 2014, <http://www.forbes.com/sites/christinapark/2014/12/15/chick-fil-a-fails-to-stop-eat-more-kale-trademark/> (last visited on February 11, 2015).

n37 See Vogel, *supra* note 8 at 1.

n38 See Port, *Extortion*, *supra* note 2 at 611-21

n39 For a more detailed description of the methodology of this study, *See infra* Part IV.

n40 See Joe Cecil & George Cort, *Report on Summ. J. Prac. Across Dists. with Variations in L. R.* at 17, Table 12 (FJC Aug. 13, 2008), (re-analyzing 2006 data showing a summary judgment rate of just over 4%)

n41 *Id.*

n42 TBMP § 528.02 (2011).

n43 See CMM. Cable Rep., Inc. v. Ocean Coast Props., Inc., 97 F.3d 1504, 1512-13(1st Cir. 1996).

n44 Panavision Int'l L.P. v. Toeppen, 945 F.Supp. 1296, 1301 (C.D. Cal. 1996) ("summary judgment is disfavored in trademark cases because of the inherently factual nature of most trademark disputes.").

n45 Further data need must be collected and analyzed to determine the significance of the fact that incidents of trademark bullying actually may be ameliorating slightly over time. In the decade prior to the last decade, bullying claims peaked at 5.8% of reported cases. Although this was the same raw number of cases (40) that manifest bullying characteristics, the 5.5% figure cited throughout this article is a slight decrease from the previous peak. That is, this is the only piece of data in my study that indicates Vogel and Schachter may be correct. If this problem is going away on its own, I would not support changing the law to be responsive to bullying.

n46 Leah Chan Grinvald, *Shaming Trademark Bullies*, 2011 WISC. L. REV. 625, 634 (2011).

n47 Michael Barbaro & Julie Creswell, *Levi's Turns to Suing Its Rivals*, N.Y. TIMES, Jan. 29, 2007, at A1 (claiming that Microsoft filed 235 infringement law suits from 2001-2006), *available at* <http://www.nytimes.com/2007/01/29/business/29jeans.html>.

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ARTICLE: THE NUCLEAR OPTION: AESTHETIC FUNCTIONALITY TO CURB OVERREACHING
TRADEMARK CLAIMS

NAME: Michael S. Mireles +

BIO:

+ Professor of Law, University of the Pacific, McGeorge School of Law. The author is grateful for the assistance of the staff and editors of the Wake Forest University School of Law Journal of Business and Intellectual Property Law, particularly Chris Hewitt, Stephen Pritchard, Cory Howard and Nathan Harrill. The author is also thankful for comments from the participants, including William H. Brewster, L. Robert Rehm, Jr., Simone Rose and Jeff Slattery, of the March 2012 Wake Forest University Journal of Business and Intellectual Property Law Symposium "Avenue of the Arts: Connecting Creativity, Economics and the Law." Finally, the author offers special thanks to the Texas Intellectual Property Law Journal for its permission to publish this paper which is based on an earlier version published with that journal.

LEXISNEXIS SUMMARY:

... This last issue--the vigorous policing of marks has led to so-called "trademark bullying" or "trademark extortion" through the use of cease and desist letters with the threat of litigation by companies with resources against entities with presumably less resources. ... While the USPTO Trademark Litigation Study focused on the impact of aggressive trademark litigation tactics on small businesses, it is noteworthy that the Chilling Effects Clearinghouse database, which attempts to collect examples of intellectual property overreaching through cease and desist letters, has mostly trademark cease and desist letters sent to Google since 2011 under a search for "trademark"--with almost no cease and desist letters sent to small businesses. ... Apparently, Nike, fearing loss of its Air Force 1 trademark, submitted a "Covenant Not to Sue," essentially stating that it "would not raise against Already or any affiliated entity any trademark or unfair competition claim based on any of Already's existing footwear designs" or "colorable imitation s ." ... A problem with using defensive aesthetic functionality, as alluded to earlier, is attempting to ascertain what is a non-reputation related disadvantage, because arguably the markets created for Betty Boop merchandise or works, and University of Alabama merchandise or works, are driven by demand created in part because of the popularity of the marks or copyrighted works. ... In this case the district court denied a preliminary injunction, in part, by essentially adopting a per se rule that a supposed trademark holder cannot use trademark law to control a single color in the fashion industry. ... However, trademark holders may essentially act as a "bully" when they overreach, and when they do, it is easily understandable how they can stifle artistic expression and creativity under the facts of these cases or a simple extension of the facts.

TEXT:

[*282] I. INTRODUCTION

This essay examines the aesthetic functionality doctrine and the fact patterns of three recent cases where the

doctrine should apply. The facts of these cases highlight how the aesthetic functionality doctrine could be applied to protect creativity and competition, and ensure robust freedom of expression. Importantly, this essay stresses that the doctrine should be considered in light of the vigorous policing of marks by mark owners, expanding trademark law protection and the benefits of aesthetic functionality over other tests.

Part I of this article sets forth an introduction. Part II provides a brief background of the problem of supposed "trademark bullying," "trademark extortion," or "aggressive trademark litigation tactics." Part III reviews the functionality doctrine and the policies animating it. Part IV analyzes three cases as examples of how the aesthetic functionality doctrine could effectively protect creativity, competition and freedom of expression. Part V offers a brief conclusion.

II. POLICING TRADEMARKS

The subject matter and scope of protection of trademark law has expanded tremendously in the last 70 years.ⁿ¹ This expansion has occurred because of the confluence of several important factors, including: new technology, such as the Internet; the value and importance of the brand--with valuations exceeding \$ 60 billion for one brand;ⁿ² and the use of trademarks to protect licensing and merchandising markets, which may generate as much as \$ 187.2 billion in the sale of licensed products worldwide,ⁿ³ including over \$ 3.9 billion for collegiate merchandising alone.ⁿ⁴ Other contributing factors [*283] include the expansion and importance of international markets, and the nature of trademark law itself.ⁿ⁵ The scope of trademark rights is pushed by consumer perception, which to some extent is controlled by trademark holders and their risk adverse lawyers who vigilantly police their marks to protect their clients' valuable brands, and lobby Congress for expanded trademark protection.ⁿ⁶ The policing of trademarks is driven by trademark doctrine and policy which partially provide the incentive to do so.ⁿ⁷

This last issue--the vigorous policing of marks has led to so-called "trademark bullying" or "trademark extortion" through the use of cease and desist letters with the threat of litigation by companies with resources against entities with presumably less resources.ⁿ⁸ Attorneys (of clients of any size and amount of resources) should police their clients' marks to ensure that those marks continue to receive a broad scope of trademark protection.ⁿ⁹ Thus, if there is any arguable [*284] infringing or diluting conduct, the zealous (prudent) lawyer sends a cease and desist letter which, in some cases, may dampen creativity and competition, and chill potential expression.ⁿ¹⁰ In one particularly interesting case, *Salu, Inc. v. Original Skin Store*, the court stated:

[Plaintiff] Salu presents evidence that . . . [it] has continually contacted anyone who it feels is infringing in order to protect its mark. It has sent out over 300 cease and desist letters to alleged infringers in the last couple of years alone. Salu claims that with the exception of ESKINSTORE, this litigation, and one other case that settled out of court, "every other infringer receives [the] letter and stops infringing on [the] trademark."ⁿ¹¹

The topic of "trademark bullying" or "trademark extortion" has received a significant amount of attention. The United States Patent and Trademark Office [USPTO] recently requested public comment on trademark overreaching--bullying--and issued a study on the subject.ⁿ¹² The request for comments initially used the word "bullies" or "bully" but eventually changed the title to "trademark litigation tactics." The reason for the change may be, in part, because there appears to be a lack of consensus about what "trademark bullying" means. The failure to agree on the definition may be the result of a belief by some that all so-called "bullying" that may fall under some definitions of "trademark bullying" may not be negative in light of trademark law so as to justify such a label.ⁿ¹³

Trademark bullying, at the least, seems to include litigation tactics that may involve using cease and desist letters and threats of litigation, where a trademark holder with more resources than a target entity [*285] asserts rights beyond the reasonable scope of its mark.ⁿ¹⁴ For example, a trademark holder might assert its rights against a small business or artist that is using the mark in a way that would be protected under the law because of First Amendment interests.

The April 2011 USPTO Trademark Litigation Study described the results of its request for comments and outlined some of its planned activities to address trademark bullying. ⁿ¹⁵ In summarizing some of the comments, the Trademark Litigation Study notes that:

Most of the direct respondents claimed at least some degree of first-hand knowledge of instances where unduly aggressive trademark litigation or pre-litigation tactics (e.g., cease-and-desist letters) were targeted at a small business. Many of these were directly involved in the issuance or receipt of cease-and-desist letters. . . . When asked if they currently encounter the problem of other trademark owners using their trademark rights to harass and intimidate another business beyond what the law might be reasonably interpreted to allow (e.g., is "trademark bullying a problem"), few commenters explicitly addressed whether and to what extent this issue is a significant problem. Given the limited number of comments and the varied nature of the commenters own experiences, the comments may be [*286] better viewed as anecdotal. ⁿ¹⁶

The Trademark Litigation Study also stated that:

A handful of small business owners explained that they withdrew their trademark applications after receiving a cease-and-desist letter because they lacked the time or financial resources to litigate against a larger, wealthier company. This imbalance of resources was a common theme among many of the comments concerned with the threat of litigation, including one noting that litigation is too expensive to be a realistic option for many small businesses. Other commenters, however, recognized that cease-and-desist letters have a legitimate purpose, explaining that most are sent in good faith, and only a small percentage result from overzealous protection of a mark. Some commenters explained that trademark owners have an obligation to police their marks, and the cease-and-desist letter is a necessary, cost-effective part of the process. ⁿ¹⁷

The results of the Trademark Litigation Study appear to be inconclusive and are perhaps helpful as a starting point for gathering more information about "trademark bullying." ⁿ¹⁸ However, the Trademark Litigation Study does seem to indicate that "trademark bullying" could be happening, but based on the comments received, also hedges on whether litigation enforcement activity that has occurred should be labeled "bullying." ⁿ¹⁹ There is no doubt that companies send cease and desist letters to one another, but whether those particular instances merit the label "trademark bullying" appears to be hard to justify based on the comments received by the USPTO. ⁿ²⁰ Two other studies provide additional support for the argument that trademark bullying exists. ⁿ²¹

The first is the study by Professor Port, which concluded that trademark extortion may explain why there is a rise in filings of [*287] trademark cases, but fewer reported decisions. ⁿ²² The second study by Professor Gallagher found that:

[T]rademark and copyright lawyers and their clients sometimes enforce admittedly weak IP claims precisely because it can be an effective strategy with few downsides. As this study shows, aggressive trademark and copyright enforcement efforts often work, as enforcement targets frequently choose to capitulate or settle rather than resist claims on the legal merits, likely due to the costs and uncertainties inherent in IP litigation. Thus, this study supports the thesis that trademarks and copyrights can be and often are over-enforced in everyday legal practice. ⁿ²³

While the USPTO Trademark Litigation Study focused on the impact of aggressive trademark litigation tactics on small businesses, it is noteworthy that the Chilling Effects Clearinghouse database, which attempts to collect examples of intellectual property overreaching through cease and desist letters, has mostly trademark cease and desist letters sent to Google since 2011 under a search for "trademark"--with almost no cease and desist letters sent to small businesses. ⁿ²⁴ This does not mean that companies are not sending cease and desist letters to small companies and overreaching (see the case involving Salu, Inc. mentioned above), but that small companies and others may not be reporting them to the

Chilling Effects Clearinghouse website. The Brand Geek blog offered to start collecting problematic cease and desist letters, but as of May 20, 2013, none have been posted.ⁿ²⁵ The Legal Force Trademarkia has, however, published data concerning oppositions filed by "trademark bullies"--there are many examples, and the most bullied and the biggest bullies are available for view.ⁿ²⁶

[*288] There have also been several well-publicized incidents involving cease and desist letters. For example, Louis Vuitton sent a cease and desist letter to a student intellectual property law group at the University of Pennsylvania because of their advertising for a symposium on fashion law.ⁿ²⁷ Another example is the cease and desist letter and subsequent interaction between publishing house Penguin and former Penguin author David Thorne,ⁿ²⁸ although there does not seem to be a Penguin cease and desist letter for Mr. Thorne's use of the Penguin logo on his blog.ⁿ²⁹ Finally, there is the very popular, supposedly successful, cease and desist letter story concerning Jack Daniels.ⁿ³⁰ Many seem to believe that this particular cease and desist letter by Jack Daniels was well done.ⁿ³¹

Notably, a recent U.S. Supreme Court case, *Already, LLC v. Nike, Inc.*,ⁿ³² provides an example of supposed trademark bullying. In that case, Nike alleged that its Air Force 1 trademark was infringed and diluted by Already's shoe lines "Sugars" and "Soulja Boys."ⁿ³³ Already "filed a counterclaim contending that the Air Force 1 trademark is invalid."ⁿ³⁴ Apparently, Nike, fearing loss of its Air Force 1 trademark, submitted a "Covenant Not to Sue," essentially stating that it "would not raise against Already or any affiliated entity any trademark or unfair competition claim based on any of Already's existing footwear designs" or "colorable imitation[s]."ⁿ³⁵ In this particular case, Nike, an entity with substantial resources, apparently enforced its trademark against a small entity.ⁿ³⁶ The question arises whether Nike's infringement and dilution claims were overreaching. Here, that seems to be the case. When the validity of its mark was challenged, Nike, "four months after Already counterclaimed," issued [*289] the "Covenant Not to Sue" and moved to dismiss the case.ⁿ³⁷ Unfortunately, the U.S. Supreme Court did not allow Already to pursue its counterclaim because the claim was moot, thus allowing Nike to continue to threaten third parties with trademark claims based on its Air Force 1 mark.ⁿ³⁸

While a different competitor may also challenge Nike's mark, they must have the resources to do so and may face bullying of another kind--importantly, in this case, Already also asserted that "Nike had intimidated retailers into refusing to carry Already's shoes."ⁿ³⁹ Moreover, Justice Kennedy's concurrence notes that, "[O]ver the past eight months, Nike has cleared out the worst offending infringers. Now Already remains as one of the last few companies that was identified on that top ten list of infringers."ⁿ⁴⁰ Justice Kennedy also discussed some of the harms that can occur from the threat of trademark infringement:

[C]harges of trademark infringement can be disruptive to the good business relations between the manufacturer alleged to have been an infringer and its distributors, retailers, and investors. The mere pendency of litigation can mean that other actors in the marketplace may be reluctant to have future dealings with the alleged infringer.ⁿ⁴¹

The anticompetitive impact for trademark overreaching in some cases is real.ⁿ⁴²

This context of vigorous policing is an important backdrop for a discussion of aesthetic functionality and illuminates the problem.ⁿ⁴³ [*290] The problem is not just unclear law. The problem is unclear law in the context of attorneys--notably zealously representing their clients--vigorously enforcing their clients' marks to their broadest arguable extent under evolving consumer perception.ⁿ⁴⁴

III. FUNCTIONALITY LAW

Functionality law is anything but clear.ⁿ⁴⁵ Depending on the jurisdiction, there are two types of functionality: aesthetic and utilitarian.ⁿ⁴⁶

There are arguably two rationales for the functionality doctrine: 1) to ensure that trademark law does not provide perpetual legal protection for subject matter better protected by utility patent law; and 2) to protect and promote

competition. ⁿ⁴⁷ Most would probably agree that both rationales can apply to utilitarian type functionality, but most likely would agree only the latter justifies aesthetic type functionality. ⁿ⁴⁸

Importantly, if functionality applies, either aesthetic or utilitarian, that means that the mark holder's trademark cannot receive legal [*291] protection notwithstanding the mark's ability to serve as a trademark--generally to serve to identify and distinguish one person's goods or services from another and to indicate the source of those goods or services. ⁿ⁴⁹ Thus, functionality and the policies that drive it trump other concerns in trademark law such as protecting the goodwill of the trademark owner or preventing consumer confusion. ⁿ⁵⁰

An additional lack of clarity in functionality law concerns the standards for when functionality exists and how to apply those standards. ⁿ⁵¹ In the U.S. Supreme Court's most recent discussion of functionality in *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, the Court stated that the test for functionality asks whether the claimed trade dress is essential to the use or purpose of the article or affects its cost or quality. ⁿ⁵² Thus, a product design may be functional if the appearance of a product impacts how it works, or its cost or quality--a dual spring design is a cost effective way to allow road signs to flex and remain upright in adverse wind conditions. ⁿ⁵³ The Court also noted that after applying that test, courts could inquire as to whether the trade dress put competitors at a non-reputation related disadvantage--something not because of the functions of the trademark. ⁿ⁵⁴

In determining if the second test is met, a court may inquire into competitive necessity or whether there are alternatives to the claimed trade dress. ⁿ⁵⁵ Thus, if someone claimed the color black in connection with boat motors, the exclusive use of that color in connection with those goods would put competitors at a non-reputation related disadvantage, even though the color does not affect how the motor works. ⁿ⁵⁶ The color can serve to make the motor look smaller and the color black matches many boat colors. ⁿ⁵⁷ And, there are no alternatives to black to serve those purposes, so a competitor needs to use that color. ⁿ⁵⁸ The *TrafFix Devices, Inc.* court seemed to indicate that the second test was to be applied in cases of aesthetic functionality and not utilitarian functionality, but that could be interpreted to mean that the [*292] utilitarian or aesthetic functionality inquiry involves applying both tests, and if either is satisfied, then the mark is functional and not protected. ⁿ⁵⁹

Besides the benefit for certainty in the law, the aesthetic functionality doctrine should be clarified because it may serve to protect wide vistas of the creative arts and competition, and ensure robust freedom of expression. The potential benefits of the doctrine are particularly important because the subject matter of trademarks has expanded to protect almost any symbol that can be perceived as a trademark, including subject matter traditionally protected by copyright law--and it is continuously expanding. ⁿ⁶⁰ For example, subject matter that may be protected by trademark law includes motion marks; colors, including a single color; music; three-dimensional objects; and holographs. ⁿ⁶¹

Three recent cases highlight the expansion of trademark protection--in light of overreaching trademark claims by trademark holders--and how the aesthetic functionality doctrine may serve to reign in expansive trademark protection in the context of vigorous policing of trademarks. ⁿ⁶²

IV. THE CASES AND THE APPLICATION OF THE AESTHETIC FUNCTIONALITY DOCTRINE

The following three recent cases provide some context to how the aesthetic functionality doctrine could be applied to protect creativity, [*293] competition and free expression. This section also provides suggestions for the application of that doctrine.

The facts of the first two cases involve so-called defensive aesthetic functionality doctrine. Under this doctrine, if it applies, a court does not declare that the mark receives no protection in all circumstances as under an ordinary aesthetic functionality analysis. The court determines that the particular infringer's use of the trademark is aesthetically functional and the alleged infringer can thus continue using the mark. ⁿ⁶³

The first case involves two 2011 Ninth Circuit opinions and the famous character "Betty Boop." ⁿ⁶⁴ In *Fleischer Studios, Inc. v. A.V.E.L.A. Inc.*, one party claimed trademark protection over Betty Boop--her image, and word and

character marks--and tried to stop another party from selling Betty Boop dolls, T-shirts, and handbags with her image. ⁿ⁶⁵ The Ninth Circuit, in its first opinion, decided that the alleged infringers' use was covered by aesthetic functionality and the alleged mark holder could not stop that use. ⁿ⁶⁶ The court reasoned, following the controversial *International Order of Job's Daughters v. Lindeburg & Co.* ⁿ⁶⁷ decision, that A.V.E.L.A. was not using Betty Boop as a trademark but instead as a functional product and that Betty Boop was a prominent feature of the product, and A.V.E.L.A. never designated the merchandise as "official" or otherwise indicated sponsorship. ⁿ⁶⁸ The court noted that there was no evidence of confusion. ⁿ⁶⁹

The court, citing the U.S. Supreme Court's opinion in *Dastar Corp. v. Twentieth Century Fox Film Corp.*, ⁿ⁷⁰ also essentially stated that trademark protection should not extend to a copyrighted work such as the Betty Boop character because then that character would never enter the public domain and this would frustrate copyright law. ⁿ⁷¹ **[*294]** Interestingly, after the filing of several amicus briefs by parties such as the Motion Picture Association, the International Trademark Association, and others, the Ninth Circuit withdrew the opinion and substituted it for another opinion relying on other grounds concerning an incomplete chain of title. ⁿ⁷² Even in light of this withdrawal, some trademark lawyers have expressed concern that the Ninth Circuit did not explain why its prior opinion was wrong. ⁿ⁷³ Because of this lack of explanation, the Ninth Circuit may have opened up the door to the use of defensive aesthetic functionality which could mean the end of licensing and merchandising, and the loss of billions of dollars to their clients. ⁿ⁷⁴ Indeed, on remand, the district court found that the defendants' use of the word mark "Betty Boop" was aesthetically functional. In analyzing aesthetic functionality, the district court reasoned that:

Because, as noted above, Defendants' use of the mark is a decorative feature of their merchandise and is not source-identifying, "protection of the feature as a trademark would impose a significant non-reputation-related competitive disadvantage" on Defendants. Were Defendants to market their goods bearing the image of Betty Boop or Betty Boop movie posters without the words Betty Boop to identify the character, that would make their products less marketable than the same product that included the BETTY BOOP name. **[*295]** This is because the words Betty Boop serve to name the famous character depicted on those goods and are part and parcel of the movie posters printed on Defendants' merchandise. For example, Plaintiff points to one of Defendants' dolls that includes packaging bearing imagery from a Betty Boop movie poster, and a product tag that is a miniature reproduction of the movie poster. Both uses of the poster imagery bear the following text: "Adolph Zukor presents BETTY BOOP with HENRY the Funniest Living American". Removing the words BETTY BOOP from these items would render the textual aspect of the poster reproductions incomplete and the remaining words would be nonsensical. It would be obvious to the average consumer that such merchandise would be missing something. Clearly, merchandise that is missing something is less marketable and therefore at a competitive disadvantage. In addition, because Defendants' use of the Betty Boop word mark is not source identifying and simply does not trade on the "reputation" of any source, barring Defendants from using those words would "impose a significant non-reputation-related competitive disadvantage." ⁿ⁷⁵

The district court's opinion provides a glimmer of hope that aesthetic functionality can be effectively applied by courts, at least in the context of word marks, but the question remains whether other courts will follow it.

The second case involves the University of Alabama and an artist. ⁿ⁷⁶ In that case, the University of Alabama sued an artist for trademark infringement. ⁿ⁷⁷ The artist painted limited edition paintings of famous plays with University of Alabama football players wearing crimson and white uniforms. ⁿ⁷⁸ The infringement theory was apparently that consumers could believe there was some sponsorship or other relationship involving permission between the University of Alabama and the artist. ⁿ⁷⁹ Notably, in this case, there was a **[*296]** relationship between the University of Alabama and the artist, and there was a license in place between the two parties. ⁿ⁸⁰ Part of the dispute centered on whether the colors of the uniforms of the players were covered by the license. ⁿ⁸¹ However, the district court decided in favor of the artist, noting that the case involved "fine art" and that the artist's work was protected artistic expression, fair use or protected by the First Amendment. ⁿ⁸² The Court noted that the artist's paintings and the limited edition prints were not infringing, but that other merchandise such as T-shirts, cups, mugs, posters and calendars may be infringing.

ⁿ⁸³ Over two years later, the U.S. Court of Appeals for the Eleventh Circuit applied the *Rogers v. Grimaldi* test and found that Moore's work did not constitute a violation of the Lanham Act. ⁿ⁸⁴ The court reasoned that:

Therefore, we have no hesitation in joining our sister circuits by holding that we should construe the Lanham Act narrowly when deciding whether an artistically expressive work infringes a trademark. This requires that we carefully "weigh the public interest in free expression against the public interest in avoiding consumer confusion." An artistically expressive use of a trademark will not violate the Lanham Act "unless the use of the mark has no artistic relevance to the underlying work whatsoever, or, if it has some artistic relevance, unless it explicitly misleads as to the source or the content of the work."

In this case, we readily conclude that Moore's paintings, prints, and calendars are protected under the *Rogers* test. The depiction of the University's uniforms in the content of these items is artistically relevant to the expressive underlying works because the uniforms' colors and designs are needed for a realistic portrayal of famous scenes from Alabama football history. Also there is no evidence that Moore ever marketed an unlicensed item as "endorsed" or "sponsored" by the University, or otherwise explicitly stated that such items were affiliated with the University. Moore's [*297] paintings, prints, and calendars very clearly are embodiments of artistic expression, and are entitled to full First Amendment protection. The extent of his use of the University's trademarks is their mere inclusion (their necessary inclusion) in the body of the image which Moore creates to memorialize and enhance a particular play or event in the University's football history. Even if "some members of the public would draw the incorrect inference that [the University] had some involvement with [Moore's paintings, prints, and calendars,] ... that risk of misunderstanding, not engendered by any overt [or in this case even implicit] claim ... is so outweighed by the interest in artistic expression as to preclude" any violation of the Lanham Act. ⁿ⁸⁵

Importantly, the court did not address whether a trademark defense applied to the use of the marks on mugs and "other mundane objects." This leaves open the question of whether Moore's work applied to these other items would pass muster under *Rogers v. Grimaldi*. Indeed, if Moore or another artist created a work on a "mundane object" that work may fail the *Rogers v. Grimaldi* test if consumers would believe a license was required to create the work.

Under the facts of both cases it is easy to understand how potential "artists" or small companies with limited resources could be concerned. In one case, a party may not use a character even if it conceivably falls in the public domain to create new works because of a trademark merchandising right. In the other, a party may not create paintings of scenes in real life that have trademarks in them because under trademark law a trademark owner may claim a merchandising right. Under either case, there is a possibility that if there is an expected merchandising market because of the nature of the good then there may be a trademark infringement without a defense. The slippery slope seems clear and there are several problems with this type of reasoning and extending it. First, how do you determine what is merchandise or not? Maybe you could limit it to "traditional promotional goods" but what if LEGO sells plastic LEGO pieces, and then expands into creating characters, television shows, motion pictures, video games, and other audio-visual works traditionally protected by copyright law? Trademark protection has expanded to include motion marks, colors and sounds. Related to this question is whether LEGO will continue to control those works under a trademark [*298] merchandising theory even if the copyright expires in various works. And, as mentioned before, the question of which "copyrighted work" is the referenced work is a complicated issue. Moreover, in the context of aggressive trademark tactics, an artist with minimal funding or a small business with limited funding may not litigate and may choose to capitulate. A robust aesthetic functionality defense may provide a disincentive to or eliminate overreaching trademark claims.

Accordingly, instead of relying on a defense based on the First Amendment or a substitutionary test for the likelihood of confusion, ⁿ⁸⁶ courts could rely on defensive aesthetic functionality to justify or excuse an alleged infringer's use. As long as there is no attempt to suggest some "official" licensing relationship, aesthetic functionality would preserve a producer's ability to sell formerly copyright protected work as utilitarian functionality does for patent. Robust competition is preserved as consumers will have more choice and lower prices, and creativity is not stifled. And,

the copyright owner has received their reward and the work, as in the *A.V.E.L.A.* case, should pass to the public domain.

In the *University of Alabama* case, defensive aesthetic functionality could excuse or justify the artist's use and also hold the University of Alabama's marks as valid. The University of Alabama thus cannot stop the artist's use because to do so would effectively [*299] allow the University of Alabama to foreclose anyone from using their marks. This would not only place creators in the market for producing expressive works at some competitive disadvantage, but would also wholly preempt the market for the creation of those works in certain mediums.

A problem with using defensive aesthetic functionality, as alluded to earlier, is attempting to ascertain what is a non-reputation related disadvantage, because arguably the markets created for Betty Boop merchandise or works, and University of Alabama merchandise or works, are driven by demand created in part because of the popularity of the marks or copyrighted works. Arguably, this demand is all about a reputation related advantage. However, the argument cannot be that broad or defensive aesthetic functionality would never apply. The application of the defense would not fulfill its function of protecting competition. Consumers may purchase the item because of loyalty or some decorative reason; ⁿ⁸⁷ although inquiring into the motivations of consumers is unlikely to provide much certainty with respect to the application of the doctrine unless there was a presumption favoring the application of aesthetic functionality.

The final case is the *Louboutin* case involving a shiny, lacquered red on the outsoles of high-priced, high-heeled shoes, which Louboutin claims as its trademark. ⁿ⁸⁸ In this case the district court denied a preliminary injunction, in part, by essentially adopting a per se rule that a supposed trademark holder cannot use trademark law to control a single color in the fashion industry. ⁿ⁸⁹ The district court applied the aesthetic functionality doctrine, but not the defensive type. ⁿ⁹⁰ In highlighting the importance of color in the fashion industry, the court allowed competitors to use this color (or shade)--even on outsoles--because it is necessary for them to compete. ⁿ⁹¹ The court noted several reasons why a competitor may want to use red--that are not reputation related--red symbolizes energy, it's engaging, it's sexy, it attracts men to women who wear these shoes. ⁿ⁹² Moreover, competitors need the color to create coordinating outfits. ⁿ⁹³ The court [*300] likened the importance of color to fashion as the same as fine art. ⁿ⁹⁴ The court reasoned that:

Painting and fashion design stem from related creative stock, and thus share many central features. Both find common ground and goals in two vital fields of human endeavor, art and commerce. For the ultimate ends they serve in these spheres, both integrally depend on creativity. Fashion designers and painters both regard themselves, and others regard them, as being engaged in labors for which artistic talent, as well as personal expression as a means to channel it, are vital. Moreover, the items generated by both painters and fashion designers acquire commercial value as they gain recognition. Louboutin himself would probably feel his sense of *honneur* wounded if he were considered merely a cobbler, rather than an *artiste*. But, as a matter differing only in degrees and order of priority, Louboutin and Picasso both may also be properly labeled as men of commerce, each in his particular market.

The creative energies of painter and fashion designer are devoted to appeal to the same sense in the beholder and wearer: aesthetics. Both strive to please patrons and markets by creating objects that not only serve a commercial purpose but also possess ornamental beauty (subjectively perceived and defined). . . .

But, as an offshoot of color, perhaps most crucial among the features painting and fashion design share as commerce and art, are two interrelated qualities that both creative fields depend upon to thrive, and indeed to survive: artistic freedom and fair competition. In both forms, the greatest range for creative outlet exists with its highest, most vibrant and all-encompassing energies where every pigment of the spectrum is freely available for the creator to apply, where every painter and designer in producing artful works enjoys equal freedom to pick and choose color from every streak of the rainbow. The contrary also holds. Placing off limit signs on any given chromatic band by allowing one artist or designer to appropriate an entire shade and [*301] hang an ambiguous threatening cloud over a swath of other neighboring hues, thus delimiting zones where other imaginations may not veer or wander, would unduly

hinder not just commerce and competition, but art as well.

The thrust and implications of the Court's analogy are clear. No one would argue that a painter should be barred from employing a color intended to convey a basic concept because another painter, while using that shade as an expressive feature of a similar work, also staked out a claim to it as a trademark in that context. If as a principle this proposition holds as applied to high art, it should extend with equal force to high fashion. The law should not countenance restraints that would interfere with creativity and stifle competition by one designer, while granting another a monopoly invested with the right to exclude use of an ornamental or functional medium necessary for freest and most productive artistic expression by all engaged in the same enterprise. ⁿ⁹⁵

Unfortunately, the U.S. Court of Appeals for the Second Circuit determined that the district court's decision concerning aesthetic functionality was flawed. ⁿ⁹⁶ Specifically, the Second Circuit decided that the district court's per se rule that a single color could not be protected in an industry was inconsistent with the U.S. Supreme Court's *Qualitex* decision. ⁿ⁹⁷ Importantly, the Second Circuit did seem to indicate that *Qualitex* could be read to allow a per se rule in an industry, but stated that was "doubtful." ⁿ⁹⁸ The Second Circuit also limited Louboutin's trademark to the lacquered red color with a contrasting upper sole. ⁿ⁹⁹ This limitation allowed the Second Circuit to find that Yves Saint Laurent was not infringing Louboutin's trademark, while at the same time upholding Louboutin's [*302] trademark. ⁿ¹⁰⁰ Courts should follow the analysis of the district court in *Louboutin* and apply a "per se" approach to numerous types of marks, with the aesthetic functionality doctrine clearing the way for more creativity, and competition in specific industries. Aesthetic functionality could serve as a policy lever, similar to those in patent law, ⁿ¹⁰¹ to prohibit overreaching in trademark law in specific industries.

V. CONCLUSION

Trademark holders vigorously protect their marks--and they have every reason to do so under trademark law and policy. However, trademark holders may essentially act as a "bully" when they overreach, and when they do, it is easily understandable how they can stifle artistic expression and creativity under the facts of these cases or a simple extension of the facts. A struggling artist or small company may not have the resources to fight the University of Alabama and may just give in and stop using the mark. Notably, the artist in the University of Alabama case paid hundreds of thousands of dollars in attorneys' fees--how many struggling artists can afford to engage in years of litigation with such a high dollar cost. ⁿ¹⁰² A strong aesthetic functionality defense may ensure a robust competitive market for artistic works in many mediums including those in supposed merchandising markets. While some circuits do not recognize the aesthetic functionality doctrine at all or apply it very narrowly--the time has come for courts to reexamine the doctrine because the stakes are high.

Legal Topics:

For related research and practice materials, see the following legal topics:

Civil Procedure Settlements Releases From Liability Covenants Not to Sue Trademark Law Federal Unfair Competition Law General Overview Trademark Law Subject Matter Labels, Packaging & Trade Dress

FOOTNOTES:

ⁿ¹ See Glynn S. Lunney, Jr., *Trademark Monopolies*, 48 EMORY L.J. 367, 368-72 (1999) (explaining trademark expansion); Kenneth L. Port, *The Expansion Trajectory: Trademark Jurisprudence in the Modern Age*, 92 J. PAT. & TRADEMARK OFF. SOC'Y 474, 476-77 (2010) (discussing expansion, including availability of federal incontestability status and intent to use applications, expanded section 43(a) liability, dilution, and anti-cybersquatting law).

n2 See *Best Global Brands 2012*, INTERBRAND, <http://www.interbrand.com/en/best-global-brands/2012/Best-Global-Brands-2012.aspx> (last visited Oct. 25, 2012).

n3 See *The Top 125 Global Licensors*, GLOBAL LICENSE! (Mar. 1, 2010), <http://www.licensemag.com/license-global/top-125-global-licensors>. Notably, "The Top 125 Global Licensors accounted for about \$ 165 billion in retail sales of licensed products representing almost 90 percent of the total market of \$ 187.2 billion worldwide."

n4 See *id.* ("THE COLLEGIATE LICENSING COMPANY" (IMG COMPANY) \$ 3.9B (PRIVATE), representing the total college market) (emphasis omitted).

n5 See Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 NOTRE DAME L. REV. 1839, 1916 (2007) ("Producers are able to frame just about any argument for broader protection in terms of consumer expectations, which they are in position to influence systematically through marketing. Moreover, once courts and Congress began to expand trademark law and committed it to consumer understanding, expansion became self-reinforcing--broader protection begets consumer expectations of greater control, which begets even broader protection."); James Gibson, *Risk Aversion and Rights Accretion in Intellectual Property Law*, 116 YALE L.J. 882, 907-08 (2007) (explaining why licensing markets emerge when no licenses are needed); Michael A. Johnson, *The Waning Consumer Protection Rationale of Trademark Law: Overprotective Courts and the Path to Stifling Post-Sale Consumer Use*, 101 TRADEMARK REP. 1320, 1355 (2011) ("The proliferation of product placements, cease and desist letters from mark owners in response to unauthorized post-sale uses, and overly protectionist court decisions have all shaped consumer expectations so that consumers now believe that virtually any post-sale use of a mark must be authorized."); Michael S. Mireles, Jr., *Towards Recognizing and Reconciling the Multiplicity of Values and Interests in Trademark Law*, 44 IND. L. REV. 427, 439 (2011) ("[T]he structure of trademark law itself, given the focus of trademark law on consumer perception, results in the vigorous enforcement and policing of trademark rights by trademark holders.").

n6 Mireles, *supra* note 5, at 439.

n7 *Id.*

n8 Recently, an alleged victim of so-called "trademark bullying" established a website for the discussion of issues surrounding trademark bullying. See *TrademarkBullying.org: No Form of Harassment is Okay*, http://trademarkbullying.org/Home_Page.html (last visited May 20, 2013). Notably, there does not appear to be a universally accepted definition of "trademark bullying." See Trevor Little, *International - List*

of the Top 'Trademark Bullies' Renews Debate on Enforcement Strategies, WORLD TRADEMARK REV., (Jan. 30, 2012), <http://www.worldtrademarkreview.com/daily/detail.aspx?g=8fc00cc3-ebe7-466f-a124-89d93d84f031> (last visited May 20, 2013).

n9 Mireles, *supra* note 5, at 439.

n10 See William McGeveran, *Four Free Speech Goals for Trademark Law*, 18 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1205, 1206-07 (2008) ("Considerable anecdotal evidence suggests that the real action occurs outside the courthouse: markholders send cease-and-desist letters and threaten legal action against those using trademarks to facilitate speech, and the recipients frequently capitulate.").

n11 *Salu, Inc. v. Original Skin Store*, No. CIV. S-08-1035 FCD/KJM, 2010 WL 1444617, at *2 (E.D. Cal. Apr. 12, 2010) (internal citations omitted).

n12 See USPTO.gov, *Request for Comments: Trademark Litigation Tactics*, U.S. PATENT & TRADEMARK OFFICE, http://www.uspto.gov/trademarks/bullies_survey.jsp (last updated Jan. 31, 2012 10:34:43 AM). The Secretary of Commerce was directed to investigate trademark litigation tactics by Congress. See Trademark Technical and Conforming Amendment Act of 2010, Pub. L. No. 111-146, 124 Stat. 66.

n13 Professor McCarthy cautions that a trademark "enforcement program [should be] neither overly lax nor overly aggressive." See 2 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 11:91 (4th ed. 2008).

n14 Based on some enforcement of trademark rights, perhaps bullying should include what *should be* beyond a trademark holder's scope of rights and is in its rights, as opposed to what *actually is* outside their rights. Some interesting cases of "trademark bullying" include enforcement of trademarks by professional sports teams against high schools. See Randall L. Newsome, *Cease and Desist: Finding an Equitable Solution In Trademark Disputes Between High Schools and Colleges*, 52 B.C. L. REV. 1833, 1853-63, 1868 (2011) (arguing that high schools may have a very good case against trademark infringement, but noting the ambiguity in whether high schools may infringe the trademarks of colleges). For a discussion of some of the other costs of aggressive trademark enforcement, see David E. Armendariz, *Picking on the Little Guy? Asserting Trademark Rights Against Fans, Emulators and Enthusiasts*, 90 TEX. L. REV. 1259, 1276-80 (2012).

n15 DEPT OF COMMERCE, REPORT TO CONGRESS: TRADEMARK LITIGATION TACTICS AND FEDERAL GOVERNMENT SERVICES TO PROTECT TRADEMARKS AND PREVENT COUNTERFEITING (2011) *available at*

<http://www.uspto.gov/trademarks/notices/TrademarkLitigationStudy.pdf> (last visited May 20, 2013) [TRADEMARK LITIGATION STUDY]. This study has been criticized by many. *See e.g.*, Adam Smith, *USPTO Silent as Attorneys Pour Scorn on Trademark Bullies Study*, WORLD TRADEMARK REV. (May 9, 2011), <http://www.worldtrademarkreview.com/daily/detail.aspx?g=54efa7ab-20b1-41c1-a8a5-4cbd8548e08f>; Timothy J. Callery, *Baiting the Hook: The Failure of the PTO Trademark Litigation Tactics Report To Dissuade Either Trademark Bullying or Trademark Baiting*, 64 ADMIN. L. REV. 909 (2012).

n16 TRADEMARK LITIGATION STUDY, *supra* note 15, at 18.

n17 *Id.* at 18-19.

n18 *See generally id.*

n19 *Id.*

n20 *Id.*

n21 Kenneth L. Port, *Trademark Extortion: The End of Trademark Law*, 65 WASH. & LEE L. REV. 585, 631 (2008). *See also* William T. Gallagher, *Trademark and Copyright Enforcement in the Shadow of IP Law*, 28 SANTA CLARA COMPUTER & HIGH TECH. L. J. 453, 496 (2012).

n22 Port, *supra* note 21, at 633.

n23 Gallagher, *supra* note 21, at 496.

n24 See CHILLING EFFECTS CLEARINGHOUSE, <http://www.chillingeffects.org/> (last visited May 20, 2013); see also "Trademark" Search Results, *id.* (click "Search the Database"; then type in keyword "trademark"; then click the "Submit Search" button).

n25 Lara Pearson, *Brand Bully Basement*, BRAND GEEK (Oct. 10, 2011), <http://brandgeek.net/2011/10/10/brand-bully-basement/>. There is one opposition proceeding posted concerning Nestle. *Id.* It is unfortunate that people are not reporting instances of bullying.

n26 See Find a Trademark Bully, LEGALFORCE TRADEMARKIA, <http://www.trademarkia.com/opposition/opposition-brand.aspx> (last visited June 7, 2013). However, the website appears to fail to discuss why those oppositions include bullying behavior and not just solid trademark enforcement.

n27 See Charles Coleman, *Louis Vuitton Sends Absurd Cease-and-Desist Letter to Penn Law Over Student Event Flyer (And More Fun with Trademark Abuse!)*, L. FASHION BLOG (Mar. 3, 2012), <http://lawoffashion.com/blog/story/03/03/2012/121>.

n28 See 27B/6, <http://www.27bslash6.com/covers.html> (last visited May 20, 2013).

n29 *Id.*

n30 See Charlie Minato, *Jack Daniels Wrote What Has to Be the Nicest Cease-and-Desist Order of All Time*, BUSINESS INSIDER (July 23, 2012), <http://www.businessinsider.com/jack-daniels-wrote-what-has-to-be-the-nicest-cease-and-desist-order-of-all-time-2012-7>.

n31 *Id.*

n32 *Already, LLC v. Nike, Inc.*, 133 S. Ct. 721 (2013).

n33 *Id.* at 725.

n34 *Id.*

n35 *Id.*

n36 *Id.*

n37 *Id.*

n38 *Id.* at 733.

n39 *Id.* at 725-26. As the Supreme Court notes, the trademark holder has an incentive not to allow third party use, including issuing many covenants not to sue, and that a trademark holder may have to pay an alleged infringer's attorney's fees in exceptional cases. *Id.* at 731-32.

n40 *Id.* at 734.

n41 *Id.* at 733-34.

n42 For a discussion of the societal harms of abusive trademark litigation tactics, *See* Leah Chan Grinvald, *Shaming Trademark Bullies*, 2011 WIS. L. REV. 625, 650-52 (2011) (discussing "reduction in competition" and harm to "cultural expression and free speech").

n43 Another way to combat abusive trademark litigation tactics is by "shaming." *See id.* at 653-54. For a discussion of how other judicial sanctions may be incapable of stopping trademark bullying and a proposal for an administrative solution, *see* Irina D. Manta, *Bearing Down on Trademark Bullies*, 22 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 853, 858-71 (2012). Commentators have also proposed the adoption of a trademark notice and take down system similar to the Digital Millennium Copyright Act to prevent trademark bullying. *See* Jason R. Brege & Kelli A. Ovies, *Taking Down Trademark Bullying: Sketching the Contours of a Trademark Notice and Takedown Statute*, 12 WAKE FOREST J. Bus. & INTELL. PROP. L. 391 (2012).

n44 The problem may have been exacerbated by the recent U.S. Supreme Court decision, *Already v. Nike*, which may allow a trademark holder to escape a challenge to its mark by unilaterally issuing a "Covenant Not to Sue." *Already*, 133 S. Ct. at 733-34. This removes a potential check on abusive trademark litigation tactics--the opportunity for the supposed infringer or diluter to eliminate the trademark holder's mark. *Id.*

n45 GRAEME B. DINWOODIE & MARK D. JANIS, TRADEMARKS AND UNFAIR COMPETITION: LAW AND POLICY 158-59 (3d ed. 2010) (discussing the differing justifications of the functionality doctrine); *see also* Elizabeth W. King, *The Trademark Functionality Doctrine: Recast for Comprehension*, 5 LANDSLIDE 20, 21 (2012) ("For decades, trademark practitioners have wrestled with the functionality doctrine."). For additional analysis of functionality doctrine, *see generally* Mark P. McKenna, *(Dys)functionality*, 48 Hous. L. REV. 823 (2011).

n46 *Id.* Notably, at least two circuits have not adopted it or may not recognize the doctrine at all. *See* Bd. of Supervisors for La. State Univ. Agric. & Mech. Coll. v. Smack Apparel Co., 550 F.3d 465, 487-88 (5th Cir. 2008) ("We do not believe that the Court's dictum in *TrafFix* requires us to abandon our long-settled view rejecting recognition of aesthetic functionality."); *Maker's Mark Distillery, Inc. v. Diageo N. Am., Inc.*, 679 F.3d 410, 418 (6th Cir. 2012) ("It seems we have not yet plainly stated which test we would apply under aesthetic functionality doctrine, ... or that we have even adopted aesthetic functionality doctrine at all . . . We need not decide these questions today.").

n47 *Bd. of Supervisors for La. State Univ. Agric. & Mech. Coll.*, 550 F.3d at 487.

n48 *Id.*

n49 *See* Traffix Devices, Inc. v. Mktg. Displays, Inc., 532 U.S. 23, 34 (2001) ("Functionality having been established, whether [MDI's dual-spring] design has acquired secondary meaning need not be considered.").

n50 *See id.*

n51 *See generally id.* at 32.

n52 *Id.* at 35.

n53 *See generally id.*

n54 *Id.* at 33.

n55 Brunswick Corp. v. British Seagull Ltd., 35 F.3d 1527, 1531-32 (Fed. Cir. 1994).

n56 *Id.*

n57 *Id.*

n58 *Id.*

n59 *Traffix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 33 (2001).

n60 *See* *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995) (holding that color alone can be protected by trademark law); *In re* *Clarke*, 17 U.S.P.Q.2d (BNA) 1238, 1239 (T.T.A.B. 1990) (holding that fragrance functions as a trademark); *In re* *Gen. Elec. Broad. Co.*, 199 U.S.P.Q. (BNA) 560, 562-64 (T.T.A.B. 1978) (Lefkowitz, J.) (holding that sound can function as a trademark); Jerome Gilson & Anne Gilson LaLonde, *Cinnamon Buns, Marching Ducks and Cherry-Scented Racecar Exhaust: Protecting Nontraditional Trademarks*, 95 TRADEMARK REP. 773, 773 (2005) (discussing non-traditional marks); Jerome Gilson & Anne Gilson LaLonde, *Getting Real with Nontraditional Trademarks: What's Next After Red Oven Knobs, the Sound of Burning Methamphetamine, and Goats on a Grass Roof*, 101 TRADEMARK REP. 186, 193-208 (2011) (reviewing non-traditional marks protected by trademark law).

n61 *See generally* Jerome Gilson & Anne Gilson LaLonde, *Getting Real with Nontraditional Trademarks: What's Next After Red Oven Knobs, the Sound of Burning Methamphetamine, and Goats on a Grass Roof*, 101 TRADEMARK REP. 186, 193-214 (2011).

n62 For an argument against aesthetic functionality, *see* Tracy Reilly, *Betty Boop Almost Lost Her "Bling-Bling": Fleischer Studios v. A.V.E.L.A. and the Re-Emergence of Aesthetic Functionality in Trademark Merchandising Cases*, 94 J. PAT. & TRADEMARK OFF. SOC'Y, 95, 120-31 (2012).

n63 For a discussion of defensive aesthetic functionality, *see* Anthony L. Fletcher, *Defensive Aesthetic Functionality: Deconstructing the Zombie*, 101 TRADEMARK REP. 1687 (2011).

n64 *Fleischer Studios, Inc. v. A.V.E.L.A. Inc.*, 636 F.3d 1115, 1124 (9th Cir.), *withdrawn and superseded by* *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 654 F.3d 958 (9th Cir. 2011).

n65 *Id.* at 1117-18, 1122.

n66 *Id.* at 1122-24.

n67 *Int'l Order of Job's Daughters v. Lindeburg & Co.*, 633 F.2d 912, 918 (9th Cir. 1980).

n68 *A.V.E.L.A. Inc.*, 636 F.3d at 1124.

n69 *Id.*

n70 *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003).

n71 *A.V.E.L.A. Inc.*, 636 F.3d at 1124. For a recent discussion of *Dastar*, see Mark P. McKenna, *Dastar's Next Stand*, 19 J. INTELL. PROP. L. 357 (2012).

n72 *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 654 F.3d 958 (9th Cir. 2011).

n73 See e.g., Nancy Clare Morgan, *Aesthetic Appeal: The Blending of Aesthetics and Usefulness in Design Can Result in Challenges to the Theoretical Foundation of Trademark Law*, L.A. LAW, Feb. 2012, at 36, 38 (2012); see also Lee B. Burgunder, *The Scoop on Betty Boop: A Proposal to Limit Overreaching Trademarks*, 32 LOY. L.A. ENT. L. REV. 257, 257 (2012) ("The Ninth Circuit temporarily stunned marketers in 2011 when it ruled that Betty Boop did not serve as a trademark on merchandise due to aesthetic functionality and because protection would conflict with the copyright system. The opinion endangered merchandising rights in all trademarks and jeopardized the duration of trademark rights in images and media characters. The court soon withdrew the decision and substituted it with one that denied protection on technical grounds, leaving the controversies for another day.") and Charles E. Colman, *A Red-Leather Year for Aesthetic Functionality*, 4 LANDSLIDE 26, 30 (2011) ("It is difficult--perhaps impossible--to know what to make of the A.V.E.L.A. saga. Although the panel withdrew its aesthetic functionality-based opinion, the decision that took its place notably declined to endorse the position advocated by the above-mentioned amici--that *Auto Gold* is still the law of the Ninth Circuit. The panel's second opinion likewise declined to adopt INTA's characterization of *Job's Daughters* as "outdated and much-criticized.").

n74 Burgunder, *supra* note 73, at 258.

n75 Fleischer Studios, Inc. v. A.V.E.L.A., Inc., 2012 WL 7179374, at *7 (C.D. Cal. 2012). The district court also alternatively found that defendants' use was covered by the descriptive fair use doctrine. *Id.* at *8.

n76 Univ. of Ala. Bd. of Trs. v. New Life Art, Inc., 677 F. Supp. 2d 1238 (N.D. Ala. 2009), *aff'd in part, rev'd in part*, 683 F.3d 1266, 1283 (11th Cir. 2012).

n77 New Life Art, Inc., 677 F. Supp. 2d at 1244-46.

n78 *Id.* at 1244-46.

n79 *Id.* at 1249.

n80 *Id.* at 1244.

n81 *Id.*

n82 *Id.* at 1250.

n83 *Id.*

n84 Univ. of Ala. Bd. of Trs. v. New Life Art, 683 F.3d 1266, 1278-79 (11th Cir. 2012).

n85 *Id.* (citations omitted).

n86 Notably, the jurisprudence concerning the First Amendment and trademark law is not entirely clear. There are multiple potential tests that courts may apply; although the leading test appears to be the test from *Rogers v. Grimaldi*. *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989). In that case, the court examined the application of trademark law to a title of an expressive work. *Id.* The court stated that it needed to balance the expressive interest of the First Amendment against potential consumer confusion. *Id.* Unfortunately, the Circuits have at least three different ways of applying the *Rogers v. Grimaldi* test. See Nicolas Macri, *Holding Back the (Crimson) Tide of Trademark Litigation, The Eleventh Circuit Shields Works of Art from Lanham Act Claims in New Life Art*, 54 B.C.L. REV. 71, 78-80 (2013). Other Circuits have considered the First Amendment interest in different ways in trademark cases. See e.g., *Mutual of Omaha Ins. Co. v. Novak*, 836 F.2d 397, 402-03 (8th Cir. 1987); *Dr. Seuss Enters. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1405 (9th Cir. 1997); *Cartoons, L.C. v. Major League Baseball Players Ass'n*, 95 F.3d 959, 970 (10th Cir. 1996). Importantly, in a recent case, a district court applied the *Rogers* test to dismiss a trademark complaint. *Rebellion Devs. Ltd. v. Stardock Entm't, Inc.*, 2013 WL 1944888, at *3-6 (E.D. Mich. 2013). The use of *Rogers* to end a trademark litigation early is a welcome development. For additional discussion of the *Rebellion Devs. Ltd.* case, see Rebecca Tushnet, *Sins of a Trademark Owner: Rogers Applies Regardless of Intent*, REBECCA TUSHNET'S 43(B)LOG (May 23, 2013), http://tushnet.blogspot.com/2013/05/sins-of-trademark-owner-rogers-applies.html?utm_source=feedburner&utm_medium=email&utm_campaign=Feed%3A+Re

n87 *Int'l Order of Job's Daughters v. Lindeburg & Co.*, 633 F.2d 912, 918 (9th Cir. 1980).

n88 *Christian Louboutin S.A. v. Yves Saint Laurent Am., Inc.*, 778 F. Supp. 2d 445, 448 (S.D.N.Y. 2011), *aff'd in part, rev'd in part*, 696 F.3d 206 (2d Cir. 2012).

n89 *Id.* at 457.

n90 *Id.* at 453.

n91 *Id.* at 453-54.

n92 *Id.*

n93 *Id.* at 454.

n94 *Id.* at 452-54.

n95 *Id.* at 452-53.

n96 *Christian Louboutin S.A. v. Yves Saint Laurent Am. Holdings, Inc.*, 696 F.3d 206, 212 (2d Cir. 2012). For additional discussion of the *Louboutin* decisions, see generally Reanna L. Kuitse, *Christian Louboutin's "Red Sole Mark" Saved to Remain Louboutin's Footmark in High Fashion, For Now . . .*, 46 IND. L. REV. 241 (2013); Alexandra J. Schultz, *looks Can Be Deceiving: Aesthetic Functionality in Louboutin and Beyond*, 15 TUL. J. TECH. & INTELL. PROP. 261 (2012).

n97 *Christian Louboutin S.A.*, 696 F.3d at 223.

n98 *Id.*

n99 *Id.* at 226-27.

n100 *Id.*

n101 Dan L. Burk & Mark A. Lemley, *Policy Levers in Patent Law*, 89 VA. L. REV. 1575, 1641 (2003).

n102 Daniel Grant, *Free Speech vs. Infringement in Suit on Alabama Artwork*, N.Y. TIMES (Jan. 30, 2012), http://www.nytimes.com/2012/01/31/sports/ncaafootball/artist-still-fighting-alabama-over-football-paintings.html?pagewanted=all&_r=0.

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ARTICLE: TO BULLY OR NOT TO BULLY: UNDERSTANDING THE ROLE OF UNCERTAINTY IN
TRADEMARK ENFORCEMENT DECISIONS

NAME: Jessica M. Kiser*

BIO: * Assistant Professor of Law, Gonzaga University School of Law. I wish to thank the faculty of Seattle University School of Law and the Gonzaga University School of Law for their thoughtful advice on an earlier version of this article. This article benefitted greatly from the comments and insights provided by the participants of the Junior Scholars Virtual Colloquium. Thanks also to Sean Wright for his tireless support and to Matthew Meade, Mitchell Wayerski and Charles Allen for their research and editorial assistance.

LEXISNEXIS SUMMARY:

... Unlike Clark, who selected the "Charbucks" mark for his coffee while aware of the more famous "Starbucks" mark, Muller-Moore claimed to have never heard of Chick-fil-A's "Eat Mor Chikin" advertising campaign; instead, he made the first "Eat More Kale" shirt at the request of a fellow farmer's market vendor that grew and sold kale. ... Vermont Senator Patrick Leahy took up the charge against trademark bullies in 2010 when he introduced a bill, The Trademark Law Technical and Conforming Amendment Act Of 2010 (S. 2968), that called for a mandatory study by the Department of Commerce to report on "the extent to which small businesses may be harmed by litigation tactics by corporations attempting to enforce trademark rights beyond a reasonable interpretation." ... For these reasons, trademark law should not incentivize trademark bullying; instead, it should seek a balance between the protection of trademark owners and consumers against the costs of bullying and the protection of trademarks from a finding of abandonment. ... As trademark bullying is based on evaluation of risk and uncertainty pertaining to trademarks, this article will apply prospect theory to the problem of trademark bullying, with particular emphasis on the impact of the certainty effect, endowment effect and sunk cost effect on this prospect theory analysis. ... A trademark bully essentially faces three choices: (1) a gain through a favorable settlement agreement; (2) a gain (protection against genericide and abandonment) through litigation, successful or not; or (3) a chance of loss of trademark rights if settlement or litigation is not pursued and a court later deems policing efforts to be insufficient as a result.

HIGHLIGHT: ABSTRACT

Companies like Starbucks and Chick-fil-A are routinely labeled trademark bullies. The term "trademark bully" is typically used to describe a large company that uses aggressive intimidation tactics and threats of prolonged trademark infringement litigation to stop small businesses and individuals from using their own trademarks where the stated claims of infringement are likely spurious or non-existent. Trademark bullying harms competition and chills the free speech interests of those seeking to use trademarks for criticism and parody as permitted by the fair use doctrine. This Article

identifies two fundamental causes that interact to encourage the aggressive tactics used by trademark bullies. First, trademark law imposes a vague duty on trademark owners to "police" third party trademark use for potential infringement. This uncertain duty renders trademark owners unable to accurately predict the risk of harm that third parties pose to their trademarks. Secondly, inherent cognitive biases affecting evaluations of such risk lead to systematic judgment errors and overestimation of the risk involved, thereby encouraging aggressive trademark enforcement.

This Article uses prospect theory, an empirical social science approach to understanding human decision making, to characterize the psychological phenomena, including loss aversion and overestimation of risk, that motivate trademark bullies. Prospect theory explains apparently irrational decision making by trademark bullies. Recently proposed solutions for trademark bullying mistakenly assume that the trademark bully conducts a rational cost-benefit analysis prior to acting. Better solutions require an understanding of the actual psychological processes that underlie these aggressive tactics.

TEXT:

[*212]

INTRODUCTION

Choosing a trademark to represent your business or your product can be a risky undertaking. Consider the example of Jim Clark and the "Charbucks" trademark that he selected for one of his coffee products. In a March 2012 article in New Hampshire Magazine, author Jeff Woodburn described Jim Clark's New Hampshire business:

Along with his wife, Annie, he owns Black Bear Micro-Roastery, a tiny coffee roaster in the small town of Tuftonboro on the back side of Lake Winnepesaukee. They have one part-time employee and sales of less than \$ 200,000 annually. Nearly all of their twenty-two specialty roasts are sold online directly to customers and through a few stores in northern New England - including the Lebanon Co-op Food Store. They thrive on being small, authentic and responsive to their customers. Back in 1996, some of Clark's customers asked for a stronger blend. So on a lark, he made one - so strong, Clark admits, "I won't drink it." ⁿ¹

In this quote, Clark is referring to the dark roasted coffee that he began selling under a "Charbucks" trademark, a nod to the "charred" coffee beans used in this blend. ⁿ² This mark ⁿ³ ultimately led to his company being embroiled in a sixteen-year long trademark dispute with the large coffee retailer Starbucks. ⁿ⁴ Starbucks contacted Clark in 1997 and requested that he cease use of the "Charbucks" mark, because they believed that it was infringing upon and diluting the value of their famous "Starbucks" mark. ⁿ⁵ After years of discussions and settlement proposals between Clark, his attorneys and the attorneys for Starbucks, Starbucks brought suit against Clark and his business on July 2, 2001. ⁿ⁶ Over the next ten years, this case went to trial and was appealed and reversed several times. ⁿ⁷ The latest decision, [*213] from the U.S. Court of Appeals for the Second Circuit, came down on November 15, 2013 in favor of Clark and his Black Bear Micro-Roastery. ⁿ⁸ The court held that Starbucks had not met its burden of proving that the "Charbucks" mark, as it is consistently used in connection with the "Black Bear Micro Roastery" mark and logo, dilutes the famous "Starbucks" mark in violation of the Federal Trademark Dilution Act. ⁿ⁹

For a somewhat similar scenario involving a large corporation in a trademark dispute with a much smaller business, one only has to look to the "Eat More Kale" dispute. Bo Muller-Moore is a Vermont folk artist and small-scale T-shirt designer who received a cease and desist letter in 2006 from Chick-fil-A, a nearly national fast food chain. ⁿ¹⁰ Chick-fil-A demanded that Muller-Moore stop selling one of his T-shirt designs, alleging that the slogan on the shirt - "Eat More Kale" - infringed upon their "Eat Mor Chikin" mark. ⁿ¹¹ After receiving a letter from Muller-Moore's pro bono counsel explaining the small scale of Muller-Moore's T-shirt business, including the fact that the shirts were

primarily sold at a Montpelier, Vermont farmer's market, Chick-fil-A appeared to have allowed the matter to drop.ⁿ¹² Then, Muller-Moore filed a trademark application with the United States Patent and Trademark Office (the "USPTO") on August 31, 2011 for his "Eat More Kale" trademark.ⁿ¹³

This trademark application prompted Chick-fil-A to resume its dispute with Muller-Moore by sending a new cease and desist letter in October 2011, again demanding that Muller-Moore cease use of the "Eat More Kale" mark, abandon his trademark application, and transfer his eatmorekale.com domain name to Chick-fil-A.ⁿ¹⁴ Chick-fil-A noted in this letter that it had already successfully stopped third [*214] parties from using marks such as "Eat More Goat" and "Eat More Beer."ⁿ¹⁵ Muller-Moore's pro bono counsel refused Chick-fil-A's demands, noting that there is no likelihood of confusion between Muller-Moore's handmade T-shirts and Chick-fil-A's fast food chain, especially in light of the fact that the closest Chick-fil-A location to Muller-Moore's home business is 120 miles away in New Hampshire.ⁿ¹⁶ Unlike Clark, who selected the "Charbucks" mark for his coffee while aware of the more famous "Starbucks" mark, Muller-Moore claimed to have never heard of Chick-fil-A's "Eat Mor Chikin" advertising campaign; instead, he made the first "Eat More Kale" shirt at the request of a fellow farmer's market vendor that grew and sold kale.ⁿ¹⁷ Despite the fact that an Office Action from the U.S. Patent and Trademark Office (USPTO) dated December 18, 2011 stated that the attorney reviewing Muller-Moore's "Eat More Kale" trademark application noted no "similar registered or pending marks that would bar registration,"ⁿ¹⁸ Muller-Moore's application was flagged to be reviewed again on December 21, 2011 after an anonymous party filed a Letter of Protest with the USPTO.ⁿ¹⁹ On March 27, 2012, and again on March 7, 2013, the USPTO sent Muller-Moore Office Actions refusing the registration of his "Eat More Kale" mark based on a likelihood of confusion with Chick-fil-A's various "Eat More Chikin" trademark registrations.ⁿ²⁰ Because Muller-Moore may still respond to this last Office Action, his trademark application is still pending. Additionally, Muller-Moore seems eager to win this [*215] battle; he has routinely turned to the press to publicize his dispute with Chick-fil-A,ⁿ²¹ and he is currently participating in the production of a documentary, titled "A Defiant Dude," that will feature his story and examine trademark bullying by large corporations against individuals and small businesses.ⁿ²² Of course, Jim Clark's battle with Starbucks has been going on much longer than the "Eat More Kale" dispute. Despite his persistence through the numerous appeals of his case, Jim Clark's advice to Muller-Moore and others similarly situated would be, "Settle. Get it behind you. It's been a nightmare."ⁿ²³

Disputes like the ones above are the reason that companies like Starbucks and Chick-fil-A are called "trademark bullies."ⁿ²⁴ Trademarkia, a web-based company that assists users in searching for existing trademark registrations and in filing trademark applications,ⁿ²⁵ has begun tracking trademark oppositions in order to publish lists of the most aggressive "trademark bullies" - those companies that file the largest number of oppositions against third party trademark applications and who use extended opposition tactics to delay federal approval of such applications.ⁿ²⁶ Companies like Monster Energy Company, E. & J. Gallo Winery, McDonald's Corporation, Anheuser-Busch, LLC and Facebook, Inc. topped Trademarkia's list of trademark bullies for 2012.ⁿ²⁷

While several scholars and the media have begun to publicize and discuss the issue of trademark bullying,ⁿ²⁸ most of the attention on this potential problem has focused on how to "shame" or punish the trademark bully, or on how to embolden the perceived victim (such as through the creation of antiSLAPP legislation that [*216] allows defendants to seek damages upon proof that a plaintiff filed a meritless suit).ⁿ²⁹ This Article seeks to examine the reasons that may underlie the aggressive tactics of trademark bullies - a necessary step in understanding how best to address the problem. Part I of this Article provides background on trademark bullying and the potential problematic results of such trademark enforcement tactics. Part II of the Article explores the potential legal reasons for the aggressive and costly actions taken by trademark bullies, including the role played by trademark law's "duty to police" in encouraging bully-like behavior. Part III then attempts to explain bullying behavior, in light of the duty to police one's trademark, using prospect theory and cognitive bias research into the psychological basis for human reasoning, decision making and risk avoidance. The Article concludes by explaining that current proposals to address trademark bullying are insufficient because they neglect to address the often unconscious psychological mechanisms at work that likely encourage a trademark bully to behave irrationally. To overcome the hurdle posed by such irrationality, steps must be taken by legislators or attorneys to clarify the trademark duty to police and the true risk of abandonment of one's trademark. For the purposes of this

Article, the term "trademark bully" will refer to a company that takes aggressive steps to enforce its trademark rights against another company or individual where the legal claims are likely spurious or unenforceable.

I. THE TRADEMARK BULLYING PROBLEM

Most scholarship on the topic of trademark bullying has focused solely on large companies taking action against smaller companies or unsophisticated individuals.ⁿ³⁰ While trademark bullying disputes reported in the press and in scholarship typically play out in this large entity against small entity dichotomy, such a distinction is not necessary for the purposes of this Article. Instead, the aggressive - and potentially very costly and inefficient - actions taken by the trademark holder are the key to labeling such individuals or companies as [*217] "trademark bullies."ⁿ³¹

Typically, an incident of trademark bullying starts with a cease and desist ("C&D") letter sent from an owner of an established trademark to an individual or business with a vaguely similar mark. This was true of the "Charbucks" and "Eat More Kale" disputes discussed above. Each trademark bully may have learned of the other mark through the other party's official application for registration of the trademark with the USPTO.ⁿ³² They may have learned about the mark from an employee or customer who encountered a product bearing the trademark in the marketplace, or possibly through a general Internet search.ⁿ³³ The perceived victim of bullying could be a well-funded commercial enterprise, but it could just as easily be an individual with a small, local, home-based business. The Internet has made it relatively easy to find third parties using arguably similar trademarks without regard to the geographic or commercial scope of the use or the sophistication of the mark's owner. Often the C&D letters sent by the bullies threaten legal sanctions if certain demands are not met. Those demands may include immediate cessation of use of the allegedly infringing trademark, the transfer of the infringing owner's website domain name to the bully, and the destruction of all potentially infringing products, marketing materials and even packaging and business stationery. Sometimes such letters detail how the allegedly infringing party has violated the trademark rights of the bully, but often the letters are vague and filled with confusing legalese and idle threats.

[*218] The recipient of a C&D letter is faced with the daunting task of determining the merits of such vague claims in order to make a reasoned response. The problem is that trademark infringement cases are notoriously fact-specific. Because "likelihood of confusion, the test for trademark infringement, is considered an issue of fact at the trial level," it is "hard to determine with very real certainty how future courts will use prior cases."ⁿ³⁴ This lack of certainty and dearth of good precedential cases makes it difficult for the bullying targets to respond based on the legal merits of their possible infringement defenses; rather, they often respond based on their own financial ability to defend the dispute in the first place. Additionally, this lack of clarity and predictability in the law encourages trademark bullying. An experienced attorney may be able to rely on prior experience and anecdotal evidence to judge the costs associated with the dispute, but he is unlikely to be able to tell a client with any certainty that a claim is meritless (regardless of whether such client is the potential plaintiff or defendant).ⁿ³⁵ Thus, trademark bullying can only rarely be described as meritless and is often better described as unnecessary, inefficient and economically irrational.ⁿ³⁶

Vermont Senator Patrick Leahy took up the charge against trademark bullies in 2010 when he introduced a bill, The Trademark Law Technical and Conforming Amendment Act Of 2010 (S. 2968), that called for a mandatory study by the Department of Commerce to report on "the extent to which small businesses may be harmed by litigation tactics by corporations attempting to enforce trademark rights beyond a reasonable interpretation."ⁿ³⁷ This was a direct response to the very public dispute in the Senator's home state of Vermont between Hansen Beverage Company, makers of the "Monster Energy" trademarked energy drinks, and Rock Art Brewery, a small Vermont brewing company that released a beer under the trademark "Vermonster."ⁿ³⁸ In that instance, Rock Art Brewery received a threatening C&D letter from Hansen Beverage Company but was able to appeal to social media in order to "shame" Hansen Beverage Company into agreeing to a relatively neutral settlement agreement.ⁿ³⁹

The result of Senator Leahy's efforts was the "Report to Congress: Trademark Litigation Tactics and Federal Government Services to Protect Trademarks and [*219] Prevent Counterfeiting" (the "Report to Congress") that the USPTO published in April 2011.ⁿ⁴⁰ This report was based on comments received from the public during a period of

four months. According to the report, "The seventy-nine comments received reflected a diverse range of views, yet few explicitly addressed whether and to what extent trademark abuse is a significant problem."ⁿ⁴¹ Despite receiving only seventy-nine comments from the public, and recognizing that very few of those comments directly answered the question being asked, the USPTO somehow determined that trademark bullying can best be addressed by the current safeguards in the private litigation system.ⁿ⁴² This conclusion has been widely criticized.ⁿ⁴³ Eric Goldman, Professor of Intellectual Property Law at Santa Clara University School of Law, even went so far as to call the report "worthless."ⁿ⁴⁴ Overall, the report recommends that members of the private bar be encouraged to take on more pro bono cases to help any potential bullying victims that may not be able to afford counsel on their own.ⁿ⁴⁵ In a similar vein, Jason Vogel and Jeremy A. Schachter, both practicing attorneys, recently published an article on trademark bullying in the International Trademark Association's *The Trademark Reporter*.ⁿ⁴⁶ Their article also argues that the trademark bullying problem can be managed without new legislation: instead, existing legal ethics rules can be utilized to deter and punish bullying behavior in both the litigation and prelitigation stages of a dispute.ⁿ⁴⁷ While there is disagreement about whether trademark bullying is a widespread problem,ⁿ⁴⁸ it is clearly a costly problem with potentially dire consequences for the parties involved in each bullying dispute.

A. The Cost of Trademark Bullying to Small Businesses

When discussing the costs of trademark bullying to the bullying victim, small businesses become the logical focus of the discussion. When the target of bullying [*220] is a large corporation, that corporation is likely to have the resources to defend itself more fully, including easy access to an attorney to respond to a C&D letter. A large corporation is also likely to have a sophisticated understanding of the role the C&D letter plays in the dispute process. Professor Leah Chan Grinvald has explained that "the rational corporation would likely call the bluff of the threatening company because the rational corporation knows that only 3 percent of all threats of litigation end up in court."ⁿ⁴⁹ However, a small business will often agree to cease use of its trademark, viewing that option as the least expensive choice.

Changing one's trademark can still be an expensive proposition. If the trademark is also the name of the business, the bullying victim may need to consult with counsel about amending or filing for new licenses and incorporation documents with its state. Most bullies also demand that the bullying victim destroy all inventory, marketing materials and even packaging supplies bearing the offending trademark.ⁿ⁵⁰ It will not be cheap to replace these goods, which will be needed immediately to continue operation of the business, and it is unlikely that these kinds of expenses would be accounted for in a small business's regular budget. Additionally, a young business will have invested a lot of its initial capital into advertising and the development of goodwill around the company's business name or trademark. All of that investment will be lost, and those expenses will need to be duplicated. Trademark disputes, like the ones facing Jim Clark and Bo Muller-Moore, greatly increase the likelihood that a small business will fail.ⁿ⁵¹

A trademark bully is likely to recognize that his target is in such a precarious position. In Professor William Gallagher's interviews with trademark and copyright counsel, he found

that [the attorneys] were well aware that asserting claims against a smaller company was often easier than targeting a larger company. The lawyers stated that smaller companies generally could not effectively resist a trademark or copyright claim or threatened lawsuit due to the high cost of IP legal proceedings, regardless of the legal [*221] sophistication of the target or their lawyers.ⁿ⁵²

The Report to Congress envisions increased access to pro bono counsel as the solution to aid these small businesses, but this proposal is shortsighted. The small business owner would first have to be sophisticated enough to know how to obtain pro bono counsel and would have to be confident enough in its own resources and abilities to decide to consider fighting, rather than capitulating immediately. Even prior to taking his dispute to trial, Jim Clark incurred over \$ 10,000 in legal fees simply from his attempts to negotiate a settlement agreement with Starbucks.ⁿ⁵³ He was only able to

afford to defend the case in court after he was informed that his commercial insurance policy would cover the costs once a suit requesting damages was filed against him.ⁿ⁵⁴ Most small businesses would simply not have the ability to defend themselves or to risk waiting for help from pro bono counsel.

However, the public and media backlash against trademark bullying has led to an interesting change of fortune in some instances. By publicizing its trademark dispute with Hansen Beverage Company, Rock Art Brewery obtained a lot of free publicity.ⁿ⁵⁵ It garnered the support of a Vermont senator and benefitted from increased sales even after the dispute was settled.ⁿ⁵⁶ After learning of the "Eat More Kale" dispute, Vermont Governor Peter Shumlin said in December 2011 that the state would do all it could to help Muller-Moore in his battle against Chick-fil-A.ⁿ⁵⁷ It is unlikely that Bo Muller-Moore would be the subject of an upcoming documentary or touring festivals across the country selling his shirts were it not for the publicity surrounding Chick-fil-A's alleged trademark bullying in the first place.ⁿ⁵⁸ Of course, the typical trademark bullying victim is unlikely to fare so well.

B. The Costs Borne by the Trademark Bully

While it is easy to focus solely on the costs borne by the victim of trademark bullying, the bully faces a number of costs as well. Being a trademark bully can [*222] certainly be expensive - the trademark bully faces numerous direct and indirect costs related to its aggressive enforcement of its trademark rights. These companies incur these costs because they place substantial value on their trademarks: in some cases a company's trademark, or its combined trademark portfolio, can represent a substantial portion of the company's net worth. For example, Brand Finance, a consulting company that prepares brand valuations for tax, accounting, legal and other corporate purposes, has calculated the value of Apple's brand, and thus its trademark portfolio and related goodwill, at nearly \$ 71 billion for 2012.ⁿ⁵⁹ Brand Finance determined Google's 2012 brand value to be over \$ 47 billion.ⁿ⁶⁰ With such valuable assets presumed to be at stake, companies allocate a substantial amount of money to trademark enforcement and protection.

The party enforcing, or overenforcing, its trademark rights, must pay attorneys for correspondence and negotiations with the bullying victim, as well as potentially for "watch services" to find third parties to bully in the first place. According to a survey of intellectual property attorneys conducted and analyzed by the American Intellectual Property Law Association, the average billing rate for such an attorney was \$ 340 per hour.ⁿ⁶¹ Trademark monitoring watch reports are prepared by third parties, like Corsearch, CPA Global and Thomson CompuMark that monitor the marketplace for possible infringement of a client's trademark.ⁿ⁶² They routinely search the records of state and federal trademark registers, domain name registrars, business name registration databases, and other sources. Companies like Mark Monitor, Cyberveillance and BD Brand Protect also monitor the Internet and social media websites for potential trademark infringement.ⁿ⁶³ The costs associated with paying a third party for trademark watch reports and for Internet monitoring can quickly add up when many of these services charge based on the number of marks being monitored. Additionally, such reports must be analyzed by an attorney, so a trademark bully would pay high billing rates just to determine if a third party is a risk in the first place.

Additional attorneys fees and other costs are obviously incurred when companies proceed beyond C&D letters and seek to stop a potentially infringing third party. One option is to file an opposition to a third party's trademark registration or petition to cancel such registration with the USPTO. Attorneys Marcus Luepke and Brett Heavner with the law firm of Finnegan, Henderson, Farabow, Garrett & Dunner LLP, a firm that routinely handles such actions on [*223] behalf of its clients, explain that "depending on the complexity of the case, the motions filed, and the amount of discovery and testimony entered in the case, the costs of either oppositions to registration or petitions for cancellation of a registration through completion may be up to US \$ 500,000."ⁿ⁶⁴ If the trademark bully decides instead to file an infringement suit, the costs could grow even higher. According to the American Intellectual Property Law Association's 2011 Report of the Economic Survey, the average cost of a trademark infringement suit ranged from \$ 350,000 (when less than \$ 1 million was at risk) to \$ 1.5 million (when more than \$ 25 million was at risk).ⁿ⁶⁵ While it is true that a trademark bully imposes significant costs upon the target of its bullying, the bully clearly faces substantial costs of its own.

C. The Costs of Trademark Bullying to Society at Large

Trademark bullying imposes additional costs on society as a whole. If a trademark bully successfully forces a third party to cease use of a trademark that would not actually have been declared infringing in a court of law, then that bully may have reduced legitimate competition in the marketplace.ⁿ⁶⁶ Harming competitors, potentially through the use of costly litigation tactics without a real belief that infringement has occurred, is sometimes the tactical motivation for trademark bullying. In Professor Gallagher's interviews of trademark and copyright counsel, one interviewee stated, "No, I mean make them stop and make them pay for litigation if they don't. We can beat them ... up in court, too. Makes them think twice next time. Makes them disrupt things to deal with us."ⁿ⁶⁷ As discussed above, simply requiring the destruction of inventory and the creation and use of a new trademark could be expensive enough to force a small business into bankruptcy, which reduces the bully's potential competition. Such tactics clearly appear anticompetitive but do not rise to the level of an antitrust violation, and they are likely to be permitted to continue, largely unchecked, as a business strategy.ⁿ⁶⁸

Numerous scholars have also argued that society can be harmed by bullying's [*224] impact on free speech and cultural expression: bullying can stop and potentially chill speech that would otherwise be legally permissible.ⁿ⁶⁹ In Professor Gallagher's interviews, the interviewee quoted earlier stated that the third parties that his clients target are "no threat to us, a different world, very different services. No real likelihood of confusion. But we just didn't want them to use it, use their mark."ⁿ⁷⁰ In such a case, the third party's use is unlikely to be infringing; such use could continue if it were not for the intimidation tactics of the trademark bully. This concern about meritless trademark bullying is especially apt when the fair use defense is implicated. When a third party uses a trademark in an expressive manner, and thus not as a trademark identifying a source of a good or service, the Lanham Act states that such use is not actionable.ⁿ⁷¹ Professor Leah Chan Grinvald, for example, has expressed concern about such bullying when it goes to the heart of the fair use defense and "targets individuals who are utilizing a trademark to parody, criticize, or comment on a trademark owner."ⁿ⁷² Marks are often used for parody, such as when the musical group Aqua parodied the "Barbie" doll, or for criticism, such as in the case of critical "gripe" or complaint websites like www.ballysucks.com. Both trademark uses in these two examples were permitted by the courts as fair use.ⁿ⁷³ The aggressive and intimidating actions of trademark bullies could improperly prevent the artistic or critical commentary that society generally views as valuable and that the law permits as fair use. For these reasons, trademark law should not incentivize trademark bullying; instead, it should seek a balance between the protection of trademark owners and consumers against the costs of bullying and the protection of trademarks from a finding of abandonment.

II. THE LEGAL REASONS FOR BULLY-LIKE BEHAVIOR

One might wonder why trademark bullying exists if it is so costly to everyone involved. The reason is that even a strong trademark can lose the protections afforded to it by federal trademark law under certain circumstances.ⁿ⁷⁴ Trademark [*225] owners are typically advised to monitor and "police" third party uses of trademarks identical to or similar to those of the trademark owner, in order to serve three purposes: preventing genericide, monitoring licensees and quality control and stopping any potential infringement.ⁿ⁷⁵ Trademark owners do this to avoid a determination by a court or by the USPTO that they have "abandoned" their trademark. According to Section 1127 of the Lanham Act, a trademark will be deemed "abandoned" when "its use has been discontinued with the intent not to resume such use" or when "any course of conduct of the owner, including acts of omission as well as commission, causes the mark to become the generic name for the goods or services on or in connection with which it is used or otherwise lose its significance as a mark."ⁿ⁷⁶ It is primarily this definition of abandonment, and the loss of trademark rights that go along with such a determination, that spawned the "duty to police" third party trademark usage that is now generally accepted as a bedrock principle of trademark law.ⁿ⁷⁷ While the duty to police exists, its uncertain boundaries have negative consequences. According to Professor Irina D. Manta, "A significant amount of trademark bullying stems from bullies' impression that to maintain a mark, it is the owner's duty to aggressively police it. Thus, many bullying situations involve mark owners who have taken this perceived duty to extreme levels."ⁿ⁷⁸

A. The Duty to Police One's Trademark to Prevent Trademark Abandonment

Breaking down Section 1127 into its component parts, abandonment can be seen to occur in three ways: (1) a trademark owner intends to abandon the mark and thus discontinues its use, (2) a trademark owner, through overt acts or omissions, allows the mark to become the generic name for the good or service with which it has been used or (3) a trademark owner, through overt acts or omissions, allows the mark to lose its significance as a mark (such that it no longer identifies the source of the good or service to a consumer). As the duty to police focuses on actions of third parties, it does not implicate the "intent to abandon" route to abandonment referenced above.ⁿ⁷⁹ For the purposes of this article, the focus will be on the duty to [*226] police resulting from a desire to avoid (1) abandonment through genericide and/or (2) abandonment through loss of trademark significance.

1. Abandonment Through Genericide

A trademark can become the generic name for a type of good or service. This is the potential downside of having a popular trademark or a huge market share for a particular product or service. Consumers can fail to recognize that the trademark identifies the source of the product. This process, by which a formerly strong and distinct trademark loses its ability to identify the source of a particular product with which it has been previously connected, is generally called genericide.ⁿ⁸⁰ When genericide occurs, the trademark comes to be known by consumers as the generic term used to describe the whole category of goods in which that particular product exists.ⁿ⁸¹

One of the classic examples of this process of genericide is the shift of the trademark "Aspirin" from the fanciful brand name used by Bayer Co. to market its acetyl salicylic acid pain reliever to the generic term used by consumers to refer to all such pain relievers whether produced by Bayer Co. or a different manufacturer.ⁿ⁸² In *Bayer Co. v. United Drug Co.*, the District Court for the Southern District of New York held that the trademark "Aspirin" had lost its source identifying significance; as such, it no longer functioned as a trademark and would no longer be afforded the legal rights granted with respect to trademarks.ⁿ⁸³ In this manner, the actions of consumers, third parties unrelated to the manufacture, marketing or sale of a branded product, can usurp the trademark rights established by a trademark owner. "Aspirin" now exists in the public domain along with other former trademarks like nylon, cellophane, escalator and trampoline.ⁿ⁸⁴

Once a trademark has been declared generic, it must be deemed abandoned by the trademark owner according to Section 1127 of the Lanham Act. This stems directly from the fact that a generic trademark can never be granted federal trademark registration with the USPTO.ⁿ⁸⁵ Former Assistant Attorney General William F. Baxter once explained the purpose of trademark protection as follows: "by identifying the source of goods or services, marks help consumers to identify their expected quality and, hence, assist in identifying goods and services that meet the individual consumer's expectations."ⁿ⁸⁶ From this underlying purpose, it [*227] follows that all valid trademarks must function as source identifiers upon which consumer good will and confidence can be built.ⁿ⁸⁷ Therefore, words that are generic, or that become generic, "are unprotectable under the Lanham Act and the common law doctrine of unfair competition because they do not (or no longer) have the capacity for source identification."ⁿ⁸⁸ A word or phrase is generic where "the primary significance of the trademark is to describe the type of product rather than the producer."ⁿ⁸⁹ For example, a business that sells cakes cannot claim trademark rights in the word "cake." The word "cake" is a generic term for the cake product being sold; as such, this business cannot obtain monopolistic rights over the generic term for a product that will be sold by other businesses. This is true whether the proposed mark starts as a generic term or becomes generic over time, like the mark "aspirin."

2. Abandonment for Loss of Significance as a Mark

Section 1127 of the Lanham Act also indicates that a mark can be abandoned if its owner allows it to lose its significance as a mark.ⁿ⁹⁰ Distinguishing this situation from those instances where failure to stop third party infringers allows a mark to become generic, the noted trademark treatise author Thomas McCarthy has posited that the important consideration here is not whether such failure to sue constitutes abandonment but whether it has resulted in a loss of

strength of the underlying mark in the eyes of consumers.ⁿ⁹¹ The difference between a mark that has become generic and one that has lost its significance as a mark is one of scale. If a mark has lost its significance as a mark, it can no longer clearly signify to a consumer the source of that particular good or service. It has not become the generic label for the product or service being sold, but the direct link between product or service and its source has been severed. The Court of Appeals for the Federal Circuit has explained trademark significance as follows:

Without question, distinctiveness can be lost by failing to take action against infringers. If there are numerous products in the marketplace bearing the alleged mark, purchasers may learn to ignore the "mark" as a source identification. When that occurs, the conduct of the former owner, by failing to police its mark, can be said to have caused the mark to lose its significance as a mark.ⁿ⁹²

The loss of significance grounds for abandonment is often confused with the defenses of acquiescence and laches. In his treatise, McCarthy distinguishes [*228] between acquiescence and abandonment as follows:

While plaintiff's failure to prosecute trademark uses by parties other than defendants may be evidence of plaintiff's acquiescence in defendant's use, such a failure is not acquiescence where a third party's usage is de minimus. Acquiescence should not be confused with abandonment of trademark rights. The defense of abandonment results in a loss of rights as against the world, while the defense of acquiescence merely results in a loss of rights as against one defendant.ⁿ⁹³

Acquiescence can therefore be seen as a personal defense. If a trademark owner knows of a specific third party's potential trademark infringement and fails to take steps to stop it for a significant period of time, that third party may be able to use the defense of acquiescence to prohibit the trademark owner from stopping the third party's use in the future.ⁿ⁹⁴ This is very similar to the equitable defense of laches that such a third party may also be able to use. For laches to apply, the third party would need to show that the trademark owner's unreasonable delay in bringing the trademark suit would cause unfair prejudice to the third party.ⁿ⁹⁵ In both instances, these defenses are distinct from abandonment because they only hinder the trademark owner's monopolistic trademark rights against the single third party.ⁿ⁹⁶ Abandonment terminates those rights against the whole world.ⁿ⁹⁷

The defendant in *Wallpaper Mfrs., Ltd. v. Crown Wallcovering Corp.* raised the defense of abandonment.ⁿ⁹⁸ Both the plaintiff and the defendant had been using the trademark "Crown" in connection with the sale of wallpaper products.ⁿ⁹⁹ The plaintiff was the first user of this mark, and thus had priority absent loss of the trademark rights due to abandonment.ⁿ¹⁰⁰ The United States Court of Customs and Patent Appeals quickly dismissed the argument that abandonment had occurred through the plaintiff trademark owner's intent to abandon.ⁿ¹⁰¹ Additionally, the trademark "Crown" had not become a generic term within the field of wallpaper.ⁿ¹⁰² The lower court had found abandonment based on the evidence presented that the trademark "Crown" no longer identifies either party's goods or distinguishes them from those manufactured or sold by the other; therefore, the court ordered that the plaintiff's trademark registration be canceled because the mark could no longer serve as a source identifier and customers would be confused by two companies using the same mark in the same industry.ⁿ¹⁰³

[*229] However, this decision was reversed by the United States Court of Customs and Patent Appeals, which stated:

The only issue before us is abandonment - whether appellant has forfeited all rights because the mark CROWN no longer identifies appellant as a source for wallpaper. The board's finding that CROWN continues to function as a mark

for appellant can only mean appellant's acts have not been of such character as to cause the mark to lose its significance as an indication of origin for appellant's goods. ⁿ¹⁰⁴

The fact that some consumers also knew of the connection between the defendant and the mark did counter the evidence that many consumers still saw the mark as an indicator that the plaintiff was the source of the product. ⁿ¹⁰⁵

While the plaintiff in *Wallpaper Mfrs.* could have a claim against the defendant for infringement, the defendant's concurrent use of the mark was not substantial enough to cause abandonment. For abandonment to occur due to loss of significance of a mark, that loss must be something more than simply confusion among a small number of consumers due to two competitors using a similar mark.

B. Overestimation of Duty to Police by Trademark Owners

While trademark owners routinely cite the duty to police as justification for their bully-like behavior, ⁿ¹⁰⁶ the actual risk of losing one's trademark rights due to a failure to police third party trademark use appears to be highly exaggerated. In the majority of cases in which a failure to police third party trademark usage is alleged, courts find that any such failure has not risen to the level of abandonment of the mark and thus is inconsequential. ⁿ¹⁰⁷ Where the courts have terminated a mark in such cases, the deciding factor is not whether the mark owner failed to police third party use but whether the owner evidenced an intent to abandon the mark or allowed the mark to become so freely used by competitors that it no longer functions as an indicator of source at all. ⁿ¹⁰⁸ Additionally, a "party seeking to prove abandonment has a high burden of proof," and that burden is rarely met. ⁿ¹⁰⁹

In a clear case where termination of trademark rights was appropriate, the Second Circuit held that the "Milk of Magnesia" trademark, registered with the [*230] United States Patent and Trademark Office in 1905, should be canceled. ⁿ¹¹⁰ The Second Circuit based its decision on two separate grounds for cancelation: the fact that (1) the mark "was not in the actual and exclusive use of the defendant, or its predecessors, during the ten years prescribed by the statute," ⁿ¹¹¹ and (2) the defendant's abandonment of the mark as shown by its failure "during a long period to assert or enforce its rights" against widespread use of the mark by competitors. ⁿ¹¹² Between the date of registration of the mark in 1905 and the start of the cancelation proceeding on June 25, 1924, the defendant trademark owner in this case had allowed numerous competitors to sell high quantities of the same basic product under the "Milk of Magnesia" mark. ⁿ¹¹³ The Second Circuit determined that the defendant "had taken no steps whatever to assert its rights, and had really ignored the extensive use by others." ⁿ¹¹⁴ Such blatant disregard for the trademark allowed it to become abandoned, because the mark "no longer indicated the origin of the goods sold under it." ⁿ¹¹⁵

In contrast, in *Council of Better Business Bureaus, Inc. v. Better Business Bureau, Inc.*, the plaintiff organization brought an action for infringement against a former member who countered by asserting that the plaintiff's mark had been abandoned. ⁿ¹¹⁶ This defense was premised on the fact that the plaintiff had failed to stop numerous smaller and local organizations from referring to themselves as "Better Business Divisions, Councils and Departments, etc. of various Chambers of Commerce." ⁿ¹¹⁷ However, the U.S. District Court for the Southern District of Florida determined, based on evidence presented by the plaintiff, that the existence of such third party organizations had not "affected the distinctiveness" of the plaintiff's mark. ⁿ¹¹⁸ As a result, the defendant's abandonment defense failed. ⁿ¹¹⁹

Similarly, in *STX, Inc. v. Bauer USA, Inc.*, the defendant Bauer, a former licensee of the trademark for protective skating equipment at issue, alleged that STX's trademark rights had been abandoned and thus could no longer be enforced. ⁿ¹²⁰ This defense was based on an STX executive's admission that the company was aware of several competitors making widespread use of similar, [*231] unlicensed and potentially infringing trademarks. ⁿ¹²¹ While STX had knowledge of such third party trademark usage, STX had taken no formal action against any of these third parties in the five years preceding this suit against Bauer. ⁿ¹²² The U.S. District Court for the Northern District of California first clarified that "evidence of other potential infringers is 'irrelevant' to a suit against a particular infringer" absent convincing evidence of abandonment of the mark. ⁿ¹²³ The court then noted that the defendant had only shown that STX was aware of third party uses; the defendant had not presented any evidence illustrating STX's consent, tacit or

implied, to such potentially infringing uses. ⁿ¹²⁴ Quoting an opinion by the Ninth Circuit, the Court stated that "an owner is not required to act immediately against every possible infringing use to avoid a holding of abandonment." ⁿ¹²⁵ Despite STX's business determination not to take formal action against the potential infringers of which it was aware, the defendant's motion for summary judgment on the issue of abandonment was dismissed because STX's monitoring of industry magazines and visits to retail establishments led the court to conclude that STX conducted enough "policing" to prevent an unambiguous determination of abandonment. ⁿ¹²⁶

Based on abandonment case precedent, what should a trademark owner do to protect its mark from an allegation of abandonment? The court in *Wallpaper Mfrs.* explained that:

An owner is not required to act immediately against every possibly infringing use to avoid a holding of abandonment Some infringements are short-lived and will disappear without action by the trademark owner. In the case of a mark temporarily not in use or only used to a limited extent, a company may be hard pressed to extend its financial resources to fight an infringer when it has little or no current market under its mark. ⁿ¹²⁷

Clearly, courts do not require a trademark owner to stop every potential third party infringer. Additionally, the cases suggest that absent evidence of intent to abandon, a trademark owner simply needs to prevent its mark from becoming generic and monitor the significance of its mark within the relevant consuming public. Both of [*232] these goals could be achieved by employing a proactive branding strategy rather than a reactive litigation strategy. Perhaps a trademark owner would be wiser to spend money on advertising rather than spending it on bully-like tactics against non-competitor third parties. With this in mind, were the actions taken by Chick-fil-A and Starbucks reasonable or necessary? The "Starbucks" mark is clearly not generic, and it is highly unlikely that the "Charbucks" mark could cause the "Starbucks" mark to lose its significance as a trademark given the large amount of advertising conducted by Starbucks and the widespread brand recognition it enjoys. However, the fact that "Charbucks" was being used by a coffee company could have made this a closer case for loss of significance, or a laches or acquiescence concern, to the Starbucks attorney that sent the first C&D letter to Jim Clark. ⁿ¹²⁸ However, the attorneys for Chick-fil-A have less merit to their concerns. The company's "Eat Mor Chikin" mark is relatively popular and well known in its retail markets, suggesting that it is unlikely to be generic or close to losing its significance as a trademark. Whether it is known in areas without access to a retail location is arguable; Muller-Moore certainly claims to live in such a market and never to have heard of the mark prior to the dispute. Additionally, Muller-Moore's "Eat More Kale" mark is unlikely to hinder the strength of the Chick-fil-A marks because Muller-Moore is not a competitor of Chick-fil-A and has only negligible sales.

III. COGNITIVE BIAS RESULTS IN OVERESTIMATION OF RISK OF TRADEMARK ABANDONMENT

Why do trademark bullies expend so much time and energy pursuing noncompetitor third parties? As discussed above, case law suggests that the duty to police is not overly burdensome and simply requires mark owners to use their mark in such a way as to keep it from becoming generic and to police uses by competitors so that the mark maintains its ability to identify the source of a product or service. Based on this premise, it appears that the actions of trademark bullies - investing thousands of dollars in policing third party uses, pursuing weak claims to court when the bullied party refuses to capitulate, and incurring extensive bad publicity in the process - may not be entirely rational. ⁿ¹²⁹ Such seemingly irrational behavior consistently chosen by trademark owners suggests that other [*233] psychological factors may be at play.

Research from the fields of psychology and economics identifying cognitive biases and heuristics can resolve this apparent disconnect. Numerous behavioral studies have shown that humans are not always rational actors when faced with decisions pertaining to risk and uncertainty. ⁿ¹³⁰ Instead, such studies show that people often rely on mental shortcuts called cognitive biases or heuristics to consciously or subconsciously assist in making these sorts of decisions. ⁿ¹³¹ Legal scholars have already applied these theories of cognitive bias and heuristics in legal decision making to

explain the sometimes irrational behavior of judges,ⁿ¹³² juries (especially in terms of damage awards in tort litigation),ⁿ¹³³ and even negotiating parties.ⁿ¹³⁴ This Article proposes that cognitive biases can also help to explain the actions of trademark bullies. Better understanding the motivations, both legal and psychological, of trademark bullies will assist courts and legislators in crafting solutions to deter trademark bullying and to address the various problematic consequences of bullying discussed above.

A. Background on Cognitive Bias and Prospect Theory

Starting in the 1970s, Amos Tversky and Daniel Kahneman published a number of empirical studies that formed the foundation for the study of decision making under conditions of uncertainty.ⁿ¹³⁵ In 1974's "Judgment Under Uncertainty: Heuristics and Biases," they determined that "people rely on a limited number of heuristic principles which reduce the complex tasks of assessing probabilities and predicting values to simpler judgmental operations."ⁿ¹³⁶ These heuristics are the conscious or unconscious mental shortcuts that allow a person to quickly make a decision evaluating the likelihood of an uncertain outcome, such as the likelihood a [*234] small business will capitulate after receiving a C&D letter, or the likelihood that the failure to police every third party use of one's trademark will result in abandonment of the mark.ⁿ¹³⁷ While Tversky and Kahneman acknowledge that heuristics can be useful, their work illustrates how various heuristics can lead to "severe and systematic errors."ⁿ¹³⁸

These empirical studies on cognitive bias appear to argue against the rational choice theory of behavior that has long been a dominant approach in legal theory. Rational choice theory "presumes that individuals always try to maximize their expected utility, primarily through acting rationally when making decisions involving risks and benefits."ⁿ¹³⁹ Contrary to this view, the empirical studies on cognitive bias suggest that people sometimes rely on quick heuristical judgments rather than weighing risks and benefits to reflect the probability of the various outcomes. This reliance on shortcuts is a byproduct of human cognitive limitations, including the inability to process large amounts of information at one time. Kahneman explains that "when faced with a difficult question, we often answer an easier one instead, usually without noticing the substitution."ⁿ¹⁴⁰ While analyses of law and legal disputes based on rational choice theory have made substantial contributions to legal scholarship,ⁿ¹⁴¹ numerous legal scholars are now questioning that approach and attempting to incorporate legal realism into the dialogue using the research on cognitive bias and the related insights from prospect theory.ⁿ¹⁴²

Since Kahneman and Tversky's original article, numerous cognitive biases, heuristics and related effects have been documented and applied.ⁿ¹⁴³ Kahneman and Tversky built upon their initial discoveries in this area to develop a theory of decision making under conditions of uncertainty, which they termed "prospect theory." As trademark bullying is based on evaluation of risk and uncertainty pertaining to trademarks, this article will apply prospect theory to the problem of trademark bullying, with particular emphasis on the impact of the certainty effect, endowment effect and sunk cost effect on this prospect theory analysis.

[*235]

B. Prospect Theory: Framing Risk Judgments as Gains Versus Losses

While rational choice theory states that people make rational decisions to maximize the value of their total wealth, prospect theory argues that attempts to maximize wealth are influenced by systematic biases in judgment, such as the framing effect.ⁿ¹⁴⁴ The framing effect refers to the observation that people treat logically equivalent judgments differently if they are framed as losses or as gains.ⁿ¹⁴⁵ As an example of the framing effect, imagine a cancer patient trying to decide whether to undergo an effective yet risky surgery. A surgery reported to have an 80% survival rate will be chosen more often than the same surgery reported to have a 20% mortality rate - even though these statements of risk are equivalent. Framed as a gain (survival), the surgical option is appealing; framed as a loss (mortality), the same option is aversive. This example demonstrates that logically equivalent judgments about risk are treated quite differently depending on the way they are framed; these framing effects on medical decision making have been observed in patients as well as medical professionals, such as radiologists.ⁿ¹⁴⁶

A principal feature of prospect theory, which is concerned with how people actually make decisions regarding uncertainty and risk, is its attention to the way decisions are framed as either gains or losses. In accordance with empirical studies, prospect theory predicts that "people generally make risk averse decisions when choosing between options that appear to be gains and risk seeking decisions when choosing between options that appear to be losses." ⁿ¹⁴⁷ This suggests that people will make riskier decisions in order to try to avoid loss, which has been described as "loss aversion." ⁿ¹⁴⁸

Kahneman and Tversky have argued that there are several psychological mechanisms that interact in order to produce the loss aversion shown in empirical studies. First, when making decisions, people judge their options relative to a frame or reference point. ⁿ¹⁴⁹ Generally, this reference point is the status quo or the person's current position or status. Professor Chris Guthrie, an expert on behavioral law and economics, offers a helpful example: "People will generally choose a definite \$ 1,000 prize over a 50% chance at receiving a \$ 2,000 prize but will opt to face a 50% chance at having to pay a \$ 2,000 fine over having to pay a [*236] definite \$ 1,000 fine." ⁿ¹⁵⁰ If the individual was acting rationally, as predicted by rational choice theory, people should be found to have no preference between the \$ 1,000 prize and the 50% chance at a \$ 2,000 prize (as the expected benefit is effectively the same). However, experiments in support of prospect theory show that an individual faced with such a decision frames the decision as a gain or a loss relative to the status quo. When compared to the status quo reference point, either prize is seen as a gain and either fine is a loss. Prospect theory argues, and studies demonstrate, that individuals faced with this problem tend to be risk averse regarding the gains and will select the guaranteed \$ 1000 prize. ⁿ¹⁵¹ However, they will be risk seeking when faced with a decision about accepting a loss and will typically opt for the 50% chance at avoiding the larger fine. ⁿ¹⁵² Scholars in a variety of fields have noted the important repercussions this rule has on decisions such as those regarding financial investments or even criminal plea bargaining. ⁿ¹⁵³

How can the theory account for this preference to be risk averse with potential gains and risk seeking when judging potential losses? A fundamental feature of prospect theory is the premise that losses are more cognitively salient than gains. According to Kahneman, "When directly compared or weighted against each other, losses loom larger than gains. This asymmetry between the power of positive and negative expectations or experiences has an evolutionary history. Organisms that treat threats as more urgent than opportunities have a better chance to survive and reproduce." ⁿ¹⁵⁴ Empirical studies have suggested that people are so much more sensitive to losses than they are to gains that they perceive a loss to be nearly two times more emotionally charged than a numerically equivalent gain. ⁿ¹⁵⁵

Before applying the lessons of prospect theory to trademark bullying, it is useful to see how prospect theory has already been applied to the logic of litigation. Professor Jeffrey Rachlinski has examined how prospect theory's loss aversion may impact whether litigants decide to pursue a trial rather than seek a settlement of their dispute. According to Rachlinski, plaintiffs in a dispute are effectively faced with two potential "gains": a settlement agreement that would improve upon the status quo, which would be seen as the current situation where the defendant is [*237] allegedly causing injury to the plaintiff, or a trial whereby the plaintiff has the chance to seek an even more favorable judgment against the defendant. ⁿ¹⁵⁶ In contrast, the defendant can be viewed as facing two possible losses: a definite loss under the plaintiff's proposed settlement agreement terms or an uncertain risk at trial that the damages awarded would be less than those under the settlement agreement. ⁿ¹⁵⁷ When faced with two gains, prospect theory posits that the plaintiff will prefer the settlement agreement - the risk averse option. ⁿ¹⁵⁸ The defendant, on the other hand, will be averse to any loss and will thus prefer the risk seeking option of going to trial. ⁿ¹⁵⁹ These predictions also hold true in settlement negotiations depending on whether each party characterizes the settlement as a gain or as a loss. ⁿ¹⁶⁰ Rachlinski conducted two empirical studies involving subjects asked to respond to litigation scenarios and also studied the settlements obtained in actual disputes. ⁿ¹⁶¹ In all, he found the framing predictions of prospect theory to hold true based on whether the suit or settlement was viewed as a loss or gain. ⁿ¹⁶²

In another study concerned with framing in the litigation context, C. Russell Korobkin and Chris Guthrie had undergraduate students respond to proposed settlement amounts for hypothetical litigation scenarios from the perspective of the plaintiff. ⁿ¹⁶³ Two versions of the settlement offer were crafted, one framing the settlement as a gain to the plaintiff and the other framing the settlement as a loss to the plaintiff. Students found settlement offers framed as

gains as attractive, while offers framed as a loss were less attractive, meaning that the decision to accept the risk of going to trial was influenced by the framing effect.ⁿ¹⁶⁴ This conclusion was also confirmed by Babcock et al. in an empirical study asking undergraduates and trial attorneys to take the perspective of either plaintiff or defendant in a [*238] hypothetical products liability suit.ⁿ¹⁶⁵ Subjects were told that the defendant had been found liable and the upcoming litigation was only to determine the amount of damages. Subjects were then asked to set a "reservation price" they would accept to avoid the upcoming trial. For plaintiffs, the reservation price was the minimum amount they would accept to not continue litigation; for the defendants, the reservation price represented the maximum price they were willing to offer for settlement.ⁿ¹⁶⁶ Because the subjects were given information on the average of awards handed down in cases similar to theirs, the authors were able to categorize the reservation prices as risk averse or risk seeking. For plaintiffs, setting a reservation price below the average was characterized as risk averse, while a price above the average (and thus less likely to succeed) was characterized as risk seeking. Conversely, for defendants, setting a reservation price below the average was risk seeking, while a reservation price above the average was risk averse.ⁿ¹⁶⁷ Conforming to the predictions of the framing hypothesis, the authors found that plaintiffs accepted lower than average, i.e. risk averse, reservation prices, whereas defendants trended toward risk seeking offers (although this trend did not reach statistical significance).ⁿ¹⁶⁸

Parties in a trademark bullying scenario are less easily characterized than the traditional litigants that inspired the empirical studies discussed above. A trademark bullying dispute is most consistent with the results from Korobkin and Guthrie in framing changes affected the attractiveness of settlement offers. To illustrate this, consider the positions of the litigants in the Charbucks dispute: First, consistent with Rachlinski's analysis, Jim Clark likely viewed his options as a decision between two losses. Any settlement agreement with Starbucks would likely involve limits on the manner in which he could use his mark and, based on the initial negotiations, might require the destruction of his inventory and the loss of the goodwill he had established in that mark among consumers. Furthermore, at trial Clark faced direct losses related to the investment of time and resources in defending the suit, but he has the potential to emerge with a judgment in his favor and the ability to continue using the mark unencumbered. Prospect theory suggests that Jim Clark would choose the risk seeking path and elect to go to trial on the chance, however small, that his losses could be largely avoided. In fact, this is precisely what he did. Clark abandoned negotiation talks when Starbucks refused to pay all of his costs he had incurred.ⁿ¹⁶⁹

Applying prospect theory to the motivations of the plaintiff trademark bully is a more complex calculation. Where the bullied party gives into the trademark bully's demands, prospect theory suggests that, in agreement with the findings of Korobkin, Guthrie and Babcock, bullies will be risk averse by pushing for the [*239] definite gain afforded by a settlement. To some extent, bullies do choose this option, which explains the prevalence of C&D letters. However, trademark law imposes limitations on what bullies feel are acceptable settlement terms, as they must also protect against genericide and abandonment. As a result, bullies will appear more aggressive in settlement negotiations by offering paltry concessions to the bullied party, which in turn makes settlement less likely to occur, particularly in the case of a risk seeking defendant. Indeed, in the "Charbucks" dispute Starbucks made strong demands, including the destruction of inventory and cessation of use of the "Charbucks" mark, while refusing to pay all of Clark's related costs in exchange.

Furthermore, although litigation is certainly a riskier option, it has the added benefit to the bully of making a public display of an active attempt to police a mark, even if the bully ultimately loses in court. In this sense, litigation can be seen as a gain. A trademark bully essentially faces three choices: (1) a gain through a favorable settlement agreement; (2) a gain (protection against genericide and abandonment) through litigation, successful or not; or (3) a chance of loss of trademark rights if settlement or litigation is not pursued and a court later deems policing efforts to be insufficient as a result. Given prospect theory's principal finding that decision makers are subject to strong loss aversion effects, it is unsurprising that the first and second options are preferred over the third. To avoid loss, the bully will accept either a settlement or protection gain. Thus, Starbucks continues to appeal the adverse decisions in the "Charbucks" litigation despite the spiraling costs of attorneys' fees and related expenses like consumer surveys. The aggressive tactics of trademark bullies - one-sided settlement agreements, threats of litigation and considerable investment in litigation - can

be seen as a byproduct of decision making from a gain versus loss frame. Trademark law establishes the frame; bullies simply play by the rules.

Loss aversion in the context of a loss-versus-gain frame is the principal feature prospect theory that explains trademark bullying behavior. However, the problem is exacerbated by three related biases also described by prospect theory: the certainty effect, the endowment effect and the sunk cost effect.

1. The Certainty Effect

The certainty effect was interpreted in light of cognitive biases by Kahneman and Tversky in their seminal paper on prospect theory in 1979.ⁿ¹⁷⁰ They defined this phenomenon as the tendency of people to overvalue "outcomes that are considered certain, relative to outcomes which are merely probable."ⁿ¹⁷¹ To illustrate the certainty effect, Kahneman, in his book *Thinking, Fast and Slow*, uses the following example:ⁿ¹⁷² You are given a \$ 1 million inheritance, but the inheritance is challenged in court. On the day that the court is to render its verdict, your attorney explains that you have a 95% chance of winning the case and keeping [*240] the entire \$ 1 million sum. If approached by a risk adjustment company with an offer for a certain sum of \$ 910,000, however, you are likely to consider this a viable option. Even though the offer from the risk adjustment company is \$ 40,000 less than the expected value of waiting for a verdict in the case, you are likely to place a high value the certainty of knowing your fate now. This overvaluation of certainty is actually the basis for the risk adjustment and structured settlement industry. That industry profits from the certainty effect - the fact that people will forgo even a relatively high probability of a larger sum of money for a definite, or certain, payment of smaller sum. In short, people overvalue certainty.

This concept was also demonstrated in the study by Babcock et al. discussed above, where subjects representing plaintiffs accepted risk averse settlement amounts less than the average award value of similar cases.ⁿ¹⁷³ Subjects who were induced to see the litigation as more risky (by seeing a wider variation in the award values for individual cases) were willing to accept even lower settlement amounts, demonstrating that as perceived risk increases, people are willing to pay more for a certain gain.ⁿ¹⁷⁴

The certainty effect also applies to losses. If faced with a small risk of loss, people have been shown to be "willing to pay far more than the expected value to eliminate them altogether."ⁿ¹⁷⁵ They are willing to pay to remove the uncertainty, or, phrased another way, they overvalue certainty and are willing to pay for it. This principle is especially relevant to the discussion of trademark bullying. Even if an attorney tells her client that failure to stop all remotely infringing or diluting trademark use rarely results in the abandonment of a trademark, that attorney is unlikely to offer a promise of certainty that the trademark is safe. Thus, the client is faced with a low probability of risk that a third party somewhere in the marketplace, selling a potentially unrelated product with a remotely similar trademark, could harm the client's own trademark rights. A completely rational client would determine that such a risk minimal, and only invest a small sum of money into monitoring the third party usage or countering any concerning usage with increased advertising presence. But the certainty effect may cause the client to overvalue certainty, and push for reducing risk of harm to the trademark to zero.ⁿ¹⁷⁶ Such a client would be willing to aggressively pursue all potential third party infringers in pursuit of that illusive certainty. The certainty effect may be one of the motivating factors behind some of the "aggressive clients" mentioned by the trademark attorneys interviewed for Professor Gallagher's study of informal trademark and copyright enforcement efforts.ⁿ¹⁷⁷

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2. The Endowment Effect

The biased judgments stemming from the certainty bias discussed above are compounded when they interact with another cognitive bias called the endowment effect. The endowment effect provides that an individual will value an item in his or her possession more than an equivalent item in the marketplace. If the items in question are identical, and there are no transaction costs involved, then a rational decision maker should see no distinction between the two items.

However, studies of the endowment effect have shown that once a person claims ownership over an item, that person increases the item's value in that person's mind. ⁿ¹⁷⁸

For example, in the classic study conducted by Daniel Kahneman, Jack Knetsch, and Richard Thaler, half of the study participants were given coffee mugs and told they would have the opportunity to sell them. ⁿ¹⁷⁹ The other half of the participants were told they would have the opportunity to buy the mugs. ⁿ¹⁸⁰ Then, each current "mug owner" and each "buyer" was asked to fill out a questionnaire indicating the prices at which that individual would be willing to buy or sell a mug. ⁿ¹⁸¹ The mug owners consistently valued the mugs at a significantly higher price than the buyers. ⁿ¹⁸² This suggests that despite not actually purchasing the mugs themselves, and having no direct personal connection to the mugs, the fact that the mug owners had been randomly assigned possession of the mugs increased the assessed value of the mugs to those individuals.

The endowment effect can be seen as an expected consequence of prospect theory's loss aversion. From the perspective of prospect theory, the individuals buying and selling mugs are likely to base their decisions on a reference point that is the status quo. For the study participants who were given a mug, their status quo includes possession of a mug. Therefore, selling that mug can be seen as a loss since they are giving up the item in their possession now. In terms of underlying psychology, such an individual may consider the pain of giving up the mug when mentally assessing the mug's value. That pain can consciously or unconsciously contribute to the increase in value ascribed to the mugs in this instance. On the other hand, a buyer's status quo is more neutral: he or she does not currently have a mug. Therefore, buying a mug can be seen as a gain, and the pleasure of that gain could be taken into account when setting the price for the mug. According to Kahneman, "The values were unequal because of loss aversion: giving up a [possession] is more painful than getting an equally good [item]." ⁿ¹⁸³ While not explicitly discussing prospect theory, Supreme Court Justice Oliver Wendell Holmes has captured this same sentiment:

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It is in the nature of man's mind. A thing which you have enjoyed and used as your own for a long time, whether property or an opinion, takes root in your being and cannot be torn away without your resenting the act and trying to defend yourself, however you came by it. The law can ask no better justification than the deepest instincts of man. ⁿ¹⁸⁴

Additional studies have indicated that "endowment effects will almost certainly occur when owners are faced with the opportunity to sell an item purchased for use that is not easily replaceable." ⁿ¹⁸⁵ Given the unique nature of trademarks and the fact that they cannot easily be bought or sold on an open market, ⁿ¹⁸⁶ they are in a sense irreplaceable; consequently, a strong endowment effect should be expected to impact decisions of trademark owners. Trademark owners will have a strong incentive to avoid losing what they have - their current trademark and the goodwill associated with it. This suggests that trademark owners may overvalue their trademark assets and then invest irrationally large amounts of time and money into preventing a loss of those trademarks, even if such a loss is incredibly unlikely. Professor Gallagher's interviews with trademark attorneys show hints of the endowment effect at play in decision making regarding trademarks and the duty to police: "As these lawyers explained, enforcement efforts were much more likely to be undertaken against potential targets when the alleged infringement involved the client's 'core' IP, or 'crown jewels,' as several lawyers put it." ⁿ¹⁸⁷ Calling the trademarks "crown jewels," or viewing them as on par with tangible property, ⁿ¹⁸⁸ illustrates the tendency of trademark owners to elevate the status of trademarks to something more significant than mere business assets. The inherent nature of trademarks lends itself easily to the errors associated with the endowment effect. Since this psychological effect can impact rational decision making, it should be taken into consideration by anyone seeking to deter trademark bullying. Trademark bullying behavior should be expected in light of the endowment effect's interaction with the uncertain requirements of trademark law's duty to police.

3. The Sunk Cost Effect

The sunk cost effect - the observed greater tendency of an individual to "continue an endeavor once an investment of money, effort or time has been [*243] made" ⁿ¹⁸⁹ - is another factor that may exacerbate the problem of trademark

bullying. This behavior is motivated by the prior investment, known as the sunk cost, despite the fact that such investment objectively should be irrelevant to decisions about future behavior if the decision were based on rational choice theory. The sunk cost effect has been used to explain numerous examples of horrible financial decisions made by government agencies or even private corporations where additional funds continue to be contributed to a project or research program that has proven to be a failure. ⁿ¹⁹⁰

One study exploring behavioral ramifications of the sunk cost effect used full price and discounted theater ticket packages to evaluate the effect under real world conditions. In that study, individuals seeking to buy season ticket packages to a specific theater were randomly assigned to groups and either offered the option of purchasing the tickets at full price or at one of several discounted prices (allegedly offered as part of various promotions). ⁿ¹⁹¹ By tracking attendance of these individuals over the course of the season, the researchers were able to show that those individuals that purchased the full price tickets, and thus had higher sunk costs, were more likely to use their tickets in the six months following the ticket sales. ⁿ¹⁹² If the sunk cost effect was not at work, the researchers predicted that the individuals in the various test groups should have been equally likely to attend a performance. ⁿ¹⁹³ This is what rational choice theory would have anticipated. Also noteworthy was the fact that the sunk cost effect seemed to last only six months, ⁿ¹⁹⁴ which could be the period in which the purchase price of the tickets was most salient to the buyer. After six months, there was no difference in attendance rates between the theatergoers who purchased at full price and those who purchased with a discount. ⁿ¹⁹⁵

Now imagine that one of the study's theatergoers went to his first show of the season and hated the performance. He felt the cast and crew were untalented and that the show was a waste of his time. If that individual is persuaded to continue attending shows due to the sunk cost of the tickets already purchased, he would not be maximizing his happiness (as he dislikes the performances) or his productivity (since he could choose an alternate activity). To a rational choice theorist, he is "throwing good money after bad." Yet, examples of this sort of irrational behavior abound: the most famous perhaps is the supersonic Concorde airplane, where two governments developing the plane decided to continue development even when there was little chance of recouping costs. Their rationale was that they had "too much invested to quit." ⁿ¹⁹⁶ This "Concorde fallacy" - refusing to cut one's losses - [*244] appears to be unique to adult humans (not children or lower animals). ⁿ¹⁹⁷

While the sunk cost effect may not explain why trademark bullies take their initial aggressive actions against third parties, it might account for why these disputes can rapidly escalate into costly litigation. In the case of the "Charbucks" dispute, the endowment effect may have contributed to Jim Clark's decision not to capitulate immediately to the demands from Starbucks. However, that effect alone fails to explain why Clark continued to pay attorney's fees and dedicate time and effort to this dispute in the years leading up to the filing of the suit by Starbucks. Clark has indicated that his costs quickly approached \$ 20,000, a large sum for such a small business. While Clark had hoped Starbucks would pay his legal fees as part of the proposed settlement agreement, he had no guarantee of this from Starbucks. The only guaranteed way to stop incurring costs would have been to cease use of the "Charbucks" trademark. But the \$ 20,000 in fees did not occur all at once. Instead, it built up in small increments; each increment adding more to Clark's sunk costs and further encouraging to insist that Starbucks agree to his settlement terms.

At the same time, Starbucks experienced its own escalation of sunk costs. At the time of final negotiation between the parties, after which Clark refused to continue negotiating and Starbucks filed suit, Starbucks refused to pay more than \$ 20,000 to Clark to cover his expenses related to their settlement discussions. Both parties had invested so much in sunk costs that \$ 20,000 no longer seemed like a rational offer to Clark. At trial, however, Starbucks presented a \$ 30,000 consumer opinion survey as evidence. The company was now willing to invest \$ 30,000 on top of the sunk costs invested in the negotiation discussions and projected costs of ongoing litigation, when that same \$ 30,000 might have allowed them to reach settlement only a short while before. This escalation of the dispute may be attributable to the sunk costs effect. In order to deter such expensive and inefficient methods of dispute resolution, those crafting solutions must recognize that psychological mechanisms may motivate the parties involved and affect their decisions.

CONCLUSION

In light of loss aversion and the related cognitive biases discussed in this Article, it may be necessary to rethink how we best respond to trademark bullying and its negative consequences. While some attorneys and scholars have proposed that this problem could be addressed with existing ethics laws or the expansion of antiSLAPP measures allowing defendants to seek damages for meritless suits, these solutions are premised on an understanding of a trademark bully as a rational decision maker. The lack of clarity in the law regarding the duty to police third party trademark usage encourages trademark owners to be risk seeking and aggressive in order to avoid the small possibility of a finding of trademark [*245] abandonment. An attorney counseling such clients cannot say with certainty that there is no risk. Thus, he or she will be less likely to worry about violating ethical rules by pushing aggressively on a client's behalf to stop third party trademark usage. Any remedial measures designed to punish an overly aggressive trademark bully would occur after the impulse to avoid loss has already induced bully-like behavior. Such measures may be able to encourage that specific trademark owner to respond less aggressively in the future, but are unlikely to deter other potential trademark bullies. Bullies' initial motivations are not based solely on a rational cost-benefit analysis, and effective deterrents cannot assume that they are. The same problem exists with the proposal to deter trademark bullying through the use of extralegal "shaming" measures. Given mark owners' high degree of loss aversion, in the context of a overvalued trademark (due to the endowment effect) the negative consequences of shaming would likely need to be substantial and direct in order to affect the incentives to bully in the first place. Such a deterrent would add more "costs" to a cost-benefit analysis but would not go to the heart of the potential cognitive motivations of a trademark bully.

A more direct approach is needed, focusing on increasing clarity with regard to the risk of trademark abandonment. As this risk appears to be relatively slight, the USPTO may be able to counter the overestimation of risk through better guidance and outreach to trademark owners. In advising clients, attorneys have traditionally framed the issue of the duty to police as one of loss: if you fail to stop potential third party infringement, your trademark can be lost forever. The issue could be reframed, to better reflect the actual risk involved, as an issue of investment in one's brand. Attorneys could present it to clients as the duty of the trademark owner to ensure that the mark continues to serve as a source identifier. Part of this duty is to invest in quality control and advertising. Part of it is to monitor consumer usage to ensure that the mark is not falling into generic usage. Finally, the duty entails monitoring competitors to make sure the lines between the client's trademark and the competitor's remain distinct. Such a conception gives the power back to the trademark owner to view the duty as a way to invest in the trademark rather than a loss-oriented position where the only goal is to avoid having a mark taken away. Professor Irina Manta has proposed a USPTO-based registry of C&D letters, through which the merits of claims can be given a brief but official analysis, as a means of increasing clarity in this uncertain area of the law.ⁿ¹⁹⁸ While this also hints at the idea of "shaming," or deterrence through disclosure, it addresses the core issue of risk assessment by making more data available to trademark owners. Increases in clarity that come about through changes to the Lanham Act, agency guidance from the USPTO or C&D letter evaluations could all help to bring more rationality to decisions about enforcing and protecting a trademark. Any solution that fails to consider the potentially irrational cognitive mechanisms encouraging aggressive actions by trademark bullies is doomed to be ineffective. Providing clarity about the true risk of loss due to abandonment is essential to addressing the trademark bullying problem.

Legal Topics:

For related research and practice materials, see the following legal topics:

Trademark LawInfringement ActionsGeneral OverviewTrademark LawLikelihood of ConfusionSimilarityAppearance, Meaning & SoundGeneral OverviewTrademark LawSubject MatterLabels, Packaging & Trade Dress

FOOTNOTES:

n1. Jeff Woodburn, Starbucks, Charbucks: Beware of Tangling with Corporate Giants, New Hampshire Magazine, Mar. 1, 2012, available

at <http://www.nhmagazine.com/March-2012/Starbucks-Charbucks>.

n2. Clark has mentioned that he knew of the connection to Starbucks when he chose the "Charbucks" trademark for his coffee. See Starbucks Litigation - What It's All About?, The Black Bear Micro Roastery, <http://blackbearcoffee.com/resources/99> (last visited July 16, 2013) ("Since George felt so strongly that Starbucks 'over roasted' all of their coffee, he began to refer to Starbucks as 'Charbucks' extensively."); see also Letter from Jim Clark, Corp. Rep., Black Bear Micro-Brewery, to John Rawls, Att'y Starbucks Corp. (June 5, 2001), available at <http://www.blackbearcoffee.com/Starbucks/Faxes&Letters/6-5-01ResponseToRawls.htm> ("The term was indeed directed at Starbucks, and was indeed meant to be derogatory."). Black Bear contends, however, that Charbucks is actually a term in common usage in the Coffee industry and the public domain. Id. ("The term 'Charbucks' is clearly in the public domain."); see also Answer & Countercl., Starbucks Corp. v. Wolfe's Borough Coffee, Inc., 2005 WL 3527126 (S.D.N.Y. Dec. 23, 2005) (No. 01 Civ. 5981), vacated, 477 F.3d 765 (2d Cir. 2007), available at <http://www.blackbearcoffee.com/resources/102> (last visited July 16, 2013) ("Charbucks is a widely known and commonly used term in the coffee trade and is meant to refer to the very dark roasted coffees made popular by west coast coffee purveyors.").

n3. The words "trademark" and "mark" will be used interchangeably throughout this article.

n4. Starbucks Litigation - What It's All About?, supra note 2.

n5. See Wolfe's Borough Coffee, Inc., 2005 WL 3527126, at 3; see also Starbucks Litigation - What It's All About?, supra note 2.

n6. See History of Events - Starbucks Litigation, The Black Bear Micro Roastery <http://blackbearcoffee.com/resources/100> (last visited July 16, 2013).

n7. There have been three victories for Black Bear in the District Court for the Southern District of New York. The first and second victories were met with an appeal to the Second Circuit Court of Appeals in which Starbucks Corp. was victorious in having the case remanded. The latest victory by Black Bear was affirmed on appeal. See Wolfe's Borough Coffee, Inc., 2005 WL 3527126, at 3, vacated, 477 F.3d 765 (2d Cir. 2007), remanded to 559 F. Supp. 2d 472 (S.D.N.Y. 2008), aff'd in part, vacated in part, 588 F.3d 97 (2d Cir. 2009), remanded to No. 01 Civ. 5981, 2011 WL 6747431 (S.D.N.Y. Dec. 23, 2011), aff'd, No. 12-364, 2013 WL 6037227 (2d Cir. Nov. 15, 2013).

n8. Starbucks Corp. v. Wolfe's Borough Coffee, Inc., No. 12-364, 2013 WL 6037227 (2d Cir. Nov. 15, 2013).

n9. *Id.* ("[Starbucks] has failed to carry its burden of proving that [Black Bear]'s use of its marks, as evidenced on the record before the Court, is likely to cause dilution by blurring.").

n10. Dan D'Ambrosio, "Eat More Kale' Trademark Flap More Complex Than Simple Slogan, BurlingtonFreePress.com (Nov. 24, 2011), <http://www.burlingtonfreepress.com/article/20111124/BUSINESS08/111240307/-Eat-More-Kale-trademark-flap-more-complex-than-simple-slogan>; see also Jess Bidgood, Chicken Chain Says Stop, but T-Shirt Maker Balks, N.Y. Times, Dec. 5, 2011, at A12, available at http://www.nytimes.com/2011/12/05/us/eat-more-kale-t-shirts-challenged-by-chick-fil-a.html?_r=1&.

n11. D'Ambrosio, *supra* note 10.

n12. *Id.*

n13. See U.S. Trademark Application Serial No. 85,412,053 (filed Aug. 31, 2011), available at <http://tsdr.uspto.gov>; see also Pete Mason, The Difference Between "Eat More Kale" and "Eat Mor Chikin," HuffingtonPost.com (May 3, 2012, 5:05 PM), http://www.huffingtonpost.com/pete-mason/eat-more-kale_b_1469661.html (stating that Muller-Moore sought registration of the trademark as a way of combating "online copycats").

n14. D'Ambrosio, *supra* note 10.

n15. *Id.*; see also Krystal Allan, Chick-Fil-A Threatens to Sue Ocean Springs Bar, Wlox.com, <http://www.wlox.com/story/11423722/chick-fil-a-threatens-to-sue-ocean-springs-bar> (last updated Nov. 2, 2009).

n16. D'Ambrosio, *supra* note 10.

n17. Bidgood, *supra* note 11; see also D'Ambrosio, *supra* note 10.

n18. Letter from Caryn Glasser, Trademark Examining Att'y, United States Patent and Trademark Office 108, to Robert Muller-Moore (Dec. 18, 2011), available at <http://tsdr.uspto.gov/documentviewer?caseId=sn85412053&docId=OOA20111218185952#page=1>.

n19. Memorandum from Charles G. Joyner, Trademark Examining Att'y, Office of the Deputy Comm'r for Trademark Examination Policy, to Andrew D. Lawrence, Trademark Examining Att'y, United States Patent and Trademark Office 108 (Dec. 22, 2011), available at <http://tsdr.uspto.gov/documentviewer?caseId=sn85412053&docId=ADR20111222172742#docIndex=12&page=1>. It seems clear to some parties following this dispute that Chick-fil-A is likely behind this Letter of Protest. Steve Baird, on his DuetsBlog, opined that Chick-fil-A may have utilized the Letter of Protest as a way to quietly solve this trademark dispute in light of all of the bad press they have received based on their cease and desist letters to Muller-Moore. See Steve Baird, Chick-fil-A Goes Stealth in "Eat More Kale" Trademark Dispute?, Duets Blog (Mar. 5, 2012), <http://www.duetsblog.com/2012/03/articles/trademarks/chick-fil-a-goes-stealth-in-eat-more-kale-trademark-dispute/>.

n20. Letter from Caryn Glasser, Trademark Examining Att'y, United States Patent and Trademark Office 108, to Daniel P. Richardson, Att'y for Applicant Robert Muller-Moore, Tarrant, Gillies, Merriman & Richardson (Mar. 27, 2012), available at <http://tsdr.uspto.gov/documentviewer?caseId=sn85412053&docId=OOA20120327153956#docIndex=10&page=1>; Letter from Andrew D. Lawrence, Managing Att'y, United States Patent and Trademark Office 108, to Daniel P. Richardson, Att'y for Applicant Robert Muller-Moore, Tarrant, Gillies, Merriman & Richardson (Mar. 7, 2013), available at <http://tsdr.uspto.gov/documentviewer?caseId=sn85412053&docId=OOA20130307115404#docIndex=5&page=1>. This second Office Action came after Muller-Moore's pro bono counsel filed a Response to the March 27, 2012 Office Action disputing any likelihood of confusion. In addition to citing the likelihood of confusion with the Chick-fil-A registrations, this March 7, 2013 Office Action also noted that the slogan "Eat More Kale" may be mere ornamentation on the shirts rather than a trademark under which the shirts are sold. This provided another basis for rejection of the trademark application. *Id.*

n21. See D'Ambrosio, *supra* note 10; see also Mason, *supra* note 13; Bidgood, *supra* note 10.

n22. James Lantz & Robert Muller-Moore, A Defiant Dude, Kick Starter, <http://www.kickstarter.com/projects/1674889308/a-defiant-dude> (last visited July 18, 2013).

n23. Woodburn, *supra* note 1.

n24. See generally Lantz & Muller-Moore, *supra* note 22 (using the term "trademark bullies"); see also Baird, *supra* note 19; Woodburn, *supra* note 1 (describing Clark as "motivated by an inward determination to not be bullied by a big corporation").

n25. About Trademarkia, Legal Force Trademarkia, <http://www.trademarkia.com/about-trademarkia/about-us.aspx> (last visited July 29, 2013).

n26. Rip Empson, New Trademarkia Feature Exposes Biggest Trademark Bullies; Apple, Zynga Among Top Five, TechCrunch.com, <http://techcrunch.com/2012/01/24/new-trademarkia-feature-exposes-biggest-trademark-bullies-apple-zynga-among-top-five> (last visited July 29, 2013).

n27. Biggest Bullies, Legal Force Trademarkia, <http://www.trademarkia.com/opposition/opposition-brand.aspx> (last visited July 29, 2013).

n28. See, e.g., Irina D. Manta, Bearing Down on Trademark Bullies, 22 Fordham Intell. Prop. Media & Ent. L.J. 853 (Summer 2012); Jeremy N. Sheff, Fear and Loathing in Trademark Enforcement, 22 Fordham Intell. Prop. Media & Ent. L.J. 873 (Summer 2012); Leah C. Grinvald, Shaming Trademark Bullies, 2011 Wis. L. Rev. 625 (2011); Sara M. Andrzejewski, "Leave Little Guys Alone!": Protecting Small Businesses from Overly Litigious Corporations and Trademark Infringement Suits, 19 J. Intell. Prop. L. 117 (Fall 2011); Anderson Cooper 360 [degrees] (CNN television broadcast Nov. 29, 2011), available at <http://ac360.blogs.cnn.com/2011/11/29/video-the-ridiculist-chick-fil-a-battles-t-shirt-guy/>; Kirk Carapezza, Chicken Vs. Kale: Artist Fights Chick-fil-A Suit, NPR (Dec. 6, 2011) available at <http://www.npr.org/2011/12/06/143195033/chicken-vs-kale-vt-artist-fights-chick-fil-a-suit>; Angus Loten, New Tool in Trademark Fights: Start-Ups "Shame" Bigger Companies; "Coming Down Hard on the Little Guy," Wall Street Journal, Feb. 23, 2012, at B5, available at <http://online.wsj.com/article/SB10001424052970203358704577237473534179392.html> (discussing small business strategy in making these matters public and the desired effects of shaming).

n29. See, e.g., Grinvald, *supra* note 29; Manta, *supra* note 29 (discussing judicial sanctions that might be used to punish trademark bullies whose tactics "rise to the level of intimidation or harassment"); Andrzejewski, *supra* note 29 (arguing that publicity of cease and desist letters or the use of antiSLAPP legislation or "threat actions" could punish trademark bullies and reduce the incidence of bullying); see also Frequently Asked Questions (and Answers) About Chilling Effects, Chilling Effects, <http://www.chillingeffects.org/faq.cgi> (last visited July 18, 2013) (This "project invites recipients and senders of cease and desist notices to send them to a central point (here, at chillingeffects.org) for analysis, and to browse the website for background information and explanation of the laws they are charged with violating or enforcing.").

n30. See, e.g., Grinvald, *supra* note 29, at 642 ("There are four elements in this Article's bullying definition, which are discussed in turn below: (1) unreasonable interpretation of rights, (2) intimidation tactics, (3) the trademark holder is a large corporation, and (4) the accused infringer is a small business or individual."); Manta, *supra* note 29, at 854 ("Simply stated, a trademark bully is usually a large company that seeks to put an end to behavior by individuals and small businesses that it perceives as a danger to its own intellectual property even though its legal claims against these other parties are spurious or non-existent.").

n31. Additionally, the term "bully" is clearly pejorative and, when used against the backdrop of the current media discussion of the bullying of children and adolescents online and in schools, directs potentially unearned ire at the alleged trademark bully. In this Article, I will use the terms "trademark bully" and "bullying victim" or "bullying target" for both ease of reference and to connect such discussions to earlier scholarship on trademark bullying in general; however, as is discussed below, trademark bullying may result more from our uncertain trademark laws and unconscious psychological biases than from aggressive intent on the part of the bully. While the negative repercussions of trademark bullying are to be disparaged, the bully itself may not have earned the shame directed at it.

n32. The USPTO makes all trademark applications publically available on its website and distributes printed publications containing trademarks at various stages of the application process. See Jessica M. Kiser, *How Dykes on Bikes Got It Right: Procedural Inequities Inherent in the Trademark Office's Review of Disparaging Trademarks*, 46 U.S.F. L. Rev. 1, 5-6 (Summer 2011) ("If accepted by the examiner, the trademark application will be published in the Official Gazette. This publication provides notice to third parties of the USPTO's intent to allow federal registration for such trademark and allows such third parties an opportunity to formally oppose the registration. An unopposed trademark will then receive its federal registration and will appear on the Principal Register thirty days after its publication date.").

n33. William T. Gallagher, *Trademark and Copyright Enforcement in the Shadow of IP Law*, 28 Santa Clara Computer & High Tech. L.J. 453, 470 (2012) (discussing interviews with attorneys about how they became aware of potential trademark infringement: "Some of the study lawyers stated they had paralegals monitor the Internet or use commercial trademark 'watch' services to discover potential infringers for clients with large trademark portfolios. More frequently, the clients themselves identified potential claims. These clients learned of potential claims in various ways. Clients with large trademark portfolios often have in-house staff monitor for infringement online. One example cited by a study attorney was a large client who dedicated several staff members to search the Internet for alleged trademark and copyright infringement. Several attorneys also gave as example situations wherein clients' sales staff became aware of potential infringements while attending industry trade shows or conferences, or from learning of instances of actual consumer confusion between their employer's and a competitor's products or services when dealing with customers").

n34. Grinvald, *supra* note 29, at 658.

n35. See Gallagher, *supra* note 34, at 485 ("Revealingly, the lawyers were loath to self-identify as bullies but did admit that they sometimes engaged in aggressive enforcement tactics, most often identified as sending demand letters that over-stated their client's rights or potential remedies, sending a complaint, and taking very aggressive and unyielding positions in negotiations. When asked whether they had ever enforced trademark or copyright claims the lawyers believed were weak, many of the interviewed lawyers responded that they had.").

n36. Of course, sometimes lawyers might not even care about the merits of a case. See *id.* at 486 ("The lawyer on the other side was yelling at me about how we didn't have a case, and I said you must be confusing me with somebody who cares about the merits. We are the giants in this case and we've decided we're not going to tolerate this, we're not going to give up.").

n37. Trademark Technical and Conforming Amendment Act of 2010, Pub. L. No. 111-146, 124 Stat. 66 (2010).

n38. See "Little Guy' Wins Goliath Vermonster Battle, ABC13 News (Oct. 22, 2009), <http://abclocal.go.com/ktrk/story?section=news/bizarre&id=7078063>.

n39. Id.

n40. Dep't of Commerce, Trademark Litigation Tactics and Federal Government Services to Protect Trademarks and Prevent Counterfeiting (2011), available at http://www.uspto.gov/ip/TMLitigationReport_final_2011April27.pdf.

n41. Id. at 1.

n42. Id.

n43. See, e.g., Lara Pearson, USPTO Reports to Congress on Trademark Bullying, (April 28, 2011), <http://brandgeek.net/2011/04/28/uspto-reports-congress-trademark-bullying/>; Eric Goldman, Department of Commerce Releases Worthless Report on Trademark Bullying, Eric Goldman (April 29, 2011), http://blog.ericgoldman.org/archives/2011/04/departement_of_c.htm.

n44. Goldman, *supra* note 44.

n45. Dep't. of Commerce, *supra* note 41.

n46. Jason Vogel & Jeremy A. Schachter, How Ethics Rules Can Be Used to Address Trademark Bullying, 103 Trademark Rep. 503 (2013).

n47. *Id.* at 503-05.

n48. The results of the Report to Congress and the opinion expressed in the Vogel and Schachter article are countered by the empirical data collected and analyzed by Professor Kenneth L. Port. Professor Port's view that trademark bullying is a widespread and increasing problem was expressed in an open letter directed to Dir. David Kappos of the USPTO explaining how Port's data shows the increasing use of trademark litigation for the purpose of bullying or extortion. Kenneth L. Port, Open Letter to Director David Kappos of the United States Patent and Trademark Office (Feb. 18, 2011), available at <http://web.wmitchell.edu/cybaris/wp-content/uploads/2011/09/Port-Letter.pdf>.

n49. Grinvald, *supra* note 29, at 654 ("However, small businesses and individuals have neither the infrastructure of large corporations to analyze trademark-infringement claims for validity nor the monetary resources to bluff out would-be bullies.").

n50. See, e.g., Letter from Assistant General Counsel, Trademarks & Copyrights Legal Department, to Abdul Popal, Intellectual Property Rights Agent (Nov. 19, 2001), available at http://chillingeffects.org/trademark/notice.cgi?action=image_5 ("Accordingly, we demand that CafePress.com immediately and permanently cease supplying, directly or indirectly, any merchandise bearing the Verizon Logo or any portion thereof, including any similar logos, to any third party, including, but not limited to Despot, and destroy any and all such merchandise currently in CafePress.com's possession, control or custody."); Letter from Volkswagen of America, Inc., to Affordable Adornments (Oct. 2, 2007), available at <http://chillingeffects.org/trademark/notice.cgi?NoticeID=15590> ("Immediately turn over to Volkswagen for destruction all unauthorized products, packaging, labels, and products displaying, incorporating, using, or bearing any Volkswagen trademark.").

n51. Leah C. Grinvald, Resolving the IP Disconnect for Small Businesses, 95 Marq. L. Rev. 1491, 1499 (Summer 2012) ("For example, due to expanded trademark rights, small businesses face an increasing threat from trademark bullies that threaten litigation, which if instituted could cause the targeted victims to enter into bankruptcy.").

n52. Gallagher, *supra* note 34, at 478.

n53. See History of Events - Starbucks Litigation, *supra* note 6 (As of June 26, 2000, "total expenses were now well in excess of \$ 10,000." The actual lawsuit was not filed until July 2, 2001.).

n54. Id.

n55. See, e.g., Monster Threatens "Vermonster" Beer Brewer, NBCNews.Com, http://www.nbcnews.com/id/33282954/ns/business-small_business/t/monster-threatens-vermonster-beer-brewer (Oct. 12, 2009); Tammy Tuck & Bruce Falconer, A True Monster Attacks Rock Art Brewery - Can Twitter and Facebook Help?, Washington City Paper (Oct. 15, 2009), <http://www.washingtoncitypaper.com/blogs/youngandhungry/2009/10/15/a-true-monster-attacks-rock-art-brewery-can-twitter-and-facebook-help/>; Bianca Slota, Monster Problem for Rock Art, WCAX.Com (Oct. 9, 2009), <http://www.wcax.com/story/11291060/monster-problem-for-rock-art>.

n56. See Josh Spiro, A Besieged Brewery Fights Back, INC. (Oct. 29, 2009), <http://www.inc.com/news/articles/2009/10/vermonster.html> ("The store sold 120 bottles of Vermonster in a weekend compared to the 20 to 30 they usually sell in an entire week.").

n57. Vt.'s "Eat More Kale" Gets a Preliminary "No," Valley News, Apr. 23, 2013, at B1, available at <http://www.vnews.com/news/state/region/5835298-95/vts-eat-more-kale-gets-preliminary-no>.

n58. See Robert Muller-Moore, About Eat More Kale, EatMoreKale.Com, <http://eatmorekale.com/about.html> (last visited July 20, 2013) ("Now I spend my summers traveling to various food and music festivals in the Northeast handing out stickers and spreading the word.").

n59. Brand Finance, Brand Finance Global 500, 9 (2012), available at http://www.brandfinance.com/knowledge_centre/reports/brand-finance-global-500-2012.

n60. Id. at 10.

n61. Law Practice Mgmt. Comm., American Intell. Prop. Law Ass'n, Report of the Economic Survey 2011 8 (2011), available at <http://www.aipla.org/learningcenter/library/books/econsurvey/Pages/default.aspx>.

n62. Michelle Miller, IP: 7 Tips to Policing Trademarks: The Key to a Cost-Effective and Effective Trademark Enforcement Program is Early Detection, *Inside Counsel* (Sept. 20, 2011), <http://www.insidecounsel.com/2011/09/20/ip-7-tips-to-policing-trademarks?t=ip&page=2>. In publication since 1991, *InsideCounsel* monthly magazine provides advice and insight to general counsel and other in-house legal professionals.

n63. *Id.*

n64. B. Brett Heavner & Marcus H.H. Luepke, Avoiding Trademark Pitfalls in the "Land of the Unlimited Possibilities": The Top 15 Mistakes of Foreign Applicants in the U.S. Trademark Office, 98 *Trademark Rep.* 974, 990 (2008). But see *Law Practice Mgmt. Comm.*, *supra* note 61, at 35 (determining the average cost of such actions in 2011 to be closer to \$ 90,000).

n65. *Law Practice Mgmt. Comm.*, *supra* note 61, at 35.

n66. Manta, *supra* note 28, at 854-55 ("Trademark bullying engenders a number of costs for society. First, the market suffers a reduction of legitimate competition. The potential downsides of this effect are well known and include consequences such as higher prices for products and a reduced panoply of choices in the marketplace. Relatedly, bullies create obstacles for consumers' ability to make source-identification connections with products that said consumers may wish to purchase or that could benefit them.").

n67. Gallagher, *supra* note 34, at 477.

n68. Grinvald, *supra* note 29, at 650-51 ("Free competition among businesses is the bedrock upon which American capitalism has been thought to rest, and the government has been devoted to regulating anti-competitive behavior since 1890. However, the majority of trademark bullying will not fall within the purview of antitrust law, as a trademark is unlikely to generate market power, which is the main requirement for an antitrust cause of action. Perhaps due to this, there have been only rare instances where antitrust claims are brought for trademark misuse." (footnotes omitted)).

n69. See, e.g., Manta, *supra* note 29, at 854-55 ("While individuals are supposed to be able to make fair use of trademarks, even fair use can at times encounter enforcement efforts by way of C&D letters. One such case was when the Lego Group sought to block use of the websites 'www.ratemylego.com' and 'www.ratemylegos.com.' Some have concluded that 'trademark law ... often serves as a blunt instrument of

cultural intimidation and censorship."").

n70. Gallagher, *supra* note 34, at 486.

n71. 15 U.S.C. § 1115(b)(4) (2006).

n72. Grinvald, *supra* note 29, at 652 ("In addition, some trademarks transcend their source-identifying functions and become cultural property in their own right, even entering our language. As Judge Kozinski has asked, 'How else do you say that something's 'the Rolls Royce of its class'? What else is a quick fix, but a Band-Aid?' Actions taken by large corporations against individuals utilizing trademarks in this manner harms this mode of cultural expression because threats of litigation through cease-and-desist letters are often enough to eradicate the commentary." (internal citations omitted)).

n73. See *Mattel, Inc. v. MCA Records, Inc.*, 28 F. Supp. 2d 1120 (C.D. Cal. 1998) *aff'd*, 296 F.3d 894 (9th Cir. 2002); see also *Bally Total Fitness Holding Corp. v. Faber*, 29 F. Supp. 2d 1161 (C.D. Cal. 1998).

n74. Third parties can harm a trademark owner's rights in other ways as well. Trademark owners must monitor the use of their marks by licensees and the quality of the products sold by licensees under the mark. Failing to do so is considered "naked licensing," which can be grounds for the USPTO or a court to declare the mark abandoned. J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 18:48 (4th ed. 1996).

n75. Gallagher, *supra* note 34, at 490 ("The interviewed lawyers often cited a need to 'police' their clients' trademarks and copyrights. They explained that the failure to do so on any particular occasion could lead to difficulties in enforcing rights against other targets in the future.").

n76. 15 U.S.C. § 1127 (2006).

n77. McCarthy, *supra* note 75, § 31:38.

n78. Manta, *supra* note 29, at 866-71 (proposing a system under which trademark owners (potential bullies) could submit their cease and desist letters to the U.S. Patent and Trademark Office for review of the merits of the underlying legal claims. This system could reduce the uncertainty felt by trademark owners seeking to protect their marks, and reduce frivolous harassment currently felt by the victims of trademark bullying); see also Grinvald, *supra* note 29, at 630 ("Trademark law and the legal system, as both currently operate, work to assist, and perhaps even encourage, the bully's efforts.").

n79. See, e.g., *Visa Int'l Serv. Ass'n v. Bankcard Holders of America*, 211 U.S.P.Q. 28, 41 (N.D. Cal. 1981) ("Member banks may properly use the marks in an authorized manner. Plaintiff is not aware of any 'syndicators' or others who use the logo in an unauthorized manner. Defendants have not demonstrated that plaintiff has abandoned its mark even if there were other infringers; there has been no proof of an intent to abandon.").

n80. See generally Deven R. Desai & Sandra L. Rierison, *Confronting the Genericism Conundrum*, 28 *Cardozo L. Rev.* 1789 (2007).

n81. *Id.*

n82. *Bayer Co. v. United Drug Co.*, 272 F. 505 (S.D.N.Y. 1921).

n83. *Id.*

n84. See Desai & Rierison, *supra* note 81.

n85. 15 U.S.C. § 1064 (2006); McCarthy, *supra* note 75, § 12:56.

n86. Trademark Counterfeiting Act of 1982: Hearing on S. 2428 Before the S. Comm. on the Judiciary, 97th Cong. (1982) (statement of William F. Baxter). S. 2428 was a bill to strengthen the laws against counterfeiting of federally registered trademarks.

n87. McCarthy, *supra* note 75, § 3:1.

n88. Desai & Rierson, *supra* note 81, at 1809; McCarthy, *supra* note 75, § 12:56; see also 15 U.S.C. § 1064 (2005) ("A petition to cancel a registration of a mark ... may ... be filed ... if the registered mark becomes the generic name for the goods or services, or a portion thereof, for which it is registered ...").

n89. *Filipino Yellow Pages, Inc. v. Asian Journal Publ'g, Inc.*, 198 F.3d 1143, 1147 (9th Cir. 1999).

n90. 15 U.S.C. § 1127 (2006).

n91. McCarthy, *supra* note 75, § 17:8.

n92. *Wallpaper Mfrs., Ltd. v. Crown Wallcovering Corp.*, 680 F.2d 755, 766 (Fed. Cir. 1982).

n93. *National Football League v. Governor of the State of Del.*, 435 F. Supp. 1372, 1390 (D. Del. 1977) (quoting McCarthy, *supra* note 75, § 31:14) (noting that the quote is not present in the current edition of this treatise).

n94. McCarthy, *supra* note 75, § 31:42.

n95. See, e.g., *Holmberg v. Armbrrecht*, 327 U.S. 392, 396 (1946); see also *Black's Law Dictionary* 953 (9th ed. 2009); McCarthy, *supra* note 75, § 31:12.

n96. McCarthy, *supra* note 75, § 31:43 (4th ed.).

n97. See, e.g., *National Football League*, 435 F. Supp. at 1390.

n98. *Wallpaper Mfrs., Ltd. v. Crown Wallcovering Corp.*, 680 F.2d 755 (C.C.P.A. 1982).

n99. *Id.* at 757-58.

n100. *Id.* at 757-58.

n101. *Id.* at 759.

n102. *Id.*

n103. *Id.* at 760.

n104. *Id.* at 767.

n105. *Id.* at 767.

n106. See, e.g., Gallagher, *supra* note 34, at 490 ("The interviewed lawyers often cited a need to 'police' their clients' trademarks and copyrights. They explained that the failure to do so on any particular occasion could lead to difficulties in enforcing rights against other targets in the future.").

n107. See, e.g., *Wallpaper Mfrs.*, 680 F.2d 755.

n108. See, e.g., *Acme Valve & Fittings Co. v. Wayne*, 386 F. Supp. 1162 (S.D. Tex. 1974) (intent to abandon found due to discontinuance of manufacture, selling off of all inventory and the failure to renew the trademark registration); *Saxlehner v. Eisner & Mendelson Co.*, 179 U.S. 19 (1900) (confirming the Second Circuit's holding that the plaintiff could no longer enforce her rights in the mark "Hunyadi" for bottled water because the mark had become generic in the eyes of consumers).

n109. *STX, Inc. v. Bauer USA, Inc.*, 43 U.S.P.Q.2d 1492 (N.D. Cal. 1997); see also *Citibank, N.A. v. City Bank of San Francisco*, 206 U.S.P.Q. 997 (N.D. Cal. 1980) ("Abandonment places a strict burden of proof upon the party seeking to prove abandonment. The party seeking to prove abandonment must prove an intent to abandon on the part of the trademark owner.").

n110. *McKesson & Robbins, Inc. v. Charles H. Phillips Chemical Co.*, 53 F.2d 342 (2d Cir. 1931), modified, 53 F.2d 1011 (2d Cir. 1931), cert. denied, 285 U.S. 552 (1932).

n111. *McKesson*, 53 F.2d at 345.

n112. *Id.*

n113. *Id.* at 344-45. In particular, the court made reference to six direct competitors - American Druggists' Syndicate, E.R. Squibb & Sons, H.K. Mulford Company, Nelson Baker Company, Frederick Stearns & Company, and Park, Davis & Co. - that all began selling the product under the "Milk of Magnesia" mark in early 1900s and substantially increased their sales by 1924. *Id.*

n114. *Id.* at 345.

n115. *Id.*

n116. *Council of Better Bus. Bureaus, Inc. v. Better Bus. Bureau, Inc.*, 200 U.S.P.Q. 282 (S.D. Fla. 1978).

n117. *Id.* at 31.

n118. *Id.* Additionally, the court also noted that the defendant's own evidence offered dramatic proof of the distinctiveness of the plaintiff's mark. *Id.*

n119. *Council of Better Bus. Bureaus, Inc.*, 200 U.S.P.Q. at 282.

n120. *STX, Inc. v. Bauer USA, Inc.*, 43 U.S.P.Q.2d 1492, 1997 U.S. Dist. LEXIS 16250, 29 (N.D. Cal. 1997).

n121. *Id.*

n122. *Id.* at 38.

n123. *Id.*; see also *United States Jaycees v. San Francisco Junior Chamber of Commerce*, 354 F. Supp. 61, 73 (N.D. Cal. 1972), *aff'd*, 513 F.2d 1226 (9th Cir. 1975) ("Numerous cases have rejected this defense, holding that the existence of infringers other than the defendant was irrelevant to a determination of whether the defendant should be enjoined from continuing in its infringement of plaintiffs' trademarks and in its unfair competition."); *Citibank, N.A. v. City Bank of San Francisco*, 206 U.S.P.Q. 997 (N.D. Cal. 1980) ("The existence of others engaged in the same acts of trademark infringement and unfair competition is irrelevant and is no defense against the trademark proprietor's

suit against a particular infringer."); *Visa Int'l Service Ass'n v. Bankcard Holders of America*, 211 U.S.P.Q. 28 (N.D. Cal. 1981).

n124. *STX, Inc.*, 43 U.S.P.Q.2d 1492, 1997 U.S. Dist. LEXIS 16250 at 39.

n125. *Id.* at 40 (quoting *Transgo, Inc. v. Ajac Transmission Parts Corp.*, 768 F.2d 1001, 1018 n.1 (9th Cir. 1985)).

n126. *Id.*

n127. *Wallpaper Mfrs., Ltd. v. Crown Wallcovering Corp.*, 680 F.2d 755 (C.C.P.A. 1982).

n128. For a discussion of this issue of whether lawyers exacerbate the problem of trademark bullying, or if they are required by ethical duties to stop bullying regarding meritless claims, see Jason Vogel and Jeremy A. Schachter, *supra* note 46, at 503 and Gallagher, *supra* note 33, at 490 ("In these four interviews, the lawyers each made some statement about how they would 'fire' a client who asked them to enforce an IP claim where the lawyer believed the claim was without merit. When probed as to whether they had ever had a client who asked them to enforce a claim the lawyer had explained was weak or non-meritorious, these lawyers stated that they had. When asked about the specific instances, all four lawyers indicated that they followed the clients' instructions to enforce the claims. None of these lawyers could identify an instance where they had actually 'fired' a client under such circumstances.").

n129. This assessment was also made by William T. Gallagher based on his empirical interviews with trademark and copyright attorneys. Gallagher, *supra* note 34, at 479-80 ("The research interviews revealed, in a number of ways, that the decision to assert IP claims is not entirely a rational decision.").

n130. See *Choices, Values, and Frames* (Daniel Kahneman & Amos Tversky eds., 2000) (containing a sample of the definitive articles on this topic); see also Colin F. Camerer, *Prospect Theory in the Wild: Evidence from the Field*, in *Choices, Values, and Frames* 288 (Daniel Kahneman & Amos Tversky eds., 2000) (summarizing several empirical studies supporting this approach).

n131. See Amos Tversky & Daniel Kahneman, *Judgment Under Uncertainty: Heuristics and Biases*, 185 *Sci.* 4157, 1124 (1974) [hereinafter *Judgment Under Uncertainty*].

n132. See Chris Guthrie et al., *Inside the Judicial Mind*, 86 Cornell L. Rev. 777 (2001).

n133. See, e.g., John H. Montgomery, *Cognitive Biases and Heuristics in Tort Litigation: A Proposal to Limit Their Effects Without Changing the World*, 85 Neb. L. Rev. 15 (2006); Edward J. McCaffery et al., *Framing the Jury: Cognitive Perspectives on Pain and Suffering Awards*, 81 Va. L. Rev. 1341 (1995).

n134. See, e.g., Russell Korobkin & Chris Guthrie, *Psychological Barriers to Litigation Settlement: An Experimental Approach*, 93 Mich. L. Rev. 107 (1994) [hereinafter *Psychological Barriers*]; Russell Korobkin & Chris Guthrie, *Psychology, Economics, and Settlement: A New Look at the Role of the Lawyer*, 76 Tex. L. Rev. 77 (1997) [hereinafter *Psychology, Economics, and Settlement*]; Jeffrey J. Rachlinski, *Gains, Losses, and the Psychology of Litigation*, 70 S. Cal. L. Rev. 113 (1996).

n135. See, e.g., *Judgment Under Uncertainty*, supra note 132; Amos Tversky & Daniel Kahneman, *Prospect Theory: An Analysis of Decision Under Risk*, 47 *Econometrica* 263 (1979) [hereinafter *Prospect Theory*]; Amos Tversky & Daniel Kahneman, *Psychology of Preferences*, 246 *Scientific American* 160 (1982); Amos Tversky & Daniel Kahneman, *The Framing of Decisions and the Psychology of Choice*, 211 *Sci.* 453 (1981); Amos Tversky & Daniel Kahneman, *Rational Choice and the Framing of Decisions*, 59 *J. Bus.* S251 (1986).

n136. *Judgment Under Uncertainty*, supra note 132, at 1124.

n137. See Cass R. Sunstein, *Hazardous Heuristics*, 70 *U. Chi. L. Rev.* 751, 755 (2003) (book review).

n138. *Judgment Under Uncertainty*, supra note 132 at 1124.

n139. Montgomery, supra note 134, at 20; see also Thomas S. Ulen, *Firmly Grounded: Economics in the Future of the Law*, 1997 *Wis. L. Rev.* 433 (1997); Gary S. Becker, *The Economic Approach to Human Behavior* 14 (1976) (characterizing the assumption that in decision making people "maximize their utility from a stable set of preferences and accumulate an optimal amount of information").

n140. Daniel Kahneman, *Thinking, Fast and Slow* 12 (2011).

n141. See generally Richard A. Posner, *The Problems of Jurisprudence* (1990); Richard A. Posner, *An Economic Approach to Legal Procedure and Judicial Administration*, 2 *J. Legal Stud.* 399 (1973); George L. Priest & Benjamin Klein, *The Selection of Disputes for Litigation*, 13 *J. Legal Stud.* 1 (1984).

n142. See e.g., Montgomery, *supra* note 134, at 20; McCaffery et al., *supra* note 134; Psychological Barriers, *supra* note 135; Psychology, Economics, and Settlement, *supra* note 135; Rachlinski, *supra* note 135; Chris Guthrie, *Prospect Theory, Risk Preference, and the Law*, 97 *Nw. U. L. Rev.* 1115 (2003) [hereinafter *Risk Preference*].

n143. See *Judgment Under Uncertainty*, *supra* note 132.

n144. *Prospect Theory*, *supra* note 136.

n145. See Daniel Kahneman and Amos Tversky, *Choices, Values, and Frames*, 39 *American Psychologist* 341 (1984).

n146. See Barbara J. McNeil et al., *On the Elicitation of Preferences for Alternative Therapies*, 306 *New Eng. J. Med.* 1259 (1982); see also John M. Rybash & Paul A. Roodin, *The Framing Heuristic Influences Judgments About Younger and Older Adults' Decision to Refuse Medical Treatment*, 3 *Applied Cognitive Psychol.* 171 (1989); Dawn K. Wilson et al., *Framing of Decisions and Selection of Alternatives in Health Care*, 2 *Soc. Behav.* 51 (1987).

n147. *Risk Preference*, *supra* note 143, at 1116.

n148. See e.g., Daniel Kahneman et al., *Anomalies: The Endowment Effect, Loss Aversion, and Status Quo Bias*, 5 *J. of Econ. Perspectives* 1, Winter 1991, 193 [hereinafter *Anomalies*]; Peter McGraw et al., *Comparing Gains and Losses*, 21 *Psychological Sci.* 1438 (2010).

n149. See Kahneman, *supra* note 141, at 282 ("Outcomes that are better than the reference points are gains. Below the reference point they are losses.").

n150. Risk Preference, *supra* note 143, at 1118.

n151. See, e.g., Risk Preference, *supra* note 143; Rachlinski, *supra* note 135; Psychological Barriers, *supra* note 135.

n152. Studies have shown that these risk preferences are reversed when faced with very low probability gains and losses. Thus, an individual faced with a \$ 50 parking ticket (a clear loss) is now likely to be risk averse and pay that fine rather than challenge the ticket and risk a 5% chance that the fine would be increased to \$ 1000 (despite the large 95% chance that the fine could be eliminated entirely). See, e.g., Guthrie, Risk Preference, *supra* note 143, at 1118; Rachlinski, *supra* note 135; Chris Guthrie, Framing Frivolous Litigation: A Psychological Theory, 67 U. Chi. L. Rev. 163 (2000).

n153. See, e.g., Sunstein, *supra* note 138, at 755; Ian Weinstein, Don't Believe Everything You Think: Cognitive Bias in Legal Decisionmaking, 9 Clinical L. Rev. 783, 784 (2003).

n154. Kahneman, *supra* note 141, at 282.

n155. *Id.* at 284 ("The 'loss aversion ratio' has been estimated as typically ranging from 1.5 to 2.5."); Risk Preference, *supra* note 143, at 1119 ("In fact, the available empirical evidence suggests that losses generally loom at least twice as large as equivalent gains. Thus, a prospective \$ 1,000 loss will have much greater effect on a decision maker than a prospective \$ 1,000 gain."); Anomalies, *supra* note 149.

n156. See Rachlinski, *supra* note 135, at 118-9.

n157. See *id.*

n158. See *id.*

n159. *Id.* at 118-19. Framing theory does not, however, accurately predict the outcomes of frivolous disputes:

Although the framing theory holds true in most cases, it appears not to hold true in situations involving frivolous litigation. In frivolous or low-probability litigation, the plaintiff typically chooses between a relatively small settlement amount and a low likelihood of obtaining a much larger amount at trial. Defendants, by contrast, typically must choose either to pay some small settlement or face a low likelihood of having to pay a much larger amount at trial. In short, plaintiffs in frivolous suits typically confront decision options that appear to be low-probability gains, while defendants choose between options that appear to be low-probability losses. Decision makers confronted with low-probability gains, like plaintiffs in frivolous suits, tend to make risk-seeking decisions, while those confronted with low-probability losses, like defendants in frivolous suits, tend to make risk averse decisions. In short, litigant risk preferences are likely to be reversed in frivolous suits, with plaintiffs relatively more attracted to trial than are defendants.

Risk Preference, *supra* note 143, at 1124.

n160. *Id.* at 119.

n161. *Id.* at 119-20.

n162. *Id.* at 118-20.

n163. Psychological Barriers, *supra* note 135, at 129-38.

n164. *Id.* at 132-33.

n165. C. Linda Babcock, Henry S. Farber, Cynthia Fobian & Eldar Shafir, Forming Beliefs about Adjudicated Outcomes: Perceptions of Risk and Reservation Values, 15 *Int'l Rev. L. & Econ* 289 (1995).

n166. Id. at 292.

n167. Id. at 295.

n168. Id. at 295-97.

n169. History of Events - Starbucks Litigation, *supra* note 6..

n170. See Prospect Theory, *supra* note 136.

n171. See *id.* at 265.

n172. Kahneman, *supra* note 141, at 311-312.

n173. Babcock, Farber, Fobian & Shafir, *supra* note 166.

n174. Id.

n175. Kahneman, *supra* note 141, at 312.

n176. This is truly a fool's errand, as there can never be certainty in such a situation. There is always the possibility of a third party using your trademark "under the radar" of your various "watch services" and without federal registration. There is also always the possibility that a new company will begin to use your trademark at any time, or that an unrelated company with the same or similar trademark could attempt to enter a marketplace similar to yours. The risk of harm to your trademark cannot be completely removed.

n177. Gallagher, *supra* note 34, at 480.

n178. Richard H. Thaler, Toward a Positive Theory of Consumer Choice, 1 J. Econ. Behav. Organ. 39 (1980).

n179. Daniel Kahneman et al., Experimental Tests of the Endowment Effect and the Coase Theorem, 98 J. Pol. Econ. 1325 (1990).

n180. See *id.*

n181. See *id.*

n182. See *id.*

n183. Kahneman, *supra* note 141, at 293.

n184. Oliver W. Holmes, The Path of the Law, 10 Harv. L. Rev. 457, 477 (1897).

n185. See Kahneman et al., *supra* note 180, at 1344.

n186. Because a trademark should represent the consistent quality of a product as produced by a specific source, a trademark cannot be sold "in gross" without the goodwill of the business that it represents. McCarthy, *supra* note 75, § 18:2; see also *Mister Donut of America, Inc. v. Mr. Donut, Inc.*, 418 F.2d 838 (9th Cir. 1969) ("The law is well settled that there are no rights in a trademark alone and that no rights can be transferred apart from the business with which the mark has been associated."), overruled in part on other grounds by *Golden Door, Inc. v. Odisho*, 646 F.2d 347 (9th Cir. 1980).

n187. Gallagher, *supra* note 34, at 476.

n188. *Id.* at 491 ("Several lawyers characterized unauthorized copying as 'theft' of property. One lawyer explained that copyrighted work was 'their (the client's) property, their baby,' which this lawyer stated should justify the client's decision to enforce IP rights as aggressively as necessary in order to protect its property interests.").

n189. Hal R. Arkes & Catherine Blumer, *The Psychology of Sunk Cost*, 35 *Organizational Behavior and human decision processes* 124 (1985).

n190. See, e.g., Sunstein, *supra* note 138, at 755; see also Marco A. Janseen et al., *Sunk-Cost Effects Made Ancient Societies Vulnerable to Collapse* 722-28 (2003).

n191. Arkes & Blumer, *supra* note 190, at 127.

n192. *Id.* at 128.

n193. *Id.*

n194. Id.

n195. Id.

n196. A.I. Teger, Too Much Invested to Quit (1980).

n197. Hal R. Arkes and Peter Ayton, The Sunk Cost and Concorde Effects: Are Humans Less Rational Than Lower Animals?, 125 Psychol. Bull. No. 5 591 (1999).

n198. Manta, *supra* note 29.

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SYMPOSIUM ARTICLE: Fear and Loathing in Trademark Enforcement

NAME: Jeremy N. Sheff*

BIO: * Associate Professor of Law, St. John's University School of Law. This Essay developed from a talk given in the "Trademark Enforcement Considerations" panel of the Fordham Intellectual Property, Media & Entertainment Law Journal's 2011 Symposium entitled "IP Bullying or Proactive Enforcement?" Thanks to the organizers of the symposium, the panel moderator Hugh Hansen, and my fellow panelists Irina Manta and James Barabas.

LEXISNEXIS SUMMARY:

... But I think many, if not most, trademark practitioners would take the contrary view that enforcement can only barely keep up with the constantly evolving and worsening threats to their clients' brands, particularly internationally and online. ... The third stage of the inquiry looks to the profession as the nexus of doctrine and action and questions the role of trademark attorneys in mediating these dynamics and advising their clients. ... Is it creating mark owners' enforcement motivations or is it providing those motivations an outlet they would not otherwise have? ... In his telling, incrementally more aggressive enforcement actions by trademark owners produce a marketplace in which consumers develop increasingly credulous views of what might be a sponsorship or affiliation relationship, and those increasingly credulous views feed back into the likelihood-of-confusion standard, to make ever-more aggressive assertions of trademark rights at least plausible. ... Congress eventually acquiesced, not only by passing a federal trademark dilution statute, but also by amending it to roll back a challenge to that statute from the Supreme Court in *Moseley v. ...* A trademark plaintiff's counsel might object that what I am categorizing as loathing really is fear: fear of losing the value of sunk investments in a marketing strategy; fear of losing prospective opportunities and potential areas of future expansion; fear of a slippery slope, of a death by a thousand cuts, of letting whatever strength a mark currently has be whittled away, a process that begins with a single unanswered stroke by a potential enforcement target. ... This second argument raised by academics highlights the central role played by the trademark lawyer in the dynamics of enforcement - not only as advocate, but also as counselor. ... For over a century, Courvoisier was known as the brandy of Napoleon, but today it is the brandy of Busta Rhymes. ... Consider Jay-Z's reaction to Cristal when an executive in the company that makes Cristal suggested - just suggested in an interview - that maybe he was not crazy about the association of Cristal with hip-hop nightlife.

TEXT:

[*873]

Introduction

Much academic commentary these days concludes that trademark enforcement has become overly aggressive.

Commentators argue that the increasingly expansive claims of rights by well-funded trademark owners are unreasonable, and thus that lawsuits asserting those rights amount to trademark bullying.ⁿ¹ But I think many, if not most, trademark practitioners would take the contrary view that enforcement can only barely keep up with the constantly evolving and worsening threats to their clients' [*874] brands, particularly internationally and online.ⁿ² The purpose of this Essay is to try and bridge these two positions by critiquing each one from the perspective of the other.

The first step in this exercise is to challenge my own camp, the academic camp, in this debate over the appropriate scope of enforcement. If we academics think that trademark owners are over-enforcing their marks, we should ask ourselves: why would they do that? Why would any trademark owner seek to enforce its marks unreasonably? Why would its trademark attorneys advise it to do so? I will examine these questions in three stages. The first stage is a bare psychological inquiry: what might motivate somebody to do something unreasonable? This is where I will introduce the dichotomy suggested by the title of this Essay (with apologies to the late Hunter S. Thompson).ⁿ³ The second stage is a doctrinal inquiry: once we think we understand trademark owners' psychological motivations, we can look at the law's role in mediating them. In particular, we ought to ask whether trademark doctrine is generating these motivations or responding to them in some way. The third stage of the inquiry looks to the profession as the nexus of doctrine and action and questions the role of trademark attorneys in mediating these dynamics and advising their clients.

I. The Psychology of Enforcement

To begin with psychology, let me explain what I mean by fear and loathing. By "fear," I mean that a trademark owner might take some enforcement action out of some concern that if they do not, [*875] they will lose something of value that they currently enjoy. By "fear," then, I refer generally to fear of loss. For example, the mark owner may be concerned that the conduct of a target of potential enforcement, if left unchecked, will result in a loss of business for the trademark owner. The classic example and the easiest case is the passing off of an inferior product, which threatens not only to divert customers from the mark owner to the target of enforcementⁿ⁴ but also, over time, to deplete the mark owner's goodwill.ⁿ⁵ We can understand enforcement actions against a defendant engaged in passing off shoddy goods as being motivated by this entirely justifiable fear.

Alternatively, mark owners might be concerned about losing some legal interest or right that they currently enjoy if they fail to take enforcement action. The classic example here is abandonment through acts of omission.ⁿ⁶ Failing to enforce a mark over an extended period of time can ultimately, in an extreme case, lead to a complete loss of trademark rights.ⁿ⁷ Again, enforcement actions taken to stave off the loss of one's trademark rights would seem to be entirely justifiable.

If these examples suffice to illustrate "fear," the question remains what I mean when I refer to "loathing." By "loathing," I simply mean that a trademark owner might take some enforcement action, not because it is worried that in failing to do so it will lose something of value that it currently enjoys, but rather because it simply does not like or approve of the conduct against which it is pursuing enforcement. One could imagine innumerable reasons for such disapproval. One highly controversial reason might be [*876] that the enforcement target is expressing a viewpoint about, or creating some sort of connotation around, the mark owner's brand that paints the mark owner in an unflattering light in the eyes of the public,ⁿ⁸ or is otherwise inconsistent with the mark owner's marketing or branding strategy.ⁿ⁹

We can see dilution by tarnishment as an example of this. Pillsbury may not want its family-friendly Doughboy character going into pornography, for obvious reasons.ⁿ¹⁰ But we can also look at mark owners' efforts to discourage the use of their products by persons or in expressive works that are somehow inconsistent with the mark owners' brand strategies. Such efforts do not always take the form of legal proceedings, or even saber rattling, but can rather take the form of persuasion, suggestion or even pleading with potential enforcement targets. Consider the recent spat between Abercrombie & Fitch and the cast of *The Jersey Shore*, in which the clothing retailer publicly offered to pay the boorish cast members of the hit reality program not to wear its products.ⁿ¹¹ There was no legal action taken, but there was, if not a threat, at least an attempt to persuade the target not to engage in certain conduct regarding the brand.ⁿ¹²

Another form of loathing might arise where the enforcement target is using the mark in a way that does not inflict any business losses on the mark owner (as, for example, passing-off would), but provides the potential target of enforcement with some benefit that the mark owner thinks is undeserved or is perhaps better deserved by the mark owner itself, even though the mark owner is not currently enjoying that benefit. Here we can look to the emergence [*877] of a merchandising right,ⁿ¹³ the expansion of infringement liability to non-competing goods,ⁿ¹⁴ and, of course, dilution by blurring.ⁿ¹⁵

It has to be admitted that the dichotomy that I have set up in this Part, between fear and loathing, is not a perfect one. There is obviously going to be a mixture of motivations behind any particular enforcement effort, and they might mix to greater or lesser degrees. But for reasons I will explore below, these appear to be the rhetorical poles that drive the debate over the proper scope of enforcement measures.

II. Trademark Doctrine: Leading or Following?

What, then, is the role of doctrine in enforcement decisions? Is trademark doctrine, including the examples cited above, leading or following? Is it creating mark owners' enforcement motivations or is it providing those motivations an outlet they would not otherwise have? And in either case, is the motivation that doctrine is either creating or serving primarily one of fear or one of loathing?

It is easiest to identify the one area - and I think it is really the only area - where doctrine is explicitly creating a motivation, and that is the so-called duty to police. Professors Deven Desai and Sandra Rierson have argued that the threat of losing trademark rights incentivizes mark owners to undertake wasteful and undesirable policing activities, activities that even the mark owners do not want to undertake, but which they feel they must undertake on pain of losing some right that they currently enjoy.ⁿ¹⁶ It may be [*878] that this fear is indeed responsible for driving at least some enforcement actions that we academics would denounce as bullying.

In most other areas, I think that doctrine has generally been playing catch-up with the enforcement objectives of trademark owners, moving where the owners want enforcement to go, for the reasons that they want it to go there. The merchandising right is one example. In cases like *University Book Store v. Board of Regents*ⁿ¹⁷ and *Boston Hockey Association v. Dallas Cap & Emblem Manufacturing*,ⁿ¹⁸ a monopoly was created literally out of whole cloth and used to stamp out what had up to that point been a competitive market in branded merchandise - for example, for university and professional sports teams.

With respect to sponsorship and affiliation confusion, Professor Jim Gibson at the University of Richmond has argued that doctrine responds to enforcement activity in a feedback loop of expanding trademark rights.ⁿ¹⁹ In his telling, incrementally more aggressive enforcement actions by trademark owners produce a marketplace in which consumers develop increasingly credulous views of what might be a sponsorship or affiliation relationship, and those increasingly credulous views feed back into the likelihood-of-confusion standard, to make ever-more aggressive assertions of trademark rights at least plausible.ⁿ²⁰ Again, the scope of infringement liability appears to be expanding to serve the motivations of trademark owners as expressed in their enforcement actions, rather than the other way around.

A third example is the federal dilution statute,ⁿ²¹ which, from my point of view, is a solution in search of a problem.ⁿ²² For years [*879] the statute was a top legislative priority of the organized trademark bar.ⁿ²³ Congress eventually acquiesced, not only by passing a federal trademark dilution statute,ⁿ²⁴ but also by amending it to roll back a challenge to that statute from the Supreme Court in *Moseley v. V Secret Catalogue*.ⁿ²⁵

So it seems that rather than generating fear among trademark owners that leads to enforcement activity, the law seems to be responding to trademark owners' demands by creating ever-greater opportunities for enforcement. Moreover, in each of these examples, I would argue that the motives of mark owners that the law is scrambling to accommodate are not based in fear of loss, but rather in the desire to expand trademark rights into new frontiers where

they had not yet been established - frontiers where they might well generate economic value for the mark owner, but also where others might otherwise (but for the expansion of those rights) have been able to realize some sort of commercial or expressive benefit without imposing any loss on the trademark owner. So as a matter of doctrine, I would submit that trademark law has been much more a vehicle for mark owners' loathing rather than a source of their fear.

III. The Role of Counsel

Perhaps, however, this is an unfair assessment. Let's take a step back at this point to consider the point of view of the trademark owner - or, more to the point, his counsel. A trademark plaintiff's counsel might object that what I am categorizing as [*880] loathing really is fear: fear of losing the value of sunk investments in a marketing strategy; fear of losing prospective opportunities and potential areas of future expansion; fear of a slippery slope, of a death by a thousand cuts, of letting whatever strength a mark currently has be whittled away, a process that begins with a single unanswered stroke by a potential enforcement target. We academics have two responses to this line of argument.

The first response is to disagree over baselines. That is, academics argue that whatever mark owners are afraid of losing in these areas - a brand image or a brand personality, a prospective market of expansion in which the mark owner is not currently operating - is not properly theirs to begin with. That is, what you are characterizing as fear is really loathing in disguise. This is an argument that has been made in one form or another by a number of commentators, including Judge Kozinski,ⁿ²⁶ Professors Rochelle Dreyfuss,ⁿ²⁷ Wendy Gordon,ⁿ²⁸ Mark Lemley (joined alternately by Stacey Doganⁿ²⁹ and Mark McKennaⁿ³⁰), and even myself.ⁿ³¹ The baseline argument has considerable power because as a matter of intuition, I think, we are inherently more sympathetic to actions taken out of a fear of losing something than we are to actions taken based on loathing or jealousy of someone else's gain. Such an intuition might be grounded in the cognitive psychology of gain and loss - losses loom larger than gains, the behavioral economists teach us.ⁿ³² Moreover, this type of argument is not something that should be new to most lawyers; in our first year of law school we all learn that whether one considers a particular legal intervention [*881] to be preventing a harm or conferring a benefit is often in the eyes of the beholder and of the advocate.ⁿ³³

This baseline debate is an important one to have. It is a debate on which we might not ultimately come to some sort of agreement, but the arguments we will inevitably raise in defending our positions implicate values that are fundamental to setting up our markets and our society - values of competition, expression, and fairness.ⁿ³⁴ They implicate not only the efficiency of our consumer markets, but the distribution of the value generated by those markets and the non-economic interests of participants in those markets.ⁿ³⁵ These are all complicated empirical and moral issues that I think, as a discipline, we have not sufficiently grappled with.

The empirical aspect of such questions leads us to the second response of academics to the practitioner's argument that what motivates zealous enforcement is fear of loss. This argument accepts that mark owners' motivations are not only - or perhaps not at all - venal, but merely misinformed or misguided.ⁿ³⁶ This is a position that has been taken by Professor Rebecca Tushnet with respect to dilution,ⁿ³⁷ and by Professors McKenna and Lemley with respect to sponsorship and affiliation confusion.ⁿ³⁸ As an empirical matter, they argue, the slippery slope model is just not an accurate description of how consumers respond to the types of third-party uses of trademarks that are at issue in some of the more controversial cases where trademarks are being enforced in a particularly aggressive way.ⁿ³⁹ In fact, many such uses have no effect on consumer perception of the mark or its owner at all.ⁿ⁴⁰ [*882] This argument is admittedly somewhat in tension with Professor Gibson's argument about enforcement feedback loops,ⁿ⁴¹ but it has the benefit of being supported by empirical evidence in cognitive and consumer psychology.ⁿ⁴²

This second argument raised by academics highlights the central role played by the trademark lawyer in the dynamics of enforcement - not only as advocate, but also as counselor. For every unauthorized use of a mark that might become the target of enforcement activity by that mark's owner, there is an important question as to what the effect of the use on consumers, and thus on the mark owner's business, is likely to be. One example that I have drawn in other work is the liquor market.ⁿ⁴³ For over a century, Courvoisier was known as the brandy of Napoleon, but today it is the brandy of Busta Rhymes.ⁿ⁴⁴ It may be just shy of exaggeration to say that the transformation saved Courvoisier. It

began, not with a planned shift of the marketing strategy within Courvoisier, but rather with the unauthorized invocation of the brand name in hip-hop lyrics, going back to the early 1990s.ⁿ⁴⁵

Under the expansive notions of sponsorship and affiliation confusion that we have today, and potentially also under dilution doctrine, those types of invocations might well be the subject of at least a colorable claim that might survive a motion to dismiss. But bringing that claim would have been a huge disaster for Courvoisier. Consider Jay-Z's reaction to Cristal when an executive in the company that makes Cristal suggested - just suggested in an interview - that maybe he was not crazy about the association of Cristal with hip-hop nightlife.ⁿ⁴⁶ Jay-Z launched a boycott.ⁿ⁴⁷ He started promoting a competing brand.ⁿ⁴⁸ He took to [*883] the pages of Time magazine to drag Cristal through the mud.ⁿ⁴⁹ Thus, the public relations consequences of enforcement action, and the business losses that can result from negative publicity, must be a consideration in any decision whether to take such action.

Conclusion

In short, perhaps the most important piece of the enforcement puzzle is not the law that we academics sometimes complain is moving in the wrong direction, but the lawyers who bring trademark claims, and in particular the judgment that they bring to bear on the decision whether or not to assert a trademark claim. To be fair, it is almost certainly malpractice not to advise your client on the potential consequences of failing to take action against an unauthorized user. But the duty to police is not absolute - not every forbearance from enforcement will negatively affect a mark owner's legal rightsⁿ⁵⁰ - and clients should know about that as well. Moreover, clients deserve to be reminded that enforcement activity comes at a cost, not only to society, not only to the targets of enforcement, but to the client itself. Those costs are not just the direct costs of the enforcement in terms of attorneys' fees and expenses, but the indirect costs in terms of negative publicity and loss of business. These indirect costs can be subtle but they are vitally important, as our culture continues to generate increasing demand for intangible and subjective sources of value.

I recognize that many trademark attorneys undoubtedly face significant financial and professional incentives to maximize enforcement activity. But I would suggest that those attorneys might still do well to critically examine the motivations for a [*884] particular enforcement action before advising a client whether or not to undertake it. On the question of whether a particular motivation is properly categorized as fear or as loathing, it may not be the advocate's place to second-guess their client. We academics and practitioners continue to fight that out, as we have in the past. But on the question of whether a particular fear is well founded, I believe it is the attorney's duty - as counselor rather than advocate - to apply judgment and counsel moderation to her client, to resist the traditional risk-aversion of our profession that might be triggered by the potential consequences of forbearance, and to consider, above all, the business interests of her client. This is especially true in a world where the actions of a mark owner towards its customers, its fans, its secondary market, its competitors, and even its critics increasingly play a role in constructing brand image and ultimately in generating demand.

Legal Topics:

For related research and practice materials, see the following legal topics:

Computer & Internet Law Trademark Protection Civil Infringement Actions General Overview Trademark Law Likelihood of Confusion Noncompeting Products General Overview Trademark Law Protection of Rights Abandonment General Overview

FOOTNOTES:

n1. See generally Leah Chan Grinvald, *Shaming Trademark Bullies*, 2011 Wis. L. Rev. 625 (2011) (defining trademark bullying and providing a framework for curtailing the phenomenon through "shaming"); cf. Mark A. Lemley & Mark McKenna, *Irrelevant Confusion*, 62 Stan. L. Rev. 413 (2010) (analyzing some particularly dubious theories of liability asserted by plaintiffs in trademark cases).

n2. See generally Dalila Hoover, *Coercion Will Not Protect Trademark Owners in China, But an Understanding of China's Culture Will: A Lesson the United States has to Learn*, 15 Marq. Intell. Prop. L. Rev. 325 (2011) (discussing persistent frustrations of American trademark owners with lax enforcement by the Chinese government, and the limits of legal and economic pressure in ameliorating the problem); Uli Widmaier, *From Metatags to Sponsored Ads: The Evolution of the Internet-Related Trademark Infringement Doctrine*, 4 Landslide 9 (2012) (discussing clients' frustration with keyword advertising and domain names that use their trademarks, and the difficulties their lawyers face in meeting these clients' demands to curtail such conduct).

n3. Cf. Hunter S. Thompson, *Fear and Loathing in Las Vegas: A Savage Journey to the Heart of the American Dream* (Random House 1971).

n4. See Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 Notre Dame L. Rev. 1839, 1860-63 (2007).

n5. See *id.*; see also William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & Econ. 265, 269-70 (1987).

n6. See Lanham Act, 15 U.S.C. § 1127 (2006) ("A mark shall be deemed to be 'abandoned' ... when any course of conduct of the owner, including acts of omission as well as commission, causes the mark ... to lose its significance as a mark.").

n7. See J. Thomas McCarthy, *McCarthy on Trademarks & Unfair Competition* § 17:8 (4th ed. 2012) ("Sometimes a mark becomes abandoned to generic usage as a result of the trademark owner's failure to police the mark, so that widespread usage by competitors leads to a generic usage among the relevant public, who see many sellers using the same word or designator."); see also *BellSouth Corp. v. DataNational Corp.*, 60 F.3d 1565, 1569-70 (Fed. Cir. 1995).

n8. See generally Robert C. Denicola, *Trademarks as Speech: Constitutional Implications of the Emerging Rationales for the Protection of Trade Symbols*, 1982 Wis. L. Rev. 158 (1982); Wendy J. Gordon, *A Property Right in Self Expression: Equality and Individualism in the Natural Law of Intellectual Property*, 102 Yale L.J. 1533 (1993).

n9. See generally Jeremy N. Sheff, *Brand Renegades*, 1 N.Y.U. J. Intell. Prop. & Ent. L. 128 (2011).

n10. See generally *Pillsbury Co. v. Milky Way Prods., Inc.*, 215 U.S.P.Q. 124 (N.D. Ga. 1981).

n11. See Sheff, *supra* note 9, at 137-40.

n12. See *id.* at 139.

n13. See generally *Boston Prof'l Hockey Ass'n v. Dallas Cap & Emblem Mfg.*, 510 F.2d 1004 (5th Cir. 1975); *Univ. Book Store v. Univ. of Wisc. Bd. of Regents*, 33 U.S.P.Q.2d (BNA) 1385 (T.T.A.B. 1994); Stacey L. Dogan & Mark A. Lemley, *The Merchandising Right: Fragile Theory or Fait Accompli?*, 54 *Emory L.J.* 461, 478-84 (2005).

n14. See Mark A. Lemley & Mark P. McKenna, *Owning Mark(et)s*, 109 *Mich. L. Rev.* 137, 181-84 (2010); see also James Gibson, *Risk Aversion and Rights Accretion in Intellectual Property Law*, 116 *Yale L.J.* 882, 907-23 (2007).

n15. See Lanham Act, 15 U.S.C. § 1125(c) (2006); see also Rebecca Tushnet, *Gone in Sixty Milliseconds: Trademark Law and Cognitive Science*, 86 *Tex. L. Rev.* 507, 519-22 (2008).

n16. See Deven R. Desai & Sandra L. Rierison, *Confronting the Genericism Conundrum*, 28 *Cardozo L. Rev.* 1789, 1791, 1834-42 (2007).

n17. 33 U.S.P.Q.2d (BNA) 1385 (T.T.A.B. 1994).

n18. 510 F.2d 1004 (1975).

n19. See Gibson, *supra* note 14, at 887.

n20. See *id.* at 907-23; see also Sheff, *supra* note 9, at 145-48.

n21. See Lanham Act, 15 U.S.C. § 1125(c) (2006).

n22. See generally Barton Beebe, The Continuing Debacle of U.S. Antidilution Law: Evidence from the First Year of Trademark Dilution Revision Act Case Law, 24 Santa Clara Computer & High Tech. L.J. 449 (2008) (finding that courts treat dilution claims as superfluous to infringement claims); Clarisa Long, Dilution, 106 Colum. L. Rev. 1029 (2006) (documenting the decline in judicial favor for dilution claims). Compare Lanham Act, 15 U.S.C. § 1125(c)(2)(b) (2006) (setting forth statutory factors for determining whether dilution is likely), with *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961) (setting forth remarkably similar common-law factors for determining whether confusion is likely).

n23. See generally Jerre B. Swann, Sr., INTA and Dilution, 93 Trademark Rep. 159 (2003) (discussing the influence of the International Trademark Association on the development, passage, and amendment of federal trademark dilution law).

n24. See Federal Trademark Dilution Act of 1995 (FTDA), Pub. L. No. 104-98, 109 Stat. 985 (1996).

n25. 537 U.S. 418 (2003) (interpreting the FTDA as requiring a showing of actual, as opposed to likely, dilution); see also Trademark Dilution Revision Act of 2006 (TDRA), Pub. L. No. 109-312, 120 Stat. 1730 (2006); 152 Cong. Rec. S1921-01 (daily ed. Mar. 8, 2006) (statement of Sen. Patrick Leahy) (describing the TDRA as a measure to clarify Congress's intent in the wake of *Moseley*, and undo that case's central holding).

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n31. See generally Jeremy N. Sheff, Veblen Brands, 96 Minn. L. Rev. 767 (2012).

n32. See generally Choices, Values, and Frames (Daniel Kahneman & Amos Tversky eds., 2000) (collecting research on loss aversion, status quo bias, framing effects, and other cognitive biases that can be influenced by the selection of a baseline).

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n39. See *id.* at 429.

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n43. See Sheff, *supra* note 9, at 134-36.

n44. See *id.* at 135-36.

n45. See *id.*

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n47. See *id.*

n48. See Louis Lanzano, Jay-Z Launches Bubbly Boycott of Cristal, USA Today (June 15, 2006, 6:02 PM), http://www.usatoday.com/life/people/2006-06-15-jayz-cristal_x.htm ("Jay-Z plans to replace Cristal ... with Krug and Dom Perignon at the Manhattan and Atlantic City locations of his 40/40 Club.").

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SYMPOSIUM ARTICLE: Bearing Down on Trademark Bullies

NAME: Irina D. Manta*

BIO: * Visiting Associate Professor of Law, Brooklyn Law School; Assistant Professor, Case Western Reserve University School of Law; Yale Law School, J.D.; Yale College, B.A. I would like to thank James Barabas, Eric Goldman, Hugh Hansen, Brian Lee, Cassandra Robertson, Jeremy Sheff, David Silverman, Robert Wagner, and my research assistant David Gerard. I am very grateful to Fordham Law School and the Fordham IPLJ for inviting me to make this contribution and thank the symposium participants for their comments. My appreciation also goes to Brooklyn Law School and its staff for support during my research.

LEXISNEXIS SUMMARY:

... If the PTO could make preliminary determinations about the validity of infringement claims, trademark owners could record evidence of policing while being discouraged from making frivolous claims. ... Judicial Sanctions One natural question that arises in the trademark bullying context is why, if the behavior of a party or its attorney is excessive, we would not use judicial sanctions to eradicate their actions. ... Similarly, attorneys would think twice before sending aggressive C & D letters on behalf of their clients. ... While such sanctions could prove helpful against bullying in some situations, they also entail serious disadvantages for small business owners or individuals under attack by trademark bullies. ... Ultimately, while these changes could benefit the victims of trademark bullying, their costs may be too high to warrant implementation. ... Trademark owners generally rely on their public reputations for commercial success, and thus a shaming campaign exposing an owner as a bully can have significant repercussions for the owner's business.

HIGHLIGHT:

Trademark bullying has become a persistent problem, with large companies intimidating smaller entities with cease and desist campaigns and achieving anti-competitive results. A number of tactics exist to deal with bullying behavior. One of them is the imposition of judicial sanctions, but the standards in that area are unclear and the defendants often do not have the financial means to engage in litigation at all. Other, extralegal measures such as shaming have shown some success, but also present numerous drawbacks and prove insufficient when used against powerful actors. This article proposes a new model that draws on the existing functions of the Patent & Trademark Office (PTO) to stem the indiscriminate sending of cease and desist letters by large trademark holders and incentivizes them to file their claims with the PTO under certain conditions. This solution seeks to guard the interests of legitimate victims of infringement while balancing their rights with the need to protect smaller entities from the threat of ruinous litigation. If the PTO could make preliminary determinations about the validity of infringement claims, trademark owners could record evidence of policing while being discouraged from making frivolous claims.

TEXT:

[*854]

Introduction

In the last few years, the phenomenon of "trademark bullying" has begun to receive more attention in legal scholarship and the media. Simply stated, a trademark bully is usually a large company that seeks to put an end to behavior by individuals and small businesses that it perceives as a danger to its own intellectual property even though its legal claims against these other parties are spurious or non-existent.ⁿ¹ The bully puts its opponents under pressure through "cease and desist" (C & D) letters in which it demands that the opponent stop using a certain trademark that it believes resembles its own and threatens legal sanctions if the C & D demands are not met.ⁿ² These letters frequently do not contain detailed explanations of the alleged infringement but instead are intended to intimidate recipients into submission through the use of vague claims masked in legalese and are sent by lawyers who pressure recipients into providing a fast response.ⁿ³ Individuals and [*855] small businesses often capitulate rather than face a harrowing legal battle that could bring them to the brink of financial destruction.

Trademark bullying engenders a number of costs for society. First, the market suffers a reduction of legitimate competition.ⁿ⁴ The potential downsides of this effect are well-known and include consequences such as higher prices for products and a reduced panoply of choices in the marketplace. Relatedly, bullies create obstacles for consumers' ability to make source-identification connections with products that said consumers may wish to purchase or that could benefit them.ⁿ⁵ Second, bullying can seriously inhibit not only commercial but also non-commercial speech. While individuals are supposed to be able to make fair use of trademarks, even fair use can at times encounter enforcement efforts by way of C & D letters.ⁿ⁶ One such case was when the Lego Group sought to block use of the websites "www.ratemylego.com" and "www.ratemylegos.com."ⁿ⁷ Some have concluded that "trademark law ... often serves as a blunt instrument of cultural intimidation and censorship."ⁿ⁸

A recent commercial example that involved a tenuous trademark claim in which the alleged infringer did not cave has been that of Bo Muller-Moore, a folk artist in Vermont who tried to trademark the phrase "Eat More Kale" for his T-shirts only to find himself facing an attack by Chick-fil-A and its mark "EAT MOR CHIKIN."ⁿ⁹ The C & D letter that Muller-Moore received from the fast food giant accused him of "trademark infringement, dilution, and unfair competition in violation of federal and state [*856] law."ⁿ¹⁰ There is no obvious link between chicken and kale, aside from the fact that they are both food items. It is difficult to envision a reasonable reading of the Lanham Act that would enable Chick-fil-A to claim ownership of all variations of the phrase "Eat More ...". Lest one think that this claim was an isolated incident, however, Chick-fil-A has also initiated legal proceedings or sent C & D letters to a number of other owners of similar phrases, including ones that encouraged individuals to eat more beer, fish, goat, burritos, dog, moo, yogurt, ice cream, chocolate, cereal, authentic, music, kosher, and treats.ⁿ¹¹ While at times, infringers appropriate other elements of a trademark or trade dress in such a way as to convey the same source as the original, this does not appear to have been the case for Bo Muller-Moore. The dispute between Muller-Moore and Chick-fil-A continues at the time of this article, but for every Muller-Moore who receives publicity and fights for his rights (by himself or aided by public interest organizations), there are innumerable accused individuals who quietly disappear.

At times, the alleged instances of infringement that owners choose to pursue are downright strange, such as when the National Pork Board (NPB), which owns the slogan "The Other White Meat," went after a product that was actually an April Fool's joke. The NPB sent a long C & D letter to ThinkGeek over an ad for Canned Unicorn Meat because the ad contained the message: "Pate is passe. Unicorn - the new white meat."ⁿ¹² ThinkGeek remarked in a tongue-in-cheek comment: "We'd like to publicly apologize to the NPB for the confusion over unicorn and pork - and for their awkward extended pause on the phone after we had explained our unicorn meat doesn't actually exist."ⁿ¹³ While this incident is [*857] amusing in many ways, it is also indicative of the knee-jerk reactions of some trademark owners in the face of the slightest perceived infringement.ⁿ¹⁴ Indeed, the examples delineated here only offer up a taste of the magnitude of

the problem, and "trademark holders often threaten to sue in cases which - at least in the eyes of a person familiar with trademark law - would be demonstrably frivolous." ⁿ¹⁵ One of the tragic aspects of such bullying is that the abuser is safe from punishment for his actions because they take place outside of the jurisdiction of the judicial system. Even though the conduct occurs in a private forum, the bully is able to use the threat of litigation in a court that will at times favor him and exact onerous expenses from the defendant. Thus, the potential involvement of the judicial system becomes a sword wielded against the victim, while the bully simultaneously [*858] uses private conduct as a shield to avoid the standards of conduct and process that the judicial system imposes.

Trademark bullying is a touchy problem because the law does require owners to police their marks if they want to maintain exclusive rights in their marks and prevent so-called "genericide." ⁿ¹⁶ Any proposal to address the problem of bullying therefore has to avoid putting trademark owners into a double-bind in which the lines are blurry and both failure to police and excessively aggressive policing lead to sanctions or loss of rights. This article will outline some of the solutions that have been suggested in this context, including legal avenues that may theoretically be available to address bullying but ultimately prove inadequate, and then propose a new model of dealing with trademark bullying that draws on the existing qualities of the PTO while trying to circumvent its weaknesses.

This article will begin by exploring in Part I the existing options against trademark bullying, with a particular focus on the use of judicial sanctions and extralegal mechanisms such as shaming. Part II will then present an alternative model that harnesses the institutional strengths of the PTO and involves the filing of C & D letters with the agency.

I. Existing Options Against Trademark Bullying

A. Judicial Sanctions

One natural question that arises in the trademark bullying context is why, if the behavior of a party or its attorney is excessive, we would not use judicial sanctions to eradicate their actions. Judicial sanctions can be imposed via several mechanisms [*859] such as Rule 11, ⁿ¹⁷ 28 U.S.C. § 1927, ⁿ¹⁸ and Section 35 of the Lanham Act. ⁿ¹⁹ Rule 11 allows district courts to impose penalties on either the attorney or the client in a case for pleadings filed for an improper purpose, or for frivolous or unsupported legal arguments. ⁿ²⁰ Under 28 U.S.C. § 1927, sanctions are available for "unreasonable and vexatious[]" conduct. ⁿ²¹ Section 35 of the Lanham Act allows for the awarding of attorneys' fees to the prevailing party in "exceptional cases." ⁿ²² Courts have traditionally defined these as involving bad-faith conduct or willful infringement. ⁿ²³

All of these penalties could technically be used to punish trademark owners for policing tactics that rise to the level of intimidation or harassment, and therefore may constitute a potentially beneficial corrective method. Courts could strategically deploy these sanctions against either the attorney or the client, or both. ⁿ²⁴ This would allow judges to make factual determinations as to whether the harassment was the result of a bullying client or an overzealous attorney. Targeting the best cost avoider ⁿ²⁵ in any given situation could optimize the incentive structure of sanctions. This would also send a strong message to the trademark owner as to what types of behavior will not be tolerated, thereby likely slowing down a mark owner's attempts to unreasonably expand the scope of his mark's protection. Similarly, attorneys would think [*860] twice before sending aggressive C & D letters on behalf of their clients.

While such sanctions could prove helpful against bullying in some situations, they also entail serious disadvantages for small business owners or individuals under attack by trademark bullies. First, the key leverage that a trademark bully holds over her victims is the disparity in finances that often gives her the upper hand. ⁿ²⁶ Litigation can be prohibitively expensive for victims, and the costs of litigation alone can be enough to bankrupt a small business even if it ultimately prevails. ⁿ²⁷ To make a motion for judicial sanctions and obtain relief, the victim would have to engage in litigation with the trademark bully; judicial sanctions cannot be imposed outside of the litigation process, which is where the majority of bullying takes place. ⁿ²⁸ In addition, judicial sanctions have rarely been granted in trademark actions. When they have been granted, the threshold for bad faith has been very high, and the standards have been all but "bright-line." ⁿ²⁹ There also exists the non-negligible risk that the bully will appeal the sanctions and succeed in having an appellate

court overrule the district court's ruling. ⁿ³⁰

[*861] A further complication arises in this context from the fact that courts are split as to the proper standard to apply to Rule 11 and Section 1927 sanctions. Some courts employ a "bad faith" standard, akin to contempt of court, which sets a very high threshold and eliminates liability for careless or negligent conduct. ⁿ³¹ This high threshold could give an incentive to attorneys not to make bona fide efforts to verify their claims, evidence, and so on. ⁿ³² Some courts, however, maintain a standard that requires "objective unreasonableness." ⁿ³³ While this lower standard gives courts greater latitude in making factual inquiries into negligent conduct, critics have argued that it leaves attorneys vulnerable to liability for good-faith errors, misrepresentations by clients, and arbitrary interpretation by the judiciary. ⁿ³⁴

Further diluting the power of Rule 11 sanctions is its "safe harbor" provision requiring that before an attorney can move for sanctions, he must make a motion to opposing counsel, without alerting the court, and provide twenty-one days for the offender to correct her conduct before the court is notified. ⁿ³⁵ While this provision is touted as a method of easing the court's burden by allowing attorneys to self-police, the disadvantages of the provision are apparent. Because of the confusion surrounding sanctionable conduct, attorneys may be hesitant or unable to distinguish between acceptable and unacceptable behavior and to [*862] take the appropriate action. ⁿ³⁶ Attorneys sometimes additionally fail to report sanctionable behavior because they are afraid of reprisal or because they have a tacit agreement with the opposing counsel to look the other way. ⁿ³⁷ Genuine concerns also exist that without the court's oversight, attorneys will be able to use sanction motions as a method to delay the litigation process or as a threat to "bully an opponent into withdrawing a paper or position." ⁿ³⁸

Another avenue of recourse against trademark bullies that has received some attention is the use of anti-SLAPP (Strategic Lawsuit Against Public Participation) regulations. ⁿ³⁹ These regulations, which currently only exist at the state level, seek to protect the rights to free speech and to democratic participation against lawsuits that try to undercut such activities by forcing defendants to spend large amounts of money on litigation. ⁿ⁴⁰ Anti-SLAPP regulations allow defendants to expedite the litigation process and to potentially recover their litigation costs from plaintiffs. ⁿ⁴¹ The quintessential SLAPP against which such regulations are supposed to protect has little or no likelihood of succeeding in court and tries "to interfere with the protected free expression of defendants." ⁿ⁴²

Anti-SLAPP regulations would provide trademark defendants with access to courts at a lower cost and with a way to recover their costs from the plaintiff. At this time, however, they only form a part of state, not federal law, and they are not available in [*863] all fifty states. ⁿ⁴³ Even in the states where they do exist, they can currently only be used in federal court for cases decided under diversity jurisdiction ⁿ⁴⁴ rather than for claims under federal law ⁿ⁴⁵ (of which trademarks are a part). Additionally, a trademark bully faced with anti-SLAPP regulations would still have the opportunity to appeal his case and try to use the judicial system to cause the defendant hardship. Several changes would need to take place to increase the ability of judicial sanctions to combat trademark bullying. First, the standard for sanctions would require clarification so that the recipients of C & D letters could better evaluate their chances during litigation. Second, the courts would need to moderate their current policies that favor trademark owners and are rooted in the perceived obligation that owners have to aggressively police their marks. ⁿ⁴⁶ An excessively blurry line between forceful but legitimate enforcement and bullying is bound to render judicial sanctions ineffective. Third, courts would have to broaden their analysis to lend greater weight to bad-faith conduct that takes place prior to litigation, such as improper C & D letters and extortionist settlement demands. Because these sanctions currently focus on conduct during litigation, the victim must initiate court proceedings to gain redress. It is easy for bullies to intimidate victims in the private sphere, where a significant proportion of bullying occurs.

Recognizing that illegitimate actions generally take place before litigation and acknowledging that trademark owners will at times minimize record-keeping of their improper enforcement attempts would represent an important step in protecting the victims of bullying. ⁿ⁴⁷ Such a change could potentially also include shifting the target of sanctions from the attorney to the client if it is [*864] the client that is primarily responsible for initiating the excessive enforcement attempts. Finally, the legislature could play a role by removing the "safe harbor" provision of Rule 11 and either clarifying the intended use of sanctions or specifying the mens rea required under the law. ⁿ⁴⁸ Some legislative

proposals have attempted to make changes to Rule 11, but none has been enacted yet.ⁿ⁴⁹

Ultimately, while these changes could benefit the victims of trademark bullying, their costs may be too high to warrant implementation. Lowering the threshold for judicial sanctions may conflict with the greater legal policy of zealous representation of clients.ⁿ⁵⁰ Barring a tectonic shift in trademark law and an unprecedented clarification of the standards for proper mark policing, attorneys could find themselves in difficult positions and be subject to disciplinary measures either for aggressive representation or, alternatively, for deficient representation if rights to a mark are eventually lost as a result of genericide.ⁿ⁵¹ Changing the focus of sanctions from attorneys to clients is problematic as well. After all, clients are presumed to lack sophistication in legal matters and to rely on their attorneys for advice. Attorneys rather than clients are generally in the best position to assess whether enforcement conduct is likely to be improper and to advise accordingly. Attorneys also have to make decisions during trials that do not always allow for extensive conferrals with clients, so it would add numerous complications to sanction clients or apportion blame precisely between attorneys and clients. Hence, even if the political and judicial wills were sufficient to impose changes in the [*865] realm of judicial sanctions, the undesirable consequences are of sufficient magnitude that they should give us pause and encourage consideration of other alternatives.

B. Extralegal Measures

With the proliferation of social media on the Internet, the victims of bullying have obtained increased access to resources and can fight bullying without resorting to legal measures. One tool to combat bullies in this context has been the use of social media to make bullies' behavior the subject of public criticism and to shame them into ceasing their activities. Shaming can prove helpful in the trademark context because the costs of shaming are minimal while the punitive effects can have a lasting impact. Trademark owners generally rely on their public reputations for commercial success, and thus a shaming campaign exposing an owner as a bully can have significant repercussions for the owner's business. There are numerous stories in which individuals or small businesses were able to triumph over giant corporations this way.ⁿ⁵² The threshold for shaming is also much lower than it is for judicial sanctions, and the task is fairly clear: the victim has to convince the public that the bully has violated social and legal norms through his behavior.ⁿ⁵³

Shaming, however, is not without its downsides. Its effect could suffer dilution through overuse if some parties try to employ it excessively and in an illegitimate manner. Because shaming is essentially a private form of conduct that is unregulated by the courts or similar entities, there is no consistent way to prevent abusers of the technique from weakening its power.ⁿ⁵⁴ Shaming also still requires the victim to respond to the bully in a negative manner, which may invoke litigation from the bully who expects capitulation rather than resistance. Furthermore, shamers could [*866] face defamation lawsuits.ⁿ⁵⁵ The situation could escape the victim's control as the public or the media run away with a controversy. A negative impact against the victim could result if she has reached an agreement with the bully and is seeking to withdraw from or end the shaming campaign.

Some mechanisms could improve the effectiveness and smooth functioning of shaming in this context. For instance, we could make greater use of websites that monitor the veracity of shaming claims and could thus hopefully weed out a portion of abusers. Such websites could also serve as a centralized sounding board for dispute resolution such that once the parties have resolved their conflict and the victim wishes to cease its public campaign, the website can alert the public to the resolution, which might then discontinue the shaming. While the use of online tools can serve a critical role in providing information to victimsⁿ⁵⁶ and giving them access to retaliatory measures, the bullies are often so powerful that the effect may not prove strong enough. In some cases, victims may also not be aware of the resources that exist for their protection and could cave before even making efforts to retaliate.

II. The Alternative of a PTO Paradigm

The time may be ripe to consider adopting an altogether different model to combat trademark bullying. I will sketch here a proposal that tries to alleviate the problem of bullying and simultaneously maintain procedural safeguards as well

as enable mark owners to properly police their marks. The idea would be to create a new mechanism through the PTO that would balance the large company's duty to police and the individual's or small business' right to compete without unfair harassment. The PTO could offer an oversight process that would allow agency attorneys to review C & D letters and issue rulings on the merits of the [*867] alleged infringement.ⁿ⁵⁷ This would benefit both the trademark owner and the potential bullying victim. The initial requirement would be the filing of the C & D letter with the PTO. The primary purpose of that requirement is to impose some cost on the trademark owner to incentivize him to make careful choices as to when to attempt to enforce his mark.

The process would begin by having the mark owner file the letter, along with a fee determined by the PTO. The fee would have to cover the operating expenses of this mechanism and therefore would likely be more than simply nominal. The trademark owner would also have the option of filing additional supporting evidence. The documentation would then be sent to the alleged infringer, who would have the opportunity to respond. A PTO attorney would analyze the alleged infringement and determine whether legal action by the trademark owner would have merit.

If the PTO decides that infringement took place, the trademark owner could proceed either with private settlement negotiations or he could pursue litigation. Similar to how trademark registrations carry a presumption of validity,ⁿ⁵⁸ the declaration by the PTO would be treated as a presumption of infringement by courts. Further, if he is ultimately successful, part of the trademark owner's recovery could include his PTO filing fees, thus negating possible chilling effects that the costs might have on valid enforcement actions. If the PTO determines that the accusation is unfounded, the victim could use this to establish a presumption of improper conduct in court if further enforcement tactics are employed. This may lower the uncertainty otherwise provided by litigation and partially alleviate the burden to "litigate or capitulate" that defendants currently face.

Trademark owners could continue to send C & D letters without following the PTO procedure. The way I envision the [*868] system is that there would exist a threshold value of a mark above which certain requirements would kick in for owners when they send a letter directly to an alleged infringer.ⁿ⁵⁹ Mark owners would have to add a boilerplate statement indicating that they are or are not also filing the letter with the PTO, and cite the relevant statutes and regulations that cover the practice. With these rules in place, there are three possible scenarios. First, the owner may fail to include the statement. In that case, the letter would not count later if courts ever examine whether the owner properly policed his mark. If he sues the person to whom he sent the letter, his failure to include the statement would also be construed during litigation as bad faith on his part.ⁿ⁶⁰ Second, the owner could state that he is additionally filing the letter with the PTO. This would qualify as evidence of policing and serve as an information-forcing mechanism to show his good faith about his legal claims. The recipient would be on notice and know to take this type of letter seriously. Third, the owner could state that he is not filing the letter with the PTO. If that is the case, the letter will not qualify as evidence of policing down the line. The recipient of the letter may be less intimidated and could decide to force a conflict if he feels that he is in the right and the senior user is less than serious about his claims. Owners of less valuable marks would not be required to file the letter with the PTO (although they would have the option [*869] of doing so) and/or make related statements in C & D letters because imposing the costs on such owners to go through the PTO may be excessive, and bullying concerns are already reduced with these types of parties.

Trademark owners would receive additional benefits beyond the power of a determination of validity from the PTO procedure. A significant amount of trademark bullying stems from bullies' impression that to maintain a mark, it is the owner's duty to aggressively police it. Thus, many bullying situations involve mark owners who have taken this perceived duty to extreme levels.ⁿ⁶¹ By permitting the filing of C & D letters to serve as evidence of policing the mark, the trademark owner will be relieved of that burden and hopefully incentivized to make more careful decisions as to when to pursue enforcement actions.

One of the key advantages of the PTO regulation system will be the reduction of private trademark bullying, as the mark owner will most likely review the merits of an enforcement action before incurring the costs of filing a C & D letter. If he is pursuing a legitimate claim, the owner will likely recover those costs later and receive other procedural benefits from having filed the letter. The recipients of C & D letters would receive protection through the oversight of

the PTO and the disincentives against bullying that the new system would provide. Recipients would also be able to perform a search of pre-existing PTO decisions if the agency places them online like it does trademark registrations.ⁿ⁶² The average alleged infringer will likely find that these records are easier to search and understand than the results he is likely to obtain by searching judicial decisions in databases such as Westlaw, LexisNexis, or PACER, not to mention much more inexpensive to gather.ⁿ⁶³

[*870] This proposal certainly contains drawbacks as well. There would be significant administrative and set-up costs, which could result in filing fees high enough to reduce valid enforcement attempts. In addition, the program would require effective enforcement by the courts and the PTO. If a PTO determination represents a near-certain victory for a trademark owner, his settlement demands could become unreasonable and force the alleged infringer to accept litigation as the only means of protection. Critics may also argue that the PTO will essentially be required to act as a court and that it will be forced to hire more attorneys to undertake this work. These additional salaries would further increase the filing fees and could have a chilling effect on some legitimate claims. At the same time, the PTO already conducts likelihood of confusion analyses as part of the trademark registration process and is thus just as equipped to handle this task as that of registration.ⁿ⁶⁴ The additional costs should not prove insurmountable and the current registration system should not be unduly burdened.

Trademark owners may also argue that imposing PTO regulation on the enforcement process will in effect impose further costs for owners aside from the filing fees. The mark owners may claim that instead of merely issuing C & D letters, which are relatively inexpensive to prepare, owners will now have to engage their lawyers in costly in-depth infringement analyses, in the face of somewhat undefined case law. These cost impositions, however, would most likely not be prohibitive and in fact comport with general trademark policy. As PTO decisions on C & D letters [*871] are issued, these rulings will provide information as to how owners should interpret trademark law and, as indicated above, will potentially be easier to interpret than court decisions on the subject. The cost and uncertainty of legitimate enforcement could therefore actually decrease.ⁿ⁶⁵

Conclusion

The problem of trademark bullying is tricky but perhaps not entirely intractable. This area of the law remains an outlier in the sense that we do not normally expect such a high level of assertive policing and initiation of legal actions for owners to maintain their rights as we do for trademarks. Changes in the implementation of judicial sanctions and mechanisms such as shaming could alleviate some of the problems associated with bullying, but are likely to leave significant gaps. Public interest organizations will perhaps increase their outreach and provide greater legal representation to the victims of bullying, although this would require focused attention and financial resources. This article proposes a new paradigm to handle the tension between allowing owners to police their marks and preventing them from harassing competitors and silencing speech. While substantive changes in the law will hopefully clarify the line between legitimate and improper enforcement, the time may have come to consider new procedural safeguards as well. The proposal delineated here certainly requires significant further research before its final implementation, including detailed empirical study of the financial costs and benefits. My goal was to advance the conversation by offering another possible instrument in the toolbox at our disposal to fix a system in need of more than just tinkering.

Legal Topics:

For related research and practice materials, see the following legal topics:

Computer & Internet Law
Internet Business
Licensing
Conveyances of Copyright Interests
Evidence
Procedural Considerations
Preliminary Questions
Admissibility of Evidence
General Overview
Trademark Law
Federal Unfair Competition Law
Trade Dress Protection
Infringement Actions
Elements

FOOTNOTES:

n1. There is some anecdotal evidence of individuals bullying other individuals in this manner, usually for purposes of extorting moderate sums of money as part of a settlement. This piece will, however, mainly focus on the more typical Goliath-versus-David kind of bullying.

n2. See Leah Chan Grinvald, *Shaming Trademark Bullies*, 2011 Wis. L. Rev. 625, 628-29 (2011).

n3. *Id.*; see also Rosemary J. Coombe, *The Cultural Life of Intellectual Properties: Authorship, Appropriation, and the Law* 66 (1998) (calling trademark infringement claims a "ruse" that companies use to protect against competition).

n4. Grinvald, *supra* note 2, at 650.

n5. See, e.g., Ronald Michman et al., *Lifestyle Marketing: Reaching the New American Consumer* 66-67 (2003) (describing the relationship between customers and brands).

n6. See Deven R. Desai & Sandra L. Rierson, *Confronting the Genericism Conundrum*, 28 Cardozo L. Rev. 1789, 1839-40 (2007).

n7. *Id.* at 1840-41 (citations omitted).

n8. David Bollier, *Brand Name Bullies: The Quest to Own and Control Culture* 84 (2005).

n9. Jess Bidgood, *Chicken Chain Says Stop, But T-Shirt Maker Balks*, N.Y. Times, Dec. 5, 2011, at A12, available at <http://www.nytimes.com/2011/12/05/us/eat-more-kale-t-shirts-challenged-by-chick-fil-a.html>.

n10. Letter of Arnall, Golden, Gregory LLP to Daniel P. Richardson, Oct. 4, 2011, at 2, available at <http://www.scribd.com/doc/74942618/Chick-fil-A-2011-C-D-Letter-Over-Eat-More-Kale>.

n11. *Id.* at 5.

n12. See Officially Our Best-Ever Cease and Desist, ThinkGeek (June 21, 2010), <http://www.thinkgeek.com/blog/2010/06/officially-our-besteve-cease.html>.

n13. *Id.* One would think that other elements of the ad, such as the promotion of the meat as an "excellent source of sparkles" would have been a dead give-away. *Id.* I would be remiss not to further mention the recent C & D letter by one beer manufacturer against another for the use of the term HOPASAURUS REX for a beer, to which the alleged infringer responded by explaining that it had not sold beer under that name and adding "PS: Please enjoy this drawing of a T-Rex waiving [sic] white flags, which was suggested for inclusion by my attorney. Actually, he's just my friend, I can't afford his legal fees." Best Letter Ever Written to a Lawyer, Edible Apple (Jan. 13, 2012), <http://www.edibleapple.com/2012/01/13/best-letter-ever-written-to-a-lawyer/>.

n14. Another recent example that shook up the academic world was the C & D letter sent by Louis Vuitton to the University of Pennsylvania Law School over the use of a purse-like pattern on a poster evoking Louis Vuitton's purses and advertising the Penn Intellectual Property Group Annual Symposium whose subject this year was "Fashion Law." See Michael Pantalony, Letter to Dean Michael A. Fitts, Feb. 29, 2012, available at http://www.law.upenn.edu/fac/pwagner/DropBox/lv_letter.pdf (displaying the letter, which includes a depiction of the pattern). The letter argued that the university's

egregious action is not only a serious willful infringement and knowingly dilutes the LV Trademarks, but also may mislead others into thinking that this type of unlawful activity is somehow "legal" or constitutes "fair use" because the Penn Intellectual Property Group is sponsoring a seminar on fashion law and "must be experts."

Id. at 2. The University of Pennsylvania argued that the artwork on the poster represented a noncommercial parody that neither created confusion nor diluted Louis Vuitton's mark. Robert F. Firestone, Letter to Michael Pantalony, March 2, 2012, at 1, available at http://www.law.upenn.edu/fac/pwagner/DropBox/penn_ogc_letter.pdf. A number of scholars have condemned Louis Vuitton's action. See, e.g., Michael Risch, Really, Louis Vuitton? Really?, *Madisonian.net* (March 4, 2012), <http://networkedblogs.com/uL4R1>; Eugene Volokh, Penn Law School Rejects Louis Vuitton Nastygram, *Volokh Conspiracy* (Mar. 3, 2012), <http://volokh.com/2012/03/03/penn-law-school-rejects-louis-vuitton-nastygram/>. Not everyone in the legal community, however, agrees that Louis Vuitton's actions constitute bullying. See Steve Baird, How Fashionable is the Louis Vuitton "Trademark Bully" Label?, *DuetsBlog* (Mar. 12, 2012), <http://www.duetsblog.com/2012/03/articles/trademarks/how-fashionable-is-the-louis-vuitton-trademark-bully-label-2/>.

n15. Desai & Rierison, *supra* note 6, at 1840.

n16. Scholars have criticized courts' approach to genericide and argued that the "overly broad scope of evidence in deeming a trademark generic [] forces irrational behaviors on the part of mark holders in that they must expend resources trying to persuade the media,

dictionaries, and others from making fair use of their marks." Desai & Rierson, *supra* note 6, at 1855. They conclude: "Thus, mark holders waste resources trying to influence actors over whom they have no right or ability to control (through 'education,' bullying, and, in some cases, litigation), rather than spending those resources more efficiently elsewhere and/or cutting the cost of their goods or services." *Id.*

n17. Fed. R. Civ. P. 11.

n18. 28 U.S.C. § 1927 (2006).

n19. Lanham Act § 35, 15 U.S.C. § 1117 (2006).

n20. See Fed. R. Civ. P. 11(b)-(c).

n21. 28 U.S.C. § 1927 (2009).

n22. Lanham Act § 35, 15 U.S.C. § 1117(a) (2006).

n23. See, e.g., *Secalt S.A. v. Wuxi Shenxi Constr. Mach. Co., Ltd.*, 2012 WL373102, at 6 (9th Cir. Feb. 7, 2012) (citing *Stephen W. Boney, Inc. v. Boney Servs.*, 127 F.3d 821, 827 (9th Cir. 1997)).

n24. In some cases, judges favor joint and several liability between the attorney and the client, see Alan E. Untereiner, A Uniform Approach to Rule 11 Sanctions, 97 Yale L.J. 901, 906 n.42, although some have proposed otherwise. See, e.g., Karen S. Beck, Note, Rule 11 and Its Effects on Attorney/Client Relations, 65 S. Cal. L. Rev. 875, 916 (1992) (arguing that courts should hear evidence and then determine what party should bear the loss). I would like to thank Cassandra Robertson for the conversation that we had on this subject.

n25. See Guido Calabresi, *The Costs of Accidents: A Legal and Economic Analysis* 174-75 (1970) (defining the concept).

n26. Grinvald, *supra* note 2, at 656-57.

n27. *Id.* at 653.

n28. Courts can, at times, sanction extra-legal conduct under their inherent power, but it is still conduct that occurs in the general context of litigation. Danielle Kie Hart, *Happy (?) Birthday Rule 11: And the Chill Goes on - Federal Civil Rights Plaintiffs Beware: Rule 11 Vis-a-vis 28 U.S.C. 1927 and the Court's Inherent Power*, 37 *Loy. L.A. L. Rev.* 645, 654-55 (2004).

n29. See, e.g., *Badger Meter, Inc. v. Grinnell Corp.*, 13 F.3d 1145, 1159-60 (7th Cir. 1994) (defining "exceptional cases" as involving truly egregious, purposeful infringement, or other purposeful wrongdoing); *Aromatique Inc. v. Gold Seal Inc.*, 28 F.3d 863, 875-79 (8th Cir. 1994) (defining "exceptional cases" as ones in which the action was groundless, unreasonable, vexatious, or pursued in bad faith); *Cent. Mfg. Co. v. Pure Fishing, Inc.*, 2005 WL 3090988, at 5-6 (N.D. Ill. 2005) (imposing sanctions and noting that Leo Stoller had been ordered to pay attorneys' fees in at least seven cases and had been involved in forty-nine cases in the Northern District of Illinois at that point). Leo Stoller was eventually banned from filing any actions in the Northern District of Illinois. *Stoller v. Bank of N.Y. Mellon Trust Co.*, No. 10 C 2028 (N.D. Ill. 2010), available at <http://www.scribd.com/doc/31292372/U-S-DISTRICT-COURT-BANS-LEO-STOLLER>.

n30. For instance, the Second Circuit overturned an award of Rule 11 sanctions against a party even though the party and its counsel had made factual representations and legal arguments that lacked a reasonable basis. *Storey v. Cello Holdings, L.L.C.*, 347 F.3d 370, 387-93 (2d Cir. 2003).

n31. See Hart, *supra* note 28, at 653.

n32. See Sybil Dunlop, *Note, Are an Empty Head and a Pure Heart Enough? Mens Rea Standards for Judge-Imposed Rule 11 Sanctions and their Effects on Attorney Action*, 61 *Vand. L. Rev.* 615, 626 (2008).

n33. *Id.* at 629-31.

n34. *Id.* at 635-38. For a more general discussion of reasonableness as a legal standard, see, e.g., Alan D. Miller & Ronen Perry, *The Reasonable Person*, 87 N.Y.U. L. Rev. 323 (2012).

n35. Fed. R. Civ. P. 11(c)(2). In some situations, courts have also implemented Rule 11 sanctions sua sponte. For a discussion of sua sponte sanctions, see, e.g., *Lucas v. Duncan*, 574 F.3d 772, 775-81 (D.C. Cir. 2009); Theodore C. Hirt, *A Second Look at Amended Rule 11*, 48 Am. U. L. Rev. 1007, 1035-36 (1999) (concluding that sua sponte "rulings represent a small number of decisions relative to the number of decisions in which courts have considered motions filed by a party.").

n36. See Dunlop, *supra* note 32, at 644-45; see also John Lawrence Hill, *A Utilitarian Theory of Duress*, 84 Iowa L. Rev. 275, 326 (1999) (discussing generally the benefits of objective standards of behavior).

n37. See Dunlop, *supra* note 32, at 644-45.

n38. Georgene M. Vairo, *Rule 11 Sanctions: Case Law, Perspectives, and Preventative Measures* 14 (Richard G. Johnson ed., 3d ed. 2004).

n39. See Eric Goldman, *Why I Support HR 4364, the Proposed Federal Anti-SLAPP Bill*, Eric Goldman: Tech. & Mktg. L. Blog (Mar. 3, 2010, 9:43 AM), http://blog.ericgoldman.org/archives/2010/03/hr_4364.htm.

n40. See, e.g., *FAQs About SLAPPs*, Pub. Participation Project, <http://www.anti-slapp.org/slappdash-faqs-about-slapps/> (last accessed Jan. 28, 2012).

n41. See Goldman, *supra* note 39.

n42. See, e.g., Tom Wyrwich, *A Cure for a "Public Concern": Washington's New Anti-SLAPP Law*, 86 Wash. L. Rev. 663, 664 (2011)

(citations omitted).

n43. Daniel B. Kelly, *Strategic Spillovers*, 111 Colum. L. Rev. 1641, 1685 n.195 (2011) (putting the number at a bit more than half of all states) (citation omitted).

n44. See, e.g., *United States v. Lockheed Missiles & Space Co.*, 190 F.3d 963, 970-73 (9th Cir. 1999) (applying California's anti-SLAPP statute in a diversity case).

n45. *Ginx, Inc. v. Soho Alliance*, 720 F. Supp. 2d 342, 366 (S.D.N.Y. 2010) ("No federal court of which [the court is] aware has ever awarded anti-SLAPP sanctions because of a federal claim in a federal forum.").

n46. Desai & Rierson, *supra* note 6, at 1835.

n47. William E. Ridgway, *Revitalizing the Doctrine of Trademark Misuse*, 21 Berkeley Tech. L.J. 1547, 1569 (2006).

n48. Stephen B. Burbank, *Rule 11 in Transition: The Report of the Third Circuit Task Force on Federal Rule of Civil Procedure 11* 10-19 (1989) (stating that courts disagree on the proper standard).

n49. See, e.g., Ann M. Odelson & Timothy B. Parlin, *Proposal to Amend Rule 11 Introduced in Congress*, N.Y. L.J., Sept. 2, 2011, available at <http://www.newyorklawjournal.com/PubArticleNY.jsp?id=1202513143784&slreturn=1> (describing recent proposals to eliminate the safe harbor and make other changes).

n50. See, e.g., Carl Tobias, *The Transmittal Letter Translated*, 46 Fla. L. Rev. 127, 131 (1994) (discussing the need to protect attorneys' ability to engage in zealous advocacy when policymakers determine the rules for sanctions).

n51. Desai & Rierson, *supra* note 6, at 1794-97 (describing the pressure on practitioners to aggressively protect marks based on the tremendous value that marks can have, and the legal implications that can arise from failing to protect a brand).

n52. For example, Rock Art Brewery successfully used Internet shaming against the multi-million dollar company Hansen Beverage when the latter started a C & D campaign regarding use of the term "Vermonster" in the context of beer sales. See Grinvald, *supra* note 2, at 671-74.

n53. *Id.* at 670-72; see also Dan M. Kahan, What Do Alternative Sanctions Mean?, 63 U. Chi. L. Rev. 591, 636 (1996) (explaining that shaming serves to "denounce the wrong doer and his conduct as contrary to shared moral norms").

n54. See Grinvald, *supra* note 2, at 680-81.

n55. *Id.* at 682-83.

n56. This is a key function of the Chilling Effects website, but its existence has certainly not extinguished trademark bullying. See Chilling Effects, <http://chillingeffects.org/> (last visited Jan. 28, 2012).

n57. This model contains some parallels to my previous work, in particular to a proposal to consider using judges to clear trademark infringement surveys before they are conducted. See generally Irina D. Manta, In Search of Validity: A New Model for the Content and Procedural Treatment of Trademark Infringement Surveys, 24 Cardozo Arts & Ent. L.J. 1027 (2007).

n58. 15 U.S.C. § 1057(b) (2006).

n59. One could object that mark owners might have an incentive to fudge the valuations of their marks down the line if there was a dispute as to whether they are obligated to meet the new requirements of PTO filings. The fact that the recovery of damages is directly tied to mark value, however, would provide them with a strong disincentive from doing so, especially because they would have difficulty providing inconsistent figures across different lawsuits without being accused of bad faith should they actually be tempted to do so. For a discussion of how the value of brands is determined, see, James T. Berger & Diana Tadzijeva, Marketing Perspectives on Brand Valuation,

JamesBerger.net, http://www.jamesberger.net/Brand_Valuation_Methods.shtml (last visited Feb. 5, 2012).

n60. Similarly, placing phone calls that constitute the substantive equivalents of C & D letters would be construed as bad faith if litigation does proceed. Some attorneys currently advise their clients to use the phone precisely because it avoids the creation of a record. See, e.g., Geri Haight, Trademark Enforcement, Trademark "Bullies" and Social Media, Copyright & Trademark Matters (Dec. 5, 2011), <http://www.copyrighttrademarkatters.com/2011/12/05/trademark-enforcementtrademark-bullies-and-social-media/> ("When in doubt, pick up the phone. A one-on-one conversation may be an effective way to resolve the issue amicably - without creating a paper trail.").

n61. For example, Warner Brothers was embarrassed to find out that it had sent a letter to a 15-year-old girl demanding that she take down her Harry Potter fan site. Kieren McCarthy, Warner Bros Backs Down on Harry Potter Web Site, The Register (Dec. 15, 2000), http://www.theregister.co.uk/2000/12/15/warner_bros_backs_down/.

n62. See U.S. Patent and Trademark Office, Trademark Electronic Search System (TESS), USPTO.gov, <http://tess2.uspto.gov/bin/gate.exe?f=tess&state=4002:v0fmrn.1.1> (last visited Jan. 29, 2012).

n63. Id. The TESS system is free to use (meaning that it is agency-funded, but the cost to the agency of this new task would likely be trivial).

n64. Nevertheless, there is no doubt that the PTO is, as I have previously stated, in need of reform to speed up and potentially improve its processing of claims. See generally Irina D. Manta, Privatizing Trademarks, 51 Ariz. L. Rev. 381 (2009) (proposing the targeted use of private actors to assist in the trademark registration process). Some critics argue that the PTO is not equipped to deal with determining real-world usage and infringement and that an entity like the World Intellectual Property Organization (WIPO) or National Arbitration Forum (NAF) would be better suited for this task. While I believe that my proposal would provide a sensible integration with the current duties of the PTO, these are alternatives worth exploring once more extensive empirical research on the issue takes place. At that stage, part of the focus may also turn toward the possible role of the Trademark Trial and Appeal Board (TTAB) in any new procedures given the TTAB's existing involvement in trademark registration opposition proceedings. I would like to thank Eric Goldman and David Silverman for their comments on this subject.

n65. As this article was going to press, a bill entitled "Small Business Trademark Protection Act" was introduced into the Minnesota State House with the goal of combating trademark bullying, in part through a requirement that all C & D letters include language advising recipients of their right to a settlement conference. See Steve Baird, Minnesota's Legislative Answer to "Trademark Bullying"?, DuetsBlog (Apr. 9, 2012), <http://www.jdsupra.com/post/documentViewer.aspx?fid=1b1e1dda-5c6f-4285-9254-25d2c757c105>. While my proposal is ultimately quite different from that in this bill, the idea to require specific language in C & D letters and involve administrative actors into the pre-litigation process mirror some of the notions presented in this article. See id.

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The New York Times

October 15, 2011 Saturday
Late Edition - Final

P.&G. Settles Trademark Suit Against Start-Up Business

BYLINE: By ANDREW MARTIN and PETER LATTMAN

SECTION: Section B; Column 0; Business/Financial Desk; Pg. 4

LENGTH: 572 words

A Connecticut mother and businesswoman has won the right to name her company after her daughter, Willa, despite the objections of the nation's largest consumer products company.

Christy Prunier spent the last three years creating a line of skin care products aimed at preteenage girls like Willa, who is 11. But after obtaining trademark approval from the government early this year, she received a cease and desist letter from Procter & Gamble, which owns the hair care brand Wella.

Lawyers for Procter & Gamble said consumers would be confused because of the similarities, and demanded that she drop the name Willa. Ms. Prunier fought back. The two sides were scheduled to go to trial this week but instead settled the dispute, subject to a judge's approval.

"We are pleased to confirm that this matter has been amicably resolved," said Jennifer Chelune, a spokeswoman for Procter & Gamble, in an e-mail. She declined to elaborate.

Lawyers for Ms. Prunier also declined to provide additional specifics about the settlement, other than confirming that their client can continue to use the name Willa for her line of lip balm, facial masks and other skin care products.

Ms. Prunier, who had likened her struggle to David versus Goliath, declined to comment, citing confidentiality provisions in the settlement pact.

Trademark lawyers said it was not uncommon for disputes like Ms. Prunier's to settle just before trial.

"What's important to brand owners is control, and a private resolution that allows continued use in certain respects rather than an all-or-nothing decision by a judge or jury can be a good result," said James D. Weinberger, an intellectual-property lawyer at Fross Zelnick Lehrman & Zissu in New York. "If you go to trial and win, great; but if you lose, there can be long-term damage that is difficult to repair."

Mr. Prunier's battle with P. & G. is just the latest case of a small-business owner claiming "trademark bullying" by a large corporation. This summer, the Maya Archaeology Initiative fought claims by Kellogg that a bird in the organization's logo was too similar to Toucan Sam, the bird on the Froot Loops cereal box. The sides settled the dispute, allowing the Mayan group to use its mark.

The legal battles have caught the attention of Congress, which last year passed legislation that required a study of the issue. The subsequent Commerce Department report concluded that there was inconclusive evidence of widespread

trademark bullying and that disputes "may be best addressed by the existing safeguards in the litigation system."

A former film executive, Ms. Prunier said the idea of creating a cosmetics business for preteenage girls arose while Willa was taking a bath several years ago. Willa complained that she was tired of using "babyish" soaps and instead wanted soap made for girls her age.

Ms. Prunier spent the next three years meeting with chemists and developing a line of soaps and lotions that will be sold in purple and white bottles. She said her face wash was meant to "smell like a girl in the summertime who takes a shower outside."

Willa had caught the attention of Target, J. Crew and an Upper East Side boutique owned by the actress Phoebe Cates before the squabble with Procter & Gamble left the business in limbo.

The company's namesake was in school on Friday and unavailable for comment.

This is a more complete version of the story than the one that appeared in print.

URL: <http://www.nytimes.com>

LOAD-DATE: October 15, 2011

LANGUAGE: ENGLISH

GRAPHIC: PHOTOS: P. & G. sued Christy Prunier, above, over the use of her daughter's name, Willa, which it found too close to its Wella brand. (PHOTOGRAPHS BY ANDREW SULLIVAN FOR THE NEW YORK TIMES)

DOCUMENT-TYPE: Web Log

PUBLICATION-TYPE: Newspaper

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Star Tribune (Minneapolis, MN)

June 21, 2013 Friday
METRO EDITION

Bubbles by Brooks buoyant after win

BYLINE: DAVID PHELPS; STAFF WRITER, STAR TRIBUNE (Mpls.-St. Paul)

SECTION: BUSINESS; Pg. 1D

LENGTH: 549 words

HIGHLIGHT: Bubbles by Brooks attorney: "We moved for summary judgment [dismissal] ... and Brooks Brothers caved ... "

Bubbles by Brooks can keep its name.

After a year of legal wrangling, high-end clothier Brooks Brothers has dropped a trademark infringement action against the small Rochester-based distributor of therapeutic soaps used by cancer patients, allowing Bubbles by Brooks to keep the identity it has nurtured for more than 10 years.

"I am very grateful for the way this worked out," owner Amy Brooks said from her home-based business Thursday.

Brooks was also grateful for the free legal assistance she received from a team of intellectual property lawyers from the Minneapolis firm of Fredrikson & Byron, which picked up the case when Brooks faced legal fees of up to \$200,000 to fight the case to the end.

"As a small business without representation, my voice would have never been heard," Brooks said.

It's often an uphill and costly battle for small companies to fight for their trademark if it is challenged by a big company.

"It's really difficult because it

costs money. It's money out the door. You can't recover it in sales or jack up your prices," said Kenneth Port, director of the Intellectual Property Institute at William Mitchell College of Law. "Small folks can't afford it and they just go away."

The Fredrikson lawyers took up the Bubbles by Brooks case last summer after the company was featured in a Star Tribune article about "trademark bullying," where companies use their deep pockets to challenge the trademarks of other companies - no matter how remote the connection.

In the Bubbles by Brooks case, attorneys for Brooks Brothers wrote: "Though 'Brooks' may be your surname, it does not give you the right to infringe on the Brooks Brothers trademark or otherwise compete with Brooks Brothers."

"Small companies are definitely at a disadvantage when litigating against a big one," said Lora Friedemann, one of three Fredrikson & Byron attorneys who worked on the Brooks case. "We moved for summary judgment [dismissal] ... and Brooks Brothers caved in the face of the motion."

"It feels good to be able to help this company," Friedemann said.

Brooks Brothers spokesman Arthur Wayne said in an e-mail late Thursday: "We do not comment on legal matters."

The dispute was handled in the U.S. Patent and Trademark Office. Port said the number of smaller companies that prevail in trademark disputes is rising, although those involved in so-called trademark bullying cases prevail just 5.5 percent of the time.

"We don't know how often the small guys win, but it is with more frequency than you'd expect and the way to win these cases is to go public and get the public to rally around you," said Port.

The soap and skin care products produced and sold by Bubbles by Brooks are handcrafted and designed to reduce irritation as cancer patients go through therapy.

Brooks, a cancer survivor, operates Bubbles by Brooks out of her home but recently hired a wholesale sales representative who has a showroom for wholesalers in Minnetonka.

"We had our best first quarter ever," Brooks said. "We moved forward but I always worried that I might have to change my name."

Brooks said her sales are a little less than \$100,000 a year.

"Yeah, this was good for me," she said of the dismissed trademark dispute. "But the system is still broken. I still want to help other people, too."

David Phelps · 612-673-7269

LOAD-DATE: June 26, 2013

LANGUAGE: ENGLISH

PUBLICATION-TYPE: Newspaper

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LENGTH: 19310 words

COMMENT: Protecting Small Businesses Against Trademark Bullying: Creating a Federal Law to Remove the Disparity of Leverage Trademark Holders Maintain Over Small Businesses

NAME: ANTHONY JAMES DISPOTO*

BIO: * © 2015 Anthony James Dispoto, J.D. Candidate 2015, University of San Diego School of Law. B.A., Business Administration, California State University, Fullerton. Special thanks to University of San Diego School of Law Professor Lisa P. Ramsey for her guidance and support throughout the writing process, and the editors of the San Diego International Law Journal.

TEXT:
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I. Introduction

On December 9, 2013, Exit 6 Brewery, a small establishment located forty miles outside of St. Louis, received a letter from Starbucks demanding that the brewery stop serving a beer called the "Frappicino" at their venue.ⁿ¹ Starbucks asserted that Exit 6 Brewery was infringing upon Starbucks' trademarked "Frappuccino" coffee drink, and that the "Frappicino" brew might be confusedⁿ² for an officially licensed Starbucks product.ⁿ³ In response to the cease-and-desist letter, Jeff Britton, the owner of Exit 6 Brewery, ceased use of the "Frappicino" brew and sent Starbucks a check for six dollars, claiming it was the net profit from the three "Frappicino" beers sold.ⁿ⁴ Along with the check, Britton sent a letter joking about the Frappuccino coffee by referring to it as the "F word" and noting, "We just want to help Starbucks. Us small businesses need to stick together."ⁿ⁵ Instantly, the facetious letter went viral in a seeming attempt to shame Starbucks.ⁿ⁶

[*459] Shaming is just one of the modern defense tactics companies use instead of pursuing trademark litigation.ⁿ⁷ Most companies use this strategy to inform the public of a bullying company.ⁿ⁸ If the company continues such behavior, it may lose consumer loyalty or disassociation with the brand and, in turn, lose goodwill.ⁿ⁹

It is common for trademark holders to threaten legal action against many individuals, even if they do not have a strong claim of infringement. This is considered "overactive policing" of their trademark.ⁿ¹⁰ There is the potential for this overactive policing to result in an abuse of trademark protection, either by extending a company's trademark protection or bullying those that have a valid claim in a trademark, which will be discussed further within the comment.ⁿ¹¹ Markholdersⁿ¹² that do this are usually attempting to intimidate smaller holders of trademarks,ⁿ¹³ or individuals using descriptive terms similar or identical to their trademark, into ceasing use of their trademarks.ⁿ¹⁴ The markholder will typically attempt to claim broader rights in their trademark or use overactive policing efforts to [*460] maintain

protection of their already overly broad trademark rights, whether an alleged infringer ceases use of the mark or not. ⁿ¹⁵

The goal of shaming as an alternative to trademark litigation, like that seen with Mr. Britton, is to curb this "bullying" behavior from markholders. ⁿ¹⁶ While this may be an occasionally effective, informal way to deal with overly aggressive markholders, a formal codified solution would be more effective to deter markholders from acting aggressively in order to preserve the value of trademarks. When markholders are bullying, the value of the trademark may be reduced when the public gains a negative association with their brand. ⁿ¹⁷ When alleged infringers are bullied, the value to consumers is reduced because the alleged infringers are bullied out of markets before they are able to firmly secure a foothold.

While some trademark holders choose to act aggressively on their own accord, other trademark holders are forced to act to protect their trademarks from being used by other parties. ⁿ¹⁸ One such example occurred in Los Feliz, Los Angeles, after a comedian opened a coffee shop named "Dumb Starbucks." ⁿ¹⁹ Everything in the store replicated Starbucks products, except that the word "dumb" preceded every menu item, and the comedian included conspicuous disclosures of disassociation with the large coffee chain throughout the store. ⁿ²⁰ Instances of association with a trademark are not usually as blatant as this, but they are arguably protectable under freedom of speech or parody. ⁿ²¹ However, if third parties frequently use [*461] similar trademarks that associate with a well-known trademark, the distinctiveness ⁿ²² and value of the well-known trademark could and likely will decline. ⁿ²³

Starbucks was surprised by the individual behind Dumb Starbucks and initially did not bring suit because they were unsure how to handle the situation. ⁿ²⁴ One could speculate that a reason Starbucks did not sue right away was to preserve its reputation, which might start to decline if they are demonstrably a bully in their market, especially given the recent events of Starbucks and the Exit 6 Brewery described at the beginning of this comment. Because the Starbucks trademark has a great deal of value associated with the company, it is likely that a lawsuit will be brought against the Dumb Starbucks creator, otherwise Starbucks would seem to condone such actions, potentially spawning other impersonators. Since the Lanham Act protects trademarks that are not generic or abandoned, most companies would bring a lawsuit under the Act in order to protect their trademark and show they do not condone impersonation. ⁿ²⁵ The Lanham Act incentivizes trademark holders to be proactive in their enforcement of trademarks in order to maintain their trademark's distinctiveness and goodwill. ⁿ²⁶ However, sometimes that legislative incentive is too strong. In order to minimize large trademark holders' overactive [*462] policing against their respective targets, Congress must add provisions to the current trademark statute to dissuade markholders from overly policing their trademarks. ⁿ²⁷

This Comment will first seek to understand the problem of overactive trademark policing by starting with a brief introduction to trademarks, trademark bullying, and the modern methods that companies use against trademark bullying. Second, this Comment will make a comparative analysis of the United States federal and state statutory provisions, proposed legislation from Minnesota, a trademark reform theory from William McGeeveran, and current trademark statutory provisions in the United Kingdom. ⁿ²⁸ After analyzing the most pertinent provisions of the active and proposed domestic trademark laws and the trademark law from the foreign jurisdiction, this comment will seek to solve the problem of trademark holders' overactive policing efforts by proposing a new domestic statute that would better protect targets of their bullying.

II. Trademarks and Trademark Bullying

In the United States, a trademark is defined by the Lanham Act as a "word, name, symbol, or device, or any combination thereof ... to identify and distinguish [a company's] goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown." ⁿ²⁹ Trademarks act as a source identifier, ⁿ³⁰ which helps consumers identify a specific product, or the quality and reputation of a product or manufacturer. ⁿ³¹

Trademarks are very specific and are capable of protecting the myriad of different ways that a producer can distinguish its product to the consuming public. One product may be trademarked in several different ways as long as

the trademark holder uses the mark as a way to identify [*463] the product's source or origin.ⁿ³² Consider the word "Red Bull," as a trademark for energy drinks, where the name of the product can be trademarked, or the image of two red bulls charging at each other before a circle backdrop can be trademarked as a logo for the product. There is even the potential that the silver, blue, red, and yellow color scheme can become trademarked if the consumers comes to associate those colors directly to the Red Bull Product. The name, logo, and color association can all demonstrate to the consumer what the Red Bull product is after their first experience with it, and any time that consumer sees the same name, logo, or color association, the consumer will remember their previous experience.ⁿ³³

The Lanham Act, state statutes, and common law protect both trademarks registered with the United States Patent and Trademark Office ("USPTO") and - in an attempt to prevent confusion - trademarks that are not so registered.ⁿ³⁴ Once a trademark becomes inarguably "famous," its trademark holder(s) can sue infringers for diluting the distinctiveness of that trademark without having to prove confusion, mistake or deception, which is normally needed to prove trademark infringement of a registered or unregistered mark.ⁿ³⁵ These dilution actions are available to protect trademark holders against alleged infringers who tarnish or blur the mark's image, which could inflict irreparable damage upon the goodwill associated with the trademark.ⁿ³⁶ In a general infringement action, the [*464] court may award damages or costs of the action; however, a court will only grant injunctive relief if a lawsuit is brought as a claim for trademark dilution.ⁿ³⁷

Failing to actively use, or "reasonably" enforce or police,ⁿ³⁸ a trademark can lead to an abandoned or generic trademark.ⁿ³⁹ An abandoned or generic trademark will lose its intrinsic value and distinct identification by the public and can possibly lose value from a loss of reputation and decline in sales.ⁿ⁴⁰ Conversely, a properly maintained and policed trademark can increase a company's value.ⁿ⁴¹ This can occur by the creation of reduced transaction costs or consumer search costs in the market, which will save a trademark holder money in advertising costs to repeat purchasers and could make the product more recognizable and desirable to the public.ⁿ⁴²

One of the most widely recognized trademarks is Apple, a technology company that designs, develops, and sells technological devices.ⁿ⁴³ In 2013, Interbrand ranked Apple at the top of its list of the most well-known and valued global brands.ⁿ⁴⁴ Interbrand valued the Apple brand at \$ 98.ⁿ⁴⁵ The commercial value of a company can be based on many different things, including trademarks, goodwill, reputation, and the overall brand of a company.ⁿ⁴⁶ In 2009, Apple was estimated to have a "Brand Value" around \$ 15 billion.ⁿ⁴⁷ The discrepancy in value between reputation and assets comes from the company's near-instantaneous public recognition and its well-established connection with high-quality products.ⁿ⁴⁸ Apple's exemplary value comes from the company name, marketability, and quality associated with the company, thus demonstrating the necessity to take great measures to protect trademarks associated with a company brand and [*465] reputation. However, if a company such as Apple overreaches in taking protective measures, it may be accused of trademark bullying.

The USPTO defines "trademark bullying" as the practice of a trademark holder using litigation tactics to harass and intimidate other businesses in an attempt to extend their trademark rights beyond the interpretation of what the law would reasonably allow.ⁿ⁴⁹ The litigation tactic most commonly used by trademark bullies is to send cease-and-desist letters to alleged infringers to put the "trademark target" on notice that they are infringing the sender's trademark.ⁿ⁵⁰ There are some circumstances where sending a cease-and-desist letter to an alleged infringer does not amount to trademark bullying. However, there are also instances where the utilization of a cease-and-desist letter is necessarily trademark bullying, because it is so unlikely that the target of such a letter is attempting to copy a specific trademark or to trick consumers as to the source of the mark.ⁿ⁵¹ In such instances, the trademark holders' motive in sending cease-and-desist letters is to intimidate the trademark target.ⁿ⁵² Trademark bullies use this method of intimidation to coerce the trademark target to cease use of the trademark altogether.ⁿ⁵³ This tactic is usually successful in pressuring alleged infringers to cease using the mark, settle with the "bullying" company, and obtain a license to use the trademark; but most importantly, it allows the trademark bullies to improperly extend the protection of their trademark in the market.ⁿ⁵⁴

One of Chick-fil-A's trademark disputes is illustrative of the trademark bullying process. Recently, Chick-fil-A

attempted to broaden the trademark [*466] rights granted in its "Eat Mor Chikin" trademark. ⁿ⁵⁵ Chick-fil-A got into a dispute with a Vermont folk artist named Bo Muller-Moore, who created "Eat More Kale" shirts to garner support for the surrounding kale farming community. ⁿ⁵⁶ When Moore tried to register his "Eat More Kale" trademark, Chick-fil-A issued a cease-and-desist letter for the infringement of its "Eat Mor Chikin" trademark. Moore decided to enlist legal aid rather than settle with Chick-fil-A, which led Chick-fil-A to file suit. ⁿ⁵⁷ While this is an instance where Chick-fil-A has a valid trademark in "Eat Mor Chikin," this legal action demonstrates Chick-fil-A's efforts to overextend its famous slogan beyond what should be legally protected. ⁿ⁵⁸

First, the use of the slogan "Eat More" in association with a restaurant chain is only a descriptive or generic phrase, since it denotes the advertisement of some edible product in connection with the company's goods. ⁿ⁵⁹ Chick-fil-A purposely misspelled the slogan and used a stylistic, graffiti-esque font to create a more distinctive trademark. ⁿ⁶⁰ "Eat More" is merely a descriptive phrase that should be usable by more than one individual. A court should not grant the rights to only one party, especially in connection with a food service.

Second, Chick-fil-A used the "Eat Mor Chikin" slogan with its "cow campaign," which consists of cows protesting against customers eating burgers. ⁿ⁶¹ The efforts of the campaign are to demonstrate cows and their mischievous activity to persuade the customer to not eat beef, but chicken. This can help to create a distinctive meaning of the phrase and has the [*467] potential to create a connection with Chick-fil-A and the mischievous cows. This would make one believe the phrase "Eat Mor Chikin" is a more specific, more distinctive, and more recognizable trademark than competing trademarks. ⁿ⁶² The cow campaign in conjunction with the phrase "Eat Mor Chikin" makes the brand more recognizable to the customer, and makes the specific phrase "Eat Mor" more distinctive. Since the connection of "Eat Mor" is used with the cow campaign, this is the phrase that should be protected.

Third, the context of the situation shows that there was no attempt to dilute Chick-Fil-A's trademark. Moore lives in Montpelier, Vermont, which is a simple farming community over 100 miles away from any Chick-fil-A location. Furthermore, Moore's use of the "Eat More Kale" brand in plain bold black writing is not an interference or an attempt to pass-off his mark as being somehow associated with Chick-fil-A. ⁿ⁶³

These two marks are only similar in that they share the "Eat More" phrase, but that distinction is only apparent when spoken, since Chick-Fil-A purposely misspells the word "more." Beyond that, there is no connection and no reason to believe that Moore intended to confuse his mark with Chick-fil-A in order to gain from Chick-fil-A's goodwill.

Although Chick-fil-A must remain vigilant to protect its "Eat Mor" mark, this is a perfect example of a company trying to maintain overly broad rights through overactive policing litigation tactics. ⁿ⁶⁴ The phrase "Eat More" is far too generic to be controlled by one trademark holder. While the specific stylized wording of the mark, its association with the cow campaign, or its association with fast food may be unique, for a court to hold that Chick-fil-A is the sole owner of the phrase "Eat More" would be too broad and a hindrance to competition in the marketplace. ⁿ⁶⁵ The case [*468] was resolved in Moore's favor when the USPTO granted the application for the trademark "Eat More Kale." ⁿ⁶⁶

Not all individuals standing in Moore's shoes would stand up to a large trademark holder to protect their product. ⁿ⁶⁷ The threat of prolonged litigation not only may lead to alleged infringers prematurely settling with the threatening party, it could lead to them giving up entirely. For instance, a USPTO Trademark Litigation Study found that several individuals threatened with the process of litigation withdrew their own registration for trademarks altogether, without settling, because the possibility of litigation was too expensive to be a viable option for a small businesses or individual trademark holders. ⁿ⁶⁸

Threatening litigation is not an uncommon tactic for multiple reasons. ⁿ⁶⁹ First, enforcing trademark rights, even if the claim is weak, is an effective strategy with relatively few downsides. ⁿ⁷⁰ Second, aggressive trademark enforcement is often effective in settling disputes without the claims ever rising to the level of litigation. ⁿ⁷¹ Third, cases that do go to court have limited case law upon which to rely. ⁿ⁷² This could result in excessive fees when a party would have to

craft an original argument for trial, potentially costing an alleged infringer, which is usually a small business, a substantial amount of in attorney's fees. ⁿ⁷³ Small businesses may not have sufficient support from human resources, may not be able to dedicate the time to prepare for such a lawsuit, or just may not have the financial ability to [*469] defend a suit. ⁿ⁷⁴ Even if a small business is capable of securing free or low cost legal assistance, the time devoted to the lawsuit would take away from the operation of the business, which could bury a company in debt. ⁿ⁷⁵

These threatened legal actions burden the targeted company rather than the trademark holders that send out the cease-and-desist letters. ⁿ⁷⁶ The targeted company is in a precarious situation in deciding which action to take. ⁿ⁷⁷ They can choose to wait and see if the threatening party will take legal action against them, while continuing to potentially infringe the trademark. Otherwise, the targeted company may seek a declaratory judgment, which could state that its trademark does not infringe upon the other party's mark, thereby precluding further legal action against it. ⁿ⁷⁸ The threatening party suffers no consequences from sending such letters. Since they are often viewed as aggressive policing tactics, no sanctions are imposed and the threatening party can decide whether or not to pursue legal action. ⁿ⁷⁹ Small businesses are particularly influenced by the potential threat of litigation, which in turn is externalized as a cost to the consumer and the economy. ⁿ⁸⁰

By extrapolating the theory of famous economist Adam Smith, it seems that this externalized cost in trademark bullying creates a barrier to entry, which in turn limits the choices available to consumers. ⁿ⁸¹ It does so by imposing higher costs in the market place, thereby increasing the initial amount of capital investment needed for new market entrants and ultimately limiting the amount of entrants who are capable of success in the market. ⁿ⁸² Cease-and-desist letters specifically impose high costs on businesses, not just in legal fees, but also in time diverted from the [*470] business. ⁿ⁸³ This harms the consumer, because the fewer companies that are in the market, the fewer products that are available to the public, and those available will tend to be of a lower quality. ⁿ⁸⁴ Competition between companies improves the quality of products and lowers prices, because competitors produce better and cheaper goods or services in order to win consumers. ⁿ⁸⁵

In a unanimous decision, the Supreme Court seemed to agree that there were higher costs to a business because of infringement claims and it warned in *Already, LLC v. Nike, Inc.* that litigation produces limitations in the marketplace and that other costs could arise from the threat of trademark infringement:

Charges of trademark infringement can be disruptive to the good business relations between the manufacturer alleged to have been an infringer and its distributors, retailers, and investors. The mere pendency of litigation can mean that other actors in the marketplace may be reluctant to have future dealings with the alleged infringer. ⁿ⁸⁶

In other words, the threat of trademark litigation is effecting the marketplace.

Circumstantial evidence supports the Supreme Court's statement concerning litigation's threatening effect on the marketplace. ⁿ⁸⁷ Within the past decade, the injunctions, attorney's fees, and damages ordered by courts in trademark actions have dropped by approximately ninety-nine percent; however, the number of trademark infringement claims filed is ascending on a yearly basis. ⁿ⁸⁸ This demonstrates that while more cases are being filed, a substantial number of them are being resolved in the pre-litigation stages.

Professors Kenneth Port and Leah Chan Grinvald believe the result of bringing trademark infringement cases is at least in part due to companies' improper desire to expand their market share and thereby impose greater [*471] costs onto the market. ⁿ⁸⁹ The greater market costs are caused by greater legal costs, which companies must calculate as additional investment and may become a barrier to entry for new market entrants. ⁿ⁹⁰ With a higher likelihood that they will have to face legal action to stay in the market, similar to the *Chick-fil-A/Eat More Kale* case above, potential entrants might stay away from the market altogether. ⁿ⁹¹ By dissuading potential entrants, the marketplace is affected, because the market's efficiency will suffer due to less competition and less need to innovate, the market's suppliers will

have fewer individuals to sell to, and the consumer will have fewer choices, thus diminishing the effectiveness of the trademark laws meant to protect those individuals. ⁿ⁹²

After examining how litigious tactics can be used in an attempt to dissuade new entrants into the market, and how the tactics allow current trademark holders to broaden their trademark rights, it becomes apparent how trademark holders can abuse the legal system. It also demonstrates the need to protect alleged infringers from those who use litigation tactics to overstep the boundaries of their trademark protection and force others out of the market. The next several sections of this comment will examine current laws that may limit or discourage trademark bullying in United States, as well as in the United Kingdom.

III. U.S. Trademark Law and the Problem of Trademark Bullying

The first trademark law to consider is the United States' Lanham Act. ⁿ⁹³ The Lanham Act is a federal law that protects both registered marks, under section 1114(a) and (b), and unregistered marks under [*472] section 1125(a). ⁿ⁹⁴ Civil actions are available under either section for trademarks used in connection with goods that are similar enough to another trademark, such that it is "likely to cause confusion or cause mistake." ⁿ⁹⁵ Additionally, under section 1125(c), trademark protection extends to those marks that are "famous" if an infringing party's use makes the mark less distinctive or tarnishes the image associated with the trademark. ⁿ⁹⁶ If a mark likely causes confusion to the market's customers, then a trademark holder can bring a lawsuit for either damages (lost profits and, for exceptional circumstances, treble damages) or an injunction, and on some occasions, parties are awarded costs. ⁿ⁹⁷

Most remedies attempt to compensate the plaintiff by awarding damages to the trademark holder for any loss of exclusivity of the marks and seek to return the trademark holder to the same financial position it would have been in had the defendant-infringer never infringed or never entered the market. ⁿ⁹⁸ For example, the Lanham Act may return to the trademark holder the costs incurred from litigation, profits made by a trademark infringer, and any costs that resulted from the harm done to the trademark holder, such as loss of sales. ⁿ⁹⁹ However, while measuring and granting damages ex post will remedy the plaintiff in some circumstances, [*473] it will not always resolve and remedy disputes, especially those concerning new entrants into the marketplace. ⁿ¹⁰⁰

While the Lanham Act provides for damages after the infringement occurs, it is impossible to measure lost profits if a company is bullied out of the market before it has a chance to accumulate any profits. ⁿ¹⁰¹ Additionally, the target of a trademark holder will not likely be afforded the right to an injunction at law because they are not making claims of infringement or dilution against the trademark bully. ⁿ¹⁰² Generally, the only option for alleged infringers is to seek a declaratory judgment, which may be difficult because the target of a trademark holder usually does not have the necessary financial resources, personnel, or time to maintain such a lawsuit. ⁿ¹⁰³ Furthermore, if an alleged infringer attempts to dismiss a lawsuit against it, there are limited chances for it to succeed because trademark suits contain many questions of fact, which are issues for a jury. Ultimately, the likely end result is a settlement that the alleged infringer was forced into because they were not able to compete with the costs of litigation.

Some trademark bullies mass send cease-and-desist letters without intending to follow up with any formal legal action. ⁿ¹⁰⁴ In such a scenario, the alleged infringer has a few options, but none are ideal. First, the recipient of such a letter could file a lawsuit in order to secure venue or to act preemptively against the trademark holders that sent the letter alleging [*474] their trademark is invalid. ⁿ¹⁰⁵ However, this may not be a smart strategic move because, if the trademark bully was mass sending cease-and-desist letters, it might not know how strong of a trademark infringement case it has against the target. Moreover, by proactively bringing a suit against the trademark bully, who might not have litigated at all, the alleged infringer could potentially be giving notice that it's using the trademark, when it otherwise could have just flown under the radar. ⁿ¹⁰⁶ Second, the receiver of a letter could file a declaratory action against the trademark bully and obtain a court order declaring that they are not infringing on the markholder's trademark. However, this will likely result in a counterclaim for infringement or dilution. Third, the receiver could take no action, otherwise known as the "wait-and-see" approach. If the letter was meritless, this would be the best option. However, lack of merit is difficult to determine beforehand and the letter informs the party of the other's trademark, which, if the alleged

infringer continues to utilize the trademark, the court might later consider willful infringement.ⁿ¹⁰⁷ Moreover, unlike some foreign jurisdictions, United States law does not include a provision governing groundless threats.ⁿ¹⁰⁸ Thus, those living in the United States are limited in their avenues of action against trademark bullies.

While there remain options for alleged infringers to pursue, these options are only plausible for companies and individuals that have been established long enough for their revenues to have steadied and plateaued, and thus have sufficient resources to maintain a legal action.ⁿ¹⁰⁹ Furthermore, while the Lanham Act is predominately favored by those that could maintain a legal action, the protections are still functional to targets of trademark bullies, however a difficulty may arise in assessing damages.ⁿ¹¹⁰ [*475] Since revenues for small businesses have the potential to rapidly expand, justice might not be served if a small business cannot accurately assess what its revenues would be, what internal damages were incurred, or what harm was actually accrued to its small business brand.ⁿ¹¹¹ This lack of valuation is a problem.

The problem is the ability of a trademark holder to bully and abuse an alleged infringer's business with the intention of slowing the expansion of the target company. Litigation imposed on an alleged infringer in this manner could ruin the target of a markholder's business momentum. However, because the trademark bully is usually the one spearheading all litigation efforts, the proper remedy would be a dismissal of the action or a declaratory judgment in favor of the defendant instead of an award of damages.ⁿ¹¹²

Alternatively, an alleged infringer could initiate the lawsuit against the large trademark holder in order to obtain a declaratory judgment, but this is rarely the case.ⁿ¹¹³ While different than the wait-and-see approach previously discussed, it is not a strategic business tactic, especially if the markholder has financial resources at their disposal.ⁿ¹¹⁴ The markholder could draw out a trial and bury the alleged infringer in litigation costs, effectually ruining the alleged infringer.

It may not always be the best idea to initiate litigation, but it is often markholders' chosen tactic to protect their trademark. This is the most [*476] apparent disadvantage of the Lanham Act.ⁿ¹¹⁵ Companies actively police trademarks because it is necessary to keep them distinctive under the Lanham Act.ⁿ¹¹⁶ Allowing others to use a trademark increases the likelihood that the trademark will become generic, which would void protection from the Lanham Act.ⁿ¹¹⁷ Fear of losing protection and reputation creates the necessity to actively police trademarks, thus perpetuating the mindset of sending cease-and-desist letters to similar trademark users.ⁿ¹¹⁸

One such area of trademarks that has particularly active policing is product design. Because there are a tremendous amount of knock-off products in the market, it is often necessary for product designers to remain proactive in prohibiting individuals from copying the exact designs of a trademark.ⁿ¹¹⁹ The following case demonstrates an example of how Nike, Inc. acted in accordance with this active policing approach for its Air Force 1 trademark.

In *Already, LLC v. Nike Inc.*, Nike sued under Lanham Act section 1114(a) for infringement and section 1125(c) for dilution of Nike's Air Force 1 trademark.ⁿ¹²⁰ Already, LLC ("Already") defended its trademark by arguing that Nike's trademark was invalid, and in return, Nike offered a settlement as long as Already signed a covenant not to sue.ⁿ¹²¹ The case settled four months after Already counterclaimed arguing invalidity of Nike's trademark, but there was no decision reached as to the validity of the Air Force 1 trademark.ⁿ¹²²

While Nike's actions were ostensibly suspicious, the settlement prevented the court from looking into the validity of Nike's trademark by rendering the case moot. Already's decision to settle allowed Nike to slip through the cracks and continue using its mark in association with its product and to continue bullying other companies.ⁿ¹²³

[*477] This action demonstrates one of the problems associated with the Lanham Act and current American trademark law: large companies can buy their way out of a lawsuit or intimidate their competitors into submission.ⁿ¹²⁴ Nike's financial strength was its greatest tool in this case and exemplifies that a markholder can hold the threat of litigation over others' heads.ⁿ¹²⁵ By buying Already's option to bring suit, Nike proved that trademark bullying could

extend beyond the confines of the courtroom.ⁿ¹²⁶ Additionally, Nike will likely remain protected, because no other individuals will likely want to engage in a lawsuit with Nike, one of the largest athletic brands in the world.ⁿ¹²⁷

Overall, the Lanham Act presents a problem because it provides a cure or "remedy" after an injury has already occurred.ⁿ¹²⁸ Thus, an alleged infringer is more likely to concede to a settlement than to fight for their trademark, because of coercive pressure that is exerted onto the alleged infringer from a disparity in financial leverage.

IV. Alternative Trademark Theories

The next two sections will address theoretical acts of law that could address some of the concerns derived from the disparity in financial leverage between trademark holders and their potential targets. Neither [*478] have been adopted at this point in time, but either one would help to dissuade large trademark holders from acting like bullies.

A. The Small Business Trademark Protection Act

The Small Business Trademark Protection Act ("SBTPA") was proposed by the William Mitchell College of Law to Minnesota State legislators,ⁿ¹²⁹ and was created to give smaller businesses an alternative to litigation.ⁿ¹³⁰ SBTPA requires settlement conferences as a primary method for settling disputes between trademark holders.ⁿ¹³¹ Either party to the dispute can invoke a settlement conference after receiving a cease-and-desist letter.ⁿ¹³² In the settlement conferences, an administrative law judge oversees the parties' dispute.ⁿ¹³³ If proceedings continue after the settlement conference, the administrative judge has the authority to make declarative judgments on undisputed matters in order to expedite trial proceedings.ⁿ¹³⁴ Furthermore, the proposed statute imposes a penalty on those who sent cease-and-desist letters without participating in a settlement conference.ⁿ¹³⁵ This penalty attempts to discourage trademark bullies from casually or aimlessly [*479] sending cease-and-desist letters without any intention to materialize the threats.ⁿ¹³⁶

In principle, this proposed legislation would place the target of a trademark holder in a better position by reducing the costs of initial negotiations between the parties and by removing the disparity in bargaining power between the parties.ⁿ¹³⁷ By removing the costs of litigation, the costs imposed on new market entrants are lessened, thus more entrants will be able to remain in the market, ultimately benefiting the consumer.ⁿ¹³⁸ Due to the mandatory settlement conferences, alleged infringers' concerns about litigation costs will decrease and trademark bullies will become less successful in their overactive policing efforts.ⁿ¹³⁹ This will reduce the coercive effect of overactive policing, even though some proactive policing will continue.ⁿ¹⁴⁰

While many of the provisions dissuade trademark holders from bullying others in order to prevent litigation, uncertainties remain in cases where the conflict does result in litigation.ⁿ¹⁴¹ If the parties do not agree to anything during the negotiations, then the time and money spent to prepare for the settlement conference is wasted, for it is likely that only minimal benefit resulted from the discussions, except for possible declaratory non- [*480] issue matters decided by the mediator.ⁿ¹⁴² The negotiations will lead to litigation, which will most likely end with the alleged infringer settling the matter.ⁿ¹⁴³ A markholder that is willing to hold out during negotiations would render SBTPA an insufficient protection against trademark bullying.ⁿ¹⁴⁴

Still, while it is not perfect, the Small Business Trademark Protection Act, if enacted, is a step in the right direction. However, it does not solve all of the problems associated with trademark bullying. By adding to the Small Business Trademark Protection Act and addressing the potential "timeliness problems,"ⁿ¹⁴⁵ this law could significantly improve current trademark jurisprudence.

B. The Trademark Fair Use Reform Act

William McGeeveran's Trademark Fair Use Reform Act is an alternative proposal to consider.ⁿ¹⁴⁶ According to McGeeveran, there are three main ways to reform trademark fair use: (1) focusing on the reduction of administrative costs, (2) creating clearly stated rules, rather than general standards, and (3) adding defenses or exemptions independent

from the prima facie liability requirements.ⁿ¹⁴⁷ All three changes seek to increase competition between companies, which benefits consumers. Currently, companies are stifled because the current state of the law imposes great barriers in the marketplace.ⁿ¹⁴⁸

[*481] McGeeveran seeks to amend the Lanham Act by adding exclusions for dilution and categorical exemptions for both trademark dilution and infringement.ⁿ¹⁴⁹ If adopted, a court would only need to determine if the conduct or the actions of the alleged infringer were either exempted or controlled by a safe harbor provision.ⁿ¹⁵⁰ This would be an effective approach because - although not necessarily deterring bullying - it would streamline the trademark system for exempted or safe harbored infringement actions.ⁿ¹⁵¹ As a result, filed infringement actions would likely decline because legal threats would be less imminent, as long as the alleged infringer could prove their mark falls into an exemption or safe harbor.ⁿ¹⁵² While these provisions would be a vast departure from the current trademark system, it would meld well with the underlying policies of the current statutory scheme through a reduction of ambiguity and an increase in court efficiency.ⁿ¹⁵³

Although these proposals would help small businesses by reducing administrative costs and adding protection, the parties still must go to court because both of these rules are dependent on the court reaching a solution.ⁿ¹⁵⁴ While the process might be shorter and less costly to small business owners, the problem of intimidation and the disparity of leverage between the parties still exists.ⁿ¹⁵⁵ The mere threat of litigation could stop companies from pursuing business opportunities or pressure them to submit to settlement.ⁿ¹⁵⁶ To address this issue, small businesses need a way to side-step litigation or obtain a declaratory judgment in an expedited proceeding.

While many of the above proposals have beneficial components, it is apparent that none of them are completely effective. However, while there is no perfect domestic solution, many of the above proposals could be improved by incorporating elements of British trademark law. The United Kingdom has passed legislation designed to discourage and eliminate trademark bullying that is worth examining.

[*482]

V. Current United Kingdom Laws Protecting Against Trademark Bullying

The United Kingdom and Australia have stronger trademark rights for protecting small businesses than the United States.ⁿ¹⁵⁷ However, because both statutes are very similar, this comment will only analyze the United Kingdom Trade Marks Act of 1994.

The Trade Marks Act of 1994 defines a trademark as "any sign capable of being represented graphically which is capable of distinguishing goods or services of undertaking from those of other undertakings."ⁿ¹⁵⁸ The law does not prevent a property or legal right if the mark is unregistered.ⁿ¹⁵⁹ Similar to the Lanham Act, the United Kingdom uses a likelihood of confusion test in order to protect only those markholders that have distinctive marks.ⁿ¹⁶⁰

Additionally, trademark defenses are similar in the United Kingdom to the United States. The Lanham Act's fair use defense, in which a third party may use a descriptive term (even if similarly situated with another's trademark), reads: "party's individual name in his own business, of the name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin."ⁿ¹⁶¹ The United Kingdom statute similarly states that a third party may use another's trademark without legally infringing on the markholder's rights if the third party's use would be of "his own name or address, the use of indications [*483] concerning the kind, quality, intended purpose, value, geographical origin, or other characteristics of the goods or services, and the use of the trademark where it is necessary to indicate the intended purpose of a product or service."ⁿ¹⁶² These two provisions are nearly identical. Furthermore, similar remedies are available in the United Kingdom's courts where the markholder may be granted damages, injunctions, accounts or other remedies in respect to the infringement of any property right.ⁿ¹⁶³

One major departure from United States law is the common rule of the United Kingdom concerning attorney's fees. Fees are shifted to the losing party, which differs from the "American rule," in which statutes or contracts are the circumstances required for attorney's fees under United States law.ⁿ¹⁶⁴ The possibility of paying significant attorney's fees should discourage frivolous litigation threats.ⁿ¹⁶⁵

While the trend in the United States is to promote mandatory settlement conferences to encourage resolution before trial, similar pretrial procedures are not mandatory in the United Kingdom.ⁿ¹⁶⁶ Parties have the option of settling before trial, but the attempts are not compulsory and are less effective without a judge present.ⁿ¹⁶⁷

Specifically in respect to protecting small businesses, the United Kingdom has one provision that overshadows the protections granted under the Lanham Act. Section 21 of the Trade Marks Act of 1994 is a provision specifically directed at parties sending groundless threats.ⁿ¹⁶⁸ According to [*484] L'Oreal (U.K.) Ltd. v. Johnson & Johnson, a groundless threat will not occur as long as a real issue of fact remains and the declarant has a real interest in the outcome.ⁿ¹⁶⁹ Only requiring proof of a real issue of fact and a real interest make the barrier of "good faith" easy to overcome.ⁿ¹⁷⁰

Similar to the occurrence of trademark bullying in the United States, cease-and-desist letters are the common way to initiate groundless threat actions in the United Kingdom.ⁿ¹⁷¹ Cease-and-desist letters are not the only means of starting a groundless threat action, however, as any type of oral or written communication meant to intimidate or make known that litigation is a viable avenue of action can be considered a groundless threat.ⁿ¹⁷² For example, in Prince Plc. v. Prince Sports Group Inc. the court found that a principal letter indicating interest in litigation constituted a threat, and that a company could not retrospectively withdraw the threat through subsequent letters.ⁿ¹⁷³ The provision disallowing withdrawal of threats holds companies accountable for their actions and forces potential issuers of cease-and-desist letters to think twice before sending them.ⁿ¹⁷⁴

Under section 21 of the Trade Marks Act of 1994, remedies are available when "a person threatens another party with proceedings of infringement of a registered trademark."ⁿ¹⁷⁵ Anyone who is an "aggrieved party" may bring an action.ⁿ¹⁷⁶ An "aggrieved party" is defined in Jaybeam Ltd. v. Abru Aluminum Ltd., as a party "likely to be adversely affected in a real as opposed to a fanciful or minimal way."ⁿ¹⁷⁷ The remedies available to aggrieved parties that bring actions are limited to declaratory statements that the threats are unjustified, injunctions against the continuation of threats, and damages equivalent to any loss sustained as a result of the threats.ⁿ¹⁷⁸

The purpose behind this section of the Trade Marks Act of 1994 is to provide relief from actions, whether they are ex ante or ex post.ⁿ¹⁷⁹ By [*485] obtaining a declaratory judgment, a targeted party can take preemptive action to protect against trademark bullies, and by obtaining damages a targeting party can reimburse a party for any damage incurred due to the threat of a trademark infringement action.ⁿ¹⁸⁰ Furthermore, an injunction prohibiting the continuance of unjustifiable threats can be used preemptively in reaction to an initial cease-and-desist letter and act almost like a declaratory action, but can also act as a defense to prevent future actions of bullying from markholders.ⁿ¹⁸¹

The main advantage of injunctions and declaratory judgments is that the targeted party does not have to wait-and-see, but can instead be proactive.ⁿ¹⁸² The main concern of litigation is time, because both trial preparation and procedure are extremely time-consuming. A targeted party, especially if it is a small business, may not have the workforce to stay in business and simultaneously prepare for trial. However, the sections providing for declaratory actions and injunctions may grant parties more strategic tools and potentially help them to receive judgments expeditiously to prevent the stagnation of small businesses.ⁿ¹⁸³

The provision on groundless threat actions strongly advocates a "sue-first, talk-later" attitude, because threatening trademark companies sue rather than wait for a declaratory judgment or other action in response to [*486] cease-and-desist letters.ⁿ¹⁸⁴ If the threatening party sues the targeted party first and only then starts negotiations, the targeted party has no power to utilize the preemptory provisions.ⁿ¹⁸⁵ Therefore, the threatening party can force the

targeted party into the courtroom and the targeted party will have no recourse but to submit to litigation or to accept an offer if the parties negotiate and settle.ⁿ¹⁸⁶ This poses a similar problem to some provisions in the Lanham Act.ⁿ¹⁸⁷ Trademark bullies, which are usually large companies with multiple trademarks, often attack and threaten alleged infringers who have a legal right to use their trademarks, but are intimidated by the markholders' threats.ⁿ¹⁸⁸ Moreover, based on the sheer inequality of power between the parties, the smaller alleged infringer will likely submit to the settlement offered by the markholder.

Additionally, this "sue-first, talk-later" approach seems to contrast with the main policy consideration of resolving disputes amicably before reaching litigation proceedings.ⁿ¹⁸⁹ Where one could initially send a cease-and-desist letter in order to notify another of a company's trademark and start amicable discussions to settle or avoid litigation, this process is removed.ⁿ¹⁹⁰ A trademark holder will get around the "sue-first, talk-later" approach through initiating litigation and will be able to leverage the intimidation that comes along with such a threatening action.ⁿ¹⁹¹ Usually, an individual receiving a cease-and-desist letter has the choice to bring a lawsuit first, if they choose to, and has the advantage of choosing venue. However, by serving the [*487] alleged infringer, a trademark holder can circumvent the issue of another party choosing venue. With this circumvention of amicable discussion, a trademark holder can use intimidation and threats to change the procedures of these actions to become more heavily based on the pre-litigation stage. A major departure such as this potentially could change mindsets towards litigation, such as the traditional desire to avoid litigation, or drive small companies to sue trademark holders early-on to make certain they have a right to use their trademark, rather than being hauled into court in a foreign jurisdiction. However, this does not seem to create an entirely negative result. Some uncertainty in litigation will effectively be removed since trademark holders may establish a new norm on dealing with trademark litigation, however it does not necessarily follow that the removal of uncertainty is beneficial.ⁿ¹⁹² While this statute has effectively eliminated the problem of aimless cease-and-desist letters, it has also created a "sue-first, talk-later" mentality.ⁿ¹⁹³

Therefore, as with the domestic proposals previously examined, the United Kingdom model is not sufficient to resolve the problem associated with trademark bullying on its own. The provision on groundless threat actions might be sufficient if more is added to protect small business holders and if the problem of the "sue-first, talk-later" approach can be removed. The next section will propose legislation that can remove the "sue-first, talk-later" approach, but keep the protection from groundless threat actions. Thus, it aims to combine the best aspects of all the incomplete proposals above, as well as some additional ideas, in order to create a more effective statutory model.

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VII. Proposal for a Trademark Bullying Statute

The current status of trademark statutes in the United States, as well as the United Kingdom, is inadequate to protect of the rights of a small business trademark holder. By looking to the various statutes created to protect trademark rights and compiling them into a single law, one could create a new statute that would adequately protect the interests of a target of a trademark bully.ⁿ¹⁹⁴

Ultimately, the purpose of this proposed statute is to give an alleged-infringer the option to seek a mediator before a claim is filed.ⁿ¹⁹⁵ By creating an avenue that potentially circumvents litigation, a targeted party will likely choose to pursue the alternative rather than let the threatening trademark holder intimidate or coerce them into ceasing use of the trademark.ⁿ¹⁹⁶

Attached at the end of this comment is a proposed statute, entitled the Prevention of Overreach through Litigation Tactics Act ("POLTA").ⁿ¹⁹⁷ This proposed statute is in the form of an American federal act that will help protect the target of a trademark bully by eliminating the "sue-first, talk-later" problem associated with the United Kingdom trademark act as well as creating preemptive measures lacking from the current United States law.ⁿ¹⁹⁸

Under POLTA, either party may opt-in to a pre-filing settlement conferenceⁿ¹⁹⁹ when a trademark holder alleges

infringement of a trademark [*489] through either oral or written statements.ⁿ²⁰⁰ If either party opts-in the pre-file settlement conference becomes mandatory and will commence within 45 days of the targeted party's notification to the threatening party that they opted-in.ⁿ²⁰¹ This provision provides preemptive remedies similar to the groundless threat sections contained in both of the Trade Marks Acts.ⁿ²⁰² Under the Trade Marks Acts of 1994 and 1995, a threatening party could circumvent the preemptive provision by simply forcing the party into litigation before threatening action.ⁿ²⁰³ However, under section 3, subdivision 1 of POLTA, even if a threatening party initiates litigation, the targeted party can act by requesting that mediation occur before the litigation may proceed.ⁿ²⁰⁴ By granting a targeted party this option, even after litigation proceedings have begun, and by mandating that parties participate in mediation before a lawsuit can continue, false or groundless threats should reduce and would likely cease altogether.ⁿ²⁰⁵ If a party brings a groundless threat, the case will ultimately end in mediation, where the mediator will have the power to bring judgment and award remedies to the targeted party.ⁿ²⁰⁶ The combination of these provisions should be sufficient to decrease the number of false threats, because going to mediation and splitting costs will grant the target of a trademark holder an opportunity to be heard rather than be forced into settlement.ⁿ²⁰⁷ This effectively removes the potential intimidation, coercion, and tremendous leverage that markholders have over alleged infringers.

Another important provision of POLTA imposes punitive measures onto the threatening party if the party does not attend a pre-filing conference after threatening a party with litigation, or if a threatening party sends an unspecific cease-and-desist letter.ⁿ²⁰⁸ The purpose of this provision is to impose punitive measures on those parties that send cease-and-desist letters without substantiating the reasons for such actions or [*490] those that send letters purely to intimidate alleged infringers. The requirement forces threatening parties to articulate valid reasons for the threat or else subject themselves to penalties for attempting to unjustly broaden their trademark protection in the marketplace.ⁿ²⁰⁹

In certain situations, a party from out of state may be unable to appear before the court, whereas the mediator should consider such circumstances when deciding whether to impose punitive measures. The timeliness of the procedure makes this a potential concern, but a party subjecting themselves to the jurisdiction of the state should anticipate such a situation.

The last important provision of POLTA differs from all of the previously mentioned statutes in that it concerns a policy that will allow a good faith user to retain profits earned during negotiations.ⁿ²¹⁰ Under this section, a party that uses a trademark in good faith will not have their profits disgorged by the continuous use of the trademark during mediation.ⁿ²¹¹ Good faith under POLTA requires that the party will not attempt to use the mark to be associated with a trademark holder's goods or services, or use a mark to take advantage of the goodwill of a trademark. This provision's policy is to allow a trademark holder's target to continue normal business operations without suffering stagnation caused by the alleged infringing action. While this provision may be subject to abuse, it is unlikely, because if a mediator finds that the alleged infringer is willfully riding-off the goodwill of the trademark holder threatening suit, he or she has the discretion to impose punitive damages on the target in the form of treble damages of profits.ⁿ²¹²

Admittedly, there are disadvantages associated with this proposal. First, this proposed statute extends the process before which a trial court could affirm the pre-file settlement conference decision.ⁿ²¹³ If this procedure becomes compulsory, then, for anyone who takes advantage of the pre-filing settlement discussions, the trial process will be extended at least 45 days before a court with jurisdiction can make a binding judgment. In terms of the overall time litigation consumes, this is a negligible amount, however it may still be a concern if parties want disputes to be finalized as soon as possible.

[*491] Second, if a trademark holder's target does not have a rightful claim to use a trademark but forces a threatening trademark holder to go through the procedures of POLTA, the trademark holder may have his trademark "appropriated" for several months.ⁿ²¹⁴ Because the process is mandatory if opted-in to, both parties must complete all pre-file procedures before an action is brought to court. While the process is long and "appropriation" is possible, it is more likely the mediator would catch cases of blatant infringement and recommend appropriate damages and punitive measures to courts.ⁿ²¹⁵

Third, because both parties are responsible for their own discovery, the disparity of leverage between the parties still exists.ⁿ²¹⁶ Since either party may choose to spend different amounts of time and money on discovery, large company markholders would have an obvious advantage. While this continues to produce a disparity between the parties, the one threatening trademark infringement would still be required to show a real interest and harm incurred from the infringement. If evidence or interest or harm does not exist, the leverage disparity will not affect the target of a trademark holder. Additionally, because a target of a trademark holder can retain profits if use of the trademark is in good faith, alleging trademark holders will be incentivized to find a balance between offering sufficient evidence to prove infringement and keeping their argument concise so that the negotiations are not overly extensive.ⁿ²¹⁷ Therefore, while there is potential for abuse, it is unlikely and if the actions amount to trademark bullying, the mediator would likely become aware of it before a lengthy negotiation would occur.

Fourth, the proposal calls for mediation, which results in removing actions from the court system.ⁿ²¹⁸ This unique construct could cause procedural problems if not supported by the legislature. Mandatory mediation is a construct that is generally accepted in instances of violence, or a peril that requires urgent need and is regarded as being a denial of [*492] justice.ⁿ²¹⁹ Cases with this type of procedure usually involve family law (divorce and custody), collective bargaining contracts, community development, and small claims, and are all backed by strong policy.ⁿ²²⁰ However, public policy also shows that trademark bullying cases are likewise better left to mediation than litigation.ⁿ²²¹ Even during mediation, the "alleged infringer" is at a disadvantage since either party may bring in all evidence at their own expense. Trademark bullies could potentially take advantage of this and produce substantial data against an alleged infringer.ⁿ²²² It is likely that this will not substantially affect the proceedings because a small business will not have a substantial amount of evidence to bring forth, thus making it cost effective on their part. Large trademark holders may bring as much evidence in as they desire, however, they will need to keep in mind how much the case is worth to them, as well as, how much evidence the alleged infringer needs to produce to demonstrate it has a rightful use to using a trademark. Mediation in this instance would act to dissuade a large company from bringing disputes without merit for [*493] they might spend more in costs than they could extort from a potential license, thus making a lack of financial resources no longer an issue.

Lastly, mediation might not be sufficiently coercive, because it is not binding. However, by creating more barriers and obstacles to impede those who have fruitless claims, this strategy will prevent trademark bullies from sending frivolous letters without any intent to pursue their claims. Some might criticize this proposal as merely extending and increasing the cost of litigation by paying for several stages before ultimately arriving in court. However, the use of settlement conferences before trial promotes policies of efficiency and expediency in resolving disputes between parties. Mediation and settlement conferences force the idea that alternatives to litigation are possible, as well as allow both parties to express their views concerning the dispute on a faster timeline than the litigation system.

While this statute may risk occasional abuses, the benefits far outweigh the possibility of abuse. The statutes currently in force are subject to greater abuse than POLTA.ⁿ²²³ By enacting a cheaper alternative for targets of trademark holders, there is a higher likelihood for protection of the valid trademarks and business ideas that would otherwise be intimidated into submission. The relatively low risk for abuse is outweighed by the utilitarian benefit to consumers due to the increase of business ventures and alternatives in the marketplace.ⁿ²²⁴

Overall, POLTA attempts to combine the best provisions of trademark protection laws worldwide. It aims to grant preemptive measures and to remove the "sue-first, talk-later" approach that circumvents the protections of the United Kingdom Trade Marks Act. While there is possibility for abuse, the potential benefit greatly outweighs the potential abuse.

VIII. Conclusion

In conclusion, after comparing United States federal and state statutes, proposed legislation, and United Kingdom trademark laws regarding trademark bullying protection, it is clear that the United States has not done enough to deter trademark holders from overreaching and expanding their market share through unfair litigation tactics. In fact, the

Lanham Act ensures that companies will continue to act proactively by sending [*494] cease-and-desist letters because there is little recourse for alleged infringers for such acts. ⁿ²²⁵

By adopting the statute recommended in this comment, a new substantive right of action will be created that will remove the "sue-first, talk-later" approach associated with these statutes, similar to both the Trade Marks Act 1994 and the Trade Marks Act 1995. ⁿ²²⁶ By creating a federal action for these preemptive measures, trademark holders that send groundless cease-and-desist letters will be held accountable. ⁿ²²⁷

Enacting this law will prevent trademark holders from acting aggressively, thereby reducing the false accusations of trademark holders and removing the tremendous disparity of leverage between the trademark holders and alleged infringers. ⁿ²²⁸ Providing targets of trademark holders an avenue to pursue lawsuits will be a significant improvement to the current federal statutory scheme, and is necessary so that targets can have their voices heard and their business's protected.

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VIX. Appendix: Proposed Legislation

A bill for an act relating to trademarks; enacting the Prevention of the Overreach Through Litigation Tactics Act; proposing new legislation containing provisions for timely mandatory pre-file settlement conferences, penalty damages available for nonspecific cease-and-desist letters, post-litigation procedures for mediation, and broad standing for any parties aggrieved by threat actions.

Be it Enacted by the Legislature of the United States.

Section 1. The Prevention of the Overreach through Litigations Tactic Act is created for the protection of small businesses, from trademark bullying or intimidation through the use of disparity of leverage of larger businesses, through mandatory pre-file settlement procedures.

Subdivision 1. Trademark bullying. "Trademark bullying" as used in all sections means the practice of a trademark holder using litigation tactics to harass and intimidate other businesses in an attempt to extend their trademark rights beyond the interpretation of what the law would reasonably allow.

Subdivision 2. Trademark dispute. "Trademark dispute" as used in all sections means the preliminary action of a trademark holder initiating contact with another party alleging infringement of a trademark; including initiation through cease-and-desist letters, and oral or written communication between the parties.

Subdivision 3. Groundless threat. "Groundless threat" as used in all sections means the intimidation or use of litigation tactics unaccompanied by specific articulable instances of infringement of an owned trademark. Examples include but are not limited to cease-and-desist letters and communication between both parties concerning the cessation of a trademark.

Section 2. Pre-file Settlement Conference

Subdivision 1. Initiation. Any party affected by a trademark dispute has the option to opt-in to a settlement conference. Upon the request of any party to a trademark dispute, the parties shall seek a mediator using the procedures provided in this article. Pre-file settlement conferences are mandatory before trial is available if either party opts-in.

[*496] Subdivision 2. Purpose. A pre-file settlement conference is for the primary purpose of assisting both parties to attain a quick resolution to a trademark dispute and to provide smaller companies an opportunity to have their case pleaded without the threat of significant attorney's fees.

Subdivision 3. Request for Preliminary Judgment. After the mediator or both parties come to a resolution that the action presented is not a groundless threat, either party may request a non-actionable judgment by the mediator. The mediator has the authority to state his judgment concerning preliminary facts and if the action is appealed to a trial court, the court appealing the matter should review the mediator's suggestion.

Subdivision 4. Procedures. All parties shall attend or be represented at the pre-file settlement conference. Parties attending shall be prepared to make reasonable attempts to settle the trademark dispute. A pre-file conference must be initiated within 45 days after the request of a pre-file settlement conference has been delivered to the other party in the dispute.

Subdivision 5. Information provided. All parties attending the settlement conference shall be prepared to discuss all matters relevant to the trademark dispute. In preparation of the pre-file settlement conference, both parties may provide all information they deem necessary or helpful in proving their case at their own cost. Parties may provide information relating but not limited to expert testimony, surveys of consumer impressions, industry practice standards, and evidence of trademark use in commerce.

Subdivision 6. Orders. If, following the pre-file settlement conference, all parties have not come to an agreement but have agreed on an issue of fact or any other issue, the mediator may submit an opinion to the court confirming the matters agreed between the parties. If both parties agree, the mediator may submit a ruling on the matter confirming a preliminary judgment based upon the information presented before him. This preliminary ruling will be given deference if the trademark dispute continues to trial.

Subdivision 7. Penalties. Penalties shall be imposed on those that act contrary to the purpose of this enactment. Penalties are as follows:

(a) if the party alleging trademark infringement refuses to participate in the settlement conference aforementioned in this article; or

(b) the party alleging trademark infringement sends a cease-and-desist letter without substantiating specific instances of infringing conduct by the alleging party,

[*497] that party is liable for a fine of \$ 1,000 dollars and all costs incurred by the other party including loss of revenue or costs in preparation for mediation.

Subdivision 8. Remedies. If both parties are in agreement and the mediator issues an opinion that the cease-and-desist letter is a groundless threat and an act of trademark bullying, an opinion may be submitted to the court confirming and adjudging in favor of the defending party. The following remedies shall be available to be chosen by the mediator, who has discretion to determine what is proper given the current circumstances, to be issued to the targeted party:

(a) a declaratory judgment that the threats are unjustifiable;

(b) an injunction against the continuance of threats; or

(c) damages sustained from the groundless threat, including court costs, attorney's fees and treble damages, shall be available if the threatening party's actions are found to be willfully and knowingly groundless.

Any appeals of this decision are to be submitted to any district court within 50 miles of the mediation venue.

Subdivision 9. Collection. If the mediator issues an opinion and the losing party does not submit to the opinion of the mediator, the mediator's opinion shall be brought forth to an appropriate venue where a judgment may be issued and

proper collective proceedings initiated.

Subdivision 10. Profits made during negotiations. Any profits realized by the alleged infringing business will not be disgorged from the business for any profits realized up until an opinion is made by the mediator, unless the alleged infringing company acts with unreasonable delay in the pre-file settlement conference or is found to be willfully and knowingly infringing. The mediator has the authority to issue an opinion concerning unreasonable delay or willful and knowing infringement by either party. If the party is found to be willfully and knowingly infringing the trademark, treble damages may be issued measured by the profits realized.

Subdivision 11. Standing requirement. Any party that is aggrieved by the sending of the cease-and-desist letter will have standing to assert the mandatory pre-file settlement conference between the parties or to bring [*498] countersuit against the trademark holder who sent the cease-and-desist letter for purposes of a declaratory statement that demonstrates the legal usage of the alleged infringing trademark.

Subdivision 12. Cost of pre-file settlement conference. The cost of the pre-file settlement conference is to be split evenly between both parties, unless the mediator or judge orders otherwise.

Subdivision 13. Cease-and-desist letter requirement.

(a) All cease-and-desist letters involving a trademark dispute sent by an individual in United States must contain the following conspicuous statement at the beginning of the cease-and-desist letter:

"All parties named in this letter may exercise their right to a mandatory pre-file settlement conference regarding this trademark dispute to a mediator of both parties choosing, with costs to be split evenly amongst all parties, unless the mediator judges otherwise."

Section 3. Litigation initiated.

Subdivision 1. If litigation has already initiated and the issue in dispute concerns the extension of protection between either party's trademark, either party may request the action to be transferred to a mediator, who may judge whether the trademark user with senior priority is being infringed, before litigation is resumed.

Section 4. Effective date.

Subdivision 1. The effective date of this act is to start 120 days after voted in by the United States legislature.

Legal Topics:

For related research and practice materials, see the following legal topics:
 TortsStrict LiabilityHarm Caused by AnimalsGeneral OverviewTrademark LawInfringement ActionsGeneral OverviewTrademark LawSubject MatterDistinctivenessGeneral Overview

FOOTNOTES:

n1. Belle Cushing, Starbucks Sends Cease and Desist to Brewpub Serving "Frappicino" Beer, Owner Responds, Grub Street (Dec. 30, 2013,

11:20 AM), <http://www.grubstreet.com/2013/12/exit-6-missouri-starbucks.html>.

n2. Federal and state trademark law uses a likelihood of confusion test because owners can hold the same trademark in different products as long as there is no confusion, i.e. Bentley cars and Bentley lumber. Many different circuits have developed their own formulations of what determines a likelihood of confusion, but one of the first formulations was developed in the *Polaroid Corp. v. Polorad Electronics Corp.* case. *Polaroid Corp. v. Polorad Electronics Corp.*, 287 F.2d 492, 495 (2nd Cir. 1961) (A likelihood of confusion's success is based on the following factors: (1) the strength of his mark, (2) the degree of similarity between the two marks, (3) the proximity of the products, (4) the likelihood that the prior owner will bridge the gap, (5) actual confusion, (6) the reciprocal of defendant's good faith in adopting its own mark, (7) the quality of defendant's product, and (8) the sophistication of the buyers); see also *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979) (To determine confusion between related goods, the following factors are relevant: (1) strength of the mark, (2) proximity of the goods, (3) similarity of the marks, (4) evidence of actual confusion, (5) marketing channels, (6) type of goods and the degree of care likely to be exercised by the purchase, (7) defendant's intent in selecting the mark, and (8) likelihood of expansion of the product lines).

n3. Cushing, *supra* note 1.

n4. *Id.*

n5. *Id.*

n6. See *id.*; see also Graham Averill, Starbucks Threatens Nano-Brewery With Lawsuit; Brewer Gets Funny, Paste, Dec. 31, 2013, <http://www.pastemagazine.com/articles/2013/12/starbucks-threatens-nano-brewery-with-lawsuit-brew.html>; Ian Froeb, Local Brewers' response to Starbucks cease-and-desist goes viral, St. Louis Post-Dispatch, Dec. 31, 2013, http://www.stltoday.com/entertainment/dining/bars-and-clubs-other/hip-hops/local-brewer-s-response-to-starbucks-cease-and-desist-goes/article_5a4d65e-e-cdb4-51a6-9d2c-718adf74beaa.html.

n7. See generally Leah Chan Grinvald, Shaming Trademark Bullies, 2011 Wis. L. Rev. 625 (2011) (discussing the effectiveness and availability of shaming to small businesses and individuals).

n8. *Id.* at 665-66.

n9. *Id.* at 672-74.

n10. Overactive policing is not uncommon because it is an easy method for an individual to protect their trademarks, however, it is arguably a necessary task to protect a trademark considering the uncertain protections of the current trademark regime. In fact, the uncertainty in trademark rights allows dilution actions to be brought by individuals who are not in the same market or dealing with the same products/services as an alleged infringer because these actions do not require competition or evidence of confusion or passing off, making the rights of a famous mark unreasonably broad. *Id.* at 640-45.

n11. *Id.*

n12. The term "markholders" will be used synonymously with "trademark bully," "trademark owner," and "markholder." "Markholders" is a term of art designated to refer to the owner of a trademark. See generally Lisa P. Ramsey, Brandjacking on Social Networks: Trademark Infringement by Impersonation of Markholders, 58 *Buff. L. Rev.* 851 (2010).

n13. Targets of markholders will hereinafter be referred to as "accused infringer," "target of a trademark holder," or "targeted party." These terms refer to the party or individuals who are being "bullied" or harassed by companies through the sending of cease-and-desist letters and unethical, yet legal, groundless litigation tactics to persuade the "target" from continuing use of their trademark.

n14. Grinvald, *supra* note 7, at 642.

n15. *Id.* at 645-51; see, e.g., Kirk Carapezza, Chicken Vs. Kale: Artist Fights Chick-Fil-A Suit, NPR, Dec. 6, 2011, <http://www.npr.org/2011/12/06/143195033/chicken-vs-kale-vt-artist-fights-chick-fil-a-suit>; Pete Mason, The Difference Between "Eat More Kale" and "Eat Mor Chikin," Huffington Post, May 3, 2012, http://www.huffingtonpost.com/pete-mason/eat-more-kale_b_1469661.html. In this circumstance, Chick-fil-A was attempting to maintain an overly broad interest in their trademark "Eat More Chicken" by claiming infringement of the mark "Eat More Kale." The context of this threat of legal action attempts to extend the rights of the Chick-fil-A trademark to essentially "Eat More" which is too descriptive and broad of a term to deserve trademark protection.

n16. Grinvald, *supra* note 7, at 664.

n17. Grinvald, *supra* note 7, at 665-66.

n18. Lanham Act, 15 U.S.C. 1064 (2012).

n19. Emily Greenhouse, Dumb Starbucks and the Art of the Hoax, *New Yorker*, Feb. 15, 2014, <http://www.newyorker.com/online/blogs/elements/2014/02/dumb-starbucks-and-the-art-of-the-hoax.html>.

n20. *Id.*

n21. See *Mil-Spec Monkey, Inc. v. Activision Blizzard, Inc.*, No. 3:14-cv-02361-RS, 2014 WL6655844 (N.D. Cal. Nov. 24, 2014) (Seeborg, J.) (where a district court granted summary judgment in favor of a video game publisher that had used a military patch design in a military combat-themed video game, citing earlier precedent that video games qualify as expressive works entitled to the protections of the First Amendment); *Lyons P'ship v. Giannolous*, 179 F.3d 384, 390 (5th Cir. 1999) (where the satirical or parodic use of a trademark will likely influence a court's decision in determining customer confusion of the use, however, the strength of the mark might make it easier for an audience to understand the use is satirical or a parody).

n22. See *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (1976) (demonstrating the spectrum of "distinctiveness," or essentially what makes the mark itself different than other producers of goods, as a tiered system of generic, descriptive, suggestive and arbitrary or fanciful).

n23. Throughout this paper, policing efforts of trademark holders will be discussed and should be understood to be a balancing approach. On the one hand, a trademark holder must actively police their trademark so that it will not become generic, in order to maintain the protections afforded trademarks under the Lanham Act. On the other hand is the overactive policing of trademark bullies who use similar trademark efforts to expand their trademark protections beyond what should be allowed for the trademark. See Deven R. Desai & Sandra L. Rierison, *Confronting the Genericism Conundrum*, 28 *Cardozo L. Rev.* 1789, 1793-97 (2007) (stating that the 15 U.S.C. § 1127 of the Lanham Act requires self-policing of marks in order to maintain their source-identifying purpose, otherwise the mark may be deemed to be abandoned, in which case all protections of trademark law would disappear).

n24. Jolie Lee, Starbucks responds to Dumb Starbucks in L.A., USA Today, Feb. 11, 2014, <http://www.usatoday.com/story/news/nation-now/2014/02/10/dumb-starbucks-parody-free-coffee/5357597/>.

n25. Lanham Act, 15 U.S.C. §§1064, 1127 (2012).

n26. See id.

n27. Kenneth L. Port, Trademark Extortion: The End of Trademark Law, 65 Wash. & Lee L. Rev. 585, 587 (2008).

n28. The United Kingdom was specifically chosen because it has a statute that is relevant to deter individuals from sending groundless cease-and-desist letters, which is a major problem associated with trademark bullying and an act that the proposed amendment will attempt to eliminate as a method of trademark bullying.

n29. 15 U.S.C. § 1127.

N30. Martin J. Rome, The Trouble With Trademarks: Product Namers Beware, ASHA, <http://www.asha.org/Publications/leader/2011/110118/The-Trouble-With-Trademarks-Product-Namers-Beware.htm>.

n31. See Dep't of Congress, Report to Congress: Trademark Litigation Tactics and Federal Government Services to Protect Trademarks and Prevent Counterfeiting 4, (Apr. 2011), http://www.uspto.gov/ip/TMLitigationReport_final_2011April27.pdf [hereinafter "Report to Congress"]; Qualitex Co. v. Jacobson Prods. Co., Inc., 514 U.S. 159, 163-64 (1995).

n32. See 15 U.S.C. § 1127; Overview of Trademark Law, <https://cyber.law.harvard.edu/metaschool/fisher/domain/tm.htm>.

n33. Where the original intention was for the purpose of determining a quality product, the same reason exists today to determine if the product has a reliable quality and whether the product was adequate for the needs of the consumer. See Chapter 2. The History and Development of Trademark Law, Section 1: The History of Trademark Law, Dec. 25, 1999, at 1, available at <http://www.iip.or.jp/translation/ono/ch2.pdf>.

n34. See 15 U.S.C. §§1114, 1125(a). Since not all trademarks are held by registered markholders, third parties may not know the scope of their trademark rights until a lawsuit is filed. This creates an incentive for markholders to send cease-and-desist letters to anyone that uses identical or similar marks, regardless of whether the goods or services are related, and regardless of whether the parties are in direct competition. This perpetrates a pro-litigation attitude. See also Report to Congress, *supra* note 31 (citing *Esquire, Inc. v. Esquire Slipper Mfg. Co., Inc.*, 243 F.2d 540, 545 (1st Cir. 1957), where an owner's zealous enforcement of its trademark may not have been justified by the intrinsic strength of the trademark, but rather was borne by the owner's enthusiasm and not an attempt to unjustly defend and overly extend the rights in the trademark *Esquire*).

n35. 15 U.S.C. § 1125(c), amended by Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312; see also 15 U.S.C. §§1114(a), 1125(a).

n36. See 15 U.S.C. § 1125(c); Cal. Bus. & Prof. Code § 14247(a) (West 2008).

n37. See 15 U.S.C. §§1114(1)(b), 1116(a), 1125(b), (c)(2).

n38. "Reasonable" enforcement is necessary in order to actively maintain protection over a valid trademark, but what is considered reasonable is uncertain and only determined on a case-by-case basis. See *Dawn Donut Co. v. Hart's Food Stores, Inc.*, 267 F.2d 358, 367-68 (2d Cir. 1959).

n39. See generally *Hart's Food Stores, Inc.*, 267 F.2d 358 (1959).

n40. See Michael S. Mireles, *The Nuclear Option: Aesthetic Functionality to Curb Overreaching Trademark Claims*, 13 *Wake Forest J. Bus. & Intell. Prop. L.* 281, 282-83 (2013); See Port, *supra* note 27, at 586-88.

n41. See Port, *supra* note 27, at 592.

n42. *Id.*

n43. See Best Global Brands 2013, Interbrand, <http://www.interbrand.com/en/best-global-brands/2013/Apple>.

n44. *Id.*

n45. *Id.*; Report to Congress, *supra* note 31, at 1.

n46. See Paul Hague, Measuring Brand Value - How Much Are Brands Worth?, B2B International, <https://www.b2binternational.com/publications/value-of-brands/>; see also Report to Congress, *supra* note 31, at 1.

n47. Hague, *supra* note 46.

n48. *Id.*

n49. Trademark Bullying can additionally occur through confusion as to sponsorship or affiliation as well as dilution of the distinctive trademark; however, this paper will focus more directly on the passing-off or extension of legal rights claims. Request for Comments: Trademark Litigation Tactics, USPTO, at n.1, http://www.uspto.gov/trademarks/litigation_study.jsp#_ftnref1; William Mitchell College of Law, Trademark Bullying, <http://web.wmitchell.edu/intellectual-property/trademark-bullying/>.

n50. See Grinvald, *supra* note 7, at 628; Report to Congress, *supra* note 31, at 9-10.

n51. See Grinvald, *supra* note 7, at 628, 648-49.

n52. Report to Congress, *supra* note 31, at 9-10; see also Grinvald, *supra* note 7, at 628.

n53. Report to Congress, *supra* note 31, at 9-10

n54. *Id.* at 9-10, 13-14 (describing how trademark holders in a market might use intimidation tactics to broaden the rights of their trademark and eliminate individuals with similar trademarks in the same market so that the trademark holder can create a larger market for their own trademark).

n55. "Eat Mor Chikin" is a live trademark for the Chick-fil-A Corporation, which has protection in this mark for the use of costumed cattle in association with restaurant services and clothing products. EAT MOR CHIKIN, Registration Nos. 76192789, 76184298, 75342586, 75340161, 75031044.

n56. Carapezza, *supra* note 15.

n57. Mason, *supra* note 15.

n58. If there might seem to be a conflict between aggressive policing and trademark bullying, it is because one exists. There is a very fine line between what can be considered aggressive policing and trademark bullying, sometimes so fine that it might be hard to distinguish whether it is a problem or not. This is where the current trademark regime is flawed and where there needs to be an increase in protection in order to adequately protect a trademark holders' rights. *Id.*

n59. See *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 793-95, 797 (5th Cir. 1983) (describing that trademarks require

secondary meaning to warrant protection, and allowing others descriptive fair use, especially if the protection would substantially limit the ability to adequately compete in the market).

n60. The "cow campaign" is one of Chick-fil-A's advertising campaigns used to promote its products. The cows partake in human-like acts in an attempt to persuade customers to eat chicken instead of beef. The cows paint billboards and hold signs to protest outside Chick-fil-A restaurants. Additionally, the campaign is used as decor for the restaurant. See *The Cow Campaign: A Brief History*, Chick-fil-A (Feb. 17, 2014), <http://www.chick-fil-a.com/Cows/Campaign-History>.

n61. See *id.*

n62. *Id.*

n63. Mason, *supra* note 15.

n64. See Wilson Ring, *Eat more kale: A David vs. Goliath fight with Chick-fil-A?*, Associated Press (Nov. 28, 2011), <http://www.csmonitor.com/Business/Latest-News-Wires/2011/1128/Eat-more-kale-A-David-vs.-Goliath-fight-with-Chick-fil-A>.

n65. See 15 U.S.C. § 1064; Report to Congress, *supra* note 31, at 8 (articulation of factors for likelihood of confusion differs between different circuits, however, they range between: (1) similarity of the marks, (2) the similarity or relationship of the respective goods and/or services, (3) the strength (inherent and marketplace) of the asserted mark, (4) the commonality of trade channels and advertising methods, (5) the sophistication of purchasers, (6) whether the accused mark was adopted in bad faith, and (7) the existence of actual confusion).

n66. Christina Park, *Chick-fil-A Fails to Stop 'Eat More Kale' Trademark*, *Forbes*, Dec. 15, 2014, <http://www.forbes.com/sites/christinapark/2014/12/15/chick-fil-a-fails-to-stop-eat-more-kale-trademark/2/>; Wilson Ring, *Man celebrates his new 'eat more kale' trademark*, Associated Press, Dec. 12, 2014, <http://bigstory.ap.org/article/9a6fc4cd32e649a39c5c409cf15abd4e/apnewsbreak-artist-wins-eat-more-kale-trademark>; Rudner & Paleudis, LLC, *Corporate Trademark Bullying: Smaller Businesses Challenge Larger Corporations in Trademark Disputes*, Jan. 7, 2015), <http://www.newyorkbusinesslitigationlawyer-blog.com/2015/01/corporate-trademark-bullying-smaller-businesses-challenge-larger-corporations-trademark-disputes.html>.

n67. Mason, *supra* note 15; Report to Congress, *supra* note 31, at 18-19.

n68. Conduct amounting to intimidation of targets of trademark holders includes, but is not limited to, subjecting the alleged infringer to tremendous attorney's fees, writing complex and intricate legal documents that require professionals to decipher them, providing short response times to cease-and-desist letters, and requiring the trademark user to cease all use of the mark or be sued. Grinvald, *supra* note 7, at 628-29, 646-47; Report to Congress, *supra* note 31, at 18-19.

n69. See Port, *supra* note 27, at 661-62.

n70. *Id.*

n71. Report to Congress, *supra* note 31, at 18-19.

n72. See *Already, LLC v. Nike, Inc.*, 133 S. Ct. 721 (2013) [hereinafter *Already*]; Grinvald, *supra* note 7, at 657-58; Report to Congress, *supra* note 31, at 15 (stating that approximately 1.5% of cases arrive in court, meaning that many cases are dealt with at pre-litigation stages).

n73. Port, *supra* note 27, at 631-32; Report to Congress, *supra* note 31, at 15, 18.

n74. Port, *supra* note 27, at 654-56.

n75. *Id.* at 655-56.

n76. Grinvald, *supra* note 7, at 661-63.

n77. See *id.*

n78. *Id.*

n79. See *id.*; Report to Congress, *supra* note 31, at 20.

n80. Report to Congress, *supra* note 31, at 20; Grinvald, *supra* note 7, at 628-29.

n81. Grinvald, *supra* note 7, at 628-29. "Invisible hand" reflects the ideology that the market is guided by the competition of the free market, effectively creating the products that the consumer wants to have. The market expands based on the idea that more entrants will create products based on the consumer's demand, which will effectively create higher quality products and lower prices based on the producer's competition for the consumer. Adam Smith, Biography, in Library of Economics and Liberty, *The Concise Encyclopedia of Economics* (2008) [hereinafter "Invisible Hand"], <http://www.econlib.org/library/Enc/bios/Smith.html>.

n82. See Port, *supra* note 27, at 589.

n83. See Report to Congress, *supra* note 31, at 20 n.54.

n84. See Nicole Manuel, *How Does a Monopoly Affect Business and Consumers?*, *Houston Chron.*, <http://smallbusiness.chron.com/monopoly-affect-business-consumers-70033.html>.

n85. See discussion of the "Invisible Hand", *supra* note 81.

n86. Already, *supra* note 72, at 733-34.

n87. Threatening a small business not only imposes the costs of trademark infringement but, based on Justice Kennedy's words, could harm potential future profits for a business as well. With a small business where the potential to improve can be astronomical, the harm that can be incurred cannot reasonably be valued. For those trademark bullies that bring actions against small companies, there is potential for abuse that may bring a trademark infringement action purposefully to stall a small businesses development. See Port, *supra* note 27, at 622-23, 633.

n88. Already, *supra* note 72, at 733-34 (2013); see also Grinvald, *supra* note 7.

n89. See Port, *supra* note 27, at 622, 633-34 (stating that trademark extortion is one plausible explanation for the rise in the number of trademark infringement cases with a decline in trademark infringement trials, and believing that this rise can effectually circumvent antitrust laws); see also Grinvald, *supra* note 7, at 640-41 (stating that trademark laws force the owners to bring legal tactics in order to police their trademarks, which has the potential to lead to abuse).

n90. See Grinvald, *supra* note 7, at 603-04.

n91. By "threatening" new market participants, a trademark holder can increase their market share without actually expanding the business, by merging or buying out smaller businesses, and can in some circumstances avoid antitrust laws. See Port, *supra* note 27, at 622, 633-34; see also Grinvald, *supra* note 7, at 650-51; see also *supra* notes 55-64 and accompanying text.

n92. See Port, *supra* note 27, at 632-34; see also Grinvald, *supra* note 7, at 650-51.

n93. Lanham Act, 15 U.S.C. § 1051 et seq. (2012).

n94. 15 U.S.C. §§1114(a)-(b), 1125(a). Similar provisions are found in several state statutes as well. For instance, California has the same provisions and effectually mirrors the protections, requirements and defenses that are found within the Lanham Act. The policy for the California Business and Professions Code acts similarly to the Lanham Act as well by attempting to put an infringed markholder in the same place they were in before the infringement occurred. This policy is based on the assumption that no damage will occur to the reputation as a result of the infringer or the infringed company bringing a lawsuit against the infringer. If there is damage to the reputation of a product or company, then a dilution action may be brought but will only allow an injunctive relief. Cal. Bus. & Prof. Code §§14245-50.

n95. 15 U.S.C. § 1125(a).

n96. Under a claim of dilution, the only available remedy is an injunction. Id. § 1125(c).

n97. Id. §§1116(a), 1117(a)-(b).

n98. If damages are distributed for the purpose of compensating an individual for harm that has occurred, then to compensate someone that has incurred an injury based on confusion would be to compensate that individual assuming that the damages can place the individual in the same position where the company would have been had there been no damage from confusion. Thus, the damages are restorative and are for the purpose of returning them to the same position they were in prior to harm occurring, at least to the extent that the damages can adequately compensate them. Id. § 1117; Martha Chamallas, *The Measure of Injury: Race, Gender, and Tort Law* 157 (2010).

n99. 15 U.S.C. §§1116(d)(4), 1117(a).

n100. See Port, *supra* note 27; Paul Graham, *Startup = Growth*, Sep. 9, 2012, <http://www.paulgraham.com/growth.html> (since startups grow so fast, it can be difficult to pinpoint how much a startup would make in the early stages of its life); Jules Maltz, *How Fast Should You Be Growing?*, TechCrunch (Aug. 24, 2013), <http://techcrunch.com/2013/08/24/how-fast-should-you-be-growing/>.

n101. See *id.*

n102. It is unlikely that a smaller business will bring a trademark infringement action against a much larger company under a theory of

reverse confusion where the large company has the personnel and the money to finance extensive litigation. While this has happened in this past, it could potentially lead to negative consequences to the small business owner, who has the potential to get buried in legal costs, lack resources to manage their own business while seeking litigation, or lose association or distinctiveness with their mark from heated litigation. See Lanham Act §§1114, 1125; see also Grinvald, *supra* note 7, at 654-57.

n103. See 15 U.S.C. §§1116, 1117; see also Grinvald, *supra* note 7, at 654-57.

n104. This is a very common and effective strategy because there is relatively little downside to aggression when trying to police one's trademark. What is "reasonable" to one party is a subjective idea and could be considered over aggressive, or even too lenient, to another. See Grinvald, *supra* note 7, at 628, 632-33, 639-40, 644.

n105. See 15 U.S.C. § 1064.

n106. The current trademark regime could allow this action to happen, because someone who acts to aggressively police their own trademark will not incur any penalties. See Grinvald, *supra* note 7, at 628, 632-33, 639-40.

n107. Since a cease-and-desist letter has the potential to put an infringer on notice of their infringement, it may be assumed that a continuation of a trademark after a letter is received is willful infringement. *Burger King v. Mason*, 855 F.2d 779, 780-781 (1988) (finding that the court has a wide range of discretion to confer damages, including an award of lost profits, even if there is no actual demonstration of damage).

n108. See 15 U.S.C. § 1051 et seq.; Trade Marks Act, 1994, c. 26, § 21 (U.K.); Trade Marks Act 1995 (Cth) s 129 (Austl.).

n109. See Grinvald, *supra* note 7, at 653-57.

n110. Financial analysts can help determine and predict damages, but they cannot provide accurate readings based on pure assumptions. See 15 U.S.C. § 1117; see also *Ramada Inns, Inc. v. Gadsden Motel Co.*, 804 F.2d 1562, 1564 (11th Cir. 1986) (acknowledging that trademark infringement damages must be based on proof of actual damages and that some evidence of harm arising from the violation must exist);

Brian P. Brining, *Finance & Accounting For Lawyers* 256, 267-68 (2011) (stating that while courts will allow damages for new business ventures, much of the calculation for such damages is speculative and requires more assumptions than an established business); Robert L. Dunn, *Recovery of Damages for Lost Profits* 378 (6th ed. 2005) (lost profits of an unestablished business recovery is increasing, but requires that they be adequately proved with reasonable certainty); Kenneth M. Kolaski, *Measuring Commercial Damages via Lost Profits or Loss of Business Value: Are these Measures Redundant or Distinguishable?*, Pace Law School (last visited Mar. 24, 2015), <http://www.cisg.law.pace.edu/cisg/biblio/kolaski.html>.

n111. See Graham, *supra* note 100; Maltz, *supra* note 100.

n112. Port, *supra* note 27, at 587-89 (demonstrating that litigation is one of the costs imposed on the marketplace that makes entrance more difficult).

n113. Nathaniel Edwards, *I am ... Other - How Trademark Owners can Avoid Declaratory Judgment Actions*, Intellectual Property Blog of Lewis Roca Rothgerber LLP (July 7, 2013, 5:46 PM), <http://www.lrrlaw.com/ipblog/blog.aspx?entry=762> (explaining that this alternative rarely occurs because of the disparity of power between the parties, but also because there are ways to avoid creating an "actual controversy" between the parties, such as avoiding attaching a draft complaint to cease-and-desist letters, writing "soft" cease-and-desist letters, or not threatening proceedings in cease-and-desist letters); see *Already, LLC v. Nike, Inc.*, 133 S. Ct. 721, 725 (2013) (demonstrating that a more typical way to defend a company trademark is to cross-complain that the mark is invalid).

n114. Port, *supra* note 27, at 633-34.

n115. See Port, *supra* note 27, at 588; see also Grinvald, *supra* note 7, at 640.

n116. Companies need to actively police so that their trademarks do not become generic and get cancelled. 15 U.S.C. § 1064.

n117. See *Murphy Door Bed Co. v. Interior Sleep Sys., Inc.*, 874 F.2d 95, 97 (2d Cir. 1989) (holding that because other companies in the industry started using the term "Murphy Bed" to describe a general type of bed, the term became generic and lost its association with the company).

n118. See Grinvald, *supra* note 7, at 641-42.

n119. See Wal-Mart Stores, Inc. v. Samara Brothers, Inc., 529 U.S. 205, 208-09 (2000) (remanding the case to determine if the product design had secondary meaning after Wal-Mart contracted with a clothing supplier to intentionally make clothes similar to Samara Brothers clothing line).

n120. The case discusses trademark dilution under the Lanham Act, which may only arise under 1125(c). *Already, LLC v. Nike, Inc.*, 663 F.3d 89, 91 (2nd Cir. 2011).

n121. *Id.*

n122. *Id.*

n123. See *id.* By signing a covenant not to sue and rendering the case moot, the court did not address the validity of the Nike trademark thereby allowing Nike to continue having all the protections that trademark law allows despite having a response about the validity of the trademark.

n124. See *id.*; see also 15 U.S.C. § 1117 (exemplifying the lack of pre-litigation protections available for businesses that are much smaller than the trademark bully. It is likely that *Already* was "forced" into a settlement in order to not incur tremendous litigation costs by a corporation that has the finances and legal resources to potentially draw out a litigation).

n125. See *Already*, *supra* note 72, at 724 (stating that utilizing covenants not to sue is not beneficial for trademark holders in the long run, but bringing lawsuits against more humble competitors is encouraged in light of challenging their portfolios of intellectual property).

n126. See generally *id.*

n127. This is based on the assumption that most small companies would not want to have a legal battle with a financial giant like Nike, who holds the highest value sports brand at \$ 12 Billion on the Forbes top 40. The Forbes Fab 40: The World's Most Valuable Sports Brands, Forbes (last visited Mar. 24, 2015), <http://www.forbes.com/pictures/mlm45jemm/1-nike/>.

n128. See 15 U.S.C. § 1114 (demonstrating that the remedies are granted after there has been some demonstrative reproduction, counterfeit or copy used in commerce or has been used in the packaging or signs intended to be used in commerce. All these occur after there has been a use in commerce, except for the one instance of intent to use applications).

n129. The initial written version of the bill was sent to the committee on Jobs and Economic Growth. It was brought before the State Senate again in 2013-2014 and was redirected to the Committee on Commerce and Consumer Protection Finance and Policy. While it has not yet been enacted, the proposed statute is continuing to run its course through the legislature. Minnesota is one of few states attempting to limit the ability of markholders to bully other alleged infringers. There is no indication that other states have attempted or introduced into Senate a bill limiting the ability of markholders to "bully" others. Ultimately the proposal died in the committee, however it remains the view of the author that this proposal would benefit small business trademark holders if it was to be enacted. William Mitchell students craft bill to protect Minnesota's small-business owners, William Mitchell College of Law Intellectual Property Institute (Apr. 5, 2012), <http://web.wmitchell.edu/intellectual-property/2012/04/bill-protects-minnesota-small-business-owners/>.

n130. Small Business Trademark Protection Act, H.F. No. 2996, 2012 H.R., 87th Sess. (Minn. 2012), available at <http://wdoc.house.leg.state.mn.us/leg/LS87/HF2996.0.pdf>; rev'd by H.F. No. 1116, 2014 H.R., 88th Leg. (Minn. 2014), available at https://www.revisor.mn.gov/bills/text.php?session=ls88&number=HF1116&session_number=0&session_year=2013&version=list.

n131. The settlement conferences act as a cheaper alternative to litigation by removing the necessity of paid counsel, although counsel is permitted. H.F. No. 2996 § 4, subdiv. 1.

n132. See *id.*

n133. See *id.* § 4, subdiv. 7.

n134. *Id.*

n135. This penalty is similar to those seen in the groundless threat provisions of the U.K. and Australian Trade Marks Acts of 1994 and 1995, respectively. *Id.* § 4, subdiv. 9; Trade Marks Act, 1994, c. 26, § 21 (U.K.); Trade Marks Act 1995 (Cth) s 129 (Austl.).

n136. See H.F. No. 2996 § 4, subdiv. 9 (this provision dissuades aimless cease-and-desist letters by imposing a penalty on those parties who do not participate in the mandatory settlement conferences because those who aimlessly send cease-and-desist letters usually have no attempt to follow up on those letters. When they are forced to follow up by making their lawyers show up in settlement conferences it is likely an additional expense that those companies are not willing to undertake, especially when the cease-and-desist letters are very vague and can be used with multiple trademark holders); see also Grinvald, *supra* note 7, at 643 (Grinvald notes a case where Warner Brothers policed Harry Potter by sending out cease-and-desist letters to anyone that had registered a website with "harry potter" in the domain name without assessing the operation of the website).

n137. See generally H.F. No. 2996 (allowing parties to negotiate pre-litigation and forcing the parties into settlement conferences can potentially put the parties on the same level, rather than being intimidated through the force of litigation, and may reduce costs if the action never makes it to negotiation).

n138. Cf. Port, *supra* note 27, at 587, 589 (Professor Kenneth Port explains that by using litigation tactics to impose costs into the marketplace, barriers are created, and fewer entrants will come into the market).

n139. In addition to the penalties imposed, if the court finds that the entity is in fact a trademark bully, more extreme measures are taken, such as imposing certificates of dissolution or revoking certificates of authority for foreign companies. See H.F. No. 2996 § 4, subdivs. 1, 2, 10 (b) (1)-(2).

n140. *Id.*

n141. See generally H.F. No. 2996 (stating nothing about cases that result in litigation).

n142. *Id.* § 4, subd. 7 (orders by an administrative law judge may expedite trial time by pinpointing facts that are not at issue between the parties).

n143. See Grinvald, *supra* note 7, at 654-64.

n144. See generally H.F. No. 2996. Since the main purpose of the proposed trademark statute is to attempt to resolve disputes amicably, a party may dispute all the terms for the purpose of attempting to bring the case to litigation. Subdivisions 6 and 9 describe a penalty for being prepared to discuss matters, but they do not discuss whether there needs to be attempts to solve any dispute between the parties. Furthermore, subdivision 4 specifies that the parties should be prepared to participate in "meaningful settlement discussions," but does not actually specify any cost or penalty applicable for failure to do so. The statute seems to lack any coercive effects that would make the parties adhere to the ostensible purpose of amicable discussion.

n145. This term is meant to denote the fact that a party could prolong litigation in such a way as to drain all the money out of the small business, making the venture fail. If the venture failed, there would be almost no point in continuing to seek trademark rights through litigation if the alleged infringers wouldn't have the potential to use that trademark, since the venture was already without money. By granting an additional avenue of action, there could be amicable discussion to dissuade this prolonged litigation problem.

n146. McGeeveran's theory focuses on the intersection of trademark protection and freedom of speech, as exemplified in the Starbucks example found in the introduction to this paper. See *supra* notes 1-5 and accompanying text; see generally William McGeeveran, The Trademark Fair Use Reform Act, 90 B.U. L. Rev. 2267 (2010).

n147. *Id.* at 2279.

n148. See *id.* at 2282.

n149. *Id.* at 2303-04.

n150. *Id.*

n151. *Id.* at 2304.

n152. *Id.* at 2278-79

n153. *Id.* at 2317-18.

n154. *Id.* at 2303.

n155. See Report to Congress, *supra* note 31, at 1-2.

n156. *Id.* at 18.

n157. While Australia has some very subtle differences in the law compared to the United Kingdom, Australia's Trade Marks Act of 1995 has all of the same elements that make the Trade Marks Act of 1994 better at protecting small businesses than the United States' Lanham Act. For example, Australia's Trade Marks Act of 1994 allows for actions in response to groundless threats, codifies a common law found in the Trade Marks Act of 1995 (which has no substantive difference), and grants an explicit right of action to anyone who is directly or indirectly harmed financially due to the infringement or groundless threat against a markholder. See generally Trade Marks Act, 1994, c. 26 § 21 (U.K.); Trade Marks Act 1995 (Cth) s 129(1), (3), (5) (Austl.); Grinvald, *supra* note 7, at 630, 685-86; see *Jaybeam Ltd. v Abru Aluminum Ltd.*, [1975] FSR 334, 340 (Austl.); see also Robert Burrell & Michael Handler, *Australian Trademark Law* 517 (2010). Additionally, while section 129 allows for actions against groundless threats, it does not eliminate an action once litigation starts, but only allows the party an additional avenue to respond to a party once they have been threatened with litigation. See *Advanced Data Integration Pty Ltd. v ADI Ltd.*, (2004) 138 FCR 520, [17], [18] (Austl.); see also *Montana Tyres Rims & Tubes Pty Ltd. v Transport Tyre Sales Pty Ltd.* (1998) 155 ALR 489, 509-10 (Austl.).

n158. While the Trade Marks Act of 1994 has different wording than the United States' Lanham Act, it effectively creates the same law focusing on source-identification. Trade Marks Act, 1994, c. 26, § 1 (U.K.).

n159. *Id.* at § 1(2).

n160. *Id.* at § 10(2).

n161. 15 U.S.C. § 1115(b)(4).

n162. Trade Marks Act, 1994, c. 26, § 11(2) (Eng.).

n163. *Id.* at § 14(2).

n164. See Werner Pfennigstorf, *The European Experience with Attorney Fee Shifting*, 47 *Law & Contemp. Probs.* 37, 45-46 (1984); Walter Olson, *Loser Pays*, *Point of Law* (May 21, 2004), <http://www.pointoflaw.com/loserpays/overview.php>. 15 U.S.C. § 1117 (the Lanham Act requires exceptional circumstances for issuance of attorney's fees).

n165. See Pfennigstorf, *supra* note 164, at 73.

n166. See S.D. Cal. Civ. R. 16.3, 26.1, available at <https://www.casd.uscourts.gov/Rules/Lists/Rules/Attachments/1/Local%20Rules.pdf>.

n167. Ostensibly there are trade-offs with different court systems; the United States mandates pre-trial settlement conferences in the hopes of maintaining the policies concerning costliness, efficiency and speed, whereas the United Kingdom adopted more specific trademark laws. See generally *Civil Rules & Practice Directions Part 36*, Justice, available at <https://www.justice.gov.uk/courts/procedure-rules/civil/rules/part36>; Trade Marks Act, 1994, c.26 § 21 (U.K.).

n168. *Id.* Because groundless threats are the most common tactic used by trademark bullies, these types of threat actions will be the focus throughout the analysis of foreign law. *Id.* at § 21(1) (noting that another downside of Section 21 is that it does not cover three types of infringement: when the mark is applied to goods or packaging, when applied to imported good, and does not apply when the mark is applied to services).

n169. L'Oreal (UK) Ltd. v. Johnson & Johnson and Another, [2000] F.S.R. 686, 688, 701.

n170. See *id.*

n171. As stated previously, not all cease-and-desist letters are groundless, but sending these letters is the most common way to groundlessly threaten other parties.

n172. See L'Oreal (UK) Ltd. v. Johnson & Johnson and Another, [2000] F.S.R. 686, 688, 701.

n173. Prince Plc. v. Prince Sports Group Inc., [1998] F.S.R. 21, 22.

n174. See *id.*

n175. Trade Marks Act, 1994, c. 26, § 21(1)(a)-(c) (U.K.).

n176. *Id.*

n177. Patents, Trade Marks and Design Rights: Groundless threats, Law Comm'n No. 345 p. 18 (2013) (citing *Jaybeam Ltd. v. Abru Aluminum Ltd.*, [1975] F.S.R. 334, for the definition of aggrieved party), available at http://lawcommission.justice.gov.uk/docs/lc346_patents_groundless_threats.pdf.

n178. Trade Marks Act, 1994, c. 26, § 21(2)(a)-(c) (U.K.).

n179. See *id.* (the problems can be curbed through the use of pre-litigation tactics such as punitive measures for groundless threat actions and post litigation through a grant of damages to the prevailing party); Department for Business, Innovation & Skills Intellectual Property Office, UK government to improve protection for businesses against groundless IP threats, Gov.UK (Feb. 26, 2015), <https://www.gov.uk/government/news/uk-government-to-improve-protection-for-businesses-against-groundless-ip-threats>.

n180. Damages could extend to cover loss of sales revenue or losses associated with case preparation. Trade Marks Act, 1994, c. 26, § 21(2)(a)-(c) (Eng.).

n181. *Id.* at § 21(2)(b).

n182. *Id.*

n183. By drafting into the statute declaratory judgments and injunctions from the issuance of threats, the courts understand that there is a problem with over policing trademark holders. Utilizing the tools available through the drafted statute, small business owners can act proactively and bring suit rather than building up a trademark only to be forced to rebrand at a later point in time. See *id.*; Grinvald, *supra* note 7, at 647 (stating that a legal system is set up so that billion dollar companies can prolong a lawsuit through appeals, if necessary, to drag out litigation to win the litigation by default when the small business can no longer pay to be represented); Evan Raynes, Declaratory Judgment Actions in Intellectual Property Cases, Symbus the blog, (Mar. 14, 2014), <https://symbus.com/blog/?p=483> (stating that there are multiple reason for the initiation of a preemptive lawsuit, such as: forum selection, time pressures on early parties, and setting the overall tone of the case).

n184. To prevent a small business from taking advantage of a preemptive strike against the trademark holder, markholders can simply sue first or even simultaneously file a suit and issue the cease-and-desist letter. This would prevent the issue of a groundless threat action where the small business owner would file first on receiving the letter. One issue of concern regarding this would be the need to bring a case or controversy before the court, which might be a problem for those trademark holders mass mailing cease-and-desist letters, but not likely for those with more targeted letters. See Grinvald, *supra* note 7, at 686.

n185. See Trade Marks Act, 1994, c. 26, §§10, 21 (U.K.).

n186. See *id.*

n187. See *supra* notes 95-99 and accompanying text.

n188. See, e.g., *Already*, *supra* note 72.

n189. See Grinvald, *supra* note 7, at 686; Howard Johnson, 13 Int'l Banking Fin. L. 54, 54-55 (1994) (Eng.).

n190. If we view the purpose of pretrial settlement conferences as resolving disputes to avoid costly trials and encourage parties to settle, it can be seen that a sue-first, and talk-later approach in law effectively removes this encouragement. When an individual sues, they come from a place of power and act as a threat, especially if the one suing comes from a well-funded company. On the other hand, a weaker individual who brings a suit for declaratory suit has more potential to place both parties on equal footing and allow an amicable discussion to occur. See Johnson, *supra* note 189, at 55; Glen Gallins, *The Settlement Conference*, The Law Centre (Mar. 2008), http://thelawcentre.ca/self_help/small_claims_factsheets/fact_12.

n191. See Johnson, *supra* note 189.

n192. See "No Tears," 32 Int'l R. Indus. Prop. Copyright L. 463, 463-66 (2001) (Eng.). See Grinvald, *supra* note 7, at 658-59 (trademark cases are extremely fact-specific, therefore issues that are brought to the court will need to arise to the trial level to be found by the fact-finder); Erin Coe, *SoCal Gains Traction As Hot Spot For Patent Cases*, Law360 (Dec. 2, 2013), <http://www.law360.com/articles/492220/socal-gains-traction-as-hot-spot-for-patent-cases>. While consistency in procedure might occur that does not effectively mean that litigation efforts will become more consistent or that courts will handle cases more efficiently. There is potential for more consistent or effective efforts to occur if the trademark disputes develop into a program designed around such disputes, such as a Patent Pilot Program. The purpose of the program is to set up front timelines that are to be adhered to throughout the litigation stages. While litigation provides some inconsistency, the patent pilot program has such specified dates to move cases expeditiously and proceed towards resolution.

n193. See Grinvald, *supra* note 7, at 686.

n194. See Lanham Act, 15 U.S.C. § 1051 et seq. (2012); Small Business Trademark Protection Act, H.F. No. 2996, 2012 H.R., 87th Sess. (Minn. 2012), available at <http://wdoc.house.leg.state.mn.us/leg/LS87/HF2996.0.pdf>; Trade Marks Act, 1994, c. 26, § 21 (U.K.); Trade Marks Act 1995 (Cth) s 129 (Austl.).

n195. See Appendix: Proposed Legislation, §§2, 3, which is attached to the end of this Comment.

n196. See generally Appendix: Proposed Legislation.

n197. Id.

n198. See note 192, supra.

n199. Due to the possibility of abuse and disparity in leverage between parties to trademark bullying cases, this comment proposes a mandatory pre-filing settlement conference similar to that of bankruptcy actions or child custody disputes. Similar to these types of cases, pre-filing is the appropriate measure in instances of trademark bullying because the disparity of leverage in cases of trademark bullying is sufficient to force companies out of business. Because young companies and start-ups have potential to grow at astronomical rates, it is imperative that these companies are not restrained to courtroom procedures or forced to pay litigation expenses that could defeat the business. See Raf Weverbergh, So how fast must your startup grow? Y Combinator has a growth benchmark to determine that, Whiteboard, <http://www.whiteboardmag.com/startup-grow-y-combinator-growth-benchmark/>; Bankruptcy Abuse and Consumer Protection Act of 2005, 11 U.S.C. § 1325 (2012); Child Custody Information Sheet - Child Custody Mediation, Judicial Council of California, (Jan. 1, 2012), available at <http://www.courts.ca.gov/1189.htm>.

n200. Appendix: Proposed Legislation, §§1(1), 2(1).

n201. Id.

n202. See Trade Marks Act, 1994, c. 26, § 21(2)(a) (U.K.); see also Trade Marks Act 1995 (Cth) s 129(2)(a) (Austl.).

n203. Trade Marks Act, 1994, c. 26, § 21(2)(a) (U.K.); Trade Marks Act 1995 (Cth) s 129(2)(a) (Austl.).

n204. Appendix: Proposed Legislation, § 3(1).

n205. See Jeff Rifleman, Mandatory Mediation: Implications and Challenges, Mediate.com (Dec. 2005), <http://www.mediate.com/mobile/article.cfm?id=1863>.

n206. See Appendix: Proposed Legislation, § 2(1)-(8).

n207. See *id.*

n208. *Id.* § 2(7).

n209. This type of punitive measure is becoming a trend in intellectual property law. Current patent reform discussions indicate an intent to require patent holding companies to pay attorney's fees to reduce extortion. See Grinvald, *supra* note 7, at 650-51; see also Jessica Meyers, Lawmakers: Patent reform will advance, Politico (Mar. 5, 2014, 2:48 PM), <http://www.politico.com/story/2014/03/patent-reform-104278.html>.

n210. Appendix: Proposed Legislation, § 2(9)-(10).

n211. *Id.*

n212. While the damages are not binding, the mediator can recommend damages and punitive measures to the court where they may be enforced at the court's discretion. Id.

n213. Id. § 2(4).

n214. Hijacking in this instance means that an individual could purposely use a similar trademark in order to ride off the trademark of another party. Since the process takes up to 45 days to meet for a pre-file settlement conference and any time afterwards if the alleged infringer appeals, a markholder may have their trademark taken or "hijacked" from them during this time period. Id. §§2(4), (9).

n215. Id.

n216. Id. § 2(5).

n217. See id. § 2(9)-(10).

n218. Id. § 3(1).

n219. Bankruptcy, divorce, and custody proceedings are examples where mandatory mediation is common, and are instances where strong policy dictates that it is necessary for mediation to be mandatory between the parties. See Bankruptcy Abuse and Consumer Protection Act of 2005, *supra* note 199; Child Custody Information Sheet - Child Custody Mediation, *supra* note 199; Martin Svatos, Mandatory Mediation Strikes Back, Mediate.com (Nov. 2013), <http://www.mediate.com/articles/SvatosM1.cfm>.

n220. The policy behind allowing mediation rather than litigation is to encourage families to work out issues on their own and independent of the court, or because certain issues are only exacerbated through the use of the court system. How Courts Work: In What Cases Might

Mediation Be Used?, A.B.A.,

http://www.americanbar.org/groups/public_education/resources/law_related_education_network/how_courts_work/mediation_whenuse.html
(last visited Feb. 22, 2015); How Courts Work: What are the Advantages to Mediation?, A.B.A.,

http://www.americanbar.org/groups/public_education/resources/law_related_education_network/how_courts_work/mediation_advantages.html
(last visited Feb. 22, 2015).

n221. POLTA's proposed pre-file settlement mediation closely resembles the pre-filing settlement conferences discussed in family law, collective bargaining contracts, community development, and small claims proceedings. This proposal relies on pre-filing strategies that weigh the balance of freedom to commercialize and the enormous growth potential of small companies, which may be made vulnerable by threats of litigation or trademark bullying. The early stage development of start-ups have enormous potential and trademark bullying is an easy way to frustrate these businesses and for trademark holders to create high barriers to entry in markets. Thus, there is a need to have some front end protection for these small businesses. See How Courts Work: What are the Advantages to Mediation?, A.B.A., http://www.americanbar.org/groups/publiceducation/resources/law_related_education_network/how_courts_work/mediation_advantages.html (last visited Feb. 22, 2015).

n222. Certain law clinics allow students to provide free legal work for small businesses/trademark holders, but the services are limited because of the level of skill required for complicated trademark cases. See, e.g., Small Business and Trademark Clinics, Dedman School of Law, <http://www.law.smu.edu/Academics/Clinical-Program/Small-Business-Trademark-Clinic.aspx> (last visited Feb. 22, 2015).

n223. Compare Lanham Act, 15 U.S.C. § 1051 et seq. (2012), with Appendix: Proposed Legislation.

n224. See Invisible Hand, *supra* note 81.

n225. Port, *supra* note 27, at 588-89.

n226. See Trade Marks Act, 1994, c. 26, § 21 (U.K.); Trade Marks Act 1995 (Cth) s 129 (Austl.).

n227. See generally Appendix: Proposed Legislation.

n228. See id.

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The New York Times

September 29, 2011 Thursday
Late Edition - Final

A Start-Up Takes On a Titan

BYLINE: By PETER LATTMAN and ANDREW MARTIN

SECTION: Section B; Column 0; Business/Financial Desk; Pg. 1

LENGTH: 1334 words

A light bulb went off for Christy Prunier while giving her 8-year-old daughter, Willa, a bath. The girl complained that she didn't like "babyish" soaps anymore.

Ms. Prunier got to work, and after three years of research, introduced a line of skin care products aimed at preteenage girls. The name? Willa, of course.

With lip balm, facial masks and lotions in whimsical purple and white bottles, Willa caught the attention of Target, J. Crew and trendy Upper East Side boutiques like Blue Tree, owned by the actress Phoebe Cates.

Procter & Gamble noticed Willa, too, but wasn't so enthusiastic. It sent Ms. Prunier a letter demanding that she drop the name Willa, or it would resort to "lengthy and expensive alternative measures." Willa, contends Procter & Gamble, sounds too much like Wella, its own brand of hair care products, and consumers would be confused.

Instead of changing the name, Ms. Prunier chose to fight back. The battle between Ms. Prunier and Procter & Gamble - or Willa versus Wella - goes to court next month.

"There's no chance here that anyone is going to be confused," said Ms. Prunier, 43, a former film executive who lives in suburban Connecticut. "They have nothing to lose. They are intent on shutting me down."

Ms. Prunier is not the first small-business owner to claim harassment by a large corporation over its name. After some small businesses complained about what they call "trademark bullying," Congress mandated a study of the issue.

In introducing the study, which was released in April, Senator Patrick Leahy, Democrat of Vermont, said, "I am concerned that large corporations are at times abusing the substantial rights Congress has granted them in their intellectual property to the detriment of small businesses."

The senator noted a "spurious" trademark claim from 2009 against a Vermont business, Rock Art Brewery. Hansen Beverage, the makers of Monster Energy drinks, objected to the brewery's Vermonster beer. Hansen dropped its claim provided Vermonster was not sold as an energy drink.

In another case, from last August, the Maya Archaeology Initiative fought claims by Kellogg that a bird depicted in the organization's logo is too similar to Toucan Sam, the bird on the Froot Loops cereal box. The two sides have since reached an agreement allowing the Mayan group to use its mark.

Facebook, meanwhile, has sued Teachbook.com, a Web site for teachers, for using the word "book" in its name. A Facebook spokesman declined to comment.

"The big corporations often send these cease-and-desist letters and issue threats regardless of the merits of the claims," said Erik M. Pelton, a trademark lawyer in Alexandria, Va. "They then use their endless resources and legal firepower to get the result they want: the small businesses often go away because they can't afford to fight back."

But Alan C. Drewsen, executive director of the International Trademark Association, said, "Just because trademark owners are big doesn't mean they're bullies. Major brands must have a carefully considered enforcement strategy in order to protect their intellectual property."

Indeed, the government's study found that evidence of widespread trademark bullying was inconclusive, suggesting that disputes "may be best addressed by the existing safeguards in the litigation system."

The report effectively killed any momentum for a legislative fix. Instead, regulators have urged the private sector to provide free or low-cost legal counsel to small businesses engaged in trademark disputes, a remedy that some small businesses and lawyers have criticized as being woefully inadequate.

Like many large corporations, P.&G. fiercely protects its intellectual property, and company lawyers routinely search for potential conflicts. Procter's lawyer contacted Ms. Prunier in January after she received government approval to use the Willa name.

For Ms. Prunier, the trademark approval was the end of a nearly three-year process of working with chemists and dermatologists to develop the Willa line. Her goal, she said, was to provide a natural alternative to the "Miley Cyrus, made in China, bubble-gum flavor products" currently on the shelves.

For instance, among her products is a face wash that "is meant to smell like a girl in the summertime who takes a shower outside," she said.

The natural personal care category is big business, estimated at \$5 billion a year in sales in the United States alone, according to Organic Monitor. A few one-time start-ups have made a killing, too; Tom's of Maine was purchased by Colgate-Palmolive for \$100 million in 2006, and Burt's Bees was bought by Clorox for \$925 million a year later.

Ms. Prunier said she developed Willa with help from her baby sitter, Francesca Harrell, a recent graduate of the Parsons School of Design, and Willa herself. Focus groups consisted of Willa's classmates from the Spence School, a private school on the Upper East Side, who sampled products and jotted their reactions on a clipboard. (The family moved to Connecticut this summer.)

Ms. Prunier was picking Willa up at Spence on Jan. 31 when she received a call from her trademark lawyer informing her of the Procter cease-and-desist letter. P.&G. gave her less than two weeks to confirm that she was "taking the necessary steps to comply with our client's demands."

Instead, she sought advice from Willa's best friend's father, a lawyer, who urged her to stand up to Procter & Gamble. Eventually, Ms. Prunier sued, asking a court to rule that Willa does not infringe upon the trademark for Wella, a German hair care brand that P.&G. acquired in 2003 for \$7 billion.

Procter has since demanded the hard drive from Ms. Prunier's computer to search for incriminating documents. And it issued subpoenas to Ms. Prunier's potential customers, including Ms. Cates, according to Ms. Prunier's lawyer.

"If you were the owner of this boutique, why would you want to get involved in this fight?" said William A. Brewer III, Ms. Prunier's lawyer. "It basically stops the forward thrust, or opportunity, for our client."

Jennifer J. Chelune, a spokeswoman for Procter & Gamble, said, "We believe that a range of hair and related products

called 'Willa' would be too close to our Wella brand name. This risks consumer confusion and is important to know that it could set a precedent that other companies could exploit to try and infringe our Wella trademark."

She said that the company's trademarks were "how we build consumer trust in our brands over many years" and needed to be protected. "Especially in today's Internet world, the size of the company makes little difference."

The case goes to trial in Federal District Court in Manhattan on Oct. 12. It is likely to hinge on whether a jury finds a "likelihood of confusion" among customers of Willa and Wella, a rather squishy legal standard that focuses on factors including the similarity of the marks and products, and whether they are sold in the same channels.

Ms. Prunier argues that Wella sells only hair care products, while Willa's line is broader. In addition, she said Wella is primarily sold in hair salons, while Willa would be offered in retail stores and boutiques.

Given the strain of the lawsuit and the estimated \$750,000 in legal fees, Ms. Prunier said she had thought about changing the name. But she said the story of Willa was crucial to the brand and any other name lacked "authenticity."

Willa's middle name, Price, doesn't work either. "The first thing I think of when I think about 'Price' is cost," Ms. Prunier said.

For Willa, now a smiley 11-year-old with braces, the family start-up has provided all sorts of lessons about the business world, not all of them pleasant. As she watched her mother break down in tears during an interview at her kitchen table, Willa struggled to maintain her composure.

"I think it's going to work out," Willa said. "It's just a lot of stress for my mom."

This is a more complete version of the story than the one that appeared in print.

URL: <http://www.nytimes.com>

LOAD-DATE: September 29, 2011

LANGUAGE: ENGLISH

GRAPHIC: PHOTOS: Christy Prunier said she started her line of skin care products for preteenagers when her daughter, Willa, right, said she was tired of using soap meant for little children. (B1)

Procter & Gamble contends that Willa, Christy Prunier's skin care line, is too similar to the name of its Wella hair care products. (PHOTOGRAPHS BY ANDREW SULLIVAN FOR THE NEW YORK TIMES) (B2)

DOCUMENT-TYPE: Web Log

PUBLICATION-TYPE: Newspaper

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The Vancouver Sun (British Columbia)

August 3, 2006 Thursday
Final Edition

Trademark bullying leaves a sour taste

BYLINE: Jan MacLellan, Vancouver Sun

SECTION: EDITORIAL; Pg. A16

LENGTH: 124 words

Re: Food court restaurateur egged in to battle, July 28

Don't the big guys have enough to do these days? A & W takes on the Gourmet Grill over its long-time breakfast menu, Starbucks takes on HaidaBucks, Vanoc takes on a well-established Vancouver restaurant over its Olympic name and the World Wildlife Federation takes on the World Wrestling Federation over its initials: Do these folks assume we can't tell the difference between wrestlers and pandas? Between a 25-year-old restaurant in Vancouver and a two-week sports event?

I have stopped donating to the WWF because I wanted my donations to be spent on animals, not on legal fees, and I will stop eating at

A & W because of this latest trademark dispute. Enough is enough.

Jan MacLellan

Burnaby

LOAD-DATE: August 3, 2006

LANGUAGE: ENGLISH

DOCUMENT-TYPE: Letter

PUBLICATION-TYPE: Newspaper

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US Official News

August 20, 2014 Wednesday

USPTO grants trade mark "BULLYING ISN'T CUTE" to Reach Clothing, LLC LIMITED LIABILITY COMPANY (OKLAHOMA)

LENGTH: 68 words

DATETIME: Alexandria

Reach Clothing, LLC LIMITED LIABILITY COMPANY (OKLAHOMA), has been granted trademark (4585439) titled as "BULLYING ISN'T CUTE" from the United States Patent and Trademark Office.

Status: Registered

Class/es: IC 041. US 100 101 107. G & S: EDUCATIONAL AND INFORMATIONAL SERVICES, NAMELY, PROVIDING TRAINING AND WORKSHOPS IN THE FIELD OF BULLYING PREVENTION AND ANTI-BULLYING METHODS. FIRST USE: 20120526.

Filing

LOAD-DATE: August 21, 2014

LANGUAGE: ENGLISH

PUBLICATION-TYPE: Newswire

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Copyright (c) 2011 Wisconsin Law Review
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2011 Wis. L. Rev. 625

LENGTH: 30359 words**ARTICLE:** SHAMING TRADEMARK BULLIES**NAME:** Leah Chan Grinvald*

BIO: * Assistant Professor of Law, Saint Louis University School of Law. For their helpful comments, the author would like to thank Barton Beebe, Irene Calboli, Eric Goldman, Cynthia Ho, Sonia Katyal, Edward Lee, J. Thomas McCarthy, Marcia McCormick, Karen Petroski, Lisa P. Ramsey, Matthew Sag, Mary Ziegler, the faculty at the Saint Louis University School of Law, the participants at the Tenth Annual Intellectual Property Scholars Conference, the students and participants at the Spring 2011 Chicago Intellectual Property Colloquium and the editors at the Wisconsin Law Review. The author would also like to thank Erin McGowan and Cory Smith for their invaluable research assistance and to the Saint Louis University School of Law for its generous research support.

LEXISNEXIS SUMMARY:

... Hansen's gravamen was that Rock Art's "VERMONSTER" beer allegedly infringed on Hansen's "MONSTER ENERGY" trademarks. ... Additionally, when combined with a corollary development in the standards for trademark infringement, these expansions are alarming, as the breadth of potentially infringing uses balloons to unprecedented proportions. . expansion of actionable confusion and related goods An additional development in trademark law that has expanded the scope of trademark protection has occurred in the standards for trademark infringement: the likelihood of confusion. ... However, traditional trademark law defined confusion narrowly and courts limited plaintiff recovery to situations of direct competition, where consumers of defendant's products overlapped with the plaintiff's consumers. ... In addition, these benefits that accrue to strong or famous trademarks, and the ability to lose such rights, have incentivized trademark owners aspiring to such status and expanded protection to increase their policing efforts. . aggressive policing to expand or maintain trademark rights An owner's trademark rights can be lost or restricted through a failure to control how third parties are using the trademark (or even similar trademarks). ... Actions taken by large corporations against individuals utilizing trademarks in this manner harms this mode of cultural expression because threats of litigation through cease-and-desist letters are often enough to eradicate the commentary. ... Without robust defenses, small-business owners and individuals are easy prey for trademark bullies seeking to increase the strength and exclusivity of their trademarks. . lack of consequences for abuse of trademark rights One of the ways a trademark bully always maintains an upper hand in a trademark dispute with a small business or individual is that the bully can decide not to pursue its claim of infringement if its target puts up an initial fight. ... This Article steps in to suggest just this: that shaming should be used by small businesses and individuals to punish trademark bullies and deter future trademark bullying. ... In sum, where all of the conditions are met (community, shared norms, targets are vulnerable to shaming, and the shamers are credible), shaming of trademark bullies has the potential to be successful in both punishing the bully and deterring future behavior.

HIGHLIGHT:

In September 2009, Hansen Beverage Company sent Rock Art Brewery a letter demanding that Rock Art cease and desist its use of "VERMONSTER" as a trademark for beer. Hansen is a multi-million dollar beverage corporation and Rock Art Brewery is a small brewing company owned by a husband-and-wife team based in Vermont. Hansen's gravamen was that Rock Art's "VERMONSTER" beer allegedly infringed on Hansen's "MONSTER ENERGY" trademarks. Instead of capitulating, Rock Art Brewery fought back, taking to the virtual streets of the Internet and galvanizing public sentiment against Hansen. The end result was an amicable settlement agreement that allowed Rock Art to continue its use of "VERMONSTER" as it had before.

Rock Art's success highlights a growing phenomenon in trademark law: the use of shaming by small businesses and individuals to defend themselves against a trademark bully. To date, most scholarly work on curtailing the over-enforcement of trademarks has been focused on legal means, such as developing stronger defenses to infringement. While this is important and meaningful work, focusing on purely legal means may not assist small businesses or individuals who have no access to legal resources in the first instance. The goal of this Article is to complement the work being done by these scholars and suggest that shaming can be an effective, pre-litigation tool to combat trademark bullies. Since shaming is currently not guaranteed to be effective or available to all small businesses and individuals, this Article suggests a number of legal reforms that could be undertaken in order to maximize the availability of shaming, as well as assist in effective shaming.

TEXT: [*627]

Introduction

In September 2009, Hansen Beverage Company sent Rock Art Brewery a letter demanding that Rock Art cease and desist its use of "VERMONSTER" as a trademark for beer.ⁿ¹ The letter stated, in part, "To protect [Hansen's] rights, we must insist that you ... immediately cease and desist from any distribution, sale or other use of VERMONSTER in connection with beverages, including the use of any advertising, promotional and point-of-sale materials that include the infringing mark" ⁿ² Hansen is a multi-million-dollar beverage corporation and Rock Art Brewery is a small brewing company owned by a husband-and-wife team based in Vermont. ⁿ³ Hansen's gravamen was that Rock Art's "VERMONSTER" beer allegedly infringed on Hansen's "MONSTER ENERGY" trademarks. ⁿ⁴ Instead of capitulating, Rock Art Brewery fought back, taking to the virtual streets of the Internet and galvanizing public sentiment against Hansen. ⁿ⁵ Rock Art Brewery's YouTube video garnered over fifty thousand viewers in the first couple of days of its posting, ⁿ⁶ and over ten thousand members in the Facebook group, "Vermonters and Craft Beer Drinkers Against Monster." ⁿ⁷ The end result was an amicable settlement agreement that allowed Rock Art to continue its use of "VERMONSTER" as it had before. ⁿ⁸

[*628] The attack on Rock Art Brewery by a large corporation is not a unique one. Unfortunately for small-business owners and individuals, large corporations have embarked on "cease and desist" campaigns that are intended to "bully" these small businesses and individuals into compliance. ⁿ⁹ Large corporations send out multitudes of letters demanding small businesses or individuals cease and desist in their use of a trademark that has some resemblance to a large corporation's trademark(s). ⁿ¹⁰ On many occasions, these letters appear to be sent out without any analysis of the purported infringement. ⁿ¹¹ These letters seem intended to simply intimidate the small business or individual into forgoing the use and/or registration of their trademark. ⁿ¹² The intimidation factor is high, as often the letter is sent by a law firm or the large corporation's legal department to the small-business owner or individual (who is typically not a lawyer). ⁿ¹³ The letter is generally written in legalese, citing court cases that may or may not be relevant to the small-business owner or individual. ⁿ¹⁴ The large corporation's rights are often vaguely stated, and the "fame" of the corporation's trademark(s) often overstated. ⁿ¹⁵ In addition, the letter often claims that [*629] the small-business owner or individual will have to pay attorney's fees. ⁿ¹⁶ Finally, an extremely short time-frame for a response by the bullying victim is demanded. ⁿ¹⁷

This bullying is a serious concern, as it has implications far beyond trademark law and impacts the U.S. economy and the freedom of cultural expression.ⁿ¹⁸ One of the harms produced by bullying is that economic competition is impaired.ⁿ¹⁹ In particular, small businesses and individuals are more adversely affected, as these victims do not have the wherewithal to fight legal battles. While changing or ceasing to use the trademark at stake without a battle may seem to be the least expensive option, altering a trademark (especially if it is also the business's name) can be an expensive proposition.ⁿ²⁰ In addition, it is not merely a change in trademark that the bully demands, but also a cessation of sales of goods bearing the trademark, along with any marketing materials, and, further, the delivery of the remaining products bearing the trademark to the bully (presumably for destruction), along with an accounting of past profits.ⁿ²¹ For a small business, the destruction of inventory and the payment of a licensing fee may push the business into bankruptcy, which reduces the potential [*630] for competition for the bully.ⁿ²² Even for individuals with no commercial interest at stake, complying with a cease-and-desist letter can still be expensive, as some letters demand payment of attorney's fees even if the recipient agrees to cease in its use of the trademark.ⁿ²³

Trademark law and the legal system, as both currently operate, work to assist, and perhaps even encourage, the bully's efforts. Trademark litigation is expensive, time consuming, and emotionally draining. Even if victims of bullying are able to access low-cost or free legal assistance, the non-monetary costs may continue to outweigh the benefits of fighting (even where the victim has a strong case).ⁿ²⁴ In addition, trademark law and the standards for infringement are notoriously malleable, and prior case law provides very little by way of guidelines for attorneys to advise victims on the probability of winning their lawsuits.ⁿ²⁵ While many scholars and commentators have been focused on curing the deficiencies of trademark law, such as proposing the need for stronger defenses to trademark infringement,ⁿ²⁶ focusing on such cures (which mainly assist only once a lawsuit has been commenced) will not assist in those numerous cases that never see the [*631] inside of a courtroom.ⁿ²⁷ Small businesses and individuals need tools to defend themselves against trademark bullies without the need for litigation.

This Article suggests one tool that has been gaining popularity with small businesses and individuals (such as in Rock Art Brewery's case): shaming trademark bullies.ⁿ²⁸ The goal of this Article is to complement the work being done by scholars on methods of curing trademark law deficiencies. This Article argues that shaming can be used by small businesses and individuals as a litigation alternative to stop the bullying without having to resort to the courts. However, shaming is not guaranteed to be successful or even low-cost. Nonetheless, shaming may be an effective alternative to litigation because the upfront monetary costs are low (relative to litigation), and it is one avenue for small businesses and individuals to obtain low-cost or free legal advice.ⁿ²⁹ In order to maximize the shaming benefits, this Article identifies three legal reforms that would make shaming more effective: providing protected spaces for shaming, adopting a "groundless threats" cause of action,ⁿ³⁰ and promoting responsible shaming. Together, these reforms would increase the likelihood of shaming success and work to reduce trademark bullying.

This Article proceeds in five parts. Part I looks at various expansions in trademark law that have contributed to, and perhaps fueled, trademark bullying. In addition, Part I provides a systematic analysis of the current practices of trademark bullies, before turning in Part II to the unique issues facing small businesses and individuals in attempting to mount a defense against a trademark bully. This examination includes a discussion of how legal avenues are insufficient [*632] to assist small businesses and individuals. Part III turns to shaming and the argument that shaming will be effective in the trademark enforcement context. In addition, Part III provides an overview of some of the advantages and disadvantages to shaming. Part IV addresses these disadvantages by proposing legal solutions to make shaming more effective. This Article concludes in Part V.

I. Expansive Trademark Rights and Bullying

It is a truism that trademark rights have been on an expansive track since the early twentieth century.ⁿ³¹ While the use of the law by bullies to coerce small businesses and individuals into cooperation is not unique to trademark law, there is a sentiment that such bullying has reached levels of concern in the trademark arena.ⁿ³² Although merely expanding the law to provide stronger protection to trademark owners does not, in and of itself, cause bullying, simultaneous developments have assisted in incentivizing bullying, including increased protection given to strong or famous

trademarks and a lack of meaningful developments to assist those accused of trademark infringement.ⁿ³³ This Part provides a brief and simplified overview of these developments that have expanded the rights of trademark owners and have pushed such owners to abusive tactics in order to capture and maintain their expanded rights.ⁿ³⁴ In addition, this Part provides an analysis of trademark bullying.ⁿ³⁵

A. Trademark Rights on an Ever-Expansive Track

The basic concept of a trademark as a symbol that identifies the source of a productⁿ³⁵ is perhaps the only item that has remained [*633] unchanged over the course of two hundred years of trademark law.ⁿ³⁶ Other basic trademark concepts, such as the scope of a protectable trademark, the rationale underlying protection of a trademark and the significance given to the fame of a trademark, have all significantly evolved.ⁿ³⁷ This evolution has been towards greater protection of trademark rights, typically to the benefit of wealthy trademark owners who can afford to take advantage of such expanded rights.ⁿ³⁸ Some have argued that this has incentivized trademark bullying and other destructive efforts by trademark owners.ⁿ³⁹

1. expansion in scope of protectable trademarks

The trademark of the twenty-first century bears little resemblance to the trademark of the late nineteenth century.ⁿ⁴⁰ Under traditional common law, a name or symbol used in connection with a business was only considered a trademark if it met the indices of a "technical [*634] trademark."ⁿ⁴¹ If the name or symbol did not meet these indices, it was considered merely a "trade name."ⁿ⁴² This categorization was important because it held legal consequences. A technical trademark owner could proceed on an action for trademark infringement, whereas a trade-name owner could only proceed under an action for unfair competition.ⁿ⁴³ A plaintiff in a suit for trademark infringement did not need to prove any intent to infringe on the defendant's part; however, a plaintiff in a suit for unfair competition did need to prove such intent.ⁿ⁴⁴ Since the standard to prove trademark infringement was lower than that of unfair competition, this categorization sometimes meant the difference in the probability of success for a plaintiff. In addition, the potential remedy in a trademark-infringement action was greater than that in an action for unfair competition. Whereas in trademark-infringement suits plaintiffs could be entitled to a blanket injunction if they won their case, in unfair competition suits plaintiffs were not entitled to such broad injunctions.ⁿ⁴⁵ Typically, if a plaintiff proved a case of unfair competition, the court would narrowly tailor the injunction to preserve the ability of the defendant to utilize the trade name at stake while dispelling any consumer confusion.ⁿ⁴⁶ As such, it was to the plaintiff's benefit if he could have his trademark classified as a "technical trademark."ⁿ⁴⁷

Around the turn of the twentieth century, this strict categorization began to blur as trade names began to be afforded protection similar to that of a technical trademark if the trade-name owner could prove "secondary meaning."ⁿ⁴⁸ "Secondary meaning" referred to the [*635] association of the trade name by consumers with the source of the product, so that the trade name was deemed to have acquired distinctiveness similar to that of a technical trademark.ⁿ⁴⁹ By the 1930s, the distinction between technical trademarks and trade names had blurred to such an extent that scholars of the period declared that "in the main the trade name cases tend to approximate the trade-mark decisions and that the supposedly sharp line of demarcation is being obliterated."ⁿ⁵⁰

With the passage of the Lanham Act in 1946, the distinction between the two categories and the use of the two terms was officially eliminated.ⁿ⁵¹ A trademark can now be both one that is inherently distinctive (formerly known as the technical trademark) and one that has acquired distinctiveness (formerly known as a trade name).ⁿ⁵² One court has stated, "While the terms, words, letters, signs and symbols used by the parties are in part trade-marks and in part tradenames, the precise difference is immaterial as the law protects against the appropriation of either upon the same fundamental principles."ⁿ⁵³ The import of the collapse of this distinction is that the broad injunctive relief in trademark-infringement actions (once reserved for a select category of trademarks) is now available to any source identifier that has acquired secondary meaning.ⁿ⁵⁴ Therefore, users of descriptive terms (such as "fish fry"ⁿ⁵⁵) or even advertising slogansⁿ⁵⁶ claim trademark protection through secondary meaning, which entitles them to claim infringement by a greater number of users of the descriptive term.ⁿ⁵⁷

This expansion in the category of source identifiers that may qualify for trademark protection is troubling because it not only impacts [*636] the ability of businesses to compete, but it also impacts the free expression rights of all entities and individuals.ⁿ⁵⁸ Additionally, when combined with a corollary development in the standards for trademark infringement, these expansions are alarming, as the breadth of potentially infringing uses balloons to unprecedented proportions.ⁿ⁵⁹

2. expansion of actionable confusion and related goods

An additional development in trademark law that has expanded the scope of trademark protection has occurred in the standards for trademark infringement: the likelihood of confusion.ⁿ⁶⁰ This liability standard refers to the probability (not the actuality or possibility) that consumers will be confused by the same or similar trademarks.ⁿ⁶¹ The core of the standard, confusion, has been around since the inception of trademark law in the United States.ⁿ⁶² However, traditional trademark law defined confusion narrowly and courts limited plaintiff recovery to situations of direct competition, where consumers of defendant's products overlapped with the plaintiff's consumers.ⁿ⁶³ With the burgeoning consumer-products market,ⁿ⁶⁴ this narrow approach to confusion soon gave way to a broader approach. In the case of *Aunt Jemima Mills Co. v. Rigney & Co.*,ⁿ⁶⁵ the plaintiff, Aunt Jemima Mills [*637] Company, made and sold pancake batter under the trademark "AUNT JEMIMA" and brought suit against the defendant who was using the same trademark on pancake syrup. While the plaintiff did not yet make pancake syrup, the court held that, "Syrup and flour are both food products, and food products commonly used together. Obviously the public, or a large part of it, seeing this trade-mark on a syrup, would conclude that it was made by the complainant."ⁿ⁶⁶

Later courts held similarly and when the new federal trademark law was passed in 1946, the statute "embraced" this "related goods" doctrine.ⁿ⁶⁷ Whereas the previous federal trademark statute, the 1905 Act, had required that trademark infringement be limited to unauthorized use "upon or in connection with the sale of merchandise of substantially the same descriptive properties as those set forth in [plaintiff's] registration,"ⁿ⁶⁸ the 1946 Lanham Act only required that the unauthorized use be in connection with goods or services.ⁿ⁶⁹ Amendments to the Lanham Act in 1962 strengthened the ability of plaintiffs to claim infringement based on not only confusion as to the source of products, but also as to association, sponsorship, or affiliation.ⁿ⁷⁰ As one court stated, "Under the Lanham Act, as amended, however, Congress adopted an open-ended concept of confusion. Any kind of confusion will now support an action for trademark infringement."ⁿ⁷¹ With the potential for confusion to reach across unrelated product categories, trademark owners have the ability to allege infringement over trademark use in increasingly larger swathes of life. For example, these expansions in trademark law provide fodder for lawsuits such as the *International House of Pancakes v. International House of Prayer*, where the plaintiff alleged confusion [*638] between the use of "IHOP" for pancakes (plaintiff's use) and religion (defendant's use).ⁿ⁷²

3. the fame monster

Bolstering these two developments has been the heightened significance paid by courts and legislatures to "strong" or "famous" trademarks.ⁿ⁷³ Trademark strength, or fame, refers to the level of consumer recognition for a particular trademark.ⁿ⁷⁴ The higher the levels of consumer recognition, that is, the more people recognize a trademark, the stronger or more famous the trademark is considered to be.ⁿ⁷⁵ The benefits of having a strong or famous trademark are manifold, but in particular, a strong or famous trademark receives the benefits of an expanded likelihood-of-confusion infringement standard in two ways. First, trademark strength is one of the factors considered in the likelihood-of-confusion analysis.ⁿ⁷⁶ The stronger one's trademark, the more likely it is that the court will determine that there is a likelihood of confusion. As one court has stated, "The stronger the mark, the more likely it is that encroachment on it will produce confusion."ⁿ⁷⁷

Second, a strong trademark can claim confusion over an expanded category of products and the various types of confusion, as the ability to claim such protection depends on the strength of the trademark. An owner whose trademark is considered "weak" may acquire rights to enjoin the use or registration of the same or similar trademark, but generally only where such third-party use is within the same category of products as the owner's trademark is used within.ⁿ⁷⁸ For

example, the owner of "FAMILY CIRCLE," a trademark for a woman's magazine, could not enjoin third-party uses of FAMILY CIRCLE for uses with [*639] women's clothing or food.ⁿ⁷⁹ However, if a trademark owner has acquired an increased level of consumer recognition, an expansion of product categories, along with affiliation and sponsorship confusion, becomes available to the trademark owner.ⁿ⁸⁰ For example, a "famous" trademark, such as "ARDEN B," a trademark for women's clothing stores, could enjoin not only third-party uses of ARDEN B and other formulations (such as "ARDENBEAUTY") for uses with women's clothing, but uses in other product categories, such as personal-care products.ⁿ⁸¹

Additionally, famous trademarks are afforded an alternative form of protection against potential dilution.ⁿ⁸² Dilution is a type of trademark infringement that does not need a likelihood of confusion to be actionable, but rather only a likelihood of dilution through an association between the senior and junior trademarks.ⁿ⁸³ Federal dilution law protects famous trademarks against the likelihood that the fame of the trademark will be diluted either through "blurring" or "tarnishment."ⁿ⁸⁴ Although the level of consumer recognition needed to qualify for this protection is quite high,ⁿ⁸⁵ this has not stopped trademark owners from laying claim to fame and alleging trademark dilution.ⁿ⁸⁶ This ability to claim fame in pre-litigation settings, such as in cease-and-desist letters, has provided trademark owners with hefty ammunition.ⁿ⁸⁷ In addition, these benefits that accrue to strong or [*640] famous trademarks, and the ability to lose such rights, have incentivized trademark owners aspiring to such status and expanded protection to increase their policing efforts.ⁿ⁸⁸

4. aggressive policing to expand or maintain trademark rights

An owner's trademark rights can be lost or restricted through a failure to control how third parties are using the trademark (or even similar trademarks).ⁿ⁸⁹ Since the expanded scope of trademark protection is afforded to stronger trademarks,ⁿ⁹⁰ trademark owners have a burden of either increasing the strength of their trademark, or ensuring that their strong trademark does not lose its strength.ⁿ⁹¹ In order to do this, trademark owners need to police the extent to which their trademark is used in similar product categories, as well as in other categories, as "trademarks are weak when they are merely one of a similar crowd of marks."ⁿ⁹² For example, where the owners of the trademark "DOMINO'S" for sugar had not objected to other uses of their trademark, the owners were restricted to exclusive use only in the sugar market.ⁿ⁹³ The possibility of a loss of trademark strength is cited frequently by trademark owners as the reason for aggressive trademark [*641] enforcement efforts: "We have an obligation to protect our trademark; otherwise we'd lose it."ⁿ⁹⁴

In addition, the fear of losing the ability to claim trademark infringement due to the equitable doctrines of acquiescence and laches may also underlie aggressive trademark enforcement strategies.ⁿ⁹⁵ These equitable doctrines work to estop a trademark owner from claiming trademark infringement due to the past inactivity of the trademark owner.ⁿ⁹⁶ For example, where the National Federation of the Blind had been aware of the Missouri Federation of the Blind since the latter's inception, and did not challenge the latter's use of the term for at least ten years, a court held that the senior holder could not claim trademark infringement from the junior user.ⁿ⁹⁷ As one commentator has noted, "The fear that not bringing a suit now might foreclose or damage interests in bringing suit later may lead to unnecessary litigation."ⁿ⁹⁸

The increased stakes in having a strong mark and the fear of acquiescence or laches provides an incentive (or excuse) to trademark owners to aggressively police their trademarks. Aggressive policing can quite easily cross the line into bullying, "after all, one person's policing is another person's harassment, or worse, abusive trademark litigation."ⁿ⁹⁹

B. Trademark Bullying

Trademark owners are incentivized by the developments in trademark law to obtain expanded trademark rights and to keep these rights through aggressive policing. However, some trademark owners cross the line from aggressive, but reasonable, trademark enforcement [*642] to abusive trademark enforcement.ⁿ¹⁰⁰ This section will define trademark

bullying, and then move on to a discussion of the harms bullying produces.

1. what is trademark bullying?

This Article defines "trademark bullying" as the enforcement of an unreasonable interpretation by a large corporation of its trademark rights against a small business or individual through the use of intimidation tactics. This definition tracks the standard definition of a bully, which is a person who is "habitually threatening, harsh, or cruel to others weaker or smaller than himself."ⁿ¹⁰¹ The reason is that where a large corporation unreasonably interprets its trademark rights and enforces that interpretation against a small business or individual through the use of intimidation tactics, the large corporation is deliberately (or at the very least negligently) intimidating or persecuting a weaker party. While neither unreasonable interpretation of trademark rights nor intimidation tactics are exclusively the domain of large corporations, this Article confines the definition of trademark bullying to when these elements are utilized by large corporations against small businesses or individuals because of the relative vulnerability of this category of potential targets. This vulnerability, or weakness, stems from these victims' inability to access the same legal tools as large corporations, which is more fully discussed in Part II. There are four elements in this Article's bullying definition, which are discussed in turn below: (1) unreasonable interpretation of rights, (2) intimidation tactics, (3) the trademark holder is a large corporation, and (4) the accused infringer is a small business or individual.

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a. Unreasonable interpretation of trademark rightsⁿ¹⁰²

While trademark owners have a justifiable need to police against unauthorized third-party uses of their trademarks, such policing crosses the line into bullying when large corporations unreasonably interpret their trademark rights. More specifically, an unreasonable interpretation of trademark rights occurs when large corporations do one or more of the following: (1) do not conduct a complete and objective assessment of the third party's trademark and/or use of the trademark, (2) exaggerate the strength of their trademark, or (3) exaggerate the extent to which confusion is likely.

In the first instance, trademark owners engage in unreasonable interpretations of their trademark rights when they conduct a cursory assessment of the infringing nature of the third party's trademark and the use of the trademark by the third party, or do not conduct an assessment at all.ⁿ¹⁰³ Warner Brothers' policing of third-party uses of "HARRY POTTER" is a prime example of when trademark owners cross the line into bullying through the failure to assess third-party uses of the corporations' trademark. When Warner Brothers purchased the merchandising rights to the Harry Potter book-series franchise, it embarked on a cease-and-desist letter campaign to capture all of the websites that had been registered using the term HARRY POTTER.ⁿ¹⁰⁴ These letters were apparently sent without an assessment of who operated the underlying website (individuals or businesses) or whether the websites were commercial in nature or purely non-commercial (set up by fans of the books and characters).ⁿ¹⁰⁵ Warner Brothers later discovered, to their chagrin, that many of its letters were sent not only [*644] to children (one letter recipient was fourteen years old) but that these websites were fan-based and not for commercial purposes.ⁿ¹⁰⁶

Next, trademark owners may cross the line into bullying through an exaggeration of the strength of its trademark and the corresponding scope of protection. While trademark law has provided an expansion of rights to owners of strong trademarks, not all trademarks qualify for such rights.ⁿ¹⁰⁷ Even where trademark owners have registered trademarks, this registration does not confer trademark strength.ⁿ¹⁰⁸ But in the pre-litigation enforcement stage, the assessment of the strength of one's trademark and its corresponding scope of protection is privately conducted, which means that the trademark owner can feel free to claim strength where there is none. As there are few bright-line rules in trademark law, this self-assessment is prone to subjectivity.ⁿ¹⁰⁹ Trademark owners cross the line into bullying when they take advantage of this subjectivity and contend that their trademark is worthy of strong protection without the evidence to support high levels of consumer recognition.ⁿ¹¹⁰ Another form of bullying comes when a trademark owner attempts to control all uses of a descriptive or generic term that the owner has registered as a trademark. For example, Entrepreneur Media has been on a decade-long campaign to eradicate all uses of the term "ENTREPRENEUR" with

respect to print and online media focusing on starting and operating small businesses, even though the term "entrepreneur" with respect to start-up businesses is decidedly descriptive, and perhaps even generic.ⁿ¹¹¹

In addition, an assessment of the third party's actions is needed in order to assess whether there is a likelihood of confusion between the third party's use of a trademark and the trademark owner.ⁿ¹¹² Similar to the self-assessment of the strength of one's trademark, this assessment [*645] of likelihood of confusion is also quite subjectiveⁿ¹¹³ and can be prone to exaggeration or incomplete analyses. Bullying occurs when trademark owners exaggerate the likelihood that a third party's trademark use would cause confusion with their own, especially where the allegation of confusion is based on an incomplete assessment of the third-party use.ⁿ¹¹⁴ For example, three out of the five domain-name owners that Ford Motor Corporation filed a lawsuit against for trademark infringement were simply "hobbyists."ⁿ¹¹⁵ One of the domain-name owners, the owner of "jaguarcenter.com," hosted a website about the wild cats and not cars.ⁿ¹¹⁶ In addition, trademark owners need to remember that the likelihood-of-confusion standard is based on a multi-factor analysis.ⁿ¹¹⁷ While there is some evidence that in conducting this multi-factor analysis courts tend to favor some factors over others,ⁿ¹¹⁸ trademark owners are not necessarily paying close attention to these factors, nor are they always analyzing third-party usage under all factors.ⁿ¹¹⁹ For example, where there is a large geographical distance between a trademark owner and the third party, this may be strong evidence that there is no likelihood of confusion.ⁿ¹²⁰

b. Intimidation tactics

The second element of trademark bullying is the intimidation tactics used by bullies in enforcing their trademark rights.ⁿ¹²¹ Intimidation tactics are not unique to trademark law, and other areas of the law, such as contract law, recognize that intimidation tactics utilized by stronger parties against weaker parties are contrary to public policy [*646] and should be deterred.ⁿ¹²² For example, in an action for contract enforcement, a defendant can argue that the contract should be voided based on defects at the time of contract formation, such as duress and undue persuasion.ⁿ¹²³ If a court voids the contract due to one of these intimidation tactics, the plaintiff has no further recourse against the defendant.ⁿ¹²⁴ Similar intimidation tactics are utilized by trademark bullies; these include a combination of undue economic pressure and coercive persuasion.

(i) undue economic pressure

Small businesses and individuals are often in precarious economic situations, as will be discussed in more detail below. This economic frailty is generally not the fault of the trademark bully; however, the bully takes advantage of the precarious situation of small businesses and individuals. Bullying occurs when the trademark owner provides no alternative other than to comply with the demands of the trademark owner.ⁿ¹²⁵ Typically the trademark owner couches the trademark dispute in very stark terms, offering the target the choice to cease using the trademark or fight through litigation.ⁿ¹²⁶ Other options, such as a co-existence agreement, a licensing arrangement, or mediation, may not be [*647] mentioned in the cease-and-desist letter.ⁿ¹²⁷ Litigating necessitates sufficient financial resources to see the lawsuit through until the final appeal.ⁿ¹²⁸ Financially, many small businesses and individuals have little resources to fight a legal battle against large corporations with deep financial pockets. As Matt Nadeau of Rock Art Brewery explained:

The way the system is set up, I'm being explained by these trademark lawyers, is that this will enter the court system and this \$ 1 billion corporation will be allowed to fight this in the courts with dollars. If I win the first round, they can appeal. And if I win the second round, they can appeal. And all the time, this starts at \$ 65,000 for each court case and goes and goes and goes. And at some point obviously, a small little Vermont brewery is not going to be able to afford this anymore. And what happens at that point when you're involved in this legal battle and can no longer afford to represent yourself, you lose by default. The court system says you default lose. What happens then? I have to change the name of the beer and move on if there's any brewery left.ⁿ¹²⁹

A trademark owner's threat that it will sue the small business or individual if they do not comply with its demands is often enough economic pressure to force the small business or individual into compliance. Additionally, bullying occurs (when coupled with an unreasonable interpretation of rights) when trademark owners include demands for attorney's fees in their cease-and-desist letters - even if the recipient complies - or claims that attorney's fees and costs will be awarded when the litigation against the small business or individual is [*648] found in favor of the large corporation (and the letter is often couched in terms that lead the recipient to conclude that the only outcome is that the large corporation will win).ⁿ¹³⁰ The small business or individual has no way of knowing that attorney's fees are awarded only in rare instances of trademark infringement.ⁿ¹³¹

(ii) coercive persuasion

While trademark owners have an obligation to put third parties on notice about their trademark rights, the manner in which such notice is couched can be coercively persuasive. Coercive persuasion occurs when one party takes "'unfair advantage of another's weakness of mind; or ... a grossly oppressive and unfair advantage of another's necessities or distress.'" ⁿ¹³² The majority of cease-and-desist letters include a variety of aspects that unfairly take advantage of small businesses' or individuals' lack of legal knowledge. ⁿ¹³³ The cease-and-desist letter is typically written by a lawyer (either the corporation's in-house lawyer or an outside law firm) and written in legalese. ⁿ¹³⁴ The letter will sometimes cite to court cases, which may or may not be relevant to the small business or individual (not that the victim would have reason to know that). ⁿ¹³⁵ Not only do these letters take unfair advantage of the recipients' lack of legal knowledge, there is also an element of emotional coercion. This type of letter from a lawyer, received by a non-lawyer, often brings emotional distress, which many [*649] recipients of cease-and-desist letters cite upon receipt. ⁿ¹³⁶ In addition, many large corporations demand an extremely short time-frame for a response by the small business. ⁿ¹³⁷ This takes further advantage of the recipients' lack of legal knowledge, as the short time frame does not provide enough time for the small business to properly consult an attorney. ⁿ¹³⁸

c. Trademark holder is a large corporation and accused infringer is a small business or individual

The third and fourth elements of trademark bullying are focused on the parties involved in the bullying. "Large entities or corporations" and "small businesses or individuals" are defined in terms of financial strength, and this Article is focused on assisting those small businesses and individuals with few or no financial resources to defend against trademark bullying. ⁿ¹³⁹ The reason for this is that an entity or individual's financial resources is likely to be a factor in whether the entity or individual maintains a legal budget and the size of such budget. ⁿ¹⁴⁰ And whether an entity or individual maintains a legal budget (as well as the size) is a major factor in whether that entity or individual will be able to access the legal resources needed to defend itself against trademark-infringement allegations. ⁿ¹⁴¹ An inability to access legal resources is what makes the targeted small businesses and individuals "weaker" than the large corporations. In exploiting this weakness, large [*650] corporations are violating a widely held norm against bullying. While there are instances of large corporations attempting to intimidate small businesses or individuals with high levels of financial resources, ⁿ¹⁴² this does not violate the norm against bullying. These targets are not weaker than the large corporations, as they have sufficient resources to access the legal system and properly defend themselves against these attacks. ⁿ¹⁴³ And although this behavior may have similar deleterious effects on competition and freedom of expression, ⁿ¹⁴⁴ this behavior is better termed harassment and not bullying.

2. societal harms produced by bullying

Abusive enforcement of rights, whether in the trademark arena or elsewhere, is harmful to society as a whole. ⁿ¹⁴⁵ Specifically, in the trademark arena, one of the main harms produced by abusive enforcement of trademark rights is a reduction in competition. ⁿ¹⁴⁶ Free competition among businesses is the bedrock upon which American capitalism has been thought to rest, and the government has been devoted to regulating anti-competitive behavior since 1890. ⁿ¹⁴⁷ However, the majority of trademark bullying will not fall within the purview of antitrust law, as a trademark is unlikely to generate market power, ⁿ¹⁴⁸ which is the main requirement for an antitrust cause of action. ⁿ¹⁴⁹ [*651] Perhaps due

to this, there have been only rare instances where antitrust claims are brought for trademark misuse.ⁿ¹⁵⁰

This allows large corporations to bypass anticompetitive regulation and achieve the desired end result: reduced competition for their products. The reduction in competition comes in two ways. The first is from a reduction in the number of products bearing the same trademark as the large corporation - or even the level of use by third parties of the trademark. This reduction can come through efforts to stop the use of a trademark or similar variations by third parties in a broad range of product categories, in domain names, or even the use of descriptive trademarks in advertising or on product packaging.ⁿ¹⁵¹ If there is only one corporation utilizing a particular trademark, the trademark becomes stronger, meaning it is more recognizable to consumers.ⁿ¹⁵² Greater recognition with consumers typically translates into an increased likelihood that consumers will purchase the large corporation's products, rather than a competitor's products with a lesser recognized trademark.ⁿ¹⁵³ The second form of reduced competition comes from the cessation of sales of a certain product by the small businesses or individuals. As discussed above, even though the small business or individual complies with the bully's demands, compliance may push the victim into bankruptcy. Complete compliance with a bully's demands may mean the destruction of inventory bearing the infringing trademark, payment of licensing fees for past salesⁿ¹⁵⁴ and even payment of attorney's fees.ⁿ¹⁵⁵ In addition, altering a business's trademark can be expensive, with some small-business owners paying costs of \$ 50,000.ⁿ¹⁵⁶ The financial failure of the victim reduces the number of products that compete with the large corporation's products.ⁿ¹⁵⁷

[*652] Other societal harms that bullying causes are "assaults on cultural expression and free speech."ⁿ¹⁵⁸ Perhaps the most harmful bullying targets individuals who are utilizing a trademark to parody, criticize, or comment on a trademark owner.ⁿ¹⁵⁹ Expressions of criticism and parodies provide invaluable commentary on cultural phenomena, such as well-known trademarks.ⁿ¹⁶⁰ For example, various parodies utilizing "Barbie" (either the doll or the trademarked name) such as the 1997 song produced by Aqua, "Barbie Girl,"ⁿ¹⁶¹ provide insightful commentary on American culture and the "ideal" woman. In holding that Aqua had a right to use "Barbie" in its song, the Ninth Circuit upheld Aqua's First Amendment right to such commentary, stating: "The song pokes fun at Barbie and the values that Aqua contends she represents."ⁿ¹⁶² In addition, some trademarks transcend their source-identifying functions and become cultural property in their own right,ⁿ¹⁶³ even entering our language. As Judge Kozinski has asked, "How else do you say that something's 'the Rolls Royce of its class'? What else is a quick fix, but a Band-Aid?"ⁿ¹⁶⁴ Actions taken by large corporations against individuals utilizing trademarks in this manner harms this mode of cultural expression because threats of litigation through cease-and-desist letters are often enough to eradicate the commentary.ⁿ¹⁶⁵

In sum, trademark bullying of small businesses and individuals is a serious cause for concern, as has been recently noted by members of Congress.ⁿ¹⁶⁶ In the Trademark Technical and Conforming Act, passed in early 2010, Congress commissioned a study to be undertaken by the Intellectual Property Enforcement Coordinator to examine this very [*653] issue.ⁿ¹⁶⁷ The legislation calls for a report studying "the extent to which small businesses may be harmed by litigation tactics by corporations attempting to enforce trademark rights beyond a reasonable interpretation of the scope of the rights granted to the trademark owner."ⁿ¹⁶⁸ While the commissioned study is focused in particular on small businesses, bullying of individuals should also be included as well, since trademark bullying brings the very real potential of the bankruptcy of both small businesses and individuals (as will be discussed in more detail below). With the current economic environment, actions that are taken by entities that impede an economic recovery should be closely scrutinized.

II. Fighting Back: Problems Facing Small Businesses and Individuals

As previously acknowledged, unreasonable interpretation of rights coupled with intimidation tactics can occur among entities and individuals of all sizes.ⁿ¹⁶⁹ However, this rises to the level of bullying only when undertaken by large entities and directed at small businesses and individuals because of their relative vulnerability vis-a-vis the large entities. This vulnerability or weakness stems from an inability to access or afford legal tools. The question becomes one of how to overcome bullying for this category of individuals. Part of the answer to this question lies in the social-movement literature, which shows that litigation is but one tool in the arsenal of effecting change.ⁿ¹⁷⁰ In addition, litigation may not even be the best tool, as there are some actors who cannot or should not litigate.ⁿ¹⁷¹ Other

tools that actors may [*654] utilize include direct action protests, lobbying, and shaming.ⁿ¹⁷² In the trademark context, this Article argues that shaming is an especially powerful tool for small businesses and individuals, as this group cannot, and should not, litigate.ⁿ¹⁷³ This Part explores why small businesses and individuals cannot and should not litigate trademark disputes and then turns in Part III to this Article's proposed shaming solution.

A. Why Small Businesses and Individuals Cannot Litigate Trademark Disputes

Upon receipt of a cease-and-desist letter, a rationally minded corporation with unlimited monetary resources would not capitulate immediately, even if its internal analysis of the infringement claim indicated that it had a low likelihood of winning any potential lawsuit. Instead, the rational corporation would likely call the bluff of the threatening company because the rational corporation knows that only 3 percent of all threats of litigation end up in court.ⁿ¹⁷⁴ If the rational corporation does become embroiled in litigation, it will have the resources to defend itself in the litigation or pay for a settlement with the suing trademark owner. However, small businesses and individuals have neither the infrastructure of large corporations to analyze trademark-infringement claims for validity nor the monetary resources to bluff out would-be bullies.

1. lack of infrastructure

In the United States, approximately 78 percent of the twenty-seven million small businesses are owned and managed by a single individual without additional employees.ⁿ¹⁷⁵ This means that the small business is [*655] in a similar situation as an individual who receives a cease-and-desist letter. When an individual or small business receives the letter, the proprietor of the small business or the individual is the one who will need to handle all aspects of the issue: the analysis, response, and strategy planning. Unlike a large corporation with a staff of in-house lawyers who may be able to conduct a trademark-infringement analysis, the small-business owner or individual will likely not be capable of conducting a proper analysis on her own, as she is not likely to be a lawyer.ⁿ¹⁷⁶ Even if the owner or individual is a lawyer (or perhaps has family or friends that are lawyers), it is likely that trademark law is not her area of expertise.ⁿ¹⁷⁷

In addition, litigation is a time-consuming process, even for a large corporation with a staff of in-house lawyers. From claim analysis to strategy planning, to pre-trial meetings, discovery, and trial, litigation of a trademark-infringement claim may take up to a year to complete, at best.ⁿ¹⁷⁸ Since it is likely that the small-business owner is both the manager and sole employee of the business, it is unlikely that the owner will have the time to focus on any issues unrelated to the day-to-day workings of the business.ⁿ¹⁷⁹ Similarly, an individual who has received a cease-and-desist letter is likely to have a full-time job that is unrelated to her trademark use, as many individuals who are targets of cease-and-desist letters are targeted due to domain-name ownership, blogs, fan-based usage, or other non-commercial uses.ⁿ¹⁸⁰ Further, litigation, and even threats of litigation, brings emotional costs as well, especially for small-business owners and individuals, as threats of litigation may be perceived as a personal attack. Lauren Thom, the recipient of a cease-and-desist letter from the National Football League for selling t-shirts, [*656] described that her cease-and-desist letter "scared the bejesus out of me."ⁿ¹⁸¹

2. lack of monetary resources

Without the internal capacity for an analysis of the trademark-infringement claim, the small business or individual will need outside legal assistance. Unlike large corporations with large legal budgets and multiple outside law firms on retainer, small-business owners and individuals generally operate on a very tight budget.ⁿ¹⁸² Most small businesses are undercapitalized,ⁿ¹⁸³ which means that it is likely that the owner has not properly funded the business to begin with.ⁿ¹⁸⁴ To compound the undercapitalization problem, many small businesses poorly estimate their future earnings and do not manage their cash flow well.ⁿ¹⁸⁵ Further, it would be unlikely that the small-business owner will have adequately budgeted for any potential litigation, as many small businesses conduct inadequate risk assessments.ⁿ¹⁸⁶ The same is true for individuals. The median American income in 2009 was \$ 49,777.ⁿ¹⁸⁷ Many Americans operate on a budget that only includes expenses that can be covered by a monthly paycheck, supplemented by credit cards.ⁿ¹⁸⁸ In addition, the majority of Americans have fairly low savings rates.ⁿ¹⁸⁹ Therefore, it is likely that when a cease-and-desist letter

arrives, the small-business owner and the individual will not be able to afford any type of legal assistance and will likely capitulate.ⁿ¹⁹⁰ While [*657] many cease-and-desist letters are sent without the sender's intention of litigating, the victim has no access to that information.ⁿ¹⁹¹ In particular, where the sender has built up a reputation for litigating, or includes in the cease-and-desist letter examples of other compliance, the likelihood of bluffing out the large corporation appears minimal to a small business or individual.ⁿ¹⁹²

B. Why Small Businesses and Individuals Should Not Litigate Trademark Disputesⁿ¹⁹³

Even in the event that the small business or individual is able to access legal assistance (either through cash-flow reserves, insurance coverage, or pro bono assistanceⁿ¹⁹⁴), the small business or individual should not litigate trademark disputes. The likely legal advice to the small business or individual will reflect this.ⁿ¹⁹⁵ This is due to several features of trademark law, which work against this category of victims. First, previously litigated trademark cases do not provide well-founded precedent for future predictions of success. Second, statutory defenses in trademark law are grossly underdeveloped, leaving the small business or individual with few clear grounds to claim that its [*658] trademark use is appropriate.ⁿ¹⁹⁶ Finally, the recipient of a cease-and-desist letter has few, if any, tools for a legal counterattack.ⁿ¹⁹⁷ Therefore, it will be unlikely that a competent trademark attorney will be able to confidently advise a small-business owner or individual that the matter could be resolved without the need for litigation.ⁿ¹⁹⁸

1. lack of precedential value of previously litigated trademark cases

Trademark-infringement cases are extremely fact-specific.ⁿ¹⁹⁹ Likelihood of confusion, the test for trademark infringement, is considered an issue of fact at the trial level.ⁿ²⁰⁰ The implication stemming from this fact-intensive litigation is that it is hard to determine with very real certainty how future courts will use prior cases. Since each litigated case heavily depends on the facts and circumstances of the specific situation of the plaintiff and the defendant, it is highly unlikely that what one court considered non-infringement will be applicable in future cases, even with the same or slightly varying facts.ⁿ²⁰¹ In addition, on appeal, while many courts will review the lower court's decision applying a more deferential standard of review, the "clearly erroneous" standard, there are three high-volume circuits that apply the "de novo" standard and review the evidence afresh.ⁿ²⁰² The possibility for a reversal of a lower-court decision is high under a de novo review standard.ⁿ²⁰³ A high possibility of reversal adds [*659] to the lack of ability to glean guidelines from the case law. This provides the trademark attorney with little firm guidance to advise her client. With little value in precedential cases (along with a lack of statutory defenses, as discussed next), an attorney's legal advice will be crafted from prior experience, along with her knowledge of the large corporation.ⁿ²⁰⁴

In addition, in crafting her legal advice, the attorney will likely take into account the financial resources and other personal characteristics of her client. This will mean that even if the attorney believes that her client has a fairly strong case, the attorney may still advise her client to comply with the cease-and-desist letter's demands in order not to incur litigation costs or other non-financial tolls.ⁿ²⁰⁵ As discussed above, litigation costs do not end with the first trial.ⁿ²⁰⁶ Even if the small business were to win at trial, the large corporation could appeal, adding to the costs.ⁿ²⁰⁷ One attorney advised Nadeau of Rock Art Brewery the following: "They will drag this out until you can't afford it... you got two boys, you got a wife, you got a business, you got employees, you got to think about that. My recommendation, if you can't afford it, just change the name and move on."ⁿ²⁰⁸ Another small-business owner, Stacy Crummett, stated: "Of course, because they're a million-dollar beast [referring to the sender of her cease-and-desist letter], we have no choice. We would fold just in fighting them."ⁿ²⁰⁹

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2. lack of defenses to trademark infringement

To compound the lack of guidance from previously litigated trademark cases, there is a significant gap in statutory and common law defenses in trademark law.ⁿ²¹⁰ There are approximately three or four recognized defenses in trademark law, including fair use (classic and nominative), trademark use, and First Amendment arguments.ⁿ²¹¹ However, some

commentators have argued that these are not even affirmative defenses as such.ⁿ²¹² This means that instead of acting as a "screening mechanism" to weed out infringement claims based on typically legally sanctioned trademark uses such as news reporting, commentary, and artistic works,ⁿ²¹³ under the current defense jurisprudence, courts still need to conduct a likelihood-of-confusion analysis.ⁿ²¹⁴ The defenses, therefore, appear to be available to defendants only after they have proven there is no likelihood of confusion anyway.ⁿ²¹⁵ The implication from the lack of "autonomous defenses" in trademark law is that defendants must continue to go through the lengthy and costly litigation process in order to vindicate their trademark use.ⁿ²¹⁶

In addition, other statutes that trademark-infringement defendants could use to defend their trademark use, such as anti-Strategic Lawsuit Against Public Participation ("SLAPP") laws, do not really provide any reliable assistance. Anti-SLAPP laws have been applied in the trademark-infringement context, as the use of a trademark can qualify as an "act in furtherance of a person's right of petition or free speech."ⁿ²¹⁷ However, even though states that have enacted this law did so in order "to promptly expose and dismiss meritless and harassing claims seeking to chill protected expression,"ⁿ²¹⁸ most trademark-related anti-SLAPP motions are denied.ⁿ²¹⁹ As with trademark-specific defenses, [*661] the effect of this is that defendants will typically need to continue with the lawsuit.

Although many commentators have recognized the need for more robust defenses in trademark law, courts and Congress have been slow to act.ⁿ²²⁰ The last time the Supreme Court granted certiorari in a trademark case involving a trademark defense was in 2004, and its ruling arguably failed to clarify the applicable standards.ⁿ²²¹ In addition, some commentators argue that courts will not develop robust defenses without Congressional authorization, such as through amendments to the Lanham Act.ⁿ²²² Without robust defenses, small-business owners and individuals are easy prey for trademark bullies seeking to increase the strength and exclusivity of their trademarks.ⁿ²²³

3. lack of consequences for abuse of trademark rights

One of the ways a trademark bully always maintains an upper hand in a trademark dispute with a small business or individual is that the bully can decide not to pursue its claim of infringement if its target puts up an initial fight.ⁿ²²⁴ A trademark bully has this option because unlike other areas of intellectual property law, such as copyright law, a trademark bully faces no consequences for abusing her trademark rights.ⁿ²²⁵ For example, in copyright law, courts have recognized a doctrine of "copyright misuse," which a defendant may plead against a plaintiff in copyright infringement cases.ⁿ²²⁶ Copyright misuse occurs in cases where "a copyright owner [uses] an infringement suit to obtain [*662] property protection ... that copyright law clearly does not confer, hoping to force a settlement or even achieve an outright victory over an opponent that may lack the resources or the legal sophistication to resist effectively."ⁿ²²⁷ Where a court has found that a plaintiff has misused its copyright in a particular instance, the court has disallowed the plaintiff's infringement suit until the misuse is "purged."ⁿ²²⁸ While the defense of copyright misuse has been applied when plaintiff's actions rise to the level of anti-competitive behavior, courts have recognized that the defense could be applied when plaintiff's actions amount to behavior that violates the public policy of copyright.ⁿ²²⁹

However, in trademark-infringement suits, defendants are rarely granted a trademark-misuse defense.ⁿ²³⁰ In the few cases that have recognized a defense of trademark misuse, the defense has been limited to antitrust claims and is typically brought up when a franchisor abuses its relationship with its franchisee.ⁿ²³¹ Outside of the antitrust claim arena, "courts occasionally exercise discretion to withhold injunctive relief, but have declined to recognize misuse as an independent doctrine."ⁿ²³² In addition, although trademark plaintiffs can face an abuse-of-process cause of action from defendants, this is rarely successful.ⁿ²³³ Further, no court has recognized an affirmative cause of action for trademark misuse.ⁿ²³⁴

The lack of an affirmative action or defense for trademark misuse creates "one-way liability"ⁿ²³⁵ in favor of large trademark owners. Large trademark owners, especially those with big legal budgets, are allowed to send cease-and-desist letters with impunity to small businesses or individuals, as without a defense or affirmative cause of action for trademark misuse, there are little to no costs associated with the [*663] sending of the letter.ⁿ²³⁶ As discussed above, when a cease-and-desist letter is sent by a large corporation to a small business or individual, it is

highly likely that a small business or individual will comply with the demands in the letter, as this type of victim lacks the wherewithal to fight the large corporation.ⁿ²³⁷ In fact, some trademark owners may desire to obtain a reputation for bullying, as it allows such trademark owners to cite to past "successes" of compliance.ⁿ²³⁸ This then raises the probability that future cease-and-desist letter recipients will comply with the owner's demands. For example, the Village Voice consistently cites to its past successes of compliance when sending new letters. When the Village Voice sent a cease-and-desist letter to the Cape Cod Voice, its letter stated, "We hope to resolve this matter amicably, and, if you respond promptly, are willing to work with you in an effort to minimize any disruption to your company's business. Our previous experience with the Bloomington Voice, Dayton Voice and Tacoma Voice newspapers ... indicates that we can accomplish this goal."ⁿ²³⁹

Taken altogether, the lack of precedential value of previously litigated trademark cases, the lack of defenses to trademark infringement, and the lack of consequences for an abuse of trademark rights lead to the conclusion that small businesses and individuals should not litigate trademark disputes.ⁿ²⁴⁰ Even where small businesses and individuals can access the legal system, these features of trademark law work against this category of victims. Because litigation is not a viable tool for small businesses and individuals, these victims are left without legal tools that would force trademark bullies to fairly negotiate settlements. It is clear that small businesses and individuals need litigation alternatives with which to defend themselves against trademark bullies. The next Part suggests that shaming trademark bullies may provide one effective alternative.

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III. Shaming Trademark Bullies

Shaming as a sanction is not a new concept and has been around since biblical times.ⁿ²⁴¹ More recently, shaming has been incorporated (or commentators have argued for incorporation) in a variety of settings, such as shaming criminals, tax evaders, low-performing corporations, and polluting corporations.ⁿ²⁴² In each setting, shaming is seen to be able to both punish the offender as well as deter similar behavior in the future.ⁿ²⁴³ A common thread in the current scholarship on shaming is that the government is generally in the best position to shame the offender, with few commentators arguing that shaming be conducted by private individuals.ⁿ²⁴⁴ This Article steps in to suggest just this: that shaming should be used by small businesses and individuals to punish trademark bullies and deter future trademark bullying. This Part discusses shaming, including the conditions for successful shaming, an explanation of why shaming of trademark bullies has the potential to be effective, in addition to the advantages and disadvantages of shaming.

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A. Shaming and the Conditions for Success

Shaming is a method of publicizing someone's wrongful behavior, where such behavior is perceived to have violated a social norm.ⁿ²⁴⁵ "Shaming is the process by which citizens publicly and self-consciously draw attention to the bad dispositions or actions of an offender, as a way of punishing him for having those dispositions or engaging in those actions."ⁿ²⁴⁶ From "scarlet letters,"ⁿ²⁴⁷ to special t-shirts,ⁿ²⁴⁸ to personal signs,ⁿ²⁴⁹ the message regarding the wrongful behavior is communicated to the relevant community in which the target of the shaming resides.ⁿ²⁵⁰ While shaming was perhaps more common in the colonial days of the United States,ⁿ²⁵¹ in the past decade, judicially imposed shaming sanctions have been on the rise for non-violent criminal offenders and corporations alike.ⁿ²⁵² In addition, advocates for shaming as a legal alternative or as a complement to traditional civil and criminal sanctions such as fines or imprisonment have been increasingly more vocal in the past two decades.ⁿ²⁵³

Shaming can be effective as a punishment and as a deterrent for future behavior (both for the target as well as other individuals contemplating similar behavior): "The sting comes from the expectation that because one has developed a reputation as a bad and unreliable person, one will lose future opportunities which have significant value."ⁿ²⁵⁴ The future opportunities that may be lost to the target of the shaming may be monetary or non-monetary. For example, when

human-rights activists shamed sports-apparel manufacturer Nike for its employment of children in Southeast Asia and other human-rights [*666] violations, Nike developed a reputation as a poor corporate citizen.ⁿ²⁵⁵ Consumers of Nike stopped purchasing Nike shoes, which led to a current loss in revenue, and also a future loss in revenue as potential consumers were deterred from purchasing Nike products.ⁿ²⁵⁶

Three parties are involved in a shaming situation. First, the shamer is the one who undertakes the shaming. The shamer can be an individual, a group of individuals, corporate entities, or government-sponsored entities such as judges. In the Nike example above, the shamers were individual activists shaming a large corporation, Nike. The second party in a shaming situation is the target of the shaming, or the Nikes of the world. The target is the individual or entity who has transgressed a social norm, and the shaming punishes the target for such transgression. The final party, and in some respects the most important party of the shaming situation, is the community of the shamer and the target.ⁿ²⁵⁷ In the case of corporate targets, such as Nike, the community is made up of the consumers of Nike. The community is an essential party to the shaming, as the shaming cannot be effective if the community does not respond by shunning the target.

However, in order for shaming to be successful, at least four conditions are needed.ⁿ²⁵⁸ The first is that the target is vulnerable to shaming.ⁿ²⁵⁹ If the target possesses some special characteristics, or engages in interactions where reputation is not needed, shaming may not be effective.ⁿ²⁶⁰ It is not necessary that the target actually feel any "shameful" emotion in order for the shaming to be effective.ⁿ²⁶¹ More critical to successful shaming is that the community to which the shaming is directed understands that the target has violated a norm and reduces the level of reputation in which the target was previously held.ⁿ²⁶² Therefore, the second condition for successful shaming is that [*667] the community shares in the norms that the target has transgressed. If the community does not share a particular norm, the shaming will likely fall on deaf ears.

Related to the shared norms within a community is the third condition to successful shaming, which is an overlapping community that consists of consumers (in the case of corporate targets or in the case of individual shamers, followers) of both the target and the shamer. This is needed because the shaming of a target involves the reduction of the target's reputation in the eyes of the community and the potential for a boycott of the target. But one of the ways the community is most effectively activated to boycott the corporate target is if members were previously consumers or followers of the target and the shamer. In the Nike example above, the community included members who were both concerned with human rights (followers of the human-rights activities) and consumers of Nike products. The final condition for successful shaming is the credibility of the shamer.ⁿ²⁶³ But the shamer may not be in the best position to be believed, "[the community] might believe, for example, that the person who unsuccessfully tries to shame someone else is a competitor with the target of his shaming and wants to eliminate his rival - whether it is for a business opportunity or for something else."ⁿ²⁶⁴

Of these conditions, some commentators have argued that in the corporate context, the credibility of the shamer may be an important limitation in a shaming situation.ⁿ²⁶⁵ In particular, these commentators view the shamer's information and her motivations as critical for inducing the community to engage in the shaming of the target.ⁿ²⁶⁶ The reason is that if the shamer does not have the full information on the target's behavior, she may be shaming a target that is not "shameful."ⁿ²⁶⁷ In addition, if the shamer's motive for shaming the target stems from self-interest (for example, personal gain) the community may carry out inappropriate shaming.ⁿ²⁶⁸ While these are important considerations, the strength of the shamer's community membership is arguably a condition precedent to the credibility of the shamer. The reason is that the power to shame rests in the communityⁿ²⁶⁹ and if the shamer does not have a strong community [*668] membership, her shaming will not be successful even if her information is accurate and her motives pure. The situation of Rag City Blues, a small business operating in Hollister, California, is a good example of this. The proprietor of Rag City Blues attempted to utilize the term "HOLLISTER" in connection with its trademark "RAG CITY BLUES" on its blue jeans.ⁿ²⁷⁰ Abercrombie & Fitch, the monolithic corporation that owns the Hollister brand, objected.ⁿ²⁷¹ Although the proprietor of Rag City Blues was able to obtain support from her local council people and other small businesses in Hollister, California, her attempts at shaming Abercrombie & Fitch did not work.ⁿ²⁷² One of the potential reasons for the unsuccessful shaming is the lack of a strong membership in the consumer community. At the time of the

attempted shaming, Rag City Blues had just been restarted, with little time to foster its community membership. ⁿ²⁷³

B. Why Does Shaming Trademark Bullies Have the Potential to Be Effective?

When corporate entities are shamed, there are two potential parties that may be shamed: the individual managers of the corporate entity and the entity itself. ⁿ²⁷⁴ While individual managers, such as the general counsel of the corporation, may bear the responsibility for carrying out the bullying, it is sufficient for the purposes of the shamer that only the corporate entity is shamed. ⁿ²⁷⁵ In addition, it may promote more [*669] responsible shaming to encourage the position that only the corporate entity be shamed. Shaming of trademark bullies can be successful, when, as this Article argues, all four conditions for effective shaming in trademark bullying situations are met.

1. community

An existing community is easily identified with respect to bullies in the consumer-products market. As the consumer-products market has increasingly grown since the turn of the nineteenth century, ⁿ²⁷⁶ providers of consumer products have become more and more aware of the necessity of a loyal customer base through creating a consumer community. ⁿ²⁷⁷ Marketing campaigns to create such a community began in the mid-nineteenth century with promotional programs that offered premiums to loyal customers (such as lithographed pictures). ⁿ²⁷⁸ Other forms of loyalty programs, such as buyer reward programs, began to grow in the late twentieth century. ⁿ²⁷⁹ With the advent of social media in the twenty-first century, consumer-product providers have been able to solidify these communities even further by creating forums for instant feedback between the community and the provider. ⁿ²⁸⁰ For example, 1.5 million businesses maintain "Fan Pages" on Facebook, and over twenty million Facebook users become "fans" of commercial "Fan Pages" each day. ⁿ²⁸¹

[*670] Whether the community that consists of the bully also encompasses the bully's target depends in part on the products of the bully and the victim, or the reason for the targeting of the victim. Some trademark bullying cases arise where the bully is attempting to gain exclusivity in its trademark in a particular market. ⁿ²⁸² In these instances, the community of the bully and the victim are likely to overlap. Entrepreneur Media's attempt to bully all other media-related users of the term "ENTREPRENEUR" in relation to early stage businesses is a good example of this. ⁿ²⁸³ Other trademark bullies attempt to bully small businesses who sell related products that the bully may wish to sell at some point in the future. ⁿ²⁸⁴ In this situation, it is also likely that the community includes both the bully and the victim. For example, Hansen Beverage Corporation's bullying of Rock Art Brewery. Although Hansen does not yet sell alcoholic products, ⁿ²⁸⁵ it has the intention of entering the market at some point in the future. ⁿ²⁸⁶ Finally, some trademark bullies are attempting to control criticism of its brand, and will target small businesses or individuals that run "gripe sites" or parody the bully's trademark. ⁿ²⁸⁷ The reason that trademark bullies target critics or parodists is because the bullies fear that the messages of the critics and parodists are reaching their consumer community and are perhaps helping to shrink that community. ⁿ²⁸⁸

2. shared norms

The consumer community must share in the norms against trademark bullying, or otherwise, the bully will not have done anything [*671] wrong in the eyes of the community. ⁿ²⁸⁹ With respect to the social norm against bullying, this is a widely held norm and is not unique to any particular community. ⁿ²⁹⁰ For example, the Oprah Show recently aired a show highlighting the dangers of bullying and maintains a webpage within her oprah.com website for information on how to handle bullies. ⁿ²⁹¹ In addition, other nationally televised, culturally mainstream shows have featured anti-bullying messages, such as America's Next Top Model. ⁿ²⁹² As such, where there is perceived bullying, the community has spoken out against the violation of the norm, as can be seen in the General Mills and My Dough Girl situation. General Mills, the \$ 23 billion owner of the "PILLSBURY DOUGH BOY" trademark, sent a cease-and-desist letter in May 2010 to Tami Cromar, the small-business owner of "MY DOUGH GIRL." ⁿ²⁹³ Cromar's business has made and sold cookies in Salt Lake City since 2008 and was started by Cromar's use of her retirement fund. ⁿ²⁹⁴ Upon learning of the General Mills' request to Cromar, fans of her business started a Facebook page entitled, "my dough girl

v. pillsbury corporation," which garnered over 2,000 fans in just over eight weeks. ⁿ²⁹⁵

Whether consumer communities share the legal norm against an unreasonable interpretation of trademark rights is less straightforward. For example, in the My Dough Girl case, it is unclear whether the consumer community was simply reacting to the "David v. Goliath" aspect of the case and the economic duress or coercive persuasion by General Mills, or also reacting to the unreasonable interpretation by [*672] General Mills of their rights in the "PILLSBURY DOUGH BOY" trademark. ⁿ²⁹⁶ However, it would appear from consumer-community comments that members are not just reacting to the violation of the norm against bullying, but also to the violation of the legal norm. Like judges, members of the community base their judgments of whether there is a likelihood of confusion on visceral reaction. ⁿ²⁹⁷ Examples of community members discussing the likelihood of confusion are widespread, even if the specific legal terms are not utilized. ⁿ²⁹⁸ For example, in the My Dough Girl case, one community member's Facebook comments hint at the differences in both the use of "MY DOUGH GIRL," as well as the differences in the marketing channels (both factors in the likelihood-of-confusion analysis): "Just picked up my weekly fix at My Dough Girl ... and she is mine, not Pillsbury's! Can't believe that there is any problem with the brand naming ... the dough girl is an attractive pin-up girl of the 2010s for Pete's Sake!" ⁿ²⁹⁹

3. large corporations are vulnerable to shaming

For any business reputation is the key to success. ⁿ³⁰⁰ Reputation, also referred to in trademark law as goodwill, ensures that former customers will make repeat purchases, and it also ensures that potential [*673] customers turn into current customers. ⁿ³⁰¹ One of the impetuses behind a business's development of a consumer community is to cultivate and maintain their reputation with their consumers. ⁿ³⁰² While a business's reputation traditionally rested on the quality of the good or service it sold, in recent years, the extent to which the business is a good "corporate citizen" can also affect its reputation and its sales. ⁿ³⁰³ As discussed above, the norm against bullying is a widespread one and consumers (for the most part) do not condone such behavior. Therefore, when a large corporation is shamed for bullying efforts, the consumer community will likely sanction such behavior. Such sanctions may take the form of boycotts, demonstrations, and/or public criticism, all of which will impact the bully's present and future sales. ⁿ³⁰⁴ This was seen in the Vermonster dispute, where several businesses boycotted Hansen, refusing to sell MONSTER ENERGY drinks at their stores. ⁿ³⁰⁵ In addition, consumers took to the pages of Facebook and publicly criticized Hansen for its behavior. ⁿ³⁰⁶

Large corporations are vulnerable to the reputational harms that come with such sanctioning, as can be seen in quick resolutions to trademark disputes by shamed large corporations, as well as attempts by shamed large corporations to repair their reputations with their consumer communities. For example, where McDonald's Corporation attempted to bully Lauren McClusky from using her "MCFEST" trademark as a trademark for her charity benefit concerts, ⁿ³⁰⁷ shaming of McDonald's encouraged McDonald's to quickly settle the dispute with McClusky. ⁿ³⁰⁸ Even though McDonald's is notorious for litigating such [*674] types of trademark disputes to their final conclusion, ⁿ³⁰⁹ McDonald's eventually agreed to pay McClusky approximately \$ 40,000 to change the concert name. ⁿ³¹⁰ Another example of shaming affecting a large corporation is in the Vermonster dispute, where the proprietor of the targeted small business was able to shame its bully, Hansen Beverage Corporation, into settling. During the shaming, the president of Hansen engaged in a one-on-one conversation with its consumers on Facebook in order to repair its reputation. ⁿ³¹¹

4. small businesses and individuals are credible shamers

The last condition for successful shaming is that the shamer be credible within the community. ⁿ³¹² Where individuals are utilizing the bully's trademark (or a trademark similar to the bully's trademark) for non-commercial uses (such as a fan website, parody, or critical commentary), such individuals will likely be credible shamers. With no commercial interests at stake, such individuals have no ulterior monetary interest in shaming the trademark bully. ⁿ³¹³ For example, in the McFest case, McClusky was using "MCFEST" as a trademark for her charity benefit concerts, not to make a profit, and so was a credible shamer of McDonalds. ⁿ³¹⁴ In addition, where individuals are attempting to comment on

the large corporation's brand through either parody or critical commentary, bullying efforts may be viewed by the community as an attempt to halt freedom of expression.ⁿ³¹⁵ For example, Mattel Corporation attempted to bully artist Tom Forsythe from using Barbie dolls in his artwork by filing a lawsuit against him.ⁿ³¹⁶ Forsythe had created the "Food Chain Barbie" photography series, which depicted naked Barbie dolls in various kitchen and food-oriented situations.ⁿ³¹⁷ The Ninth Circuit district and appellate courts ruled in favor of Forsythe, with the decision of the Ninth Circuit Court of Appeals stating: "The public interest in free and artistic expression greatly [*675] outweighs its interest in potential consumer confusion about Mattel's sponsorship of Forsythe's works."ⁿ³¹⁸

Where individuals or small businesses utilize their trademark for commercial purposes, they may run into a credibility hurdle.ⁿ³¹⁹ Especially in situations where the small business or the individual is in a form of competition with the large corporation, members of the community or the large corporation may accuse the small business or individual of attempting to shame the large corporation in order to gain free publicity.ⁿ³²⁰ These allegations were made in the Rock Art Brewery dispute, where Mark Hall, the President of Hansen, accused Nadeau of attempting a "cheap publicity" stunt.ⁿ³²¹ However, the small business can ward off credibility concerns by explaining the reasons for their shaming of the large corporation. Nadeau did just that, responding to Hall's accusations in a point-for-point posting on Facebook.ⁿ³²²

In addition, as discussed above, if the shamer has a strong community presence, allegations of ulterior motives for shaming will likely not matter, as the Rock Art Brewery's example shows. The reason is that individuals and small businesses are generally assumed to be honest and morally righteous.ⁿ³²³ Further, these individuals and small businesses are usually a strong part of their consumer community and typically are known personally, unlike a faceless large corporation. For example, the proprietor of Fleurty Girl, the small business that was attacked by the NFL for selling t-shirts allegedly infringing on the NFL's trademarks, is a member of the New Orleans community.ⁿ³²⁴ The Fleurty Girl business is run from a reclaimed house in New Orleans that was damaged by Hurricane Katrina and is part of the dynamic [*676] economic reconstruction of the city.ⁿ³²⁵ In addition, self-sufficiency has been the bedrock of the United States, as epitomized by Benjamin Franklin.ⁿ³²⁶ Therefore, entrepreneurship, as opposed to "corporate America," may be viewed as the morally correct approach to business, since the entrepreneur is in many cases simply seeking to make a self-sustaining wage for herself and her family. This is in contrast to the large corporation (even if the corporation once started out as an entrepreneurial enterprise) that is viewed as an impersonal entity without any form of morality, simply seeking ever-larger profits at any cost.ⁿ³²⁷

In sum, where all of the conditions are met (community, shared norms, targets are vulnerable to shaming, and the shamers are credible), shaming of trademark bullies has the potential to be successful in both punishing the bully and deterring future behavior. The punishment of the trademark bully comes from the community-imposed sanctions. The losses the bully faces can be monetary and non-monetary: immediate sales may be lost due to consumer boycotts, or the bully's reputation as a whole may be diminished by its actions. In addition, the shaming has the potential to deter the bully from future bullying, as well as possibly other large corporations who would bully. For example, Monster Cable, a once-notorious trademark bully, has apparently ceased in its attempt to build a famous trademark.ⁿ³²⁸ This decision came after its chief executive officer learned that the company's attempted bullying of Monster Mini Golf would push the small business into bankruptcy.ⁿ³²⁹

C. Advantages and Disadvantages of Shaming

There are a number of benefits to shaming as a way to fight back against trademark bullies, the foremost of which is that it provides small businesses and individuals with an effective litigation alternative. However, there are also a number of disadvantages to shaming, [*677] including the reality that shaming of trademark bullies will not work in every instance. This Section discusses both the advantages and disadvantages in turn.

1. advantages of shaming

As noted earlier, small businesses and individuals cannot, or should not, litigate trademark disputes with trademark

bullies due to their inability to access legal tools and the nature of trademark law and litigation. Due to this, many small businesses and individuals are left without tools with which to defend themselves against a bullying attack. The advantage of shaming is that it provides an effective alternative to litigation for small businesses and individuals to defend themselves. In particular, shaming has the potential to solicit potential providers of low-cost legal assistance (for those victims who cannot access legal tools), as well as provide low-cost methods to effectively resist a trademark bully's demands (for those victims who should not litigate).

First, shaming has the potential to assist small businesses and individuals in soliciting providers of low-cost legal assistance for those victims who cannot otherwise access legal tools. It is likely that some of the small businesses and individuals who are victims of bullying could qualify for low-cost legal assistance through services such as Legal Services.ⁿ³³⁰ However, it is also likely that these organizations will not have the trademark experience needed to assist in defending a trademark-infringement case.ⁿ³³¹ And while these organizations may work with the local bar and have the ability to refer the victim's case to a pro bono trademark attorney, the time it takes to obtain such pro bono assistance may be longer than what the bully has demanded in its cease-and-desist letter (if such assistance can be obtained at all).ⁿ³³² The benefit to shaming, if undertaken by the victim as soon as the cease-and-desist letter is received, is that there is a potential for soliciting low-cost legal assistance within the time frame demanded in the letter. The reason is that the local legal community will be alerted to the bullying at the same time other community members are alerted to it. This means that those community members with trademark expertise [*678] (or the ability to refer to pro bono trademark lawyers) will likely be able to offer their assistance within the time-frame demanded in the cease-and-desist letter, or perhaps just shortly after. For example, in Fleurty Girl's situation, a local attorney offered to represent the small business for free within a few days of Thom's shaming of the NFL.ⁿ³³³

Second, shaming has the potential to provide an effective, low-cost litigation alternative to resisting a trademark bully.ⁿ³³⁴ Not too unlike the stocks during the Colonial era, shaming in the twenty-first century takes place in the crowded square of cyberspace through social media and the Internet. Communication through the Internet and social media is an inexpensive method to alert the community to the bullying. A good majority of the targeted small businesses and individuals will likely already have access to the Internet.ⁿ³³⁵ Of these small businesses and individuals, it is likely that a high percentage of those connected to the Internet will have a personal website, a blog, an email account and/or some form of social-media account, such as Facebook, Twitter, MySpace, Blogger.com, etc.ⁿ³³⁶ The shamer can reach a large audience simply through "tweeting"ⁿ³³⁷ about receiving the cease-and-desist letter, in addition to posting the letter online for the whole community to see and judge for themselves.ⁿ³³⁸ Therefore, there should be no additional monetary cost to the bullying victim to publicize the bullying.

In addition, community members who feel similarly about the bullying can just as quickly and inexpensively "spread the word" about the bullying by "retweeting" or "liking" a Facebook post.ⁿ³³⁹ This helps [*679] to insure that more community members know about the bullying and sanction the bully. Further, shaming through social-media outlets will likely cause traditional media outlets, such as newspapers and television stations, to provide broader coverage of the victim's issue.ⁿ³⁴⁰ While in previous years, obtaining traditional media coverage would require some monetary expenditure, such as holding press conferences or issuing a press release, more and more traditional media outlets appear to be looking to social media for issues to discuss in their news coverage.ⁿ³⁴¹ As such, there is likely to be no additional costs with obtaining traditional media coverage.

2. disadvantages/objections to shaming

Unfortunately, shaming is not a silver bullet to the problem of trademark bullying, as there are a number of downsides to shaming. This Section will discuss three of the primary disadvantages/objections to shaming trademark bullies, specifically that shaming may be unsuccessful, the potential for unwarranted or overzealous shaming, and that shaming may be too costly to undertake.

One of the primary disadvantages is that shaming will not always be successful. As discussed above, there are at least four conditions that need to be met for a successful shaming and not every situation will meet each of the

conditions. The court of public opinion can be fickle, and, for example, if the small business or individual is not credible for any number of reasons, ⁿ³⁴² the community may not galvanize on the shamer's behalf. In addition, if the small business or individual does [*680] not properly publicize the bullying situation, the information will not disperse to a large segment of the community. The attempt by Rag City Blues to shame Abercrombie & Fitch is a good example of this. Although the proprietor attempted to shame Abercrombie & Fitch through a letter-writing campaign to the U.S. PTO, these letters were not publicized. ⁿ³⁴³ In addition, the proprietor did not utilize social media in any respect, nor did she post the cease-and-desist letter. Although there were three local news articles written about the dispute (two in Hollister, California, where Rag City Blues is located and one in Columbus, Ohio, where Abercrombie & Fitch is headquartered), no other media outlet picked up the story at the time of the attempted shaming. ⁿ³⁴⁴

Another objection to shaming is that there is a very real potential for unwarranted and/or overzealous shaming. While this Article has delineated the difference between reasonable trademark enforcement and trademark bullying by only focusing on the norms that have been violated, shamers and communities may not conduct such a nuanced analysis. Not every case of trademark enforcement by a large corporation will be a bullying situation, ⁿ³⁴⁵ but there is the possibility that shamers and/or communities focus simply on the "David v. Goliath" aspect of the situation. ⁿ³⁴⁶ If there has been no violation of [*681] norms (unreasonable interpretation of rights and use of intimidation tactics), then any shaming of the large corporation would be unwarranted. In addition, shamers can become overzealous in their shaming efforts and instead of shaming the bullying behavior, personalize the situation, or take the shaming to a whole new level. This was seen in The North Face versus The South Butt conflict, where The South Butt's shaming of The North Face after the latter filed litigation came close to the limits of responsible shaming. ⁿ³⁴⁷ Among other items, The South Butt posted a notice "We're Being Sued!" on their webpage after the litigation was filed, and South Butt's attorney issued a press release calling upon The North Face's managers to "adopt some corporate anger management protocol." ⁿ³⁴⁸

Finally, shaming may be too costly for some small businesses or individuals. The costs of shaming may come from the potential (or the perceived potential) for liability stemming from shaming, including the posting of the cease-and-desist letters. Liability for shaming may come from a variety of sources, including copyright infringement allegations, as some senders of cease-and-desist letters include language that alleges that any publication of the letter is a copyright infringement. ⁿ³⁴⁹ One such letter states, "Any publication, dissemination or broadcast of any portion of this letter will constitute a ... violation of the Copyright Act, and You are not authorized to publish this letter in whole or in part absent our express written authorization." ⁿ³⁵⁰ If proven, willful copyright infringement carries potential statutory damages of up to \$ 150,000. ⁿ³⁵¹ The threat of this type of liability, on top of the potential for trademark-infringement litigation, is often enough to keep small businesses and individuals from shaming the bully. ⁿ³⁵² For example, one company that routinely includes a copyright infringement claim to [*682] prevent shaming is DirectBuy, an online wholesale retailer of furniture and home supplies. DirectBuy's cease-and-desist letter ends with the following paragraph: "Please be aware that this letter is copyrighted by our law firm, and you are not authorized to republish this in any manner. Use of this letter in a posting, in full or in part, will subject you to further legal causes of action." ⁿ³⁵³ Prior to Public Citizen, a nonprofit organization, posting and responding to DirectBuy's letter, no other instances of its cease-and-desist letter were published, indicating that DirectBuy's threat of copyright infringement works to make shaming too costly for small businesses and individuals. ⁿ³⁵⁴

Another form of liability stemming from shaming may come in the form of a defamation lawsuit against the shamer, whereby the bully alleges that its reputation has been damaged by the shamer's false statements. A defamation cause of action requires the plaintiff to prove at least three elements: (1) "a false and derogatory statement" about the plaintiff; (2) with such statement being unprivileged; and (3) that the defendant at least negligently published such statement about plaintiff. ⁿ³⁵⁵ The defense to a defamation lawsuit is typically that the statement made by the defendant was a true statement of fact. ⁿ³⁵⁶ Corporations, the likely targets of small businesses' or individuals' shaming, may be defamed as to its business reputation. ⁿ³⁵⁷ Although shamers may make true statements about their targets, and defamation suits are difficult to prove, ⁿ³⁵⁸ this may not stop large corporations from alleging defamation, as a corporation's reputation is one of its more important assets. Recently filed commercial defamation suits show that large

corporations have no qualms about filing lawsuits against "gripe [*683] websites," blogs, and the like.ⁿ³⁵⁹ As with copyright infringement, the threat of a defamation lawsuit carries the potential for damages to be awarded, and therefore the real possibility that shaming may be too costly for small businesses or individuals.

IV. Proposed Legal Reforms to Harness the Power of Shaming

The disadvantages and objections to shaming trademark bullies identified above are not insurmountable, and the incentives to overcoming these disadvantages are great as small businesses and individuals need tools with which to resist trademark bullies. One of the ways in which shaming can be more successful when it is undertaken is if small businesses and individuals understand the conditions under which shaming will work. By providing a detailed analysis of such conditions in Part III, this Article hopes to educate small businesses and individuals. In addition, there are some legal reforms that can be undertaken in order to lower the costs of shaming and assist small businesses and individuals in the pre-litigation setting. The suggestions include providing small businesses and individuals with a protected space for shaming and with additional pre-litigation negotiation leverage through a groundless-threats cause of action. In addition, this Part provides suggestions to promote responsible shaming as a way to avert the potential problem of overzealous or unwarranted shaming.

A. Providing Protected Spaces for Shaming

As discussed above, one of the ways in which shaming can be too costly for some small businesses or individuals is where there is a possibility for legal liability for actions other than trademark infringement. While the First Amendment provides general freedom-of-speech protection,ⁿ³⁶⁰ commercial speech is not afforded the highest level of protection available under First Amendment jurisprudence.ⁿ³⁶¹ And in some instances, particularly in situations where the shamer is a competitor of the bully, allegations of bullying and shaming may have the potential to be deemed commercial speech.ⁿ³⁶² This would mean that [*684] the shamer's communications would not be protected speech, exposing the shamer to liability under a wide array of causes of action, including defamation, economic injury, misleading advertising, etc.ⁿ³⁶³

One reform that could assist in lowering the costs of shaming is providing a protected space for shaming, and, in particular, protection of the right to post copies of cease-and-desist letters, along with the right to discuss the merits of the letter. Professor Eric Goldman has suggested that one way a protected space could be provided is through immunity from liability which would "exculpate [cease-and-desist] letter recipients from republishing the letter."ⁿ³⁶⁴ This reform could come through various forms, including legislative reform or case law.ⁿ³⁶⁵ For liability that may stem from causes of action where the First Amendment is a defense, immunity may be best provided through the courts. Most, if not all, of First Amendment interpretation is done through the courts,ⁿ³⁶⁶ and so this may be the quickest and most effective way to provide protected spaces for shaming. For liability stemming from a copyright-infringement cause of action, legislative reform, such as amending the Copyright Act, may be needed. Since copyright protection in the United States is a statutory prerogative, courts may not feel as comfortable interpreting immunity where copyright infringement is claimed.ⁿ³⁶⁷

B. Assisting in Effective Shaming: The "Groundless Threats of Trademark Infringement" Cause of Action

An additional cost to shamers is the potential that the shaming will not work because the community may not censor the bully. One of the reasons that the community does not shame the bully may be due to the fact that "shaming does connote objectionable forms of social stratification and potentially suffocating impositions of communal norms."ⁿ³⁶⁸ Another reason that shaming may not be successful is if the [*685] target is not vulnerable to shaming or does not take the shamer seriously. One way to lower the costs for potentially unsuccessful shaming is by enacting a cause of action for "groundless threats of trademark infringement" similar to that enacted in various nations around the world, including Belize, India, Malta, Singapore, and the United Kingdom.ⁿ³⁶⁹ To use the U.K. law as an example, the U.K. law provides victims of trademark-infringement threats with the ability to mount a legal attack on the sender of the threat where the threat is "groundless." As a defense, the bully must prove that "the acts in respect of which proceedings were

threatened constitute (or if done would constitute) an infringement of the registered trade mark concerned." ⁿ³⁷⁰ If the defendant cannot so prove, then the plaintiff may be entitled to a judicial declaration that the threats are unjustified, an injunction against the threats, and possibly monetary damages. ⁿ³⁷¹ The policy rationale for this "groundless infringement threats" claim is to prevent against those holders of intellectual property rights who are "'willing to wound but afraid to strike' from holding the sword of Damocles above another's head." ⁿ³⁷²

The United States should seriously consider adopting a similar cause of action, as it would assist in effective shaming in two ways. First, unlike uncodified norms, statutory laws offer a concrete reference point for shaming, and as such can be more of a rallying point for a community. ⁿ³⁷³ Since such a cause of action adopts both norms that are violated through trademark bullying and over-enforcement of trademark rights, each community member has the freedom to find in such law the expressive elements that are important to them. ⁿ³⁷⁴ Therefore, those community members who may have previously been leery of shaming the bully based simply on ephemeral norms may be more likely to shame a trademark bully. In addition, a cause of action for groundless threats of trademark infringement has the potential to make bullies take the shamer more seriously by adding a potential cost to the bullying. ⁿ³⁷⁵ In some situations, the bully may ignore the attempted shaming, or decide to file a lawsuit to cut short the shaming time period because the [*686] bully knows that the small business or individual will not have the resources to sustain a protracted shaming defense. ⁿ³⁷⁶ With a cause of action that could place liability on bullies (and a potential monetary recovery for the victim), a potential burden will be added, which would cause even large corporations to take heed of shaming before filing a lawsuit. ⁿ³⁷⁷

However, there may be various objections to adopting such cause of action. One objection, which is the subject of debate in the United Kingdom, is that the groundless-threats cause of action tends to encourage a "sue-first, talk-later" approach. ⁿ³⁷⁸ This objection likely arose from U.K. case law, which tended to broadly interpret correspondence that allegedly contained groundless threats of trademark infringement. ⁿ³⁷⁹ More recently, however, it would appear that this objection has been tempered somewhat, as the U.K. courts have issued recent decisions that more narrowly interpret such claims. ⁿ³⁸⁰ Likewise, a similar objection to the adoption of the cause of action in the United States could be handled by U.S. courts narrowly interpreting letters that allegedly contain groundless threats of trademark infringement, as well as interpreting such letters in context. For example, if the parties are already in negotiation, as was the situation in the recent case of *Best Buy Co. Inc. v. Worldwide Sales Corp. Espana S.L.*, ⁿ³⁸¹ a response letter containing an allegedly groundless threat is less likely to be construed as such. If, however, a threat of trademark infringement is made within the first cease-and-desist letter, as was the situation in the case of *Prince Plc v. Prince Sports Group Inc.*, ⁿ³⁸² a court should be more inclined to construe such a threat as groundless. This manner of interpretation would incentivize trademark holders to send cease-and-desist letters that do not threaten litigation right away, but provide notice of potential infringement and propose discussions to resolve the potential dispute. A related objection, that every accused infringer will either utilize this cause of action in every situation or counterclaim in [*687] every lawsuit, can also be addressed by a court's narrow interpretation of cease-and-desist letters. This will limit claims of groundless threats of trademark infringement to those cases that are in fact groundless and incentivize accused infringers to bring only claims with merit.

C. Promoting Responsible Shaming

One further objection identified above is the potential for overzealous or unwarranted shaming by small businesses, individuals, or even by the community. A case that exemplifies the potential for overzealous shaming is *The South Butt* conflict, briefly mentioned above. After *The North Face* filed its lawsuit against *The South Butt*, it sought a preliminary injunction to keep *The South Butt* from continuing to sell its products while litigation was pending. ⁿ³⁸³ While *The South Butt* had publicized *The North Face* actions prior to the lawsuit being commenced against it, after the lawsuit was filed, *The South Butt* increased and deepened the tone of its shaming of *The North Face*. ⁿ³⁸⁴ A statement made by *The South Butt*'s attorney highlights this: "Perhaps North Face should consider embracing its parent company's stated commitment to 'consideration and respect,' applaud the spirit and diligence of this young man, adopt some corporate anger management protocol, and save some money on unnecessary legal fees in the process" ⁿ³⁸⁵

In addition, The South Butt adopted a similar tone in its court filings, which earned its attorneys a reprimand by the judge for the case.ⁿ³⁸⁶ This judicial reprimand appeared to rein in The South Butt, as its attorney declined to provide further statements.ⁿ³⁸⁷ Although this is only one case, it is likely that judicial reprimands are effective against overzealous shaming by small businesses and individuals where the matter has been taken to litigation.

Outside of litigation, self-regulation may be the answer to promoting responsible shaming as there are many incentives to do so. [*688] For the shamer, an incentive to self-regulating its shaming behavior stems from the need to maintain its credibility with the community. One of the reasons the small business or individual is credible is that they are considered to be the morally righteous party in the dispute. Overzealous or unwarranted shaming may cause the shamer to lose its moral upper-hand, thereby causing the community to not take part in the shaming. For the shamer and the community, the threat of litigation may provide an inherent incentive to shame responsibly, as well as to self-regulate the shaming. Some targets of overzealous or unwarranted shaming may use litigation (by seeking a preliminary injunction) as a way to end the shaming. This tactic was used by The North Face, and as described above, the tactic was mostly successful. Since avoiding litigation is the goal of shamers and their communities, the ability of targets to file a lawsuit if they are "pushed over the edge" has the potential to work as an effective incentive to stem unwarranted or overzealous shaming. There is limited anecdotal evidence to support that communities engage in self-regulation of responsible shaming. For example, in the My Dough Girl case, the creator of the Facebook support page wrote:

Wow, great to see so many new supporters of my dough girl! want to take the next step? 1. post a polite plea to pillsbury on facebook to cease their "cease and desist", and please be polite. pillsbury fans need to know what's going on, but don't need to be bullied like pillsbury is bullying my dough girl. THANK YOU.ⁿ³⁸⁸

Conclusion

Small businesses and individuals enrich the marketplace with both product alternatives and with social commentary and criticism. However, trademark bullying of small businesses and individuals has the potential to both dampen competition and lessen the discourse on cultural phenomena, of which trademarks are a large part. Therefore, trademark bullying that occurs outside of the courtrooms should be recognized as a serious problem that needs addressing. In particular, the special circumstances that small businesses and individuals are in - leading to their inability to effectively fight bullies in the pre-litigation setting - need to be more closely examined. This Article has argued that shaming, if responsibly undertaken, has the potential in many instances [*689] to be an effective litigation alternative. In addition, this Article has suggested some legal reforms that are needed in order to lower the costs of shaming so as to make shaming more widely available and effective. Small businesses and individuals need an arsenal of tools to effectively resist trademark bullies in the pre-litigation setting and shaming provides one such tool.

Legal Topics:

For related research and practice materials, see the following legal topics:

Trademark LawConveyancesGeneral OverviewTrademark LawInfringement ActionsGeneral OverviewTrademark LawSubject MatterNamesGeneral Overview

FOOTNOTES:

n1. See Letter from Diane Reed, Attorney, Knobbe Martens Olson & Bear LLP, to Christopher J. Day, Law Office of Christopher Day

(Sept. 4, 2009).

n2. Id.

n3. See Jack Katzanek, Hansen Settles Trademark Dispute with Brewer, *The Press-Enterprise*, (Oct. 23, 2009, 9:52 AM), http://www.pe.com/business/local/stories/PE_Biz_S_monster23.39559bf.html.

n4. See Letter from Diane Reed, *supra* note 1.

n5. See Matt vs. Monster, Green River Pictures, <http://www.grpvt.com/mattvsmonster> (last visited Apr. 2, 2011); Save Vermonster, Save Rock Art Brewery, *Lost in the Beer Aisle* (Oct. 14, 2009), http://www.lostinthebeeraisle.com/2009/10/save_vermonster-save-rock-artbrewery.html; Vermonters and Craft Beer Drinkers Against Monster, Facebook, <http://www.facebook.com/group.php?gid=171894902802&ref=nf> (last visited Mar. 12, 2011).

n6. Matt and "The Monster"-Rock Art Brewery vs. Monster Energy Drink, YouTube, http://www.youtube.com/watch?v=kbG_woqXTeg (last visited Apr. 18, 2011) (follow document statistics).

n7. See Adam Ostrow, Social Media Users Rally Behind Vermont Brewery vs Monster Energy Drink, *Mashable* (Oct. 16, 2009), <http://mashable.com/2009/10/16/vermonster/>.

n8. See Press Release, Hansen Beverage Company and Rock Art Brewery Reach Trademark Agreement (Oct. 22, 2009) (on file with author).

n9. See generally David Bollier, *Brand Name Bullies: The Quest to Own and Control Culture* (2005) (documenting various bullying campaigns).

n10. See *id.* at 5.

n11. See Stacey Knapp, *Balancing the Crucible: The Revolving Conflict Between Fair Use and Corporate Use in the Battle to Control Domain Names*, 1 Okla. J.L. & Tech. 10, 17-18 (2004), http://www.okjolt.org/index.php?option=com_content&view=article&id=84:1-jl-a-tech-10-2004-&catid=42:special-features&Itemid=65 (discussing Warner Brothers' tactics in bullying owners of domain names that incorporate any item related to the Harry Potter book-series franchise).

n12. See K.J. Greene, *Abusive Trademark Litigation and the Incredible Shrinking Confusion Doctrine - Trademark Abuse in the Context of Entertainment Media and Cyberspace*, 27 Harv. J.L. & Pub. Pol'y 609, 632 (2004) ("The 'effectiveness of lawsuits to silence corporate critics derives in part from the disparity of resources between the plaintiff corporation and the defendant ...'." (quoting Sarah Mayhew Schlosser, *The High Price of (Criticizing) Coffee: The Chilling Effect of the Federal Trademark Dilution Act on Corporate Parody*, 43 Ariz. L. Rev. 931, 948 (2001))).

n13. For example, among small-business owners, only 8.3 percent have attained a professional degree. See Chad Moutray, *Baccalaureate Education and the Employment Decision: Self-Employment and the Class of 1993*, at 30 (Oct. 2008) (Office of Advocacy, U.S. Small Bus. Amin., unnumbered working paper), available at <http://archive.sba.gov/advo/research/rs333tot.pdf>. While a small percentage of small-business owners have a graduate degree, it is likely that not all of these graduate degrees are law degrees.

n14. See, e.g., Letter from National Football League, to Ms. Thom, *Fleurty Girl* (Jan. 13, 2010).

n15. See, e.g., Letter from Diane Reed, *supra* note 1 ("Hansen created, manufactures and distributes the MONSTER ENERGY(R) line of drinks and supplements under its famous MONSTER and MONSTER ENERGY(R) mark." (emphasis added)). Being "famous" in trademark law is a term of art, requiring a high burden of proof. See 15 U.S.C. § 1125(c)(2)(A) (2006) ("[A] mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner.").

n16. See, e.g., Letter from Diane Reed, *supra* note 1.

n17. See *id.* (providing two weeks from date of letter); Letter from National Football League, *supra* note 14 (providing nine days from date of letter).

n18. See Rosemary J. Coombe, *The Cultural Life of Intellectual Properties: Authorship, Appropriation, and the Law* 66 (1998) ("[Trademark law] becomes the ruse by which corporations protect themselves from competition and from uncompensated circulation of their cultural indicators.").

n19. For in-depth discussions of other harms arising from trademark bullying, including violations of the First Amendment and harms to consumers, see generally Bollier, *supra* note 9, at 188-89; Eric Goldman, *Online Word of Mouth and Its Implications for Trademark Law*, in *Trademark Law and Theory: A Handbook of Contemporary Research* 404 (Graeme B. Dinwoodie & Mark D. Janis eds., 2008) [hereinafter *Trademark Law and Theory*]; Greene, *supra* note 12, and William E. Ridgway, *Revitalizing the Doctrine of Trademark Misuse*, 21 *Berkeley Tech. L.J.* 1547 (2006).

n20. See Russell L. Parr, *The Value of Trademarks*, in *Trademarks, Copyrights, and Unfair Competition for the General Practitioner* 229, 246 (Am. Law Inst.-Am. Bar Assoc. Comm. on Continuing Prof'l Educ., Course of Study Materials No. C913, 1994) ("Large-scale introduction of a new trademark carries enormous costs."); Peter Robison, *Time Warner, Broadwing, Change Names After Losses*, *Igor* (Oct. 16, 2003), <http://www.igorinternational.com/press/bloomberg-corporate-business-name.php> ("Changing a corporate name can take a year and cost tens of millions of dollars.").

n21. See, e.g., Letter from National Football League, *supra* note 14.

n22. Starting a business is a resource-intensive undertaking and many small businesses operate at a very small margin of error, as proprietors often underestimate the amount of capital needed to run the business in the first few years. See generally Mary Jane Byrd & Leon C. Megginson, *Small Business Management: An Entrepreneur's Guide* 13, 25, 181 (6th ed. 2009). Approximately 50 percent of all small businesses fail within the first five years of operation. See Get Ready, U.S. Small Business Administration, http://www.sba.gov/smallbusinessplanner/plan/getready/SERV_SBPLANNER_ISENTFORU.html (last visited Nov. 4, 2010) (on file with author; webpage is no longer available). As such, any unexpected expense or cost, such as a loss of inventory and payment of attorney's fees may push the business into bankruptcy.

n23. See, e.g., Letter from Diane Reed, *supra* note 1.

n24. Non-monetary costs may include the emotional strain of being involved in litigation. For example, when Ford Motor Corporation sued seven individuals to gain control over domain names that included one of Ford's purported trademarks ("FORD," "JAGUAR," etc), the Electronic Frontier Foundation provided free legal assistance. See EFF Wins a Partial Victory in Ford Case, *EFFector*, Jan. 10, 2002, <http://w2.eff.org/effector/HTML/effect15.01.html#II>. Notwithstanding the free legal assistance, two of the defendants decided not to pursue the litigation, citing the emotional strain of the litigation. See Bollier, *supra* note 9, at 126.

n25. See *infra* Part II.B.1.

n26. See generally Graeme Dinwoodie, *Developing Defenses in Trademark Law*, 13 *Lewis & Clark L. Rev.* 99 (2009) (arguing for courts to adopt stronger affirmative trademark defenses); Michael Grynberg, *Things Are Worse Than We Think: Trademark Defenses in a "Formalist" Age*, 24 *Berkeley Tech. L.J.* 897 (2009) (arguing for statutory amendments to encapsulate stronger trademark defenses); William McGeeveran, *Rethinking Trademark Fair Use*, 94 *Iowa L. Rev.* 49 (2008) (arguing for a stronger fair-use defense).

n27. While strong defenses may help in the pre-litigation stage (because strong defenses can convince a bully that their trademark-infringement case is not a strong one), where the bullying victim is a small business or individual, trademark bullies may choose to ignore defense arguments because it is common knowledge that such victims will likely not have the resources to make the same arguments in litigation.

n28. Although shaming has been widely written about in the criminal context, see Dan M. Kahan, *What Do Alternative Sanctions Mean?*, 63 *U. Chi. L. Rev.* 591, 631-53 (1996); Dan M. Kahan & Eric A. Posner, *Shaming White-Collar Criminals: A Proposal for Reform of the Federal Sentencing Guidelines*, 42 *J.L. & Econ.* 365 (1999), it has received only sporadic, descriptive coverage in the intellectual property context. See Mark F. Schultz, *Fear and Norms and Rock & Roll: What Jambands Can Teach Us About Persuading People to Obey Copyright Law*, 21 *Berkeley Tech. L.J.* 651, 681-88 (2006) (describing shaming as a sanction in the jamband community); Dotan Oliar & Christopher Sprigman, *There's No Free Laugh (Anymore): The Emergence of Intellectual Property Norms and the Transformation of Stand-Up Comedy*, 94 *Va. L. Rev.* 1787, 1824-25, 1862 (2008) (describing shaming as a sanction for comedians who infringe on other comedians' material).

n29. See *infra* Part III.C.1.

n30. Cf. *Trade Marks Act, 1994*, c. 26, § 21 (Eng. & Wales).

n31. See Lionel Bently, *From Communication to Thing: Historical Aspects of the Conceptualisation of Trade Marks as Property*, in *Trademark Law and Theory*, *supra* note 19, at 3; Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 *Notre Dame L. Rev.* 1839, 1840 (2007).

n32. See, e.g., 156 *Cong. Rec.* S349 (daily ed. Jan. 28, 2010) (statement of Sen. Leahy) ("I have become concerned, however, that large corporations are at times abusing the substantial rights Congress has granted them in their intellectual property to the detriment of small businesses.").

n33. See Deven R. Desai & Sandra L. Rierson, *Confronting the Genericism Conundrum*, 28 *Cardozo L. Rev.* 1789, 1791 (2007).

n34. For more in-depth coverage, see generally Robert G. Bone, *Hunting Goodwill: A History of the Concept of Goodwill in Trademark Law*, 86 *B.U. L. Rev.* 547, 548-49 (2006); Glynn S. Lunney, Jr., *Trademark Monopolies*, 48 *Emory L.J.* 367, 369 (1999).

n35. See Jane C. Ginsburg, Jessica Litman & Mary L. Kevlin, *Trademark and Unfair Competition Law* 43 (4th ed. 2007).

n36. Compare *Canal Co. v. Clark*, 80 U.S. (13 Wall.) 311, 322 (1871) ("The office of a trade-mark is to point out distinctively the origin, or ownership of the article to which it is affixed; or, in other words, to give notice who was the producer."), with Lanham Act, Pub. L. No. 79-489, § 45, 60 Stat. 442, 443 (1946) (codified as amended at 15 U.S.C. § 1127 (2006)) ("The term 'trade-mark' includes any word, name, symbol, or device or any combination thereof and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others.").

n37. See McKenna, *supra* note 31, at 1900; Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 *Yale L.J.* 1687, 1688 (1999).

n38. See Rochelle Cooper Dreyfuss, *Expressive Genericity: Trademarks as Language in the Pepsi Generation*, 65 *Notre Dame L. Rev.* 397, 399 (1990) ("The changing legal climate has tended to grant trademark owners greater control over their marks ..."). An aggressive strategy of trademark enforcement is needed in order to reap the benefits of the legal expansions, and therefore, larger businesses with the resources to undertake such a strategy are oftentimes the beneficiaries of such expansions.

n39. See Greene, *supra* note 12, at 640 ("The fear that not bringing a suit now might foreclose or damage interests in bringing suit later may lead to unnecessary litigation.").

n40. Currently, almost anything can function as a trademark, so long as it is source identifying. See *Qualitex Co. v. Jacobson Prods. Co., Inc.*, 514 U.S. 159, 162, 163 (1995). By contrast, trademarks consisting of color (as an example) were not protected in the late nineteenth or mid-twentieth centuries. See, e.g., *A. Leschen & Sons Rope Co. v. Broderick & Bascom Rope Co.*, 201 U.S. 166, 171 (1906) ("[A] trade-mark which may be infringed by a streak of any color, however applied, is manifestly too broad."); *James Heddon's Sons v. Millsite*

Steel & Wire Works, Inc., 128 F.2d 6, 9 (6th Cir. 1942) ("Color, except in connection with some definite, arbitrary symbol or in association with some characteristics which serve to distinguish the article as made or sold by a particular person is not subject to trademark monopoly.").

n41. J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 4:4 (4th ed. 2010).

n42. Milton Handler & Charles Pickett, *Trade-Marks and Trade Names - An Analysis and Synthesis: I*, 30 Colum. L. Rev. 168, 169 (1930).

n43. See *id.* at 168.

n44. See Frank I. Schechter, *The Historical Foundations of the Law Relating to Trade-Marks* 161 (1925).

n45. See Handler & Pickett, *supra* note 42, at 169.

n46. See, e.g., *Kellogg Co. v. Nat'l Biscuit Co.*, 305 U.S. 111 (1938).

n47. See James Love Hopkins, *The Law of Trademarks, Tradenames and Unfair Competition* § 4, at 14 (4th ed. 1924) (stating the author's opinion that trademark rights were "broader and by far ... more valuable" than trade-name rights).

n48. The first mentions of "secondary meaning" appeared in the late nineteenth century and with greater frequency in the early part of the twentieth century. See, e.g., *Elgin Nat'l Watch Co. v. Ill. Watch Case Co.*, 179 U.S. 665, 666 (1900); *R. Guastavino Co. v. Comerma*, 180 F. 920, 921 (S.D.N.Y. 1910); *Pepper v. Labrot*, 8 F. 29, 36 (D. Ky. 1881). The "Ten Year Clause" of the 1905 Act, whereby a trade name that had been in use for ten years prior to the passage of the Act was allowed to be federally registered even though it did not otherwise qualify as a technical trademark, was considered a codification of the secondary meaning rule. See Harry D. Nims, *The Law of Unfair Competition and Trade-Marks* § 43, at 78 (2d ed. 1917).

n49. See *E. Columbia, Inc. v. Waldman*, 181 P.2d 865 (Cal. 1947).

n50. *Handler & Pickett*, *supra* note 42, at 200; see also *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 U.S. 315 (1938).

n51. Compare 15 U.S.C. § 1052(f) (2006), with Trade-Mark Act of 1905, Pub. L. No. 58-84, § 5(b), 33 Stat. 724, 725-26.

n52. See *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 769 (1992).

n53. *Standard Oil Co. v. Standard Oil Co.*, 252 F.2d 65, 71 (10th Cir. 1958).

n54. See *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 164 (1995).

n55. *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 788 (5th Cir. 1983).

n56. For example, Fox News Corporation has registered its slogan, "Fair & Balanced" as a trademark, FAIR & BALANCED Registration No. 2,213,427, and brought a lawsuit to stop the use of the slogan by a third party. See *Fox News Network LLC v. Penguin Grp. (USA) Inc.*, 31 Media L. Rep. (BNA) 2254 (S.D.N.Y. 2003).

n57. For example, Zatarains, Inc., claiming that their descriptive trademarks "FISH-FRI" and "CHICK-FRI" had acquired secondary meaning, filed a lawsuit against three out of the four users of the term "fish fry." See *Zatarains, Inc.*, 698 F.2d at 788.

n58. See Lisa P. Ramsey, *Descriptive Trademarks and the First Amendment*, 70 Tenn. L. Rev. 1095, 1162 (2003). Professor Ramsey's article provides an excellent argument of how trademark protection of descriptive trademarks violates the First Amendment. See *id.*

n59. See Dreyfuss, *supra* note 38, at 405.

n60. See 15 U.S.C. §§1114(1)(a), 1125(a)(1) (2006); see also *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 769 (1992); Restatement (Third) of Unfair Competition § 20 cmt. d (1993) ("The term 'likelihood of confusion' has long been used to describe the standard of liability for trademark infringement in actions at common law and under federal and state trademark and unfair competition statutes.").

n61. See Richard L. Kirkpatrick, *Likelihood of Confusion in Trademark Law* § 1:1 (1995); see also *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 875 (2d Cir. 1986); *Cont'l Motors Corp. v. Cont'l Aviation Corp.*, 375 F.2d 857, 860 & n.8 (5th Cir. 1967); McCarthy, *supra* note 41, § 23:3.

n62. See, e.g., *Thomson v. Winchester*, 36 Mass. (16 Pick.) 214, 216 (Mass. 1837).

n63. See, e.g., *Borden Ice Cream Co. v. Borden's Condensed Milk Co.*, 201 F. 510, 512-13 (7th Cir. 1912). This is perhaps due, in part, to the fact that most trademark owners only utilized their trademark in one product category. See Sara Stadler Nelson, *The Wages of Ubiquity in Trademark Law*, 88 Iowa L. Rev. 731, 777 (2003) ("In 1927, the vast majority of trademarks identified only a single good, or, at most, a single class of goods.").

n64. See Pamela Walker Laird, *Advertising Progress: American Business and the Rise of Consumer Marketing* 31 (1998) (discussing the post-war expansion of consumer products).

n65. 247 F. 407 (2d Cir. 1917).

n66. *Id.* at 410.

n67. See McKenna, *supra* note 31, at 1901.

n68. Trade-Mark Act of 1905, Pub. L. No. 58-84, § 16, 33 Stat. 724, 728, repealed by Lanham Act, Pub. L. No. 79-459, § 46(a), 60 Stat. 427, 444 (1946) (codified as amended in various sections of 15 U.S.C.) (emphasis added).

n69. See Lanham Act § 32(1)(a) ("(1) Any person who shall, in commerce, (a) use without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services ... shall be liable to a civil action by the registrant ...").

n70. The amendments in 1962 deleted the requirement that confusion be of "purchasers as to the source of origin of such goods or services." McCarthy, *supra* note 41, § 5:6; see also Act of Oct. 9, 1962, Pub. L. No. 87-772, § 2, 76 Stat. 769, 769.

n71. *Armstrong Cork Co. v. World Carpets, Inc.*, 597 F.2d 496, 501 n.6 (5th Cir. 1979).

n72. See generally Demand for Jury Trial, *IHOP IP, LLC v. Int'l House of Prayer*, No. CV10-6622-SHO-SHX, 2010 WL 3775268 (C.D. Cal. Sept. 9, 2010).

n73. Congress passed the Federal Trademark Dilution Act in 1996, providing federal protection for famous marks from dilution. Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, § 3, 109 Stat. 985, 985 (1996). Congress amended this act in 2006. Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, § 2, 120 Stat. 1730, 1730.

n74. See *James Burrough, Ltd. v. Sign of the Beefeater, Inc.*, 540 F.2d 266, 276 (7th Cir. 1976).

n75. See McCarthy, *supra* note 41, § 11:83.

n76. See Graeme B. Dinwoodie & Mark D. Janis, *Trademarks and Unfair Competition: Law and Policy* 506-09 (2d ed. 2007).

n77. *Champions Golf Club, Inc. v. The Champions Golf Club, Inc.*, 78 F.3d 1111, 1117 (6th Cir. 1996); see also McCarthy, *supra* note 41, § 11:73.

n78. See, e.g., *Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1058-59 (9th Cir. 1999).

n79. See *Family Circle, Inc. v. Family Circle Assocs., Inc.*, 332 F.2d 534, 540 (3d Cir. 1964).

n80. See *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254, 258 (2d Cir. 1987); *James Burrough, Ltd. v. Sign of the Beefeater, Inc.*, 540 F.2d 266, 276 (7th Cir. 1976) ("A mark that is strong because of its fame or its uniqueness, is more likely to be remembered and more likely to be associated in the public mind with a greater breadth of products or services, than is a mark that is weak ...").

n81. See *Wet Seal Inc. v. FD Mgmt. Inc.*, 82 U.S.P.Q.2d (BNA) 1629, 1641-42 (T.T.A.B. 2007).

n82. 15 U.S.C. § 1125(c) (2006).

n83. See Clarisa Long, *Dilution*, 106 Colum. L. Rev. 1029, 1030-31 (2006) ("Dilution grants trademark holders a remedy for the use of their famous marks by another even when consumers are not confused.").

n84. § 1125(c)(1).

n85. § 1125(c)(2)(A) ("[A] mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner.").

n86. A quick Lexis database search of trademark-infringement cases filed in federal district courts from 1995 to 2010 shows 2,417 cases alleging dilution as a cause of action (out of 7,773 filed trademark-infringement claims) (Lexis search: US District Court Cases, Combined, "trademark w/1 infringement," and Focus: "dilution").

n87. See generally Gerard N. Magliocca, *From Ashes to Fire: Trademark and Copyright in Transition*, 82 N.C. L. Rev. 1009, 1033 (2004) (stating that dilution "is now a powerful alternative to the traditional model of trademark protection"). Some public-interest groups, such as Public Knowledge, attempted to rally small businesses and individuals against the passage of the Trademark Dilution Revision Act in 2006, arguing that small businesses "will be severely limited when choosing how to market their products and refer to themselves." H.R. 683: The Trademark Dilution Revision Act of 2005, Public Knowledge (Feb. 9, 2005), <http://www.publicknowledge.org/issues/tmdilution> (last visited Mar. 17, 2011); see also *Stop the Trademark Dilution Revision Act*, Facebook, <http://www.facebook.com/group.php?gid=2210302309> (last visited Mar. 17, 2011).

n88. See, e.g., Benny Evangelista, *Monster Fiercely Protects Its Name: Cable Products Company Sues Those Who Use M-Word*, S.F. Chron., Nov. 8, 2004, <http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2004/11/08/BUG1J9N3C61.DTL>.

n89. See § 1127 (defining when a mark is "abandoned").

n90. See Julius R. Lunsford, Jr., *Trademark Basics*, 59 Trademark Rep. 873, 878 (1969) ("Strong marks are widely protected, as contrasted to weak marks.").

n91. See *E.I. DuPont de Nemours & Co. v. Yoshida Int'l, Inc.*, 393 F. Supp. 502, 512 (E.D.N.Y. 1975) ("Strength is primarily a question of degree, an amorphous concept with little shape or substance when divorced from the mark's commercial context, including an appraisal of the owner's policing efforts to ensure that whatever distinctiveness or exclusivity has been achieved is not lost through neglect, inattention, or consent to infringing use.").

n92. 1.McCarthy, *supra* note 41, § 11:91.

n93. See *Amstar Corp. v. Domino's Pizza, Inc.*, 615 F.2d 252, 265 (5th Cir. 1980) ("A trademark owner that strongly believed its customers

were being deceived would hardly have remained idle for such an extensive period of time.").

n94. Evangelista, *supra* note 88 (quoting Noel Lee, President, Monster Cable).

n95. See Greene, *supra* note 12, at 640 ("Practitioners no doubt feel doctrinal pressure to protect their clients' marks aggressively, based on the fear that inaction against potential infringers now could lead to a finding of acquiescence or laches later.").

n96. See, e.g., *Coach House Rest., Inc. v. Coach & Six Rests., Inc.*, 934 F.2d 1551, 1558 (11th Cir. 1991) (discussing laches and acquiescence, "both ... are capable of estopping a petitioner from asserting dormant rights against a defendant. The difference between acquiescence and laches is that laches denotes passive consent and acquiescence denotes active consent."); see also *Dial-A-Mattress Operating Corp. v. Mattress Madness, Inc.*, 841 F. Supp. 1339, 1355-56 (E.D.N.Y. 1994) ("A laches or acquiescence defense does not divest the trademark owner of the right to use the mark but may deprive him or her of any remedy for infringing uses by others."); McCarthy, *supra* note 41, § 31:41-43.

n97. See *Mo. Fed'n of the Blind v. Nat'l Fed'n of the Blind of Mo., Inc.*, 505 S.W.2d 1, 10 (Mo. Ct. App. 1973).

n98. Greene, *supra* note 12, at 640.

n99. Desai & Rierson, *supra* note 33, at 1834.

n100. See Cheryl L. Hodgson, *When Enforcement Becomes Bullying*, *World Trademark Rev.*, June/July 2010, at 73.

n101. 1. Webster's Third International Dictionary 295 (unabr. ed. 2002) [hereinafter Webster's].

n102. See 156 Cong. Rec. S349 (daily ed. Jan. 28, 2010) (statement of Sen. Leahy) ("When a corporation exaggerates the scope of its rights beyond a reasonable interpretation in an attempt to bully a small business out of the market, that is wrong."). The norm that is violated is a legal norm against an unreasonable interpretation of legal rights. Legal and business ethics inform the reasonable interpretation of rights. While it is not illegal to exaggerate the scope of one's rights, there are ethical penalties for lawyers who assist clients in so doing. See, e.g., Fed. R. Civ. P. 11 (imposing affirmative duty on attorneys to make a reasonable inquiry into the circumstances of a case and authorizing courts to impose sanctions on attorneys or law firms who violate the rule).

n103. Although drawing bright-line rules for when a large corporation conducts a "cursory" assessment of a third party's trademark use may be difficult to do with any real certainty, it is useful to keep the dictionary definition for "cursory" in mind: "rapidly often superficially performed with scant attention to detail." Webster's, *supra* note 101, at 558.

n104. See Warner Conjures Up Trouble, *New Media*, Apr. 12, 2001, at 34.

n105. See *id.*

n106. See Elizabeth Weise, "Potter" Is Still the Muggles' Domain, *USA Today*, Feb. 6, 2002, <http://www.usatoday.com/tech/columnist/2001-04-24-weise.htm>.

n107. See *supra* Part I.A.3.

n108. See Amy Zipkin, Entrepreneurs Must Choose Their Words with Care, *N.Y. Times*, Oct. 7, 2004, http://www.nytimes.com/2004/10/07/business/07sbiz.html?_r=2&pagewanted=all&position= (quoting Professor Roger Schechter).

n109. See Ann Bartow, Likelihood of Confusion, 41 *San Diego L. Rev.* 721, 738 & n.49 (2004).

n110. See Evangelista, *supra* note 88.

n111. See Zipkin, *supra* note 108.

n112. A likelihood-of-confusion analysis is typically conducted by courts using a multi-factor test. While the specific number of factors vary from circuit to circuit, see Barton Beebe, *An Empirical Study of the Multifactor Tests for Trademark Infringement*, 94 Calif. L. Rev. 1581, 1582-84 (2006), all of the various tests include factors that examine defendant's use of the trademark. See Dinwoodie & Janis, *supra* note 76, at 506-08.

n113. See Bartow, *supra* note 109, at 745.

n114. See Ridgway, *supra* note 19, at 1549.

n115. See EFF Wins a Partial Victory in Ford Case, *supra* note 24.

n116. See *Ford Motor Co. v. Greatdomains.com, Inc.*, 177 F. Supp. 2d 635, 644 (E.D. Mich. 2001).

n117. See Kirkpatrick, *supra* note 61, at 1-5.

n118. See Beebe, *supra* note 112, at 1586.

n119. One way to protect against these allegations is to keep records of the trademark-infringement assessment and legal analysis.

n120. See, e.g., *What-A-Burger of Va., Inc. v. Whataburger, Inc.*, 357 F.3d 441, 450-51 (4th Cir. 2004).

n121. There is a recognized legal norm against utilizing intimidation tactics that have the effect of forcing or coercing weaker parties into agreeing to something that they would not have otherwise agreed. For example, in contract law, doctrines of unconscionability, duress, and undue influence protect weaker parties against various sorts of intimidation tactics. See generally *Williams v. Walker-Thomas Furniture Co.*, 350 F.2d 445, 447-49 (D.C. Cir. 1965) (unconscionability); *Totem Marine Tug & Barge, Inc. v. Alyeska Pipeline Serv. Co.*, 584 P.2d 15 (Alaska 1978) (economic duress); *Odorizzi v. Bloomfield Sch. Dist.*, 54 Cal. Rptr. 533, 539-41 (Dist. Ct. App. 2d 1966) (undue influence).

n122. See generally Clare Dalton, *An Essay in the Deconstruction of Contract Doctrine*, 94 Yale L.J. 997, 1024 (1985); Arthur Allen Leff, *Unconscionability and the Code - The Emperor's New Clause*, 115 U. Pa. L. Rev. 485, 487 (1967).

n123. See, e.g., *Totem Marine Tug & Barge*, 584 P.2d at 22; *Odorizzi*, 54 Cal. Rptr. at 539.

n124. See, e.g., *Capps v. Ga. Pac. Corp.*, 453 P.2d 935 (1969) (holding that where the defendant exploited the plaintiff's desperation, the contract was rescinded with no cause of action for defendant to recover against the plaintiff).

n125. While some bullies offer monetary assistance to the small-business owner or individual to cover the costs of changing the trademark, this monetary assistance generally comes only after the small business or individual has capitulated. See Lou Carlozo, *McDonald's Ends 'McFight' with Collegiate Charity Concert Promoter*, WalletPop (Jul. 12, 2010), <http://www.walletpop.com/blog/2010/07/12/mcdonalds-ends-mcfight-with-collegiate-charity-concert-promot/> [hereinafter *McDonald's Ends 'McFight'*]. In addition, even where the small-business owner has not agreed to change its trademark, the offer of monetary assistance comes after the bullying has already occurred. See *Monster Companies Settle Name Differences*, National Public Radio (Jan. 7, 2009).

n126. See Letter from Robert W. Payne, Attorney, LaRiviere, Grubman & Payne, to Michael Shkolnik, dated Jun. 7, 2002 (on file with author) ("Monster Cable vigorously protects its exclusive rights and wishes to resolve this matter promptly and in a satisfactory manner. We have otherwise been directed immediately to file suit in federal court to contest your use of 'monster.biz' for trademark dilution and infringement. The complaint is prepared, and we will file it next week if we do not receive an acceptable response from you by [date].").

n127. One letter out of over two hundred seventy letters from the ChillingEffects.org database of trademark cease-and-desist letters mentions arbitration as an option. See Letter from Cornell Univ., to Welzie, available at <http://www.chillingeffects.org/documenting/notice.cgi?NoticeID=661>. Letters from eBay mention actions taken in arbitration at the World Intellectual Property Organization. See Letter from eBay, Inc., to John Salmon (Aug. 27, 2003), available at <http://chillingeffects.org/domain/notice.cgi?NoticeID=809>; Letter from eBay, Inc.,

to W. Applications (Aug. 26, 2003), available at <http://chillingeffects.org/domain/notice.cgi?NoticeID=812>; Letter from eBay Legal Dep't, to Automatt Ventures (Jul. 30, 2002), available at <http://chillingeffects.org/udrp/notice.cgi?NoticeID=368>; Letter from eBay, Inc., to Joan Dumas (Jul. 22, 2002), available at <http://chillingeffects.org/domain/notice.cgi?NoticeID=394>; Letter from eBay Legal Dep't, to Valley Trading Post.com (Feb. 19, 2005), available at <http://chillingeffects.org/acpa/notice.cgi?NoticeID=1686>.

n128. See Rebecca Callahan, *Arbitration v. Litigation: The Right to Appeal and Other Misperceptions Fueling the Preference for a Judicial Forum* 7-8 (Bepress, Legal Series, Paper No. 1248, 2006).

n129. *Matt vs. Monster*, *supra* note 5, at 1:47.

n130. A survey of over two hundred seventy cease-and-desist letters in the ChillingEffects.org database reveals that approximately 20 percent of the letters include either a demand for payment of attorney's fees, or claim that attorney's fees will be awarded when the sender wins the litigation. See Chilling Effects, <http://chillingeffects.org/index.cgi> (last visited Apr. 3, 2011).

n131. Although the Lanham Act provides for a recovery of attorney's fees in trademark-infringement cases, such award is only for "exceptional cases." See 15 U.S.C. § 1117(a) (2006).

n132. *Odorizzi v. Bloomfield Sch. Dist.*, 54 Cal. Rptr. 533, 539 (Dist. Ct. App. 2d 1966) (quoting Cal. Civ. Code § 1575 (West 1970)).

n133. For example, it appears that only one letter in the ChillingEffects.org database cites to a case and attached a copy. See Letter from eBay Legal Department to Joan Dumas, *supra* note 127.

n134. See, e.g., *supra* note 127. Approximately 188 letters out of over 270 trademark-related cease-and-desist letters were written by lawyers. See Chilling Effects, *supra* note 130.

n135. See, e.g., Letter from National Football League, *supra* note 14 (citing to *La. State Univ. Bd. of Supervisors v. Smack Apparel Co.*, 438 F. Supp. 2d 653 (E.D. La. 2006), *aff'd*, 550 F.3d 465 (5th Cir. 2008); *Tex. Tech Univ. v. Spiegelberg*, 461 F. Supp. 2d 510 (N.D. Tex. 2006)); Letter from Church of Scientology, to Tanya Durni, <http://www.buffaloscienceologyinfo.com> (Apr. 1, 2005), available at

<http://chillingeffects.org/domain/notice.cgi?NoticeID=2060> (citing to eleven cases).

n136. For example, Nadeau stated that when he received the cease-and-desist letter from Hansen Beverage Company's lawyer, "I'm just beside myself, you know." See *Matt vs. Monster*, supra note 5. Lauren Thom of Fleurty Girl described that the letter from the National Football League's lawyer "scared the bejesus out of me." See Melinda Delatte, "Who Dat' Shirts CAN Be Sold: NFL Clarifies Saints Gear Position," *The Huffington Post* (Feb. 1, 2010, 8:47 PM), http://www.huffingtonpost.com/2010/02/01/who-dat-shirts-can-be-sol_n_445291.html.

n137. A significant number of letters demand a response between ten and fifteen days from the date of the letter, with some letters demanding a response in as short as one or two days. See *Chilling Effects*, supra note 127.

n138. See Ridgway, supra note 19, at 1548 ("Ready access to a lawyer is a barrier the internet has failed to eliminate.").

n139. The Small Business Administration generally defines a small business as any entity with five hundred or fewer employees and annual revenues of under \$ 7 million (although the specific figures may differ based on industry). See *Summary of Size Standards by Industry*, U.S. Small Business Administration, <http://sba.gov/content/summary-size-standards-industry> (last visited Mar. 9, 2011). However, this Article is not proposing a bright-line standard to determine the exact moment when bullying becomes harassment.

n140. See Altman Weil, 2010 Chief Legal Officer Survey 18-19 (2010).

n141. Some small businesses or individuals may have insurance, which may cover the costs for certain claims, such as advertising. But the decision to purchase insurance is often determined by financial resources.

n142. See, e.g., *MasterCard Int'l Inc. v. Nader 2000 Primary Comm. Inc.*, 70 U.S.P.Q.2d (BNA) 1046 (S.D.N.Y. 2004); *Fox News Network LLC v. Penguin Grp. (USA) Inc.*, 31 Media L. Rep. (BNA) 2254 (S.D.N.Y. 2003).

n143. See *MasterCard Int'l Inc.*, 70 U.S.P.Q.2d (BNA) 1046; *Fox News Network LLC*, 31 Media L. Rep. (BNA) 2254.

n144. For example, Judge Chin in *Fox News Network LLC* declared that Fox News was "trying to undermine the First Amendment." Still Frowning, *Fox News Drops Franken Suit*, Wash. Post, Aug. 26, 2003, at C07; see also *Fox News Network LLC*, 31 Media L. Rep. (BNA) 2254.

n145. See, e.g., Richard A. Posner, *The Cost of Rights: Implications for Central and Eastern Europe - And for the United States*, 32 *Tulsa L.J.* 1, 2 (1996) ("The enforcement of legal rights consumes real resources, including ... indirect costs to the extent that rights are enforceable against socially productive activities, or impose socially burdensome duties, or protect socially harmful activities.").

n146. See Coombe, *supra* note 18, at 66 ("Protecting consumers from potential confusion becomes the ruse by which corporations protect themselves from competition ...").

n147. See 1 Herbert Hovenkamp et al., *IP and Antitrust: An Analysis of Antitrust Principles Applied to Intellectual Property Law* § 1.2 (2d ed. 2010).

n148. See *Clorox Co. v. Sterling Winthrop, Inc.*, 117 F.3d 50, 56 (2d Cir. 1997).

n149. See Hovenkamp et al., *supra* note 147, § 4.1 ("An important goal of antitrust policy is minimizing the amount of market power in the economy ...").

n150. See *id.* § 3.5.

n151. See *Am. Online, Inc. v. AT&T Corp.*, 243 F.3d 812 (4th Cir. 2001); Ramsey, *supra* note 58, at 1147-48.

n152. See McCarthy, *supra* note 41, § 11:85.

n153. See Ronald D. Michman, Edward M. Mazze & Alan J. Greco, *Lifestyle Marketing: Reaching the New American Consumer* 66-67 (2003) ("Inexperienced consumers will purchase the most familiar brand and therefore brand recognition is desired by manufacturers."); see also *James Burrough Ltd. v. Sign of the Beefeater, Inc.*, 540 F.2d 266, 276 (7th Cir. 1976).

n154. See Letter from National Football League, *supra* note 14.

n155. See Letter from Diane Reed, *supra* note 1.

n156. See Parr, *supra* note 20, at 248-49; Robison, *supra* note 20. This is especially true where the small business's product is a parody of the trademark bully's product. See, e.g., *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252 (4th Cir. 2007).

n157. See Coombe, *supra* note 18, at 65-66.

n158. 1.Bollier, *supra* note 9, at 129; see also Desai & Rierson, *supra* note 33, at 1839. For excellent scholarly treatment of these issues, see generally Ramsey, *supra* note 58.

n159. See Ridgway, *supra* note 19, at 1549.

n160. See Alex Kozinski, *Essay, Trademarks Unplugged*, 68 N.Y.U. L. Rev. 960, 972-73 (1993); Malla Pollack, *Your Image Is My Image: When Advertising Dedicates Trademarks to the Public Domain - With an Example from the Trademark Counterfeiting Act of 1984*, 14 Cardozo L. Rev. 1391, 1393 (1993). In addition, critical reviews of products provide invaluable purchasing aids to consumers. See Goldman, *supra* note 19, at 413.

n161. See *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 909 (9th Cir. 2002).

n162. See *id.* at 901.

n163. See Dreyfuss, *supra* note 38, at 397; Kozinski, *supra* note 160, at 961; Jessica Litman, *Breakfast with Batman: The Public Interest in the Advertising Age*, 108 *Yale L.J.* 1717, 1728 (1999).

n164. See *Mattel, Inc.*, 296 F.3d at 900.

n165. See Desai & Rierison, *supra* note 33, at 1839.

n166. See 156 *Cong. Rec.* S349 (daily ed. Jan. 28, 2010) (statement of Sen. Leahy).

n167. Trademark Technical and Conforming Amendment Act of 2010, Pub. L. No. 111-146, § 4, 124 *Stat.* 66, 69-70.

n168. *Id.*

n169. See *infra* Part II.B.1. Some commentators do not restrict their definition of bullying to large corporations. See Hodgson, *supra* note 100, at 73 ("Bully status is not limited to large companies.").

n170. See *The Social Movements Reader: Cases and Concepts* 252 (Jeff Goodwin & James M. Jasper eds., 2d ed. 2009) (describing "repertoires of protest" to include sit-ins, marches, demonstrations, vigils, and petitions); Thomas L. Gais & Jack L. Walker, Jr., *Pathways to Influence in American Politics*, in *Mobilizing Interest Groups in America: Patrons, Professions, and Social Movements* 103, 109 (Jack L. Walker, Jr. ed., 1991) [hereinafter *Mobilizing Interest Groups*] (listing litigation as among eight different tactics to influencing political change).

n171. See Kim Lane Scheppele & Jack L. Walker, Jr., *The Litigation Strategies of Interest Groups*, in *Mobilizing Interest Groups*, supra note 170, at 162, 171 ("Organizations need the resources of money, ability to turn control of policy over to lawyers, and a long time-horizon to use the courts. These are crucial resources any organization must have to find the courts attractive as a place to achieve policy goals... . Litigation remains one of the least popular forms of advocacy pursued by interest groups.").

n172. See Gais & Walker, supra note 170, at 109.

n173. This Article is not intended to provide legal advice of any sort. In arguing that certain small businesses and individuals should not litigate trademark-infringement lawsuits, this Article is providing a theoretical opinion of the author and is not recommending, encouraging, or suggesting that any entity or individual forego litigation or not defend itself in a lawsuit without first seeking the advice of competent counsel.

n174. See Stephen C. Yeazell, *Civil Procedure* 265 (7th ed. 2008); see also Kenneth L. Port, *Trademark Extortion: The End of Trademark Law*, 65 Wash. & Lee L. Rev. 585, 589 (2008).

n175. 1.2007 Survey of Business Owners, U.S. Census Bureau (July 13, 2010), <http://factfinder.census.gov/> (follow "Data Census" hyperlink; then follow "Economic Census" hyperlink; then follow "2007 Survey of Business Owners" hyperlink; then select data set "SB0700CSPRE01").

n176. See Moutray, supra note 13, at 30.

n177. Unlike patent attorneys who are admitted to practice before the U.S. Patent & Trademark Office (PTO), trademark attorneys need no special qualification or admittance in order to prosecute or litigate trademark matters. Therefore, it is difficult to estimate the number of trademark attorneys in the United States; however, there are approximately 2,218 U.S.-based attorneys who are members of the International Trademark Association, the largest trademark organization. See Int'l Trademark Assoc., *Membership Directory* (2010) (on file with author).

n178. See Julie A. Katz, *The Long and Winding Road: Successful Trademark Litigation in the United States*, *Intellectual Asset Management Magazine*, at 44, 45 (Brands in the Boardroom 2009: Key Branding Issues for Senior Executives Supp. 2009).

n179. 1.2007 Survey of Business Owners, *supra* note 175.

n180. See McGeeveran, *supra* note 26, at 58; Ridgway, *supra* note 19, at 1549.

n181. Delatte, *supra* note 136.

n182. Income for the average American household fell 4.8 percent between 2000 and 2009. See Conor Dougherty & Sara Murray, Lost Decade for Family Income, *Wall St. J.*, Sept. 17, 2010, <http://online.wsj.com/article/SB10001424052748703440604575495670714069694.htm>.

n183. See David K. Randall, In Pictures: Five Common Financial Mistakes Small Businesses Make, *Forbes*, slide 2 (Apr. 30, 2009), http://www.forbes.com/2009/04/30/moneybuilder-start-business-personal-finance-starting_slide_2.html.

n184. Properly funding a new small business is crucial as the small business will need to draw upon the start-up funds in the beginning days of the business, when it is trying to attract customers.

n185. See Randall, *supra* note 183, at slide 5.

n186. See *id.* at slide 6.

n187. See Dougherty & Murray, *supra* note 182.

n188. See Nat'l Payroll Wk., 2010 "Getting Paid in America" Survey Results 1 (2010).

n189. See Sharon A. DeVaney & Sophia T. Chiremba, Comparing the Retirement Savings of the Baby Boomers and Other Cohorts, Bureau of Labor Statistics, tbl.3 (Mar. 16, 2005), <http://www.bls.gov/opub/cwc/tables/cm20050114ar01t3.htm>.

n190. As discussed earlier, in order to mount a successful defense, sufficient monetary resources are needed in order to see the case through to the last appeal.

n191. See Ridgway, *supra* note 19, at 1567 ("Because trademark holders possess, on average, better information about the scope and validity of their rights, they can sometimes successfully bluff a defendant, despite having a weak lawsuit.").

n192. For example, eBay's letters to domain-name holders similar to eBay contain the following language, "We have filed several successful federal court actions in the United States against companies and individuals employing the famous eBay trademark in their domain names, as well as more than six proceedings before the United Nation's World Intellectual Property Organization's arbitration panel. eBay prevailed in each case and the domain names at issue were all ordered to be transferred to eBay." See, e.g., Letter from eBay Legal Dep't to Valley Trading Post.com, *supra* note 127.

n193. See *supra* note 173 and accompanying text.

n194. There are various nonprofit entities around the United States devoted to providing legal assistance for intellectual property issues, such as the Volunteer Lawyers for the Arts organizations. See, e.g., Volunteer Lawyers and Accountants for the Arts St. Louis, <http://www.vlaa.org> (last visited Mar. 11, 2011). In addition, some law schools have established intellectual property clinics that are intended to assist nonprofit organizations. See, e.g., Intellectual Property and Nonprofit Organizations Clinic, Washington University Law, <http://law.wustl.edu/ClinicalEd/pages.aspx?id=6835> (last visited Mar. 13, 2011). However, barriers still exist to receiving legal assistance through these organizations, including the capacity of the organization and whether the small business or individual meets the criteria of the organization.

n195. For example, in Rock Art Brewery's dispute with Hansen Beverage Corporation, Nadeau was advised by one attorney to change the trademark. See *Matt vs. Monster*, *supra* note 5, at 2:38.

n196. See Dinwoodie, *supra* note 26, at 124.

n197. See Ridgway, *supra* note 19, at 1548.

n198. See Dinwoodie, *supra* note 26, at 142.

n199. See *Resorts of Pinehurst, Inc. v. Pinehurst Nat'l. Corp.*, 148 F.3d 417, 422 (4th Cir. 1998) ("The likelihood of confusion is a factual issue dependent on the circumstances of each case."); see also *Sunmark, Inc. v. Ocean Spray Cranberries, Inc.*, 64 F.3d 1055, 1060 (7th Cir. 1995) ("Likelihood of confusion in a trademark case is a factual issue ...").

n200. See McCarthy, *supra* note 41, § 23:67.

n201. Cf. Goldman, *supra* note 19, at 415-16, 424 ("Assessing consumer confusion about product source is an inherently inexact process.").

n202. See McCarthy, *supra* note 41, § 23:67 (citing the Second, Sixth, and Federal Circuits). More specifically, these courts will review the district court's findings of fact for each likelihood-of-confusion factor under the clearly erroneous standard, but then apply the *de novo* standard to the weighing of the factors. See *Arrow Fastener Co., Inc. v. Stanley Works*, 59 F.3d 384, 391 (2d Cir. 1995) ("We review the district court's treatment of each Polaroid factor under a clearly erroneous standard... . Whether the plaintiff proved a likelihood of confusion is a legal question, and we review the court's weighing of those factors and its ultimate conclusion under a *de novo* standard.").

n203. For example, in 2009 the Second and Sixth Circuit courts of appeals issued decisions in a total of nine cases reviewing district court findings related to trademark infringement. See *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97 (2d Cir. 2009); *Sly Magazine, LLC v. Weider Publ'ns L.L.C.*, 346 Fed. App'x 721 (2d Cir. 2009); *Hensley Mfg. v. ProPride, Inc.*, 579 F.3d 603 (6th Cir. 2009); *Dessert Beauty, Inc. v. Fox*, 329 Fed. App'x 333 (2d Cir. 2009); *Zino Davidoff SA v. CVS Corp.*, 571 F.3d 238 (2d Cir. 2009); *Rescuecom Corp. v. Google Inc.*, 562 F.3d 123 (2d Cir. 2009); *Citizens Banking Corp. v. Citizens Fin. Group, Inc.*, 320 Fed. App'x 341 (6th Cir. 2009); *Kerr Corp. v. Freeman Mfg. & Supply Co.*, No. 08-3330, 2009 U.S. App. LEXIS 6342 (6th Cir. Mar. 23, 2009); *Rush Indus. v. Garnier LLC*, 309 Fed. App'x 431 (2d Cir. 2009). Of these nine cases, three reversed the district courts' opinions. See *Wolfe's Borough Coffee, Inc.*, 588 F.3d at 102; *Rescuecom Corp.*, 562 F.3d at 124; *Kerr Corp.*, 2009 U.S. App. LEXIS 6342, at 1. While this is a small sample size, it does show a

reversal rate of 30 percent.

n204. Some large corporations may desire a reputation for being a "bully." See Hodgson, *supra* note 100, at 76.

n205. See *Matt vs. Monster*, *supra* note 5, at 2:38 (advice given to Nadeau); Bio: Food Chain Barbie and the Fight for Free Speech, Forsythe Artsurdism, http://creativefreedomdefense.org/bio_foodchain.cfm (last visited Mar. 11, 2011) [hereinafter Bio: Food Chain Barbie] ("A long list of attorneys suggested that I just give up, since I hadn't made any money anyway.").

n206. See Callahan, *supra* note 128, at 7.

n207. See *Matt vs. Monster*, *supra* note 5, at 1:41.

n208. See *id.* at 3:00.

n209. Alice Joy, Firm Says Stop Using Hollister Name on Jeans, *The Gilroy Dispatch*, Sept. 14, 2007, <http://www.gilroydispatch.com/printer/article.asp?c= 225171> [hereinafter Joy, Hollister Name] (quoting Stacey Crummett).

n210. See Grynberg, *supra* note 26, at 902 ("Trademark defenses ... enjoy an uneasy status in federal law.").

n211. See Dinwoodie, *supra* note 26, at 117-19; McGeeveran, *supra* note 26, at 77-109 (identifying and critiquing five doctrines used to evaluate expressive uses).

n212. See Dinwoodie, *supra* note 26, at 110.

n213. See McGeveran, *supra* note 26, at 62.

n214. See, e.g., Dinwoodie, *supra* note 26, at 111, 131; McGeveran, *supra* note 26, at 110.

n215. See McGeveran, *supra* note 26, at 86.

n216. See Dinwoodie, *supra* note 26, at 141-42.

n217. See, e.g., Cal. Civ. Proc. Code § 425.16(e) (West 2004 & Supp. 2011).

n218. *Bosley Med. Inst., Inc. v. Kremer*, 403 F.3d 672, 682 (9th Cir. 2005).

n219. See, e.g., *Mindys Cosmetics, Inc. v. Dakar*, 611 F.3d 590, 594 (9th Cir. 2010) (denying motion); *Bosley*, 403 F.3d at 674 (denying motion).

n220. See McGeveran, *supra* note 26, at 53-54.

n221. *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111 (2004); see Graeme W. Austin, *Tolerating Confusion About Confusion: Trademark Policies and Fair Use*, 50 *Ariz. L. Rev.* 157, 182-89 (2008).

n222. See generally Grynberg, *supra* note 26.

n223. See generally Port, *supra* note 174 (discussing the problem of trademark "extortion").

n224. See, e.g., Steve Stecklow, The Scariest Monster of All Sues for Trademark Infringement, *Wall St. J.*, Apr. 4, 2009, <http://online.wsj.com/article/SB123869022704882969.html>.

n225. See Brett Frischmann & Dan Moylan, The Evolving Common Law Doctrine of Copyright Misuse: A Unified Theory and Its Application to Software, 15 *Berkeley Tech. L.J.* 865 (2000). But cf. Mark A. Lemley, Comment, The Economic Irrationality of the Patent Misuse Doctrine, 78 *Calif. L. Rev.* 1599 (1990) (arguing that the patent misuse doctrine is economically irrational and should be abolished); Note, Is the Patent Misuse Doctrine Obsolete?, 110 *Harv. L. Rev.* 1922 (1997) (examining doubts about the continuing vitality of patent misuse doctrine).

n226. See *Assessment Techs. of WI, LLC v. WIREdata, Inc.*, 350 F.3d 640, 647 (7th Cir. 2003); *Lasercomb Am., Inc. v. Reynolds*, 911 F.2d 970, 972-77 (4th Cir. 1990); *Int'l Motor Contest Ass'n v. Staley*, 434 F. Supp. 2d 650, 666 (N.D. Iowa 2006).

n227. *Assessment Techs.*, 350 F.3d at 647.

n228. See *Lasercomb*, 911 F.2d at 979 & n.22.

n229. See *Assessment Techs.*, 350 F.3d at 647.

n230. See *Ridgway*, *supra* note 19, at 1554.

n231. See *U.S. Jaycees v. Cedar Rapids Jaycees*, 794 F.2d 379 (8th Cir. 1986).

n232. See *Ridgway*, *supra* note 19, at 1557.

n233. For example, a search of the Lexis database shows 26 trademark-infringement cases from 2009 through 2010 contained allegations of "abuse of process" (out of 1,960 cases). In none of the cases did the court find in favor of the party alleging abuse of process. Lexis search conducted on April 4, 2011 (date range: Jan. 1, 2009 to Dec. 29, 2010, Search terms "trademark w/1 infringement," Focus: "abuse of process").

n234. See, e.g., *Ford Motor Co. v. Obsolete Ford Parts, Inc.*, 318 F. Supp. 2d 516, 521 (E.D. Mich. 2004); *Dunn Computer Corp. v. Loudcloud, Inc.*, 133 F. Supp. 2d 823, 830-31 (E.D. Va. 2001).

n235. See *Ridgway*, *supra* note 19, at 1549.

n236. See *id.* at 1569 ("Unlike in a full-scale lawsuit, the marginal cost of enforcement - in essence, one Google search and a cease-and-desist letter - is nearly negligible.").

n237. See *supra* Part II.A.

n238. See *Hodgson*, *supra* note 100, at 76 ("A reputation as a bully can actually be seen as a positive for less socially conscious trademark owners - they can not only potentially monopolize the word as a mark, but also gain fame by becoming infamous.").

n239. Alexander Zaitchik, *The Village Bully One Voice Under God?*, N.Y. Press (Apr. 29, 2003), <http://www.nypress.com/print-article-7433-print.html> (quoting cease-and-desist letter).

n240. To reiterate, this is not intended as legal advice.

n241. See Brief of the National Jewish Commission on Law and Public Affairs ("COLPA") and the International Association of Jewish Lawyers and Jurists (American Section) ("IAJLJ") as Amici Curiae Supporting Petitioner, *Bryan v. Moore*, 528 U.S. 1133 (2000) (No. 99-6723), 1999 U.S. S. Ct. Briefs LEXIS 364, at 3-4, 8.

n242. See Sandeep Gopalan, Shame Sanctions and Excessive CEO Pay, 32 Del. J. Corp. L. 757, 759 (2007) (overpaid chief executive officers); Kahan & Posner, *supra* note 28, at 383 (criminals); Bradley C. Karkkainen, Information as Environmental Regulation: TRI and Performance Benchmarking, Precursor to a New Paradigm?, 89 Geo. L.J. 257, 296-98 (2001) (environmental polluters); Michael S. Kirsch, Alternative Sanctions and the Federal Tax Law: Symbols, Shaming, and Social Norm Management as a Substitute for Effective Tax Policy, 89 Iowa L. Rev. 863, 865-66 (2004) (tax evaders); David A. Skeel, Jr., Shaming in Corporate Law, 149 U. Pa. L. Rev. 1811, 1812 (2001) (low-performing corporations).

n243. See Kahan, *supra* note 28, at 630-49.

n244. See, e.g., Kahan & Posner, *supra* note 28, at 383-87 (arguing for shaming to be included in the Federal Sentencing Guidelines); Skeel, *supra* note 242, at 1860-62 (providing a descriptive account of shaming undertaken by private entities, but arguing that shaming can be made less costly with governmental assistance). One of the few instances of an advocate for shaming by private activists is Thomas Friedman. See Thomas L. Friedman, *The Lexus and the Olive Tree: Understanding Globalization* 207 (2000) (arguing for private activism to "compel" companies to behave better). There are some commentators who argue against shaming by private activists, citing concerns of "vigilantism" and "lynch justice." See e.g., James Q. Whitman, What Is Wrong with Inflicting Shame Sanctions?, 107 Yale L.J. 1055, 1059, 1085 (1998).

n245. See Eric Posner, *Law & Social Norms* 76 (2000).

n246. Kahan & Posner, *supra* note 28, at 368.

n247. See generally Nathaniel Hawthorne, *The Scarlet Letter and Other Tales of the Puritans* (Harry Levin ed., Houghton Mifflin Co. 1961) (1850).

n248. See *People v. Hackler*, 16 Cal. Rptr. 2d 681, 682 (Ct. App. 1993) (appealing an order requiring defendant to wear a t-shirt that stated "My record plus two six-packs equals four years," on the front, and "I am on felony probation for theft" on the back of the t-shirt).

n249. See, e.g., *United States v. Gementera*, 379 F.3d 596, 598 (9th Cir. 2004).

n250. See Skeel, *supra* note 242, at 1820 ("[A] shaming sanction [is] a public statement made or ordered by an enforcer, directed at the offender, and addressed to the relevant community as a whole.").

n251. See Paul Ziel, Eighteenth Century Public Humiliation Penalties in Twenty-First Century America: The "Shameful" Return of "Scarlet Letter" Punishments in *U.S. v. Gementera*, 19 *BYU J. Pub. L.* 499, 500 (2005).

n252. See Skeel, *supra* note 242, at 1811 ("Shaming is in."); Whitman, *supra* note 244, at 1056-58.

n253. See *supra* note 242.

n254. 1. Posner, *supra* note 245, at 89.

n255. See Ryan P. Toftoy, Now Playing: Corporate Codes of Conduct in the Global Theater. Is Nike Just Doing It?, 15 *Ariz. J. Int'l & Comp. L.* 905, 923-24 (1998).

n256. See Naomi Klein, No Logo 376-78 (2002) (documenting the losses Nike suffered for its human-rights violations).

n257. See Skeel, *supra* note 242, at 1824.

n258. See Kahan & Posner, *supra* note 28, at 373-74.

n259. See Posner, *supra* note 245, at 28.

n260. See Kahan & Posner, *supra* note 28, at 372.

n261. See Kahan, *supra* note 28, at 636-37.

n262. See *id.* at 594. Although Professor Kahan has since recanted his reliance on shaming penalties in the criminal context, see Dan M. Kahan, What's Really Wrong with Shaming Sanctions, 84 Tex. L. Rev. 2075 (2006) [hereinafter Kahan, What's Really Wrong], he does not recant shaming *per se*, but rather argues that shaming does not convey the same level of expressive quality as imprisonment. See Chad Flanders, Shame and the Meanings of Punishment, 54 Clev. St. L. Rev. 609, 609 n. (2006) ("Despite what the title of his article could be taken to imply, Kahan does not repudiate shaming sanctions so much as he despairs of their political feasibility.").

n263. See Kahan & Posner, *supra* note 28, at 374.

n264. *Id.*

n265. See Skeel, *supra* note 242, at 1824-26.

n266. See *id.*

n267. See *id.*

n268. See *id.* at 1826.

n269. *Id.*

n270. See U.S. Trademark Application Serial No. 78,910,647 (filed June 17, 2006).

n271. See Joy, *Hollister Name*, *supra* note 209.

n272. Although the local council and Crummett sent protest letters to the U.S. PTO, see Anthony Ha, *City Backs Dispute of 'Hollister' Trademark, Hollister Free Lance* (Oct. 6, 2007), <http://hollisterfreelance.com/printer/article.asp?c=226838>, Abercrombie maintains its position with respect to HOLLISTER. See Hugo Martin, *Hollister, Calif., Is at Odds with Abercrombie over Name*, *L.A. Times*, Apr. 24, 2009, <http://articles.latimes.com/2009/apr/24/business/fi-hollister24>.

n273. Crummett, the proprietor of Rag City Blues, purchased the brand in 2006, with her attempted shaming taking place in 2007. See Doug Buchanan, *Hollister, California, Takes Issue with Abercrombie's Trademark*, *Columbus Bus. First*, Oct. 12, 2007, at A4 (citing Crummett's purchase of the brand in 2006). Three news stories appeared highlighting the dispute, and Crummett and her local council people sent protest letters to the U.S. PTO in October 2007. See *id.*; Joy, *Hollister Name*, *supra* note 209; Alice Joy, *Property of Hollister Co., Hollister Free Lance*, Sept. 13, 2007, <http://www.freelancenews.com/printer/article.asp?c=225082>.

n274. See Skeel, *supra* note 242, at 1829.

n275. Although there are academic debates about the efficacy of treating corporate entities akin to individuals, the law has generally done so. As such, while there are merits in the academic debate, this Article follows the law's path in this instance and treats both the entity and

individual the same. See, e.g., *Citizens United v. Fed. Election Comm'n*, 130 S. Ct. 876, 899-900 (2010).

n276. See generally Laird, *supra* note 64, at 31; James D. Norris, *Advertising and the Transformation of American Society, 1865-1920*, at 12-13 (1990).

n277. See Anat Toder-Alon, Frederic F. Brunel & Wendy L. Schneier Siegal, *Ritual Behavior and Community Change: Exploring the Social-Psychological Roles of Net Rituals in the Developmental Processes of Online Consumption Communities*, in *Online Consumer Psychology: Understanding and Influencing Consumer Behavior in the Virtual World* 7, 8 (Curtis P. Haugtvedt, Karen A. Machleit & Richard F. Yalch eds., 2005).

n278. See Laird, *supra* note 64, at 54 (discussing B.T. Babbitt's promotional program); Stanley M. Ulanoff, *Advertising in America: An Introduction to Persuasive Communication* 426-33 (1977) (describing Babbitt's promotional program as the first use of "premiums" and detailing the various types of premiums, such as sweepstakes and contests).

n279. See Stephan A. Butscher, *Customer Loyalty Programmes and Clubs* 20-21 (2002) (describing frequent flyer programs and other loyalty programs which began to gain traction in the 1990s).

n280. See Toder-Alon, Brunel & Siegal, *supra* note 277, at 7-8. See generally Lon Safko, *The Social Media Bible: Tactics, Tools, and Strategies for Business Success* (2d ed. 2010).

n281. See Safko, *supra* note 280, at 27.

n282. See, e.g., Michael Barbaro & Julie Creswell, *With a Trademark in Its Pocket, Levi's Turns to Suing Its Rivals*, N.Y. Times, Jan. 29, 2007, at A1 (describing Levi's trademark-infringement lawsuits as a strategy to regain its competitive edge in the blue jeans market).

n283. See Zipkin, *supra* note 108.

n284. See, e.g., John Curran, *Monster-Maker to Vt. Brewer: No 'Vermonster' Beer*, ABC News, Oct. 12, 2009, <http://abcnews.go.com/print?id=8810200> (describing Hansen's plans to enter the alcoholic beverage market).

n285. See Hansen Beverage Company, *Products*, <http://www.hansens.com/products/> (last visited Mar. 21, 2011).

n286. See Curran, *supra* note 284. Hansen had filed an application to register a mark for alcohol. See U.S. Trademark Application Serial No. 78,534,122 (filed Dec. 16, 2004) (application for "MONSTER MALT LIQUOR" abandoned July 20, 2009).

n287. See Bollier, *supra* note 9, at 83-109.

n288. See *id.* at 84 ("Unflattering social criticism can do nasty things to a valuable brand."); Goldman, *supra* note 19, at 408 ("Editorial content about goods and services, such as product reviews, plays a crucial role in shaping consumer brand perceptions. For example, good product reviews can boost sales, while bad reviews can sink them.").

n289. See Kahan, *supra* note 28, at 636.

n290. See Edward Lee, *Is Facebook a Friend or Bully?*, The Huffington Post (Aug. 27, 2010), http://www.huffingtonpost.com/edward-lee/is-facebook-a-friend-or-b_b_696110.html ("If there's one lesson that is true both in trademark and in life: no one likes a bully.").

n291. See *How to Handle Bullies*, Oprah Radio (Jan. 1, 2008), available at <http://www.oprah.com/relationships/How-to-Handle-Bullies>; *The Oprah Show: Bullied to Death: Two Devastated Moms Speak Out* (Harpo television broadcast May 6, 2009), available at http://www.oprah.com/showinfo/Bullied-to-Death-Two-Devastated-Moms-Speak-Out_1.

n292. See Rebecca Ford, *America's Next Top Model: Turning Bullying into Beauty*, Reality TV Magazine (Sept. 15, 2010, 8:59 AM),

<http://realitytvmagazine.sheknows.com/2010/09/15/americas-next-top-model-turning-bullying-into-beauty/>.

n293. See Jennifer Stagg, Major Corporation Threatens Local Cookie Company with Lawsuit, KSL.com (Aug. 2, 2010, 5:00 PM), <http://www.ksl.com/index.php?sid=11825672>.

n294. See Steve Karnowski, Pillsbury Batters Dough Girl into Name Change, MSNBC.com (Aug. 10, 2010, 4:53 PM), http://www.msnbc.msn.com/id/38646774/ns/business-us_business/.

n295. See My Dough Girl vs. Pillsbury Corporation, Facebook, <http://www.facebook.com/my.dough.girl.vs.pillsburycorporation>.

n296. See Karnowski, *supra* note 294.

n297. See Bartow, *supra* note 109, at 745.

n298. See Jesse Fruhwirth, My Dough Girl in Trademark Trouble with Pillsbury, Salt Lake City Weekly.net (July 6, 2010), <http://www.cityweekly.net/utah/print-article-11641-print.html> (quoting Tami Cromar, owner of My Dough Girl: "It's impossible for consumers to confuse [my] brand with the Pillsbury brand."); Sergej Karssen, Comment to My Dough Girl vs. Pillsbury Corporation, Facebook (Aug. 20, 2010, 12:35 PM), http://www.facebook.com/my.dough.girl.vs.pillsburycorporation?v=app_2373072738&ref=search#!/m.y.dough.girl.vs.pillsburycorporation?v=wall&ref=search ("What a load of nonsense. Absolutely nothing makes me think of the PB brand when I see the logo or brand name."); Brett N Kelly Johnson, Comment to Vermonsters and Craft Beer Drinkers Against Monster: Response from Mark Hall, President of Monster Beverage, Facebook (Oct. 17, 2009, 2:03 PM), <http://www.facebook.com/topic.php?uid=171894902802&topic=15684> ("The basis of the lawyers' action was that Vermonster was too close to Monster and could confuse consumers. That's pretty shaky ground to me, but of course I'm not a lawyer either.").

n299. Linda de Azevedo, Comment to My Dough Girl vs. Pillsbury Corporation, Facebook (July 13, 2010, 6:29 PM), <http://ko-kr.connect.facebook.com/posted.php?id=127153330644835&start=70&hash=07314382cfd3087ed1859b53cf448def>.

n300. See Charles J. Fombrun & Cees B.M. van Riel, *Fame & Fortune: How Successful Companies Build Winning Reputations* 2-3 (2004)

(explaining that reputations are used by people to decide what to purchase and which businesses to invest in).

n301. See McCarthy, *supra* note 41, § 2:18.

n302. See David Aaker, *Managing Brand Equity* 52-53 (1991).

n303. See Klein, *supra* note 256, at 376-78; Hodgson, *supra* note 100, at 73, 76.

n304. See Klein, *supra* note 256, at 376-78.

n305. See Curran, *supra* note 284; A Monster Win for Rock Art, WCAX.com (Oct. 21, 2009), <http://www.wcax.com/global/story.asp?s=11362590>.

n306. See Jason, Comment to Vermonsters and Craft Beer Drinkers Against Monster: Response from Mark Hall, President of Monster Beverage, Facebook (Oct. 17, 2009, 12:42 PM), <http://www.facebook.com/topic.php?uid=171894902802&topic=15684> ("I feel strongly that what you have done so far is wrong and that if something were to happen to Matt and his brewery that I would be very upset with your company. With the talk about this being a way to get into the malt beverage market and the fact that the two are not really similar, I am skeptical to believe your intentions in this are legitimate and ethical.").

n307. See Lou Carlozo, Teen's Charity Name Draws the McIre of McDonald's, WalletPop (Jan. 17, 2010, 12:00 PM), <http://www.walletpop.com/blog/2010/01/17/teens-charity-name-draws-the-mcire-of-mcdonalds/> [hereinafter Charity Name Draw McIre].

n308. See Carlozo, McDonald's Ends "McFight," *supra* note 125.

n309. See Bollier, *supra* note 9, at 6-7 ("The McDonald's Corporation has long been legendary for its proprietary zeal.").

n310. Carlozo, McDonald's Ends 'McFight,' *supra* note 125.

n311. Jason, *supra* note 306.

n312. See Kahan & Posner, *supra* note 28, at 374.

n313. See Skeel, *supra* note 242, at 1825-26.

n314. See Carlozo, Charity Name Draw McIre, *supra* note 307.

n315. See Bollier, *supra* note 9, at 83.

n316. See *Id.* at 89; Bio: Food Chain Barbie, *supra* note 205.

n317. See Art: Food Chain Barbie, Supergloss, Edition of 20, Tom Forsythe Artsurdism, <http://creativefreedomdefense.org/Results.cfm?category=12> (last visited Mar. 11, 2011).

n318. *Mattel Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 807 (9th Cir. 2003). In addition, the district court awarded attorney's fees to Forsythe. See *Mattel Inc. v. Walking Mountain Prods.*, No. CV99-8543RSW-RZX, 2004 WL 1454100, at 2 (C.D. Cal. June 21, 2004).

n319. See Kahan & Posner, *supra* note 28, at 374.

n320. See, e.g., Jason, *supra* note 306 ("It seems to me Matt's motivation is not so much to defend his rights, but to get cheap publicity under the guise of being attacked by corporate America.").

n321. *Id.*

n322. See Matt Nadeau, Comment to Vermonsters and Craft Beer Drinkers Against Monster: Matt's Response to Jason and Mark, Facebook, (Oct. 17, 2009, 10:02 PM), <http://www.facebook.com/topic.php?uid=171894902802&topic=15684#!/topic.php?uid=171894902802&topic=15694>.

n323. See DollarDays International, Survey Suggests Small Business Retailers Sell Products That Meet Their Moral Code, Baby Shop Magazine, <http://www.babyshopmagazine.com/fall03/moralcode.htm> (last visited Apr. 3, 2011).

n324. See Fleurty Girl Info, Fleurty Girl, <http://fleurtygirl.net/info.html> (last visited Apr. 3, 2011).

n325. See Mike Pesca, The Saints or the NFL: Who Owns the Phrase "Who Dat?", National Public Radio (Feb. 1, 2010), available at <http://www.npr.org/templates/story/story.php?storyId=123229110>.

n326. See Walter Isaacson, Benjamin Franklin: An American Life 103, 227, 266 (2003).

n327. See generally William Quigley, Catholic Social Thought and the Amorality of Large Corporations: Time to Abolish Corporate Personhood, 5 Loy. J. Pub. Int. L. 109 (2004).

n328. Monster Companies Settle Name Differences, National Public Radio (Jan. 7, 2009), available at <http://www.npr.org/templates/transcript/transcript.php?storyId=99080053>.

n329. *Id.*

n330. Many free legal-services organizations use the Federal Poverty Guidelines to determine those individuals who qualify for free or low-cost legal assistance. See, e.g., Legal Aid Society of San Diego, Inc., <http://www.lassd.org/> (last visited Mar. 22, 2011).

n331. See, e.g., What We Do, Legal Services of Eastern Missouri, http://www.lsem.org/WhatWeDo_2.aspx (last visited Feb. 14, 2011).

n332. Approximately 15 percent of the letters in the ChillingEffects database demanded a response within the week of the date of the letter. See Chilling Effects, *supra* note 127.

n333. Alan Sayre, Super (Bowl) Fight Heats Up over Who Owns "Who Dat," USA Today (Jan. 29, 2010, 10:19 PM), http://www.usatoday.com/money/industries/retail/2010-01-29-who-dat-trademark_N.htm.

n334. Skeel, *supra* note 242, at 1843.

n335. See Columbia Telecomms. Corp., The Impact of Broadband Speed and Price on Small Business 32 (2010); U.S. Department of Commerce, Exploring the Digital Nation: Home Broadband Internet Adoption in the United States 5 (2010).

n336. See Safko, *supra* note 280, at 27; see also Joel Comm, Twitter Power 2.0: How to Dominate Your Market One Tweet at a Time, at xv (2010); Marilyn Ross & Sue Collier, The Complete Guide to Self-Publishing: Everything You Need to Know to Write, Publish, Promote, and Sell Your Own Book 398-99 (Scott Francis ed., 5th ed. 2010).

n337. 1.The Twitter Glossary, Twitter, <http://support.twitter.com/groups/31-twitter-basics/topics/104-welcome-to-twitter-support/articles/166337-the-twitter-glossary#t> (last visited Mar. 12, 2011) ("Tweet (verb) Tweet, Tweeting, Tweeted. The act of posting a message, often called a 'Tweet', on Twitter.").

n338. See, e.g., Christopher Boudy, Sr., NFL Says "NoDat" to New Orleans Shop Owner, New Orleans Tech (Jan. 22, 2010), <http://neworleanstech.net/2010/01/nfl-says-nodat-to-new-orleans-shop-owner/>.

n339. 1. See The Twitter Glossary, *supra* note 337 ("Retweet (verb) To retweet, retweeting, retweeted. The act of forwarding another user's Tweet to all of your followers."); Help Center, Facebook, <http://www.facebook.com/number!/help/?page=773> (last visited Mar. 12, 2011) ("'Like' is a way to give positive feedback or connect with things you care about on Facebook.").

n340. See Safko, *supra* note 280, at 269 (noting how Twitter is changing the reporting of news events; tweeter from the US Airways Flight 1549 crash conducted an interview on MSNBC).

n341. For example, Thom's tweets about her business's battle with the NFL on January 22, 2010 led to local radio interviews on January 23 and January 24, along with articles in local and national newspapers, such as the Times-Picayune and the Wall Street Journal. See Fleurty Girl, Twitter, <http://twitter.com/FleurtyGirl/> (tweets on file with author); Jennifer Levitz, Who Dat Owns "Who Dat"? Dat's Us, Sez da NFL, Wall St. J., Jan. 29, 2010, <http://online.wsj.com/article/SB10001424052748703389004575033504283711006.htm>; Jaquetta White, NFL Says It Has Exclusive Rights to "Who Dat," Times-Picayune (Jan. 29, 2010, 12:39 PM), http://www.nola.com/saints/index.ssf/2010/01/post_140.html.

n342. See *supra* discussion in Part III.B.4. In addition, shaming may lack the "expressive overdetermination" that Professor Kahan argues is needed in order for a sanction to be successful. Kahan, What's Really Wrong, *supra* note 262, at 2085-86. Shaming in general may "connote objectionable forms of social stratification and potentially suffocating impositions of communal norms." *Id.* at 2087.

n343. Although the local council and Crummett sent protest letters to the U.S. PTO, see Ha, *supra* note 272, they are not publicly available.

n344. The story appeared in two local Hollister, California newspapers (but was written by the same journalist). See Joy, Hollister Name,

supra note 209; Joy, Property of Hollister Co., supra note 273. The other mention of the dispute appeared in October 2007, when a local newspaper in Columbus, Ohio ran a brief report of the story. See Buchanan, supra note 273. Although the dispute with Abercrombie & Fitch appeared in a short Los Angeles Times article in April 2009, there was no specific mention of Rag City Blues. See Martin, supra note 272.

n345. There may be large corporations that undertake trademark enforcement in a more ethical manner, such as reasonably interpreting its trademark rights and attempting enforcement in a sensitive manner. For example, providing longer time frames for a reply from the target of a cease-and-desist letter. See, e.g., Letter from Jason Love, to Aperio Technologies, (Dec. 2, 2004), available at <http://chillingeffects.org/trademark/notice.cgi?NoticeID=1524> (providing sixty days for reply to cease-and-desist letter).

n346. Many news stories reporting about trademark disputes between large and small businesses categorize the stories as bullying without necessarily investigating the underlying merits of the case or the manner in which the infringement was alleged. See, e.g., Karnowski, supra note 294 (reporting that General Mills claimed My Dough Girl's trademark diminished the value of the Pillsbury brand with no discussion of the underlying claim); David Ward, David v Goliath Battle as Welsh Jeans Company Tells Levi's to Butt Out, *Guardian.co.uk* (May 2, 2003, 2:19 AM), <http://www.guardian.co.uk/uk/2003/may/02/wales> ("A mighty jeans giant which has covered the world's bottoms in denim is considering kicking the rear end of a tiny clothing firm in west Wales.").

n347. For example, The South Butt's website showed a banner: "We're Being Sued!" See Plaintiff's Pre-Hearing Memorandum of Law in Support of Its Motion for a Preliminary Injunction at 2, *North Face Apparel Corp. v. Williams Pharmacy, Inc.*, No. 09-2029-RWS, 2009 WL 5251523, (E.D. Mo. Dec. 30, 2009) [hereinafter Plaintiff's Pre-Hearing Memorandum].

n348. See *id.* at 2-3.

n349. See Letter from Donald E. Morris, Attorney, Dozier Internet Law, P.C., to Justin Leonard (Sept. 21, 2007), available at <http://pubcit.typepad.com/clpblog/2007/10/dont-publish-th.html>.

n350. See Letter from Lavelly & Singer, P.C. (Dec. 3, 2005), available at <http://www.thesmokinggun.com/documents/crime/aniston-warns-over-topless-photos#lightbox-popup-1>.

n351. 17 U.S.C. § 504(c) (2006). However, republication of cease-and-desist letters may qualify as "fair use." See § 107.

n352. See, e.g., Fruhwirth, *supra* note 298; Stagg, *supra* note 293 ("My Dough Girl's owner Tami Cromar is so worried about the possibility of litigation she wouldn't go on camera.").

n353. See Letter from Donald E. Morris, *supra* note 349.

n354. See Greg Beck, Don't Post This Cease-and-Desist Letter, Or Else, Public Citizen Consumer Law & Policy Blog (Oct. 5, 2007, 2:07 PM), <http://pubcit.typepad.com/clpblog/2007/10/dont-publish-th.html> ("Copyright claims like the one in this letter are becoming a common method to counter that problem by scaring recipients into keeping quiet. It has so far been a successful strategy -- DirectBuy's lawyer claims that none of his similar demand letters, until now, have ever been posted online.").

n355. Restatement (Second) of Torts § 558 (1977). If the plaintiff is a "public figure," the plaintiff must also prove a fourth element: that the defendant published such statements with actual knowledge of its falsity or "reckless disregard." See *id.* § 580A. Where the statements are published in some form of medium (on a website or blog, for example), the cause of action is termed "libel." *Id.* § 568.

n356. *Id.* § 581A.

n357. See, e.g., *Converters Equip. Corp. v. Condes Corp.*, 80 Wis. 2d 257, 262-63, 258 N.W.2d 712, 715 (1977).

n358. See § 613.

n359. See, e.g., Dan Frosch, Venting Online, Consumers Can Land in Court, N.Y. Times, June 1, 2010, at A1.

n360. U.S. Const. amend. I.

n361. See Lisa P. Ramsey, First Amendment Limitations on Trademark Rights, in 3 *Intellectual Property and Information Wealth: Issues and Practices in the Digital Age* 147, 148 (Peter Yu ed., 2007).

n362. See Rebecca Tushnet, Truth and Advertising: The Lanham Act and Commercial Speech Doctrine, in *Trademark Law and Theory*, supra note 19, at 294 ("Distinguishing between commercial and noncommercial speech creates definitional problems.").

n363. See, e.g., *N.Y. Times Co. v. Sullivan*, 376 U.S. 254 (1964).

n364. See Eric Goldman, Keeping C&D Letters Confidential, *Eric Goldman Technology & Marketing Law Blog* (Dec. 7, 2005), http://blog.ericgoldman.org/archives/2005/12/keeping_cd_letr.htm.

n365. Professor Goldman doubts that such reform could be done through statutory reform and, as such, proposes that courts create some type of de facto exclusion. See *id.*

n366. See Robert A. Sedler, The First Amendment in Litigation: The "Law of the First Amendment," 48 *Wash. & Lee L. Rev.* 457, 484 (1991).

n367. Cf. Grynberg, supra note 26, at 900-03.

n368. Kahan, What's Really Wrong, supra note 262, at 2087.

n369. Trade Marks Act, c. 257, § 55 (2000) (Belize); Trade Marks Act, c. 26, § 21 (1994) (Eng. & Wales); Trade Marks Act, No. 47 of 1999, § 135, India Code (1999), vol. 86; Trademarks Act, ch. 416, § 20 (2001) (Malta); Trade Marks Act, ch. 332, § 35 (1999) (Sing.); cf. Ridgway, supra note 19, at 1585-88.

n370. Trade Marks Act, c. 26, § 21(2) (Eng. & Wales).

n371. *Id.*

n372. *L'Oreal (UK) Ltd. v. Johnson & Johnson Ltd.*, [2000] ETMR 691, 698 (Ch).

n373. Cf. Kahan, *What's Really Wrong*, *supra* note 262, at 2076.

n374. See *id.*

n375. See Ridgway, *supra* note 19, at 1569.

n376. In such a situation, the shamer should obtain legal advice regarding such litigation. Shamers should keep in mind that all lawsuits need to be defended until a final decision is issued or a settlement is reached, otherwise courts may enter "default judgments" against the shamers. See Yeazell, *supra* note 174, at 474, 477.

n377. See Ridgway, *supra* note 19, at 1567-70.

n378. Press Release, Law Soc'y, *Businesses Caught Out by Trademark Law Trap, Warns Law Society* (May 16, 2006).

n379. See, e.g., Jean Hughes, *Trade Marks: Unjustified Threats*, 22 *Eur. Intell. Prop. Rev.* N-116, N-116-17 (2000).

n380. See, e.g., *Best Buy Co. Inc. v. Worldwide Sales Corp. Espana S.L.*, [2010] EWHC 1666, PP 40-43 (Ch).

n381. *Id.* at PP 38-43.

n382. [1998] F.S.R. 21, 25 (Ch).

n383. See Plaintiff's Pre-Hearing Memorandum, *supra* note 347, at 1, 3.

n384. For example, The South Butt's website showed a banner: "We're Being Sued!" See *id.* at 2.

n385. *Id.* at 3.

n386. See *North Face Apparel Corp. v. Williams Pharmacy, Inc.*, 2010 WL 546921, at 2 (E.D. Mo. Feb. 9, 2010).

n387. See Brian Baxter, *Tempers Flare in North Face vs. South Butt*, *Am. Lawyer*, Mar. 25, 2010, <http://www.law.com/jsp/article.jsp?id=1202446785206>. Although The South Butt's attorney was quoted as describing the lawsuit as a "monumental clusterfuck," this was likely in reference to the unorthodox manner in which the depositions of The South Butt witnesses were taking place and not a reference to The North Face. *Id.*

n388. See *My Dough Girl vs. Pillsbury Corporation*, Comment to *My Dough Girl vs. Pillsbury Corporation*, Facebook, (July 8, 2010 12:52 PM), <http://www.facebook.com/my.dough.girl.vs.pillsburycorporation?v=wall>.

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Why Canadians fight; Our military history is far more complicated than the black and white, 'support the troops,' rhetorical blackmail we've heard from our government in recent years, writes Noah Richler

BYLINE: Noah Richler, Ottawa Citizen**SECTION:** NEWS; Pg. A9**LENGTH:** 1671 words

Last week, Prime Minister Stephen Harper responded to NDP leader Thomas Mulcair's requests for information about the withdrawal of the approximately 900 Canadian troops who remain in a training role in Afghanistan with one of his party's nasty, trademark, bullying retorts. "The NDP could not even make up its mind to support World War Two," said Harper. Mulcair was failing, according to the familiar catchphrase, to "support our troops."

It is this bit of rhetorical blackmail that has been so prevalent during the last decade. The notion that it is simply not possible to doubt a mission and, at the same time, to respect our troops and want them to be as safe and secure as they can be in the work that they are doing - i.e. to "support" them - is absurd and damaging, but has been one of the cornerstones of the ongoing Conservative project to entrench Canada, the "warrior nation."

The Conservatives and their acolytes in think-tanks and the media would have you believe that MPs or ordinary Canadians who raise questions about the war, one that is going on with or without us, are not patriotic and that others who are wary, say, of the already inordinate powers of mostly unaccountable police services, are lining up with the child pornographers when they oppose Internet surveillance. They would have you believe that criminal offenders should be thrown into megajails, rehabilitation no longer an intent, and that scared, desperate immigrants arriving in rusted-out freighters are "terrorists," "jumping the queue" when money will buy you a "Super Visa" and get you to the top of a line that they have shut the door on anyway. Environmental activists are also tarred - an appropriate term, really, given the circumstances - with the ludicrous allegation that they are funded by "foreign money," yet more demagoguery, while Ethical-Oil.org, a group that must be credited with the point it made about the loathsome regimes we support to meet our energy needs, behaves like the worst sort of Eastern European Stasi operator, denouncing charities (David Suzuki's, most recently) in its cynical attempt to ruin their decent initiatives through the suddenly necessary and very costly work of legal defence in courts.

What binds these and a packet of other phenomena - such as our renewed subservience to the monarchy and the ardent and very useful simplistic retelling of the story of the Battle of Vimy Ridge - is the epic mode of storytelling that underpins their black and white, "you're with us or against us" view of the world. Our present, thuggish bunch of ministers revel in the epic's simple schema - and, in particular, its elevation of men and women in uniform and the simplification of the tasks they are asked to perform. The demonization of any opposition at all: there is good and there is bad, people are friends or enemies. There is, quite intentionally, no sophistication in such views.

Why Canadians fight; Our military history is far more complicated than the black and white, 'support the troops,' rhetorical blackmail we've heard from our government in recent years, writes Noah Richler Ottawa Citizen April 29, 2012 Sunday

Sophistication, significantly, was the mark of the prior, Pearsonian version of Canada that militarist Conservatives despise for the imaginative leaps it made - for the attempts of that incarnation of the country to build bridges with less fortunate others exemplified by measures such as the Charter, introduced 30 years ago, and that era's more empathetic notion of multiculturalism.

The greatest symbol of that vilified age, of course, is the UN's "blue beret" that Canadian Forces wore for several decades. This government and its supporters have encouraged Canadians to regard the blue beret and all it stands for as a symbol of the pathetic failure of a liberal version of the country that was the naïve fantasy of unworlly, "hippy-dippy" children of a "flower-power" generation putting Canadian Forces, mandated not to shoot back, deliberately into harm's way. This caricature of the missions that Canadian Forces participated in for several decades is deeply offensive in a legion of ways, but it has been absolutely vital to the endeavour of making the epic view of good Canadians operating in a world of former chief of the defence staff Rick Hillier's "detestable murderers and scumbags" stick. Complex ideas have no place.

Put aside, for the moment (though not for long, please) that the accusation that Canadians such as myself who still ascribe to Lester B. Pearson's vision would put soldiers "deliberately into harm's way" is made by those who glorify the sending of tens of thousands of Canadian soldiers up and over the trenches of Flanders and France to near certain injury or death. Ignore, even, that the malicious characterization of mostly UN-led efforts at conflict resolution that Canadian Forces participated in for half a century are heaped together as one kind in which soldiers are not allowed to shoot back, relies upon the amplification of a restriction that applies under certain UN mandates but not others. What this coterie actually hates is the internationalist aspect of our character that predates even Pearson's vision of the country, an idea of Canada that we continue to back away from but that can be said to explain our national identity every bit as much as the divisive though presently vaunted idea of Canada, the "warrior nation."

True multilateralism, rather than the ever more contracted military alliances to which the Harper government subscribes, is exactly the quality that has characterized Canadian foreign policy since even before the First World War that the myth-builders of Vimy would have you believe constituted the moment in which Canadians from all over the country met in the trenches of Europe (who needs to include Québec?), forged a bond, and went on to distinguish themselves in valour.

Every country has such stories. Every country has ways of upholding its own society over others, this trait being another hallmark of the epic narrative. But history is a malleable thing, and it can also easily be that the war of 1914-18 was merely one of several, over the course of a century, in which Canadians distinguished themselves not because of how they were fighting, but because of the greater, less nationally self-interested idea of freedom that they were fighting for.

Canadians, remember, have never had to fight to defend their borders. This is not a disparagement. It is merely a fact, though it is one that the government is presently pouring millions of dollars into yet another propagandistic venture, this time the celebration of the War of 1812, to have you forget. Rather they would push a popular identification with the British and the Crown. This does not mean that the battles of the War of 1812 did not happen, that very interesting and significant relationships with First Nations were not advanced, or that the people occupying the territory of Upper and Lower Canada, not yet an independent state, were not brave or that their stories are not fascinating and needing to be told. History happens.

But the manipulation of history upon which the idea of the warrior nation depends, and of which the reconstruction of the War of 1812 is the latest example, denies a competing truth of the military ventures that the country has undertaken. From the Boer War of 1899, through the 20th century's two World Wars, the UNled campaign in Korea and several decades of similar operations undertaken in blue helmets, and then the present war in Afghanistan for which the iconic headgear was dropped, the truth about Canada is that we have always gone to bat for some other, greater alliance or idea - whether of the "Motherland," Empire, the Allies, the UN, NATO or that vague thing called "the international community." This is actually the quality that distinguishes us, and it is derived from the knowledge that Canadians have of their own extraordinary good fortune and that, along with that inexplicable blessing, comes an incumbency to make it

Why Canadians fight; Our military history is far more complicated than the black and white, 'support the troops,' rhetorical blackmail we've heard from our government in recent years, writes Noah Richler Ottawa Citizen April 29, 2012 Sunday

possible for others to know it.

Of course there will be wars that Canada must fight with the simple objective of homeland security. Militarists will be keen to tell you otherwise, but one of the lessons of Afghanistan, and of how Canada might proceed in a time of intertwined national relations that is already upon us, is that war-fighting and peace operations of the kind that the country had such a hand in developing - in which humanitarian rather than merely Canadian interests are primary - are distinct ventures.

Recognizing this aspect of our nature and entrenching it in our institutions would be a bold, forward-looking and appropriate measure. Consider, for instance, that, backed up by a new university in civil society, the Department of National Defence founded a new regiment, trained as rigorously and as fiercely as the rest of the Canadian Forces are, but wholly dedicated to peace operations as DART is to disaster assistance and JTF2 to secret operations. At least three good things would follow: there would be greater clarity surrounding the missions that Canada does undertake and no longer the obfuscation and shifting explanations such as were tendered upon Canadians during the fight in Afghanistan; there would be a recognition, especially with the university backing the regiment up, of the evolving nature of peace operations and conflict resolution, and a recognition of the internationalist tendencies that Canadian youth, especially, show. And this venture forward would amount to a challenge to the rest of the world to follow suit and commit to the world in which we now live - and its security. With these institutional moves the only legitimate criticism of the "peacekeeping" version of Canada - that the country was not, after a while, committing sufficient resources to it - would be addressed. And Canada would be a fount of vision again, rather than the increasingly resented and insular country it is rapidly becoming.

Noah Richler's new book, *What We Talk About When We Talk About War*, is published by Goose Lane Editions. He is appearing at the Ottawa International Writers Festival today at 2 p.m. at the Knox Presbyterian Church, 120 Lisgar Ave. (off Elgin Street).

LOAD-DATE: April 29, 2012

LANGUAGE: ENGLISH

GRAPHIC: Shah Marai, Agence France-Presse; Canadian soldiers hand over Forward Fire Base Masum Ghar to U.S. forces in the Panjwahi district in Kandahar province in July 2011. True multilateralism, rather than the ever more contracted military alliances to which the Harper government subscribes, is exactly the quality that has characterized Canadian foreign policy since even before the First World War, writes Noah Richler.;

PUBLICATION-TYPE: Newspaper

14 of 47 DOCUMENTS

BusinessWorld

May 31, 2012 Thursday

COURTSIDE; Pipe dream

BYLINE: Anthony L. Cuaycong**SECTION:** Pg. S2/5**LENGTH:** 349 words

Considering how badly the Celtics played the other day, it's a wonder the final score didn't show a bigger spread. Granted, stalwarts of the green and white aren't predisposed to succumbing by 14, even on the road after just 24 hours' worth of rest. On the other hand, there is every cause to note that the blowout could have been more pronounced, what with the Heat's Big Two on a roll and only Kevin Garnett providing respectable resistance. Virtually from opening tip to final buzzer, the visitors looked tired, worn down, and downright overmatched.

Not that the Celtics didn't try. In fact, they were determined to stamp their bruising brand of hoops in Game One of the National Basketball Association East finals. Unfortunately, they appeared as long in the tooth as in desire; they couldn't shoot a lick, even from the charity stripe, and, worse, stunk on defense. And their trademark bullying tactics? More fizzle than sizzle in the face of certain defeat. So outplayed were they that the Heat, with a win in sight, appeared to take pity on them and thus refrained from adding insult to injury.

Today, the Celtics will again aim to overcome their Sisyphean challenge. Their relative lack of talent notwithstanding, they remain convinced that a series triumph is possible, albeit as a product of extreme focus and hard work. As Rivers acknowledged, their margin for error is virtually nonexistent against the powerhouse Heat. In other words, everything needs to go right for them to be competitive. And, in doing battle, they can't be five good men; they must be one good team, period.

For the casual observer, the Celtics ultimately getting the better of the Heat has long been in the realm of the improbable. Don't tell that to the proud bearers of the clover, though. For as long as there is a contest to claim, there is time to believe; they may well be holding on to a pipe dream, but darned if their pride won't allow them to keep plodding on. And they will scratch and claw until they can't; after all, the only way they can accept losing is if they know they couldn't have given more.

LOAD-DATE: May 30, 2012**LANGUAGE:** ENGLISH**PUBLICATION-TYPE:** Newspaper

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15 of 47 DOCUMENTS

Star Tribune (Minneapolis, MN)

July 1, 2012 Sunday
METRO EDITION

TRADEMARK TRAUMA

BYLINE: DAVID PHELPS; STAFF WRITER, STAR TRIBUNE (Mpls.-St. Paul)

SECTION: BUSINESS; Pg. 1D

LENGTH: 1386 words

HIGHLIGHT: Legal battles over company names put small businesses at a big disadvantage.

He sprays foam building insulation; she makes soap.

But Rob Linden and Amy Brooks have one issue in common. They're ensnared in a practice some attorneys call "trademark bullying." Both are fighting against big, deep-pocketed corporations over the use of their hand-selected names for their small businesses.

High-profile trademark disputes, such as the long-running litigation between Apple Corps (owner of the Beatles Apple Records label) and Apple Computer (of Macintosh and iPod fame) often pit big businesses against one another. But it can be a life-or-death contest when the defendant is a small company.

For the past four years, Linden has run a small Columbia Heights business called Thermal-Wise Insulation that provides insulation services to commercial and residential customers.

Brooks, of Rochester, sells handcrafted soaps that are designed to reduce skin irritation to cancer patients as they go through therapy. A cancer survivor herself, Brooks has been selling soap under the name Bubbles by Brooks for 10 years.

These days Linden is the target of a lawsuit brought by a Utah-based natural gas utility that claims the name of Linden's company infringes on the name of a rebate program it offers its customers, ThermWise.

Brooks is the subject of a trademark objection by Brooks Brothers, the giant Connecticut-based clothier which also has a line of fragrances and self-described "cleansing products." Brooks Brothers wants Bubbles by Brooks to withdraw its trademark application with the U.S. Patent and Trademark Office or face "potentially costly litigation."

The legal challenges have left both Linden and Brooks dumbfounded.

"I didn't think what they are claiming is even possible," Linden said in an interview. "I'm an insulation company. They sell gas."

Questar Gas Co. of Salt Lake City wants Linden to stop using the Thermal-Wise Insulation name and is seeking a

federal court order in Minnesota to do just that.

In its letter to Brooks demanding that she withdraw her trademark application, attorneys for Brooks Brothers said, "Though 'Brooks' may be your surname, it does not give you the right to infringe on the Brooks Brothers trademark or otherwise compete with Brooks Brothers."

In an interview, Brooks told the Star Tribune: "I've grown every year for the last 10 years by word of mouth. I could change my [company's] name, but then there's the domino effect. I have custom printed boxes, website domains. What does that affect? Absolutely everything."

Questar, which distributes natural gas in parts of Wyoming and Idaho as well as Utah, claims Linden's continued use of the Thermal-Wise name will "damage [its] reputation and impair and dilute [its] goodwill" with ThermWise customers.

Both cases recently came to the attention of the Intellectual Property Institute at William Mitchell College of Law and institute director Kenneth Port, who has spent much of his professional life studying trademark disputes.

"It's a deal-killer. That's the whole point of this," said Port of the infringement claims. "It's strange, that's for sure."

Extreme lengths

Companies sometimes go to seemingly extreme lengths to protect their trademarks.

A Vermont T-shirt designer was sued last year by Chick-Fil-A over a shirt that said "Eat more Kale." The seller of fast-food chicken said the shirt infringed on its "Eat Mor Chikin" slogan. The convenience store chain Casey's General Stores sued Subway after Subway asked in a cease-and-desist letter that Casey's stop using the word "footlong" to describe the 12-inch sandwiches it sells.

The Vermont case is still pending; Casey's eventually decided to use "12-inch" to describe its sandwiches.

"They want to put you out of business," Port said of these disputes.

Brooks said her attorneys told her it would cost \$200,000 to fight Brooks Brothers' opposition to her trademark request.

"I don't have that," Brooks said. "It's wrong what they're doing."

Arthur Wayne, a Brooks Brothers vice president for public relations, said that the company does not comment on legal matters, but did say "we are reviewing the situation and potential solutions."

In a study of trademark litigation tactics released last year, the U.S. Patent and Trademark Office acknowledged that the cost of legal counsel "has the greatest impact on small businesses" to fight trademark challenges.

But the study also concluded that "there are sufficient mechanisms in place to deter or punish those who resort to abusive ... tactics."

There were 9,025 contested trademark cases filed with the trademark office last year, up from 8,800 the year before. The number of contested cases has fluctuated noticeably in recent years, reaching a high of 12,277 in 2008.

State Rep. Joyce Peppin, R-Rogers, introduced legislation earlier this year to provide for a purportedly less-costly trademark resolution process involving the state Office of Administrative Hearings rather than federal court.

"This is an alternative for small businesses to fight cease-and-desist letters," said Peppin, who worked with Port in drafting the legislation and is herself a William Mitchell student. "They can't afford a lengthy and expensive trademark battle."

The legislation was introduced late in the 2012 session and will be reintroduced next year, Peppin said.

In the Linden case, Port and a team of five William Mitchell students have offered to provide pro bono legal assistance to Linden and his attorney in the form of research and brief writing. "I'm the unpaid expert," said Port, who has studied more than 2,800 trademark disputes going back to 1947.

'Good-faith' basis for suit

But Port may be treading on squishy ground where there are no black-and-white answers.

"This doesn't look like a frivolous suit to me," said Stephen Baird, head of the intellectual law practice group for the Minneapolis law firm Winthrop Weinstine, referring to the Questar case. "The marks are close enough and in a similar field -- energy."

Baird said only the likelihood of confusion needs to be shown, not actual confusion, for a trademark challenge to be successful.

Joel Leviton, a trademark attorney for the Minneapolis office of Fish Richardson, said many companies are diligent about protecting trademarks because of potential long-term implications.

"The law puts the duty on the mark owners to enforce their trademarks or they could lose their distinctiveness in the marketplace," Leviton said. "A plaintiff needs to have a good-faith basis before filing a lawsuit. We [as lawyers] have this obligation and shouldn't file lawsuits that don't fit that category. I don't agree that trademark bullying is a rampant problem."

Linden said he's already spent \$15,000 in legal fees fighting the Questar motion and deferred two hires over the lawsuit uncertainty.

"This has been costly in every which way," Linden said. "I've invested a lot into this business as it is. And for me to start over with a new name would be devastating. A change of name is often a sign of a failed business."

Linden said he offered to give up the Thermal-Wise name if Questar ever came into the Minnesota marketplace, but that was rejected.

Questar spokesman Chad Jones said the utility spends \$1 million a year educating its 980,000 customers about its ThermWise rebate program and its thermwise.com website, which features a character named "Therm -- the energy Wiseguy."

"Thousands search the Internet for ThermWise to get rebates, and if they turned up something with a negative connotation that would reflect on our brand," Jones said. "The world is all connected on the Internet now."

Carlos Torelli, an assistant marketing professor at the University of Minnesota's Carlson School of Management, said brands and trademarks have become a very valuable commodity in the marketplace.

"In the last 10 to 15 years, companies have come to realize that brands are assets. The same way you think about tangible assets you think about intangible items like brands," Torelli said. "When you can bring association with a name, you have an edge that is very difficult to replicate."

Linden is still shellshocked about his legal battle.

"I recently asked my lawyer where we are at in the case," Linden said. "He said, 'We've just reached the tip of the iceberg.' I didn't want to hear that."

TRADEMARK TRAUMA Star Tribune (Minneapolis, MN) July 1, 2012 Sunday

Said Brooks, "I'm not going down without squeaking some."

David Phelps - 612-673-7269

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Bangor Daily News (Maine)

Distributed by McClatchy-Tribune Business News

October 12, 2012 Friday

Legal battle between Bangor sandwich shops ends with a dismissal

BYLINE: Judy Harrison, Bangor Daily News, Maine

SECTION: BUSINESS AND FINANCIAL NEWS

LENGTH: 635 words

Oct. 12--BANGOR, Maine -- The Queen City's sandwich battle is over. At least on the legal front it is.

The debate over who makes sandwiches most like the ones served at the Coffee Pot, a landmark Bangor business on State Street that closed its doors on Dec. 31, 2009, quietly rages on.

The closure spun off at least five surrogate sandwiches, including those made by the Coffee Pot Cafe at 652 Broadway, owned by Dr. Robert E. Erickson, a Bangor dentist, and The Legacy Sandwich Shop at 163 State St., owned by Bruce and Carol Guimond of Hermon.

Last year, the Coffee Pot Cafe sued The Legacy Sandwich Shop over the use of the words "deluxe" and "superdeluxe" to describes its sandwiches.

Lawyers for the owners of the two rival Bangor restaurants that make sandwiches similar to the beloved Coffee Pot -- a sandwich made with ham or salami, onions, cheese and vegetables -- on Oct. 1 filed a joint stipulation of dismissal in U.S. District Court in Bangor. The case will be dismissed by U.S. District Judge D. Brock Hornby "with prejudice," which means it can not be resubmitted in federal court or refiled in state court.

Earlier this week, Erickson referred questions about the dismissal of the lawsuit to his attorney, Anthony D. Pellegrini of Bangor. Pellegrini declined to comment.

"A dismissal with prejudice functions as an adjudication on the merits and any attempt to refile similar claims in another court, including state court, is barred," Sean Sweeney, the Portland attorney who represents the Guimonds, said Thursday in an email. "Accordingly, because the Coffee Pot Cafe's complaint expressly raised issues of state unfair competition in Counts 6-10, the Coffee Pot Cafe is precluded from raising these claims again in state court."

Carol Guimond said Wednesday that the trademark issue has been hanging over their heads since their second day of business, May 18, 2010, when they received a cease and desist letter from Pellegrini. The lawsuit was filed in March 2012 in federal court in Bangor.

"It feels like a great big cloud has been removed but there's still damage from the storm," she said Wednesday in a telephone interview. "It's been two-and-a-half years of trademark bullying and confusion for our customers."

She continued: "We are moving forward running our business just as we have but without the lawsuit hanging over us.

Legal battle between Bangor sandwich shops ends with a dismissal Bangor Daily News (Maine) October 12, 2012
Friday

Our customers have been wonderful and very supportive."

The complaint alleged that Legacy Sandwich began using nearly identical names -- "Legacy Deluxe Sandwich," "State Street Super Deluxe Ham and Salami Sandwich," "State Street Super Deluxe Ham Sandwich" and "State Street Super Deluxe Salami Sandwich" -- for its own creations when it opened next door to the original Coffee Pot location shortly after the Coffee Pot Cafe made its debut.

The Coffee Pot Cafe alleged that this "caused a likelihood of confusion or of misunderstanding" as to the source of Legacy Sandwich sandwiches and that the similarity of its sandwiches' names to those used by the Coffee Pot Cafe led some people to believe that there was an affiliation or association.

Sweeney said one of the issues that led to the dismissal of the case was that Erickson filed the trademark for the words "deluxe" and "superdeluxe" with the Maine Secretary of State's Office, not with the U.S. Patent and Trademark Office, which conducts a search to see if there are other similar patents or trademarks pending. The state is not able to do similar searches to determine the uniqueness of a patent or name, the attorney said.

"A lot of restaurants, including some national chains, use these words," Sweeney said. "They are common in the food industry."

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Bangor Daily News (Maine)

October 11, 2012 Thursday

Legal battle between Bangor sandwich shops ends with a dismissal

BYLINE: Judy Harrison BDN Staff

LENGTH: 607 words

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The debate over who makes sandwiches most like the ones served at the Coffee Pot, a landmark Bangor business on State Street that closed its doors on Dec. 31, 2009, quietly rages on.

The closure spun off at least five surrogate sandwiches, including those made by the Coffee Pot Cafe at 652 Broadway, owned by Dr. Robert E. Erickson, a Bangor dentist, and The Legacy Sandwich Shop at 163 State St., owned by Bruce and Carol Guimond of Hermon.

Last year, the Coffee Pot Cafe sued The Legacy Sandwich Shop over the use of the words "deluxe" and "superdeluxe" to describes its sandwiches.

Lawyers for the owners of the two rival Bangor restaurants that make sandwiches similar to the beloved Coffee Pot -- a sandwich made with ham or salami, onions, cheese and vegetables -- on Oct. 1 filed a joint stipulation of dismissal in U.S. District Court in Bangor. The case will be dismissed by U.S. District Judge D. Brock Hornby "with prejudice," which means it can not be resubmitted in federal court or refiled in state court.

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Legal battle between Bangor sandwich shops ends with a dismissal Bangor Daily News (Maine) October 11, 2012
Thursday

"It feels like a great big cloud has been removed but there's still damage from the storm," she said Wednesday in a telephone interview. "It's been two-and-a-half years of trademark bullying and confusion for our customers."

She continued: "We are moving forward running our business just as we have but without the lawsuit hanging over us. Our customers have been wonderful and very supportive."

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The Guardian

December 12, 2014 Friday 9:55 PM GMT

**Small Vermont company beats fast-food giant Chik-fil-A in kale trademark battle;
Chik-fil-A claimed that Bo Muller-More's T-shirt logo 'Eat More Kale' was too similar to their advertising slogan 'Eat Mor Chikin'**

BYLINE: Nicky Woolf

SECTION: WORLD NEWS

LENGTH: 577 words

Kale emerged the victor in a titanic three-year legal struggle against chicken - or rather, "chikin" - on Friday, after a Vermont silk-screen artist beat controversial fast food giant Chick-fil-A in a battle over trademark protection.

Bo Muller-More's small Vermont-based company prints T-shirts that say "Eat More Kale," but Chick-fil-A - which has 1,800 locations nationwide - claimed "Eat More Kale" was too similar to their advertising slogan, "Eat Mor Chikin [sic]."

Muller-More had been fighting to get the US Patent and Trademark Office (USPTO) to grant his application for almost three years, but Chick-fil-A's lawyers used an unusual legal wrangle called a "letter of protest" to try to derail his application.

In November, an examiner at the USPTO ruled in favour of giving trademark protection to "Eat More Kale."

Vermont's governor, Peter Shumlin, who has been involved with the case, gave a joint press conference on Friday with Muller-More to celebrate the victory, which he portrayed as a win for "the little guy who stands up to a corporate bully", as well as a victory for the state of Vermont.

"The message is out: don't mess with Vermont. And don't mess with Bo," said the governor. "In Vermont, we care about what's in our food, who grows it, and where it comes from. That's what Bo and Eat More Kale represent. And that's something worth fighting for."

Muller-More, who started his T-shirt printing business in 1999 after being given a silk-screen kit by his wife, first received a "cease-and-desist" letter from Chick-fil-A's lawyers in 2006, but the real legal battle didn't start until he filed an application for trademark protection in August 2011.

In October 2011, lawyers representing Chick-fil-A sent another aggressive "cease-and-desist" demand, saying

Small Vermont company beats fast-food giant Chik-fil-A in kale trademark battle; Chik-fil-A claimed that Bo Muller-More's T-shirt logo 'Eat More Kale' was too similar to their advertising slogan 'Eat Mor Chikin' The Guardian
December 12, 2014 Friday 9:55 PM GMT

"Chick-fil-A's intellectual property is extremely valuable to it, and it will pursue all available remedies, including opposing your client's application, in the event it fails to comply with this demand."

Muller-Moore said that he never would have dreamed it would take the USPTO so long to decide on his trademark case. He said he was thrilled that reason prevailed and Chick-fil-A had to "eat some crow", and admit they were wrong.

"My company is not going to 'cease and desist,'" he said. "I am now allowed to protect my simple, original art from copycat artists and hopefully Chick-fil-A's trademark bullying spree can come to an end."

"I hope Mom and Pop operations across the country will see this as a victory for all of us."

The Vermont senator Bernie Sanders also got involved in the victory celebrations. "The American people are getting tired of the greed and recklessness of large corporations which use their size and power to push individuals and small businesses around," he said. "Bo fought the fight not just for Eat More Kale, but for all small businesses out there, making a difference for their families and their communities. He fought and he won!"

Ashlyn Lembree, a lawyer and professor of law at the University of New Hampshire specialising in intellectual property, who worked as co-counsel for Muller-Moore's case, described the feeling of victory as "fabulous".

This is not the first time that Chick-fil-A has found itself portrayed in a negative light. In 2011, they were the target of nationwide protests after it was reported that the corporation had made big donations to anti-gay pressure groups.

A representative of Chick-fil-A was not available for comment.

LOAD-DATE: December 16, 2014

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The Daily Record (Baltimore, MD)

December 26, 2013 Thursday

Baltimore-based Under Armour settles suit against Body Armor

BYLINE: Danny Jacobs

SECTION: NEWS

LENGTH: 767 words

Under Armour Inc. has settled its trademark infringement lawsuit against a California-based sports beverage maker it alleged used variations of Under Armour's, name, logo and "Protect this house" tagline to sell its products.

Under Armour and Body Armor Nutrition LLC reached the settlement Dec. 20, agreeing to dismiss all claims and counterclaims with prejudice, according to court documents.

Terms of the settlement are confidential, according to David H. Bernstein, the New York-based lead attorney for Body Armor Nutrition, of Beverly Hills.

"We settled the dispute on mutually satisfactory terms," Bernstein said Thursday.

Judge James K. Bredar closed the case Tuesday, according to online records for the U.S. District Court in Baltimore.

Body Armor, which launched in 2011, offers what it describes as a "revolutionary, category-creating line of nutrient-enhanced juice beverages," according to court filings. Baltimore Ravens running back Ray Rice is among the company's professional-athlete spokesmen, according to Body Armor's website.

The company, in an answer to Under Armour's lawsuit, listed dozens of other companies with either "Armor" or "Armour" in their names. Body Armor's logo does not have interlocking aspects but was a "stickman graphic, designed to visually communicate the protective armor" its nutrients provide, Body Armor wrote in response to the lawsuit.

Under Armour's lawsuit, filed in April 2012, also alleged Body Armor used the slogan "Protect + Restore" to promote its drink, which is similar to Under Armour's "Protect this house. "

"Taken individually or collectively, Defendant's Body Armor mark, Interlocking Logo, and Protect + Restore tagline are likely to cause consumers to mistakenly believe that Defendant's beverages come from Under Armour or are otherwise associated or connected with Under Armour," an amended complaint states.

Body Armor, in its answer to the complaint, said it changed its tagline before Under Armour filed suit, adding it did not believe the two tag lines would cause any confusion.

The company also claimed it filed for its trademark more than six years ago and that Under Armour had not raised any objections before suing, even though Under Armour was aware of Body Armor since at least 2009, when the drink was in development by the Beverly Hills-based company.

Baltimore-based Under Armour settles suit against Body Armor The Daily Record (Baltimore, MD) December 26, 2013
Thursday

"This lawsuit is a prime example of trademark bullying by a corporate giant seeking to stifle an innovative startup company ..." Body Armor stated. "In spite of UA's efforts to manufacture evidence of confusion, it is impossible that consumers or retailers of either brand would confuse the two. "

According to the U.S. District Court's online filing system, Baltimore-based Under Armour has filed five trademark-infringement suits in Maryland's federal court since 2011. Only one, against Nike Inc., remains open.

Douglas A. Rettew, the Washington, D.C.-based lead lawyer for Under Armour, did not return a call seeking comment.

The lawsuit settled last week sought to enjoin Body Armor from using its name, logo and tagline. It also sought control of Body Armor's domain name, drinkbodyarmor.com, which Under Armour called "confusingly similar to and/or dilutive" of Under Armour's trademarks.

Body Armor, in turn, filed a counterclaim seeking to cancel several of Under Armour's trademarks because Under Armour was not using them with bottled water when it applied for the trademarks in 2008, even though the company said it had been using them since 2005.

"Drinkbodyarmor.com" and the company's sports drinks remained online Thursday. According to an article in trade publication Beverage Industry, Body Armor changed its packaging at the beginning of 2013. "The brand removed the legs from its 'stickman'-shaped stripes to create lines that make a shield of armor on top of vivid fruit photography," the Jan. 11 article said. The article did not mention Under Armour's lawsuit.

UNDER ARMOUR INC. V. BODY ARMOR NUTRITION LLC

Court:

U.S. District Court, Baltimore

Case No.:

1:12-cv-01283-JKB

Judge:

James K. Bredar

Outcome:

Confidential settlement before trial

Dates:

Event: 2011 through the present

Suit filed: April 26, 2012

Settlement order filed: Dec. 24, 2013

Plaintiff's Attorney:

Douglas A. Rettew of Finnegan Henderson Farabow Garrett and Dunner LLP in Washington, D.C.

Baltimore-based Under Armour settles suit against Body Armor The Daily Record (Baltimore, MD) December 26, 2013
Thursday

Defendant's Attorney:

David H. Bernstein of Debevoise and Plimpton LLC in New York

Counts:

Trademark infringement, trademark dilution, cybersquatting, fraudulent use, unfair competition

<http://www.mddailyrecord.com/be-the-first-to-know/> Click here for more from this resource.

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Journal of Intellectual Property Law

Fall, 2011

Journal of Intellectual Property Law

19 J. Intell. Prop. L. 117

LENGTH: 14029 words

NOTE: "LEAVE LITTLE GUYS ALONE!": PROTECTING SMALL BUSINESSES FROM OVERLY LITIGIOUS CORPORATIONS AND TRADEMARK INFRINGEMENT SUITS

NAME: Sara Marie Andrzejewski*

BIO: * J.D. Candidate 2012, University of Georgia School of Law. The author would like to thank her editors for their invaluable attention to drafts of this Note. She would also like to thank her family and friends for their encouragement and support. .

LEXISNEXIS SUMMARY:

... In addition to warning about potential confusion and demanding that Nadeau stop using the name "Vermonster," it also asked that Nadeau pay for legal expenses incurred in connection with the trademark infringement matter. ... Although Nadeau's lawyer felt the name was properly used and the federal government legitimately registered the trademark, he further explained that a large company like Hansen could prolong litigation to be long enough to bankrupt Nadeau. ... By using recent cases filed by large corporations against smaller local businesses, this Note will explore the costs and benefits of imposing a higher bar on trademark infringement claims filed by large corporations against smaller companies. ... This Note will also survey the rationales supporting both sides in the trademark bullying cases: whether over- enforcement of trademark rights has a deleterious effect on free speech and a dynamic public domain, or whether corporations are simply aggressively protecting their interest in their trademark, and, if so, whether this type of enforcement should be allowed. ... Essentially, the basic argument made by those in favor of dilution regulation is that consumers rely on the familiarity of trademarks as an indicator of a certain quality that has come to be associated with that particular brand, which helps to reduce risk and evaluation costs. ... This "intermittent chilling effect has grown into a more widespread expectation of licensing that influences both individuals and institutions in their approach to trademarks." ... Currently, trademark owners face little disincentive to sending these letters and the misuse and overuse of cease and desist letters has effectively expanded trademark law's doctrine.

TEXT:

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I. Introduction

Disputes over intellectual property are often fierce and have earned some corporations the reputation of being trademark bullies, a nickname that carries with it images of a deep-pocketed, faceless corporation stamping out mom-and-pop style shops. The images accompanying this label are not surprising, as the term "trademark bully" strongly implies some impropriety on behalf of the corporation.ⁿ¹ However, not all large corporations act improperly when they attempt to protect their intellectual property. The problem lies with the corporations that incorrectly assert

that their property rights extend beyond the limits of the Lanham Act, the legislation that contains the federal statutes of trademark law in the United States. ⁿ²

In a fight that is reminiscent of a schoolyard showdown between the classic bully and his easy target, Matt Nadeau and his local craft brewery, Rock Art Brewery, were pitted against Monster Energy Drink. The energy drink company, Hansen Natural Corporation, sold and distributed its Monster Energy Drinks through a partnership agreement with Anheuser-Busch. ⁿ³ Hansen Natural had \$ 603.8 million in net sales for the first six months of 2010 ⁿ⁴ and a market capitalization of \$ 7.4 billion as of September 2011. ⁿ⁵ Meanwhile, Rock Art Brewery was housed in Morrisville, Vermont and had modest beginnings. ⁿ⁶ Nadeau and his wife started brewing beer in the basement of their home in 1997. ⁿ⁷ They now have nine employees working in a plant of 10,000 square feet and produce about 3,500 barrels of beer annually. ⁿ⁸ Rock Art sells most of its beverages in Vermont, both in bottles and in kegs. ⁿ⁹ Outside of Vermont, Rock [*119] Art expanded into other markets including Arizona, Connecticut, and New Jersey. ⁿ¹⁰ In 2007, Nadeau decided to brew a special beer to celebrate the company's tenth anniversary. ⁿ¹¹ He described it as "an American style barley wine with a big, hoppy, fully flavored complex that was 10 percent alcohol." ⁿ¹² After registering the name "Vermonster" as a trademark in the state of Vermont, ⁿ¹³ Nadeau successfully registered "The Vermonster" as a federal trademark in the summer. ⁿ¹⁴

The brewery received a cease and desist letter from the international beverage company, Hansen Natural. ⁿ¹⁵ At the center of the dispute was the name of Rock Art's celebratory beer, "The Vermonster." ⁿ¹⁶ Because of the similarity in the names "Monster" and "The Vermonster," Nadeau's small company was pitted against an industry giant and was forced to respond in order to protect his company. ⁿ¹⁷

In its cease and desist letter, Hansen argued that the use of "VERMONSTER in connection with beer [would] undoubtedly create a likelihood of confusion and/or dilute the distinctive quality of Hansen's MONSTER marks." ⁿ¹⁷ Rock Art contended that confusion was unlikely because Hansen did not make alcoholic drinks and the products' packaging were dissimilar. ⁿ¹⁸ In addition to warning about potential confusion and demanding that Nadeau stop using the name "Vermonster," it also asked that Nadeau pay for legal expenses incurred in connection with the trademark infringement matter. ⁿ¹⁹ Although Nadeau's lawyer felt the name was properly used and the federal government legitimately registered the trademark, he further explained that a large company like Hansen could prolong litigation to [*120] be long enough to bankrupt Nadeau. ⁿ²⁰ Nadeau was advised that, in the end, he would likely have to change the beer's name. ⁿ²¹

Rather than allow Hansen to bully him, Nadeau fought back and contacted his client base to inform them of Hansen's actions. ⁿ²² In response, one of the state's largest beverage centers, Beverage Warehouse, protested Hansen's actions by pulling all Hansen products off the shelves. ⁿ²³ Additionally, at the peak of the controversy, Nadeau gained over 18,000 supporters through social networking sites he used to promote his cause. ⁿ²⁴ Largely due to the public support for Rock Art, Hansen settled within twenty-one days and allowed Nadeau to continue using the name "The Vermonster" as long as he did not make energy drinks. ⁿ²⁵

Fortunately for Nadeau and Rock Art Brewery, they were able to garner support and draw in enough media scrutiny to counterbalance Hansen's deep pockets. ⁿ²⁶ Stories of small businesses being harassed by larger companies are not rare, but they usually go unnoticed. While certain areas of trademark law make it easy for large companies to bully smaller companies, stories where the little guy wins are few and far between. However, this type of overly aggressive behavior on the behalf of large corporations has been noticed and the small businesses' often grassroots supporters have caught the attention of Congress. ⁿ²⁷

The Trademark Technical Conforming Amendment Act of 2010 was signed into law on March 17, 2010.ⁿ²⁷ The Act made technical changes to the Lanham Act, but it mainly "harmonize[d] filing procedures between trademarks filed in the United States directly and those filed abroad pursuant to the Madrid Protocol."ⁿ²⁸

Another provision included in the TTCA Act, quite different in nature, was added to the legislation.ⁿ²⁹ According to this provision, the Secretary of Commerce, along with the Intellectual Property Enforcement Coordinator, must report to the House and Senate Judiciary Committees on "the extent to which small businesses may be harmed by litigation tactics by corporations attempting to enforce trademark rights beyond a reasonable interpretation," and "the best use of Federal Government services to protect trademarks and prevent counterfeiting" within one year of the TTCA Act's enactment.ⁿ³⁰ This section has been referred to as the trademark bullies provision.ⁿ³¹

The TTCA was created by Senator Leahy of Vermont, who was frustrated by the trademark dispute happening in his state between Rock Art Brewery and Hansen.ⁿ³² The Vermonster dispute, and the Act created in its wake, illustrates a familiar situation. Often, a party with deeper pockets and more clout challenges the authenticity of another party's trademark rights, whether or not the basis for such challenge has a sound foundation in law.ⁿ³³ When both parties involved are in similar financial situations, a lengthy lawsuit can ensue with relatively few consequences for either company. But when one party cannot afford the expense of such a protracted suit, the opportunity for a fair and animated debate diminishes significantly. For this reason, the label of trademark bully emerged. However, the presence of two parties with different financial footings does not necessarily mean one party deserves to be dubbed a trademark bully. While most people enjoy cheering for the underdog, having a financial disadvantage does not always mean the law is on one's side.

Although a trademark is technically a property right, the main purpose behind trademark law is to protect consumers from brand confusion.ⁿ³⁴ The distinction afforded to famous or well-known trademarks is often essential to a trademark owner's success and can be lost if comparable marks come to be associated with the trademark owner's goods or services.ⁿ³⁵ Although there is no fixed duty to keep watch over other businesses' use of a mark, if a brand owner does not take legal action against potential infringers and such use becomes sufficiently rampant, the owner's mark will be stripped of its distinctiveness, or, even worse, the mark could be considered abandoned.ⁿ³⁶ Once a mark is widely used by other companies, the public will no longer relate the mark to a single business because of the crowd of analogous marks flooding the marketplace. The TTCA Act has sharply brought into focus the competing needs of protecting legitimate intellectual property rights and encouraging the growth of small businesses.

By using recent cases filed by large corporations against smaller local businesses, this Note will explore the costs and benefits of imposing a higher bar on trademark infringement claims filed by large corporations against smaller companies. In proposing a solution, this Note will examine whether the intellectual property heavyweights traditionally come out ahead in trademark enforcement actions by looking at key cases throughout the development of this problem. This Note will also survey the rationales supporting both sides in the trademark bullying cases: whether over-enforcement of trademark rights has a deleterious effect on free speech and a dynamic public domain, or whether corporations are simply aggressively protecting their interest in their trademark, and, if so, whether this type of enforcement should be allowed.

Because many trademark disputes often settle and do not result in a full jury trial, this Note will primarily consider doctrinal developments in the law that affect free speech. Therefore, this Note will not consider relatively informal practices such as demand letter negotiations. Because these tactics typically occur out of public view, they are difficult to track and it is difficult to determine what effects these letters might have on the market.

Part II of this Note will discuss the foundations of trademark law and the purpose behind allowing a particular manufacturer's or seller's product to be distinguished from another's parallel product. It will also delve into the case law in different states and evaluate the level of protection offered. Part III will analyze the economic and free speech consequences of these cases on the marketplace. Part IV will conclude that in light of the lowered bar for large corporations to pursue unreasonable enforcement claims, the study called for by the TTCA Act will plainly show that legislation is necessary to once again raise that bar.

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II. Background

A. COMMON LAW ROOTS

Unlike copyrights or patents,ⁿ³⁷ trademark rights are not rooted in the Constitution.ⁿ³⁸ Rather, trademark protection evolved from common law.ⁿ³⁹ This type of protection originated in 1584, when an English court found a defendant liable for counterfeiting another's mark and placing it on his own goods.ⁿ⁴⁰ As time passed, courts dubbed this behavior as "passing off," and placed it under the umbrella of the tort law of fraud and deceit.ⁿ⁴¹ However, by 1850, the common law of trademark protection had grown to have more similarities with unfair competition law than with tort law.ⁿ⁴²

With these common law roots as a foundation, Congress enacted the first federal law of trademark protection in 1870 but the Supreme Court later invalidated this law.ⁿ⁴³ Congress attempted to revisit the issue in 1905, but the law it created in its place only provided limited protection.ⁿ⁴⁴ Hence, it was not until the passage of the Lanham Act in 1946 that modern federal protection for trademarks came into existence.ⁿ⁴⁵

B. LANHAM ACT

The federal trademark law of the United States is the Lanham Act,ⁿ⁴⁶ which is now over sixty years old. The Lanham Act defines a trademark as "any word, name, symbol, or device, or any combination thereof [used in commerce] . . . to identify and distinguish [one's] goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if [*124] that source is unknown."ⁿ⁴⁷ A trademark can be anything as long as it signals to consumers the specific product's origin.ⁿ⁴⁸ For example, a trademark may be a word,ⁿ⁴⁹ sound,ⁿ⁵⁰ symbol,ⁿ⁵¹ smell,ⁿ⁵² or color.ⁿ⁵³ "The primary and proper function of a trademark is to identify the origin or ownership of the article [or service] to which it is affixed."ⁿ⁵⁴ This recognition by the public is how trademarks derive value.ⁿ⁵⁵

Trademark holders should monitor their trademarks, or else risk a court holding that the trademark owners assented to infringing uses by abandoning their mark or that the mark now lacks distinctiveness.ⁿ⁵⁶ Thus, when truly infringingⁿ⁵⁷ conduct is identified, the trademark owner must take corrective steps.ⁿ⁵⁸ The trademark owner need not sue every business suspected of infringing on its trademark or send cease and desist letters in response to every conflicting use.ⁿ⁵⁹ Rather, the trademark owner should only do what it can [*125] within reason.ⁿ⁶⁰ On the other hand, if the trademark holder allowed conflicting uses to continue for more than a reasonable time period, the trademark owner may have trouble in later efforts to enforce that trademark.ⁿ⁶¹ For that reason, policing the trademark is an indispensable part of trademark preservation.ⁿ⁶²

Frequently though, some businesses take their policing too far and engage in overly aggressive behavior.ⁿ⁶³ For

example, the New York Times ran a front-page article uncovering illegitimate tactics that Levi Strauss & Co. used while pursuing trademark litigation to secure more market share.ⁿ⁶⁴ Interestingly, the article detailed the predatory practices that Levi Strauss & Co. used without discussing whether it was appropriate to even take those aggressive actions in the first place.ⁿ⁶⁵ In fact, all trademark owners are encouraged to employ this type of behavior to protect what is (sometimes) rightfully theirs.ⁿ⁶⁶ That is, nearly all trademark owners use trademark litigation to gain market share by suing competitors, and in so doing increase the competitor's cost to enter the market as well as the cost to stay in business.ⁿ⁶⁷

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C. FEDERAL TRADEMARK DILUTION ACT

Although the first anti-dilution laws were passed by individual states, it was not until 1995 that the federal government incorporated the Federal Trademark Dilution Act (FTDA) into the Lanham Act.ⁿ⁶⁸ Under the FTDA, a trademark owner had a remedy "against another person's commercial use in commerce of a mark or trade name, if such use [began] after the mark [had] become famous and [caused] dilution of the distinctive quality of the mark."ⁿ⁶⁹ The FTDA expanded the scope of rights granted to famous and distinctive trademarks under the Lanham Act.ⁿ⁷⁰ Dilution differs slightly from traditional trademark infringement in that there is no need to prove a likelihood of confusion to protect a mark.ⁿ⁷¹ Instead, all that is required is a showing that the use of a famous mark by a third party caused dilution of the distinctive quality of the mark.ⁿ⁷²

Following the enactment of the FTDA, a number of courts struggled with its interpretation.ⁿ⁷³ Some of this uncertainty was centered around whether a mark could be famous when used in niche markets and whether a famous mark must be either inherently distinctive or distinctive with secondary meaning through continuous use.ⁿ⁷⁴ Inherently distinctive marks tend to be more creative, avoiding any actual description of the related goods or services,ⁿ⁷⁵ like the "Google" mark, which bears no relation to the actual services offered by Google. If a mark is not inherently distinctive, it can acquire the necessary distinctiveness through secondary meaning.ⁿ⁷⁶ Secondary meaning shows that the mark has some meaning to the public beyond the obvious meaning of the terms or images of the mark itself.ⁿ⁷⁷ If the primary significance of the mark to [*127] the consuming public has become the source of the goods or services, rather than the product itself, the mark has acquired secondary meaning.ⁿ⁷⁸

Another issue involved trademark dilution, a concept giving the owner of a famous trademark the ability to forbid others from using that mark in a way that would lessen its uniqueness.ⁿ⁷⁹ Importantly, appellate courts were split on the issue of whether a plaintiff had to show actual dilution or a likelihood of dilution to prevail on a dilution claim after the enactment of the FTDA.ⁿ⁸⁰ The issue was eventually addressed by the Supreme Court in *Moseley v. V Secret Catalogue Inc.*ⁿ⁸¹ In *Moseley*, the plaintiff, the owner of the "Victoria's Secret" trademark, claimed that the defendant's use of the trademark "Victor's Secret" for a store selling predominantly adult novelty items caused the dilution of plaintiff's well-known mark under the FTDA.ⁿ⁸² The Supreme Court reversed and remanded the district court's decision, finding that trademark owners must establish actual dilution rather than merely a likelihood of dilution.ⁿ⁸³ In other words, a plaintiff would need either objective proof or reliable circumstantial evidence to prove actual dilution of the plaintiff's mark to prevail under the FTDA.ⁿ⁸⁴

D. TRADEMARK DILUTION REVISION ACT

Following *Moseley*, Congress held hearings to examine possible revisions to the FTDA.ⁿ⁸⁵ In 2006, President Bush signed into law the Trademark Dilution Revision Act (TDRA), which made considerable changes to the FTDA.ⁿ⁸⁶ The TDRA expressly overruled *Moseley* by allowing famous trademark holders to prevail on a dilution claim by

showing only a likelihood of confusion.ⁿ⁸⁷ [*128] Specifically, the Act stated that the use of a trademark in connection with the sale of a good will constitute infringement if it is likely to cause consumer confusion as to the source of those goods or as to the sponsorship or approval of such goods.ⁿ⁸⁸

For all practical purposes, these changes cleared considerable hurdles for well-known trademark holders by not requiring actual dilution. The threshold to reach a famous mark status might have been made higher, but once reached, the evidentiary burden to prevail on a dilution claim became significantly lower.ⁿ⁸⁹ That is, instead of requiring a famous mark owner to prove actual dilution, they only have to show a likelihood of dilution to meet their burden.ⁿ⁹⁰ This benefited famous trademark holders, but not lesser-known operations like Vermonster.ⁿ⁹¹

Although the label of trademark bully can be attached to any overly aggressive trademark owner, it usually sticks to famous trademark owners.ⁿ⁹² Case law is replete with examples of famous trademark owners asserting infringement and dilution claims against small business operations.ⁿ⁹³ The TDRA gives large companies substantial leverage in keeping small businesses from using marks that may only marginally resemble the famous mark by claiming that it has been diluted.ⁿ⁹⁴ The bigger the company, the more famous the trademark, and therefore the easier it will be under the Act for larger [*129] companies to use their market share against smaller companies.ⁿ⁹⁵ National companies with highly recognizable marks could have more leverage than any single small business and could easily outspend those businesses if litigation arose.ⁿ⁹⁶

E. PURPOSES AND GOALS OF TRADEMARK PROTECTION

Despite what some commentators say,ⁿ⁹⁷ there is a general consensus that the primary purpose of trademark protection is to supply consumers with accurate information regarding the source of the good.ⁿ⁹⁸ Thus, trademarks help diminish consumer search costs.ⁿ⁹⁹ Consumers can seek out specific information while searching for goods, and then use easily distinguishable and identifiable trademarks to help decrease the time and resources necessary to find their desired product.ⁿ¹⁰⁰ Another effect of the public detection aspect of trademarks is the incentive for producers to increase product quality.ⁿ¹⁰¹ Thus, if trademark law protects the mark's owner from infringement by a competitor, the owner will invest more money and resources to improve his product's quality, because consumers will seek out the higher quality product.ⁿ¹⁰² Without trademark protection, a competitor could easily use another's mark to sell an inferior product, and take away some of the actual trademark holder's customers.ⁿ¹⁰³ This scenario demonstrates another purpose served by trademark [*130] protection, which is the prevention of consumer deception stemming from the use of a confusingly similar mark, and resulting in the purchase of products that the consumer does not desire.ⁿ¹⁰⁴

A secondary goal of trademark law is the protection of a trademark owner's goodwill through the manufacture and use of that trademark.ⁿ¹⁰⁵ This purpose of trademark law makes it different than other types of intellectual property, such as patents or copyrights.ⁿ¹⁰⁶ For patents and copyrights, the protected intellectual property is the property that actually contains value.ⁿ¹⁰⁷ By contrast, the value of trademarks comes from their ability to signal to the market the quality of the good.ⁿ¹⁰⁸ Therefore, the goal of protecting a trademark holder's goodwill is not necessarily what trademark protection aims to do, but some commentators nonetheless endorse it.ⁿ¹⁰⁹ Those who argue for upholding a trademark holder's goodwill often state that not doing so would encourage free riding, but free riding may in some cases be a good thing, as it can be a means of serving public demand.ⁿ¹¹⁰

The Supreme Court encompassed both of these goals of trademark law in *Qualitex Co. v. Jacobsen Products Co.*ⁿ¹¹¹ In *Qualitex*, the court stated that trademark law "reduce[s] the customer's costs of shopping and making purchasing decisions" because "it quickly and easily assures a potential customer that the . . . item with [the trademark] . . . is made by the same producer as other similarly marked items that he or she liked (or disliked) in the past."ⁿ¹¹² It prevents

others from copying a source-identifying mark.ⁿ¹¹³ Meanwhile, the law also helps comfort a producer that it, and not an imitating competitor, will [*131] collect the financial and reputation-related rewards associated with a sought-after product.ⁿ¹¹⁴

Some scholars argue that there is a third, separate goal of trademark protection to promote "fair competition."ⁿ¹¹⁵ This third goal favors the public market and freedom of expression over the individual trademark holder.ⁿ¹¹⁶ "This third policy justification, however, may not do much additional work beyond that already done by the primary purpose," which is to "prevent customer confusion."ⁿ¹¹⁷

III. Analysis

A. A LOOK AT TRADEMARK DILUTION

Trademark dilution is a relatively modern legal doctrine.ⁿ¹¹⁸ As one commentator, Laura R. Bradford, explained, trademark law conventionally aims to improve the quality of market information by prohibiting misleading uses of trademarks.ⁿ¹¹⁹ Prohibiting misleading uses of trademarks improves the efficiency of the market because it prevents the consumer from buying the wrong product.ⁿ¹²⁰ Thus, protection for the "informational integrity" of trademarks allows consumers to spend less time and fewer resources in search of the desired product, which in turn decreases search costs.ⁿ¹²¹

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In an effort to limit consumer confusion and economic consequences, trademark dilution law prohibits "interferences with the uniqueness of a trademark."ⁿ¹²² As Bradford explains the concept: "consumers may or may not think that 'Chevrolet shoes' were made by the car company, but their presence in the marketplace would diminish or 'dilute' the singularity of the original Chevrolet mark."ⁿ¹²³ Bradford continues by noting that the goal of these prohibitions is to prevent "the gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use upon non-competing goods."ⁿ¹²⁴ Finally, Bradford gives examples of contemporary dilutive uses of famous marks, including the use of the mark "Perfume-bay" for E-bay, "Nikepal" for Nike, and the name "Hot Rigz" for "Hot Wheels" toy cars.ⁿ¹²⁵

It is clear that most trademark holders find dilution damaging and believe that dilution harms the value created in their trademark.ⁿ¹²⁶ According to Bradford, supporters of "dilution regulation have linked the dilution cause of action to the goal of lowering search costs."ⁿ¹²⁷ They argue that the loose use of well-known symbols will cause a trademark's meaning and significance to decline, thus also decreasing a mark's utility as a means for quickly locating goods.ⁿ¹²⁸ Based on this view, "free-riding on the familiarity of well-known marks increases 'internal search costs', or the amount of mental time and effort consumers must expend to connect the mark to its original owner and larger goodwill."ⁿ¹²⁹

Bradford points out that "critics are skeptical that a few extra seconds of cogitation, assuming they are required, justifies a race to the federal courthouse [*133] if consumers are not actually confused about who makes a particular good."ⁿ¹³⁰ "Famous marks have always existed" in the same market with "lesser-known" trademarks.ⁿ¹³¹ Bradford considers two market leaders in separate industries as examples: Ford Motor Company and the Ford Modeling Agency.ⁿ¹³² While it does not appear that either company is negatively impacted by the other, the consumer presumably "must spend a certain amount of time or effort to distinguish them."ⁿ¹³³ Protecting these and similar trademarks, however, appears to be in direct conflict with First Amendment values that encourage "criticism of, discussion about, and comparison with well-known brands."ⁿ¹³⁴ Bradford finds it unsurprising that "courts have found the harm threatened by dilution 'dauntingly elusive' to comprehend; accordingly [the courts] have been reluctant to enforce the law as

written." ⁿ¹³⁵

"Dilution regulation aims to preserve the signaling value of brand familiarity for consumers," ⁿ¹³⁶ but it may overstep boundaries and interfere with other businesses' ability to create marks. Proponents of dilution regulation argue that because consumer markets suffer from information asymmetries in which sellers possess better information than buyers, buyers depend on signals from sellers and other third parties in making purchasing decisions. ⁿ¹³⁷ Essentially, the basic argument made by those in favor of dilution regulation is that consumers rely on the familiarity of trademarks as an indicator of a certain quality that has come to be associated with that particular brand, which helps to reduce risk and evaluation costs. ⁿ¹³⁸

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B. WHY MOST CASES ARE NOT LITIGATED

As former Chief Justice Warren E. Burger once said, "for many claims, trials by the adversarial contest must in time go the way of the ancient trial by battle and blood. Our system is too costly, too painful, too destructive, [and] too inefficient for a truly civilized people." ⁿ¹³⁹ As such, the small business owner may feel defeated before even stepping foot into the courthouse when "faced with uncertainties such as the length of a trial, the amount of discovery required, the success of winning on the merits and the likelihood of appeal." ⁿ¹⁴⁰ Regardless of the relative merits of a small business owner's case, the seemingly endless resources of his opponent will undoubtedly intimidate him. ⁿ¹⁴¹ For the average small business owner, "adequate representation of his claim lies in a quicker and more cost-effective alternative to litigation." ⁿ¹⁴²

In addition to smaller companies, larger corporations may also elect not to engage in the typical litigation route for many reasons. ⁿ¹⁴³ First, the number of potential infringers is possibly infinite and the list could include both small and large businesses. Second, larger companies put their reputation on the line and are often under strict public scrutiny when they file suit against other companies for trademark infringement in the typical litigation setting. ⁿ¹⁴⁴ As mainstream media follows high-profile litigation with microscopic precision, a company that pursues that route risks being called a trademark bully. ⁿ¹⁴⁵ Moreover, even though only a handful of cases actually make it to the trial stage, ⁿ¹⁴⁶ the endless cycle of the "filing of complaints is costly and would still invite the attention of the media and the public alike." ⁿ¹⁴⁷

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Perhaps the most troubling aspect of the litigation route for any company "is that the outcome of the litigation is essentially out of their hands." ⁿ¹⁴⁸ First, all of the normal variables that exist in any jury trial are also present in trademark infringement suits, including the judge assigned to the case, which lay people are selected to be members of the jury, and what evidence is admitted or excluded. ⁿ¹⁴⁹ Stakes are exponentially higher in cases involving intellectual property disputes where the subject matter could potentially be very technical. ⁿ¹⁵⁰ "This realization is driven home when [the company is] waiting for the jury to return a verdict or a judge to announce a decision. At that moment, it is crystal clear the outcome can go either way and [the company] might lose." ⁿ¹⁵¹

A small business has limited resources to avoid litigation when faced with possible lawsuits from overly aggressive trademark holders due to unpredictable litigation outcomes and large legal bills. Large businesses, and even entire industries, should also respond to these risks conservatively. They should adopt "trademark rights clearance practices" to avoid the danger of liability, thereby "institutionalizing an incentive structure contrary to free speech values." ⁿ¹⁵² For example, insurers often insist on rights clearance for every single expressive use of a trademark in documentaries. ⁿ¹⁵³ Also, "reality television producers obscure unlicensed trademark logos captured incidentally in the footage they

air." ⁿ¹⁵⁴ Google also allows trademark holders to "ban the use of their trademarks in others' advertisements." ⁿ¹⁵⁵ Finally, the virtual game world Second Life generally forbids graphical items created by individuals if they incorporate trademarks. ⁿ¹⁵⁶ These policies, which go beyond what the law requires, are designed to remove even the smallest risk of trademark disputes, and are a cost of the current [*136] system. ⁿ¹⁵⁷ The extreme caution may be to high of a cost when it censors "artists or critics who rely on institutional support to disseminate their speech." ⁿ¹⁵⁸

To protect their intellectual property rights, companies may feel they must use aggressive tactics because of the uncertainties inherent in pursuing traditional litigation. A recent study determined that "a continued increase in the number of trademark cases filed, combined with decreases in the percentage of cases that reach trial, suggested that [trademark owners] were filing strike suits aimed at forcing quick or favorable settlements." ⁿ¹⁵⁹ More evasive (and harder to measure) than strike suits are cease and desist letters. ⁿ¹⁶⁰ Trademark owners often send cease and desist letters even when the use of the mark is almost certainly legal under current law. ⁿ¹⁶¹ Such threatening letters, which usually are printed on formal law firm stationery and contain intimidating legal jargon, "have been colorfully characterized as 'gorilla chest thumping' and 'trademark extortion.'" ⁿ¹⁶² Most trademark holders send this type of letter as a standard procedure because there is little disadvantage to sending one. ⁿ¹⁶³ In fact, some facets of trademark law force businesses to police their marks in order to maintain them so that it cannot be said that the marks were [*137] abandoned. ⁿ¹⁶⁴ This can lead to overly aggressive behavior, including sending off frivolous cease and desist letters. ⁿ¹⁶⁵

According to another commentator, William McGeeveran, one suggestion to help alleviate this type of bullying is the use of licensing agreements in situations where the smaller business is likely to win but the larger business has infinitely more resources. ⁿ¹⁶⁶ McGeeveran notes that there are at least three reasons why heavily relying on voluntary licensing in these situations would not help the problem. ⁿ¹⁶⁷ First, obtaining licenses is often difficult and expensive. ⁿ¹⁶⁸ McGeeveran contends that there is little or no incentive for large businesses to even respond to various small business, and thus lower- stakes, licensing requests. ⁿ¹⁶⁹ He believes that even if for some reason they did engage in licensing agreements with smaller businesses, "the pricing of the transaction would reflect both these costs and the [trademark owner's] monopoly position." ⁿ¹⁷⁰ The sum of all those costs would further discourage the little guy and greatly diminish the helpfulness of licensing devices, especially for smaller businesses.

Second, "legally unnecessary trademark licensing produces a feedback effect that further shrinks the public domain." ⁿ¹⁷¹ As previously discussed, "trademark law defines infringement based upon consumer understanding," ⁿ¹⁷² or lack thereof, in which case it would be consumer confusion. ⁿ¹⁷³ McGeeveran continues his analysis by stating that "widespread overcautious licensing fortifies consumers' expectations that such licensing is legally required." ⁿ¹⁷⁴ In turn, this distorted view of the law "increases the likelihood that consumers will be confused in the future by an unauthorized expressive use of a mark, [*138] rendering even more uses infringing." ⁿ¹⁷⁵ McGeeveran concludes this second point by finding that "the chilling effect of unstable fair use protection causes more problems for trademark law than does the parallel problem in copyright law, where the definition of rights does not depend on subjective public understanding." ⁿ¹⁷⁶

The third and most substantial objection raised by McGeeveran to relying on licensing arises when the potential use negatively reflects the trademark. ⁿ¹⁷⁷ McGeeveran cautions that "license requirements give trademark owners vetoes over criticism and parody of themselves or their products" and therefore only encourages arrangements that depict trademarks in a positive light. ⁿ¹⁷⁸ "Truly consensual agreements to make favorable expressive uses (involving, say, a large consumer-products [trademark owner] and a Hollywood movie studio) may be mutually beneficial and perhaps relatively inoffensive to public interests." ⁿ¹⁷⁹ McGeeveran once more warns that the "pressure to license all uses would deprive the public of unfettered discourse about products and their makers." ⁿ¹⁸⁰

Therefore, McGeeveran explains that the existing trademark fair use laws deter unlicensed uses of trademarks or, alternatively, encourage submission on behalf of the smaller businesses when threatened with legal action.ⁿ¹⁸¹ This "intermittent chilling effect has grown into a more widespread expectation of licensing that influences both individuals and institutions in their approach to trademarks."ⁿ¹⁸² Ultimately, McGeeveran asserts that licensing is not a viable solution to the problem because of the three factors he lays out above.ⁿ¹⁸³

C. PROPOSED SOLUTION

A new structure should exist where small businesses are free to create their own marks and not be afraid of overly litigious companies. This is not to say the power imbalance between large and small companies would or even should be changed, but there are some improvements that should be implemented. According to McGeeveran, "with clearer law and simpler, shorter litigation, [*139] both individuals and institutions should be more likely to engage in expressive uses and more likely to persist in those uses when faced with the prospect of legal action."ⁿ¹⁸⁴ At the same time, trademark owners should be less likely to engage in unreasonably aggressive behavior "or pursue litigation that is clearly frivolous."ⁿ¹⁸⁵

There are several options to curtail overly litigious and aggressive companies. Cease and desist letters are typically the means through which a company initially threatens small business owners. Currently, trademark owners face little disincentive to sending these letters and the misuse and overuse of cease and desist letters has effectively expanded trademark law's doctrine. Therefore, a starting place would be to create ways to thwart unmeritorious cease and desist letters. A few suggestions could include punishing coercion, requiring that copies of cease and desist letters be sent to the Patent and Trademark Office, or assessing penalties once a certain threshold of letters is met. Additionally, returning to showing actual economic harm may force larger companies to have legitimate claims before they begin firing off baseless cease and desist letters.

One option may simply be greater public scrutiny of behavior by trademark owners. As discussed earlier, fans of smaller companies or individuals will rally for their cause by going to the Internet either through a forum or even by creating a Facebook page. Publicity was used to great effect in the dispute between North Face, a popular outdoor apparel company, and a college student.ⁿ¹⁸⁶ The overwhelmingly negative media attention garnered the smaller company enough support to counteract the considerable resources North Face had at its disposal.ⁿ¹⁸⁷ Replicating this outcome in countless other cases where trademark owners go too far may help deter overly aggressive behavior.

Alternatively, creating a public database of trademark owner cease and desist letters may bring these often hidden scare tactics to the surface of media attention. For example, trademark owners could be required to send a copy of every cease and desist letter to a public repository, which would create a database of letters that could be monitored and scrutinized. A website called "Chilling Effects Clearinghouse"ⁿ¹⁸⁸ serves an analogous function, but it relies [*140] on recipients voluntarily contributing cease and desist letters rather than forcing senders to submit them. If this approach is taken, then Congress must eliminate the argument that a cease and desist letter can be protected under copyright law, which allows cease and desist senders to threaten an unmerited copyright infringement (or other) claim if the recipient publicly shares the letter.ⁿ¹⁸⁹

A second option could involve hiring a central monitor who would call attention to unreasonable trademark enforcement efforts through some form of public shaming. Chilling Effects Clearinghouse is a step in this direction, as it publishes demand letters in a neutral format on a website. While this solution would generate additional costs, the social benefits of this scrutiny could be enormous. This sort of availability to the public may incite discussions about particular trademark holders who continuously act as trademark bullies. Those discussions could, in turn, bring about

changes in the way companies protect their trademarks.

Another route may be found in the progress made on a proposed federal anti-SLAPP law, which stands for "Strategic Lawsuit Against Public Participation."ⁿ¹⁹⁰ The term was coined about three decades ago by two Denver University professors, George Pring and Penelope Canan.ⁿ¹⁹¹ Pring and Canan recognized that lawsuits were discouraging people from participating in vital government processes.ⁿ¹⁹² Thus, they advocated for a statute that would curb these anti-democratic lawsuits.ⁿ¹⁹³ While this is a step in the right direction, it is incomplete because anti-SLAPP protection only applies once a plaintiff has actually dragged a defendant into court—a subset of the problematic situations involving cease and desist letters. However, the anti-SLAPP law may apply to trademark lawsuits,ⁿ¹⁹⁴ so it could offer a useful expedient in some cases.

A final solution could be to look to international law involving threat actions in the United Kingdom and other commonwealth countries. In these countries, threat actions allow a cease and desist letter recipient to sue the sender and obtain damages including attorney's fees for the suit.ⁿ¹⁹⁵ For example, Section 21 of the Trade Marks Act of 1994 states that where a trademark owner [*141] makes groundless threats of infringement proceedings, any person aggrieved may ask the court for a declaration that the threats are unjustifiable, an injunction to restrain the continuance of the threats, and damages for any loss sustained by the threats.ⁿ¹⁹⁶ The essential components of a threats action are that a relevant threat has been made, that the person threatened is "a person aggrieved" and finally, that the threat is unjustified.ⁿ¹⁹⁷

Borrowing from the threats action legislation in the United Kingdom would not be entirely seamless. The threats provisions appear to run counter to the Federal Rules of Civil Procedure (FRCP) which encourage parties to pursue alternative dispute resolution before commencing litigation.ⁿ¹⁹⁸ The FRCP encourage parties to put their respective cases to each other before litigation starts, and there is clear tension between the talk-first policy of the FRCP and the sue-first policy potentially encouraged by the threats legislation. These solutions would help avoid the current trend of large companies acting as trademark bullies against smaller companies with fewer resources and forcing them into submission. While some of the small businesses discussed in this Note have been successful, an immeasurable majority of businesses yield to the threats of larger corporations.

IV. Conclusion

The Trademark Technical Conforming Act of 2010 comes at an interesting time. The most important provision of this Act is a call to action for a study to be conducted concerning the long-term effects of unreasonably aggressive trademark owners. This study, while a seemingly small step, may put into motion meaningful reform in the way that large companies communicate with small companies when they believe their trademark is being infringed. Certainly, small companies are not always on the right side of the law and, oftentimes, the large company has a duty to police their trademark by alerting small and large companies alike that they may be engaged in illegal behavior. Engaging in some sort of trademark monitoring is necessary for all trademark owners. Admittedly, it is the larger companies who engage in overly aggressive litigious behavior that inspired the TTCA's creation.

While the goals of trademark law are to prevent consumer confusion, some larger companies overstep their bounds and become "bullies" when they harass smaller, lesser-known companies. This legislation, while a step in the right direction, merely acknowledges that a problem with these business tactics may [*142] be forming. Further action is necessary to protect both consumers and the owners of smaller businesses. The proposed solutions aim to suggest possible methods to improve the position of small business owners in the face of overly aggressive competitors. While there are definite costs associated with implementing each of these solutions, their benefits may prove to outweigh these

costs significantly.

The study required by the 2010 Trademark Technical Conforming Amendment Act comes after revisions to existing trademark law have been seemingly ineffective in helping small business owners, given past jurisprudence governing famous trademarks and dilution claims. While it is still unclear what results this study will generate, if any, it certainly has reopened a legislative dialogue that began with the Trademark Dilution Act of 1995. At a minimum, small business owners should feel some comfort in knowing that Congress is acknowledging the impact that trademark bullies have in the marketplace. Even if the study does not come out in favor of small businesses, perhaps they should hone their lobbying skills while the topic is still up for debate in Congress.

Legal Topics:

For related research and practice materials, see the following legal topics:

Trademark Law Foreign & International Protections International Treaties Trademark Law Infringement Actions Federal Jury Trials Trademark Law Subject Matter Names Nicknames

FOOTNOTES:

n1 Olivera Medenica, Provision of New Act Addresses 'Trademark Bullies'; Calls for Study on how Litigation Tactics to Enforce Rights Unreasonably May Harm Small Businesses, 32 Nat'l L.J. No. 36, at 18 (May 17, 2010).

n2 Lanham Act, 15 U.S.C. §§ 1051-1141 (2006); Medenica, *supra* note 1, at 18.

n3 Press Release, Hansen Natural Corp. and Anheuser-Busch Announce On-Premise Sales and Distribution Deal (Feb. 9, 2007), <http://investors.hansens.com/releasedetail.cfm?ReleaseID=239219>.

n4 Press Release, Hansen Natural Corp., Hansen Natural Reports Record 2010 Second Quarter Financial Results (Aug. 5, 2010), <http://investors.hansens.com/releasedetail.cfm?ReleaseID=496992>.

n5 Hansen Natural Corp., <http://money.cnn.com/quote/profile/profile.html?symb=HANS> (last visited Oct. 2, 2011).

n6 Rock Art Brewery, Photos, <http://www.rockartbrewery.com/MILESTONES.html> (last visited Oct. 2, 2011).

n7 Lisa McCormack, The Art of the Brew, StoweToday.com, June 23, 2011, <http://www.stowetoday.com/this-week/features/article>

bdbb9c5e-9cf3-11e0-a071-001cc4c03286.html.

n8 Art Edelstein, Trademark Bill Would Help Companies like Vermont's Rock Art Brewery, *Vt. Bus. Mag.*, Jan. 29, 2010, <http://www.vermontbiz.com/news/january/trademark-bill-would-help-companies-vermonts-rock-art-brewery>.

n9 Art Edelstein, The Vermonster Wins in Battle with Monster, *Vt. Bus. Mag.*, Feb. 12, 2010, <http://www.vermontbiz.com/article/february/vermonster-wins-battle-monster>.

n10 *Id.*

n11 *Id.*

n12 *Id.*; see also Matt Nadeau, Matt and "The Monster": Rock Art Brewery vs. Monster Energy Drink, YouTube, <http://www.youtube.com/watch?v=kbGwoqXTeg> (last visited July 14, 2011).

n13 Vermonster, Vermont File No. 0008350.

n14 The Vermonster, U.S.P.T.O. Registration No. 3,742,265, available at <http://tess2.uspto.gov/bin/showfield?f=doc&state=4004:6cfo4a.2.1> (last visited Oct. 2, 2011).

n15 Letter from Diane M. Reed, Counsel to Hansen Natural Corp., Knobbe Martens Olson & Bear LLP, to Christopher J. Day, Counsel to Rock Art Brewery (Sept. 4, 2009), <http://www.greemountaindaily.com/upload/caoimhin/Bad%20Faith%20Extortion%20Ltr.pdf>.

n16 *Id.* at 2.

n17 *Id.*

n18 Medenica, *supra* note 1, at 18.

n19 Letter from Diane M. Reed to Christopher J. Day, *supra* note 15, at 2.

n20 Edelstein, *supra* note 8.

n21 Nadeau, *supra* note 12.

n22 Edelstein, *supra* note 8.

n23 *Id.*

n24 Vermonters and Craft Beer Drinkers Against Monster, Facebook, <http://www.facebook.com/group.php?gid=171894902802> (last visited Oct. 2, 2011).

n25 Edelstein, *supra* note 8.

n26 Associated Press, Energy Drink Maker Tells Vt. Brewer: No "Vermonster" Beer, *Bos. Herald* (Oct. 12, 2009), <http://news.bostonherald.com/business/media/view.bg?&articleid=1204122&format=&page=1&listingType=edia>.

n27 Trademark Technical Conforming Amendment Act of 2010, Pub. L. No. 111-146, 124 Stat. 66 [hereinafter TTCA Act].

n28 Medenica, *supra* note 1, at 18.

n29 *Id.*; TTCA Act, *supra* note 27, § 4.

n30 TTCA Act, *supra* note 27, § 4; Medenica, *supra* note 1, at 18.

n31 Medenica, *supra* note 1, at 18.

n32 Press Release, Patrick Leahy, U.S. Senator for Vt., Leahy to Introduce Bill to Ease Burdens on Trademark Owners (Jan. 26, 2010), http://leahy.senate.gov/press/press_releases/release/?id=5d97f2ad-ee08-4d9d-841c-e3fd4149f899.

n33 Compare *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894 (9th Cir. 2002) (holding Mattel's actions were overly aggressive in bringing an action against MCA Records for trademark infringement associated with a song that satirized the Barbie image and holding there was no infringement, further advising Mattel "to chill"), with *People for the Ethical Treatment of Animals v. Doughney*, 263 F.3d 359 (4th Cir. 2001) (deciding that defendant's use of the domain name "peta.org" that led to a webpage entitled "People Eating Tasty Animals" impermissibly infringed on the trademark of the plaintiff, an advocacy group opposed to eating meat, wearing fur, and conducting research on animals).

n34 See Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 *Notre Dame L. Rev.* 1839, 1840-44 (2007) (writing that the fundamental principles of trademark law have essentially been ones of tort: unfair competition and the tort of deception to the consumer).

n35 1-1 Gilson on Trademarks § 1.03 (2011).

n36 *Id.*

n37 See U.S. Const. art. I, § 8, cl. 8 (authorizing Congress to award exclusive rights for a limited time to authors and inventors for "their respective Writings and Discoveries").

n38 See *id.*; *In re Trade-Mark Cases*, 100 U.S. 82, 94-95 (1879) (noting that the power of Congress to regulate trademarks cannot derive from the Constitution, as a trademark's function differs from that of a copyright or patent).

n39 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 2:7 (4th ed. 2005) [hereinafter *McCarthy on Trademarks*] (citing S. Rep. No. 1333 (1946), as reprinted in 1946 U.S.C.C.A.N. 1275).

n40 *Id.* § 5:2.

n41 *Id.*

n42 *Id.*

n43 15 U.S.C. § 81 (repealed July 5, 1946). Congress first enacted a trademark law in 1870, but that law was invalidated by the Supreme Court in *In re Trade-Mark Cases*. 100 U.S. 82 (1879).

n44 McCarthy on Trademarks, *supra* note 39, § 5:2.

n45 15 U.S.C. § 1051 (2006).

n46 Lanham Act, 15 U.S.C. §§ 1051-1141 (2006).

n47 *Id.* § 1127.

n48 See, e.g., *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 162 (1995) (noting the underlying principles of trademark law, including the requirements that the mark "identify and distinguish [the seller's] goods . . . from those manufactured or sold by others and to indicate [their] source").

n49 See, e.g., *Interstellar Starship Servs. v. Epix, Inc.*, 304 F.3d 936, 943 n.6 (9th Cir. 2002) (suggesting that words like "Amazon" for an online bookstore or "Roach Motel" for an insect trap receive protection).

n50 Jane C. Ginsburg, Jessica Litman & Mary L. Kevlin, *Trademark and Unfair Competition Law: Cases and Materials* 108 (3d ed. 2001)

("Intel recently registered the five note sequence 'D flat, D flat, G, D flat, A flat' as a trademark for computer hardware.").

n51 See, e.g., *Polo Fashions, Inc. v. Craftex, Inc.*, 816 F.2d 145, 145 (4th Cir. 1987) (holding trademark owner of "an embroidered representation of polo player mounted on horse [could proceed with a] trademark infringement action under the Lanham Act").

n52 See, e.g., *In re Clarke*, 17 U.S.P.Q.2d (BNA) 1238, 1238-39 (T.T.A.B. 1990) (finding applicant demonstrated that the scent of "high impact, fresh, floral fragrance reminiscent of Plumeria blossoms" functions as a trademark for her thread and embroidery yarn).

n53 See, e.g., *Qualitex Co.*, 514 U.S. at 159 (holding that the green- gold color of a manufacturer's dry cleaning press pads could be registered as a trademark).

n54 *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 412 (1916).

n55 See William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & Econ. 265, 270 (1987) ("The value of a trademark is the saving in search costs made possible by the information . . . that the trademark conveys.").

n56 See *Wallpaper Mfrs., Ltd. v. Crown Wallcovering Corp.*, 680 F.2d 755, 766 (C.C.P.A. 1982) (explaining that when trademark holders fail to sue infringers, they risk losing the significance of their mark).

n57 See *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 111 (2004) (explaining that infringement is present when there is a likelihood of confusion between two marks).

n58 See *Ty Inc. v. Softbelly's, Inc.*, 353 F.3d 528, 531 (7th Cir. 2003) ("Ty polices the use of 'Beanie(s)' vigorously by filing lawsuits, sending cease and desist letters, and opposing trademark applications for the word or its cognates.").

n59 See *United States Jaycees v. Philadelphia Jaycees*, 639 F.2d 134, 139 (3d Cir. 1981) (holding that a trademark owner is not required to act immediately against every possible infringing use to avoid abandonment).

n60 See *Accurate Merch., Inc. v. Am. Pac.*, 186 U.S.P.Q. (BNA) 197, 200 (S.D.N.Y. 1975) (holding that a trademark owner must "take

reasonable measures to detect and prevent misleading uses of his trademark by his licensees or suffer cancellation of his federal registration").

n61 *Wallpaper Mfrs.*, 680 F.2d at 766 (connecting a trademark holder's failure to enforce his mark with its subsequent loss of legal significance).

n62 *Herm s Int'l v. Lederer de Paris Fifth Ave., Inc.*, 219 F.3d 104, 110 (2d Cir. 2000) ("To establish the defense [to trademark infringement] of abandonment, it is necessary to show either the owner's intent to abandon the mark, or a course of conduct on the part of the owner causing the mark to become generic or lose its significance as a mark.").

n63 Peter Lattman & Andrew Martin, *A Start-Up Takes on Proctor & Gamble Over a Name*, *Dearbook*, Sept. 28, 2011, <http://dealbook.nytimes.com/2011/09/28/a-start-up-takes-on-proctor-and-gamble-over-a-name/> (describing Proctor & Gamble's cease and desist letter that advised a small business owner that unless she changed the business's name, it would resort to "lengthy and expensive measures").

n64 Michael Barbaro & Julie Creswell, *With a Trademark in Its Pocket, Levi's Turns to Suing Its Rivals*, *N.Y. Times*, Jan. 29, 2007, at A1 ("[C]ompetitors say the [trademark infringement] lawsuits are the last resort of a poor loser, a company that has lost billions in sales, laid off thousands of workers and flirted with bankruptcy as the denim industry exploded.").

n65 *Id.*

n66 *See Hutchinson v. Essence Commc'ns, Inc.*, 769 F. Supp. 541, 569 (S.D.N.Y. 1991) (explaining that a trademark owner is entitled to engage in aggressive behavior to protect its mark).

n67 *See, e.g., Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 7 (2d Cir. 1976) ("A&F has spent large sums of money in advertising and promoting products identified with its mark 'Safari' and in policing its right in the mark, including the successful conduct of trademark infringement suits.").

n68 Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, 109 Stat. 985, amending the Trademark Act of 1946 (codified at 15 U.S.C. § 1125 (1995)).

n69 15 U.S.C. § 1125(c)(1) (2006).

n70 See Federal Trademark Dilution Act, *supra* note 68.

n71 McCarthy on Trademarks, *supra* note 39, § 24:72.

n72 *Id.*

n73 See *infra* notes 74-80.

n74 See *Savin Corp. v. Savin Grp.*, 391 F.3d 439, 449 (2d Cir. 2004) (stating that a famous mark must be inherently distinctive); *Sporty's Farm L.L.C. v. Sportsman's Mkts., Inc.*, 202 F.3d 489, 497 n.10 (2d Cir. 2000) (discussing the requirement for fame in the general marketplace); *Star Mkts. Ltd. v. Texaco, Inc.*, 950 F. Supp. 1030, 1034-35 (D. Hawaii 1996) (finding that being famous in a "niche" market is sufficient); *Equine Techs., Inc. v. Equitechnology, Inc.*, 68 F.3d 542, 546- 47 (1st Cir. 1995).

n75 *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992) (explaining that some marks are deemed inherently distinctive because "their intrinsic nature serves to identify a particular source of a product").

n76 McCarthy on Trademarks, *supra* note 39, § 15:1.50.

n77 *Id.*

n78 See *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 211 (2000) (stating that secondary meaning is developed when the primary significance of the trademark is to identify the source of the product rather than the product itself).

n79 15 U.S.C. § 1125(c)(1) (2006).

n80 Compare *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449 (4th Cir. 1999), superseded by statute, 15 U.S.C. § 1125(c)(1) (2006) (concluding that the FTDA requires proof of actual dilution), with *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208 (2d Cir. 1999), abrogated by *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003) (disagreeing with the Fourth Circuit and holding that an action for dilution may be adjudicated before actual dilution occurred by using a "likelihood of dilution" standard).

n81 *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003).

n82 *Id.* at 423.

n83 *Id.* at 433-34.

n84 *Id.*

n85 Trademark Dilution Revision Act of 2005: Hearing on H.R. 683 Before the Subcomm. on Courts, the Internet, and Intellectual Property of the H. Comm. on the Judiciary, 109th Cong. (2005).

n86 Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, 120 Stat. 1730.

n87 *Id.*

n88 See 15 U.S.C. § 1125(c)(1) (revising the FTDA by providing that using a trademark that is "likely to cause dilution" is enough to create liability under the Lanham Act, making clear that evidence of actual harm is not required).

n89 Candidus Dougherty & Greg Lastowka, *Virtual Trademarks*, 24 Santa Clara Computer & High Tech. L.J. 749, 793 (2008) (explaining that the Trademark Dilution Revision Act "loosened a plaintiff's evidentiary burden to a likelihood of dilution standard").

n90 *Id.*

n91 See, e.g., 152 Cong. Rec. H6965 (daily ed. Sept. 25, 2006) (statement of Rep. David Wu) (expressing concern that the Act too heavily favored major corporations over small businesses).

n92 See *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 796 (9th Cir. 2003) (finding that the defendant did not infringe on Mattel's trademark by producing photographs that "portray[ed] a nude 'Barbie' doll in danger of being attacked by vintage household appliances").

n93 See, e.g., *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1144-45 (9th Cir. 2002) (holding a public relations firm's use of mark "Entrepreneur Illustrated" on publication distributed freely to media members was likely to cause confusion as to publisher's "Entrepreneur" mark for magazine targeted at small business owners, and thus infringed the "Entrepreneur" mark); *Bell v. Starbucks U.S. Brands Corp.*, 389 F. Supp. 2d 766, 777 (S.D. Tex. 2005) (holding "Plaintiff's use of the word 'Starbock,' as presented in Plaintiff's trademark application, and his use of 'Star Bock' in word form without the word 'beer' or any design elements, manifestly infringes Defendants' mark").

n94 See *Virgin Enterprises Ltd. v. Nawab*, 335 F.3d 141, 150 (2d Cir. 2003) (finding that the closer the junior company's goods resemble the other trademark user's famous brand, "the more likely that the consumer will mistakenly assume a common source").

n95 See, e.g., *Malletier v. Dooney & Bourke, Inc.*, 561 F. Supp. 2d 368, 391 (S.D.N.Y. 2008) (accepting plaintiff's mark as generally famous based on expenditures in advertising).

n96 See, e.g., Mike Masnick, TechDirt, Feb. 10, 2009, <http://techdirt.com/articles/20090210/0230413713.shtml>.

n97 See Robert G. Bone, *Hunting Goodwill: A History of the Concept of Goodwill in Trademark Law*, 86 B.U. L. Rev. 547, 549 (2006) ("It is customary to refer to trademark law as protecting a seller's goodwill in its mark.").

n98 See *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 163-64 (1995) (explaining how a mark reduces the cost to consumers of making informed shopping decisions); *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 197-98 (1985) (concluding that one purpose of protecting trademarks is to "protect the ability of consumers to distinguish among competing producers").

n99 See William M. Landes & Richard A. Posner, *The Economic Structure of Intellectual Property Law* 167-68 (2003).

n100 *Id.*

n101 See *Qualitex Co.*, 514 U.S. at 164 (1995) (noting that trademark law " 'encourage[s] the production of quality products' and simultaneously discourages those who hope to sell inferior products by capitalizing on a consumer's inability quickly to evaluate the quality of an item offered for sale" (quoting *McCarthy on Trademarks*, supra note 39, § 2.01)).

n102 See Stacey L. Dogan & Mark A. Lemley, A Search-Costs Theory of Limiting Doctrines in Trademark Law, 97 *Trademark Rep.* 1223, 1225 (2007) (discussing the economic efficiencies created by trademarks as indicators of quality).

n103 See David W. Barnes, Trademark Externalities, 10 *Yale J.L. & Tech.* 1 (2007) (explaining that without trademark protection, consumers may mistakenly buy an inferior product and shun the mark holder's product).

n104 Bone, supra note 97, at 555-56.

n105 *Id.* at 549 ("It is customary to refer to trademark law as protecting a seller's goodwill in its mark There is, however, a serious problem with this proposition. Characterizing trademark law in terms of goodwill protection ultimately conflicts with the well recognized consumer-oriented goals of trademark law.").

n106 See *McCarthy on Trademarks*, supra note 39, § 6:3 (comparing the policies behind patents, trademarks, and copyrights).

n107 *Id.*

n108 See Landes & Posner, supra note 99, at 168-70.

n109 Bone, supra note 97, at 549-50.

n110 Wendy J. Gordon, On Owning Information: Intellectual Property and the Restitutionary Impulse, 78 *Va. L. Rev.* 149, 167 (1992) (asserting that free riding is important because "[a] culture could not exist if all free riding were prohibited within it").

n111 *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 159 (1995).

n112 *Id.* at 164 (alteration in original) (quoting *McCarthy on Trademarks*, *supra* note 39, § 2:01).

n113 *Id.* at 163.

n114 See, e.g., *Smith v. Chanel, Inc.*, 402 F.2d 562, 567 (9th Cir. 1968) ("The primary value of the modern trademark lies in the 'conditioned reflex developed in the buyer' 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." (citation omitted)); see also *Triangle Publ'ns, Inc. v. Rohrlich*, 167 F.2d 969, 980 n.13 (2d Cir. 1948) (Frank, J., dissenting) ("The trade-name doctrine enables one to acquire a vested interest in a demand 'spuriously' stimulated through 'the art of advertising.'"), overruled by *Mansanto Chem. Co. v. Perfect Fit Prods. Mfg. Co.*, 349 F.2d 389 (2d Cir. 1965).

n115 Jennifer E. Rothman, *Initial Interest Confusion: Standing at the Crossroads of Trademark Law*, 27 *Cardozo L. Rev.* 105, 127 (2005).

n116 *Id.*

n117 Daniel Devoe, *Applying Liability Rules to Metatag Cases and Other Instances of Trademark Infringement on the Internet: How to Get to "No Harm, No Foul,"* 90 *B.U. L. Rev.* 1221, 1238 (2010).

n118 Laura R. Bradford, *Emotion, Dilution, and the Trademark Consumer*, 23 *Berkeley Tech. L.J.* 1227, 1231 n.10 (2008) ("The first federal dilution law was passed in 1995. Before this trademark dilution protection was available on a patchwork basis from state law. The first state anti-dilution law was passed in 1947 in Massachusetts." (citation omitted)).

n119 *Id.* at 1231 (citing Stacey L. Dogan, *What is Dilution Anyway?*, 105 *Mich. L. Rev. First Impressions* 103, 106 (2006), <http://www.michiganlawreview.org/assets/fi/105/dogan.pdf> ("Trademark law has never aimed to provide exclusive rights in marks, but has focused on preserving informational clarity in the marketplace.")).

n120 *Id.*

n121 *Id.* (citing *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 163-64 (1995)).

n122 *Id.*

n123 *Id.*

n124 *Id.* (quoting Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 *Harv. L. Rev.* 813, 825 (1927)).

n125 *Id.* See, e.g., *Perfumebay.com Inc. v. eBay, Inc.*, 506 F.3d 1165 (9th Cir. 2007); *Jada Toys, Inc. v. Mattel, Inc.*, 518 F.3d 628 (9th Cir. 2008); *Nike, Inc. v. Nikepal Int'l, Inc.*, 84 U.S.P.Q.2d (BNA) 1820 (E.D. Cal. 2007).

n126 Bradford, *supra* note 118, at 1231.

n127 *Id.* (citing Richard A. Posner, *When Is Parody Fair Use?*, 21 *J. Legal Stud.* 67, 75 (1992) ("A trademark seeks to economize on information costs by providing a compact, memorable, and unambiguous identifier of a product or service. The economy is less when, because the trademark has other associations, a person seeing it must think for a moment before recognizing it as the mark of the product or service.")).

n128 *Id.* at 1232; see also *Amstar Corp. v. Domino's Pizza, Inc.*, 615 F.2d 252, 265 (5th Cir. 1980) ("Dilution . . . occurs 'where the use of the trademark by the subsequent user will lessen the uniqueness of the prior user's mark with the possible future result that a strong mark may become a weak mark.' ").

n129 Bradford, *supra* note 118, at 1232.

n130 *Id.*; see also Jacob Jacoby, *The Psychological Foundations of Trademark Law: Secondary Meaning, Genericism, Fame, Confusion and Dilution*, 91 *Trademark Rep.* 1013, 1047 (2001) (explaining how consumers will require additional information when confronted with a second comer trademark).

n131 Bradford, *supra* note 118, at 1232-33.

n132 *Id.*

n133 *Id.* at 1233 n.19 (citing Transcript of Oral Argument, *Moseley v. Victoria's Secret Catalogue*, 537 U.S. 418 (2003) 2002 WL 31643067 at *10- 11) ("[P]osing the questions whether the two uses of Ford, and also Delta Airlines, Delta Plumbing and Delta Dental caused the same kind of harm as dilution.").

n134 *Id.* at 1233; see also Rebecca Tushnet, *Gone in Sixty Milliseconds: Trademark Law and Cognitive Science*, 86 Tex. L. Rev. 507, 550-51 (2008) (discussing the use of the suffix "Mc" from McDonald's to "indicate convenience, cheapness, uniformity, and other qualities associated with McDonald's . . . [with such] pervasive communicative uses . . . as shorthand for a set of qualities keeps the mark's meanings from being locked down").

n135 Bradford, *supra* note 118, at 1233 (citing *Ringling Bros.- Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449, 451 (4th Cir. 1999)).

n136 *Id.* at 1234-36.

n137 *Id.*

n138 *Id.* at 1235.

n139 Warren E. Burger, Chief Justice, Supreme Court of the United States, Annual Report on the State of the Judiciary Speech to the American Bar Ass'n House of Delegates (Feb. 13, 1984), in 52 U.S.L.W. (BNA) 2471 (Feb. 28, 1984).

n140 Boris Shapiro, *Trademark Arbitration: A First Rate Change for a Second Life Future*, 8 Chi.-Kent J. Intell. Prop. 273, 287 n.53 (2009) (citing in support federal documents stating that federal court cases take an average of 23.3 months from filing to disposition).

n141 *Id.*

n142 Id.

n143 Id.

n144 Id. at 287-88; see, e.g., My Dough Girl vs. Pillsbury Corporation, Facebook, <http://www.facebook.com/my.dough.girl.vs.pillsburycorporation> (last visited Oct. 2, 2011) (exemplifying the potential harm to a corporation's reputation through a fan-based shame campaign on Facebook against General Mills' Pillsbury subsidiary for demanding a locally owned cookie shop called "My Dough Girl" change the business's name).

n145 Ryan McCarthy, Here Come the Trademark Bullies, Inc., Jan. 1, 2007, <http://www.inc.com/magazine/20070101/priority-trademarks.html>.

n146 55 Am. Jur. Trials § 483 (2008) (reporting that only 3% to 4% of the eighteen million civil cases filed in state courts each year go to trial).

n147 Shapiro, *supra* note 140, at 288.

n148 Id.

n149 Id.

n150 Id.

n151 Id.

n152 William McGeeveran, Rethinking Trademark Fair Use, 94 Iowa L. Rev. 49, 63 (2008).

n153 *Id.*; see, e.g., Patricia Aufderheide & Peter Jaszi, Ctr. for Soc. Media, Am. Univ., *Untold Stories: Creative Consequences of the Rights Clearance Culture for Documentary Filmmakers* 9-10 (2004), <http://www.centerforsocialmedia.org/fair-use/best-practices/documentary/untold-stories-creative-consequences-rights-clearance-culture> (last visited Oct. 2, 2011).

n154 McGeveran, *supra* note 152, at 63; see also James Gibson, *Risk Aversion and Rights Accretion in Intellectual Property Law*, 116 *Yale L.J.* 882, 913 (2007).

n155 McGeveran, *supra* note 152, at 63; see also Google, *Adwords Trademark Complaint Procedures*, <http://adwords.google.com/support/aw> (last visited Oct. 2, 2011).

n156 McGeveran, *supra* note 152, at 63 (citing VintFalken.com, *Coca-Cola Releases Trademark to Second Life Merchants*, <http://www.vintfalken.com/coca-cola-releases-trademark-to-second-life-merchants/> (last visited Oct. 2, 2011) (describing Coca-Cola's choice to allow Second Life users to incorporate some trademarked graphics into individual profiles)).

n157 *Id.*

n158 *Id.*

n159 *Id.* at 63-64 (citing Kenneth L. Port, *Trademark Extortion: The End of Trademark Law*, 65 *Wash. & Lee L. Rev.* 585, 589-90 (2008) (discussing how some trademark holders send cease and desist letters even if the cases "are almost never prosecuted to a conclusion on their merits")).

n160 *Id.* at 64.

n161 *Id.* at 64 n.72 (citing Marjorie Heins & Tricia Beckles, Brennan Ctr. for Justice, N.Y. Univ. Sch. of Law, *Will Fair Use Survive?: Free Expression in the Age of Copyright Control* 35-36 (2005), <http://www.fepproject.org/policyreports/WillFairUseSurvive.pdf> (last visited Oct. 2, 2011) (discussing an "unscientific study of cease-and-desist letters involving both copyright and trademark claims [that] found significant degrees of compliance even where the intellectual property claims were weak or potential defenses were strong")); McGeveran also gives two examples of clearinghouses that catalogue threats regarding intellectual property rights. *Id.* (citing Chilling Effects Clearinghouse, <http://www.chillingeffects.org/search.cgi> (last visited Oct. 2, 2011); Citizen Media Law Project, *Legal Threats Database*, <http://www.citmedialaw.org/database> (last visited Oct. 2, 2011) (showing the difficulty of conducting a more rigorous study of a

phenomenon that typically goes unreported and unlitigated, but this online database documents legal threats involving trademarks and other intellectual property matters)).

n162 *Id.* at 64 (citing Chilling Effects Clearinghouse Frequently Asked Questions (and Answers) About Trademark, <http://www.chillingeffects.org/trademark/faz.cgi> (last visited Oct. 2, 2011); Port, *supra* note 162, at 633).

n163 McGeveran, *supra* note 152, at 64 n.75 (citing David V. Radack, Nat'l Fed. Indep. Bus., Your Trademark Is Your Business, You Better Protect It (Sept. 24, 2003), <http://www.nfib.com/business-resources/business-resources-item?cmsid=16336> (last visited Oct. 2, 2011) ("In the case of an 'innocent' or timid infringer, a letter demanding that the infringement cease and desist may be enough. This is a relatively cheap alternative to going to court.")).

n164 3 McCarthy on Trademarks and Unfair Competition § 17:6 (2011) (explaining failure to police can lead to abandonment).

n165 McGeveran, *supra* note 152, at 64 (citing Deven R. Desai & Sandra L. Rierison, Confronting the Genericism Conundrum, 28 Cardozo L. Rev. 1789, 1839-40 (2007) (describing the policing incentive created by fear of a trademark becoming generic)).

n166 *Id.*

n167 *Id.*

n168 *Id.*

n169 *Id.* at 65.

n170 *Id.*

n171 *Id.* at 65 n.78 (citing Port, *supra* note 159, at 590 (listing various means that the current trademark owner uses to broaden the trademark's scope and shrink the public domain)).

n172 *Id.* at 65.

n173 See *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348 (9th Cir. 1979) (stating that when goods produced by the alleged infringer compete for sales with those of the trademark owner, infringement usually will be found if the marks are sufficiently similar that confusion can be expected).

n174 *McGeeveran*, *supra* note 152, at 65.

n175 *Id.*

n176 *Id.*

n177 *Id.*

n178 *Id.* at 65 n.80 (citing *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 33 (1st Cir. 1987) (discussing the risk that "a corporation could shield itself from criticism by forbidding the use of its name in commentaries critical of its conduct"))).

n179 *Id.* at 65.

n180 *Id.* at 65 n.81 (citing Jennifer E. Rothman, *The Questionable Use of Custom in Intellectual Property*, 93 *Va. L. Rev.* 1899, 1914-15 (2007)).

n181 *Id.*

n182 *Id.* at 66.

n183 Id.

n184 Id.

n185 Id.

n186 See North Face Apparel Corp. v. Williams Pharmacy, Inc., No. 9:09CV2029RWS, 2010 WL 546921 (E.D. Mo. Feb. 9, 2010); see also North Face Sues Teenaged South Butt Creator <http://www.npr.org/blogs/thetwo-way/2009/12/north-face-sues-teenaged-south.html> (last visited Oct. 2, 2011).

n187 Lauren Smiley, South Butt Wins Trademark Battle Over North Face, S.F. Weekly, June 18, 2010, <http://blogs.sfweekly.com/thesnitch/2010/06/south-butt-wins-trademark-batt.php>.

n188 Report Receiving a Cease and Desist Notice, Chilling Effects Clearinghouse, <http://www.chillingeffects.org/input.cgi> (last visited Oct. 2, 2011).

n189 See, e.g., In re Subpoena Issued Pursuant to the Digital Millennium Copyright Act To: 43SB.Com, LLC, No. MS07-6236-EJL, 2007 WL 4335441 (D. Idaho Dec. 7, 2007).

n190 Citizen Participation Act of 2009, H.R. 4364, 111th Cong. (2009).

n191 George W. Pring & Penelope Canan, SLAPPs: Getting Sued for Speaking Out 8-9 (1996).

n192 Id.

n193 Id. at 188-207.

n194 See *Mindys Cosmetics, Inc. v. Dakar*, 611 F.3d 590 (9th Cir. 2010) (holding that the act of filing a trademark application with the United States Patent and Trademark Office was protected by anti-SLAPP statute).

n195 See, e.g., Trade Marks Act of 1994, c. 26, § 21 (Eng.).

n196 *Id.*

n197 *Id.*

n198 Fed. R. Civ. P. 26(f)(2).

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The Idaho Business Review (Boise, ID)

January 15, 2013 Tuesday

Meridian-based Scentsy files flurry of court documents to protect brand name**BYLINE:** Sean Olson**SECTION:** NEWS**LENGTH:** 836 words

Meridian direct sales giant Scentsy has filed a federal court request in a bid to stop unauthorized sales of its products.

Scentsy wants to compel Amazon.com to give up the names of sellers on the website who are offering Scentsy products.

Scentsy submitted a list of 100 different products displayed on Amazon in a request for subpoena filed Jan. 8 in the Idaho district of federal court. The company states that the sellers violate copyrights the company holds in the Amazon ads. The company did not respond to a request for comment on the issue, but patent lawyers say the copyright violation claims likely stem from the fact that the sellers use stock photos of Scentsy products in the ads.

Ken Pedersen, a patent attorney in Boise, said Amazon has been through this sort of court proceeding before, and courts have ruled that stock images can be used under the "fair use" exception to copyright infringement. Fair use allows people to use certain intellectual property in the public domain under various conditions, such as allowing news stories to be cited in research.

"The 9th Circuit (Court of Appeals) said this sort of thing is fair use," Pedersen said, adding that there is not any damage to Scentsy in this kind of potential copyright infringement. "They are a manufacturer; they make money from distributing their product, not because of these images. "

He said a good analogy of the issue is used car stock photos from Ford being placed in classified ads to resell a car, a practice that is widely held as legitimate and legal.

Meanwhile, Scentsy also moved forward with a trademark violation lawsuit against an Iowa-based company that sells apparel over the Internet, claiming some of the images used on clothing and other accessories violate Scentsy trademarks.

The Iowa company, American Hero Clothing & Accessories, uses repeated images on its products that incorporate the word "scents," including text such as "Join the Scentsation," "love wickless scents" and "ask me about joining my scents family. " The company never uses the word "Scentsy," however.

Scentsy released a statement from its chief legal officer, Phil Broadbent, Jan. 11.

"Scentsy has an obligation to protect our trademarks and our intellectual property," Broadbent states. "We have a process that allows people to get permission to use our trademarks, but in this case, the individual chose not to follow that process. We always seek voluntary compliance first, but sometimes we have to file a lawsuit. "

Meridian-based Scentsy files flurry of court documents to protect brand name The Idaho Business Review (Boise, ID)
January 15, 2013 Tuesday

The owner of American Hero, Michelle Sanderson, could not be reached. The company's website states that Sanderson, who is an Army veteran, started the clothing line to support veterans, firefighters and soldiers.

Boise patent attorney Scott Swanson said the courts will use the "likelihood of confusion" as the main test to judge whether American Hero violated the trademarks. That test measures whether reasonable people would be confused into thinking that American Hero's products were somehow connected to Scentsy's.

Swanson said Scentsy does not have a trademark on the word "scent," however, as the word has been a staple in the English language since well before Scentsy existed.

Pedersen said that from the limited amount of information available in the recently filed case, it appears Scentsy is pushing its luck with the American Hero case.

"It's harassment and trademark bullying. I can't even see what interest Scentsy is trying to protect here," Pedersen said.

Both court filings represent Scentsy attempts to protect its brand, but the motivations could be dissimilar.

The request for subpoena against Amazon might be an action that is directed at trying to regulate third-party marketing of Scentsy products, Pedersen said.

United States law allows people to resell goods they purchase legally within the country, so it is impossible to stop Amazon sellers from offering Scentsy products obtained legally. Lawsuits for copyright infringement could deter sellers from offering Scentsy products, however.

Swanson said companies are duty-bound to protect their trademarks for several reasons, and the case against American Hero could be an attempt at ensuring Scentsy fights potential trademark violations whenever the company can.

Swanson said protecting trademarks, through legal means if necessary, is important because when other companies use marks similar to the company's, it dilutes the value of the symbol. A good example is when a company that creates products similar to a rival's but of lesser quality uses a similar trademark, confusing customers and lowering the reputation of the rival company.

"A lot of companies' main value comes from their trademarks," Swanson said.

The legal action can also be important in determining the outcome of future legal cases, as other companies can show Scentsy did not aggressively defend its trademarks in other situations.

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ARTICLE: THE MARK OF A RESOLD GOOD

NAME: Yvette Joy Liebesman* and Benjamin Wilson**

BIO: * Assistant Professor of Law, Saint Louis University School of Law. We wrote this Article with the support of the Summer Research Stipend Program at Saint Louis University School of Law. In addition, we benefited from comments at the Summer 2011 SLU Law Faculty Workshop, the Spring 2011 Works In Progress in Intellectual Property Colloquium at Boston University Law School, and the Summer 2011 Intellectual Property Scholars Conference at DePaul University Law School. Comments from Mark Lemley, Glynn Lunney, Greg Vetter, James Grimmelman, Laura Heymann, Zoe Argento, Ann Bartow, Zahr Said and Bob Brauneis were especially helpful. She is grateful to Renee Zerbonia and Nicholas Llewellyn, who provided valuable research assistance, as well as to her summer faculty fellows, Julia Houska, Stephanie Powell, Paul Silio, Ashley Sproull, and Ann Vatterott.

** Law Clerk for the Honorable William D. Stiehl of the U.S. District Court for the Southern District of Illinois.

LEXISNEXIS SUMMARY:

... Rather, the point is that the sort of attenuated confusion at issue in sponsorship and affiliation cases does not necessarily or even often harm consumers or the market for quality products , " and the costs of protecting consumers from this form of confusion is unreasonably high. ... Weber in a Texas federal court under the Lanham Act, alleging that she was an unaffiliated online reseller of Mary Kay cosmetics and that her sales therefore constituted unfair competition, passing off, and trademark infringement. ... Manufacturers have also used other means to stifle the resale market, such as filing claims of trademark and copyright infringement against both resellers and auction sites, attempting wholesale removal of their goods on auction websites and other unauthorized distribution channels, and using auction site take-down notice procedures that are supposed to be reserved for removing counterfeit and infringing goods. ... Dudnikov began listing goods for sale on eBay, she started having to defend herself against take-down notices submitted by the mark owners associated with the goods she was selling. ... Supposedly, "likelihood" is not the mere possibility of confusion; customer confusion must be "probable," and the likelihood of confusion must affect an "appreciable or substantial number of consumers."

TEXT:

[*157]

Introduction

The cosmetics giant Mary Kay requires that its Independent Beauty Consultants purchase at least \$ 200 worth of product each month. ⁿ¹ Unfortunately for Amy Weber, her relationship with Mary Kay was terminated because she failed to purchase the monthly minimum. ⁿ² To dispose of her large inventory of unsold products, Mrs. Weber sold the

products through her website, touchofpinkcosmetics.com, and through her "Touch of Pink" eBay store. ⁿ³

In 2008, Mary Kay brought action against Mrs. Weber in a Texas federal court under the Lanham Act, alleging that she was an unaffiliated online reseller of Mary Kay cosmetics and that her sales therefore constituted unfair competition, passing off, and trademark infringement. ⁿ⁴ In its pleadings, Mary Kay claimed that the website and eBay store's names created confusion as to affiliation or sponsorship--that is, consumers would wrongly assume that Weber was an authorized Independent Beauty Consultant affiliated with Mary Kay, even if that confusion ended prior to sale. ⁿ⁵

In her motion for summary judgment, Mrs. Weber argued that the first sale and nominative fair use doctrines rendered her sales lawful under the Lanham Act. ⁿ⁶ The court, however, denied her motion, ⁿ⁷ and Mrs. Weber [*158] ultimately lost at trial. ⁿ⁸ As a result, Mrs. Weber was enjoined from using the name "Touch of Pink" as her store name, ⁿ⁹ from "using any portion of Mary Kay's product descriptions to describe the products for sale on the defendant's website," ⁿ¹⁰ from "representing to consumers that Touch of Pink is a 'one stop shop' for all of a consumer's Mary Kay needs," ⁿ¹¹ and from "representing to consumers that Touch of Pink carries authentic products from former consultants that have never been tested or used." ⁿ¹² Mrs. Weber was thus prohibited from selling genuine products in the secondary market--an activity that thousands of individuals do on a regular basis at garage sales, flea markets, and secondhand stores.

With the Internet revolutionizing secondary market sales, Mrs. Weber's problem looms large. ⁿ¹³ This Article focuses on websites that resell genuine goods in the secondary market and the trademark infringement claims that are affecting their ability to legally market these goods. ⁿ¹⁴ Poli [*159] cites that advance the mark owner's ability to control all distribution channels would harm consumers and disincentivize competition; manufacturers would have less motivation to innovate and improve their product when they control all distribution of goods beyond their first sale. ⁿ¹⁵

This Article argues for an end to spurious claims of confusion where genuine goods are sold outside the manufacturer's distribution channel, as long as the reseller clearly disclaims any affiliation with the manufacturer or authorized distributor. This is in accord with the work of other scholars who have reached similar conclusions regarding irrelevant confusion, ⁿ¹⁶ the weak state of trademark fair use, ⁿ¹⁷ and the inadequacy of trademark defenses. ⁿ¹⁸ As with arguments in these areas, this Article contends that mark owners' attempts to increase the scope of their control over distribution channels thwart competition while doing little to protect consumers from deception. ⁿ¹⁹ These suggestions would protect the lawful sale of goods in the secondary market while allowing manufacturers to prevent counterfeit products from being sold online.

To begin this discussion, Part I looks at the nature of the Internet resale business, and the issues facing resellers regarding the use of the marks that are attached to the goods sold. This section tackles some of the practical difficulties that confront small resellers attempting to defend themselves against the mark owners in court. Part II focuses on the substantive legal issues that arise when a manufacturer uses initial interest confusion and a reseller's non-affiliation with "official" distribution channels of the good to limit competition. This Part examines how some courts have interpreted the law regarding fair use and confusion with regard to the online resale of genuine goods in a way that weakens the first sale doctrine in the process, [*160] as well as the overlap of trademark and copyright infringement claims in the online resale market.

Part III elaborates on trademark law's fair use and first sale defenses, and some courts' reluctance to recognize these defenses in the case of resold goods. Part IV proposes that courts strengthen trademark's nominative fair use and first sale doctrines, while discounting the controversial doctrine of initial interest confusion, to protect legitimate online merchants while recognizing the need for manufacturers to stop online counterfeiters. We conclude that the first sale doctrine, which is well-established in patent and copyright law, and considered by both the courts and Congress as an important limitation to a mark owner's Lanham Act rights in the brick-and-mortar setting, should include a presumption of non-infringement when a reseller is using a mark to truthfully inform consumers about the source of a genuine good.

I. That's Gonna Leave a Mark

When one buys a Waterford crystal vase, the Waterford mark remains associated with the vase. No matter how many times that vase is sold, traded, gifted, regifted, or bequeathed, it remains identified as a Waterford vase. This serves a trademark's dual function of identifying the source of the vase and protecting the Waterford brand equity.ⁿ²⁰ "Trademark law protects the producer from pirates and counterfeiters" and others who would attempt to exploit the good will established by Waterford.ⁿ²¹ However, merely because the Waterford mark remains inextricably linked to its vases as a source indicator does not and should not protect Waterford from controlling downstream sales of their goods outside their own distribution chains.ⁿ²² And while the Lanham Act is intended to promote quality goods and services by protecting producers' good will, it is irrelevant whether the customer even knows the identity of the source.ⁿ²³ Consumers need not be able to identify the company behind a mark--for example, the fact that Kimberly-Clark makes "Huggies" disposable diapers is unimportant, so long as the consumer recognizes that the "Huggies" mark identifies a single source of the good.ⁿ²⁴

A. From Garage Sales and Consignment Shops to the Internet

Over the past ten years, casual resellers have migrated from garage sales, swap meets, and classified ads to eBay and Craigslist, turning side hobbies into lucrative businesses. Today, there are hundreds of books about selling goods online;ⁿ²⁵ every month 30 million new ads are posted on Craigslist,ⁿ²⁶ and every day six million new listings are posted on eBay.ⁿ²⁷ The explosive online market has affected the sales of new goods, troubling manufacturers;ⁿ²⁸ in turn, mark owners seek to curtail the growth of this secondary market through several avenues--some legitimate, and others not so much.ⁿ²⁹ For example, to combat diversion to resellers outside of its official distribution chain, Tiffany, Inc., the well-known jeweler, attempted to institute a policy of limiting retail sales of identical items to lots of five or fewer, though this proved to be unsuccessful due to its sporadic enforcement.ⁿ³⁰

Manufacturers have also used other means to stifle the resale market, such as filing claims of trademark and copyright infringement against both resellers and auction sites,ⁿ³¹ attempting wholesale removal of their goods on [*162] auction websites and other unauthorized distribution channels,ⁿ³² and using auction site take-down notice procedures that are supposed to be reserved for removing counterfeit and infringing goods.ⁿ³³ These actions go beyond trademark bullying and are more than merely stopping a merchant from using the owner's mark--the goal is to remove the reseller's goods from the market altogether.ⁿ³⁴

Courts have aided manufacturers by ignoring the lack of confusion as to a good's source and finding that online initial interest confusion as to sponsorship or affiliation of the distribution channel--even when the goods are the genuine goods of the mark owner--constitutes infringement.ⁿ³⁵ *Mary Kay, Inc. v. Weber*,ⁿ³⁶ for example, illustrated this phenomenon.ⁿ³⁷ These courts' reasoning is contradicted by strong evidence showing that many consumers visit sites like eBay and Craigslist for the purpose of finding genuine goods at lower costs than they would find buying directly from the mark owner or authorized retailer, and are therefore not confused as to affiliation regarding distribution channel.ⁿ³⁸ This is just one of many reasons, unrelated to trying to find the mark owner, for a consumer to use the mark in question as an Internet search term.ⁿ³⁹

B. Genuine Goods

As long as the customer is not confused as to the source of these genuine goods, then the identity of the purveyor of the goods--whether it be the mark owner's own distribution channel or a resellerⁿ⁴⁰--should be irrelevant. As source identifiers, marks "provide[] consumers with information they [*163] need (and cannot otherwise readily obtain) in order to match their desires to particular products."ⁿ⁴¹ Indeed, the legislative history of the Lanham Act and related case law recognizes the need to protect consumers from passing off or otherwise confusing customers into purchasing goods that are not the genuine goods of the mark owner.ⁿ⁴² Trademarks serve to (1) foster competition in the marketplace;ⁿ⁴³ (2) encourage manufacturers to maintain the quality of goods;ⁿ⁴⁴ (3) "discourage[] those who hope to sell inferior products by capitalizing on a consumer's inability quickly to evaluate the quality of an item offered for

sale";ⁿ⁴⁵ (4) help consumers locate products and services more efficiently;ⁿ⁴⁶ and (5) serve as a "species of advertising."ⁿ⁴⁷ And while trademark protection may have some anticompetitive consequences, "such protection may nevertheless remain justified so long as the mark improves the flow of otherwise indiscernible information concerning . . . the product to consumers, and . . . consumer desires to producers."ⁿ⁴⁸

C. The Harsh Realities of Pursuing Justice

Although it would appear that--based on nominative fair use and first sale/exhaustion principles--online secondary-sale merchants have a strong and valid affirmative defense against any claims of trademark infringement and should thus be free from interference by the mark owners, the reality of fighting these charges in court, or even battling take-down notices from [*164] Internet service providers ("ISPs") and online auction sites, may be enough to shut down a secondary market business.ⁿ⁴⁹ The ISPs and auction sites also may face accusations of contributory infringement should they refuse to remove listings for the allegedly offending goods.ⁿ⁵⁰

The roadblocks faced by small resellers who choose to defend themselves against the mark owners in court find the odds stacked against them even in getting to the courthouse steps. Even those who want to either proactively fight mark owners through declaratory judgment actions or defend themselves against infringement may not have the resources to do so.

Oftentimes, the small reseller is unable to afford an attorney to defend itself,ⁿ⁵¹ or if on the offensive, the stakes are too small for it to be economically feasible for an attorney to pursue a claim on behalf of the client.ⁿ⁵² One illustration of the hardships fighting these claims involves reseller Karen Dudnikov, who, along with her husband, Michael Meadors, owns an eBay online auction store called Tabber's Temptations.ⁿ⁵³ Shortly after Ms. Dudnikov began listing goods for sale on eBay, she started having to defend [*165] herself against take-down notices submitted by the mark owners associated with the goods she was selling.ⁿ⁵⁴ At various times, Ms. Dudnikov's auctions were shut down due to recurring take-down notices, even though each time she successfully defended the claim and had the item relisted.ⁿ⁵⁵ But in 2003, Major League Baseball ("MLB") had eBay delist items containing various baseball team logos,ⁿ⁵⁶ and was able to have some of Ms. Dudnikov's auctions shut down for several days.ⁿ⁵⁷

The attorneys with whom they spoke advised the couple either they had no case, or that it wasn't worth pursuing,ⁿ⁵⁸ so Dudnikov and Meadors chose to bring a declaratory judgment action against MLB pro se, based on the trademark nominative fair use and copyright first sale doctrines.ⁿ⁵⁹ Eventually, MLB agreed to settle the matter and have its complaints against Dudnikov's eBay account expunged.ⁿ⁶⁰ The couple spent an enormous [*166] amount of time researching the law, and lost sales every time their auctions were shut down.ⁿ⁶¹ In addition, the cease-and-desist letters continued from other mark owners.ⁿ⁶²

Karen Dudnikov chose to fight and publicized their struggle online against these large corporations.ⁿ⁶³ Her inability to hire an attorney to represent them in her declaratory judgment action exemplifies one of several roadblocks facing resellers when they seek to defend their livelihoods.ⁿ⁶⁴ And many small businesses would most likely choose to close shop rather than spend the energy and money required to defend themselves against the behemoths.ⁿ⁶⁵ Due to the high costs of prolonged litigation, resellers who most likely would have a valid nominative fair use claim may not be able defend themselves.ⁿ⁶⁶ As noted by Professor William McGeveran, several ways in which courts that do follow *New Kids on the Block v. News America Publishing, Inc.*ⁿ⁶⁷ apply nominative fair use in a way to make it "less effective in delivering clear and swift resolutions that reduce chilling effects on speech."ⁿ⁶⁸

Reseller-defendants may face the same fate as Veoh Networks, which, even though it was cleared of copyright infringement liability, was fatally wounded defending itself.ⁿ⁶⁹ "Veoh is legal, but Veoh is dead--killed by rightsowner lawfare that bled it dry. Meanwhile, rightsowners wrongly assessed the legality of Veoh, but the worst consequence they suffered was overpaying their lawyers."ⁿ⁷⁰ Likewise, resellers may be dead right, but dead nonetheless if they attempt to fight big plaintiffs who are more concerned with shutting down competition than proving infringement.

II. Waging Lawfare

In addition to using threatening cease-and-desist letters, mark owners have not been shy about pursuing their claims in court.ⁿ⁷¹ The most common [*167] suits brought against online resellers are claims of either infringement,ⁿ⁷² or false designation of origin or descriptionⁿ⁷³ regarding the reseller's affiliation with the mark owner as an "authorized" distributor, often based on initial interest confusion.ⁿ⁷⁴ Other claims are sometimes also alleged, including trademark dilution,ⁿ⁷⁵ tortious interference with business relations,ⁿ⁷⁶ copyright infringement,ⁿ⁷⁷ and false advertising.ⁿ⁷⁸

A. Claiming All Sorts of Confusion

When asserting a claim of confusion as to affiliation, in her *prima facie* case, a plaintiff mark owner must demonstrate that (1) she is the owner of a registered mark; (2) the defendant has used a mark in commerce in connection with goods or services as an indicator of source or sponsorship; [*168] and (3) this use is likely to cause customer confusion.ⁿ⁷⁹ Of these elements, the last is the key in any infringement suit.ⁿ⁸⁰ Supposedly, "likelihood" is not the mere possibility of confusion; customer confusion must be "probable,"ⁿ⁸¹ and the likelihood of confusion must affect an "appreciable or substantial number of consumers."ⁿ⁸² Each circuit uses a similar set of factors to make this determination.ⁿ⁸³ The factors adopted by the Second Circuit in *Polaroid Corp. v. Polarad Electronics Corp.*ⁿ⁸⁴ are typical of those used by other circuits.ⁿ⁸⁵

Resellers are usually accused of confusion as to affiliation or sponsorshipⁿ⁸⁶ --that is, the consumer is likely to think that the reseller is an authorized distributor or affiliated with the mark owner, even if, upon visiting the [*169] reseller's website, the consumer immediately realizes this is not the case.ⁿ⁸⁷ As noted by Professors Mark Lemley and Mark McKenna, "'sponsorship' or 'affiliation' could refer to virtually any relationship between the parties," even ones that do not create any material confusion on the part of the consumer.ⁿ⁸⁸ These terms are not defined in the Lanham Act, "so courts must interpret those terms and their interaction with the confusion requirement."ⁿ⁸⁹

In their assertions, mark owners often compare this initial interest confusion to a "bait and switch"--the plaintiff claims that the defendant has used the plaintiff's mark in a way that gains the consumers' initial atten [*170] tion.ⁿ⁹⁰ Initial interest confusion relies on the notion that, due to being initially drawn to the competitor,

even though the consumer eventually may realize that the product is not the one originally sought, he or she may stay with the competitor. In that way, the competitor has captured the trademark holder's potential visitors or customers.

Even if the consumer eventually becomes aware of the source's actual identity, or where no actual sale results, there is nonetheless damage to the trademark. This damage can manifest itself in three ways: (1) the original diversion of the prospective customer's interest to a source that he or she erroneously believes is authorized; (2) the potential consequent effect of that diversion on the customer's ultimate decision whether to purchase caused by an erroneous impression that two sources of a product may be associated; and (3) the initial credibility that the would-be buyer may accord to the infringer's products--customer consideration that otherwise may be unwarranted and that may be built on the strength of the protected mark, reputation and [good will].ⁿ⁹¹

Initial interest confusion is a controversial claim and has not been accepted by all circuits. On the one hand, the Ninth Circuit recognizes "that the use of another's trademark in a manner calculated 'to capture initial consumer attention, even though no actual sale is finally completed as a result of the confusion, may be still an infringement.'"ⁿ⁹² The Fourth Circuit, however, describes it as "relatively new and sporadically applied" and has refused to consider the doctrine as a legitimate claim under the Lanham Act.ⁿ⁹³ [*171]

The initial interest confusion doctrine "is at odds with the purpose, intent, and literal meaning of the Lanham Act"

ⁿ⁹⁴ and we should question the outright validity of the doctrine. ⁿ⁹⁵ As Professor Jennifer Rothman argues,

application of the initial interest confusion doctrine prevents comparative advertisements, limits information available to consumers, and shuts down speech critical of trademark holders and their products and services. The initial interest confusion doctrine undermines the free market system under a misguided notion that competition in and of itself is unfair. ⁿ⁹⁶

B. Acts of Aggression

Encouraged by the expansion of trademark protection in the courts, mark owners have become increasingly aggressive in policing their marks. ⁿ⁹⁷ Since "the middle part of the twentieth century, courts have expanded the range of actionable confusion beyond confusion over the actual source of a product--trademark law's traditional concern--to include claims against uses that might confuse consumers about whether the trademark owner sponsors or is affiliated with the defendant[.]" ⁿ⁹⁸ Courts are finding liability even when consumers "couldn't possibly have been confused about the actual source of the defendants' products." ⁿ⁹⁹

The actionable confusion, according to these courts, was not confusion that would have led consumers to buy the wrong product, or even to wrongly think they were buying from the trademark owner. Rather, the theory in [the examples described by Professors Lemley and McKenna] was that consumers would think there was some relationship between the trademark owner and the defendant based on the defendant's use of the trademark. The problem with this formulation is that it fails to specify the types of relationships about which confusion is relevant or the harm that supposedly flows from confusion about those relationships. ⁿ¹⁰⁰

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Resellers are often at the mercy of spurious trademark and copyright infringement claims, and some courts have ignored affirmative defenses in finding infringement. ⁿ¹⁰¹ As discussed supra, and as illustrated in the Mary Kay decision, some courts have accepted that confusion with regard to distribution of genuine goods is a valid form of trademark infringement, ignoring that there is no confusion as to the source of the goods--thus eviscerating the first sale affirmative defense. ⁿ¹⁰² These forms of confusion, however, were not envisioned to apply to a competitor's use of the mark to sell the mark owner's own goods. ⁿ¹⁰³ Rather, it "results when a consumer seeks a particular trademark holder's product and instead is lured to the product of a competitor by the competitor's use of the same or a similar mark." ⁿ¹⁰⁴

Thus, in spite of the genuineness of the article sold through resellers, these online resale businesses face the prospect of infringement suits, due to courts' broadening interpretation of what constitutes actionable confusion. ⁿ¹⁰⁵ By rejecting a first sale defense based on initial interest confusion--which lowers the bar for a finding of a likelihood of confusion and thus infringement liability--"courts have made it very difficult to resell goods online." ⁿ¹⁰⁶ In essence, the ability to successfully claim initial interest confusion based on the distribution channel eviscerates the first sale/exhaustion defense for Internet resellers, even when any confusion ends before the sale is consummated. ⁿ¹⁰⁷ For Amy Weber, this meant that her claim that she was [*173] selling genuine Mary Kay goods fell on deaf ears. ⁿ¹⁰⁸ Such decisions seem contradictory to both congressional intent and Supreme Court precedent. ⁿ¹⁰⁹

C. Mixing It Up

Mark owners have also sought to indirectly stifle resellers by accusing the resellers' web hosts of infringement through claims of contributory infringement. ⁿ¹¹⁰ ISPs and online auction sites would find it very useful if there were an Internet safe harbor provision in the Lanham Act similar to the one that currently exists for copyright owners. ⁿ¹¹¹ Under Section 512 of the Copyright Act, if a rights holder notifies a service provider such as eBay that infringing copyrighted material is stored in its system, in order to be immune from a suit for monetary damages, the service provider must promptly remove the allegedly infringing work. ⁿ¹¹² The limitations of copyright [*174] rights, however, should, in theory, thwart attempts to remove listings of genuine items for resale. ⁿ¹¹³ However, this copyright

misuse leaves the mark owners vulnerable to lawsuits under Section 512(f) of the Digital Millennium Copyright Act ("DMCA").ⁿ¹¹⁴

The Copyright Act of 1976 provides copyright owners the exclusive right to reproduce, make adaptations, distribute, publicly display, and publicly perform their works.ⁿ¹¹⁵ Since photographing a three-dimensional copyrighted work results in a reproduction and adaptation of that work, photographing a Waterford vase, even for the purpose of posting the photograph in an advertisement selling the lamp, would theoretically infringe on the copyright owner's reproduction and adaptation right, and avail the copyright owner of the Section 512 take-down provisions.ⁿ¹¹⁶

There are, however several limitations on these exclusive rights,ⁿ¹¹⁷ including one which protects such activities. Congress created a narrow exception to the exclusive reproduction and adaptation rights in copyrighted [*175] works that have been lawfully reproduced in "useful articles," such as a lamp, or an article of clothing.ⁿ¹¹⁸ Section 113(c) of the Act declares that it is not an infringement of the reproduction rightⁿ¹¹⁹ for others to make and distribute pictures or photos of a useful article, such as our hypothetical Tiffany lamp, in connection with ads or commentaries related to the distribution or display of such articles, so long as the lamp has been offered for sale or distributed to the public.ⁿ¹²⁰ Consequently, it is lawful for a furniture store to feature a picture in a news ad or catalog of the lamp whose base is a statue, even though that would involve making a two-dimensional photographic reproduction of the statue. And, despite MLB's protestations, it was lawful as a matter of copyright law for Karen Dudnikov to display a photograph of MLB-logo items on her listing web page.ⁿ¹²¹ Since the photographs may be used to advertise goods for sale, this use should not expose the reseller to trademark infringement liability; otherwise Section 113 of the Copyright Act is meaningless.ⁿ¹²²

Yet mark owners persist in bullying resellers to remove photographs of their items from websites based on a trademark likelihood of confusion claim, eviscerating the exception delineated in Section 113.ⁿ¹²³ For example, Standard Process separately sued two resellers of dietary supplements--Total Health Discountⁿ¹²⁴ and chiropractor Scott J. Banksⁿ¹²⁵--for trademark infringement, based in part on their use of photographs of Standard Process's products that were being resold online by the defendants.ⁿ¹²⁶

Standard Process sent cease-and-desist letters to the two defendants, stating that use of Standard Process's photographs violated trademark law,ⁿ¹²⁷ and the defendants complied by removing the product photo [*176] graphs.ⁿ¹²⁸ Yet in addition to Section 113, the trademark first sale doctrine includes the ability to "stock, display, and resell"; posting photographs of products online amounts to displaying the products.ⁿ¹²⁹ There was no reason the defendants should have removed the photographs. Their removal, according to Professor Rebecca Tushnet, is "caving to bullying" and unwarranted.ⁿ¹³⁰

Since the first sale doctrine was originally borrowed from copyright law,ⁿ¹³¹ courts should consider that, since copyright law does not limit the right to use photographs of copyrighted material to advertise the sale of useful articles,ⁿ¹³² the same use should not be grounds for a trademark infringement claim. The evident purpose is to allow further sales in commerce,ⁿ¹³³ and the same limitation should be recognized with regard to trademark infringement claims. Moreover, product photographs can actually help mark owners identify counterfeit products.ⁿ¹³⁴ So, ironically, by creating an environment in which product photographs cause liability, mark owners make it even more difficult--for themselves and consumers--to identify counterfeit products.ⁿ¹³⁵

Of course, a major motive for removing photographs from the reseller's auction listings is that this will hurt sales. "Detailed information and photographs . . . help entice buyers."ⁿ¹³⁶ eBay even lists as one of its [*177] most effective strategies the use of "photos from a variety of angles."ⁿ¹³⁷ If mark owners were able to claim that a reseller's use of photographs constitutes trademark infringement, this would be an end run around Section 113 of the Copyright Act and eviscerate any protection it affords.ⁿ¹³⁸

We can see an illustration of this misclaiming of rights in Disney's actions against Karen Dudnikov. In 2002, Disney sought to remove items from Ms. Dudnikov's website that were crafted from legally purchased bulk fabricⁿ¹³⁹

that contained licensed Disney characters.ⁿ¹⁴⁰ Eventually Disney [*178] backed down and agreed that Ms. Dudnikov's creations from licensed Disney fabric were not infringing uses.ⁿ¹⁴¹ Disney claimed copyright infringement to shut down her eBay auction, yet Disney's objection to Ms. Dudnikov displaying her crafts on her website was in direct conflict with the exemption under Section 113.ⁿ¹⁴² Thus, despite a demonstrably false copyright infringement claim, manufacturers such as Disney attempt to use the take-down provisions in Section 512 of the Copyright Act to remove online auction items listings.ⁿ¹⁴³

Misusing copyright and trademark law points to a single objective: to decrease the competition of secondary markets.ⁿ¹⁴⁴ Small dealers are faced with either defending themselves or ceasing operations.ⁿ¹⁴⁵ And as previously discussed, even when a successful defense is likely, the costs of such litigation can be prohibitively expensive, and even the threat of litigation leads the secondary market merchants to abandon their online ventures.ⁿ¹⁴⁶ [*179]

D. Further Pursuits

In addition to attacking resellers, in their aggressive pursuit to shut down the Internet resale market, mark owners have also taken their fight to ISPs and online auction sites, alleging contributory infringement based on resellers' use of these sites to advertise the mark owners' goods.ⁿ¹⁴⁷ The Supreme Court has held that

even if a manufacturer does not directly control others in the chain of distribution, it can be held responsible for their infringing activities under certain circumstances. . . . If a manufacturer or distributor intentionally induces another to infringe a trademark, or if it continues to supply its product to one whom it knows or has reason to know is engaging in trademark infringement, the manufacturer or distributor is contributorily responsible for any harm done as a result of the deceit.ⁿ¹⁴⁸

In their suits, mark owners allege that auction sites are not doing enough to stop counterfeiters; however, the mark owners also have the objective of removing genuine goods from this alternative distribution channel.ⁿ¹⁴⁹ For example, in 2002, Tiffany & Co., the well-known jewelry company, began pressuring eBay to summarily remove Tiffany goods that met some general criteria--such as merchants selling more than five items--alleging that any Tiffany items sold in bulk outside Tiffany's normal distribution chain had to be counterfeit.ⁿ¹⁵⁰ When eBay refused to do so, Tiffany sued, contending that eBay was "facilitating and advertising the sale of 'Tiffany' goods that turned out to be counterfeit."ⁿ¹⁵¹

eBay was successful in defending both direct and indirect infringement claims based on the defenses of nominative fair useⁿ¹⁵² and lack of control over the merchants who use the site.ⁿ¹⁵³ The Second Circuit declined to find eBay contributorily liable, stating "that eBay's practice was promptly to remove the challenged listing from its website, warn sellers and buyers, [*180] cancel fees it earned from that listing, and direct buyers not to consummate the sale of the disputed item."ⁿ¹⁵⁴

While the court found that eBay did possess general knowledge that counterfeit items were listed on its website, it held that under the Supreme Court test outlined in *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*,ⁿ¹⁵⁵ generalized knowledge was not sufficient "to impose upon eBay an affirmative duty to remedy the problem."ⁿ¹⁵⁶ Other websites have also successfully defended themselves against similar suits.ⁿ¹⁵⁷

In spite of winning in court, these websites want to avoid suits for contributory infringement, and will take an unnecessarily strong conservative approach regarding accused listings.ⁿ¹⁵⁸ The hosts want to ensure that they are viewed merely as "conduits" between the buyer and seller with no direct control over the listed goods,ⁿ¹⁵⁹ and will usually remove listings based on any accusation by the mark owner.ⁿ¹⁶⁰ If it is later proved (by the entity listing the good for sale) that it is indeed a genuine good and there is no confusion as to "distribution channel" affiliation, the item is relisted.ⁿ¹⁶¹ This cycle [*181] of removing/disputing/relisting, however, costs the resellers of genuine goods time, money, and frustrationⁿ¹⁶² and creates added burdens to both the reseller and the auction site, stifling the sale of goods for both parties.ⁿ¹⁶³ Under the eBay model, every time an item is listed, the auction site earns a fee, and another fee is earned when the item is sold.ⁿ¹⁶⁴ Yet when a "take down" occurs, the listing fee is returned to the seller, depriving the

host of the fee for a legitimate good.ⁿ¹⁶⁵ If the reseller eventually gives up due to the burden of constantly having to defend legitimate auction listings to the host, then both the reseller and the host lose the income that is generated from the listing and sale of the good.ⁿ¹⁶⁶

A clearly defined and strong trademark first sale doctrine, however, would give auction hosting sites less concern over potential lawsuits by mark owners who don't like their items being sold outside their authorized distribution channels.ⁿ¹⁶⁷ [*182]

III. Getting Defensive

It has been repeatedly acknowledged that the producer of a good cannot prevent others from using the good's mark to truthfully describe the good.ⁿ¹⁶⁸ This basic belief is the foundation for both nominative fair use and first sale defenses, and "reflects the simple insight that anybody should be free to refer to goods and services by their brand names."ⁿ¹⁶⁹

A. Repackaged, Repaired, Resold

There are several ways to use another's mark in commerce which do not constitute infringement. These include, among others,ⁿ¹⁷⁰ (1) the vendor is selling repackaged goods; (2) the vendor is selling used or repaired goods; (3) or the vendor is reselling a genuine good.ⁿ¹⁷¹

While using a mark to identify repackaged goods may be done in a non-infringing way, the repackager does not receive absolute protection under the first sale doctrine--the repackaging "can present a non-trivial harm to the producer's good will, and can deceive consumers who, in addition to identifying the trademark, have come to expect or rely upon a particular type of packaging in their purchasing decisions."ⁿ¹⁷²

When a "reseller's repackaging interferes with the trademark owner's ability to control the quality of its products . . . two harms can arise: harm to the consuming public in the form of deception and harm to the trademark owner in the form of loss of [good will]."ⁿ¹⁷³ Consequently, as packaging becomes more and more important in swaying a potential consumer's purchasing decision, shoddy packaging may cause increasing harm to the mark owner's good will, resulting in a higher likelihood of trademark infringement liability.ⁿ¹⁷⁴

In order to avoid Lanham Act liability, when sellers purchase genuine goods and then repackage the goods for resale, these resellers generally [*183] must (1) disclose that they have repackaged the goods; (2) include their own name; (3) provide notice on the package that they are not affiliated with the manufacturer; and (4) must not give "undue prominence" to the good's mark.ⁿ¹⁷⁵ These rules for repackaged goods illustrate the underlying philosophy governing all sellers and resellers--an obligation to tell the truth regarding the source of the goods.ⁿ¹⁷⁶

Other resellers repair goods and then resell them with the original trademark on the goods or the packaging.ⁿ¹⁷⁷ A reseller who is selling a repaired good "has the right to resell the original product with the original trademark attached, as long as he tells the truth about the origin of the repaired goods and about his responsibility for any repairs."ⁿ¹⁷⁸ And just as a reseller must state that repackaged goods have been repackaged, a reseller of repaired goods must state that they have been repaired.ⁿ¹⁷⁹ At some point, however, repairs may be so extensive that the product "cannot properly be considered the same any longer"ⁿ¹⁸⁰ and the mark no longer truthfully describes the goods attached to it.

B. Trademark Nominative Fair Use

Supposedly, "use of the mark alone is not sufficiently probative of" an intent to deceive the public into believing that the mark owner endorsed or somehow supported the defendant's products or services.ⁿ¹⁸¹ Accordingly, [*184] nominative fair uses are actions outside of trademark law,ⁿ¹⁸² and a defendant has a right to use a plaintiff's mark to truthfully describe the plaintiff's goods using the plaintiff's mark.ⁿ¹⁸³ In his opinion in *New Kids on the Block*, Judge Alex Kozinski declared that courts

may generalize a class of cases where the use of the trademark does not attempt to capitalize on consumer confusion or to appropriate the cachet of one product for a different one. Such nominative use of a mark--where the only word reasonably available to describe a particular thing is pressed into service--lies outside the strictures of trademark law: Because it does not implicate the source-identification function that is the purpose of trademark, it does not constitute unfair competition; such use is fair because it does not imply sponsorship or endorsement by the trademark holder.ⁿ¹⁸⁴

Yet in spite of its 20-year history, the nominative fair use defense has mostly been confined to the Third, Fifth, and Ninth Circuits, and is not well understood in any of them.ⁿ¹⁸⁵ Indeed, in the Ninth Circuit, nominative fair use is not an affirmative defense; rather, it replaces likelihood of confusion in the plaintiff's prima facie case.ⁿ¹⁸⁶ The Ninth Circuit declares that, in asserting nominative fair use, a defendant "need only show that it used the mark to refer to the trademarked good,"ⁿ¹⁸⁷ having the burden of proving that (1) the product or service in question is one not readily identifiable without the use of the trademark; and (2) only so much of the mark is used as is reasonably necessary to identify the product or service.ⁿ¹⁸⁸ "The burden then reverts to the plaintiff to show a likelihood of confusion,"ⁿ¹⁸⁹ that the user has acted in a way "that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder."ⁿ¹⁹⁰ As noted supra, this [*185] final prong is "a substitute for the usual likelihood-of-confusion analysis"ⁿ¹⁹¹ and "amounts to a requirement of good faith [on the part of the defendant], denying protection . . . to anyone who attempts to use a trademark to confuse the public."ⁿ¹⁹²

The Fifth Circuit recommends--without requiring--that courts evaluate likelihood of confusion and nominative fair use simultaneously.ⁿ¹⁹³ In contrast, in 2005, the Third Circuit designed its own two-step version of nominative fair use, whereby the plaintiff must prove likelihood of confusion under a modified likelihood-of-confusion test, which removes factors that are not appropriate in the context of nominative fair use.ⁿ¹⁹⁴ This replaces the third part of the Ninth Circuit's test, instead asking whether "the defendant's conduct or language reflect the true and accurate relationship between plaintiff and defendant's products or services."ⁿ¹⁹⁵ The burden then shifts to the defendant to show that its use is fair, under the court's own three-part nominative fair use test.ⁿ¹⁹⁶

The First, Second, and Sixth Circuits have either rejected or declined to adopt nominative fair use,ⁿ¹⁹⁷ and other courts have yet to decide on its adoption or rejection.ⁿ¹⁹⁸ Yet in spite of this limited acceptance, nominative [*186] fair use is mentioned, albeit without a definition, in the Trademark Dilution Revision Act of 2006.ⁿ¹⁹⁹

The nominative fair use defense has been criticized for its analytical defects. As noted by Professor McGeeveran, "nominative fair use as it now exists has become ungainly and often unhelpful."ⁿ²⁰⁰ Professor McGeeveran argues that there are three major issues with how courts apply a nominative fair use analysis.ⁿ²⁰¹ First, the analysis typically occurs late in the litigation process rather than early in the process, when many defenses are adjudicated.ⁿ²⁰² The second issue arises when courts

become entangled in a foolish preliminary inquiry of asking whether the nominative fair use doctrine, rather than section 33(b)(4) [descriptive fair use], applies to particular facts. The third and most significant problem. . . is the collapse of the requirements for nominative fair use into a substitute likelihood of confusion analysis in a way that actually prejudices fair uses and further prolongs litigation.ⁿ²⁰³

Professor McGeeveran also argues that "this substitution also shifts burdens unfairly. Nominative use was not designed as a means to determine ultimate liability, but as a mechanism to set aside cases that fall outside the bounds of trademark law."ⁿ²⁰⁴ He evinces the Ninth Circuit's use of the doc [*187] trine in a way that eviscerates nominative fair use's usefulness.ⁿ²⁰⁵ "Instead of serving as an early 'gatekeeper' that can screen out fair uses and reduce the length and cost of litigation, nominative fair use becomes just another fact-intensive confusion inquiry that may be brought only after extensive discovery."ⁿ²⁰⁶

Professor Graeme B. Dinwoodie likewise concludes that "the third part of the [Ninth Circuit's] test looks very

much a proxy for an assessment of likely confusion as to association, sponsorship or endorsement." ⁿ²⁰⁷ Professor Dinwoodie suggests "that it is time to treat nominative fair use as an autonomous and real defense, rather than simply a reformulation of the test for likely confusion." ⁿ²⁰⁸

Similarly, in his treatise, Professor Thomas McCarthy queries how the third part of the test

differs from the ultimate issue that the three part test is supposed to facilitate: is there a likelihood of confusion? If it is not to be simply a repetition of the ultimate issue, . . . the third factor should be viewed as asking whether, in addition to mere use of the mark, defendant has engaged in some additional conduct that affirmatively suggests sponsorship or endorsement by the plaintiff. ⁿ²⁰⁹

These criticisms appear well-founded because some courts indeed evaluate the third part of the nominative fair use test using the same factors they use for likelihood of confusion. ⁿ²¹⁰ Indeed, there should be some degree of confusion allowed without foreclosing that a defendant's use is objectively fair. ⁿ²¹¹ Professor McGeveran succinctly summarizes the confused and inadequate state of the nominative fair use defense:

Courts have gradually larded up the simple idea of nominative fair use presented in *New Kids* to the point where it is excessively complex and minimally useful. By moving the doctrine away from any role as an early screening mechanism and closer in timing and substance

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to the likelihood of confusion determination, subsequent cases have destroyed nominative fair use. ⁿ²¹²

Thus, this muddled application of nominative fair use has adversely affected the ability of online resellers' such as Karen Dudnikov and Amy Weber to truthfully describe their goods. ⁿ²¹³ This unfairly strengthens mark owners' control over distribution channels for their goods beyond the initial sale to the public. ⁿ²¹⁴

C. That First Sale of a Genuine Good

The nominative fair use defense usually concerns comparative advertising ⁿ²¹⁵ or other instances where the defendant is selling their own goods and in some way refers to the mark owner's goods. ⁿ²¹⁶ Under first sale/exhaustion--which could be considered a variation of nominative fair use--the defendant does not use the plaintiff's mark in an effort to sell her own goods, but rather uses the plaintiff's mark to refer to the plaintiff's goods, albeit with the intention of selling the plaintiff's goods. ⁿ²¹⁷ The first sale doctrine is based on the principle that trademark owners should not be able to control downstream sales of their goods. ⁿ²¹⁸ **[*189]**

While first sale is legislatively created in the Copyright Act, ⁿ²¹⁹ trademark and patent first sale (or exhaustion) affirmative defenses are long-recognized judicial constructs. ⁿ²²⁰ All three, however, serve a similar purpose: to "narrow[] the rights of the creator of intellectual property by creating competition between the creator and the reseller of the work." ⁿ²²¹ As noted supra, ⁿ²²² the Supreme Court has recognized as early as 1924 that, even though it results in the secondary market merchant getting some advantage from the mark, a mark may be used by a refurbisher or reseller of a good in a way that does not deceive the public. ⁿ²²³ Under the exhaustion doctrine, **[*190]**

the resale of genuine trademarked goods generally does not constitute infringement. This is for the simple reason that consumers are not confused as to the origin of the goods: the origin has not changed as a result of the resale. . . . The trademark protections of the Lanham Act are exhausted after the trademark owner's first authorized sale of that product. Therefore, even though a subsequent sale is without a trademark owner's consent, the resale of a genuine good does not violate the Act. ⁿ²²⁴

It reflects a general public policy against restraints on alienation. ⁿ²²⁵ The Southern District of New York quite

recently reaffirmed this longstanding principle in *Bel Canto Design, Ltd. v. MSS HiFi, Inc.*ⁿ²²⁶ --"as a general matter, trademark law does not reach the sale of genuine goods bearing a true mark even though the sale is not authorized by the mark owner."ⁿ²²⁷ The court reaffirmed that the "Lanham Act does not give mark owners the right to control subsequent, non-authorized resales, as long as the product sold is genuine."ⁿ²²⁸ In her opinion, Judge Colleen McMahon cites the long history in the Second Circuit recognizing that "the unauthorized sale of a trademarked article does not, without more, constitute a Lanham Act violation."ⁿ²²⁹

Thus, a reseller has the right to dispose of genuine goods that were originally produced under the authority of the mark owner, provided that the goods are not materially altered and the reseller does not give the impression it is affiliated with the manufacturer.ⁿ²³⁰ "Resale by the first purchaser of the original article under the producer's trademark is neither trademark infringement nor unfair competition."ⁿ²³¹ Because reselling the manufacturer's product can lead to some confusion as to the connection between the mark owner and the reseller, the first sale defense should not be

rendered inapplicable merely because consumers erroneously believe the reseller is affiliated with or authorized by the producer. It is the essence of the "first sale" doctrine that a purchaser who does no more than stock, display, and resell a producer's product under the producer's trademark violates no right conferred upon the producer by the Lanham Act. When a purchaser resells a trademarked article under the producer's trademark, and nothing more, there is no actionable misrepresentation under the statute.ⁿ²³²

Courts should tolerate more confusion than they typically do where the defendant is using a mark similar to the plaintiff's to sell the defendant's own goods.ⁿ²³³ As noted by David Barnes, courts tend to treat first sale "as an affirmative defense to what would otherwise be an infringement of the creator's rights . . . and the trademark defendant has the burden of proving that it was reselling genuine and lawfully acquired goods."ⁿ²³⁴ However, it is the plaintiff's burden under the Lanham Act to establish likelihood of confusion as part of the prima facie case.ⁿ²³⁵ Therefore, if the reason for the alleged likelihood of confusion claim is that the goods are not genuine, the plaintiff must prove that.ⁿ²³⁶

D. Exhausted in Cyberspace

The trademark first sale/exhaustion principle supposedly extends to a reseller's use of a mark in cyberspace.ⁿ²³⁷ This means that "a retailer can use a brand name on Web site ads selling that branded product without a license from the trademark owner,"ⁿ²³⁸ so long as the reseller does not mislead the consumer into believing that the reseller is an authorized dealer of the brand.ⁿ²³⁹ Deceptiveness as to affiliation between the reseller and the [*193] mark owner could also be better handled through a claim of false advertising.ⁿ²⁴⁰ After all, courts have consistently held that

after the first sale, the brandholder's control is deemed exhausted. Down-the-line retailers are free to display and advertise the branded goods. Secondhand dealers may advertise the branded merchandise for resale in competition with the sales of the markholder (so long as they do not misrepresent themselves as authorized agents).ⁿ²⁴¹

Exhaustion should apply equally to online sales as it does to brick-and-mortar stores.ⁿ²⁴² Courts, however do not always do so, and--as discussed below--by supporting plaintiffs' claims of trademark infringement, they extend control over the distribution channels of goods beyond the initial sale.ⁿ²⁴³

IV. Challenging the Mark Owner's Desire for Total Control

As illustrated *supra*, there is a need for comprehensive and definitive trademark nominative fair use and first sale doctrines with regard to online resale of genuine goods, along with more leeway regarding initial interest confusion related to distribution affiliation.ⁿ²⁴⁴ Our solutions are supported by recent trademark scholarship advocating the need for a showing of actual injury, rather than "merely a benefit to someone else."ⁿ²⁴⁵ [*194]

A. Strengthening Available Defenses

In line with this current advocacy seeking to eliminate claims where there is no confusion as to source or responsibility or material confusion,ⁿ²⁴⁶ this Article proposes more specific solutions with regard to Internet resellers. There is a need for either the courts or Congress to rebalance the scales regarding trademark rights to prevent continued control by mark owners of the distribution of their products beyond the first sale.ⁿ²⁴⁷ However, "absent congressional action, courts have only a limited ability to correct the imbalance between trademark liability and defenses."ⁿ²⁴⁸ For a legislative solution that would protect resellers of genuine goods without affecting a mark owner's ability to remove counterfeit goods from the marketplace, Congress could add language to the Lanham Act which (1) codifies trademark first sale and nominative fair use as defenses under Section 33(b); (2) eliminates the controversial claim of initial interest confusion regarding the sale of genuine goods; and (3) specifies a requirement of deceptive intent regarding distribution affiliation confusion for it to be an actionable claim.ⁿ²⁴⁹ This would generate uniformity among the circuits regarding nominative fair use, initial interest confusion, and the robustness of the first sale doctrine with regard to trademarks. Professor Michael Grynberg notes that when Congress passed the Trademark Anti-Dilution Act, it "enacted specific safe harbors for activities that are unlikely to cause confusion or those that may cause confusion, but whose social utility is high enough that the benefits of immunizing the acts outweigh any costs."ⁿ²⁵⁰

Since the trademark exhaustion doctrine has its roots in copyright law,ⁿ²⁵¹ an amendment to the Lanham Act could mimic Section 109 of the [*195] Copyright Act.ⁿ²⁵² Similar language would provide uniformity across these two often-times related intellectual property claims. As discussed earlier, copyright and trademark infringement are often asserted in the same lawsuit.ⁿ²⁵³ If Lanham Act language clearly stated that the same first sale exception which applied for copyright also applied for the use of the mark attached to the goods, this would give resellers more certainty in their use of the mark owner's brand when identifying the mark owner's goods during resale.

This solution should lead to less litigation; however unless damages for frivolous suits are allowed, it may not stop the reality of cease-and-desist letters and threatened litigation.ⁿ²⁵⁴ Penalties for threats of frivolous litigation are common, and are part of anti-trust law,ⁿ²⁵⁵ first amendment protectionⁿ²⁵⁶ and copyright law.ⁿ²⁵⁷ Similarly worded language in the Lan [*196] ham Act may prevent some of this bullying with regard to frivolous litigation.ⁿ²⁵⁸

B. Expect Some Confusion

As noted supra, courts should move back towards their "traditional willingness to permit a considerable degree of confusion in order to leave room" for competition.ⁿ²⁵⁹ Professor Jennifer E. Rothman contends that, with regard to metatags, domain names, and search engines,

the initial interest confusion doctrine. . . conflicts with specific well-established principles in trademark law. Trademark law, like copyright and patent law, provides that a consumer who purchases a good can freely resell that good without committing trademark infringement. Being able to resell goods necessitates the ability to advertise the sale of such goods. The initial interest confusion doctrine severely limits the freedom of consumers to resell products.ⁿ²⁶⁰

More broadly, Professor Glynn Lunney argues that, "we must limit actionable confusion to cases where, if the use is allowed to continue, a substantial number of purchasers or prospective purchasers will actually become confused concerning information that will materially influence their buying decisions."ⁿ²⁶¹ As such, this Article argues that, unless the mark owner can show actual deception on the part of the reseller, as a general rule plaintiffs should not be allowed to claim initial interest confusion with regard to alternative distribution channels of genuine goods.ⁿ²⁶² First, as long [*197] as there is no deception on the part of the reseller, any confusion as to "distribution channel" affiliation ends prior to the sale of the good.ⁿ²⁶³ Second, as noted earlier, many consumers visit sites like eBay and Craigslist for the purpose of finding genuine goods at lower costs than they would expect to find when buying directly from the mark owner or an authorized retailer.ⁿ²⁶⁴

Indeed, when a product is subject to first sale doctrine and the nominative fair use that accompanies it, some

confusion should be expected. The Supreme Court declared in *KP Permanent Make-Up, Inc. v. Lasting Impressions I, Inc.*ⁿ²⁶⁵ that, "since the burden of proving likelihood of confusion rests with the plaintiff, and the fair use defendant has no free-standing need to show confusion unlikely, it follows . . . that some possibility of consumer confusion must be compatible with fair use, and so it is."ⁿ²⁶⁶

Any initial confusion to the resale of a genuine good is related to the distribution source, not to the good itself; a claim of initial interest confusion should be a spurious allegation.ⁿ²⁶⁷ An assertion of confusion as to the distributor's affiliation should be discounted--after all, there is no confusion as to the source of the good; the mark owner is truthfully the source of the good. And to hold a defendant liable for infringement where there may only be initial confusion as to whether the distribution channel is associated with the mark owner results in the mark owner controlling subsequent sales of his or her product.ⁿ²⁶⁸

Although courts have declared that "affiliation confusion exists where use of a 'unique and recognizable identifier' could lead consumers to 'infer a relationship' between the trademark owner and the new product[.]"ⁿ²⁶⁹ this should not apply to the distribution of the goods after the initial sale, but rather only to the good itself. Otherwise, a finding of initial interest affiliation confusion because the seller is not affiliated with the mark owner would eviscerate any protection afforded through trademark law's first sale/exhaustion principle.ⁿ²⁷⁰ **[*198]**

Because of the controversial nature of the claim, we should question whether initial interest affiliation confusion matters at all with regard to the secondary sale of goods. Courts have found such a claim spurious. In her concurrence in *Playboy Enterprises, Inc. v. Netscape Communications Corp.*,ⁿ²⁷¹ Judge Marsha Berzon contended that it was not "reasonable to find initial interest confusion when a consumer is never confused as to source or affiliation, but instead knows, or should know, from the outset that a product or web link is not related to that of the trademark holder because the list produced by the search engine so informs him."ⁿ²⁷² Yet this form of confusion has been successfully asserted in Internet resale cases.ⁿ²⁷³ Juries and judges have supported a finding of infringement based on initial interest affiliation confusion as to the distribution channel of the good,ⁿ²⁷⁴ and have often discounted any first sale or nominative fair use defense.ⁿ²⁷⁵ Judges and juries seem to hold Internet sales to a different standard than consignment and resale shops in the brick-and-mortar world, where a plaintiff would face a much higher hurdle to show customer confusion with regard to distribution affiliation.ⁿ²⁷⁶

There should be a presumption of non-infringement when a product's brand is used in the advertising for the reselling of an item--including in the description of it or use of a photograph of the item in an online sale. This presumption would shift the burden of proof--rather than the reseller-defendant asserting nominative fair use as an affirmative defense, the plaintiff would have to overcome this presumption as part of his or her prima facie case.ⁿ²⁷⁷

Without a proven deception by the reseller, confusion as to affiliation with regard to distribution channels should be negated by the fact that the goods in question are genuine goods, and there is no confusion as to the actual source of the goods. As Justice Antonin Scalia stated in *Dastar Corp. v. Twentieth Century Fox Film Corp.*,ⁿ²⁷⁸ "the words of the Lanham Act should not be stretched to cover matters that are typically of no consequence to purchasers."ⁿ²⁷⁹ As long as the goods are genuine, we must even question whether the purchaser is initially confused regarding the reseller's lack of affiliation with the mark owner.ⁿ²⁸⁰ Indeed, when looking even more **[*199]** generally at sponsorship or affiliation confusion, Professors Lemley and McKenna provide a strong argument that the "point is not that consumers can never be harmed by confusion regarding non-quality-related relationships. Rather, the point is that the sort of attenuated confusion at issue in sponsorship and affiliation cases does not necessarily or even often harm consumers or the market for quality products[.]"ⁿ²⁸¹ and the costs of protecting consumers from this form of confusion is unreasonably high.ⁿ²⁸² "In delineating the boundary between fair and unfair competition, we must keep firmly in mind that if competition is to remain an effective force for promoting social welfare, we must leave room for would-be competitors to operate."ⁿ²⁸³

C. Resellers as a Class of Plaintiffs

Suppose Karen Dudnikov contacted other eBay resellers who had faced similar problems, and they banded together as a class of plaintiffs to enjoin MLB and other repeat accusers from shutting them down. As discussed *supra*, resellers individually may not suffer enough damage to bring a viable lawsuit themselves.ⁿ²⁸⁴ Forming a class of plaintiffs, however, would be more economical and encourage settlement as well.ⁿ²⁸⁵ "Class relief is 'peculiarly appropriate' when the 'issues involved are common to the class as a whole' and when they 'turn on questions of law applicable in the same manner to each member of the class.'" ⁿ²⁸⁶ Yet class actions are a rarity in the world of trademark law due to significant procedural difficulties.ⁿ²⁸⁷

For the resellers to sue a mark owner as a class of plaintiffs, they would need to show, under Federal Rule of Civil Procedure 23(a), that (1) the class of resellers who are harmed by the mark owner's actions is so numerous that joinder of all members is impracticable; (2) there are questions of law or fact common to the class of resellers; (3) the claims of the representative parties are typical of the claims of the class, and (4) the representative parties will fairly and adequately protect the interests of the class.ⁿ²⁸⁸

The first two requirements of Rule 23(a), numerosity and commonality, "form the core of the class-action concept."ⁿ²⁸⁹ There would seem to be little difficulty in meeting the numerosity requirement. The site eBay alone boasts over 94 million users.ⁿ²⁹⁰ If only 1 in 10,000 users had an auction closed or account unjustly terminated, that calculates to over 9,000 potential class members. And that considers only eBay users; it does not include resellers who have their own websites or use other online auction sites. Having as few as 40 class members should raise a presumption that joinder is impracticable and the numerosity requirement has been met.ⁿ²⁹¹ In addition, Internet resellers are spread across the globe, which tends to make joinder impracticable.ⁿ²⁹²

Regarding commonality, whether the trademark owner made a good-faith inquiry into infringement before sending a takedown notification to eBay is one question of law and fact common to the class.ⁿ²⁹³ Commonality requires that the class members "have suffered the same injury."ⁿ²⁹⁴ Recently, an eBay user brought such a claim against Coach, Inc.ⁿ²⁹⁵ Gina Kim was a former employee of Coach who tried selling a genuine Coach handbag on [*201] eBay.ⁿ²⁹⁶ Coach notified eBay, claiming the handbag was counterfeit, and eBay closed Ms. Kim's auction and terminated her seller account.ⁿ²⁹⁷ Ms. Kim sued for a declaratory judgment, among other claims, and attempted to certify a class of all consumers in Washington State who had received similar treatment from Coach.ⁿ²⁹⁸ Ms. Kim alleged that Coach had no basis in fact for its allegation she was selling a counterfeit handbag.ⁿ²⁹⁹ This appears to be a sufficiently common question.ⁿ³⁰⁰ Even though generally trademark law may be rife with factual disputes, if the legal issue can be framed properly in terms of the trademark owner's lack of inquiry and the reseller's defense under first sale, then the matter is ripe for adjudication as a class action--because the "determination of its truth or falsity will resolve an issue that is central to the validity of each one of the claims in one stroke."ⁿ³⁰¹

In 2008, the U.S. District Court for the Northern District of Illinois, in *Vulcan Golf, LLC v. Google Inc.*,ⁿ³⁰² found the commonality requirement was met based on the allegation that the defendants had allegedly engaged in a deceptive scheme to benefit from the plaintiffs' trademarks.ⁿ³⁰³ Thus, the common question can center on the defendants' actions.ⁿ³⁰⁴

A class action similar to Ms. Kim's has been proposed in the U.S. District Court for the District of Colorado. In *Righthaven LLC v. BuzzFeed, Inc.*,ⁿ³⁰⁵ the defendant, BuzzFeed, was sued for copyright infringement for posting a copyrighted photograph to its website.ⁿ³⁰⁶ BuzzFeed filed a counterclaim alleging that Righthaven's lawsuits were an abuse of process because Righthaven did not own the copyrights at issue.ⁿ³⁰⁷ BuzzFeed further alleged in their counterclaim that Righthaven was suing in bad faith by not [*202] investigating whether BuzzFeed's use of the photograph at issue was protected by fair use.ⁿ³⁰⁸ Similarly, our hypothetical class could allege the trademark owners are not investigating whether the resellers' sales are protected by first sale and not infringing.ⁿ³⁰⁹

The likelihood of successful class actions will also depend on the legal claims pursued and the remedies available to the resellers.ⁿ³¹⁰ Defamation and tortious interference are among the claims that resellers have alleged.ⁿ³¹¹ The Righthaven lawsuit and proposed class is premised on the purported copyright owner's failure to investigate fair use.

ⁿ³¹² Because the Copyright Act provides for attorney's fees to the prevailing party, ⁿ³¹³ this bad-faith, or failure-to-investigate claim has much greater prospects under copyright law than it would under trademark law. The Lanham Act, on the other hand, is more grudging and convoluted in its fee-shifting; the prevailing party may only recover attorney's fees "in exceptional cases." ⁿ³¹⁴ As one judge observed, "a rainbow of standards has been promulgated to define the word exceptional in the Lanham Act, some seemingly requiring bad faith or other culpability, others following a less stringent approach." ⁿ³¹⁵

At the close of 2010, Judge Richard Posner surveyed the standards used across the circuit courts and decided to use a bifurcated approach to awarding attorneys' fees: if the losing party is the plaintiff, then "exceptional" means abuse of process; if the losing party is the defendant, it means the defendant "had no defense yet persisted in the trademark infringement or false advertising for which he was being sued, in order to impose costs on his opponent." ⁿ³¹⁶ Therefore, at least in the Seventh Circuit, reseller-defendants accused of trademark infringement would need to both prevail and prove that the plaintiffs engaged in abuse of process, i.e., "the use of [*203] the litigation process for an improper purpose, whether or not the claim is colorable." ⁿ³¹⁷ Other circuits will award attorneys' fees for bad faith or a "willfulness short of bad faith." ⁿ³¹⁸ These standards may be difficult to meet, yet trademark owners are acting in bad faith by accusing Internet resellers of infringement, not because they are infringing, but because they are competing for sales. ⁿ³¹⁹

Final Thoughts

Protecting the resale market increases consumer choice and spurs mark owners to innovate and bring new and improved products to the market. ⁿ³²⁰ If we allow mark owners to prevent the resale of their goods, consumers lose out on the competition that resellers provide. ⁿ³²¹ Legislatively created first sale and nominative fair use doctrines, along with the elimination of initial interest confusion as a cause of action under the Lanham Act, would provide resellers and auction websites guidance in navigating the minefield of rights and duties with regard to Internet secondary-market sales, so that they more closely resemble the brick-and-mortar setting. ⁿ³²² This would support the economic policy goals underlying intellectual property ⁿ³²³ and spur [*204] competition and innovation in the marketplace. ⁿ³²⁴ These solutions would also benefit consumers looking for bargains and align trademark exhaustion in cyberspace with its application with brick-and-mortar settings. ⁿ³²⁵

Copyright ⁿ³²⁶ and patent ⁿ³²⁷ laws have robust first sale defenses, which severely limit ongoing rights of the copyright and patent owner beyond the first authorized sale of the material object which embodies the intellectual property right(s) at issue. ⁿ³²⁸ However, the weakening of trademark first sale doctrine with regards to online sales and advertising has, to some extent, led to an "end run" around copyright first sale. ⁿ³²⁹

This dilution has increasingly allowed trademark, patent, and copyright owners to extend control over the resale of their goods, even though this restraint has consistently been rejected. ⁿ³³⁰ In its construction and interpretation of the Lanham Act, the Supreme Court has "been 'careful to caution against misuse or over-extension' of trademark and related protections into areas traditionally occupied by patent or copyright." ⁿ³³¹

After all, "the rights of a patentee or copyright holder are part of a 'carefully crafted bargain,' under which, once the patent or copyright monopoly has expired, the public may use the invention or work at will and without attribution." ⁿ³³² And both courts and Congress are loath to extend through trademark that which has been lost through the expiration of a patent or copyright. ⁿ³³³

For the first sale/exhaustion doctrine to be meaningful in copyright and patent law contexts, it must be equally robust as a trademark infringe [*205] ment defense. ⁿ³³⁴ Nominative fair use must actually be accepted by the courts. In "brick-and-mortar" settings, there is no confusion as to affiliation with the mark owner with regard to distribution channels—it would be difficult to believe that a consumer would think that a consignment shop or antique store was affiliated with the mark owners of all the goods sold at such venues. The same should hold equally true in cyberspace.

Legal Topics:

For related research and practice materials, see the following legal topics:

Copyright LawCivil Infringement ActionsGeneral OverviewTrademark LawConveyancesGeneral OverviewTrademark LawInfringement ActionsGeneral Overview

FOOTNOTES:

n1 Mary Kay, Inc. v. Weber, 601 F. Supp. 2d 839, 845 (N.D. Tex. 2009).

n2 Id.

n3 Id. at 845-46.

n4 Id. at 846; Original Complaint for Damages and Injunctive Relief and Motion for Leave to Conduct Expedited Discovery at 16, Mary Kay, 601 F. Supp. 2d 839 (No. 3:08-CV-0776-G). Mary Kay also included state claims of tortious interference. Mary Kay, 601 F. Supp. 2d at 846.

n5 Mary Kay, Inc. v. Weber, No. 3:08- CV-0776-G, 2009 WL 2569070, at *5 (N.D. Tex. Aug. 14, 2009); Original Complaint, supra note 4, at 17.

n6 Mary Kay, 601 F. Supp. 2d at 852, 854.

n7 Id. at 864. The court held that genuine issues of material fact precluded summary judgment. Id. at 854, 859.

n8 Mary Kay, Inc. v. Weber, 661 F. Supp. 2d 632, 638 (N.D. Tex. 2009).

n9 Id. at 642. The Webers had also operated an eBay store called "marykay1stop," but had ended its use and complied with many of Mary Kay's other demands prior to the commencement of litigation. Mary Kay, 2009 WL 2569070, at *1. Weber was also enjoined from selling expired products even though Mary Kay did so--even when labeled as such. Mary Kay, 661 F. Supp. 2d at 643.

n10 Mary Kay, 661 F. Supp. 2d at 644.

n11 Id.

n12 Id. Weber was also enjoined from other actions, including "representing to consumers that Touch of Pink provides 'a place for consultants and consumers to locate hard to find and retired product or even new Mary Kay items at a great discount.'" Id. at 646.

n13 See, e.g., Ashby Jones, On Coach and the Counterfeit Crackdown That Wasn't, WALL ST. J. L. BLOG (Feb. 11, 2011, 10:45 AM), <http://blogs.wsj.com/law/2011/02/11/on-coach-and-the-counterfeit-crackdown-that-wasnt>.

n14 Recent scholarship has focused on such areas as:

(1) trademark infringement as it relates to metatags and search engines, see, e.g., Stacey L. Dogan & Mark A. Lemley, Trademarks and Consumer Search Costs on the Internet, 41 HOUS. L. REV. 777, 782 (2004); Jennifer E. Rothman, Initial Interest Confusion: Standing at the Crossroads of Trademark Law, 27 CARDOZO L. REV. 105, 107 (2005); Rachel R. Friedman, Note, No Confusion Here: Proposing a New Paradigm for the Litigation of Keyword Advertising Trademark Infringement Cases, 12 VAND. J. ENT. & TECH. L. 355, 357 (2010); Tyson Smith, Note, Googling a Trademark: A Comparative Look at Keyword Use in Internet Advertising, 46 TEX. INT'L L.J. 231, 233 (2010);

(2) online first sale doctrine with regard to copyright infringement, see, e.g., Benjamin Wilson, Comment, Notice, Takedown, and the Good-Faith Standard: How to Protect Internet Users from Bad-Faith Removal of Web Content, 29 ST. LOUIS U. PUB. L. REV. 613, 623 (2010);

(3) free-riding, see Mark A. Lemley & Mark P. McKenna, Owning Mark(et)s, 109 MICH. L. REV. 137, 140 (2010); and

(4) trademark bullying, see, e.g., Leah Chan Grinvald, Shaming Trademark Bullies, 2011 WIS. L. REV. 625, 628.

Other scholars focus on competitors who infringe by misleading traffic away from the mark owner's website to the competitor's site--where the consumer sees the competitor's goods, instead of the mark owner's. See, e.g., Eric Goldman, Deregulating Relevancy in Internet Trademark Law, 54 EMORY L.J. 507, 561 (2005).

n15 See generally Lemley & McKenna, *supra* note 14, at 187.

[Trademark law] is designed to facilitate a competitive marketplace by allowing consumers to know what they are buying But a trademark law that is distorted into a right to own markets--one that seeks out and tries to forbid all free riding on a mark--ends up interfering with rather than enabling competition.

Id.

n16 Mark A. Lemley & Mark McKenna, Irrelevant Confusion, 62 STAN. L. REV. 413, 414 (2010); see also Lemley & McKenna, *supra* note 14, at 170 ("It is not enough that consumers misunderstand the relationship between the plaintiff's and the defendant's goods. If that misunderstanding has no consequence for consumers--if they are not hurt as a result--it is not something trademark law should care about.").

n17 William McGeeveran, Rethinking Trademark Fair Use, 94 IOWA L. REV. 49, 110 (2008).

n18 Michael Grynberg, Things Are Worse Than We Think: Trademark Defenses in a "Formalist" Age, 24 BERKELEY TECH. L.J. 897, 902 (2009).

n19 Glynn S. Lunney, Jr., Trademark Monopolies, 48 EMORY L.J. 367, 486-87 (1999); see also Grynberg, *supra* note 18, at 965 ("Without material confusion the trademark plaintiff's claim of an injury in fact looks dubious.").

n20 See S. REP. NO. 100-515, at 4 (1988), reprinted in 1988 U.S.C.C.A.N. 5577, 5580 (stating that trademark protection serves a dual purpose: it "protects the public by making consumers confident that they can identify brands they prefer and can purchase those brands without being confused or misled"). In addition, the report states that the second function of trademark law is to protect the brand equity of mark owners, who spend "considerable time and money bringing a product to the marketplace." *Id.*

n21 *Id.*

n22 *Sebastian Int'l, Inc. v. Longs Drug Stores Corp.*, 53 F.3d 1073, 1074 (9th Cir. 1995) (*per curiam*) ("The right of a producer to control distribution of its trademarked product does not extend beyond the first sale of the product.").

n23 *Mastercrafters Clock & Radio Co. v. Vacheron & Constantin-Le Coultre Watches, Inc.*, 221 F.2d 464, 466 (2d Cir. 1955); S. REP. NO. 100-515, at 4, reprinted in 1988 U.S.C.C.A.N. at 5580; 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 3:7 (4th ed. 2012).

n24 See 1 MCCARTHY, *supra* note 23, § 3:7.

n25 A search on Amazon.com for "selling on ebay" produced 1,629 results. Search for "selling on ebay", AMAZON.COM, <http://www.amazon.com/s/ref=nbsbssc115?url=search-alias%3Dstrip&field-keywords=selling+on+ebay&x=0&y=0&srefix=selling+on+ebay> (last visited Sept. 9, 2012).

n26 reComparison Contributor, eBay vs. Craigslist, RECOMPARISON, <http://recomparison.com/100646/eBay-vs-craigslist> (last visited Sept. 9, 2012).

n27 Tiffany (NJ) Inc. v. e Bay, Inc., 576 F. Supp. 2d 463, 475 (S.D.N.Y. 2008), *aff'd* in part, 600 F.3d 93 (2d Cir. 2010).

n28 Ellie Mercado, Note, As Long As "It" Is Not Counterfeit: Holding eBay Liable for Secondary Trademark Infringement in the Wake of LVMH and Tiffany Inc., 28 CARDOZO ARTS & ENT. L.J. 115, 116 (2010).

n29 See Tiffany, 576 F. Supp. 2d at 473 (stating that "rights holders . . . have obvious economic incentives to curtail the sale of . . . authentic goods on the Internet--after all, every sale . . . on eBay potentially represents a lost sales opportunity via [the manufacturer's] own authorized distribution channels"); Grinvald, *supra* note 14, at 628.

n30 See Tiffany, 576 F. Supp. 2d at 473. The policy did not apply to corporations and international trade accounts which could buy large quantities of identical items, opening an avenue for someone to legitimately receive several identical items. *Id.* at 483.

n31 See Tiffany (NJ) Inc. v. e Bay Inc., 600 F.3d 93, 96, 98 (2d Cir.), *cert. denied*, 131 S. Ct. 647 (2010) (noting that "reducing or eliminating the sale of all second-hand Tiffany goods, including genuine Tiffany pieces, through eBay's website would benefit Tiffany in at least one sense: it would diminish the competition in the market for genuine Tiffany merchandise"); Adobe Sys. Inc. v. Kornrumpf, 780 F. Supp. 2d 988, 990-91 (N.D. Cal. 2011); Mary Kay, Inc. v. Weber, 601 F. Supp. 2d 839, 846 (N.D. Tex. 2009).

n32 See generally Mary Kay, 601 F. Supp. 2d at 846; Tiffany, 576 F. Supp. 2d at 481.

n33 See Tiffany, 576 F. Supp. 2d at 478.

n34 See Goldman, *supra* note 14, at 574; Grinvald, *supra* note 14, at 651.

n35 Goldman, *supra* note 14, at 585. Under a claim of initial interest confusion, a mark owner is arguing that there is trademark infringement because, even though the consumers' confusion is "dispelled before an actual sale occurs," the end result is that the defendant "impermissibly capitalizes on the [good will] associated with a mark" Playboy Enters. v. Netscape Commc'ns Corp., 354 F.3d 1020, 1025 (9th Cir. 2004).

n36 601 F. Supp. 2d 839 (N.D. Tex. 2009).

n37 *Id.* at 852; see *supra* notes 1-12 and accompanying text.

n38 See Goldman, *supra* note 14, at 577. Professor Eric Goldman discusses how customer surveys and other data show a variety of reasons for the use of trademark search terms, including finding distribution sources other than those authorized by the mark owner, and that there is no evidence of confusion based on use of search terms. See *id.* at 522, 565.

n39 Cf. *id.* at 521 ("One cannot make any legally-supportable inferences about [Internet consumers'] search[] objectives based on the keywords used.").

n40 1 MCCARTHY, *supra* note 23, § 3:7. Assuming there is no deception or fraud whereby the consumer is led to believe that the reseller is affiliated with the mark owner. See Rothman, *supra* note 14, at 187 (noting that "misrepresenting a website . . . should be used as evidence of likely confusion").

n41 Lunney, *supra* note 19, at 369; see also 1 MCCARTHY, *supra* note 23, § 3:12 ("A trademark is not merely a symbol of good will but is often the most efficient agent for the very creation of good will and consumer acceptance.").

n42 *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 198 (1985); S. REP. NO. 79-1333, at 3 (1946); H. Peter Nesvold & Lisa M. Pollard, Essay, Foreword: Half a Century of Federal Trademark Protection: The Lanham Act Turns Fifty, 7 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 49, 49 (1996).

n43 S. REP. NO. 79-1333, at 4 ("To protect trade-marks, therefore, is to protect the public from deceit, to foster fair competition, and to secure to the business community the advantages of reputation and good will by preventing their diversion from those who have created them to those who have not."). See generally Nesvold & Pollard, *supra* note 42, at 50.

n44 *Park 'N Fly*, 469 U.S. at 198 ("Trademarks foster competition and the maintenance of quality by securing to the producer the benefits of good reputation."); 1 MCCARTHY, *supra* note 23, § 2:4; ROGER E. SCHECHTER & JOHN R. THOMAS, INTELLECTUAL PROPERTY: THE LAW OF COPYRIGHTS, PATENTS AND TRADEMARKS § 25.3, at 547 (2003).

n45 SCHECHTER & THOMAS, *supra* note 44, § 25.3, at 547 (quoting *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, 164 (1995)).

n46 See, e.g., *Qualitex Co.*, 514 U.S. at 163-64; see also SCHECHTER & THOMAS, *supra* note 44, § 25.3, at 547; William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & ECON. 265, 275 (1987).

n47 *Northam Warren Corp. v. Universal Cosmetic Co.*, 18 F.2d 774, 774 (7th Cir. 1927); 1 MCCARTHY, *supra* note 23, § 3:12.

n48 Lunney, *supra* note 19, at 431. "Where a trademark serves as a source of otherwise indiscernible information concerning a product, protecting the trademark enables consumers to connect their desires to a specific good on the store shelf." *Id.* at 431-32.

n49 See Grinvald, *supra* note 14, at 653; Ina Steiner, *David Versus Goliath: eBay Sellers Take on Corporate America*, ECOMMERCEBYTES (Aug. 5, 2003), <http://www.ecommercebytes.com/cab/abn/y03/m08/i05/s02>.

n50 See *infra* Part II.D.

n51 Grinvald, *supra* note 14, at 647-48.

A trademark owner's threat that it will sue the small business or individual if they do not comply with its demands is often enough economic pressure to force the small business or individual into compliance. Additionally, bullying occurs (when coupled with an unreasonable interpretation of rights) when trademark owners include a demand for attorney's fees in their cease-and-desist letters--even if the recipient complies--or claims that attorney's fees and costs will be awarded when the litigation against the small business or individual is found in favor of the large corporation (and the letter is often couched in terms that lead the recipient to conclude that the only outcome is that the large corporation will win). The small business or individual has no way of knowing that attorney's fees are awarded only in rare instances of trademark infringement.

Id. (footnotes omitted).

n52 Melvin Simensky & Eric C. Osterberg, *The Insurance and Management of Intellectual Property Risks*, 17 CARDOZO ARTS & ENT. L.J. 321, 337 (1999).

One of the consequences of the soaring cost of litigation is that many businesses simply cannot afford the expense of bringing an infringement suit, even if attorneys' fees may be recovered in the end. This problem is exacerbated by the fact that many significant technological innovations are developed by smaller businesses lacking the financial resources to sue larger companies which are likely to defend vigorously. Furthermore, many intellectual property lawyers are unwilling to litigate such cases on a contingency fee basis.

Id. (footnote omitted); see also Karen Dudnikov & Michael Meadors, *Tabberone's Trademark & Copyright Abusers' Hall of Shame*, TABBER'S TEMPTATIONS, <http://www.tabberone.com/Trademarks/.shtml> (last visited Sept. 9, 2012).

n53 *Dudnikov v. Chalk & Vermilion Fine Arts, Inc.*, 514 F.3d 1063, 1068 (10th Cir. 2008); Steiner, *supra* note 49. Karen Dudnikov had given up her life as an accountant to run this business selling home-made and used goods online. *Id.*

n54 Steiner, *supra* note 49; Dudnikov & Meadors, *supra* note 52; see also Colorado Seamstress Sues Major League Baseball Over Right to Use Their Licensed Fabrics, BASEBALL INFORMATION CENTER, <http://infoonbaseball.com/articles/issue19.php> (last visited Sept. 9, 2012) [hereinafter *Seamstress Sues*].

n55 See Dudnikov & Meadors, *supra* note 52.

n56 Karen Dudnikov & Michael Meadors, *Tabberone Strikes Back Again!*, TABBER'S TEMPTATIONS, <http://www.tabberone.com/Trademarks/HallOfShame/MLB/MLB.shtml> (last visited Sept. 9, 2012); Steiner, *supra* note 49; see also Letter from William G. Pecau, Steptoe & Johnson LLP, to Karen Dudnikov & Michael Meadors (Aug. 21, 2003), available at <http://www.tabberone.com/HallOfShame/MLB/ourlawsuit/Settlement.shtml>.

n57 Steiner, *supra* note 49. This was the fifth, billion-dollar company that had interfered with their eBay auctions and accused them of trademark or copyright infringement. *Id.* The couple had also fought back against Disney, who had previously contacted eBay to remove auction items, claiming that Dudnikov and Meadors were not selling licensed Disney products that Dudnikov had made out of copyrighted Disney fabric that had been legally purchased, and turned into aprons, tissue box holders, and comforters. *Id.* The case was settled, with Disney agreeing to stop their attempts to close down Dudnikov's and Meadors' online sale of products made with Disney fabric because the products made were not copyrightable works. See Letter from Mary Fossier on behalf of Disney Enters., Inc., to Karen Dudnikov & Michael Meadors (Feb. 3, 2003), available at <http://www.tabberone.com/Trademarks/DisneyLawsuit/Agreement.shtml>. Trademark infringement is not grounds for a takedown under Section 512 of the Copyright Act. See 17 U.S.C. § 512(c) (2006) (discussing copyright infringement but making no mention of trademark infringement).

n58 See, e.g., Dudnikov & Meadors, *supra* note 52 ("We did consult lawyers and we were told we did not have a chance. So we ignored the lawyers and represented ourselves.").

n59 Dudnikov & Meadors, *supra* note 56; see *Davidoff & Cie, S.A. v. PLD Int'l Corp.*, 263 F.3d 1297, 1301 (11th Cir. 2001) ("Under what has sometimes been called the 'first sale' or 'exhaustion' doctrine, the trademark protections of the Lanham Act are exhausted after the trademark owner's first authorized sale of that product."); see also 4 MCCARTHY, *supra* note 23, § 25:41. But see *Au-Tomotive Gold Inc. v. Volkswagen of Am., Inc.*, 603 F.3d 1133, 1138-39 (9th Cir. 2010) (holding that the first sale doctrine did not apply to a manufacturer who attached lawfully purchased VW logos to marquee license plate frames due to post-purchase confusion). The Ninth Circuit distinguished Au-Tomotive Gold's use of the VW logo from other forms of resale in that "customers buy marquee license plates principally to demonstrate to the general public an association with Volkswagen." *Id.* at 1138.

n60 See Letter from William G. Pecau, Steptoe & Johnson LLP, to Karen Dudnikov & Michael Meadors, *supra* note 56.

n61 Steiner, *supra* note 49. At one point, Ms. Dudnikov had to again find accounting work. *Id.*

n62 Ms. Dudnikov's and Mr. Meadors' auctions continued to be shut down by, and they received threatening letters from Precious Moments, Wiggles, MGA Entertainment, and many others. See Dudnikov & Meadors, *supra* note 52.

n63 See *id.*

n64 See *supra* notes 51-52 and accompanying text.

n65 See Grinvald, *supra* note 14, at 663.

n66 McGeveran, *supra* note 17, at 62-63.

n67 971 F.2d 302 (9th Cir. 1992).

n68 McGeveran, *supra* note 17, at 90.

n69 See Eric Goldman, UMG v. Shelter Capital: A Cautionary Tale of Rightsowner Overzealousness, TECH. & MKTG. LAW BLOG (Dec. 27, 2011), <http://blog.ericgoldman.org/archives/2011/12/umgvshelterc.htm>.

n70 *Id.*

n71 See McGeveran, *supra* note 17, at 63-64.

n72 15 U.S.C. § 1114(1) provides relief for registered marks:

Any person who shall, without the consent of the registrant--

. . . 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 . . .

shall be liable in a civil action by the registrant[.]

15 U.S.C. § 1114(1) (2006); see also SCHECHTER & THOMAS, *supra* note 44, at 636 n.4.

n73 Under 15 U.S.C. § 1125(a)(1),

Any person who, on or in connection with any goods or services. . . uses in commerce any word, term, name, symbol, or device. . . or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which--

. . . 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 . . .

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.

Id. § 1125(a).

n74 See, e.g., *Mary Kay, Inc. v. Weber*, 601 F. Supp 2d 839, 846 (N.D. Tex. 2009). For more information about confusion regarding the reseller's affiliation with authorized distributors, see *Volkswagenwerk Aktiengesellschaft v. Church*, 411 F.2d 350, 352 (9th Cir. 1969).

n75 15 U.S.C. § 1125(c)(1) ("Subject to the principles of equity, the owner of a famous mark that is distinctive . . . shall be entitled to an injunction against another person who, at any time after owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the a famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.").

n76 See, e.g., *Coastal Abstract Serv., Inc. v. First Am. Title Ins. Co.*, 173 F.3d 725, 733 (9th Cir. 1999).

n77 See *infra* note 253 and accompanying text.

n78 See *Sally Beauty Co. v. Beautyco, Inc.*, 304 F.3d 964, 970 (10th Cir. 2002).

n79 See, e.g., *Dep't of Parks & Recreation v. Bazaar del Mundo, Inc.*, 448 F.3d 1118, 1124 (9th Cir. 2006).

n80 *Bird v. Parsons*, 289 F.3d 865, 877 (6th Cir. 2002) ("Generally speaking, the key question in cases where a plaintiff alleges trademark infringement and unfair competition is whether the defendant's actions create a likelihood of confusion as to the origin of the parties' goods or services.").

n81 *Rodeo Collection, Ltd. v. West Seventh*, 812 F.2d 1215, 1217 (9th Cir. 1987); SCHECHTER & THOMAS, *supra* note 44, § 29.1, at 638.

n82 *Mushroom Makers, Inc. v. R.G. Barry Corp.*, 580 F.2d 44, 47 (2d Cir. 1978) (*per curiam*); SCHECHTER & THOMAS, *supra* note 44, § 29.1, at 639.

n83 See SCHECHTER & THOMAS, *supra* note 44, § 29.1, at 640.

n84 287 F.2d 492 (2d Cir. 1961).

n85 *Id.* at 495; SCHECHTER & THOMAS, *supra* note 44, § 29.1, at 640.

Polaroid is a world-renowned manufacturer of photographic equipment, sheet-polarizing material, optical desk lamps, and other electronics products. *Polaroid*, 287 F.2d at 494. Polaroid sued Polarad Electronics (manufacturer of microwave devices and television-studio equipment) for trademark infringement due to the similarity of its name and the proximity of the goods the two corporations manufactured. *Id.* at 493-95. In ruling in favor of Polaroid, the Second Circuit listed eight factors to be used to determine whether there is a likelihood of confusion: (1) the strength of the plaintiff's mark; (2) the degree of similarity between the plaintiff's and the defendant's marks; (3) the proximity of the products or services covered by the marks; (4) the likelihood that the plaintiff will bridge the gap; (5) evidence of actual confusion of consumers; (6) the defendant's good faith in adopting the mark; (7) the quality of the defendant's product or service; and (8) consumer sophistication. *Id.* at 495.

Other circuits have adopted their own, similar versions of the Polaroid factors. For example, the Tenth Circuit uses a six-factor test first delineated in *Sally Beauty Co. v. Beautyco, Inc.*, 304 F.3d 964, 972 (10th Cir. 2002), declaring that, for determining likelihood of confusion, courts in that circuit examine

(1) the degree of similarity between the marks; (2) the intent of the alleged infringer in adopting the mark; (3) evidence of actual confusion; (4) similarity of products and manner of marketing; (5) the degree of care likely to be exercised by purchasers; and (6) the strength or weakness of the marks.

Id.; see also *Austl. Gold, Inc. v. Hatfield*, 436 F.3d 1228, 1240 (10th Cir. 2006) (noting that "no one factor is dispositive, and likelihood of confusion is a question of fact").

n86 See, e.g., *Designer Skin, LLC v. S & L Vitamins, Inc.*, 560 F. Supp. 2d 811, 818 (D. Ariz. 2008) (where the mark owner argued "that the visible uses of its marks on the websites in close association with [the defendant's] own logo" was a form of initial interest confusion). This claim failed on summary judgment. *Id.* at 827.

n87 See 15 U.S.C. § 1125(a)(1) ("Any person who, on or in connection with any goods or services . . . uses in commerce any word, term, name, symbol, or device, or any combination thereof . . . which . . . is likely to . . . deceive as to the affiliation, connection, . . . or as to the origin, sponsorship, or approval of his or her goods, services . . . 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."). This is considered forward confusion, which occurs when the mark owner is arguing that "the alleged trademark infringer [is taking] advantage of the reputation and good will of a senior trademark owner by adopting a similar or identical mark." *Harlem Wizards Entm't Basketball, Inc. v. NBA Props., Inc.* 952 F. Supp. 1084, 1091 (D.N.J. 1997). The two other major forms of confusion--reverse and post-sale confusion--are less prevalent in claims by mark owners against internet resellers. In reverse confusion, "a larger, more powerful entity adopts the trademark of a smaller, less powerful trademark user and thereby causes confusion as to the origin of the senior trademark user's goods or services." *Id.* "Post-sale confusion occurs when use of a trademark leads individuals (other than the purchaser) mistakenly to believe that a product was manufactured by the trademark-holder." *Gibson Guitar Corp. v. Paul Reed Smith Guitars, LP*, 423 F.3d 539, 549 (6th Cir. 2005). It can occur, in some courts' views, when a manufacturer offers a consumer a cheap knockoff of a more expensive Louis Vuitton bag; the buyer acquires the prestige of owning what appears to be the more expensive product. See *Malletier v. Dooney & Bourke, Inc.* 561 F. Supp. 2d 368, 384 n.112 (S.D.N.Y. 2008). And while the purchaser knows it is a knock-off of a Louis Vuitton bag, others seeing the purchaser with the bag are not aware of this, and instead associate the cheap knock-off with the mark owner's product. *Id.* at 384. In addition to the mark owner being associated with inferior goods,

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. Furthermore, the public may be deceived in the resale market if it requires expertise to distinguish between an original and a knockoff. Finally, the 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.

Hermes Int'l v. Lederer de Paris Fifth Ave., Inc., 219 F.3d 104, 108 (2d Cir. 2000). For further discussion on post-sale confusion and the first sale doctrine with regard to resold goods, see David W. Barnes, *Free-Riders and Trademark Law's First Sale Rule*, 27 SANTA CLARA COMPUTER & HIGH TECH. L.J. 457, 485-90 (2011).

n88 See Lemley & McKenna, *supra* note 16, at 427.

n89 Grynberg, *supra* note 18, at 964; see also 15 U.S.C. § 1125(a) (2006).

n90 See *Vail Assocs., Inc. v. Vend-Tel-Co.*, 516 F.3d 853, 872 (10th Cir. 2008) ("Initial interest confusion is a 'bait and switch' tactic that permits a competitor to lure consumers away from a service provider by passing off services as those of the provider, notwithstanding that the confusion is dispelled by the time of sale."). For a synopsis of the case history of initial interest confusion, see Rothman, *supra* note 14, at 114-21. In spite of Rothman's fervent attack on the doctrine, initial interest confusion has unfortunately yet to meet its demise. *Id.* at 121-30.

n91 *Austl. Gold, Inc. v. Hatfield*, 436 F.3d 1228, 1238-39 (10th Cir. 2006) (citations omitted); see also *Lamparello v. Falwell*, 420 F.3d 309, 315-16 (4th Cir. 2005) ("The Lanham Act forbids a competitor from luring potential customers away from a producer by initially passing off its goods as those of the producer's, even if confusion as to the source of the goods is dispelled by the time any sales are consummated.") (quoting *Dorr-Oliver, Inc. v. Fluid-Quip, Inc.*, 94 F.3d 376, 382 (7th Cir. 1996)); Deborah F. Buckman, *Initial Interest Confusion Doctrine Under Lanham Trademark Act*, 183 A.L.R. FED. 553, 578-82 (2003).

n92 *Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.* 174 F.3d 1036, 1062 (9th Cir. 1999).

n93 Lamparello, 420 F.3d at 315-16. The First Circuit also rejects initial interest confusion. See *N. Light Tech., Inc. v. N. Lights Club*, 97 F. Supp. 2d 96, 113 (D. Mass. 2000) (noting that "initial confusion . . . is not cognizable under trademark law in the First Circuit.") (citing *Astra Pharm. Products, Inc. v. Beckman Instruments, Inc.*, 718 F.2d 1201, 1207 (1st Cir. 1983)), *aff'd*, 236 F.3d 57 (1st Cir. 2001); see also Goldman, *supra* note 14, at 565-66 ("[Initial interest confusion] is predicated on multiple mistaken and empirically unsupported assumptions about searcher behavior. . . . [It is based on the unsupported assumption] that a searcher using a trademarked keyword is looking for the trademark owner (or, perhaps, some authorized licensee or secondary user." (footnote omitted)). Professor Goldman discusses in detail the various reasons--other than trying to find the mark owner--for a consumer to be using the mark in question as a search term. *Id.* at 521-28.

n94 Lisa M. Sharrock, *Realigning the Initial Interest Confusion Doctrine with the Lanham Act*, 25 WHITTIER L. REV. 53, 54 (2003); see also Rothman, *supra* note 14, at 108 ("The creation and application of initial interest confusion doctrine directly contravenes the Lanham Act, the goals underlying trademark protection, other intellectual property laws, and the First Amendment.").

n95 Rothman, *supra* note 14, at 111 (arguing that "the doctrine is wrong as a matter of policy and . . . it represents an assault on the fundamental principles of trademark law").

n96 *Id.* at 108.

n97 See generally Lemley & McKenna, *supra* note 16, at 416-21 (evincing that the recipients of cease-and-desist letters from mark owners--who claim consumers would wrongly assume that the mark owner had granted permission or otherwise sponsored the mark's use by the defendant--usually cease using the mark, even when such use was most likely legitimate). "The recipients of all these threats . . . knew well that they had to take the asserted claims seriously because courts have sometimes been persuaded to shut down very similar uses." *Id.* at 418.

n98 *Id.* at 414.

n99 *Id.* at 421.

n100 *Id.* at 421-22.

n101 Grinvald, *supra* note 14, at 660-61.

n102 See *supra* notes 4-12, 86-91, and accompanying text.

n103 *Mary Kay, Inc. v. Weber*, No. 3:08- CV-0776-G, 2009 WL 2569070, at *3 (N.D. Tex. Aug. 14, 2009).

n104 *Austl. Gold, Inc. v. Hatfield*, 436 F.3d 1228, 1238 (10th Cir. 2006).

n105 *Lunney*, *supra* note 19, at 371, 385. Since 1958, "the law's traditional willingness to permit a considerable degree of confusion in order to leave room for competitive imitation vanished, and courts began to seize on the slightest evidence of confusion as proof of infringement." *Id.* at 385.

n106 *Rothman*, *supra* note 14, at 140-45.

n107 See *Buckman*, *supra* note 91, at 607-08.

n108 *Mary Kay*, 2009 WL 2569070, at *1, *8. While most courts have not addressed Internet resale directly with regard to initial interest confusion, other courts have, with mixed results. Compare *Austl. Gold, Inc. v. Hatfield*, 436 F.3d 1228, 1238-40 (10th Cir. 2006) (recognizing claim of initial interest confusion and noting that resellers' disclaimers cannot prevent damage from initial interest confusion) and *PACCAR Inc. v. TeleScan Techs., L.L.C.*, 319 F.3d 243, 256 (6th Cir. 2003) ("A disclaimer disavowing affiliation with the trademark owner read by a consumer after reaching the web site comes too late. This 'initial interest confusion' is recognized as an infringement under the Lanham Act."), overruled on other grounds by *KP Permanent Make-up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 121-23 (2004), with *Standard Process, Inc. v. Banks*, 554 F. Supp. 2d 866, 871 (E.D. Wis. 2008) (finding no initial interest confusion where trademark holder's unaltered products were available through reseller's website) and *S&L Vitamins, Inc. v. Austl. Gold, Inc.*, 521 F.Supp.2d 188, 201 (E.D.N.Y. 2007) (finding initial interest confusion cannot be established before determination of whether the reseller used the trademarks in a trademark sense).

n109 See *infra* notes 219-232 and accompanying text.

n110 Cf. John T. Cross, *Contributory Infringement and Related Theories of Secondary Liability for Trademark Infringement*, 80 IOWA L. REV. 101, 101-02 (1994); Elizabeth K. Levin, *A Safe Harbor for Trademark: Reevaluating Secondary Trademark Liability After Tiffany v. eBay*, 24 BERKELEY TECH. L.J. 491, 506 (2009).

n111 *Levin*, *supra* note 110, at 518-21.

n112 17 U.S.C. § 512 states:

A service provider shall not be liable for monetary relief . . . for infringement of copyright by reason of the storage at the direction of a user of material that resides on a system or network controlled or operated by or for the service provider, if the service provider--

(A)(i) does not have actual knowledge that the material or an activity using the material on the system or network is infringing;

(ii) in the absence of such actual knowledge, is not aware of facts or circumstance from which infringing activity is apparent; or

(iii) upon obtaining such knowledge or awareness, acts expeditiously to remove, or disable access to, the material;

(B) does not receive a financial benefit directly attributable to the infringing activity, in a case in which the service provider has the right and ability to control such activity; and

(C) upon notification of claimed infringement . . . responds expeditiously to remove, or disable access to, the material that is claimed to be infringing or to be the subject of infringing activity.

17 U.S.C. § 512(c)(1) (2006). The written notification required under § 512(c)(1)(C) must include (among other requirements):

(ii) identification of the copyrighted work claimed to have been infringed . . .

(iii) identification of the material that is claimed to be infringing . . . that is to be removed . . . and information reasonably sufficient to permit the service provider to locate the material.

* * *

(v) a statement that the complaining party has a good faith belief that use of the material in the manner complained of is not authorized by the copyright owner, its agent, or the law[, and]

(vi) a statement that the information in the notification is accurate, and under penalty of perjury, that the complaining party is authorized to act on behalf of the owner of an exclusive right that is allegedly infringed.

Id. § 512(c)(3).

n113 See id. § 512(f).

n114 Id.

Misrepresentations.--Any person who knowingly materially misrepresents under this section--

(1) that material or activity is infringing, or

(2) that material or activity was removed or disabled by mistake or misidentification, shall be liable for any damages, including costs and attorneys' fees, incurred by the alleged infringer . . . who is injured by such misrepresentation, as the result of the service provider relying upon such misrepresentation in removing or disabling access to the material or activity claimed to be infringing, or in replacing the removed material or ceasing to disable access to it.

Id.

n115 Id. § 106.

n116 See id. § § 106(1)-(2).

n117 The Copyright Act grants the owner of the copyright the exclusive rights of reproduction, adaptation, distribution, public performance, public display, and digital broadcasts of sound recordings. See 17 U.S.C. § 106 (2006). However, there are several exceptions to these exclusive rights, such as fair use (§ 107), first sale (§ 109) and compulsory licenses (§ 115).

n118 Id. § 113.

n119 Id. § 106(1).

n120 Id. § 113(c) ("In the case of a work lawfully reproduced in useful articles that have been offered for sale or other distribution to the public, copyright does not include any right to prevent the making, distribution, or display of pictures or photographs of such articles in connection with advertisements or commentaries related to the distribution or display of such articles, or in connection with news reports.").

n121 See id. Of course this presupposes that the manufacture of the utilitarian article is a lawful reproduction of the work. If the maker of the lamps never secured permission to use the statues as lamp bases, then the Section 113(c) exception does not apply. Id.

n122 See id.

n123 See Rebecca Tushnet, Supplemental Complaint: Internet Resale Case Survives Summary Judgment, REBECCA TUSHNET'S 43(B)LOG (June 12, 2008), <http://tushnet.blogspot.com/2008/06/supplemental-complaint-internet-resale.html>; see also Standard Process,

Inc. v. Total Health Disc., Inc., 559 F. Supp. 2d 932, 936 (E.D. Wis. 2008); Standard Process, Inc. v. Banks, 554 F. Supp. 2d 866, 868 (E.D. Wis. 2008).

n124 Total Health, 559 F. Supp. 2d at 935-36.

n125 Banks, 554 F. Supp. 2d at 868.

n126 Total Health, 559 F. Supp. 2d at 936; Banks, 554 F. Supp. 2d at 868.

n127 Total Health, 559 F. Supp. 2d at 936; Banks, 554 F. Supp. 2d at 868.

n128 Total Health, 559 F. Supp. 2d at 936; Banks, 554 F. Supp. 2d at 868. Banks even agreed to a permanent injunction prohibiting him from putting photographs of Standard Process' products on his website or in his email solicitations. Banks, 554 F. Supp. 2d at 870.

n129 See Sebastian Int'l, Inc. v. Longs Drug Stores Corp., 53 F.3d 1073, 1076 (9th Cir. 1995) (per curiam) (emphasis added) ("It is the essence of the 'first sale' doctrine that a purchaser who does no more than stock, display, and resell a producer's product under the producer's trademark violates no right conferred upon the producer by the Lanham Act."); see also Austl. Gold, Inc. v. Hatfield, 436 F.3d 1228, 1241 (10th Cir. 2006).

n130 Tushnet, *supra* note 123. In Standard Process, Inc. v. Banks, the court found that Banks' website did not impermissibly give the impression he was an authorized dealer because, in addition to posting disclaimers, he "does not include any pictures" 554 F. Supp. 2d at 869. It is unfortunate that the cases discussed imply that photographs connote sponsorship or affiliation, even though under the Trademark first sale doctrine, removing photographs is unwarranted.

n131 S&L Vitamins, Inc. v. Austl. Gold, Inc., 521 F. Supp. 2d 188, 202 (E.D.N.Y. 2007) (citing Luxottica Grp. S.p.A. v. Bausch & Lomb Inc., 160 F. Supp. 2d 545, 552 (S.D.N.Y. 2001)).

n132 17 U.S.C. § 113(c) (2006); see also Rebecca Tushnet, Australian Gold-Digging: Reseller of Genuine Goods Receives Mixed Ruling, REBECCA TUSHNET'S 43(B)LOG (Oct. 11, 2007), <http://tushnet.blogspot.com/2007/10/australian-gold-digging-reseller-of.html>.

n133 S. REP. NO. 105-190, at 1 (1998); Levin, *supra* note 110, at 514.

n134 Michelle C. Leu, Comment, Authenticate This: Revamping Secondary Trademark Liability Standards to Address A Worldwide Web of Counterfeits, 26 BERKELEY TECH. L.J. 591, 616-17 (2011); Four Easy Tips to Spot Counterfeit MAC Products: eBay Guides, EBAY, <http://reviews.ebay.com/Four-easy-tips-to-spot-Counterfeit-MAC-Products?ugid=10000000004884212> (last visited Sept. 9, 2012) [hereinafter Four Easy Tips].

n135 See Leu, *supra* note 134, at 616-17; Four Easy Tips, *supra* note 134.

n136 Phil Hall, Let's Make an E-Deal, HARTFORD COURANT, May 18, 2008, at D1 (quoting a man who sold a tanning bed on eBay).

n137 Top 10 Tips, EBAY, <http://pages.ebay.com/sellerinformation/howtosell/top10.html> (last visited Sept. 9, 2012).

n138 See 17 U.S.C. § 113(c) (2006).

n139 Complaint & Plaintiffs' Motion for Declaratory Judgment <para><para> 3-6, Tabbers Temptations v. Disney Enters., No. 02-WM-2402 (PAC), (D. Colo. Dec. 24, 2002), available at <http://www..com/Trademarks/DisneyLawsuit/ourlawsuit/complaint.html>.

15. Based upon information and belief, the defendant aggressively protects the copyrighted images. These actions include policing of flea markets, craft shows, craft malls, and Internet auctions sites. At crafts shows and flea markets, when hand-crafted items are found that use the fabrics portraying the copyrighted images owned by the defendant, cease and desist letters are distributed. On the auction sites, the auctions featuring similar fabric items are terminated at the request of the defendant.

16. Based upon information and belief, Disney counsel knows, or reasonably should know, the fabric items are not derivatives as defined by federal courts, federal law and recognized authorities on copyrights. The intimidation tactics used by Disney are therefore illegal and immoral. They rely on the fact people can't fight back because of the potential enormous legal expense.

17. Based upon information and belief, on September 4, 2002, the defendant requested eBay(r) terminate three auction listing sic by Tabberone, falsely alleging to eBay(r) in an affidavit that the articles offered on these auctions were infringing items.

18. When asked, a representative of the defendant, a Deborah Perry, responded that the auctions were terminated because the fabric items were considered to be derivatives and therefore infringing upon the copyrights held by the defendant.

Id. <para><para> 15-18.

n140 Disney licenses the sale of bulk fabric containing Disney characters, which is then sold through authorized distributors such as Amazon.com and Joann Fabrics. Search Results for "Disney Licensed Fabric" in Arts, Crafts, and Sewing, AMAZON.COM, <http://www.amazon.com/gp/search/ref=?srnri0?rh=k%3Adisney+licensed+fabric%2C%3Aarts-crafts&keywords=disney+licensed+fabric&ie=UTF8&qid=1315> (last visited Sept. 9, 2012); Search Results for "Disney Fabric", JOANN.COM, <http://www.joann.com/search/disneyfabric> (last visited Sept. 9, 2012). Some sites selling Disney licensed fabric even advertise the projects that can be made with the fabric. See, e.g., Disney Fabrics: Little Mermaid, Cars, Toy Story and Other Favorite Disney Characters, DISNEY FABRICS, <http://www.disneyfabrics.com> (last visited Sept. 9, 2012). That Disney licenses the production of these fabrics can easily be seen as an implied license by Disney for purchasers to cut and use the fabric to make various items of clothing, quilts, and knick-knacks. For further reading on implied licenses, see Michael Grynberg, Property Is a Two-Way Street: Personal Copyright Use and Implied Authorization, 79 FORDHAM L. REV. 435, 454-58 (2010). In his article, Professor Grynberg argues that "courts should appreciate the reasonable expectations of consumers in their control of personal property used to interact with the protected works." *Id.* at 435-36. Karen Dudnikov used legally purchased Disney licensed fabric in her creations:

22. The defendant, directly and through licensees, has released innumerable different copyrighted fabrics in the last few years through an estimated ten thousand national fabric outlets including Wal-Mart, Hancock Fabrics, and Joann Fabrics. It was the intention of the defendant that the fabric be cut, shaped, and sewn into fabric items such as pillows, bedding, wearing apparel, accessories, etc. There is no other purpose for selling uncut fabric.

23. The Plaintiffs lawfully purchased the copyrighted fabric from retail outlet sources. Since the plaintiffs use of the copyrighted fabric was consistent with the intended purpose of the sale of the fabric, the subsequent sales of the fabric items falls wholly under the First Sale Doctrine.

Complaint & Plaintiffs' Motion for Declaratory Judgment, *supra* note 139, <para><para> 22-23.

n141 Letter from Mary Fossier on behalf of Disney Enters., Inc. to Karen Dudnikov & Michael Meadors, *supra* note 57 ("You TabberOne represent that you have already stopped and agree that in the future you will no longer make or use copies of [Disney Enterprises, Inc.] copyrighted and/or trademark characters (or other intellectual properties) in connection with your business except it is understood that you make and sell hand-crafted items from licensed fabric bearing Disney properties and will use photographs, including close-up shots of the licensed fabric used to make the item, as reasonably necessary to show the item for sale in a particular auction and to describe the item as being made from licensed Disney fabric.").

n142 Complaint & Plaintiffs' Motion for Declaratory Judgment, *supra* note 139, <para> 6; see 17 U.S.C. § 113(c). Disney's actions could lead to lawsuits similar to Stephanie Lenz' against Universal Music Corporation, where she claimed that her fair use of Prince's song "Let's go Crazy"--played briefly in the background of a video of her baby dancing--should have been considered by Universal's attorneys before filing their take-down notice with YouTube. See Wilson, *supra* note 14, at 616.

n143 Complaint & Plaintiffs' Motion for Declaratory Judgment, *supra* note 139, <para> 6; see also *Standard Process, Inc. v. Total Health Disc., Inc.*, 559 F. Supp. 2d 932, 936-37 (E.D. Wis. 2008); *Standard Process, Inc. v. Banks*, 554 F. Supp. 2d 866, 868 (E.D. Wis. 2008); Tushnet, *supra* note 123.

n144 See Grinvald, *supra* note 14, at 650-51.

n145 See *id.* at 647.

n146 See supra notes 51-52 and accompanying text.

n147 See, e.g., *Tiffany (NJ) Inc. v. e Bay, Inc.*, 600 F.3d 93, 101 (2d Cir.), cert. denied, 131 S. Ct. 647 (2010).

n148 *Inwood Labs., Inc. v. Ives Labs., Inc.* 456 U.S. 844, 853-54 (1982).

n149 See, e.g., *Tiffany*, 600 F.3d at 98.

n150 This allegation was rejected by both the district court and on appeal. *Id.* at 109 n.13.

n151 *Id.* at 101. Tiffany claimed these actions "constituted direct and contributory trademark infringement, trademark dilution, and false advertising." *Id.*

n152 *Id.* at 103 (agreeing "with the district court that eBay's use of Tiffany's mark on its website and in sponsored links was lawful. eBay used the mark to describe accurately the genuine Tiffany goods offered for sale on its website. And none of eBay's uses of the mark suggested that Tiffany affiliated itself with eBay or endorsed the sale of its products through eBay's website.").

n153 *Id.* at 106, 109 (holding that eBay was not contributorily liable because it had not continued "to supply its service to one whom it knows or has reason to know is engaging in trademark infringement" (quoting *Inwood Labs., Inc.*, 456 U.S. at 854)).

n154 *Id.* at 106.

n155 456 U.S. 844, 853-54 (1982).

n156 *Tiffany*, 600 F.3d at 107 (quoting *Tiffany (NJ) Inc. v. e Bay, Inc.*, 576 F. Supp. 2d 463, 508 (S.D.N.Y. 2008), *aff'd* in part, 600 F.3d 93 (2d Cir. 2010)). "The district court reasoned that Inwood's language explicitly imposes contributory liability on a defendant who 'continues

to supply its product [--in eBay's case, its service--] to one whom it knows or has reason to know is engaging in trademark infringement." *Id.* (quoting *Tiffany*, 576 F. Supp. 2d at 508).

n157 See, e.g., *GMA Accessories, Inc. v. BOP, LLC*, 765 F. Supp. 2d 457, 465 (S.D.N.Y. 2011) (holding that the plaintiff's "allegation of constructive knowledge . . . based upon the federal registration did not establish that Electric Wonderland knew or had reason to know of the [Plaintiff's] trademark"); *Sellify Inc. v. Amazon.com, Inc.*, No. 09 Civ. 10268(JSR), 2010 WL 4455830, at *4 (S.D.N.Y. Nov. 4, 2010) (finding that there was "no evidence that Amazon had particularized knowledge of, or direct control over" infringing material and promptly acted when it received a demand letter from the plaintiff); see also *1-800 Contacts, Inc. v. Lens.com, Inc.*, 755 F. Supp. 2d 1151, 1184 (D. Utah 2010). "For contributory trademark infringement liability to lie' with a service provider, however, it 'must have more than a general knowledge or reason to know that its service is being used to infringe. Some contemporary knowledge of which particular acts are infringing or will infringe in the future is necessary.'" *Id.* (quoting *Tiffany*, 600 F.3d at 107). Importantly, "the doctrine of contributory trademark infringement should not be used to require defendants to refuse to provide a product or service to those who merely might infringe the trademark." *1-800 Contacts*, 755 F. Supp. 2d at 1184 (quoting *Tiffany*, 576 F. Supp. 2d at 509-10).

n158 See, e.g., *Tiffany*, 600 F.3d at 98-99.

n159 See *Sellify*, 2010 WL 4455830, at *4 ("A service provider may be liable for contributory infringement only when it has 'direct control . . . of the instrumentality used by a third party to infringe' on the plaintiff's trademark." (second alteration in original) (quoting *Tiffany*, 600 F.3d at 104-05)).

n160 See *Tiffany*, 600 F.3d at 103; cf. *Hendrickson v. eBay, Inc.*, 165 F. Supp. 2d 1082, 1093 n.14 (C.D. Cal. 2001) (describing eBay's process of searching for and removing infringing listings).

n161 Cf. *Tiffany*, 576 F. Supp. 2d at 474, 517 (noting that "Tiffany has occasionally been wrong [in alleging that an item listed on eBay was counterfeit] and later requested that listings be reinstated"). The Second Circuit noted that, since a substantial number of authentic Tiffany goods are sold on eBay, "reducing or eliminating the sale of all second-hand Tiffany goods, including genuine Tiffany pieces, through eBay's website would benefit Tiffany in at least one sense: It would diminish the competition in the market for genuine Tiffany merchandise." *Tiffany*, 600 F.3d at 98.

n162 See, e.g., *Tiffany*, 576 F. Supp. 2d at 517 n.39. The district court noted that,

in addition, it is certainly possible that other listings have been erroneously reported. Tiffany refuses to authenticate items without proof that the items were purchased from a Tiffany store. Several sellers have complained to Tiffany that their items were inappropriately reported, only to have Tiffany refuse to offer any meaningful way of validating their legitimacy.

Id.

n163 An additional burden on the seller is recreating the listing. See *Why Did eBay Remove My Listing?*, EBAY, <http://pages.ebay.com/help/sell/questions/listing-ended.html> (last visited Sept. 9, 2012) ("If we agree that your item was removed in error, you can relist it. Unfortunately, you'll have to recreate the listing from scratch.").

n164 Fees for Selling on eBay, EBAY, <http://pages.ebay.com/help/sell/fees.html> (last visited Sept. 9, 2012) ("The basic cost of selling an item is the insertion fee plus the final value fee. . . . When you list an item on eBay, you're charged an insertion fee. If the item sells, you're also charged a final value fee.").

n165 Why Did eBay Remove My Listing?, *supra* note 163 ("If we removed your listing because of a policy violation, we may or may not refund your fees for that listing, depending on the policy you violated and whether you've violated our policies in the past. If we refund your fees, all fees related to the removed listing will be automatically credited to your account within one billing cycle.").

n166 Cf. *Tiffany*, 576 F. Supp. 2d at 516 ("In addition to removing the [allegedly offending] listing, eBay also warned sellers and buyers, cancelled all fees associated with the listing, and directed buyers not to consummate the sale of the listed item.").

n167 " Trademark law needs a theory of trademark injury that distinguishes harm to legitimate interests the law should protect from a mere desire to capture a benefit enjoyed by another." Lemley & McKenna, *supra* note 14, at 137.

n168 See, e.g., *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 307-08 (9th Cir. 1992); Grynberg, *supra* note 18, at 956.

n169 Grynberg, *supra* note 18, at 956.

n170 Other defenses that are not relevant to this Article include comparative fair use, 15 U.S.C. § 1125(c)(3)(A) (2006), descriptive fair use, *id.*, and geographic restrictions, *id.* § 1115(b)(4). See generally *New Kids on the Block*, 971 F.2d at 306-07 (defining comparative and descriptive fair use); *Burger King of Fla., Inc. v. Hoots*, 403 F.2d 904, 907 (7th Cir. 1968) (describing geographic restrictions on the use of a registered mark).

n171 Justin D. Swindells, *Repackaging Original Trademarked Goods: Trademark Exhaustion or Consumer Confusion?*, 7 FED. CIR. B.J. 391, 391-92 (1997).

n172 *Id.* at 393.

n173 *Id.* at 402.

n174 *Id.* at 401-02. Mr. Swindells argues for a repackaging exception to the first sale/exhaustion doctrine. See *id.* at 409-16.

n175 SCHECHTER & THOMAS, *supra* note 44, § 31.1.2, at 731. In the foundational nominative fair use case of *Prestonettes, Inc. v. Coty*, the Supreme Court recognized that when a "mark is used in a way that does not deceive the public," there is "no such sanctity in the word as to prevent its being used to tell the truth." *Prestonettes, Inc. v. Coty*, 264 U.S. 359, 368 (1924); see also *Enesco Corp. v. Price/Costco Inc.*, 146 F.3d 1083, 1086 (9th Cir. 1998) (holding that providing notice that a good was repackaged is necessary to prevent customer confusion).

n176 See *Prestonettes*, 264 U.S. at 368.

n177 *Barnes*, *supra* note 87, at 482-83, 486.

n178 *Id.* at 486.

n179 SCHECHTER & THOMAS, *supra* note 44, § 31.1.2, at 732; see also *Nitro Leisure Prods., L.L.C. v. Acushnet Co.*, 341 F.3d 1356, 1361 (Fed. Cir. 2003) ("The Supreme Court acknowledged that, in some cases, used and repaired goods can be sold under the trademark of the original manufacturer, without 'deceiving the public,' so long as the accused infringer had attempted to restore 'so far as possible' the original condition of the goods and full disclosure is made about the true nature of the goods, for example, as 'used' or 'repaired.'" (alteration in original) (quoting *Champion Spark Plug Co. v. Sanders*, 331 U.S. 125, 129 (1947))); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 24 cmt. d (1995) ("One may use another's mark in marketing genuine goods that are used, repaired, reconditioned, or altered if consumers are not likely to be confused into believing that the goods are new or in their original form or that the alterations were performed or approved by the trademark owner.").

n180 SCHECHTER & THOMAS, *supra* note 44, § 31.1.2, at 732; see also *Champion Spark Plug*, 331 U.S. at 129 ("Cases may be imagined where the reconditioning or repair would be so extensive or so basic that it would be a misnomer to call the article by its original name, even though the words 'used' or 'repaired' were added.").

n181 *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 227 (3d Cir. 2005).

n182 *Grynberg*, *supra* note 18, at 957.

n183 *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 306 (9th Cir. 1992).

n184 *Id.* at 307-08.

n185 See *Century 21 Real Estate*, 425 F.3d at 218.

n186 E.g., *Toyota Motor Sales, U.S.A., Inc. v. Tabari*, 610 F.3d 1171, 1175 (9th Cir. 2010) ("The district court applied the eight-factor test for likelihood of confusion articulated in *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979). . . . But we've held that the Sleekcraft analysis doesn't apply where a defendant uses the mark to refer to the trademarked good itself."); see also Grynberg, *supra* note 18, at 958 (citing *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526, 545 (5th Cir. 1998)) ("It is not a true defense, but an alternative method of ascertaining whether liability exists in the first place.").

n187 *Toyota Motor Sales*, 610 F.3d at 1183.

n188 *New Kids on the Block*, 971 F.2d at 308.

n189 *Toyota Motor Sales*, 610 F.3d at 1183; see also *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 118 (2004) (stating that "Section 1115(b) [of the Lanham Act always] places a burden of proving likelihood of confusion . . . on the party charging infringement even when relying on an incontestable registration. And Congress said nothing about likelihood of confusion in setting out the elements of the fair use defense in § 1115(b)(4). . . . It takes a long stretch to claim that a defense of fair use entails any burden to negate confusion.").

n190 *New Kids on the Block*, 971 F.2d at 308.

n191 Grynberg, *supra* note 18, at 957 n.265 (citing *Playboy Enters., Inc. v. Welles*, 279 F.3d 796, 801 (9th Cir. 2002)).

n192 SCHECHTER & THOMAS, *supra* note 44, § 31.2, at 746.

n193 See *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526, 545-46 (5th Cir. 1998); see also *Bd. of Supervisors for La. State Univ. Agric. & Mech. Coll. v. Smack Apparel Co.*, 550 F.3d 465, 489 (5th Cir. 2008) ("A court ordinarily should consider a nominative fair use claim in conjunction with its likelihood-of-confusion analysis in order to avoid lowering the standard for confusion." (emphasis added)).

n194 *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 222 (3d Cir. 2005); see also *Toyota Motor Sales, U.S.A., Inc. v. Tabari*, 610 F.3d 1171, 1182 (9th Cir. 2010) (holding that a "finding of nominative fair use is a finding that the plaintiff has failed to show a likelihood of confusion as to sponsorship or endorsement"). Thus, the burden ultimately rests on the plaintiff to establish that the use of the plaintiff's mark was not nominative fair use. *Id.*

n195 *Century 21 Real Estate*, 425 F.3d at 222.

n196 *Id.* The defendant must show

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

Id.

n197 *Tiffany (NJ) Inc. v. e Bay Inc.*, 600 F.3d 93, 102-03 (2d Cir.), cert. denied, 131 S. Ct. 647 (2010); *Universal Comm'n Sys., Inc. v. Lycos, Inc.*, 478 F.3d 413, 424 (1st Cir. 2007) ("This court has not previously decided whether to endorse the Ninth Circuit's test for nominative fair uses, and we have no occasion to do so here. We have, however, recognized the underlying principle."); *PACCAR Inc. v. Telescan Techs., L.L.C.*, 319 F.3d 243, 256 (6th Cir. 2003), overruled on other grounds by *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 121-23 (2004).

n198 The Fourth, Seventh, Eighth, Tenth, and Eleventh circuits have to varying degrees declined to affirmatively state their position on nominative fair use. See *Suntree Techs., Inc. v. EcoSense Int'l, Inc.*, 802 F. Supp. 2d 1273, 1282 (M.D. Fla. 2011) (mentioning nominative fair use in passing in the Eleventh Circuit); *Teter v. Glass Onion, Inc.*, 723 F. Supp. 2d 1138, 1156 (W.D. Mo. 2010) (declining to apply in the Eighth Circuit because defendant may have caused confusion as to source or affiliation); *Gennie Shifter, LLC v. Lokar, Inc.*, No. 07-cv-01121, 2010 WL 126181, at *14 (D. Colo. Jan. 12, 2010) (applying this doctrine even though it is not the law of the Tenth Circuit); *Lorillard Tobacco Co. v. S & M Brands, Inc.*, 616 F. Supp. 2d 581, 589 (E.D. Va. 2009) (recognizing that the Fourth Circuit does not allow this defense); *DeVry Inc. v. Univ. of Med. & Health Sci.-St. Kitts*, No. 08 CV 3280, 2009 WL 260950, at *5 (N.D. Ill. Feb. 3, 2009) (applying it even though it is not the law of the Seventh Circuit).

n199 15 U.S.C. § 1125(c)(3)(A) (2006). ("The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection: . . . any fair use, including nominative . . . fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person's own goods or services . . ."); see also Siegrun D. Kane, *Trademark Hot Topics: Progress in Bridging the Great Divides?*, in 15TH ANNUAL INSTITUTE ON INTELLECTUAL PROPERTY LAW 905, 919-20 (2009).

n200 McGeveran, *supra* note 17, at 89. "Although New Kids itself engaged in common-sense analysis of the situation before it, the test

created there has not fared as well. Courts following in the footsteps of *New Kids* sowed confusion and seriously deformed the original proposal . . . It would be preposterous if famous musicians could prevent magazines from discussing them, and a reader poll is little different from an unauthorized biography or parody. Any other outcome could thwart both communication and competition." *Id.* at 89-90.

n201 *Id.* at 90.

n202 *Id.*

n203 *Id.* at 90-91 (referring to *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1150 (9th Cir. 2002)). For further discussion regarding how courts' nominative fair use analyses are muddled through these problems, see McGeveran, *supra* note 17, at 91-97.

n204 McGeveran, *supra* note 17, at 91-92.

n205 See generally *id.* at 88-97 (discussing the normative fair use doctrine).

n206 *Id.* at 91. McGeveran notes that "the Ninth Circuit has explicitly transformed nominative fair use into a substitute for the traditional test to judge likelihood of confusion. This shift--from regarding nominative fair use as a threshold showing or a defense to approaching it as an alternate standard for the plaintiff's *prima facie* case--vitiated most of its usefulness." *Id.*

n207 Graeme B. Dinwoodie, Lewis & Clark Law School Ninth Distinguished IP Lecture: Developing Defenses in Trademark Law, 13 LEWIS & CLARK L. REV. 99, 111 (2009).

n208 *Id.* at 112.

n209 4 MCCARTHY, *supra* note 23, § 23:11.

n210 See, e.g., *Mary Kay, Inc. v. Weber*, 601 F. Supp. 2d 839, 858 (N.D. Tex. 2009) ("To determine whether there is a likelihood that consumers are confused about *touchofpinkcosmetics.com*'s affiliation with Mary Kay, the court looks to the factors laid out in *Scott Fetzer*, the so-called 'digits of confusion.'" (quoting *Scott Fetzer Co. v. House of Vacuums Inc.*, 381 F.3d 477, 484-85 (5th Cir. 2004))).

n211 *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 121-23 (2004).

n212 *McGeeveran*, *supra* note 17, at 97.

n213 See *Mary Kay*, 601 F. Supp.2d at 857; *Steiner*, *supra* note 49.

n214 Cf. *Mary Kay*, 601 F. Supp. 2d at 857 (applying the Ninth Circuit test to Ms. Weber's sale of Mary Kay products); *Steiner*, *supra* note 49 (describing Ms. Dudnikov's losses due to legal challenges).

n215 See 15 U.S.C. § 1115(b)(4) (2006) ("The right to use . . . a mark shall be subject to proof of infringement . . . and shall be subject to the following defenses or defects: . . . that the use of the name, term, or device charged to be an infringement is a use which . . . is descriptive of and used fairly and in good faith only to describe the goods or services of such party[.]"); *id.* § 1125(c)(3)(A)(i) ("The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection: . . . any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person's own goods or services, including use in connection with . . . advertising or promotion that permits consumers to compare goods or services[.]"); *Lindy Pen Co. v. Bic Pen Corp.*, 725 F.2d 1240, 1248 (9th Cir. 1984) ("Liability for infringement may not be imposed for using a registered trademark in connection with truthful comparative advertising.").

n216 15 U.S.C. § 1115(b)(4).

n217 See *Sebastian Int'l, Inc. v. Longs Drug Stores Corp.*, 53 F.3d 1073, 1074 (9th Cir. 1995) (*per curiam*).

n218 *Id.*; see also RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 24 cmt. b (1995).

The rules governing the protection of trademarks are intended to prevent the diversion of trade or harm to reputation that is likely to result if consumers are confused as to the source or sponsorship of goods and services. Confusion does not occur, however, when a trademark is used to identify genuine goods marketed under that mark by the trademark owner. Thus, the trademark owner cannot ordinarily prevent or control the sale of goods bearing the mark once the owner has permitted those goods to enter commerce. It can be said that the rights of the trademark owner are exhausted once the owner authorizes the initial sale of the product under the trademark or that the owner implicitly licenses others to further market the goods under the mark. Thus, no infringement occurs when the use of a mark properly identifies the source, sponsorship, or certification of the goods or services, even if the owner of the mark objects to the use.

Id. For an in-depth discussion on the first sale rule and its rationale, see *Barnes*, *supra* note 87, at 461-69.

n219 17 U.S.C. § 109(a) (2006).

Notwithstanding the provisions of section 106(3) [the distribution right], the owner of a particular copy or phonorecord lawfully made under this title, or any person authorized by such owner, is entitled, without the authority of the copyright owner, to sell or otherwise dispose of the possession of that copy or phonorecord.

Id. Patent law has a robust, but judicially created exhaustion principle. See *Quanta Computer, Inc. v. LG Elecs., Inc.*, 553 U.S. 617, 625 (2008) ("The longstanding doctrine of patent exhaustion provides that the initial authorized sale of a patented item terminates all patent rights to that item.").

n220 See, e.g., *Champion Spark Plug Co. v. Sanders*, 331 U.S. 125, 129 (1947); *Prestonettes, Inc. v. Coty*, 264 U.S. 359, 360 (1924); see also *Quanta Computer*, 553 U.S. at 625; *B. Braun Med., Inc. v. Abbott Labs.*, 124 F.3d 1419, 1426 (Fed Cir. 1997) ("An unconditional sale of a patented device exhausts the patentee's right to control the purchaser's use of the device thereafter."); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 24 (1995) ("One is not subject to infringement liability . . . for using another's trademark, trade name, collective mark, or certification mark in marketing genuine goods or services the source, sponsorship, or certification of which is accurately identified by the mark[.]").

n221 *Barnes*, supra note 87, at 461.

n222 See supra notes 175-180 and accompanying text.

n223 *Champion Spark Plug*, 331 U.S. at 129; see *Prestonettes*, 264 U.S. at 360; see also *Nitro Leisure Products, LLC v. Acushnet Co.*, 341 F.3d 1356, 1360-62 (Fed. Cir. 2003).

One significant limitation on the first sale doctrine is that it only applies to unaltered or "genuine goods," unless the consumer has reason to know of the alterations. Therefore, using the mark in connection with the resale of a materially different product is trademark infringement. *Davidoff & Cie, S.A. v. PLD Int'l Corp.*, 263 F.3d 1297, 1302 (11th Cir. 2001). First Sale and nominative fair use defenses are inapplicable for altered goods, because "a materially different product is not genuine and may generate consumer confusion about the source and the quality of the trademarked product." *Beltronics USA, Inc. v. Midwest Inventory Distrib., LLC*, 562 F.3d 1067, 1072 (10th Cir. 2009). In *Beltronics*, the Tenth Circuit stated that a difference is material if a consumer would consider the difference relevant in the decision to purchase the product. Id. at 1073. These differences are not limited to the physical product; they may include warranties and "service commitments." Id. Yet "the purpose of the material difference test is to assist courts in determining whether allegedly infringing products are likely to cause confusion . . . and undermine the [good will] the trademark owner has developed . . ." Id. at 1074. Therefore, material differences by themselves may not trigger liability. In other words, because the critical issue remains likelihood of confusion, material differences will not cause liability for trademark infringement as long as the seller dispels potential confusion by sufficiently disclosing material differences to the buyer. Id. The premise of first sale is that the consumers are getting exactly what they bargained for. *S&L Vitamins, Inc. v. Austl. Gold, Inc.*, 521 F. Supp. 2d 188, 202 (E.D.N.Y. 2007); see also *Matrix Essentials, Inc. v. Emporium Drug Mart, Inc.*, 988 F.2d 587, 591 (5th Cir. 1993).

n224 *Davidoff & Cie*, 263 F.3d at 1301-02 (citations omitted); see also *Beltronics USA*, 562 F.3d at 1071 ("Those who resell genuine trademarked products are generally not liable for trademark infringement."); *Austl. Gold, Inc. v. Hatfield*, 436 F.3d 1228, 1240-41 (10th Cir. 2006) ("The right of a producer to control distribution of its trademarked product does not extend beyond the first sale of the product[.] resale by the first purchaser of the original article under the producer's trademark is neither trademark infringement nor unfair competition. It is the essence of the 'first sale' doctrine that a purchaser who does no more than stock, display, and resell a producer's product under the producer's trademark violates no right conferred upon the producer by the Lanham Act." (second and third alterations in original) (quoting *Sebastian Int'l, Inc. v. Longs Drug Stores Corp.*, 53 F.3d 1073, 1074, 1076 (9th Cir. 1995) (per curiam))); *NEC Elecs. v. CAL Circuit Abco*, 810 F.2d 1506, 1509 (9th Cir. 1987) ("The reason is that trademark law is designed to prevent sellers from confusing or deceiving consumers

about the origin or make of a product, which confusion ordinarily does not exist when a genuine article bearing a true mark is sold.").

n225 Barnes, *supra* note 87, at 458, 462 ("The first sale rule reflects property law's distaste for restraints on alienation and allows the holder of intellectual property rights to obtain the price for its creations only once.").

n226 837 F. Supp. 2d 208 (S.D.N.Y. 2011).

n227 *Id.* at 222 (quoting *Zip Int'l Grp., LLC v. Trilini Imps., Inc.*, No. 09-CV-2437(JG)(VVP), 2011 WL 2132980, at *3 (E.D.N.Y. May 24, 2011)). MSS HiFi, however, had altered the goods' serial number, and the court found that these constituted "altered goods" which, as noted *supra*, are not genuine articles and "may generate consumer confusion about the source and quality of the trademarked product." *Id.* at 223 (citing *Beltronics USA*, 562 F.3d at 1072).

n228 *Bel Canto Design*, 837 F. Supp. 2d at 222.

n229 *Id.*; see also *Brain Pharma, LLC v. Scalini*, No. 12-60132- CIV-COHN/SELTZER, 2012 WL 1563917, at *4 (S.D. Fla. Apr. 30, 2012) (holding that reselling the mark owner's products for 50 percent below their retail price did not overcome the first sale doctrine, and dismissing the suit for failure to state a claim for allegations of trademark infringement, unfair competition, or false designation of origin).

n230 See *Champion Spark Plug Co. v. Sanders*, 331 U.S. 125, 129 (1947) ("We would not suppose that one could be enjoined from selling a car whose valves had been reground and whose piston rings had been replaced unless he removed the name Ford or Chevrolet."); *Mary Kay, Inc. v. Weber*, 601 F. Supp. 2d 839, 848 (N.D. Tex. 2009).

n231 *Sebastian Int'l, Inc. v. Longs Drug Stores Corp.*, 53 F.3d 1073, 1074 (9th Cir. 1995) (*per curiam*); see also *NEC Elecs. v. CAL Circuit Abco*, 810 F.2d 1506, 1509 (9th Cir. 1987) ("Once a trademark owner sells his product, the buyer ordinarily may resell the product under the original mark without incurring any trademark law liability.").

n232 *Sebastian Int'l*, 53 F.3d at 1076; see also *Standard Process, Inc. v. Total Health Disc., Inc.*, 559 F. Supp. 2d 932, 937 (E.D. Wis. 2008).

n233 See *Sebastian Int'l*, 53 F.3d at 1076 (applying the first sale doctrine despite consumer confusion); see also *NEC Elecs.*, 810 F.2d at 1509 ("Trademark law is designed to prevent sellers from confusing or deceiving consumers about the origin or make of a product.").

n234 Barnes, *supra* note 87, at 465.

n235 KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc., 543 U.S. 111, 121 (2004) (holding that it is the plaintiff's burden to show a likelihood of confusion and that the defendant raising the affirmative defense of descriptive fair use has no independent burden to show no likelihood of confusion); see also Barnes, *supra* note 87, at 465-67.

Proof of genuineness of the goods being resold is intimately linked to the question of whether there is likely to be confusion about the source of the goods. If the goods are genuine, there can be no confusion because the trademark appearing on the goods correctly identifies the manufacturer. The plaintiff in a trademark suit clearly has the burden of showing that a likelihood of confusing arises from the defendant's conduct.

Id. at 466-67.

n236 Barnes, *supra* note 87, at 466-67.

n237 4 MCCARTHY, *supra* note 23, § 25:41.

n238 *Id.* (referencing *Patmont Motor Werks, Inc. v. Gateway Marine, Inc.*, No. C 96-2703 TEH, 1997 WL 811770, at *4 (N.D. Cal. Dec. 18, 1997), where the district court held that the "defendant could sell GO-PED trademarked motorized scooters, using that mark at defendant's Web site" because the "Web site in question . . . refers to the Go-Ped mark only to the extent necessary to identify the particular brand of scooter that he had for sale"); cf. *Volkswagenwerk Aktiengesellschaft v. Church*, 411 F.2d 350, 352 (9th Cir. 1969) (holding that "although he may advertise to the public that he repairs appellant's cars, [the appellee-defendant] must not do so in a manner which is likely to suggest to his prospective customers that he is part of Volkswagen's organization of franchised dealers and repairmen").

n239 See *Bernina of Am., Inc. v. Fashion Fabrics Int'l, Inc.*, No. 01 C 585, 2001 WL 128164, at *2 (N.D. Ill. Feb. 9, 2001) ("It is well-settled that under the 'first sale doctrine,' an independent dealer may use a manufacturer's trademark to re-sell that brand of goods, and that such conduct does not constitute trademark infringement or unfair competition. However, 'one who resells trademark goods is obligated to do so in a manner that is not likely to cause confusion or imply that the seller is associated with the manufacturer.'" (citations omitted) (quoting *Quill Corp. v. NADA Scientific Ltd.*, No. 97 C 7461, 1998 WL 295502, at *3 (N.D. Ill. May 21, 1998))); see also *Austl. Gold, Inc. v. Hatfield*, 436 F.3d 1228, 1241 (10th Cir. 2006) ("The first sale doctrine does not protect resellers who use other entities' trademarks to give the impression that they are favored or authorized dealers for a product when in fact they are not."); 4 MCCARTHY, *supra* note 23, § 25:41.

n240 See generally Lemley & McKenna, *supra* note 16, at 444-45. Professors Mark Lemley and Mark McKenna propose importing into trademark law the materiality requirement courts have created in the false advertising context and applying it in any case based on confusion that does not relate to source or control over quality.

Plaintiffs bringing cases then would face a choice: (1) bring a trademark infringement claim and be required to prove confusion regarding actual source or responsibility for the quality of the defendant's goods or services; or (2) bring a false advertising-type claim alleging that the use causes some other form of confusion and be required to prove confusion about that relationship and that such confusion materially affects consumers' decisions whether to purchase the defendant's goods or services.

Id. at 446.

n241 4 MCCARTHY, *supra* note 23, § 25:41 (quoting *Osawa & Co. v. B & H Photo*, 589 F. Supp. 1163, 1173-74 (S.D.N.Y. 1984)).

n242 See, e.g., *Austl. Gold, Inc.*, 436 F.3d at 1240-41 (regarding a website); *Sebastian Int'l, Inc. v. Longs Drug Stores Corp.*, 53 F.3d 1073, 1076 (9th Cir. 1995) (*per curiam*) (regarding a pharmacy).

n243 Lemley & McKenna, *supra* note 14, at 152-53.

n244 See Goldman, *supra* note 14, at 587; Lemley & McKenna, *supra* note 16, at 448-49; *supra* Part I.C;

n245 See Lemley & McKenna, *supra* note 14, at 188. Professors Lemley and McKenna provide a two part test:

Trademark plaintiffs should have to demonstrate (1) that their injury flows from confusion about the actual source of the defendant's goods or about who is responsible for the quality of those goods, or (2) that the defendant's use causes confusion about some other relationship that is material to consumer purchasing decisions.

Id.

n246 See *id.*

n247 *Thompson v. N. Am. Stainless, LP*, 520 F.3d 644, 650 (6th Cir.) (Griffin, J., dissenting) (stating that courts tend to "legislate from the bench" only to implement what they believe is the intent of Congress), vacated, No. 07-5040, 2008 WL 6191996 (6th Cir. July 28, 2008).

Were judges empowered to revise and amend statutes to further what we believe to be the "purpose" of the law, there would be no limit on judicial legislation and little need for Congress. Recognizing the consequences of such unbridled judicial forays into the legislative sphere, the Supreme Court has admonished "time and again that a legislature says in a statute what it means and means in a statute what it says there."

Id. (quoting *Arlington Cent. Sch. Dist. Bd. of Educ. v. Murphy*, 548 U.S. 291, 296 (2006)).

n248 Grynberg, *supra* note 18, at 970.

n249 Cf. Lemley & McKenna, *supra* note 16, at 450 ("The law should require that trademark owners claiming infringement based on confusion regarding anything other than source or responsibility for quality must demonstrate the materiality of that confusion to consumer

purchasing decisions.").

n250 Grynberg, *supra* note 18, at 962.

n251 See *S&L Vitamins, Inc. v. Austl. Gold, Inc.*, 521 F. Supp. 2d 188, 202 (E.D.N.Y. 2007) ("Although the first sale doctrine traditionally applies as a defense to copyright infringement claims, courts have recognized it as a restraint on trademark infringement claims as well.").

n252 17 U.S.C. § 109(a) (2006). The Copyright Act is succinct in its first sale exception:

Notwithstanding the provisions of section 106(3) [the owner's exclusive right of distribution], the owner of a particular copy or phonorecord lawfully made under this title . . . is entitled, without the authority of the copyright owner, to sell or otherwise dispose of the possession of that copy or phonorecord.

Id.

n253 See *Louis Vuitton Malletier, S.A. v. Akanoc Solutions, Inc.*, 658 F.3d 936, 939-40 (9th Cir. 2011); *Zobmondo Entm't, LLC v. Falls Media, LLC*, 602 F.3d 1108, 1112 (9th Cir. 2010); *Halicki Films, LLC v. Sanderson Sales & Mktg.*, 547 F.3d 1213, 1216-17 (9th Cir. 2008); *JCW Invs., Inc. v. Novelty, Inc.*, 509 F.3d 339, 341 (7th Cir. 2007); *Luv N' Care, Ltd. v. Insta-Mix, Inc.*, 438 F.3d 465, 468 (5th Cir. 2006); see also Kevin L. Murch, Comment, *Cybercourt: Copyright and Trademark Law on the Information Superhighway*, 24 CAP. U. L. REV. 809, 818-19 (1995).

n254 See *supra* notes 51-65 and accompanying text.

n255 See 15 U.S.C. § § 15(a)(1), 15a(1), 15c(a)(2)(A) (2006); see also Lemley & McKenna, *supra* note 16, at 446 ("Courts in antitrust cases have identified certain conduct, including conspiring to fix prices, rig bids, or divide markets, as the type of conduct experience has shown harms competition in most cases.").

n256 See, e.g., CAL. CIV. PROC. CODE § § 425.16(a), (b)(1), (c)(1) (West 2012).

Anti-SLAPP actions; motion to strike; discovery; remedies

(a) The Legislature finds and declares that there has been a disturbing increase in lawsuits brought primarily to chill the valid exercise of the constitutional rights of freedom of speech and petition for the redress of grievances . . . and that it is in the public interest to encourage continued participation in matters of public significance, and that this participation should not be chilled through abuse of the judicial process. . . . [Therefore:]

(b)(1) A cause of action against a person arising from any act of that person in furtherance of the person's right of petition or free

speech under the United States Constitution or the California Constitution in connection with a public issue shall be subject to a special motion to strike and

* * *

(c)(1) . . . a prevailing defendant on a special motion to strike shall be entitled to recover his or her attorney's fees and costs.

Id.

n257 See, e.g., 17 U.S.C. § 512(f) (2006) ("Any person who knowingly materially misrepresents under this section . . . that material or activity is infringing . . . shall be liable for any damages, including costs and attorneys' fees, incurred by the alleged infringer . . . who is injured by such misrepresentation.").

n258 Though it would do little to prevent the sending of threatening cease-and-desist letters, this matter is a problem faced by copyright and patent defendants as well and not an issue that will be discussed in this Article. See Marketa Trimble, *Setting Foot on Enemy Ground: Cease-and-Desist Letters, DMCA Notifications and Personal Jurisdiction in Declaratory Judgment Actions*, 50 IDEA 777, 786-87 (2010).

n259 Lunney, *supra* note 19, at 385. Cf. Grynberg, *supra* note 18, at 963 ("Congress could . . . give judges explicit authority to devise and apply flexible defenses to trademark liability when circumstances warrant. In much the same way Congress amended the Copyright Act to incorporate the fair use doctrine, previously a common law creation, it could legislate a similarly open-ended standard for judges to apply in the trademark realm. Alternatively, Congress could follow the model of the FTC Act and create a standard that contains some guidance for courts to follow in determining whether to excuse purportedly infringing conduct." (footnote omitted)).

n260 Rothman, *supra* note 14, at 140 (footnote omitted).

n261 Lunney, *supra* note 19, at 478; see also *id.* at 483 ("Similarly, confusion as to endorsement can be actionable, but only if the factual situation is one where endorsement is typically found and likely to influence consumer buying.").

n262 *Strange Music, Inc. v. Strange Music, Inc.*, 326 F. Supp. 2d 481, 492 (S.D.N.Y. 2004) (stating that "due to the ease with which the consumer could return to the search results posted by the search engine . . . so called internet initial confusion requires a showing of intentional deception on the part of the defendant before imposing liability").

n263 See, e.g., Lemley & McKenna, *supra* note 16, at 448 (proposing that sponsorship or affiliation confusion should only be actionable if "they (1) are false or misleading and (2) materially affect consumer decisions").

n264 See Goldman, *supra* note 14, at 522-24 (discussing how search users can have a variety of reasons for the use of trademark search terms, including finding distribution sources other than those authorized by the mark owner).

n265 543 U.S. 111 (2004).

n266 *Id.* at 121-22.

n267 Yet, for Amy Weber, it is not!

n268 See Grynberg, *supra* note 18, at 907-08.

n269 *De Beers LV Trademark Ltd. v. DeBeers Diamond Syndicate, Inc.* 440 F. Supp. 2d 249, 274 (S.D.N.Y. 2006) (quoting *Star Indus., Inc. v. Bacardi & Co. Ltd.*, 412 F.3d 373, 384 (2d Cir. 2005)).

n270 Rothman, *supra* note 14, at 140.

n271 354 F.3d 1020 (9th Cir. 2004).

n272 *Id.* at 1034-35 (Berzon, J., concurring).

n273 See *supra* notes 5-12, 124-127, and accompanying text.

n274 See *Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1062, 1065 (9th Cir. 1999).

n275 See *Mary Kay, Inc. v. Weber*, 601 F. Supp. 2d 839, 858-59 (N.D. Tex. 2009).

n276 See Rothman, *supra* note 14, at 169-70.

n277 *McCann v. Newman Irrevocable Trust*, 458 F.3d 281, 287 (3d Cir. 2006) ("A presumption in a civil case imposes the burden of production on the party against whom it is directed[.]").

n278 539 U.S. 23 (2003).

n279 *Id.* at 32-33.

n280 See Sharrock, *supra* note 94, at 65-66.

n281 Lemley & McKenna, *supra* note 16, at 437-38 (emphasis omitted).

n282 *Id.* at 438-42.

n283 Lunney, *supra* note 19, at 486.

n284 See Grinvald, *supra* note 14, at 657-58.

n285 See, e.g., *In re "Agent Orange" Prod. Liab. Litig.*, 100 F.R.D. 718, 721 (E.D.N.Y. 1983) (noting that class "certification may encourage settlement of the litigation. In a situation where there are potentially tens of thousands of plaintiffs, the defendants may naturally be reluctant to settle with individual claimants on a piecemeal basis").

n286 *Gen. Tel. Co. of the Sw. v. Falcon*, 457 U.S. 147, 155 (1982) (quoting *Califano v. Yamasaki*, 442 U.S. 682, 701 (1979)).

n287 See FPX, LLC v. Google, Inc., 276 F.R.D. 543, 548, 553 (E.D. Tex. 2011); Eric Goldman, Vulcan Golf v. Google Class Certification Denied, TECH. & MKTG. LAW BLOG (Dec. 19, 2008), <http://blog.ericgoldman.org/archives/2008/12/vulcangolfvg.htm>.

n288 FED. R. CIV. P. 23(a). In addition, they must also satisfy one of the three requirements of Rule 23(b):

(1) prosecuting separate actions by or against individual class members would create a risk of:

(A) inconsistent or varying adjudications . . . or

(B) adjudications . . . that, as a practical matter, would be dispositive of the interests of the other members not parties to the individual adjudications or would substantially impair or impeded their ability to protect their interests;

(2) the party opposing the class has acted or refused to act on grounds that apply generally to the class, so that final injunctive relief or corresponding declaratory relief is appropriate respecting the class as a whole; or

(3) the court finds that the questions of law or fact common to class members predominate over any questions affecting only individual members, and that a class action is superior to other available methods for fairly and efficiently adjudicating the controversy.

FED. R. CIV. P. 23(b).

n289 1 ALBA CONTE & HERBERT W. NEWBERG, NEWBERG ON CLASS ACTIONS § 3:13 (4th ed. 2002).

n290 Who We Are, EBAY, <http://www.ebayinc.com/who> (last visited Sept. 9, 2012).

n291 1 CONTE & NEWBERG, *supra* note 289, § 3:5; see also Mullen v. Treasure Chest Casino, LLC, 186 F.3d 620, 624 (5th Cir. 1999).

n292 See Mullen, 186 F.3d at 624-25.

n293 This is known as a "notice of claimed infringement" or "NOCI" on eBay. Reporting Intellectual Property Infringements (VeRO), EBAY, <http://pages.ebay.com/help/tp/vero-rights-owner.html> (last visited Sept. 9, 2012).

N294 Wal-Mart Stores, Inc. v. Dukes, 131 S. Ct. 2541, 2551 (2011) (quoting Gen. Tel. Co. of the Sw. v. Falcon, 457 U.S. 147, 157 (1982)).

n295 First Amended Complaint at 1, 4, Kim v. Coach, Inc., No. 2:11-CV-00214 RSM (W.D. Wash. Mar. 2, 2011).

n296 *Id.* at 2.

n297 Complaint for Damages Class Action Alleged at 3-5, *Kim v. Coach, Inc.*, No. 2:11-CV-00214 RSM (W.D. Wash. Feb. 8, 2011).

n298 *Id.* at 5-6.

n299 *Id.* at 5. Although her lawsuit continues, Gina Kim has since dropped her class allegation. See Order Granting Defendants' Motion to Strike Class Allegations, *Kim v. Coach, Inc.*, No. C11-214-RSM (W.D. Wash. June 6, 2011) (granting motion with Ms. Kim's consent).

n300 The same factual scenario throughout the class may satisfy the commonality requirement. See *Wal-Mart Stores, Inc. v. Dukes*, 131 S. Ct. 2541, 2549-51 (2011).

n301 *Id.* at 2551.

n302 254 F.R.D. 521 (N.D. Ill. 2008).

n303 *Id.* at 525 (noting that "a common nucleus of operative fact" meets the commonality requirement (quoting *Rosario v. Livaditis*, 963 F.2d 1013, 1018 (7th Cir. 1992))).

n304 *Id.* Ultimately, the class of plaintiffs was not certified, however. Among other reasons, the court found that, under Rule 23(b)(3), individual issues predominated over the questions of law or fact common to class members. *Id.* at 525, 527, 534.

n305 Complaint & Demand for Jury Trial, *Righthaven LLC v. BuzzFeed, Inc.*, No. 11-cv-00811-JLK (D. Colo. Mar. 30, 2011).

n306 *Id.* <para><para> 27-31, 47-48.

n307 Defendants' Answer & Counterclaims & Class Action Counterclaim <para> 4, Righthaven LLC v. Buzzfeed, Inc., No. 11-cv-00811-JLK (D. Colo. May 16, 2011).

n308 Id. <para><para> 4-5. The district court ultimately dismissed this lawsuit in a minute order on March 20, 2012. See Minute Order, Righthaven LLC v. Buzzfeed, Inc., No. 1:11-cv-00811-JLK (D. Colo. Mar. 20, 2012). The court had found in a related case that Righthaven lacked standing to sue for copyright infringement. Righthaven LLC v. Wolf, 813 F. Supp. 2d 1265, 1273 (D. Colo. 2011).

n309 Gina Kim ultimately withdrew her motion to certify the class, but these Authors consider the question "to be continued." See Plaintiff's Statement of Non-Opposition to Defendant's Motion to Strike Class Allegations, Kim v. Coach, Inc., No. 2:11-CV-00214 RSM (W.D. Wash. May 2, 2011); Order Granting Defendants' Motion to Strike Class Allegations, supra note 299. It is only a matter of time before another class action is proposed.

n310 See Wal-Mart Stores, Inc. v. Dukes, 131 S. Ct. 2541, 2551 (2011).

n311 See, e.g., First Amended Complaint, supra note 295, at 5.

n312 See Defendants' Answer & Counterclaims & Class Action Counterclaim, supra note 307, <para> 4.

n313 17 U.S.C. § 505 (2006).

n314 15 U.S.C. § 1117(a) (2006).

n315 Yankee Candle Co. v. Bridgewater Candle Co., 140 F. Supp. 2d 111, 120 (D. Mass. 2001); see also 5 MCCARTHY, supra note 23, § 30:101.

n316 Nightingale Home Healthcare, Inc. v. Anodyne Therapy, LLC, 626 F.3d 958, 960, 963-64 (7th Cir. 2010). But he later called the issue of defining terms a "kind of pseudo-conflict among circuits" and noted that "different legal definitions of the same statutory language . . . probably don't generate different outcomes." Jendusa-Nicolai v. Larsen, 677 F.3d 320, 322-23 (7th Cir. 2012).

n317 *Nightingale Home Healthcare*, 626 F.3d at 963.

n318 Compare *Stephen W. Boney, Inc. v. Boney Servs., Inc.*, 127 F.3d 821, 827 (9th Cir. 1997) (noting that "Section 35(a) of the Lanham Act . . . requires exceptional circumstances" such as bad faith) with *Tamko Roofing Prods., Inc. v. Ideal Roofing Co.*, 282 F.3d 23, 32 (1st Cir. 2002) (explaining that "willfulness short of bad faith or fraud will suffice" in exceptional cases). Ordinarily district courts have discretionary authority to award attorneys' fees when a party has "acted in bad faith, vexatiously, wantonly, or for oppressive reasons." *Chambers v. NASCO, Inc.*, 501 U.S. 32, 45-46 (1991). That authority has been held not to apply to Lanham Act claims, however. *Nightingale Home Healthcare*, 626 F.3d at 964-65 (citing *Fleischmann Distilling Corp. v. Maier Brewing Co.*, 386 U.S. 714 (1967)). In addition to the fee-shifting provided in the Lanham Act, sanctions are available. "Any attorney . . . who so multiplies the proceedings in any case unreasonably and vexatiously may be required by the court to satisfy personally the excess costs, expenses, and attorneys' fees reasonably incurred because of such conduct." 28 U.S.C. § 1927 (2006); accord *Waymark Corp. v. Porta Sys. Corp.*, 334 F.3d 1358, 1365 (Fed. Cir. 2003).

n319 " To bring a frivolous claim in order to obtain an advantage unrelated to obtaining a favorable judgment is to commit an abuse of process." *Nightingale Home Healthcare*, 626 F.3d at 966.

n320 See *supra* note 15 and accompanying text.

n321 See *Lemley & McKenna*, *supra* note 14, at 187.

n322 See *supra* Part IV.A.

n323 *Fox Film Corp. v. Doyal*, 286 U.S. 123, 127-28 (1932) ("The sole interest of the United States and the primary object in conferring the monopoly lie in the general benefits derived by the public from the labors of authors. A copyright, like a patent, is 'at once the equivalent given by the public for benefits bestowed by the genius and meditations and skill of individuals, and the incentive to further efforts for the same important objects.'" (quoting *Kendall v. Winsor*, 62 U.S. (21 How.) 322, 328 (1858))). See generally Mark A. Lemley, *Property, Intellectual Property, and Free Riding*, 83 TEX. L. REV. 1031, 1031, 1072 (2005); Mark A. Lemley, *The Economics of Improvement in Intellectual Property Law*, 75 TEX. L. REV. 989, 1042-44 (1997) ("The property rights theory of intellectual property is rooted in many of the same economic traditions as incentive theory, but its focus is on the ability of intellectual property ownership to force the efficient use of inventions and creations through licensing.").

n324 See *Lemley & McKenna*, *supra* note 14, at 185.

n325 See generally *Sebastian Int'l, Inc. v. Longs Drug Stores Corp.*, 53 F.3d 1073, 1076 (9th Cir. 1995) (per curiam) (explaining first sale doctrine as it relates to brick and mortar stores).

n326 17 U.S.C. § 109(a) (2006); see also *id.* § 106(3).

n327 See, e.g., *Quanta Computer, Inc. v. LG Elecs., Inc.*, 553 U.S. 617, 625 (2008) ("The longstanding doctrine of patent exhaustion provides that the initial authorized sale of a patented item terminates all patent rights to that item."); *B. Braun Med., Inc. v. Abbott Labs.*, 124 F.3d 1419, 1426 (Fed. Cir. 1997) ("An 'unconditional sale of a patented device exhausts the patentee's right to control the purchaser's use of the device' thereafter." (quoting *Mallinckrodt, Inc. v. Medipart, Inc.*, 976 F.2d 700, 706 (Fed. Cir. 1992))).

n328 See *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 33-34 (2003).

n329 See Lemley & McKenna, *supra* note 14, at 189 ("It is not trademark law's role to backstop copyright protection to ensure that the author captures all of the value of a work. Copyright leaves certain uses open for a reason.").

n330 See *supra* notes 144-160 and accompanying text.

n331 *Dastar*, 539 U.S. at 34 (citing *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 29 (2001)).

n332 *Id.* at 33-34 (citation omitted).

n333 *Id.* at 34; see *Sebastian Int'l, Inc. v. Longs Drug Stores Corp.*, 53 F.3d 1073, 1075 (9th Cir. 1995) (per curiam).

n334 See *supra* notes 131-135 and accompanying text.

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Racing Post

October 12, 2003, Sunday

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BYLINE: NICK GODFREY

SECTION: FEATURES; Pg. 14

LENGTH: 942 words

Changes in the air? Plumpton and other jump tracks are bracing themselves

AN enjoyable trip to Plumpton on Monday for a card short on both quantity and quality served to highlight a few issues of the day.

Jumps enthusiasts - in Britain, if not in Ireland - see demons everywhere. While some of the fears may be exaggerated, it would take a brave person indeed to suggest they are without foundation.

After all, they can point to the death of jumping at Nottingham and Windsor, and Kempton's having been prepared seriously to consider ditching the King George.

They fear the intervention of the OFT and bookmakers calling the tune; they fear the effect of the downturn in the rural economy; they fear global warming making safe ground hard to come by at numerous venues; and they fear the all-weather, which means fewer horses going jumping, and offers a powerful winter alternative.

While the likes of Cheltenham and Aintree will not have too much to worry about, complacency elsewhere is not an option. Not many tracks want to become glorified point-to-points - but, as Paul Haigh suggested in yesterday's brilliant effort, the sort of embarrassing cards on offer across a range of Britain's jump tracks recently do not table a persuasive argument for continued success. Put three or four of these together and you might get a decent meeting; taken individually, they resemble apologetic excuses. Given such dubious-looking attractions', is it any wonder jump racing has its problems?

And so to Plumpton on Monday, which demonstrated low-level jumping in all its glory - and that's both good and bad.

No-one could pretend that the card looked particularly enticing - fast ground, only 39 runners and more than one short-priced favourite lent certain events an unattractive hue.

Although, as a journalist, I am spared the entry fee, these fast-ground fields will never put bums on seats. (Though free entry, it appears, does: witness the success at the re-nascent Towcester.)

The relative lack of competition cannot have done too much for off-course turnover, and "brisk" might not have been the adjective of choice to describe the level of on-course business, where someone taking a pounds 50 note out of their wallet was enough for Cristoforo to be sent off 9-4 favourite from 9-2 in places. (Okay, the pounds 50 may have come

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Few of the small-field events provided much of a spectacle in terms of tight finishes or displays of equine class. Quite the opposite in most cases.

And there was the presence of the Countryside Alliance as main sponsors, demonstrating a remarkable level of support with a silent auction featuring 35 lots, mainly of the hunting, shooting and fishing variety.

Although racing should gain enormous benefit from its massive bedrock of support in rural areas, the dangers of this continued hand-in-glove association should be obvious. Racing is a vastly different beast to other, more widely unpopular pastimes; otherwise, it would have rather more than the OFT to think about.

Nevertheless, from such dismal antecedents, the day somehow managed to conjure a compelling reminder of the virtues of many a minor meeting.

Consider the opener at Plumpton and the aforementioned

Curley-inspired gamble. Intrigue enough on its own as the trainer - a man whose very presence still turns heads - turned up on course to monitor operations.

There was much to examine in the race itself as well, as there usually is in even the most depressing of contests. Saddlers' Quest did such a good job as pacemaker that he might as well have been the winner's stablemate, and Cristoforo's rider Paul Moloney was cute enough to ensure he was in the right place to capitalise as the front-runner, inevitably, folded. It had been set up perfectly for him, and, with the money down, the bacon was duly brought home.

The highlight of the rest of the afternoon was yet another masterclass from Tony McCoy, who recorded a hat-trick with the sort of performances that we all take for granted.

The champion's victories on novice chaser Themanfromcarlisle and stayer Pessimistic Dick were similar, typically urgent rides of the sort that have become his trademark, bullying and bold.

Patience was the key to his third winner, Blue Streak, settled a little off a decent pace before coming through to score in convincing fashion. Great stuff, and it is worth considering in how many sports you can witness the top performer of his era at such close quarters. It is like seeing David Beckham beating the keeper at Sutton United; the sort of thing that could never happen in football happens daily in racing.

Perhaps the OFT is full of Thatcherite free-market ideologues, but simply demonising such a robust body seems an unhelpful response. Change can be for the better: in many areas, it may offer an opportunity for some long-overdue shaping up.

For some, though, it could also mean shipping out. Despite Plumpton's obvious agricultural situation, the Sussex track has always appeared to benefit from a wider constituency than might be imagined, with a fair influx of day-trippers mixing happily alongside its stout defenders in the rural community.

Such a lively mix is an advantage in the face of the various perceived threats, as, of course, are its friends in high places - Peter Savill is racecourse chairman. Whether it will be enough if the doomsday soothsayers are right, or whether other tracks are quite as well placed, remains to be seen.

That, presumably, is what everyone is so worried about.

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There was much to examine in the race itself as well, as there usually is in even the most depressing of contests. Saddlers' Quest did such a good job as pacemaker that he might as well have been the winner's stablemate, and Cristoforo's rider Paul Moloney was cute enough to ensure he was in the right place to capitalise as the front-runner, inevitably, folded. It had been set up perfectly for him, and, with the money down, the bacon was duly brought home.

The highlight of the rest of the afternoon was yet another masterclass from Tony McCoy, who recorded a hat-trick with the sort of performances that we all take for granted.

The champion's victories on novice chaser Themanfromcarlisle and stayer Pessimistic Dick were similar, typically urgent rides of the sort that have become his trademark, bullying and bold.

Patience was the key to his third winner, Blue Streak, settled a little off a decent pace before coming through to score in convincing fashion. Great stuff, and it is worth considering in how many sports you can witness the top performer of his era at such close quarters. It is like seeing David Beckham beating the keeper at Sutton United; the sort of thing that could never happen in football happens daily in racing.

Perhaps the OFT is full of Thatcherite free-market ideologues, but simply demonising such a robust body seems an unhelpful response. Change can be for the better: in many areas, it may offer an opportunity for some long-overdue shaping up.

For some, though, it could also mean shipping out. Despite Plumpton's obvious agricultural situation, the Sussex track has always appeared to benefit from a wider constituency than might be imagined, with a fair influx of day-trippers mixing happily alongside its stout defenders in the rural community.

Such a lively mix is an advantage in the face of the various perceived threats, as, of course, are its friends in high places - Peter Savill is racecourse chairman. Whether it will be enough if the doomsday soothsayers are right, or whether other tracks are quite as well placed, remains to be seen.

That, presumably, is what everyone is so worried about.

LOAD-DATE: October 12, 2003

NICK GODFREY ON SUNDAY: MUSING OVER JUMPING'S SHAKY FUTURE ON DAY OUT AT PLUMPTON
SHOWS THAT LOWLY FARE.. Racing Post October 12, 2003, Sunday

LANGUAGE: English

PUB-TYPE: Paper

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TAKING DOWN TRADEMARK BULLYING: SKETCHING THE CONTOURS OF A TRADEMARK NOTICE AND TAKEDOWN STATUTE

NAME: Jason R. Brege+; Kelli A. Ovies++

BIO:

+ Smith, Anderson, Blount, Dorsett, Mitchell & Jernigan, L.L.P., Raleigh, North Carolina. B.A. Physics and Mathematics (magna cum laude), Vanderbilt University (2002); J.D., University of Virginia School of Law (2006).

++ Smith, Anderson, Blount, Dorsett, Mitchell & Jernigan, L.L.P., Raleigh, North Carolina. B.A. Journalism and Mass Communication and German (with highest honors), University of North Carolina at Chapel Hill (2000); J.D., Duke University (2006).

LEXISNEXIS SUMMARY:

... While the Digital Millennium Copyright Act ("DMCA") provides for uniform, non-litigation mechanisms for pursuit and defense of claims of copyright infringement on the internet through a structured "notice and takedown" system ("NTS"), no such mechanism exists for trademark infringement. ... Facebook, applying its policies, shuts down Apple's Facebook page, disabling its user account, and deleting all connections to "friends" and users who "like" Apple. 4. ... Instead, disputes regarding alleged online trademark infringement are governed by one or more of the following sources, none of which is comprehensive, broadly applicable, or drafted to address the unique issues present in online trademark infringement. ... EVALUATING PROPOSED TRADEMARK NOTICE-AND-TAKEDOWN STATUTES In order to effectively evaluate proposals regarding a trademark NTS, we suggest the following analytical framework, which begins by defining a broad spectrum of constituencies who potentially may assert or infringe trademark rights: Potential Asserters of Trademark Rights Purported Infringers of Trademark Rights Holds registered "Famous Mark" ("FM"), Seller of counterfeit goods clear basis for trademark ("TM") claim Holds registered trademark, clear basis for Other infringer, clear TM claim infringing action Holds registered "Famous Mark" ("FM"), Other infringer, unclear unclear basis for TM claim infringing action Holds registered trademark, unclear basis for Potentially similar mark, TM claim same class of use Holds common law trademark only Similar mark, different class of use Holds no trademark Fair use users Spurious/frivolous holder of trademark Legitimate seller of authentic goods Because a trademark NTS mediates disputes amongst parties, it is useful to evaluate such system's application to disputes between various combinations of the above constituencies. ... The Mostert and Schwimmer proposal and article, however, primarily focus on disputes similar to the Oakley scenario--namely enforcement by a famous mark holder against counterfeiters in an online auction/marketplace forum. ... Thus, it might encourage more trademark owners to take steps to protect their trademark rights in the face of the type of clear-cut infringement that trademark laws seek to combat.

TEXT:

[*392] I. INTRODUCTION

"We have removed or disabled access to the following content that you have posted on Facebook because we received a notice from a third party that the content infringes or otherwise violates their rights: [insert your Facebook page name here]." For many college or high school students, such a message might result in social angst at losing access to a primary means of communication. In an increasingly socially-interconnected business world, however, a business receiving such a message stands to lose much more: "friends," "likes," connections, customers, reputation, and ultimately, revenue. The means by which access to a business's online content may be curtailed by online intermediaries ("OIs")ⁿ¹ vary immensely, but often arise out of an alleged breach of a third party's copyrights or trademarks.ⁿ² While the Digital Millennium Copyright Act ("DMCA")ⁿ³ provides for uniform, non-litigation mechanisms for pursuit and defense of claims of copyright infringement on the internet through a structured "notice and takedown" system ("NTS"), no such mechanism exists for trademark infringement. Businesses attempting to enforce trademarks or defend against alleged infringement are left at the whim of OIs' varying policies and procedures in a "race to the bottom" whereby OIs seek (perhaps arbitrarily) to protect themselves from being construed as trademark infringers or being held liable on a contributory basis for user infringement,ⁿ⁴ all without regard for the merits (or lack thereof) underlying the assertion or defense of trademark rights by users and third parties.

The following four fictional scenarios (based on actual events) demonstrate the wide-ranging effects of OIs' responses to trademark disputes on the Internet:

[*393] 1. Oakley notices that counterfeit sunglasses bearing the OAKLEY logo are being sold by an eBay reseller. Oakley notifies eBay of the infringement and eBay, applying its policies, shuts down the reseller's site selling the counterfeit sunglasses, disabling the reseller's user account.ⁿ⁵

2. Small Business 1 ("SB1"), which holds a service mark registration for GREEN in connection with services described as "garden design," competes with Small Business 2 ("SB2"), which holds a trademark registration for GREENBOX in connection with goods described as "raised garden planters." SB1 notifies SB2's ISP that SB2's use of GREENBOX infringes upon SB1's service mark. The ISP, applying its policies, shuts down SB2's webpage.ⁿ⁶

3. Joe Smith, upset about buying an iPhone 4S for full price on the eve of the launch of the iPhone 5, frivolously and falsely notifies Facebook that Apple's Facebook page is infringing his non-existent trademarks. Facebook, applying its policies, shuts down Apple's Facebook page, disabling its user account, and deleting all connections to "friends" and users who "like" Apple.ⁿ⁷

4. High Fashion Designer ("HFD") notices that a high number of its handbags bearing its trademarks are being legitimately resold in the secondary market by resellers. HFD, in order to curtail such resale and augment direct sales, notifies eBay, and eBay, applying its policies, shuts down each reseller's site, disabling each of their user accounts.ⁿ⁸

This Essay uses the above scenarios to illustrate the breadth of potential disputes that should be mediated by an effective trademark NTS. In addition, an examination of several threshold points **[*394]** regarding the scenarios is instructive. First, the Oakley, Apple, and HFD disputes above elicit a normative response applying trademark laws--Oakley "should" be able to shut down counterfeiters, Apple "should not" be affected by frivolous trademark assertions, and HFD "should not" be able to assert its trademarks as "trademark bullying" against legitimate secondary market sellers. However, it is only in the Oakley example that the OIs' action of shutting down the site results in a normative outcome.ⁿ⁹ If the OIs' default policies instead were to "do nothing,"ⁿ¹⁰ then the Apple and HFD examples would result in normative outcomes, and the Oakley example would result in an incorrect outcome. Second, regardless of the default action by the OI, the Small Business dispute may require a context-specific analysis to achieve a normative result consistent with the application of trademark laws. Trademark NTS structures should be designed to achieve the normative result as frequently and consistently as possible across a broad spectrum of potential disputes

without undue effort by OIs.

As discussed further below, others have recognized the need for a uniform, non-litigation trademark NTS, generally offering proposals that, like the DMCA, establish a "safe harbor" for OIs as long as they follow certain steps in response to a notice of infringement. This is a critical underlying incentive that ensures widespread adoption and consistency, but designing a trademark NTS around the needs of OIs, or any other single constituency or normative goal of trademark law, misses the subtle distinctions inherent in online trademark disputes. In this Essay, we propose a broadly applicable framework (for which our four scenarios serve as archetypical examples) with which to evaluate proposed trademark NTSs and then briefly apply that framework to several existing proposals. Before introducing our framework, however, we briefly highlight the existing laws in the area of trademark takedown and contrast them with the DMCA. ⁿ¹¹

[*395] II. PROSECUTING & DEFENDING CLAIMS OF ONLINE TRADEMARK INFRINGEMENT

Unfortunately, the law provides no uniform, non-litigation recourse for those who want to prosecute or defend claims of trademark infringement on the internet. Instead, disputes regarding alleged online trademark infringement are governed by one or more of the following sources, none of which is comprehensive, broadly applicable, or drafted to address the unique issues present in online trademark infringement.

The Common Law and the Lanham Act. ⁿ¹² Trademark owners can pursue common law trademark infringement claims in state court under state law, regardless of whether the mark at issue is federally registered. ⁿ¹³ However, owners of federally registered marks also can pursue federal trademark infringement claims in federal court under Section 32 of the Lanham Act. ⁿ¹⁴ Although owners of unregistered marks cannot bring federal infringement claims, ⁿ¹⁵ the federal courts are not completely closed to them. ⁿ¹⁶ Regardless of the basis or venue, however, litigation is expensive and time-consuming, making it undesirable and simply out of reach for many parties.

Moreover, although the Lanham Act has a provision specifically directed to online trademark use, its scope is limited to the use of a [*396] domain name that is identical or confusingly similar to, or, in the case of a famous mark, dilutive of, another person's mark. ⁿ¹⁷ Mark owners also have made extensive use of dilution claims under Lanham Act Section 43(c) ⁿ¹⁸ against persons using their mark, or a variation of it, as a domain name. ⁿ¹⁹ Unfortunately, neither of these provisions is useful in the context of other potentially infringing online trademark uses.

ICANN. The Internet Corporation for Assigned Names and Numbers ("ICANN"), which administers the internet name and address system on a global level, has an alternative dispute resolution policy, the Uniform Domain-Name Dispute Resolution Policy ("UDRP"), that governs domain name conflicts. ⁿ²⁰ Like the Lanham Act provisions discussed in the preceding paragraph, however, the ICANN dispute resolution policy does not address all forms of online trademark infringement.

Website Terms and Conditions and Other Policies. In the absence of regulation, many OIs have terms and conditions and other policies that generally prohibit their users from infringing the intellectual property rights of others and provide for removal of infringing content. Sometimes, these terms and conditions prescribe procedures for mark owners to send notice of such infringement and for alleged infringers to challenge the notice. ⁿ²¹ While these policies help fill the void left by the other sources discussed above, they also often create the opportunity for a "self-help end-around" of court proceedings. ⁿ²²

[*397] Conspicuously absent from the above list is the DMCA and its NTS. ⁿ²³ As its name would imply, however, the DMCA applies only to instances of alleged copyright infringement. ⁿ²⁴ There is no statutory equivalent in the Lanham Act. ⁿ²⁵ Thus, trademark owners who seek to protect their marks from infringement, and parties who have been accused of online infringement, are left to fend for themselves and fashion a remedy using one of the blunt instruments described above, or even attempt to shoe-horn their claims into the DMCA's NTS. As described above, this uncertainty and lack of uniformity encourages trademark bullying and other sub-optimal results because OIs receiving takedown notices regarding infringing content are inclined simply to protect themselves by removing the content

indefinitely and leaving the involved parties to resolve their dispute.ⁿ²⁶ This amounts to a pro-plaintiff legal regime where the party who shoots first wins,ⁿ²⁷ especially in cases in which an innocent party does not have the resources to hire counsel to challenge false accusations of trademark infringement.

III. THE DIGITAL MILLENNIUM COPYRIGHT ACT

Congress enacted the DMCA in part to "provide certainty for copyright owners and Internet service providers with respect to [*398] copyright infringement liability online" by "clarif[ying] the liability faced by service providers who transmit potentially infringing material over their networks."ⁿ²⁸ Accordingly, the DMCA has two main components. First, it provides a "safe harbor" for an OI whose service hosts or transmits infringing work, but only if the OI meets certain statutory requirements.ⁿ²⁹ Second, the DMCA provides a mechanism by which a copyright owner can give an OI notice that it is hosting infringing material.ⁿ³⁰ Upon receipt of such a notice, the OI must "respond[] expeditiously to remove, or disable access to, the material that is claimed to be infringing or to be the subject of infringing activity."ⁿ³¹ The OI then must take "reasonable steps" to notify the owner of the allegedly infringing content that the content has been removed or rendered inaccessible.ⁿ³²

Unlike the procedures typically followed by many OIs in cases of alleged trademark infringement,ⁿ³³ the DMCA gives the accused infringer an opportunity to "counter notify" the OI if it believes the removal of its content is in error.ⁿ³⁴ The DMCA also, however, provides a ten-to-fourteen business day period in which the content will not be restored in anticipation of the accuser instituting legal action.ⁿ³⁵ Accordingly, commentators have criticized the DMCA for being pro-accuser.ⁿ³⁶ This lack of attention to the competing interests of the accuser and the accused is perhaps unsurprising given the pro-OI policy underpinnings of the DMCA.

Equally unsurprising is the fact that legal scholars and other commentators have put forth suggested statutory schemes governing [*399] allegations of online trademark infringement modeled on the DMCA. Because these proposals, like the DMCA, focus on providing a "safe harbor" for OIs, their proponents, like the 105th Congress that passed the DMCA, often stop short of fully analyzing how the system will affect the broad spectrum of potential accusers and accused.

IV. EVALUATING PROPOSED TRADEMARK NOTICE-AND-TAKEDOWN STATUTES

In order to effectively evaluate proposals regarding a trademark NTS, we suggest the following analytical framework, which begins by defining a broad spectrum of constituencies who potentially may assert or infringe trademark rights:

Potential Asserters of Trademark Rights	Purported Infringers of Trademark Rights
Holds registered ⁿ³⁷ "Famous Mark" ("FM"), clear basis for trademark ("TM") claim	Seller of counterfeit goods
Holds registered trademark, clear basis for TM claim infringing action	Other infringer, clear
Holds registered "Famous Mark" ("FM"), unclear basis for TM claim ⁿ³⁸	Other infringer, unclear infringing action
Holds registered trademark, unclear basis for TM claim	Potentially similar mark, same class of use

Holds common law trademark only	Similar mark, different class of use
Holds no trademark	Fair use users
Spurious/frivolous holder of trademark	Legitimate seller of authentic goods

Because a trademark NTS mediates disputes amongst parties, it is useful to evaluate such system's application to disputes between various combinations of the above constituencies. The below matrix illustrates anticipated normative outcomes resulting from any such combination: See Chart

[*400] In the above matrix, the dark region corresponds to the clearest cases in which the normative result is an infringement determination, and a trademark NTS should establish an easy path to enable the potential asserter to curtail infringing activity. The un-shaded and dotted regions of the matrix correspond to the clearest cases in which the normative result is a determination of no infringement, and a trademark NTS should establish an easy path to enable the purported infringer to successfully counter and defend against infringement allegations. There are two general types of such cases: frivolous assertions by those holding no trademark rights whatsoever (unshaded region), and the blatant form of "trademark bullying" where legitimate holders assert their trademarks against fair use or legitimate sales (dotted region). Finally, the gray region corresponds to the difficult, context-specific cases where the normative result is unclear and would warrant further analysis or court resolution. These are the cases where unclear case law, variations between not only the marks, but also the associated goods and services, and distinctions between uses all complicate the analysis; a trademark NTS may merely establish a mechanism for identifying (rather than resolving) such cases. The scenarios presented in Part I are numbered in the matrix above, serving as archetypical examples of disputes in each of these regions, although as noted previously, with non-normative outcomes in certain instances. Clearly, the range of potential scenarios is far broader than our four examples, but we have selected each of them for the purpose of providing straightforward, yet varied, points of application for evaluating proposed trademark NTSs. ⁿ³⁹

[*401] To demonstrate application of our framework, the following two sub-parts present two proposals, and the third sub-part evaluates the proposals against each of the four scenarios.

A. The "Safe Harbor for Trademark Infringement"

In a 2009 Note in the *Berkeley Technology Law Journal*, Elizabeth K. Levin proposes a safe harbor within trademark law in line with the DMCA's goals of preserving strong incentives for OIs and trademark holders to address online infringement and limit OIs' exposure to suit. ⁿ⁴⁰ The resulting proposal is aimed at protecting online auction sites, and would incorporate the DMCA's prerequisites for safe harbor protection found in 17 U.S.C. § 512(c)(1)(A)-(C), ⁿ⁴¹ as well as eliminate any requirement that the sites "track users in a particular way or affirmatively police users for evidence of repeat infringement." ⁿ⁴² Additionally, the proposal would incorporate procedures for notification and counter-notification based on the DMCA. ⁿ⁴³ The proposal would not, however, require the service provider to wait ten to fourteen business days to restore access to the allegedly infringing material after receipt of a counter-notice. ⁿ⁴⁴ Rather it would "require the auction site to repost the listing within a slightly shorter period of time in order to encourage ISPs to repost legitimate content quickly, especially where the complaint is frivolous." ⁿ⁴⁵

B. The "Expedited Dispute Resolution Proceeding"

Frederick W. Mostert and Martin B. Schwimmer propose a two-other [*402] part, expedited dispute resolution

proceeding to filter and address online trademark disputes as efficiently as possible.ⁿ⁴⁶ The Mostert and Schwimmer proposal and article, however, primarily focus on disputes similar to the Oakley scenario--namely enforcement by a famous mark holder against counterfeiters in an online auction/marketplace forum.ⁿ⁴⁷ As noted above, we believe this category of disputes to be the clearest case where the normative result is an infringement determination--the sale of counterfeit goods strikes at fundamental goals of trademark law to provide certainty of origin and reliability of quality--and the primary question in such a case is a factual one, namely whether a good is or is not counterfeit.ⁿ⁴⁸ The other difficult context-specific questions might not arise in this category.

The first phase of the proposed proceeding is a mandatory notice and takedown/safe harbor procedure resembling the DMCA and eBay's VeRO system, followed by an arbitration phase.ⁿ⁴⁹ Notice and takedown is initiated by a trademark owner filing a short notice to an agent of the OI stating its good faith belief that a website is "offering goods that infringe its rights."ⁿ⁵⁰ Notice also includes certain information regarding the owner's rights in the trademark, basis for takedown, and other elements including the owner's verifiable contact information and a declaration under penalty of perjury.ⁿ⁵¹ The OI notifies the purported infringer, but does not immediately remove the content unless the OI has no verifiable contact information (in which case removal is automatic).ⁿ⁵² If the purported infringer fails to [*403] respond or responds inadequately, the infringing content is removed. The purported infringer may respond with a counter-notice, which must contain verifiable contact information, in which event the parties can enter into discussions or select an abbreviated arbitration proceeding. If such a counter-notice is filed, the purportedly infringing content remains online until the dispute is otherwise resolved. The system also incorporates a check against "bad faith" assertions, but looks to Rule 11 of the Federal Rules of Civil Procedure as a starting point, rather than a difficult-to-prove subjective "bad faith" standard.ⁿ⁵³

C. Evaluation of Proposals

1. Scenario 1: The Oakley Dispute

In the Oakley scenario, the owner of a registered trademark discovers blatant infringement--the offering for sale of counterfeit goods online. Here, both of the foregoing proposals would minimize the time, effort, and, therefore, money the trademark owner would expend in figuring out an initial, non-litigation remedy. Thus, it might encourage more trademark owners to take steps to protect their trademark rights in the face of the type of clear-cut infringement that trademark laws seek to combat. In particular, a framework in line with the Mostert and Schwimmer proposal might resolve many cases at the default stage, either because of lack of verifiable contact information for the purported infringer, failure to respond, or inadequate counter-notice. In the unlikely circumstance that a seller of truly counterfeit goods provided an adequate counter-notice, Oakley would have the capacity to seek more traditional legal remedies in order to achieve its desired outcome.

Note, however, that the timing of the actual takedown of the purportedly infringing content differs between the two proposals; Levin's proposal would immediately result in removed content, whereas there could be a delay (at least until default or failure to properly respond) under the Mostert and Schwimmer proposal. In the context of sales of infringing goods, especially by means of time-limited auctions, even a several day delay could result in unimpeded sales of infringing goods, and provide infringers with the ability to close up shop and reopen under another name before a takedown is successful. Accordingly, although outside the scope of this Essay, it [*404] might be worth considering context-specific takedown timing. For example, for purportedly infringing sales of counterfeit goods in an online auction site or marketplace, content removal could be immediate, but for other categories of infringement or other OIs (such as Facebook or an ISP with respect to an owned website), a delay until default or inadequate counter-notice might be more appropriate. Alternatively, there might be other mechanisms whereby OIs could manage and disincentivize users who show a repeated pattern of receiving takedown notices and closing up shop only to reopen under another guise.

2. Scenario 2: The Small Business Dispute

In the Small Business scenario, the owner of a registered trademark (SB1) discovers what might be infringement under a likelihood-of-confusion analysis. As in Scenario 1 above, because each proposal would minimize the time, effort, and money SB 1 would have to expend in figuring out an initial, non-litigation remedy, both proposals might encourage more trademark owners to take steps to protect their trademark rights. Conversely, because liability is not clear-cut in this scenario, each proposal's counter-notice provision would provide a means for an accused infringer, like SB2, to protect its rights and restore content, thereby discouraging abuse by trademark bullies seeking to take down competitors indefinitely. However, because Levin's proposal does not clearly define the amount of time that an OI must wait before restoring the content, and also does not state whether the allegedly infringing material must stay off the internet during the pendency of litigation, it is difficult to evaluate whether Levin's proposal does enough to discourage abuse. Moreover, it likewise is difficult to evaluate whether the proposed periods of downtime would be so long as to have a potentially devastating effect on SB2's business. The Mostert and Schwimmer proposal, however, would keep the content online in the event of an adequate counter-notice, preserving the status quo and enabling the parties to pursue traditional resolution methods of negotiation, arbitration or litigation.

In each of these proposals, however, there does not appear to be a mechanism that accounts for pre-existing litigation between parties involved in an online notice-and-takedown dispute, especially when the self-help takedown attempts to circumvent the impartial litigation process designed to resolve the underlying dispute. ⁿ⁵⁴ Accordingly, it [*405] might be worth considering adding a layer to the form of counter-notice, where the purported infringer can indicate that the parties are involved in pre-existing litigation or trademark opposition proceedings, which will effectively bar a takedown from occurring, absent a resolution in the litigation or opposition proceeding to the contrary.

Finally, in scenarios comparable to this Small Business scenario, we would not expect a trademark NTS to quickly and easily resolve disputes. Instead, these often will require the context-specific analyses for which court mechanisms are best suited. The role of a trademark NTS with respect to disputes of this type is primarily one of identification and filtering to ensure that the easy cases are handled via the NTS, and only the more context-specific and difficult cases reach court (assuming they do not settle on the way to the courthouse).

3. Scenario 3: The Apple Dispute

In the Apple scenario, Joe Smith makes a fraudulent claim of trademark infringement that results in Facebook disabling Apple's user account. Each of the proposals would incorporate a notice procedure that includes verifiable contact information for the infringer and a declaration under penalty of perjury. Provisions such as these could prove useful in deterring would-be accusers such as Joe Smith. Additionally, Levin's proposal would afford Apple with a chance to send a counter-notice that could trigger Facebook's obligation to restore the account if no legal action is commenced. However, as noted in the analysis of Scenario 2 above, Levin's proposal does not identify the duration for which content is rendered inaccessible or whether such duration would effectively prevent trademark bullies, large and small, from achieving the desired effect of harming a business. The Mostert and Schwimmer proposal, on the other hand, would not have removed Apple's content in the first place.

Although remedies for a "bad faith" assertion (as might be implicit in Levin's proposal or covered by reference to Rule 11 of the Federal Rules of Civil Procedure in the Mostert and Schwimmer proposal) exist, it is not entirely clear whether such remedies offer a significant enough disincentive for frivolous accusers. It might be worth considering in this case, as in the analysis of Scenario 1 above, context-specific takedown timing with respect to accusers alleging infringement by holders of famous marks, which could provide a thumb on the scale in order to ensure that a likely frivolous accusation does not result in an automatic takedown of a "famous mark"-related website. Alternatively, filtering mechanisms could weed out frivolous assertions, if directed towards verification of a potential asserter's [*406] identity or verification of existing trademark rights, certain of which could be automated or centralized. ⁿ⁵⁵

4. Scenario 4: The High Fashion Designer Dispute

In the High Fashion Designer scenario, the owner of a registered trademark discovers a fair use of its mark in

connection with resales online, but attempts to curtail such fair use in order to strengthen its direct sales of goods. Here, Levin's proposal would require the service provider to keep the allegedly infringing content off the internet for some period of time, even in the face of a fraudulent notice. In the case of a small reseller, this is potentially devastating.ⁿ⁵⁶ The Mostert and Schwimmer proposal, however, would not have removed the content in the first place, and the content would remain online assuming the reseller provides adequate counter-notice. The Mostert and Schwimmer proposal would then effectively shift the burden back upon HFD to exert pressure upon the reseller, where the existence of negotiation, litigation, and arbitration remedies are more effective at ferreting out legitimate claims by HFD against unauthorized resales, and discourage continued pursuit of illegitimate claims by HFD against fair use resales of goods.

[*407] V. CONCLUSION

Within the parameters of this brief "Practitioner's Essay" we have commented upon a practical problem that lawyers and their clients face on a frequent basis, and for which the available remedies are ill-fitting for a potentialasserter of trademark rights and for parties wrongfully accused of infringement. Although much of the potential for analysis of this issue is outside the scope of this Essay and forum, it is our desire for this Essay to at least scratch the surface of this issue in a unique way that furthers analysis and commentary on the wide-ranging implications of and considerations related to trademark takedown notices and trademark bullying. While we and numerous others before us have expended efforts to devise, categorize, and identify the "best" trademark notice-and-takedown system possible (perhaps magnified by criticisms and perceived faults in the DMCA), it is our firm conviction that in this arena, even an imperfect solution is better than nothing.

Legal Topics:

For related research and practice materials, see the following legal topics:

Computer & Internet Law Copyright Protection Digital Millennium Copyright Act Prohibited Conduct Computer & Internet Law Trademark Protection Civil Infringement Actions General Overview Trademark Law Trademark Counterfeiting Act General Overview

FOOTNOTES:

n1 By "online intermediaries," we mean internet service providers (ISPs) and other providers/hosts of websites ranging from social media (e.g., Facebook) to auction (e.g., eBay) to search engines (e.g., Google) and others.

n2 "Trademark" as used in this Essay means any trademark, service mark, trade dress, or other logo, symbol, etc. used as an indicator of the source of goods and/or services.

n3 Digital Millennium Copyright Act of 1998, Pub. L. No. 105-304, 112 Stat. 2860 (codified in scattered sections of 17 U.S.C.).

n4 See *Louis Vuitton Malletier, S.A. v. Akanoc Solutions, Inc.*, 658 F.3d 936, 936 (9th Cir. 2011) (upholding a contributory trademark infringement verdict of more than \$ 10 million against an OI); see also Eric Goldman, *Ninth Circuit Upholds Web Host's Liability for Counterfeiting Retailers--Louis Vuitton v. Akanoc*, TECH. & MKTG. L. BLOG (Sept. 13, 2011, 9:05 AM), http://blog.ericgoldman.org/archives/2011/09/ninth_circuit_u_1.htm; Eric Goldman, *Another Bad Ruling in Louis Vuitton v. Akanoc*, TECH. & MKTG. L. BLOG (Mar. 20, 2010, 1:25 PM), http://blog.ericgoldman.org/archives/2010/03/another_bad_rul.htm.

n5 See generally *Tiffany Inc. v. eBay, Inc.*, 600 F.3d 93 (2d Cir. 2010) (describing the counterfeit sale of jewelry on eBay).

n6 See Danah Boyd, *Tumblr Disappeared Me . . .*, APOPHENIA (Apr. 27, 2011 10:39 PM), <http://www.zephoros.org/thoughts/archives/2011/04/27/tumblr-disappeared-me.html>.

n7 See Brad Sams, *Neowin's Facebook Page Taken Offline--We 're Back! (Again)*, NEOWIN.NET (Apr. 20, 2011, 3:10 PM), <http://www.neowin.net/news/neowin039s-facebook-page-taken-offline-by-bogus-complaint>.

n8 See, e.g., *Tiffany*, 600 F.3d at 98 (discussing allegations that one of Tiffany's goals in pursuing litigation was to "shut down the legitimate secondary market in authentic Tiffany goods").

n9 A full assessment of the normative goals of trademark law is outside the scope of this Essay. For further discussion and elaboration on this topic, see, for example, Andrew Griffiths, *A Law-and-Economic Perspective on Trade Marks*, in *TRADE MARKS AND BRANDS-AN INTERDISCIPLINARY CRITIQUE* 241 (Lionel Bently et al. eds. 2008); Ralph S. Brown, Jr., *Advertising and the Public Interest: Legal Protection of Trade Symbols*, 108 *YALE L.J.* 1619 (1999); Martin R.F. Senftleben, *An Uneasy Case for Notice and Takedown: Context-Specific Trademark Rights* (Vrije Universiteit for Law & Governance), available at <http://ssrn.com/abstract=2025075>.

n10 See, e.g., *Louis Vuitton Malletier, S.A. v. Akanoc Solutions, Inc.*, 658 F.3d 936, 936 (9th Cir. 2011) (noting that if an OI took such a posture, it could be construed as a trademark infringer or held liable for contributory infringement).

n11 An exhaustive review and comparison of such laws is outside the scope of this Essay.

n12 15 U.S.C. §§ 1051-1141 (2006).

n13 See, e.g., *Frequently Asked Questions About Trademarks*, USPTO.GOV, http://www.uspto.gov/faq/trademarks.jsp#_Toc275426681 (last modified Mar. 9, 2012, 11:02 AM) ("Federal registration is not required to establish rights in a trademark. Common law rights arise from actual use of a mark and may allow the common law user to successfully challenge a registration or application."); see also, N.C. GEN. STAT. § 80-13 (2003) ("Nothing herein shall adversely affect the rights or the enforcement of rights in marks acquired in good faith at any time at common law.").

n14 See 15 U.S.C. § 1114 (2006) (listing the circumstances under which a registrant may institute a civil infringement action).

n15 See, e.g., *Frequently Asked Questions About Trademarks*, *supra* note 13 (listing "[t]he ability to bring an action concerning the mark in federal court" as one of "the benefits of federal trademark registration").

n16 See 15 U.S.C. § 1125 (2006). This section, which prohibits the use in commerce of "any word, term, name, symbol, or device, or any combination thereof that "is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of [the user] with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person," has been interpreted by the federal courts as providing a federal cause of action for claims of infringement of unregistered marks that have acquired distinctiveness--i.e., secondary meaning--in the relevant marketplace. See J. Thomas McCarthy, *Lanham Act § 43(a): The Sleeping Giant Is Now Wide Awake*, 59 LAW & CONTEMP. PROBS. 45, 45-46 (1996).

n17 15 U.S.C. § 1125(d) (2006).

n18 15 U.S.C. § 1125(c) (2006).

n19 Indeed, the legislative history of the Federal Dilution Act, which added subsection (c) to Section 43 of the Lanham Act, suggests that the legislation was intended to apply to domain names and provide a remedy for the situation in which one entity registers a domain name consisting of someone else's famous mark. See 141 CONG. REC. S19311-01 (daily ed. Dec. 29, 1995) (statement of Sen. Patrick Leahy) ("[I]t is my hope that this antidilution statute can help stem the use of deceptive Internet addresses taken by those who are choosing marks that are associated with the products and reputations of others.").

n20 See *Uniform Domain Name Dispute Resolution Policy*, ICANN (Oct. 24, 1999), <http://www.icann.org/en/help/dndr/udrp/policy>.

n21 See FACEBOOK, <http://www.facebook.com/#/legal/terms> (last updated Apr. 26, 2011) (Facebook's terms, entitled "Statement of Rights and Responsibilities," link to pages entitled "How to Report Claims of Intellectual Property Infringement" and "How to Appeal Claims of Copyright Infringement"); see also EBAY, <http://pages.ebay.com/help/policies/questions/vero-ended-item.html> (last visited May 16, 2012) (eBay's Verified Rights Owner ("VeRO") Program was developed to provide a procedure for intellectual property rights owners to ask eBay to remove certain listings that offer infringing items or contain infringing materials).

n22 If, for example, in the Small Business scenario, SB 1 and SB2 were involved in a trademark opposition case, SB1's actions to take down SB2's webpage could achieve SB1's desired result much more quickly and efficiently than through the court process, but this should not be allowed. Such self-help dynamics alter the statutorily intended function of court resolution of difficult trademark issues and dramatically corrupt the parties' incentives.

n23 17 U.S.C. § 512(c) (2006) ("A service provider shall not be liable for . . . infringement of *copyright* by reason of the storage at the direction of a user of material that resides on a system or network controlled or operated by or for the service provider, if the service provider" meets certain criteria (emphasis added).

n24 *Id.*

n25 See Elizabeth K. Levin, *A Safe Harbor for Trademark: Reevaluating Secondary Trademark liability After Tiffany v. eBay*, 24 BERKELEY TECH. L.J. 491, 521-22 (2009) (proposing a statutory solution for online trademark infringement modeled on the DMCA).

n26 See Ken Fisher, *Facebook Shoots First, Ignores Questions later*, ARS TECHNICA, (Apr. 28, 2011, 2:37 PM), <http://arstechnica.com/business/news/2011/04/facebook-shoots-first-ignores-questions-later-account-lock-out-attack-works.ars> (commenting on how easy it is "to file a malicious claim and take down an entire brand's page" and observing that "it seems the only way to resolve the issue [when Facebook disables a page due to a claim of infringement] is to get the original complainant [sic] to retract the claim"). While this article speaks of alleged copyright infringement, the discussion is equally applicable to trademark infringement.

n27 To illustrate, consider the long-running debate over whether Han Solo or Greedo shoots first in the cantina scene of the first Star Wars movie: regardless of who shot first, Greedo is still dead.

n28 S. REP. NO. 105-190, at 2 (1998).

n29 See 17 U.S.C. § 512(c) (2006); see also *ALS Scan, Inc. v. Remarq Cmty., Inc.*, 239 F.3d 619, 625 (4th Cir. 2001) (stating that the service provider must be "innocent" and lack knowledge of the ongoing infringement).

n30 17 U.S.C. § 512(c)(3) (2006).

n31 17 U.S.C. § 512(c)(1)(C) (2006).

n32 17 U.S.C. § 512(g)(2)(A) (2006).

n33 See Fisher, *supra* note 26 (observing that "it seems the only way to resolve the issue [when Facebook disables a page due to a claim of infringement] is to get the original complainant [sic] to retract the claim").

n34 17 U.S.C. § 512(g)(3) (2006).

n35 17 U.S.C. § 512(g)(2)(C) (2006).

n36 See, e.g., Tim Bukher, *The Dumbest Examples of Online Copyright Law Enforcement*, Bus. INSIDER (Nov. 23, 2011), http://articles.businessinsider.com/2011-11-23/tech/30432335_1_dmca-claims-of-trademark-infringement-content (discussing three cases in which "the innocent parties were ultimately successful in getting their content back online but only after having had their content down for, at minimum, the two week period that the DMCA sets out for takedown counter-notices" and noting that "[i]n the realm of internet business, where memes and popularity swell and fade like flash floods, two weeks can seriously hurt a business").

n37 "Registered" means federal registration under the Lanham Act.

n38 "Unclear basis for TM claim" means a potential assertion where a likelihood-of-confusion analysis (for which a court is best suited) may be required.

n39 A more fulsome evaluation of any trademark NTS might benefit from an extrusion of our four examples to the full parameters of the matrix (likely including constituencies), but such an evaluation is beyond the scope of this Essay.

n40 Levin, *supra* note 25, at 521.

n41 *Id.* at 522.

n42 *Id.* (stating that this provision would be "like section 512(i) of the DMCA").

n43 *Id.* at 523.

n44 See 17 U.S.C. § 512(g)(2)(C) (2006) (requiring a service provider to "replace[] the removed material and cease[] disabling access to it not less than 10, nor more than 14, business days following receipt of the counter notice, unless its designated agent first receives notice from the person who submitted the notification . . . that such person has filed an action seeking a court order to restrain the subscriber from engaging in infringing activity relating to the material on the service provider's system or network").

n45 Levin, *supra* note 25, at 524-25. Although the author notes that the DMCA--in requiring that contested material remain off the internet until any litigation between the copyright owner and the alleged infringer is resolved--effectively gives the plaintiff "the benefit of an injunction without meeting the traditional standard required for an injunction," she does not propose a way to avoid this situation.

n46 Frederick W. Mostert & Martin B. Schwimmer, *Notice and Takedown for Trademarks*, 101 TRADEMARK REP. 249 (2011).

n47 *Id.* at 255-56.

n48 *Id.* at 261-62 ("It is of interest that a trademark owner can have items in its possession and still not be able definitively to conclude whether an item is legitimate."). Query whether the inability to identify legitimate goods might undercut certain goals of trademark law--if in fact the inherent value of a good (i.e., quality, functionality, fitness for particular purpose) diverges from the subjective value of a good (based on its trademark and the societal/cultural implications of ownership thereof), there seems to be something more going on that might not be properly addressed by the parameters of trademark law. In fact, the use of a trademark could in some cases add value to a good where such value was not already inherently there in the first place. Unfortunately, further assessment of this issue is outside the scope of this Essay.

n49 *Id.* at 211-12.

n50 *Id.* at 272.

n51 *Id.* at 274-75.

n52 *Id.* at 277-78. We agree with Mostert and Schwimmer's assertion that there is little to no public policy argument in favor of the right to conduct commerce anonymously, especially if such party is conducting commerce under the auspices of a trademark, which is designed to provide a critical identification and origin function. Identification and origin from "anonymous" carries no value supportable by trademark law.

n53 *See id.* at 278-79 (explaining that bad faith rarely has, if ever, been proven in a case under the comparable provision of the DMCA).

n54 *See supra* note 22.

n55 Given the relatively clean slate in this arena, it is at least worth considering the establishment of a centralized system and mechanism that facilitates and maximizes efficiencies in the notice-and-takedown process, rather than relying upon decentralized OIs to review, process, and respond to notices and counter-notices on a case-by-case basis. For example, any OI who wishes to avail itself of a safe harbor with respect to direct or contributory trademark infringement could register with a Centralized Trademark Registration and Notice System ("CTRNS"), designating an employee as the point person to communicate with CTRNS. Notice and takedown instructions on participating OI websites would direct (or re-direct) potential asserters to file a takedown notice that would be processed by CTRNS, which will review it for conformity, conduct automated filtering directed towards verifying identity, verify existing trademark rights, verify jurisdiction, and otherwise ensure the quality of takedown notices that are ultimately transmitted by CTRNS to the participating OI point person. The OI then would re-direct the processed/filtered notice to the purported infringer, and any default or counter-notice would be re-transmitted to CTRNS for similar centralized processing, verifying identity, verifying existing disputes between the parties, etc. Such a centralized system could improve the quality, consistency, and predictability of trademark takedown disputes, helping filter out the frivolous, and perhaps ultimately devising further heuristics to characterize patterns of infringing behavior or trademark bullying that can be strategically addressed by further systemic modifications or regulation.

n56 *See* Bukher, *supra* note 36 ("In the realm of internet business, where memes and popularity swell and fade like flash floods, two weeks can seriously hurt a business.").

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ARTICLE: PARODY IN TRADEMARK LAW: DUMB STARBUCKS MAKES TRADEMARK LAW LOOK DUMB

NAME: DEBORAH J. KEMP, LYNN M. FORSYTHE & IDA M. JONES ⁿ¹ *

BIO:

* (c) Deborah J. Kemp, Lynn M. Forsythe, and Ida M. Jones 2014. Deborah J. Kemp is a professor of Business Law in the Craig School of Business at the California State University, Fresno. She earned her J.D. from the University of Florida. Lynn M. Forsythe is the Verna Mae and Wayne D. Brooks Professor of Business Law in the Craig School of Business at the California State University, Fresno. She earned her J.D. from the University of Pittsburgh. Ida M. Jones is a Professor of Business Law in the Craig School of Business at the California State University, Fresno. She is also the university's Director of the Center for Scholarly Advancement of Learning and Teaching. She earned her J.D. from New York University.

HIGHLIGHT: ABSTRACT

Comedian Nathan Fielder opened a coffee shop which looked like a Starbucks, but he put the word "dumb" in front of the Starbucks name. Fielder justified his behavior based on the argument that he had created a parody of Starbucks. This article explores when a parody of a trademark may be entitled to protection under the First Amendment. If so, what are the limits of this protection, especially when a trademark holder argues that the parody is diluting his or her trademark by either blurring or tarnishment? The article analyzes federal statutes and judicial decisions. It concludes with recommendations to improve U.S. trademark law.

TEXT:

[*145] I. INTRODUCTION

The story of DUMB STARBUCKS illustrates the law's inconsistency in addressing the intersection of parody, trademark infringement, dilution, and the First Amendment. In February, 2014, in Los Angeles County, comedian Nathan Fielder opened a coffee shop which looked just like a Starbucks, but in front of STARBUCKS and the names of all the products was the word "dumb." Fielder announced and posted an online statement that DUMB STARBUCKS was a parody of STARBUCKS. ⁿ² He also objected to the Los Angeles County Health Department forcing the shop to close for lack of a food serving permit, asserting that the coffee and food were art and so there was no need for a food permit. ⁿ³ While humorous, the story raises legitimate questions about First Amendment free speech and parody protection against claims of trademark infringement and dilution ⁿ⁴ by either blurring or tarnishment when the parody is pretty "dumb."

The Lanham Act has provided federal protection for trademarks since 1946 when it prohibited trademark

infringement, or palming off of a junior mark as that of the senior mark holder.ⁿ⁵ The law has expanded to include protection against a variety of unfair competition activities, including dilution. The law of particular interest in the DUMB STARBUCKS parody case is the Trademark Dilution Revision Act of 2006 [*146] (TDRA).ⁿ⁶ It gives owners of famous trademarks a right to sue junior mark holders for blurring the distinctiveness of the senior mark or for tarnishing the reputation of the senior mark holder, similar to common law product disparagement and trade libel.ⁿ⁷ The TDRA allows non-commercial uses of a mark and allows fair use such as parody when the use is not as the junior mark holder's designation of source.ⁿ⁸ Neither exception would apply to Nathan Fielder who was using his mark both as a source designation and commercially.ⁿ⁹ The TDRA, by providing famous and wealthy senior mark holders with a cause of action to prevent junior mark holders from diluting the senior mark, likely increases the costs small junior mark holders might incur in conducting their businesses, by requiring them to defend against possibly less than meritorious claims by the famous senior mark holder, a sort of trademark bullying.ⁿ¹⁰ Part II tells the story of DUMB STARBUCKS. Part III contains a summary of trademark law. Part IV contains summaries of trademark parody cases. Part V contains an analysis of trademark parody law.ⁿ¹¹

[*147] The authors find:

1. Trademark law overprotects famous businesses.
2. Junior mark holders might have undue expenses in defending.
3. Terms and concepts should be clearly defined to avoid a chilling effect of unclear law.
4. Commercial and brand parodyⁿ¹² should have broader First Amendment protection than that expressed in the TDRA.
5. The internet is a good tool to educate the public and to help protect freedom of expression.
6. Inconsistency among circuits makes the law unpredictable.
7. Congress should eliminate dilution as a cause of action in federal law.
8. Some changes based on the findings are also suggested.

II. STORY

In February, 2014, the media and social media websites were teeming with news of the opening of an establishment in Los Angeles called DUMB STARBUCKS that was giving away free coffee. Comedian Nathan Fielder opened the store to obtain publicity for his Comedy Central show, *Nathan for You*.ⁿ¹³ He used Starbucks' famous trademark and coffee terminology and inserted DUMB in front of them.ⁿ¹⁴ Fielder also distributed a *Frequently Asked Questions* document where he explained his view that he can legally use STARBUCKS in his coffee shop's name because he is making a parody of Starbucks.ⁿ¹⁵ Starbucks has a trademark in its name and mermaid logo. Three days after DUMB STARBUCKS was opened, the Los Angeles County Health Department closed it down for lack of a health permit.ⁿ¹⁶ Appendix I contains online sites summarizing the story, the FAQ document, and photos from the shop.

DUMB STARBUCKS appears to be trademark infringement because it uses Starbucks' mark. However, finding trademark infringement requires finding likelihood of confusion and consumers were not confused about the source of the coffee they obtained. So there would not be trademark infringement. But DUMB STARBUCKS could dilute the value of the Starbucks mark. Dilution can occur by blurring and/or tarnishment. Generally, parody is a defense to both trademark infringement and dilution. Fielder claimed he was making a parody. Consumers stood [*148] in line for hours, not to get a cup of Starbucks coffee, but to get what they clearly knew was a disposable cup with DUMB above the name STARBUCKS, probably for the novelty of the experience and for the possibility that the cup would become a collector's item.

The authors ask whether putting DUMB above a famous trademark is a parody. It might not be, since many courts require that the alleged parody "poke fun" at the senior mark holder or its product. Fielder denied poking fun at Starbucks or its coffee. If Fielder's business is not a parody, could Starbucks prevail in a trademark dilution action? If Starbucks could prove dilution, could Fielder still claim a First Amendment right to entertain us by creating an art store that gives away coffee? Fielder was poking fun at the trademark law system more than he was poking fun at Starbucks.

This article discusses the above questions, explaining the statute and case law, and examining the wisdom of current U.S. trademark law, especially as it applies to parodies.

III. TRADEMARK, DILUTION, AND PARODY BASICS

A. *The Value of Trademarks*

Private property ownership, management, and rights enforcement are foundations of the social contract between business and society. This contract permits efficient societal distribution of property through rewarding property users, thereby preventing waste and underutilization of resources.ⁿ¹⁷ Intellectual property (IP) rights are included in the right of private property ownership and are key to promoting and encouraging innovation, invention, and brand identities through a legal system that allows creation of IP and protection of the rights holders. These systems of protection can encourage new business development, reduce inefficiencies, and induce technology acquisition and creation.

IP legal systems have two central economic objectives. The first is to encourage businesses to innovate and invest in knowledge creation. Businesses have an incentive to do so because the law creates a kind of monopoly for the business that creates technologies, information, goods and services. That monopoly, which gives creators exclusive rights to their creations, prevents competitors from taking and using those developments without compensation.ⁿ¹⁸ The second objective is to encourage innovators to bring those innovations to the marketplace. Information is a public good that improves society when shared/exchanged. The more knowledge creators place in the social marketplace, the better informed is society.ⁿ¹⁹

There is a tradeoff between these two objectives. The law seeks to provide reasonable return on investment for the knowledge creators. In addition, the law seeks [*149] to temper private property rights so that knowledge creation and exchange are encouraged.ⁿ²⁰ The legal system needs to find a balance that is "appropriate to market conditions and conducive to growth."ⁿ²¹ Enforcement is another important element of an IP system. "[E]nforcement entails two opposing tasks: punishing infringement by free riders and disciplining enterprises that try to extend their rights beyond intended levels by acting in an anti-competitive manner."ⁿ²²

Because intellectual property is different from land and tangible property, it is more complicated to analyze and enforce.ⁿ²³ For example, IP is not scarce, at least not in the way real and personal property are scarce resources. IP is intangible property. Yet the law assumes that IP protection is as valuable as protecting tangible property rights; if it isn't protected, it might be under-produced or wasted, which results in market inefficiencies. Failure to protect IP may reduce availability of related resources.ⁿ²⁴ Over-protection, on the other hand, may harm progress by raising the costs of creation and by permitting monopolistic behavior by IP owners, which creates inefficiencies. "The potential gains and losses depend on the competitive structure of markets and the efficiency of IP business regulation, including aspects of competition policy and technology development policy."ⁿ²⁵

Trademarks are a different type of IP in that the law protects the trademark in order to protect the association, that is, customer goodwill, between the product and the mark. The right to create and use a trademark allows businesses to build a strong association between the brand and the product.ⁿ²⁶ To promote this association, marks must be sufficiently unique to avoid confusion by consumers and to reduce their search costs.ⁿ²⁷ Trademark protection systems encourage firms to invest in name recognition and product quality. These systems also induce licensees to protect asset value by selling goods of guaranteed quality.

If trademarks were not protected, rival firms could pass off their lower-quality goods as legitimate versions of those produced by recognized companies. That would discourage companies from engaging in innovation because there would be insufficient return on investment and it would permit free riders to gain the benefit of any research and development without incurring the costs. This situation would diminish incentives for maintaining quality and would raise consumer search costs.

Enforcement of IP rights is a critical component of promoting and protecting return on investment. In the United

States, Congress, state legislatures, and the [*150] judicial system provide that protection. In an IP article Daniel Cahoy, business law professor, noted that the judicial system and its interpretations of trademarks have a significant impact on the economic value of a trademark. ⁿ²⁸ Cahoy notes that the value of a trademark is especially sensitive to a court's retroactive interpretation of whether a trademark is protected or not. That arises when senior mark holders file suits for trademark infringement and trademark dilution. If the courts are inconsistent in their application of the law and unexpectedly reduce or increase protection for a particular mark, the court's decisions have a far-reaching impact on businesses and valuation of their trademarks. ⁿ²⁹

Trademarks serve an information role for consumers. Consumers' preference for a certain brand is expressive conduct that should be protected by the First Amendment. A consumer who sees another consumer with certain trademarked property receives information about that other consumer. The issue isn't whether the consumer made the choice, necessarily, but instead consumers letting other consumers know the choices they've made. ⁿ³⁰

Parodies appeal to a segment of the public also. ⁿ³¹ Brand parodies appeal to those who might ridicule or make a social commentary about the value of a trademark or brand. Those who create parodied goods are also providing information to their co-conspirators in the parody and to those who purchase the trademarked goods. ⁿ³²

It is against this backdrop that the authors examine U.S. trademark law and justifiable uses of senior marks.

B. Trademark Basics

"A trademark is a word, phrase, symbol or design, or a combination thereof, that identifies and distinguishes the source of the goods of one party from those of others." ⁿ³³ Trademark law is often justified as a consumer protection law, designed to assure consumers that they are buying a reputable product or service from a reputable provider, but it is also beneficial to businesses, assisting them in establishing goodwill. "Trademarks make it easier for consumers to quickly identify the source of a given [*151] good. ... By making goods easier to identify, trademarks also give manufacturers an incentive to invest in the quality of their goods. ... Trademark law furthers these goals by regulating the proper use of trademarks." ⁿ³⁴ Businesses rely on trademark law to give them a marketing advantage over competitors by establishing business goodwill. ⁿ³⁵

Trademark law began as part of the common law of unfair competition. ⁿ³⁶ Since a trademark is a source identifier, infringement is similar to the common law tort of palming off or passing off. States have both common and statutory trademark and unfair competition laws. ⁿ³⁷ The federal government chose to regulate trademarks in the Lanham Act ⁿ³⁸ in 1947, yet it has consistently provided that federal trademark does not preempt state law. ⁿ³⁹ Congress obtained its authority to regulate unfair competition and trademark from the constitution's Commerce Clause ⁿ⁴⁰ rather than from the Progress Clause. ⁿ⁴¹ The latter authorizes protecting patents and copyrights as embodying the federal government's interests in promoting social and economic [*152] progress through protection of writings and inventions. Trademarks are not a traditional type of IP. ⁿ⁴²

The mark must be distinctive and courts have classified marks into levels of distinctiveness with varying levels of protection for each category. ⁿ⁴³ The nature of the classification depends on the relationship of the word or mark to the product. ⁿ⁴⁴ The most protected are marks designated as arbitrary or fanciful. According to the Patent and Trademark office, fanciful marks are those "invented for the sole purpose of functioning as a trademark or service mark" and "arbitrary marks that are in common linguistic use" but do not describe the goods or characteristics of the goods. ⁿ⁴⁵ Ones that are suggestive get second level protection. Descriptive marks get third level. Generic marks get fourth level protection. STARBUCKS is considered a distinctive mark, probably fanciful, so is entitled to maximum legal protection.

Assuming the mark is sufficiently distinct to be protected, the senior mark owner has the burden of showing that the junior mark holder created a likelihood of confusion by consumers. ⁿ⁴⁶ This means confusion as to identity or source of the goods or services. In the DUMB STARBUCKS case consumers were not confused. The consumers did not believe

they were buying Starbucks coffee. They stood in line for hours to get a cup that looked just like a Starbucks cup but had DUMB above the STARBUCKS name. ⁿ⁴⁷ They did that because Nathan Fielder was making a joke and they thought it was novel or that they might be on Fielder's *Comedy Central* television show. So Starbucks might lose if it claimed trademark infringement.

C. Dilution Basics

Even though Starbucks would not be able to show likelihood of confusion for trademark infringement, it has a second option in federal trademark law. The senior mark holder may claim dilution. Since 1995 businesses have obtained federal statutory recognition of protection against dilution. ⁿ⁴⁸ Following Frank Schechter's 1927 law review article arguing that a trademark is actually a property right and [*153] should be protected as such, ⁿ⁴⁹ states began enacting dilution statutes that allow the senior mark holder to stop others from using the mark in a way that blurs or tarnishes its identity. The state statutory causes of action provided trademark owners with a protectable property right in their trademarks. ⁿ⁵⁰

States enacted dilution statutes before the federal government did and about half of the states have dilution statutes. ⁿ⁵¹ In 1995 the federal government enacted its dilution statute, the Federal Trademark Dilution Act (FTDA). ⁿ⁵² Then in 2006 it enacted the Trademark Dilution Revision Act of 2006 (TDRA), replacing the FTDA, further clarifying dilution, and overruling a Supreme Court decision interpreting the federal dilution statute to require actual dilution rather than likelihood of dilution. ⁿ⁵³ Both the FTDA and the TDRA protect against dilution of a trademark by an infringer even if there is no likelihood of consumer confusion when the trademark owner proves blurring and/or tarnishment. ⁿ⁵⁴ While the TDRA is a better drafted law than was the [*154] FTDA, there are still areas where reasonable courts may differ. As regards the TDRA, it is disturbing that a business trade group, the International Trademark Association (INTA), which has the most to gain from strong trademark protection was the main proponent and drafter of the federal dilution legislation. It is like the fox guarding the henhouse.

The TDRA added definitions of blurring and tarnishment and clarified that the burden of proof for the senior mark holder was to show likelihood of dilution, rather than the actual dilution the Supreme Court had decided was the requirement under the FTDA. ⁿ⁵⁵ Since one of the issues in this inquiry into DUMB STARBUCKS' legality concerns whether the TDRA changed dilution law significantly, the rest of this section compares the former FTDA with its replacement law the TDRA and explains the TDRA.

Both statutes apply only to the owner of a famous mark. But the TDRA clarifies the meaning of "famous mark" by adding that it is one "that is distinctive, inherently or through acquired distinctiveness." ⁿ⁵⁶ Both statutes state that an injunction is the appropriate remedy. The FTDA used the terminology "dilution of the distinctive quality of the mark." The TDRA says "dilution by blurring or dilution by tarnishment." The TDRA added definitions for the two types of dilution. There is substantial overlap between the two. The TDRA's definition of blurring is more detailed than its definition of tarnishment. Either type of dilution could be subjected to a fair use defense, including parody. ⁿ⁵⁷ This may have an impact on federal dilution law in that the courts now have factors to consider when deciding whether blurring has occurred. But the impact on the results in dilution cases may not be significant.

[*155] The TDRA adds language to clarify that likelihood of confusion is not a requirement. ⁿ⁵⁸ It adds that dilution may occur "regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury." This language was inserted to clarify that Congress was overturning the Supreme Court's holding in *Moseley I* ⁿ⁵⁹ that one claiming dilution would have to show actual dilution rather than a mere likelihood of dilution. ⁿ⁶⁰ Consequently, the claimant's burden is only to show likelihood of dilution under the TDRA. ⁿ⁶¹ This has resulted in lack of uniformity of federal law on dilution among the circuits.

The TDRA added a section called "Definitions." It contains three items significant to this discussion: a restatement of the criteria for being a famous mark, ⁿ⁶² a definition [*156] of blurring, and a definition of tarnishment. This probably does not have a significant impact on federal dilution law.

The first item in "Definitions" is the listing of the factors to consider in deciding whether a mark is famous. The TDRA has 4 factors while the FTDA had 8. However, the TDRA combines several factors from the FTDA into one factor, so they are still similar. ⁿ⁶³ Whether a mark is sufficiently famous to qualify for protection under the TDRA is beyond the scope of this article, since Starbucks is a strong mark.

The TDRA defined blurring and tarnishment. Blurring is "association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark." ⁿ⁶⁴ The statute provides guidance by suggesting factors for courts to consider when determining whether the defendant's actions amounted to actionable dilution by blurring. They are:

1. The degree of similarity between the mark or trade name and the famous mark.
2. The degree of inherent or acquired distinctiveness of the famous mark.
3. The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.
4. The degree of recognition of the famous mark.
5. Whether the user of the mark or trade name intended to create an association with the famous mark.
6. Any actual association between the mark or trade name and the famous mark. ⁿ⁶⁵

The factors do not clarify what is blurring, but are a non-exclusive list of considerations to help illuminate the concept. The description of blurring is reminiscent of defamation or disparagement. Blurring might be more aptly named slurring since many of the cases that find dilution involve disparaging uses of the senior mark, what many readers might call tarnishment.

[*157] The *LEXIS v. LEXUS* ⁿ⁶⁶ case illustrates blurring, although it was decided before enactment of the TDRA with its definition of blurring. Mead Data Central sued Toyota Motor Sales for dilution of its trademark LEXIS, the legal data base, when Toyota started its luxury brand of LEXUS cars. The district court, applying New York's dilution law, ordered Toyota to stop marketing cars under the trade name LEXUS. ⁿ⁶⁷ The Second Circuit Court of Appeals reversed on an expedited appeal so that Toyota would not have to stop selling Lexus automobiles while awaiting results of an appeal. ⁿ⁶⁸ Two findings supported the circuit court's reversal. First, in order to qualify for the highest protection, the mark must be fanciful or arbitrary. The term LEXIS is actually a Latin word used and found in English language dictionaries and not fanciful as is required to be a highly protected mark. So LEXIS was not given the highest protection. ⁿ⁶⁹ The second finding related to the mark's recognition, i.e. whether it was famous enough, and Mead lost that argument. Most people have not heard of LEXIS the legal database. ⁿ⁷⁰ Blurring through use of similar marks makes the case intriguing. It is not "slurring," because it is not disparaging, but an innocent blurring of the two marks by the second user. McCarthy in *MCCARTHY ON TRADEMARK* identified the "neurological and economic theory," where some scholars argue there is economic harm to consumers when the consumer must spend a fraction of a second longer to link the mark to its source once blurring has occurred. ⁿ⁷¹ Did the reader think about legal research for a fraction of a second when deciding whether to purchase a LEXUS?

Dilution by tarnishment is different than an innocent similarity like LEXIS and LEXUS. However, a number of courts use blurring even when the junior mark holder's use of the senior mark is unsavory, so the distinction between tarnishment and blurring is blurred. Tarnishment is "association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark." ⁿ⁷² Had Starbucks sued Fielder for DUMB STARBUCKS, Starbucks would probably have claimed dilution by tarnishment. This is the type of dilution that is limited by the fair use parody defense when junior users are poking fun at or criticizing the famous senior mark owner. This is similar to a cause of action for trade libel or product disparagement where the plaintiff has the burden of showing injury to the [*158] product or a company's reputation. ⁿ⁷³ However, under the TDRA the plaintiff only has to show likelihood of dilution rather than actual harm to its reputation.

The former FTDA had listed defenses to dilution. The TDRA amended the FTDA in regards to defenses (exclusions). This might have a significant impact on federal dilution law. The TDRA added nominative and descriptive

fair use; ⁿ⁷⁴ parody, criticism, and comment; and limitation of fair use to uses of the senior mark that are not a source designation of the junior mark holder's mark. The TDRA now says:

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

(A) Any fair use, including a **nominative or descriptive fair use**, or facilitation of such fair use, of a famous mark by another person **other than as a designation of source for the person's own goods or services**, including use in connection with--

advertising or promotion that permits consumers to compare goods or services; or

identifying and **parodying, criticizing, or commenting** upon the famous mark owner or the goods or services of the famous mark owner.

(B) All forms of news reporting and news commentary.

(C) Any noncommercial use of a mark. ⁿ⁷⁵ (emphasis added by authors)

The language in bold letters, by statutorily limiting when parody and fair use are available as defenses, might have reduced courts' use of the defenses in trademark infringement and dilution cases when the junior mark holder is using the senior mark commercially and/or as its own source indicator. The TDRA provides that non-commercial parody for other than identification of a junior mark is protected. By negative implication, it is possible some courts will assume the law will not now protect brand parody of a senior mark by a junior mark holder, that is using the parody as part of his or her own mark. This would limit the fair use and parody doctrine's application in dilution law substantially. So courts who wish to use the parody defense to protect the junior mark holder must resort to general parody case law developed for both traditional trademark infringement with its likelihood of confusion and for dilution generally. Nathan Fielder with his DUMB STARBUCKS would not be able to take advantage of the TDRA's parody defense because he was designating the source of his product and service as DUMB STARBUCKS.

As long as the TDRA's defenses list is not interpreted as limiting fair use defenses, the prior parody law should continue to protect junior mark holders who use the senior mark even as a designation of source, so long as the use is parodic, called "brand [*159] parody." ⁿ⁷⁶ As it turns out, well-known businesses with famous trademarks had better have a pretty thick skin, since at least two circuits have held that the First Amendment allows junior mark holders to make fun of famous senior mark holders. ⁿ⁷⁷

D. Fair Use and Parody Basics

Parody is an ancient literary technique. ⁿ⁷⁸ It calls to mind another's work and alters it in a humorous or satiric way. The editors of THE OXFORD BOOK OF PARODIES traced parody back to before the 14th century, before THE CANTERBURY TALES was published. ⁿ⁷⁹ The Oxford Dictionary definition of parody is "an imitation of the style of a particular writer, artist, or genre with deliberate exaggeration for comic effect." ⁿ⁸⁰ Trademark parody is a bit different in that it imitates the mark rather than the style or genre; it does tend to be humorous, however.

Parody can be considered a defense under both traditional trademark infringement and dilution causes of action. However, it is probably not a very good parody and probably will not be protected if consumers are likely confused in believing that the senior mark holder is responsible for the parodic use. ⁿ⁸¹ Fair use in trademark law is similar to the doctrine as used in copyright law ⁿ⁸² in that it protects the public interest in preserving the First Amendment's guarantee of free speech. Two judicial developments through copyright fair use have benefited courts applying fair use in trademark situations. One is the realization that commercial uses of a work or senior mark can be fair use, in that commerciality is merely a factor to consider when deciding whether the second use is fair and hence not infringing. The second is the judicial recognition that parody is a form of fair use. ⁿ⁸³ The Supreme Court in its *Campbell* [*160] musical copyright case affirmed that even though the copyright fair use statute ⁿ⁸⁴ did not specifically mention parody

as a form of fair use, it could still be fair use.ⁿ⁸⁵ Parody had been considered a form of fair use prior to the 1976 Copyright Act that took fair use from the common law and incorporated it into that statute.ⁿ⁸⁶ So in addition to non-commercial uses recognized under the copyright fair use statute is the use of another's IP for parody, to make fun of the protected mark, name, or work of art if it is copyright.ⁿ⁸⁷ Parody of a trademark could be an infringement if there is a likelihood of consumer confusion between the senior mark and the parodic one.ⁿ⁸⁸ Trademark parody could possibly be dilution if the parody causes a likelihood of dilution of the senior mark under the above explained language of the TDRA.

Congress has not defined parody either in the copyright or the trademark statutes. The courts have defined parody and have disallowed imitative works that do not satisfy the judicial concept of parody.ⁿ⁸⁹ But the judicial definition leaves it to the court to effectively be a censor of expression if the court deems the parody to be either non-parodic or offensive. For instance, in *Original Appalachian Artworks v. Topps Chewing Gum*,ⁿ⁹⁰ the court found infringement when the defendant was making fun of the senior mark holder's Cabbage Patch Dolls.ⁿ⁹¹ It said children, the audience for the Cabbage Patch Dolls, were likely to be confused that the parodic Topps Chewing Gum cards showed Cabbage Patch Dolls. That is unlikely, since cards with images on them do not resemble soft cuddly dolls.

In addition, some "parodic" junior marks are not very creative, such as DUMB STARBUCKS, and courts may find that they are not protected as parody. Evaluating creativity is a difficult task, though, as creativity, to some extent, is in the eye of the beholder. If the junior mark owner's use is not parodic, is it unprotected or might there [*161] be further fair use considerations that would save dumb parodies from being banned? Congress and/or the courts should define parody and should recognize First Amendment rights to make fun of senior marks when the junior mark does not rise to the level of the parody concept developed for copyright law.

IV. PARODY CASELAW

A. Generally

This section provides a brief overview and history of parody in IP law, summarizes some classic trademark parody cases, and reviews some trademark parody cases decided since passage of the TDRA.ⁿ⁹² Parody in trademark law is a fairly heavily litigated legal area with entertaining stories. Many U.S. courts treat parody as a form of speech that is protected under the First Amendment and as a limitation on an IP owner's exclusive right to writings and trademarks.ⁿ⁹³ When Congress enacts a statute that affects IP law, particularly copyright and trademark, courts might reconsider whether the prior parody case law is still effective.

This happened in 1994 for copyright's fair use doctrine when the Supreme Court considered whether parody could be fair use of a copyright even though the 1976 Act did not refer to it.ⁿ⁹⁴ Congress, in the Copyright Act of 1976,ⁿ⁹⁵ had codified the judicially created fair use doctrine, but the statute did not mention parody as a type of fair use.ⁿ⁹⁶ The Supreme Court recognized fair use protection for parody in copyright law in its 1994 *Campbell*ⁿ⁹⁷ decision. The Court confirmed that fair use in copyright law included parody, even though the 1976 Act's fair use provisionⁿ⁹⁸ did not mention it.ⁿ⁹⁹ Similarly, the Supreme Court confirmed the right to make parodic use of a well-known senior mark under trademark law and the FTDA in *Moseley v. V. Secret (Moseley I)*.ⁿ¹⁰⁰ The Court acknowledged the fair use defense under the former FTDA as the method for [*162] protecting society's and the junior user's First Amendment interests. It relied on prior case law to affirm its interpretation of the FTDA. The FTDA did not mention parody as a fair use, but prior and subsequent trademark opinions have recognized it.

The trademark dilution proof standard and the Supreme Court's interpretation of it led to Congressional enactment of the TDRA. *Moseley I* is briefly described here. Victor and Cathy Moseley opened VICTOR'S SECRET, selling lingerie and adult novelties in a small town in Kentucky. When Victoria's Secret complained, they changed the name to VICTOR'S LITTLE SECRET. Victoria's Secret was not satisfied with the modification and sued to defend its trademark. Victoria's Secret claimed the Moseley's infringed the VICTORIA'S SECRET mark and diluted its mark in violation of the FTDA. Victoria's Secret neither showed likelihood of consumer confusion nor actual dilution of its

famous mark. The Supreme Court had granted certiorari to resolve the conflict among the circuits as to whether the FTDA required proof of actual dilution or whether a likelihood of dilution is sufficient to obtain an injunction. The Court ruled that the FTDA required actual proof of dilution, based on a literal reading of the statute.ⁿ¹⁰¹ The Court noted that other federal trademark laws and a number of state trademark laws refer to the likelihood of dilution, but that the FTDA did not incorporate that standard. The Court qualified its holding by saying that the senior mark owner does not have to show actual lost sales or profits, but the mere fact that consumers will associate the senior mark with the junior mark does not preclude the junior mark owner's right to parody the senior mark.ⁿ¹⁰²

Part of the *Moseley I* decision was invalidated by Congress when in 2006 it enacted the TDRA, specifying that the senior mark holder had the burden of showing likelihood of dilution rather than the Supreme Court's requirement of actual dilution.ⁿ¹⁰³ The TDRA is unique in naming parody as a defense to dilution, but the statutory defense is limited to junior mark uses that do not use the parody as a source indicator. In addition, under the TDRA noncommercial uses of the senior mark are a defense to dilution. Some courts still consider parody a defense to both infringement and dilution even when the junior mark holder's use is as a source indicator or brand parody.ⁿ¹⁰⁴ The next section summarizes the status of trademark parody law prior to passage of the TDRA through review of some of the pre-2006 trademark parody cases. As the post-TDRA cases show, many courts believe the prior cases are still reflective of trademark parody law, notwithstanding the TDRA's limitation of the parody defense to noncommercial uses of the senior mark by the junior mark holder.

[*163] B. Trademark and Parody Tradition

Jordan Blanke, professor of Computer Information Systems and Law, in his 2004 article on *Moseley I* provided an insightful review of trademark parody cases.ⁿ¹⁰⁵ Some cases are referenced herein in order to show the judicial treatment in place prior to the FTDA and the TDRA, both of which created the federal cause of action for dilution. Under traditional trademark infringement, the plaintiff has to show there is a likelihood of consumer confusion in order to prevail. With good parody there is little or no consumer confusion, so parody was protected as a factor in considering likelihood of confusion, but not as a defense in itself. As already explained, parody in a limited application is acknowledged as a defense to dilution under the TDRA.

Blanke treated "sex related" parody cases separately, which is a distinction also in at least one post-TDRA case.ⁿ¹⁰⁶ First, in *Dallas Cowboy Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*,ⁿ¹⁰⁷ the Second Circuit found that the use of the cheerleader costume in an X-rated film was not a parody and was infringing. Second, in the GENITAL ELECTRIC caseⁿ¹⁰⁸ the court found trademark infringement for a t-shirt bearing the above words written to look like GENERAL ELECTRIC.ⁿ¹⁰⁹ Third, in the POPPIN FRESH case *Screw* magazine showed Pillsbury's Poppin' Fresh and Poppie Fresh dough characters in sex acts. The court banned the parody on the grounds of dilution under state law: it did not use trademark infringement due to there being no likelihood of confusion.ⁿ¹¹⁰ Last was *High Society Magazine's* parody of L.L. Bean entitled *L.L. Bean's Back-to-School-Sex-Catalog*, which the court found not to be an infringement and not to be dilution. The court distinguished *Dallas Cowboy Cheerleaders* and *General Electric*, both of which had found dilution:

First, they all involved unauthorized commercial uses of another's trademark. Second, none of those cases involved a defendant using a plaintiff's trademark as a vehicle for an editorial or artistic parody. In contrast to the cases cited, the instant defendant used plaintiff's mark solely for noncommercial purposes. Appellant's parody constitutes an editorial or [*164] artistic, rather than a commercial, use of plaintiff's mark. The article was labelled as "humor" and "parody" in the magazine's table of contents.ⁿ¹¹¹

It offends the Constitution to use a dilution statute to prevent the defendant's parodic use of a trademark when the defendant is engaged in a protected form of expression.ⁿ¹¹² Even though parody is often offensive, it still deserves substantial freedom.ⁿ¹¹³ "Denying parodists the opportunity to poke fun at symbols and names which have become woven into the fabric of our daily life, would constitute a serious curtailment of a protected form of expression."ⁿ¹¹⁴ The *L.L. Bean* decision signals that some courts have more respect for First Amendment freedoms even when they

involve sexual material. It does not, however, directly help junior mark holders who engage in brand parody, which is commercial and is a source indicator.

Finally, *Kraft Foods Holdings, Inc. v. Helm*ⁿ¹¹⁵ combined sex, drugs, and violence. Defendant used VELVEEDA for websites that contained graphic sexuality and illustrations of drug use and drug paraphernalia.ⁿ¹¹⁶ The court held that VELVEEDA, being similar to VELVEETA, probably tarnished VELVEETA.ⁿ¹¹⁷ Sometimes litigants hurt their own cases, and Helm did so because many of his statements contradicted his First Amendment claim.ⁿ¹¹⁸

In several brand parody type cases, courts reached differing results. First, Jim Henson created a Muppet character called SPA'AM, and Hormel, the maker of SPAM, sued and lost on both its infringement and dilution claims.ⁿ¹¹⁹ The court felt that customers of SPAM and SPA'AM would not be confused. Both the Muppets and SPAM are well known marks. As to dilution based on blurring, the court held that the parody would strengthen rather than weaken the link between the name and the senior mark holder. Jim Henson did not plan to market the word SPA'AM by itself, but only to use it in conjunction with the Muppet character. Tarnishment, on the other hand, occurs when a mark is "linked to products of shoddy quality, or is portrayed in an unwholesome or unsavory context," with the result that "the public will associate the [*165] lack of quality or lack of prestige in the defendant's goods with the plaintiff's unrelated goods."ⁿ¹²⁰ The Muppet character SPA'AM was not unsavory, but was likeable and would not create any negative associations. Additionally, Jim Henson's products would not be in direct competition with those of Hormel.

Second, the maker of LARDASHE jeans was sued by Jordache and the Tenth Circuit permitted the parody, again considering both infringement and dilution.ⁿ¹²¹ Third, Blanke noted that the Eighth Circuit is more protective of senior mark holdersⁿ¹²² and that it banned MUTANT OF OMAHA t-shirts as both infringing and dilutive.ⁿ¹²³ Fourth, Lucasfilm, the maker of STAR WARS movies, sued the maker of the pornographic film STARBALLZ in the Ninth Circuitⁿ¹²⁴ and lost, the public interest in free or artistic speech trumping trademark infringement and dilution. Fifth, Mattel's BARBIE has also been parodied and Mattel lost its trademark infringement and dilution suit when she was parodied in a song.ⁿ¹²⁵

Finally, the case where the judicial analysis was most disturbing was the CONSUMER WHORE parody of Starbucks' mermaid where the court banned sale of parodic memorabilia.ⁿ¹²⁶ Cartoonist Kieron Dwyer created a parody of Starbucks's ubiquitous mermaid logo and posted it to his Web site. His logo changed the name encircling the mermaid from "Starbucks Coffee" to "Consumer Whore." He also changed the stars to dollar signs, opened the mermaid's eyes, placed a cup of coffee in one hand and a cell phone in the other, and gave her nipples and a navel ring. On his Web site, he advertised T-shirts, bumper stickers, and a comic book, all carrying the logo. He sold about 200 of the T-shirts. Starbucks sued Dwyer for, among other things, copyright infringement, trademark infringement, and trademark dilution by tarnishment. The District Court for the Northern District of California issued a preliminary injunction prohibiting Dwyer from posting the logo to his Web site and selling any items containing the logo.ⁿ¹²⁷ The ruling is consistent with sex-referring cases as receiving the least protection, but is disturbing in that a clear parody received no First Amendment protection.

Variation in result occurs among circuits and among subjects, with sexual parody being the least protected topic. Generally, it appears that the sex-related parody cases are given less leeway than politically satiric cases. In general, likelihood of consumer confusion is irrelevant for a dilution claim. So in dilution cases it is not as clear how parody should be considered. Many courts perform both a likelihood of confusion and a dilution analysis in infringement claims, an analysis that McCarthy identifies as unnecessary;ⁿ¹²⁸ if there is likelihood of consumer confusion, there is no need to also [*166] consider dilution. Each circuit has a system for determining likelihood of confusion in a trademark infringement case.ⁿ¹²⁹

It appears that parody continued to be protected in trademark law even after passage of the FTDA in 1995, but clearly courts vary according to their own reactions to the parody. It is also important that this review of pre-2006 parody cases end on a Starbucks case, since that company is Fielder's target. Fielder's case may involve parody, but it is nothing more than adding the word DUMB above STARBUCKS. That is not very edgy, biting, or satiric, and it seems

to make little social comment on Starbucks as a senior mark holder. In fact, if anything it is making fun of trademark law and the parody exception. So the answer to whether "dumb" parody is protected is unknown.

C. Trademark and Parody after the TDRA of 2006 ⁿ¹³⁰

This section reviews some trademark infringement and/or dilution cases decided by federal courts since enactment of the TDRA in 2006. Some of the cases involve trademark infringement, but not dilution, so they do not consider parody under the TDRA. The first three cases were decided by appellate courts, while the rest were decided by district courts.

1. Moseley II

The dispute between the Moseleys and Victoria's Secret continued after the TDRA overturned the Supreme Court's decision in *Moseley I*. ⁿ¹³¹ The District Court granted an injunction prohibiting Victor Moseley from naming his store VICTOR'S LITTLE SECRET and the Sixth Circuit affirmed the decision. ⁿ¹³² Under the new standard dictated by the TDRA, the senior mark holder did not have the burden of showing actual dilution, but only likelihood of dilution. The Sixth Circuit agreed with Victoria's Secret that the Moseleys diluted its mark by tarnishment in violation of the TDRA. ⁿ¹³³ The Sixth Circuit created a presumption that if the junior mark is used to "sell sex [*167] related products, [it] is likely to tarnish a famous mark if there is a clear semantic association between the two." ⁿ¹³⁴

The *Moseley II* decision was not unanimous. Judge Moore's dissenting opinion argued that Victoria's Secret did not provide sufficient evidence that Victor's Little Secret would tarnish its mark. She agreed that there is a clear association between the marks. She felt the significant question is whether that association is likely to harm Victoria's Secret's reputation. She felt that Victoria's Secret failed to show that it would be harmed. ⁿ¹³⁵

Judge Moore's dissent shows respect for the Supreme Court's reasoning in *Moseley I* and recognizes the exact change that the TDRA made to the Supreme Court's holding without making inferences and/or presumptions that may affect First Amendment law. The majority opinion created a new speech censorship law by misinterpreting tarnishment and the TDRA. Both the senior and junior mark holders are effectively "selling sex," which perhaps should have been explained in the opinion. The Sixth Circuit cited eight cases from various circuits that found tarnishment when the similar sounding junior mark was "used to sell sex-related products." ⁿ¹³⁶ But the dissent answered that none of those eight cases involved both senior and junior mark holders being in the business of selling sex, which is the situation here. ⁿ¹³⁷ Besides, the TDRA [*168] says nothing about sex related products, so there would be no reason for the majority to create a presumption of tarnishment if the subject involves sex. The *Moseley II* decision goes beyond the language of the TDRA and limits First Amendment sexual content speech. It does not appear that Congress intended that result when it enacted the TDRA.

2. Charbucks

In *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, ⁿ¹³⁸ a New Hampshire coffee company Black Bear Micro Roastery marketed dark roasted coffee it called CHARBUCKS. ⁿ¹³⁹ Black Bear's trade dress was dissimilar to Starbucks', so there was little likelihood of confusion. Starbucks requested that Black Bear cease marketing CHARBUCKS, Black Bear declined, and Starbucks filed suit claiming trademark infringement, federal dilution, state dilution, and state unfair competition. ⁿ¹⁴⁰

The litigation resulted in seven judicial decisions, six of which are briefly summarized hereafter. During the twelve years of this litigation, the statutory law changed; the 1995 FTDA was replaced by the 2006 TDRA. In 2005, Judge Swain ruled in favor of Black Bear on the following claims: federal trademark infringement, federal unfair competition, federal trademark dilution, state trademark dilution, and unfair [*169] competition under the common law. ⁿ¹⁴¹ (Starbucks I) The Second Circuit remanded for Judge Swain to apply the TDRA (Starbucks II). ⁿ¹⁴² Judge Swain applied the TDRA and found for Black Bear on all counts (Starbucks III). ⁿ¹⁴³ Starbucks again appealed and the

Second Circuit, while seemingly agreeing with Judge Swain's application of the law, affirmed in part, vacated in part, and remanded once again (Starbucks IV).ⁿ¹⁴⁴ The Second Circuit did determine that the TDRA changed the law and it clarified how the TDRA limited use of the parody defense in dilution claims.ⁿ¹⁴⁵ In Starbucks V, Judge Swain corrected the law, as directed by the Second Circuit, but continued to hold for Black Bear.ⁿ¹⁴⁶ Starbucks appealed yet again. In Starbucks VI, the Second Circuit affirmed Judge Swain's prior opinion, not even mentioning parody, and finding that Starbucks had the burden of showing likelihood of dilution and it had not done so.ⁿ¹⁴⁷ The Starbucks VI opinion reviewed the prior five opinions and explained the Second Circuit federal dilution law under the TDRA's blurring factors.ⁿ¹⁴⁸ The reasoning by both the district court and the Second Circuit were reflective of prior case law and provided courts with a clear interpretation of how the TDRA and its limited recognition [*170] of parody should fit into future judicial analyses. It also explored what the senior mark holder must show to make a case for "likelihood of dilution."

3. Chewy Vuiton

A 2007 Fourth Circuit decision *Louis Vuitton Mallatier (LVM) v. Haute Diggity Dogg*,ⁿ¹⁴⁹ was similar to the Charbucks opinion in its broad strokes, but different in specifics. LVM added copyright infringement to its state and federal trademark, dilution, and unfair competition claims.ⁿ¹⁵⁰ Haute Diggity Dogg sold dog toys and other pet supplies. The toys parodied famous designers and people, like Vincent van Gogh.ⁿ¹⁵¹ The toy that bothered LVM was CHEWY VUITON, a parody of a Vuitton purse, but clearly a toy. The court interpreted and applied the TDRA. It agreed with the district court's findings of no trademark infringement and no dilution, but used different reasoning than the trial court.ⁿ¹⁵²

The court recited the judicial definition of parody, which is not defined in statutory law. For trademark purposes, "[a] 'parody' is defined as a simple form of entertainment conveyed by juxtaposing the irreverent representation of the trademark with the idealized image created by the mark's owner. ... A parody must convey two simultaneous--and contradictory--messages: that it is the original, but also that it is *not* the original and is instead a parody."ⁿ¹⁵³ This second message must not only differentiate the alleged parody from the original but must also communicate some articulable element of satire, ridicule, joking, or amusement. Thus, "[a] parody relies upon a difference from the original mark, presumably a humorous difference, in order to produce its desired effect."ⁿ¹⁵⁴

The Fourth Circuit found CHEWY VUITON was a parody.ⁿ¹⁵⁵ There was not a likelihood of confusion for trademark infringement.ⁿ¹⁵⁶ On the dilution claim, the court wisely explained that even if the parody is used commercially and is not protected by the TDRA's non-commercial parody defense, courts may still consider the junior mark [*171] holder's general right to parody the senior mark.ⁿ¹⁵⁷ The drafting of the TDRA to include a very limited parody fair use defense in only non-commercial uses by the junior mark holder could have been interpreted as Congress' intent to expand dilution to commercial parodies. This opinion demonstrates how courts will preserve First Amendment speech rights even when a statute does not so provide. This opinion paves the way for continued protection of the junior mark holder's right to associate its mark with the senior mark holder as a form of social commentary or even mere entertainment.

The rest of the post-TDRA cases are from district courts.

4. NAACP

In *Radiance Foundation, Inc. v. National Association for the Advancement of Colored People (NAACP)*,ⁿ¹⁵⁸ plaintiff Radiance, an anti-abortion group, was denied declaratory judgment and found to be liable for trademark infringement and dilution of the NAACP's trademark when it published on its website articles using the name "National Association for the Abortion of Colored People."ⁿ¹⁵⁹ The court found likelihood of confusion over use of the imitative name.ⁿ¹⁶⁰ Successful parody should not confuse the public, so the court decided this was not a parody, hence not entitled to protection as such.ⁿ¹⁶¹ It also found dilution by tarnishment because the use of the name "insinuates a stance of abortion that the NAACP has deliberately avoided."ⁿ¹⁶² Radiance claimed a First Amendment right to say

what it thinks about abortion. The court agreed, but said it could not lie or mislead about what the NAACP says about abortion. ⁿ¹⁶³ So it was tarnishment by misleading the public that the NAACP takes any stand on abortion, which it does not. ⁿ¹⁶⁴ The court used the TDRA's limitation on [*172] parody to non-commercial uses of a senior mark to find for the NAACP; it said Radiance was making a commercial use of the mark, so the TDRA's parody defense would not work here. ⁿ¹⁶⁵ That holding could be interpreted as the Tenth Circuit banning trademark parody that is commercial. Hopefully the case will not be used in this manner, but only to explain that commercial uses of a senior mark can be made by non-profit groups. ⁿ¹⁶⁶ A further problem with the court's reasoning is that it found both infringement and dilution, when others realize that the senior mark holder should not have a cause of action for dilution if it already has shown infringement through likelihood of confusion.

5. *THE SITUATION* v. *THE FITCHUATION*

In *MPS Entertainment, LLC v. Abercrombie & Fitch Stores, Inc.*, ⁿ¹⁶⁷ Abercrombie & Fitch (A&F) had requested that Michael "The Situation" Sorrentino, a character in MTV's *Jersey Shore*, cease wearing A&F clothes on the TV show. At the same time A&F had been marketing a parody t-shirt that it called the FITCHUATION, making fun of the actor's self-styled name THE SITUATION. A&F alleged the show depicted the characters "in an unwholesome view" ⁿ¹⁶⁸ that reflected poorly on the A&F reputation. A&F had even offered to pay the actors not to wear A&F clothes. ⁿ¹⁶⁹ Sorrentino sued A&F for trademark infringement and dilution under federal and state law. The court entered summary judgment in favor of A&F's parodic t-shirt. This would be a weak case for dilution since THE SITUATION may not be sufficiently famous to obtain federal dilution protection.

6. *Louis Vuitton* v. *Hyundai*

In *Louis Vuitton Malletier (LVM) v. Hyundai Motor America*, ⁿ¹⁷⁰ Hyundai aired a TV commercial that "poked fun at these symbols of 'old' luxury to distinguish them from [Hyundai] in an effort to challenge consumers to rethink what it means for a product to be luxurious." ⁿ¹⁷¹ One of the symbols of old luxury was a "basketball decorated with a distinctive pattern resembling the famous trademarks of plaintiff...." ⁿ¹⁷² LVM sued for dilution under state and federal law, infringement under federal law, and unfair competition under state law, claiming a right to money damages for "willful dilution." ⁿ¹⁷³ The Hyundai designers claimed they were not parodying LVM, but were "challeng[ing] consumers to rethink what it means for a [*173] product to be luxurious." ⁿ¹⁷⁴ That made the purpose satire rather than parody, which the court assumed is not protected by the First Amendment in a trademark dilution claim. One interpretation of the court's decision is that making a social comment on old wealth and luxury as compared to the trendy new auto being advertised was not a fair use. ⁿ¹⁷⁵

This case is disturbing. An entertaining commercial was banned because Hyundai used references to famous marks to make a comment to consumers on Hyundai's Sonata being luxurious in a different way than traditional luxury. The case is similar to the hypothetical DUMB STARBUCKS in that Fielder was not parodying Starbucks, but was at most making a satiric comment on trademark parody law. The value system espoused by this Second Circuit court comes dangerously close to being censorship; people watching the commercial may make a subtle association between Hyundai and LVM, but they certainly would not be confused by seeing a basketball decorated like a LVM purse. The use of the basketball image would not likely dilute LVM's trademark, even though consumers might associate LVM with Hyundai.

7. *Elf on the Shelf* v. *Elf off the Shelf*

In *CCA and B, LLC v. F + W Media Inc.*, ⁿ¹⁷⁶ defendant made an adult parody of plaintiff's children's book. Plaintiff claimed trademark infringement and dilution, plus six other state and federal related claims. ⁿ¹⁷⁷ The court determined the issue was merely whether "it is likely that the average consumer of Plaintiff's book...will be confused by the similarity of the book covers of THE ELF ON THE SHELF and Defendant's purported parody, THE ELF OFF THE SHELF." ⁿ¹⁷⁸ It is unclear whether the court recognized that dilution does not need a showing of likelihood of confusion by consumers. It did deny the plaintiff's motion for preliminary injunction. ⁿ¹⁷⁹ And it did comment on

plaintiff's dilution claims. "Plaintiff cited an article in *Publisher's Weekly* that reported that Elf Off is intended to 'knock a holiday favorite off its perch.' ... Defendant agrees that is precisely their goal, but says there is nothing naughty about it." ⁿ¹⁸⁰ Notably, the opinion combined a fair use in copyright claim and analysis in its opinion. ⁿ¹⁸¹ Without delving into whether the TDRA has altered parody considerations in trademark dilution claims, the court chose to protect parody under First Amendment free speech values. "With regard to the public interest, both trademark and copyright law offer protection for parodic use of IP, consistent with the strong public interest in protecting free speech and expression. Thus, in a case presenting a [*174] parody that criticizes an original work, the public interest in protecting that expression is of the highest level." ⁿ¹⁸²

8. *Protect Marriage*

In *ProtectMarriage.com v. Courage Campaign*, ⁿ¹⁸³ plaintiff political group promoting marriage as only unions between heterosexual couples had a logo depicting a four person heterosexual family. Defendant political group promoting legalization of same sex marriage had a similar logo that showed a four person family with same sex parents. ⁿ¹⁸⁴ The court protected defendant's use of plaintiff's logo as a parody. ⁿ¹⁸⁵ The case did not use the TDRA, perhaps because the mark is not sufficiently famous to support a dilution claim.

9. *Lettuce Entertain You*

In *Lettuce Entertain You Enterprises, Inc. v. Leila Sophia AR, LLC*, ⁿ¹⁸⁶ plaintiff LEYE, a Chicago business, used LETTUCE marks to identify its restaurant and catering businesses. ⁿ¹⁸⁷ Defendant named its Chicago restaurant Lettuce mix and was asked to remove the sign by LEYE. Defendant replaced the sign with a banner saying "Let us be!" and a lettuce head image, and LEYE sued. The banner was permitted to remain and the court dismissed the suit. ⁿ¹⁸⁸ The defendant made an effective use of parody. It may develop in dilution and infringement cases that the courts take one more analytical step considering the junior holder's purpose for using the mark, with highly protected speech like political, social, and artistic being more protected against a trademark infringement or dilution claim. This is similar to Fielder's argument and he called his shop art.

10. *Hershey*

In *The Hershey Company v. Art Van Furniture*, ⁿ¹⁸⁹ defendant, advertising for its furniture store, placed an image of a sofa being unwrapped from a candy wrapper on the side of the furniture company's delivery truck. There was no likelihood of confusion [*175] by consumers. The court found presumptively dilution by blurring and granted a preliminary injunction. ⁿ¹⁹⁰ The court applied *Moseley II* to explain its reasoning.

This case is similar to *Lettuce*, *Hyundai* (summaries above) and other cases dealing with advertising and using consumers' mental associations to sell one's own product. These cases are problematical because they are not necessarily parodic of the senior mark holder; they merely create a mental association between the marks. They use the senior mark to entice consumers by association. But to stop junior mark holders from being able to do so by creating a cause of action for tarnishment or blurring will make the world a more boring place. It is illogical that one can use parody to protect junior marks that are mean, but not ones that create a cheerful association. ⁿ¹⁹¹ The court blurred dilution law when it justified its decision to find dilution by referencing likelihood of confusion consumer protection. ⁿ¹⁹² Dilution law is not established to protect consumers, but to protect the famous mark. Here the HERSHEY mark was not blurred or tarnished.

11. *BUTTWIPER*

In *Anheuser-Busch, Inc. v. VIP Products, LLC*, ⁿ¹⁹³ the court found a dog toy named BUTTWIPER infringed the Budweiser mark, relying on survey evidence of likelihood of confusion between the toy and Budweiser beer. There have been other dog toy cases with the result that one can name its dog toy LOUIS' CHEWIES, TOMMY HOLEDIGGER, BARKBURY, and MANOLO BARKNIK, but not BUTTWIPER. ⁿ¹⁹⁴ The court applied the Eighth

Circuit's interpretation of trademark parody law which is more protective of the senior mark holder and less protective of the First Amendment and parody. It found trademark infringement, but not dilution. ⁿ¹⁹⁵ There are definitely litigation costs and issues of lack of consistency in law when it comes to marketing parodic dog toys.

12. NAKED COWBOY

In *Burck v. Mars*, ⁿ¹⁹⁶ the Naked Cowboy Times Square street performer sued Mars for its "animated cartoon advertisement on two oversized video billboards in Times Square, featuring a blue M&M dressed exactly like The Naked Cowboy, wearing only [*176] a white cowboy hat, cowboy boots, and underpants, and carrying a guitar." ⁿ¹⁹⁷ It was actually a right of publicity case, but NAKED COWBOY is a trade name and M&M claimed parody, so the facts are relevant. M&M was permitted to keep the billboard and the Naked Cowboy still plies his trade, all in Times Square. ⁿ¹⁹⁸

The court used copyright parody law and applied it in a trademark parody case, which might be appropriate for Fielder regarding his DUMB STARBUCKS. He claimed the shop was a work of art, so he was moving into the copyright realm, or at least not distinguishing between the two. The only difference remaining is whether DUMB is parodic; the Naked Cowboy M&M satisfied the court's requirements to be a parody.

13. Wal-Mart

In *Smith v. Wal-Mart Stores, Inc.*, ⁿ¹⁹⁹ Smith used terms such as WALOCAUST to criticize and make fun of Wal-Mart on web-sites he created for that purpose. ⁿ²⁰⁰ He sold t-shirts through a site managed by CafePress called WAL-QAEDA. ⁿ²⁰¹ The court held the words were parodies ⁿ²⁰² and dismissed the suit. ⁿ²⁰³ On his website, Smith now includes a nice notice thanking the court in northern Georgia for allowing him to continue marketing his t-shirts and making fun of Wal-Mart. ⁿ²⁰⁴

Several of the opinions summarized had considered the law on determining the evidentiary value of survey evidence. The Wal-Mart court went into detail to review how the survey was done, what was asked, and whether the conclusions were accurate. ⁿ²⁰⁵ Surveys do not always fare well when the court applies legal logic to testing their evidentiary value. That happened here; the court found the survey was flawed in regard to proving likelihood of confusion. ⁿ²⁰⁶ Logically, people would not be confused as to source.

In *Smith v. Wal-Mart Stores*, the court also considered dilution by tarnishment. After summarizing what tarnishment is, the court wrote, "However, tarnishment caused merely by an editorial or artistic parody which satirizes [the complainant's] product or its image is not actionable under an anti-dilution statute because of the free speech protections of the First Amendment." ⁿ²⁰⁷ It could well be the same with DUMB STARBUCKS, even though it contains little redeemable social value.

It appears from the summaries of parody cases since 2006 when the TDRA became effective, some of the courts have continued to apply their prior legal understanding of parody's permissible use in trademark usage, while at least one circuit, the Sixth Circuit that decided *Moseley*, has decided not to protect parody if it has a sexual aspect [*177] to it. Appendix II summarizes the findings in the above thirteen trademark cases decided since 2006.

V. ANALYSIS/APPLICATION

Several law journal articles, both before and since passage of the TDRA, have explored similar problems in trademark as those identified in the DUMB STARBUCKS problem. This section summarizes and builds on some of the difficulties that have been identified. Scholars and the authors have suggested making changes to the law as well as ways to cope with the law as it is currently being administered.

A. Trademark Law Overprotects Famous Businesses

First, the current trademark law overprotects big businesses to the detriment of small ones. This is true of the TDRA which provides famous mark holders with a cause of action against junior mark holders for likelihood of dilution of the senior mark. Trademark law has also expanded protection in its topical protection, covering odors, colors, and more. ⁿ²⁰⁸ One legal scholar identified this increased legal power of the senior mark holder as a sort of incentivization to become a trademark bully. ⁿ²⁰⁹ The law encourages senior mark holders to police their marks vigorously. It is noticeable how diligently Starbucks polices its trademark while still presenting itself to the world as a highly ethical and socially responsible company. The legal system incentivizes Starbucks to police its trademark, or risk losing maximum protection. From Starbucks' viewpoint, it is enforcing its legal rights conscientiously. Yet to many people this behavior appears to be bullying, ⁿ²¹⁰ which seems unethical from a consuming public perspective.

[*178] *B. Junior Mark Holders Might Have Undue Expenses in Defending.*

Second, the junior mark holder has to bear the expense of defending a claim when it may not have the financial ability to defend against the often much larger senior mark holder. Defending against a dilution claim under the Lanham Act is by definition defending against a large, well known, and probably wealthy senior mark holder. Such companies are able to spend substantial amounts of money to police their marks. If those who would push back at the expansive boundaries of the senior mark holder's right to stop a junior mark holder from parodying the senior mark are not financially able to do so, the law will become one-sided.

Law professor and intellectual property attorney Leah Grinvald suggested that one tool to push back against bullying senior mark holders is shaming. ⁿ²¹¹ She summarized a case where the "little guy" stood up to the "big guy" and is still using his mark. It was not a parody case, but her advice might have broad applicability. She identified the senior mark holder's behavior as bullying ⁿ²¹² and condemned it as economically damaging. ⁿ²¹³

Law professor William Gallagher traced the impact of cease-and-desist letters sent by senior mark holders. ⁿ²¹⁴ His findings indicated that the above described impression of the system's favoritism of the large senior mark holder is negatively impacting exercise of rights in trademark law, due to the expense of defending.

[P]rivate IP enforcement practices - primarily "cease and desist" letters and threats of litigation during the course of negotiations - are strategically used to settle disputes, often resulting in a target's decision to capitulate to the asserted IP claims. ... [N]on-meritorious trademark and copyright claims are indeed enforced successfully in many cases, thus substantiating the thesis that IP rights are over-enforced in practice under the radar of the courts and the formal legal system. ⁿ²¹⁵

Trademark law is in need of substantial reform with statutory guarantee of free speech rights rather than a statutory incentive for large, wealthy mark holders to bully smaller businesses. Self-help against big business practices may be advisable and **[*179]** later it is suggested that junior mark holders use internet resources to help them learn more trademark law and strategies to defend against senior mark holders' claims.

C. Terms and Concepts Should be Defined to Avoid a Chilling Effect of Unclear Law.

Third, the law may be having a chilling effect on junior mark holders asserting their rights due to its lack of predictability. Clarification of the law could include statutory

1. definition of parody,
12. guidelines for likelihood of confusion in trademark infringement, and
13. recognition of First Amendment rights to use senior marks for proper and creative purposes.

This section advocating defining crucial terms has two branches. One calls for further legislation and/or judicial lawmaking. The other is that the purpose for doing so is to promote uniformity and predictability in the law, two

qualities that are lacking in current trademark law. Improving predictability would decrease litigation and encourage parties to come to the bargaining table with a greater incentive to negotiate. ⁿ²¹⁶ Reducing the costs of compliance would help both government and individual litigants.

1. Definition of parody.

Many trademark courts use the definition of parody derived from the Supreme Court's copyright fair use case *Campbell v. Acuff-Rose*, ⁿ²¹⁷ where a musical parody was a fair use of the original owner's song *Pretty Woman*. The Court defined parody as "the use of some elements of a prior author's composition to create a new one that, at least in part, comments on that author's works." ⁿ²¹⁸ David Simon, Fellow, Project on Law and Mind Sciences, Harvard Law School, in his article on trademark's "confusion trap," summarized parody from *Campbell*:

Parody, the Court stated, was a form of comment or criticism that ridicules the original work by, for example, mimicking its style. It can be distinguished from satire, which does not target the original work but instead uses it as a vehicle to express some other (perhaps critical) message. The Court reasoned that parody had a greater claim to fair use than satire. Parodists require the original works to make their comment or criticism. Satirists, on the other hand, have a weaker claim because they are not commenting or criticizing directly the work they use. ⁿ²¹⁹

[*180] The parody/satire distinction recognized in copyright does not seem workable in trademark law and it causes defendants and courts to work hard to characterize the work as a parody. ⁿ²²⁰ The senior mark holder in a trademark dilution situation is famous by definition, so calling the mark to mind will represent consumerism at the very least. In trademark it makes sense to provide fair use, or noninfringement protection, to satiric works as well as to purely parodic works. ⁿ²²¹ So the *Campbell* definition is not adequate for trademark. ⁿ²²² Courts applying trademark law are not uniform in their interpretation of whether a use is parodic, satiric, and/or permissible. ⁿ²²³

In addition, a trademark use's status as a parody should not depend on the junior mark holder's intent, since similar situations would be treated differently based on one's state of mind and the care one used in documenting it. ⁿ²²⁴ But the use must be more than free riding or publicity seeking. For instance, in *Dallas Cowboy Cheerleaders* the mark was used for attention, not for parody or satire, so the use was not protected. ⁿ²²⁵ A parody should be protected even if it (1) is biting; (2) is directed or aimed at a favorite local or national company or person; or (3) expresses a position or view that is unpopular. ⁿ²²⁶ DUMB STARBUCKS may have been sufficiently biting, since the term dumb is somewhat pejorative.

The TDRA has incorporated parody, albeit without definition, into the defenses section of the dilution statute. ⁿ²²⁷ It creates a bright line for noncommercial parodies that are not used as source identifiers, saying they are permitted. ⁿ²²⁸ However, most parodic uses of a senior mark are probably done by a junior mark holder for commercial purposes and as its own source identification, a brand parody. ⁿ²²⁹ So the statute does not expressly help most junior parodic mark holders. ⁿ²³⁰ It makes sense to have legislation that clearly defines parody and then provides guidance for courts in analyzing the legality of a junior mark holder's parody under the particular circumstances of a case. This would promote uniformity and predictability in the law so that when a junior mark holder is considering making a parodic use of a senior mark, its legality will be more predictable. ⁿ²³¹

DUMB STARBUCKS is brand parody, although Nathan Fielder was not really building a brand. He was free riding in the sense that he was appealing to the Starbucks allure. But he was not really competing with Starbucks, but was making satiric comment on the use of another's trademark. An illustration of a truer brand parody was provided by Dogan & Lemley who used the pre-dilution case involving Lardashe jeans as a play on both Jordache and lard ass, a pejorative term for an overweight person who carries the excess weight in the buttocks. ⁿ²³² Since the case was decided before either of the federal dilution statutes, it may not be decided in the same way today. If it would be, its similarity to DUMB STARBUCKS is that it makes fun of overweight people as much as it parodizes the Jordache brand. Similarly, DUMB STARBUCKS makes fun of the inanity of the law as much or more than it parodizes Starbucks. It appears from

the parody cases since 2006, when the TDRA became effective, that some courts have continued to apply their prior legal understanding of parody's permissible use in trademark, but the Sixth Circuit that decided *Moseley* has decided not to protect brand parody with sexual connotations.

Dogan & Lemley's analysis would permit satiric uses of the senior mark even with the strong TDRA dilution statute. They noted that in trademark parody cases, many courts dwell less on whether the parody meets some criteria than on whether there is likelihood of confusion or dilution. If the court finds the use is neither likely to cause confusion nor dilution, then the junior user's parodic use is generally, but not always, permitted. ⁿ²³³

[*182] 2. *Guidelines for likelihood of confusion in trademark infringement*

Courts seem to use the concept of consumer confusion for infringement and dilution, even though it is not an element of dilution. The TDRA says:

the owner of a famous mark that is distinctive...shall be entitled to an injunction against another person who...commences use of a mark...that is likely to cause dilution...regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury. ⁿ²³⁴

The reference to "likely confusion" in the TDRA indicates that a court can find a junior mark holder liable for both trademark infringement and dilution. McCarthy, on the other hand, suggests that if a court has found trademark infringement, it has no reason to further consider dilution, since the court has already found for the senior mark holder. ⁿ²³⁵ Dilution is to be considered when there is no likelihood of confusion, but the senior mark holder asserts it is likely to be harmed in either the distinctiveness of the mark or in its reputation (blurring or tarnishment). Therefore, the following analysis of confusion relates primarily to when the senior mark holder alleges trademark infringement rather than dilution.

Confusion will often be irrelevant in a well-crafted parody because one of the messages that a parody conveys is "that it is *not* the original and is instead a parody." ⁿ²³⁶ A senior mark holder is not likely to create a parody of its own brand and most consumers recognize this. However, a court should consider confusion and it can be a determining factor (1) where a parodist intends to confuse the public, (2) the marks are confusingly similar, or (3) confusion actually results. Courts could narrow their interpretation of confusion by first determining who the relevant audience is for the confusion test. ⁿ²³⁷ Two products in different markets can use similar names without unduly confusing potential purchasers, like LEXIS and LEXUS. The *Hormel* court recognized that Jim Henson's Spa'am product was a movie and Hormel's Spam product was canned meat. ⁿ²³⁸ In *DUMB STARBUCKS'* case, a court might determine that Fielder's product was a comedy show and Starbucks' product was coffee and pastries. But courts might erroneously define the relevant market; the *Mutual of Omaha* court said that since the insurance company Mutual of Omaha also produced and sold t-shirts and Novak also sold t-shirts with his Mutant of Omaha image, that they were in the same market. ⁿ²³⁹ Clearly they were not selling t-shirts in competition with one **[*183]** another. Consumers who saw Mutant of Omaha t-shirts would not believe that the shirts were produced by Mutual of Omaha. ⁿ²⁴⁰

A tangential problem regarding proof of likelihood of confusion is judicial confusion over the probative value of surveys. The problems with determining the probative value of surveys is beyond the scope of this article, other than to suggest that legislation dictating what survey evidence is probative would put marketing specialists on notice of the legal and logical standards courts will apply to determine whether the survey will be probative in court.

3. *Recognition of First Amendment rights to use senior marks for proper purposes.*

The next section suggests that courts should more consistently consider First Amendment rights of the junior mark holder. In addition, Congress should recognize freedom of speech in commercial settings in the trademark statute sections that recognize junior mark holder defenses, such as in the TDRA and for general trademark infringement. When it statutorily recognized the limited parody defense (exclusion) under the TDRA, this was a first step in

legislative recognition of free speech rights guarded in the U.S. Congress could further recognize the public's free speech rights in trademark situations, since the legislative purpose is to provide for the common welfare, not just wealthy and famous trademark holder's rights to stop others from inappropriately referencing the senior mark. Meanwhile, as the next section indicates, the courts tend to raise First Amendment considerations when considering trademark infringement and dilution claims, as evidenced in the case summaries provided above.

D. Commercial and Brand Parody Should Have Broader First Amendment Protection than that Expressed in the TDRA.

Courts should consider broader First Amendment protections for the junior mark holder to use the senior mark even when the junior mark is not a true parody. In dealing with free speech in *Hustler*, a defamation case involving free speech and parody, the Supreme Court said that refusing to protect "outrageous" speech is not an acceptable standard.

Outrageousness in the area of political and social discourse has an inherent subjectiveness about it which would allow a jury to impose liability on the basis of the jurors' tastes or views, or perhaps on the basis of their dislike of a particular expression. An "outrageousness" standard thus runs afoul of our longstanding refusal to allow damages to be awarded because the speech in question may have an adverse emotional impact on the audience. ⁿ²⁴¹

If outrageousness is not a suitable standard for tort law, it is equally unsuitable for trademark dilution actions. *Hustler* is particularly important to consider in light [*184] of the Sixth Circuit's holding in *Moseley II* that if the junior mark involves a sexually related association, it will be presumed to be diluting of the senior mark. ⁿ²⁴²

In commercial parodies generally the parties are two commercial enterprises, although they may not be of the same size; the First Amendment protects even commercial speech, although to a lesser extent than ideological speech. ⁿ²⁴³ DUMB STARBUCKS involves commercial speech, even though Fielder gave away the coffee, since it was a sort of advertisement for his comedy show. But regardless of the commercial nature, the intent of the parodic use to entertain the public should be protected.

[T]he correct question is not whether speech is commercial or not, but whether it is commercial to such an extent as to overwhelm the underlying parody. ... [I]t is virtually unimaginable, particularly in dilution actions, that commercial purpose ever overwhelms the parody, *provided the parody is genuine*. Courts should begin by looking at whether the defendant has a genuine parody, not whether the parody is primarily commercial. ⁿ²⁴⁴

Of course, as previously mentioned, the law should restrict free riding that claims to be a parody. ⁿ²⁴⁵

In conclusion, trademark law would benefit by an explanation of what parody is in the context of trademark. It is not the same thing as it is in copyright law. What copyright law might call satire and for which it might be inclined to provide less fair use protection is not necessarily desirable in trademark law. Having a better explanation of tarnishment, how it is distinct from blurring, would be helpful as well. It may result in courts discovering that what might be thought of as tarnishment is merely parody and should still be protected as a type of brand parody. Second, while this area of law is notoriously unpredictable, the law could be made more predictable by statutory descriptions of what is fair use, parody, tarnishment, and the like. The authors also suggest removing the cause of action for dilution altogether or balancing it with a statute that literally says courts and the law must protect reasonable First Amendment rights to use others' trademarks, even when doing so might be offensive to the court, to the senior mark holder, and/or to some members of the public.

In an area of law involving ordinary business usage such as trademark, making the law more predictable and uniform is desirable. The legislature and courts should create a clear definition of parody that is practical, consistent, and easy to operationalize. The advantages of a clear definition are that it would:

1. Encourage businesses to play by the legal rules and not engage in excessive trademark policing,

2. Discourage trademark bullying,
3. Discourage socially undesirable litigation which is expensive to the individuals and the taxpayers who fund the legal system,
- [*185] 4. Encourage good faith participation in settlement conferences and alternate dispute resolution,
5. Provide a disincentive for free rider behavior, and
6. Encourage free speech, because the mere threat of litigation can have a chilling effect on speech as the Supreme Court noted in *New York Times v. Sullivan*.ⁿ²⁴⁶

E. The Internet is a Good Tool to Educate Junior Mark Holders and the Public and to Help Protect Freedom of Expression.

Fifth, the courts should reassess fair use and broaden its application in trademark law. In Fielder's case the parody was so dumb that courts might be inclined to deny protection. Starbucks was not injured by his prank and the public was amused. There was a net social gain by his use of DUMB STARBUCKS. Yet the law of dilution is so ill-defined that predicting what a court might do is difficult. Is there protection for dumb parody? Courts and legislature could create a new defense based on the public's right to have fun with famous marks so long as the famous mark is not severely injured, even though the senior mark holder may be offended. This area in particular is problematical under the current trademark enforcement system where the majority of enforcement is done without involving the judicial system, according to law professor William Gallagher's interviews with IP lawyers, which revealed that the majority of trademark issues are handled through cease-and-desist letters and never reach the courtroom.ⁿ²⁴⁷

While preparing the DUMB STARBUCKS story as a teaching case where the students would use online searches to find the law, the authors discovered that a large amount of useful and correct trademark law information is easily available online. This is an area of law where the lay public has a strong interest in the development of the law and the resolution of disputes. The online sites could help lay junior mark holders make informed decisions on whether to parody/satirize a famous mark or not and to help the junior mark holder defend itself against at least the initial stages of a claim by a famous senior mark holder. The Legal Information Institute at Cornell, the U.S. government, law firms, and the Berkman Center for Internet and Society provide the public with solid basic information and with explanations of where the law is inconsistent from circuit to circuit.

However, lay users' comments on the status of IP law are not always accurate. But overall, the internet makes it easier for individuals to perform basic trademark searches and to avoid infringement.ⁿ²⁴⁸ For instance, the parodic t-shirt industry [*186] through online marketing is huge, and those who design parodic t-shirts can take advantage of their First Amendment free speech rights, being able to more accurately predict whether the use might cross the line into commission of trademark and/or copyright infringement. While DUMB STARBUCKS was not an internet marketing device, Nathan Fielder took advantage of the internet to publicize his actions. He used all the media forms that would acknowledge his antics to make his comedic (and sincere) digs on parody in trademark usage. He had a hard copy of a document called Frequently Asked Questions at the establishment and posted it on his website. While the law contained in it might have been erroneous, his use of the internet enhanced the social impact of his prank. In conclusion, an internet site and a junior mark holder defense fund are good modern methods to protect First Amendment freedoms in the face of legislation designed to protect interests of famous senior mark holders with no corresponding protections for junior mark holders who would fairly engage in brand parody.

Self-help through educating oneself about trademark law, is available through online sources. There are several good internet sources, including Harvard's, Stanford's, and Cornell's IP websites.ⁿ²⁴⁹ In addition, often law firms provide basic information online for free, but one would have to pay for legal services. Another possibility is to form a junior mark holder defense fund, similar to the Comic Book Legal Defense Fund created by the comics industry.ⁿ²⁵⁰

F. Inconsistency Among Circuits Makes the Law Unpredictable

Sixth, there is a lack of consistency among the circuits. The TDRA may have been developed to eliminate the variations and to guide the courts in a uniform interpretation of dilution under federal trademark law. But it has not. It would be helpful if the courts or the legislature would clarify the standard of proof issue raised [*187] in *Mosely II* after the TDRA was enacted. In *Starbucks VI* the court identified differences between itself, the Second Circuit, and both the Fourth Circuit and the Ninth Circuits. The *Vuitton* case was a Fourth Circuit dilution case which the Second Circuit refused to follow in its own dilution analyses. The Eighth Circuit finds dilution and infringement under factual circumstances that the other circuits most likely would not. The law should be predictable and consistent. In the case of parody in trademark law, it is not.

G. Congress Should Eliminate Dilution in Federal Law.

Finally, dilution is designed to protect famous marks from being diluted by folks who use the same mark to identify or name other products, for example, Buick aspirin, and Tiffany restaurant. The effect of the dilution right under trademark law is to remove the word TIFFANY from the trademark marketplace for anything other than one jewelry store. Through the reputation of the jewelry store, the word TIFFANY has come to mean elegance and expense, to have a secondary meaning to the public. While some argue that allowing a junior mark holder to capitalize on the senior mark's reputation to cause the public to associate anything named TIFFANY to be elegant and expensive, the likelihood that a poor quality restaurant named TIFFANY, assuming there is no likelihood of confusion (which there was in the actual case), will dilute the reputation of the jewelry store is not great. Hence, dilution has little use under the U.S. trademark system, which is designed to be a consumer protection law rather than a third IP system.

Besides, TIFFANY is also the name associated with Art Deco style stained glass works, especially lamps. It so happens that a father and a son named their various creative craft works after themselves. ⁿ²⁵¹ Which TIFFANY should have a right to sue to stop a restaurant from calling itself TIFFANY? Does the son's business name dilute the father's reputation for elegance and expense? The rights to a trademark in a name, while relevant here, is a larger topic than can be dealt with in this article.

Law professor Sandra Rierson in *Myth and Reality of Dilution* ⁿ²⁵² advanced three claims regarding the disadvantages of dilution:

First, dilution statutes incorrectly assume that the source-identifying function of a trademark is akin to a rivalrous good (a good that is dissipated by use). If marks are nonrivalrous and therefore function more like words than disposable goods, the economic justification for the dilution cause of action ceases to exist. Second, even if diluting but noninfringing uses of famous trademarks do impair the source identifying capacity of some marks, the social and transaction costs imposed by dilution law still [*188] outweigh the harm that it is designed to avert. Dilution claims inflict anticompetitive burdens and, as a result, may entrench dominant (often oligopolist) firms at the expense of market entrants. ... Finally, the true foundation for dilution law lies in the misplaced fiction of corporate personality, not in alleged economic harms. ... Instead, we have granted the holders of famous trademarks the equivalent of a moral right to these marks: an extension of the rights granted to a creator of an expressive work in the copyright context.

All three points dictate against continued federal protection of dilution claims. Perhaps the lack of logical justification for dilution is part of the reason that courts are not really able to distinguish between blurring and tarnishment and so are using blurring where most would first think of tarnishment. ⁿ²⁵³ Also, under the current business economic climate, courts and the legislature should be encouraging competition in the marketplace, not squelching it through laws that protect the status quo. Hence, the TDRA is an undesirable law because it is based on mistaken assumptions about the use of trademark in U.S. law and society. It is an attempt to incorporate personal property concepts into a legal area that under U.S. law lacks that purpose.

Appendix III is a decision tree that provides a logical approach for courts considering a purported parody by a junior mark holder and deciding whether to grant an injunction against the junior mark holder's use as an infringement or a dilution in violation of trademark law. The actual analysis is more complex than the diagram since courts can and

should consider fair use, parody, and other First Amendment defenses under both trademark infringement (not specified in the diagram) and under dilution.

VI. CONCLUSION

The law is constantly balancing competing interests. In trademark law, the interests include: (1) the property rights of the senior mark holder who created the mark and invested in it so that consumers would associate the mark with the senior mark holder's goods and services; (2) the free speech rights of the members of the public who want to use the mark to communicate to others; (3) members of the public who would receive the communication; and (4) the rights of consumers to know the authentic purveyor of the goods and services available for purchase. It is beneficial to society to encourage both commentary and public discourse and also to encourage creativity.

[*189] Nathan Fielder claimed that DUMB STARBUCKS was a parody, and as such was entitled to a legal defense in a trademark infringement or dilution claim by Starbucks, the owner of the STARBUCKS mark. Whether his assertion is true on either or both counts is far from clear based on examination of trademark statutory law, parody cases, and scholarly reviews of trademark regarding dilution and parody, all of which reveal that the law is not settled. Nathan Fielder's defense might win in one court and lose in another court. Minor statutory changes and additions could be made to make judicial outcomes more predictable for junior mark holders trying to parody a famous mark holder and to satirize the status of the law, so that they would know whether they might be liable for trademark infringement, dilution, or another unfair competition claim.

The question remains whether DUMB STARBUCKS would constitute a parody. Is it really a parody/satire or just a publicity stunt to gain attention for Nathan Fielder's television show? Would this be dilution by tarnishment or blurring? Could Starbucks successfully argue both? A trademark parody should be protected if the trademark is relevant to the point being made by the parodist. In many cases, this would require an analysis by the decider of fact. Somewhat more precise legislative guidelines might be helpful to courts making the decisions. The parodist should not be allowed to use a trademark just to get public attention at the expense of the trademark holder when the trademark is irrelevant to his or her point. ⁿ²⁵⁴ The legal system should not encourage that sort of free riding on the trademarked image. ⁿ²⁵⁵ Was Fielder a free-rider or an entertaining comic?

[*190] APPENDIX A

[*191] This appendix contains websites that reported the DUMB STARBUCKS story, copy of Nathan Fielder's Frequently Asked Questions, and images from the store when it was open.

The following websites contain news stories and videos on Nathan Fielder's DUMB STARBUCKS publicity stunt.

Starbucks Responds to Dumb Starbucks in L.A., U.S.A. TODAY, available at <http://www.usatoday.com/story/news/nation-now/2014/02/10/dumb-starbucks-parody-free-coffee/5357597/> (last visited June 25, 2014).

TV Comedian Nathan Fielder behind Dumb Starbucks, CBS NEWS (February 11, 2014), available at <http://www.cbsnews.com/news/tv-comedian-nathan-fielder-behind-dumb-starbucks/> (last visited June 23, 2014).

Dumb Starbucks Founder Nathan Fielder on Jimmy Kimmel Live, YOUTUBE (February 12, 2014), available at <https://www.youtube.com/watch?v=4MJWz3w5ZQc> (last visited June 25, 2014). Dumb Starbucks@dumbstarbucks, TWITTER, available at <https://twitter.com/dumbstarbucks> (last visited June 25, 2014).

Dumb Starbucks (press release), YOUTUBE, available at https://www.youtube.com/watch?v=Bo_deCOd1HU (last visited June 25, 2014).

David Boroff, *"Dumb Starbucks," brainchild of Comedy Central star, shut down by health inspectors*, NEW YORK DAILY NEWS (Tuesday, February 11, 2014), *available at* <http://www.nydailynews.com/entertainment/tv-movies/dumb-starbucks-shut-health-inspectors-article-1.1609947> (last visited June 25, 2014).

Nathan Fielder Tells Jimmie Kimmel He Could Get Jail Time for 'Dumb Starbucks' Joke (Video), The Hollywood Reporter (February 11, 2014), *available at* <http://www.hollywoodreporter.com/news/video-nathan-fielder-tells-jimmy-679673> (last visited June 25, 2014).

CBS News (February 11, 2014), *available at* <http://www.cbsnews.com/news/tv-comedian-nathan-fielder-behind-dumb-starbucks/> (last visited June 23, 2014).

Dumb Starbucks has a Twitter account accessible at <https://twitter.com/dumbstarbucks> (last visited June 23, 2014).

Dumb Starbucks Creator Nathan Fielder's Press Conference, HUFFINGTON POST (2/10/2014, updated 4/12/2014), *available at* http://www.huffingtonpost.com/shira-lazar/dumb-starbucks-creator-na_b_4764158.html (last visited Apr. 28, 2014).

[*192] FREQUENTLY ASKED QUESTIONS

Is this a Starbucks?

No. Dumb Starbucks is not affiliated in any way with Starbucks Corporation. We are simply using their name and logo for marketing purposes.

How is that legal?

Short answer - parody law.

Can you elaborate?

Of course. By adding the word 'dumb', we are technically "making fun" of Starbucks, which allows us to use their trademarks under a law known as 'fair use'. Fair use is a doctrine that permits use of copyrighted material in a parodical work without permission from the rights holder. It's the same law that allows Weird Al Yankovic to use the music from Michael Jackson's "Beat It" in his parody song "Eat It".

So is this a real business?

Yes it is. Although we are a fully functioning coffee shop, for legal reasons Dumb Starbucks needs to be categorized as a work of parody. So, in the eyes of the law, our 'coffee shop' is actually an art gallery and the "coffee" you're buying is considered the art. But that's for our lawyers to worry about. All you need to do is enjoy our delicious coffee!

Are you saying Starbucks is dumb?

Not at all, in fact, we love Starbucks and look up to them as role models. Unfortunately, the only way to use their Intellectual Property properly under fair use is if we are making fun of them. So the "dumb" comes out of necessity, not enmity.

Okay. I think I understand now.

Great. Anything else?

I guess not.

Okay thanks. See you later!

For any other questions, please contact us at DumbStarbucks.gmailcom.

[*193] Images from Dumb Starbucks, Nathan Fielder Explains the Store's Creation, *available at* http://www.youtube.com/watch?v=Bo_deCOd1HU (last visited Feb. 28, 2014).

Image 1

[*194] Image 2 **[*195]** APPENDIX B

[*196] TRADEMARK PARODY CASES SINCE 2006;

Key: N = no, Y = yes, N/A = not applicable/not ruled on.

Case	Circuit/1	LOC	Blurri	Tarnis
	evel		ng	hment
Moseley	6/appell	N/A	N/A	Y
II	ate			
CHARBU	2/appell	N/A	N	N/A
CKS	ate			
CHEWY	4/appell	N	N	N
VUITON	ate			
NAACP	4/trial	Y	N/A	Y
THE SITUATI ON	11/trial	N	N/A	N/A
Louis Vuitton v. Hyundai	2/trial	N	Y	N/A
ELF ON THE SHELF	11/trial	N	N/A	N/A
Protect Marriage	9/trial	N	N/A	N/A

Lettuce Entertain You	7/trial	N/A	N/A	N/A
Hershey	6/trial	*N, but...	N/A	Y
BUTTWI PER	8/trial	Y	N	N
NAKED COWBO Y	2/trial	Y	N	N
Wal-Mart	11/trial	N	N/A	N

Case	Parody	Comments
Moseley II	N/A	Victoria's Secret won.
CHARBU CKS	Y	Starbucks lost.
CHEWY VUITON	Y	Louis Vuitton lost. Court discussed First Amendment defense in trademark law.
NAACP	N	NAACP won. Court added First Amendment as defense.
THE SITUATI ON	Y	A&F won. Court used "trademark fair use" without mentioning dilution. State dilution claim failed because plaintiffs mark was not distinctive.
Louis Vuitton v. Hyundai	N	Louis Vuitton won. Court denied fair use even though ad commented on Louis Vuitton products as representing luxury.
ELF ON THE SHELF	Y	Elf Off won. Court considered both copyright and trademark, treating parody separately under each claim. No dilution

		discussion.
Protect Marriage	Y	Defendant's parody of a heterosexual family won. Court used First Amendment and parody as one and did not mention dilution.
Lettuce Entertain You	Y	Defendant won. Court applied the "fair use" defense from 15 U.S.C. § 1115(b)(4), not from the TDRA.
Hershey	N	Hershey won on *trademark infringement even though there was no likelihood of confusion. The court said there was blurring and it was not a parody.
BUTTWI PER	N	Anheuser-Busch won on trademark infringement! Court relied on survey, which other courts had not used.
NAKED COWBO Y	Y	Defendant Mars won on motion to dismiss, not on merits. Mars claimed parody, First Amendment, and fair use.
Wal-Mart	Y	Plaintiff maker of WALOCAUST prevailed. Cause was for declaratory judgment. Majority of opinion is about viability of survey evidence.

[*197] APPENDIX C

[*198] Image 3

Legal Topics:

For related research and practice materials, see the following legal topics:

Trademark LawInfringement ActionsGeneral OverviewTrademark LawLikelihood of ConfusionNoncompeting ProductsParodies & SatiresTrademark LawLikelihood of ConfusionSimilarityAppearance, Meaning & SoundGeneral Overview

FOOTNOTES:

n1 (C) Deborah J. Kemp, Lynn M. Forsythe, and Ida M. Jones 2014. Deborah J. Kemp is a professor of Business Law in the Craig School of Business at the California State University, Fresno. She earned her J.D. from the University of Florida. Lynn M. Forsythe is the Verna Mae and Wayne D. Brooks Professor of Business Law in the Craig School of Business at the California State University, Fresno. She earned her J.D. from the University of Pittsburgh. Ida M. Jones is a Professor of Business Law in the Craig School of Business at the California State University, Fresno. She is also the university's Director of the Center for Scholarly Advancement of Learning and Teaching. She earned her J.D. from New York University.

n2 Anthony Kurzweil, *Dumb Starbucks' Shut Down as Comedian Behind it Announces NYC Plans*, KTLA (Feb. 10, 2014, 5:32 PM), <http://ktla.com/2014/02/10/starbucks--responds--to--dumb--starbucks--parody--shop--2/>.

n3 Tenny Tatusian, *Comedy Central's Nathan Fielder is Behind Dumb Starbucks*, L.A. TIMES (Feb. 10, 2014, 4:34 PM), <http://www.latimes.com/food/dailydish/la-dd--nathan--fielder--dumb--starbucks--story.html>.

n4 *Moseley v. V Secret Catalogue*, 537 U.S. 418, 433 (2003). The authors use "dilution" and "anti-dilution" interchangeably. Dilution gives one who has a famous mark a cause of action against a junior user whose use of the mark, even in the absence of likely causing consumers to be confused, blurs or tarnishes the senior mark. The concept was adopted in statutory form by about half the states, and since 1995 has been recognized in federal trademark statutory law.

n5 *I.P. Lund Trading ApS v. Kohler Co.*, 11 F. Supp. 2d 112, 114 n.3 (D. Mass. 1998). The authors use "senior mark" to denote the registered mark or the first use of the mark. "Junior mark" denotes the second and potentially infringing use. *Id.*

n6 Trademark Dilution Revision Act of 2006 (TDRA), Pub. L. No. 109--312, § 2, 120 Stat. 1730 (2006) (codified at Lanham Act 43 U.S.C. § 1125(c) (2006)). The TDRA replaced the Federal Trademark Dilution Act (FTDA) of 1995, Pub. L. No. 104--98, 109 Stat. 985 (1996) (repealed).

n7 See Ethan Horwitz and Benjamin Levi, *Fifty Years of the Lanham Act: A Retrospective of Section 43(a)*, 7 FORDHAM INTELL. PROP., MEDIA AND ENT L. J. 59, 59--60 (1996); Jennifer Files Beerline, *Anti-Dilution Law, New and Improved: The Trademark Dilution Revision Act of 2006*, 23 BERKELEY TECH. L. J. 511, 511 (2008) ("Federal [trademark] law provides famous trademark owners with power over and above traditional trademark protection.").

n8 15 U.S.C. § 1025(c)(3) (2012). The TDRA labels the defenses "exclusions."

n9 Admittedly, the definition of "commercial use" varies within the law. Nathan Fielder was reportedly giving the coffee away for free, so one might argue that it was a non-commercial use. The authors assume a business such as a store that provides coffee and pastries to customers, even without charging for the goods, is engaging in commerce. According to reports, the beverages were being given away free. See Rachel Zarrell, *People Are Waiting for Hours to Visit a "Dumb Starbucks" Coffee Shop in California*, BUZZFEED (Feb. 9, 2014, 4:30 PM), <http://www.buzzfeed.com/rachelzarrell/a--dumb--starbucks--coffee--shop--is--the--newest--craze--in--californ>. The L.A. County Health Department treated Dumb Starbucks as a commercial enterprise and ordered it to close, even though Nathan Fielder during his press conference called it an art installation. *Id.*

n10 See generally, Leah Chan Grinvald, *Shaming Trademark Bullies*, 2011 WIS. L. REV. 625, 641--652 (2011).

n11 See e.g., *Hustler Magazine v. Falwell*, 485 U.S. 46, 48, 56 (1988). While this article concentrates on trademark parody, the *Hustler Magazine* case illustrates the First Amendment privilege in defamation cases from a point of view that it is not receiving sufficient protection under the current interpretation of trademark law, that of parodic sexual speech. *Id.* at 46--47. *Hustler Magazine* published a parody "of an advertisement for Campari Liqueur that contained the name and picture of [Falwell] entitled 'Jerry Falwell talks about his first time.'" *Id.* at 48. It was "modeled after Campari ads that included interviews with various celebrities about their 'first times.'" *Id.* "Although it was apparent by the end of each interview that this meant the first time they sampled Campari, the ads clearly played on the double entendre of the sexual subject of 'first times.'" *Id.* Hustler drafted a fictitious interview with Falwell in which he stated that his "first time" was during a drunken incestuous rendezvous with his mother in an outhouse, suggesting that he was a hypocrite. *Id.* The ad contained the disclaimer in small print, "ad parody -- not to be taken seriously." *Id.* The Court concluded that public figures and public officials must show 'actual malice,' i.e., "knowledge that the statement was false or with reckless disregard as to whether or not it was true." *Id.* at 56. Famous people in the United States have no cause of action for parodic speech unless it is done maliciously. Yet First Amendment limitations might not be available to defend against famous companies who sue for dilution or trademark infringement.

n12 See Stacey L. Dogan and Mark A. Lemley, *Parody as Brand*, 47 U.C. DAVIS L. REV. 473, 485 (2013).

"Parody as brand differs from parody as product because the parody is being used as an indicator of source." *Id.* "Building a brand name around someone else's trademark looks, to some observers, like a classic case of 'free riding,' with the parodist taking advantage of the allure of the targeted brand." *Id.* "Trademark holders, not surprisingly, abhor the practice and sue to prevent it." *Id.*

n13 TV Comedian Nathan Fielder Behind Dumb Starbucks, CBS NEWS (Feb. 11, 2014, 9:57 AM), <http://www.cbsnews.com/news/tv--comedian--nathan--fielder--behind--dumb--starbucks/>.

n14 *Id.*

n15 *Id.* See Rachel Zarrell, *People Are Waiting for Hours to Visit a "Dumb Starbucks" Coffee Shop in California*, BUZZFEED (Feb. 9, 2014, 4:30 PM) <http://www.buzzfeed.com/rachelzarrell/a--dumb--starbucks--coffee--shop--is--the--newest--craze--in--californ>.

n16 Samantha Schaefer, *Joke's on L.A.: Comedy Central behind Dumb Starbucks Faux Shop*, L.A. TIMES (Feb. 11, 2014, 3:00 AM), <http://www.latimes.com/local/lanow/la-me-ln-dumb-starbucks-comedy-central-20140210,0,7187119.story>.

n17 Daniel R. Cahoy, *Changing the Rules in the Middle of the Game: How the Prospective Application of Judicial Decision Related to Intellectual Property Can Promote Economic Efficiency*, 41 AM. BUS. L.J. 1, 7 (2003).

n18 See Keith E. Maskus, *Intellectual Property Rights and Economic Development*, 32 CASE W. RES. J. INT'L L. 471, 473 (2000).

n19 *Id.* at 473--474.

n20 Cahoy, *supra* note 17, at 13.

n21 Maskus, *supra* note 18, at 474.

n22 *Id.* at 476; Cahoy, *supra* note 17, at 14.

n23 Cahoy, *supra* note 17, at 8.

n24 *Id.* at 9.

n25 Maskus, *supra* note 18, at 471--472. *See also* Robert E. Evenson, *Intellectual Property Rights and Economic Development*, By Keith Maskus, 33 CASE W. RES. J. INT'L L. 187, 187 (2001) (commenting on Maskus's article); Stephanie M. Greene, *Protecting Well-Known Marks in China: Challenges for Foreign Mark Holders*, 45 AM. BUS. L.J. 371, 390--91 (2008) (discussing the problems of protecting trademarks in China and whether China is complying with TRIPS); and Wei Shi, *Globalization and Indigenization: Legal Transplant of a Universal TRIPS Regime in a Multicultural World*, 47 AM. BUS. L.J. 455 (2010) (comparing the Intellectual Property Rights Systems (IPRS) of China, Japan, and South Korea and discussing the social and religious values under which a nation's IPRS system must operate).

n26 Dogan & Lemley, *supra* note 12, at 502.

n27 Cahoy, *supra* note 17, at 14.

n28 *Id.* at 23.

n29 *Id.* This is an issue unique to IP both because IP protection is relatively recent and because there is no physical boundary to use as a clear dividing line.

n30 Dogan & Lemley, *supra* note 12, at 495.

n31 *Id.* at 496.

n32 *Id.*

n33 See *Frequently Asked Questions About Trademarks*, UNITED STATES PATENT AND TRADEMARK OFFICE, <http://www.uspto.gov/faq/trademarks.jsp> (last visited Jan. 23, 2015). The site contains little in the way of definitions and legal information. It is designed to help those wishing to obtain a trademark. See also, 15 U.S.C. § 1127 (2012):

The term "trademark" includes any word, name, symbol, or device, or any combination thereof--

(1) used by a person, or

(2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter, to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.

n34 *Overview of Trademark Law*, BERKMAN CENTER FOR INTERNET AND SOCIETY, <http://cyber.law.harvard.edu/metaschool/fisher/domain/tm.htm> (last visited Jan. 23, 2015).

n35 1 J. MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 2:20 (4th ed. 1997). "Good will and its symbol, a trademark, are inseparable. A trademark has no independent significance apart from the good will it symbolizes. If there is no business and no good will, a trademark symbolizes nothing."

n36 Stephen L. Carter, *The Trouble With Trademark*, 99 YALE L. J. 759, 764 (1990); see e.g., *Estate of Presley v. Russen*, 513 F. Supp. 1339, 1372 (D.N.J. 1981) (citing *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 413 (1916) in stating "the common law of trademarks is but a part of the broader law of unfair competition"); Daniel M. McClure, *Trademarks and Unfair Competition: A Critical History of Legal Thought*, 69 TRADEMARK REP. 305, 312 (1979).

n37 See generally, RESTATEMENT (THIRD) OF UNFAIR COMPETITION (2009).

n38 15 U.S.C. § 1051, et seq. (2012). The Legal Information Institute introduces the Lanham Act with the following description:

The Lanham Act, 15 U.S.C. § 1051, et seq., was enacted by Congress in 1946 based on the power granted to it by the Commerce Clause. It provides for a national system of trademark registration and protects the owner of a federally registered mark against the use of similar marks if such use is likely to result in consumer confusion, or if the dilution of a famous mark is likely to occur. The scope of the Lanham Act is independent of and concurrent with state common law.

Lanham Act, LEGAL INFORMATION INSTITUTE, http://www.law.cornell.edu/wex/lanham_act (last visited Jan. 23, 2015).

n39 *Id. See*, Lynda J. Oswald, "*Tarnishment*" and "*Blurring*" Under the Federal Trademark Dilution Act of 1995, 36 AM. BUS. L.J. 255, 269--270, n. 85 (1999). Oswald wrote that the legislative history of the FTDA of 1995 states that the federal statute does not preempt state dilution statutes. Since federal trademark law does not preempt state trademark and unfair competition law, it is different from copyright law where federal law preempts similar state law. *See* 17 U.S.C. § 301 (2013):

On and after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright ... are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.

n40 U.S. CONST., art. I, § 8, cl. 3.

n41 U.S. CONST., art. I, § 8, cl. 8 ("Congress shall have 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.").

n42 Yet, trademark has IP aspects and is treated as IP in business law courses. The new dilution statute goes farther in treating trademark as IP in that it provides enforcement rights in the absence of consumer confusion, treating the trademark as property protectable by the mark holder.

n43 *Overview of Trademark Law*, *supra* note 34.

n44 TMEP, § 1209.01a (9th ed. Oct. 2012), *available at* <http://tmept.uspto.gov/RDMS/detail/manual/TMEP/Oct2012/TMEP--1200d1e6993.xml> (last visited June 15, 2014).

n45 *Id.*

n46 15 U.S.C. § 1114 (2012). For instance subsection (1) provides in part: "Any person who shall... use in commerce any...copy...of a registered mark in connection with the...distribution...of any goods or services on or in connection with which such use is likely to cause confusion... shall be liable in a civil action by the registrant for the remedies hereinafter provided." The remedies are injunction and money damages if the infringement is intentional. *Id.*

n47 See Appendix I and the websites noted therein.

n48 See Scot A. Duvall, *The Trademark Dilution Revision Act of 2006: Balanced Protection for Famous Brands*, 97 THE TRADEMARK REPORTER 1252, 1253 (2007). This is the official publication of the International Trademark Association (INTA). The author helped draft the TDRA.

n49 Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 814 (1927).

n50 See Jordan M. Blanke, *Victor's Little Secret: Supreme Court Decision Means More Protection for Trademark Parody*, 13 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1053, 1061 (2003) ("Significantly, the purpose behind anti-dilution laws is not to avoid consumer confusion, but rather, to promote a property-like interest in the mark itself.") In the 1940's states began enacting anti-dilution statutes. See Robert N. Klieger, *Trademark Dilution: The Whittling Away of the Rational Basis for Trademark Protection*, 58 U. PITT. L. REV. 789, 811 (1997):

Yet in 1947, just one year after enactment of the Lanham Act, Massachusetts adopted the first state anti-dilution statute, which provided: "Likelihood of injury to business reputation or of dilution of the distinctive quality of a trade name or trade-mark shall be a ground for injunctive relief . . . notwithstanding the absence of competition between the parties or of confusion as to the source of goods or services." Other states followed suit and by January 1996, when President Clinton signed the Federal Trademark Dilution Act into law, twenty-eight states had adopted identical or substantially similar anti-dilution statutes, and at least one state had recognized dilution as part of its common law. (citations omitted).

See also Robert G. Bone, *Symposium Review: Schechter's Ideas in Historical Context and Dilution's Rocky Road*, 24 SANTA CLARA COMPUTER & HIGH TECH. L.J. 469, 497 (2008); Patrick Emerson, *"I'm Litigatin' It": Infringement, Dilution, and Parody Under the Lanham Act*, 9 NW. J. TECH. & INTELL. PROP. 477, 478 (2011); Mathias Strasser, *The Rational Basis of Trademark Protection Revisited: Putting the Dilution Doctrine into Context*, 10 FORDHAM INTELL. PROP., MEDIA & ENT. L.J. 375, 406 (2000).

n51 Mark H. Anania, *Note: The Plight of Small Business Trademark Holders*, 59 RUTGERS L. REV. 565, 579, 588 (2007). States generally use one of the two model statutes included in the United States Trademark Association Model State Trademark Bill. It is unknown how the two model statutes differ from one another, which is beyond the scope of this article.

n52 Pub. L. No. 104--98, 109 Stat. 985 (1996) (codified at Lanham Act § 43(c), 15 U.S.C. § 1125(c) (Supp. II 1996), replaced by Pub. L. 109--312, 109th Cong., 120 Stat. 1731 (Oct. 6, 2006), codified at 15 U.S.C. § 1125(c) ("This Act may be cited as the "Trademark Dilution Revision Act of 2006".) For an excellent summary of the FTDA and the status of trademark law as of 1998, see Oswald, *supra* note 39.

n53 15 U.S.C. § 1125(c)(1) (2012). "... [T]he owner of a famous mark that is distinctive... shall be entitled to an injunction against another person who...commences use of a mark or trade name in commerce that is **likely to cause dilution** by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury." (emphasis added).

n54 15 U.S.C. § 1125(c)(2)(B) and (C) (2012):

(B) For purposes of paragraph (1), "dilution by blurring" is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark.

(C) For purposes of paragraph (1), "dilution by tarnishment" is association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.
Blurring is more specifically described by the statute's list of factors the court should consider when deciding whether blurring has occurred. Since tarnishment has only the bare definition without further factors a court should consider, it is more difficult to predict.

See e.g., Laura E. Little, *Regulating Funny: Humor and the Law*, 94 CORNELL L. REV. 1235, 1272 (2009):

[T]he general purpose of the tarnishment theory is to redress injuries caused by degrading a mark's positive associations and using it for "unwholesome or degrading goods or services." ... [C]ourts have found dilution by tarnishment where a defendant used a plaintiff's trademark in the context of humor based on bodily functions and drug culture as well as adult cartoons, websites, live entertainment, and movies. As in the infringement setting, tarnishment cases are unpredictable, with parodies on relatively uncontroversial subjects sometimes becoming entangled in the liability net and unsavory subject matter occasionally avoiding capture (citations omitted).

n55 *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 433 (2003).

n56 15 U.S.C. § 1125(c) (2012).

n57 *Id.* Parody is also provided for in the TDRA, which was not the case in the FTDA. The Lanham Act does not define parody, however.

n58 *Id.* The TDRA states "regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury."

n59 *Moseley*, 537 U.S. at 432--433:

The relevant text of the FTDA...provides that "the owner of a famous mark" is entitled to injunctive relief against another person's commercial use of a mark or trade name if that use "*causes dilution* of the distinctive quality" of the famous mark. ... This text unambiguously requires a showing of actual dilution, rather than a likelihood of dilution.

n60 *Id.* at 434:

It may well be...that direct evidence of dilution such as consumer surveys will not be necessary if actual dilution can reliably be proven through circumstantial evidence... Whatever difficulties of proof may be entailed, they are not an acceptable reason for dispensing with proof of an essential element of a statutory violation. The evidence in the present record is not sufficient to support the summary judgment on the dilution count.

See Julie Manning Magid, Anthony D. Cox, and Dena S. Cox, *Quantifying Brand Image: Empirical Evidence of Trademark Dilution*, 43 AM. BUS. L.J. 1, 26--27 (2006) (proposing an experimental design that could be used to measure trademark dilution under the TDRA and *Moseley I*).

n61 The Supreme Court in *Moseley* said the showing of actual dilution did not require proof of harm, actual loss, etc. *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 433 (2003):

Of course, that does not mean that the consequences of dilution, such as an actual loss of sales or profits, must also be proved. To the extent that language in the Fourth Circuit's opinion in the *Ringling Bros.* case suggests otherwise ... we disagree. 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.

That qualifying statement indicated that the difference between proving dilution and proving likelihood of dilution was more semantic than substantive. The above statement regarding consumer association between the senior and junior mark should still be good law.

n62 15 U.S.C. § 1125(c)(2)(A) (2012):

For purposes of paragraph (1), a mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner. In determining whether a mark possesses the requisite degree of recognition, the court may consider all relevant factors, including the following:

- (i) The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties.
- (ii) The amount, volume, and geographic extent of sales of goods or services offered under the mark.
- (iii) The extent of actual recognition of the mark.
- (iv) Whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

n63 15 U.S.C. § 1125(c)(2)(B) (2012):

For purposes of paragraph (1), "dilution by blurring" is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark. In determining whether a mark or trade name is likely to cause dilution by blurring, the court may consider all relevant factors, including the following:

- (i) The degree of similarity between the mark or trade name and the famous mark.
- (ii) The degree of inherent or acquired distinctiveness of the famous mark.
- (iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.
- (iv) The degree of recognition of the famous mark.
- (v) Whether the user of the mark or trade name intended to create an association with the famous mark.
- (vi) Any actual association between the mark or trade name and the famous mark.

n64 15 U.S.C. § 1125(c)(2)(B) (2012).

n65 15 U.S.C. § 1125(c)(2)(B)(i-vi) (2012).

n66 *Mead Data Central, Inc. v. Toyota Motor Sales, Inc., U.S.A.*, 875 F.2d 1026, 1030 (2d Cir. 1989) (reversing district court's finding of dilution and finding no blurring).

n67 *Mead Data Cent., Inc. v. Toyota Motor Sales, U.S.A., Inc.*, 702 F. Supp. 1031, 1045 (S.D.N.Y. 1988).

n68 *Mead Data Cent., Inc. v. Toyota Motor Sales U.S.A., Inc.*, 875 F.2d 308, 308 (2d Cir. 1989) (granting a reversal of district court's permanent injunction, opinion subsequently published as *Mead Data Cent., Inc. v. Toyota Motor Sales, U.S.A., Inc.*, 875 F.2d 1026 (2d Cir. 1989)). *See Mead Data Cent., Inc. v. Toyota Motor Sales, U.S.A., Inc.*, 875 F.2d 1026, 1027 (2d Cir. 1989).

n69 *Mead Data Cent., Inc.*, 875 F.2d at 1027.

n70 *Id.* at 1028. Most readers of this article, as legal professionals, however, will recognize the similarity between LEXIS and LEXUS.

n71 MCCARTHY, *supra* note 35, at § 24:72: "... the argument that proponents of anti--dilution law have forwarded: Blurring diffuses the meaning of a mark, increases mental search costs and delays consumer thinking of mark to source...." McCarthy cites, quotes from, and discusses Rebecca Tushnet's article on the topic. *See generally*, Rebecca Tushnet, *Trademark Law and Cognitive Science*, 86 TEX. L. REV. 507, 508 (2008).

n72 15 U.S.C. § 1125(c)(2)(C) (2012).

n73 See RESTATEMENT (SECOND) OF TORTS § 561 (1981). *See* Steven B. Morgan, *The First Amendment and the Corporate Plaintiff: Applicability of the New York Times Standard to Corporate Defamation and Product Disparagement*, 19 VAL. U. L. REV. 847, 847--48 (1985), available at <http://scholar.valpo.edu/cgi/viewcontent.cgi?article=1515&context=vulr> (summarizing both W. PROSSER, LAW OF TORTS (undated) and the RESTATEMENT (SECOND) OF TORTS § 561 (1981)).

n74 15 U.S.C. § 1125(c)(3)(A) (2012). Nominative fair use occurs when the senior mark is used to compare with the junior mark. Descriptive fair use occurs when the senior mark's words are used to describe the product, like a cereal that is all bran. *See Overview of Trademark Law*, *supra* note 34. That nominative and descriptive uses of a senior mark are permitted is recognized law. It is legal for Crest toothpaste owner to talk about Gleem toothpaste when comparing the products in an advertisement. Neither nominative nor descriptive fair uses are relevant for the Fielder parody defense claim. *Id.*

n75 15 U.S.C. § 1125(c)(3) (2012).

n76 *See generally*, Dogan & Lemley, *supra* note 12, coining the term "brand parody" to describe humorous or biting uses of the senior mark holder for one's own trademark. DUMB STARBUCKS, if it is a parody at all, is a brand parody.

n77 See e.g., *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 736 F.3d 198, 211, 212 (2d Cir. 2013) (Starbucks VI), and *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 261, 262 (4th Cir. 2007).

n78 ARISTOTLE, POETICS ii.5 (Richard Janko trans., 1987); RYAN BISHOP, COMEDY AND CULTURAL CRITIQUE IN AMERICAN FILM 93 (2013).

n79 THE OXFORD BOOK OF PARODIES, John Gross, ed., 2010. "The political cartoon is a weapon of attack, of scorn and ridicule and satire; it is least effective when it tries to pat some politician on the back. It is usually as welcome as a bee sting and is always controversial in some quarters." *Hustler Magazine v. Falwell*, 485 U.S. 46, 54 (1988) (citing and quoting Long, *The Political Cartoon: Journalism's Strongest Weapon*, THE QUILL, 56, 57 (Nov. 1962)).

n80 *Parody*, OXFORD DICTIONARY, http://www.oxforddictionaries.com/us/definition/american_english/parody (last visited Jan. 24, 2015).

n81 See MCCARTHY, *supra* note 35, at § 31:153. Starbucks prevailed in a case where the junior mark holder's LESSBUCKS COFFEE was denied registration on the basis of survey results showing consumers thought that LESSBUCKS was associated with STARBUCKS. *Starbucks Coffee Company v. Marshall S. Ruben*, 78 U.S.P.Q. 2d 1741 (T.T.A.V. 2006).

n82 See generally, WILLIAM PATRY, THE FAIR USE DEFENSE IN COPYRIGHT LAW (1985). Fair use came into copyright law from British common law, so is not based on the First Amendment. While the concept of fair use derived from copyright, the doctrine is different in trademark law.

n83 *Campbell v. Acuff-Rose Music*, 510 U.S. 569, 579--80 (1994). The Supreme Court has only once before even considered whether parody may be fair use, and that time issued no opinion because of the Court's equal division. *Benny v. Loew's Inc.*, 239 F.2d 532, 536 (9th Cir. 1956), *aff'd sub nom.* *Columbia Broadcasting System, Inc. v. Loew's Inc.*, 356 U.S. 43 (1958).

Suffice it to say now that parody has an obvious claim to transformative value, as Acuff--Rose itself does not deny. Like less ostensibly humorous forms of criticism, it can provide social benefit, by shedding light on an earlier work, and, in the process, creating a new one. We thus line up with the courts that have held that parody, like other comment or criticism, may claim fair use under § 107.

See, e. g., *Fisher v. Dees*, 794 F.2d 432, 435--40 (9th Cir. 1986) ("When Sonny Sniffs Glue," a parody of "When Sunny Gets Blue," is fair use); *Elsmere Music, Inc. v. National Broadcasting Co.*, 482 F. Supp. 741, 747 (S.D.N.Y.

1980), *aff'd*, 623 F.2d 252 (2d Cir. 1980) ("I Love Sodom," a "Saturday Night Live" television parody of "I Love New York," is fair use). Judicial decisions prior to enactment of the Copyright Act of 1976, which codified the fair use defense, had established that parody could be fair use. *See generally*, PATRY, *supra* note 82.

n84 17 U.S.C. § 107 (2012).

n85 *Campbell*, 510 U.S. at 569.

n86 *See generally*, PATRY, *supra* note 81 (tracing the fair use doctrine to English cases and identifying its first recognition under U.S. law in Justice Story's opinion in *Folsom v. Marsh*, 9 F. Cas. 342 (C.C.D. Mass. 1841)).

n87 *Campbell*, 510 U.S. at 569.

n88 *See* MCCARTHY, *supra* note 35, at § 31:154 (providing examples of infringing parodies, illustrating how courts confuse likelihood of confusion with dilution analysis).

n89 *Id.*

n90 *Original Appalachian Artworks, Inc. v. Topps Chewing Gum, Inc.* 642 F. Supp. 1031, 1032-33 (N.D. Ga. 1986) (copyright and trademark infringement claimed and proved).

n91 *Id.* at 1038 (likelihood of confusion standard for trademark infringement satisfied, so parody was not protected).

n92 Trademark Dilution Revision Act of 2006, Pub. L. No. 109--312, § 2, 120 Stat. 1730, *codified* at 15 U.S.C. § 1125(c).

n93 *See e.g.*, *Campbell v. Acuff-Rose Music*, 510 U.S. 569, 579 (1994) ("This Court has only once before even considered whether parody may be fair use, and that time issued no opinion because of the Court's equal division. *Benny v. Loew's Inc.*, 239 F.2d 532, 536 (9th Cir. 1956), *aff'd sub nom*, *Columbia Broadcasting System, Inc. v. Loew's Inc.*, 356 U.S. 43 (1958)"). *See generally*, PATRY, *supra* note 82, 6--17.

n94 *Campbell v. Acuff-Rose Music*, 510 U.S. 569, 571-72 (1994).

n95 17 U.S.C. §§ 101, et seq. (2012).

n96 17 U.S.C. § 107 (2012).

n97 *Campbell*, 510 U.S. at 594.

n98 17 U.S.C. § 107 (2012):

[T]he fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright.

The list of uses is illustrative, so parodic use could be permitted, even though parody is not on the list of illustrative uses.

n99 *Campbell v. Acuff--Rose Music*, 510 U.S. 569, 579--80 (1994) ("We thus line up with the courts that have held that parody, like other comment or criticism, may claim fair use under § 107.")

n100 *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 431 (2003).

n101 *Id.* at 434 ("[D]irect evidence of dilution such as consumer surveys will not be necessary if actual dilution can reliably be proved through circumstantial evidence -- the obvious case is one where the junior and senior marks are identical.")

n102 *Id.*

n103 *Id.* at 433 (actual dilution must be shown). The Court, however, made clear that this was not much different than the likelihood of confusion standard under traditional trademark law. "Of course, that does not mean that the consequences of dilution, such as an actual loss of sales or profits, must also be proved." *Id.* at 433--434.

n104 *See generally*, Dogan & Lemley, *supra* note 12.

n105 Blanke, *supra* note 50, at 1059--73.

n106 In *V Secret Catalogue, Inc. v. Moseley*, 605 F.3d 382 (6th Cir. 2010) [*Moseley II*], the court held that Congress intended to treat sex--related parodic marks as unprotected. The dissent argued that the statute did no such thing. Sex is not mentioned in the TDRA, so the dissent is correct.

n107 *Dallas Cowboy Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 202--203 (2d Cir. 1979).

n108 *Gen. Elec. Co. v. Alumpa Coal Co.*, No. 79-1815, 1979 U.S. Dist. LEXIS 9197, at *2, 4--5 (D. Mass. Oct. 12, 1979).

n109 The court decided the case under a straight infringement theory. In the words of the court, "I find that General Electric's distinctive and widely--recognized trademark is valid and worthy of protection. I find that there is great probability of confusion among the general public of plaintiff's trademarks and defendant's imitation. Accordingly, issuance of a preliminary injunction is warranted ..." *Id.* at 4. In the brief opinion, the court did not analyze blurring, tarnishment, or parody. The court did not even mention the First Amendment, however, it did mention that the defendant contended that he was lampooning the General Electric mark. Emerson concludes that it was because the message primarily had a commercial purpose, "i.e., to *sell* the joke, rather than to *make* the joke." See Emerson, *supra* note 50, at 488.

n110 Pillsbury Co. v. Milky Way Prods., 215 U.S.P.Q. (BNA) 124, 125--26 (N.D. Ga. 1981).

n111 L.L. Bean, Inc. v. Drake Publishers, Inc., 811 F.2d 26, 32 (1st Cir. 1987).

n112 *Id.*

n113 *Id.* at 33 (citing Berlin v. E.C. Publications, Inc., 329 F.2d 541, 545 (2d Cir. 1964), a music copyright parody case).

n114 *Id.* at 34.

n115 Kraft Foods Holdings, Inc. v. Helm, 205 F. Supp. 2d 942, 943 (N.D. Ill. 2002).

n116 *Id.* The websites are www.cheesygraphics.com and www.courttoporn.com. As of June 24, 2014, the second site is no longer available.

n117 *Id.* at 949.

n118 *Id.* at 948. Stuart Helm appeared both *pro se* and through a law firm. In the words of the court:

Mr. Helm's claim that his use of "VelVeeda" is a parody of Kraft ... contradicts his statements in both his deposition and in his in-court testimony that his use of "VelVeeda" is not meant to be an opinion, commentary or parody of Kraft or Velveeta. ... [P]erhaps most fatal to Mr. Helm's claim that he is parodying Velveeta(R) and should be protected, are his admissions to the contrary. He stated twice that he never parodied Kraft or Velveeta(R) and that his use of the name "VelVeeda" is not a parody of the Kraft cheese products.

Id. at 952--53. Additionally Helm testified that his nickname is not important for conducting any of the transactions that occur on his website. *Id.* at 955.

n119 Hormel Foods Corp. v. Jim Henson Prods., Inc., 73 F.3d 497, 508 (2d Cir. 1996). On appeal, the only issue remaining between the parties was the marketing of merchandise.

n120 *Id.* at 507 (quoting Deere & Co. v. MTD Prods., Inc., 41 F.3d 39, 43 (2d Cir. 1994)).

n121 Jordache Enters. v. Hogg Wyld, Ltd., 828 F.2d 1482, 1483 (10th Cir. 1987).

n122 Blanke, *supra* note 50, at 1074 ("Clearly, one cannot reconcile the decisions of the Second, Fourth, Eighth, and Tenth Circuits. If the cases from the Eighth Circuit had been brought before the Second, Fourth, or Tenth Circuits (or vice versa), the results would have been the reverse.").

n123 Mutual of Omaha Insurance Co. v. Novak, 836 F.2d 397, 403 (8th Cir. 1987).

n124 Lucasfilm Ltd. v. Media Mkt. Group, Ltd., 182 F. Supp. 2d 897, 899--900 (N.D. Cal. 2001).

n125 Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 899 (9th Cir. 2002).

n126 See Order Dismissing Case Without Prejudice Due To Settlement at 1, Starbucks Corp. v. Dwyer, No. 3:00-CV-1499 MMC (N.D. Cal., filed Apr. 24, 2000). See Kieron Dwyer, *Greed Sucks!*, KIERONDWYER.COM, <http://kierondwyer.com/LCD/GREED.htm> (last visited Jan. 24, 2015) (voicing his viewpoint on Starbucks).

n127 Blanke, *supra* note 50, at 1085--86.

n128 MCCARTHY, *supra* note 35, at § 24:72.

n129 See Barton Beebe, *An Empirical Study of the Multifactor Tests for Trademark Infringement*, 94 CAL. L. REV. 1581, 1581 (2006) (thirteen circuits and thirteen multifactor tests).

n130 See generally Pub. L. 109-312, 120 Stat. 1730, 109th Cong. (2006), (codified at Lanham Act § 43(c), 15 U.S.C. § 1125(c) (2012)). See *V Secret Catalogue, Inc. v. Moseley*, 605 F.3d 382, 392 n. 3 (6th Cir. 2010) (Moore, J., dissenting) (alteration in original) (emphasized added) (dissenting opinion reviewing H.R. Rep. No. 109-23, at 5):

Witnesses at the [legislative] hearings focused on the *standard of harm threshold* articulated in *Moseley* [sic]. For example, a representative of the International Trademark Association observed that '[b]y the time measurable, provable damage to the mark has occurred much time has passed, the damage has been done, and the remedy, which is injunctive relief, is far less effective.' The Committee endorses this position. The *Moseley* [sic] standard creates an undue burden for trademark holders who contest diluting uses and should be revised.

n131 *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 435--36 (2003).

n132 *V Secret Catalogue, Inc.*, 605 F.3d at 389--390 ("The Moseleys do not have a right to use the word "secret" in their mark.")

n133 15 U.S.C.S. § 1125(c) (2012). The TDRA recognizes dilution by both blurring and tarnishment.

n134 *V Secret Catalogue, Inc.*, 605 F.3d at 385. The court also embraced a puritanical tarnishment standard for the TDRA, even though the TDRA does not mention sex. *Id.* at 387.

There appears to be a clearly emerging consensus in the case law . . . that the creation of an "association" between a famous mark and lewd or bawdy sexual activity disparages and defiles the famous mark and reduces the commercial value of its selling power. This consensus stems from an economic prediction about consumer taste and how the predicted reaction of conventional consumers in our culture will affect the economic value of the famous mark.

V Secret Catalogue, Inc., 605 F.3d at 387--88.

n135 *Id.* at 391--95 (Moore, J., dissenting).

Victoria's Secret's evidence of tarnishment includes . . . an affidavit from Army Colonel John E. Baker stating that he 'was...offended by [the] defendants' use of [Victoria's Secret's] trademark to promote...unwholesome, tawdry merchandise,' such as 'adult' novelties and gifts,' and that since his 'wife...and ...daughter ...shop at Victoria's Secret, [he] was further dismayed by [the] defendants' effort to associate itself with . . . a store frequented by members of [his] family.'

Id. at 391 (Moore, J., dissenting). The dissent further stated that there was no evidence that Moseley's use would taint their image.

Yet evidence that the junior mark is likely to undermine or alter the positive associations of the senior mark--i.e., evidence that the junior mark is likely to harm the reputation of the senior mark--is precisely the showing required under the plain language of 15 U.S.C. § 1125(c)(2)(C) to prove dilution by tarnishment.

Id. At 392 (Moore, J., dissenting).

[I]n fact, when reviewing the exact same evidentiary record, the Supreme Court explicitly noted that Victoria's Secret's offer of proof included no evidence that "Victor's Little Secret" affected Baker's positive impressions of Victoria's Secret . . . In short, Victoria's Secret has presented *no* probative evidence that anyone is likely to think less of Victoria's Secret as a result of "Victor's Little Secret" and cannot therefore prevail on its claim of dilution by tarnishment.

Id. at 392--93 (Moore, J., dissenting).

n136 *V Secret Catalogue, Inc. v. Moseley*, 605 F.3d 382, 388 (6th Cir. 2010).

n137 *Id.* at 395--96.

The burden--of--proof problem, the developing case law, and the Restatement (Third) of Trademarks in § 25 (particularly subsection g) should now be interpreted, we think, to create a kind of rebuttable presumption, or at least a very strong inference, that a new mark used to sell sex--related products is likely to tarnish a famous mark if there is a clear semantic association between the two.

Id. at 395--96.

n138 There are seven published opinions in this case, which began in 2001. The authors did not count the first one because it was a denial of motions to dismiss. They are listed here from earliest to most recent. Starbucks Corp. v. Wolfe's Borough Coffee, Inc., 2004 U.S. Dist. LEXIS 19239, *9 (S.D.N.Y. 2004) (denying cross motions for summary judgment on trademark infringement, state and federal dilution, and state unfair competition claims); 2005 U.S. Dist. LEXIS 35578, *30 (S.D.N.Y. 2005) (Starbucks I) (judgment for defendant on all state and federal claims); 477 F.3d 765, 766 (2d Cir. 2007) (Starbucks II) (vacating and remanding to apply the TDRA); 559 F. Supp. 2d 472, 481 (S.D.N.Y. 2008) (Starbucks III) (reinstating district court decision and judgment from Starbucks I); 588 F.3d 97, 119 (2d Cir. 2009) (Starbucks IV) (affirming, vacating, and remanding: "we a fortiori agree with the District Court's ultimate conclusion that there is no likelihood of confusion "as to source, sponsorship, or association of [Charbucks] with the Starbucks mark"); 2011 U.S. Dist. LEXIS 148081, *15 (S.D.N.Y. 2011) (Starbucks V) (denying relief under the TDRA); 736 F.3d 198, 213 (2d Cir. 2013) (Starbucks VI) (affirming district court's finding for defendant).

n139 Starbucks Corp. v. Wolfe's Borough Coffee, Inc., 2005 U.S. Dist. LEXIS 35578, at *6--7 (S.D.N.Y. 2005) ("Indeed, one of Black Bear's inspirations for using the term "Charbucks" was the public perception that Starbucks tended to roast its product more darkly than any of the other major roasters.") See *What's It All About?*, BLACK BEAR COFFEE, http://www.blackbearcoffee.com/Starbucks/What%27s_it_all_about.htm (last visited Jan. 24, 2015). This is Black Bear Coffee's website. The statement reviews the history of the term CHARBUCKS to designate dark roasted coffee. The owner of Boston's Coffee Connection shops sold to Starbucks, which changed the coffee to darker roasted beans. So people pejoratively called dark roasted coffee CHARBUCKS. Black Bear adopted the term for its dark roasted coffee. *Id.*

n140 Starbucks Corp. v. Wolfe's Borough Coffee, Inc., 2004 U.S. Dist. LEXIS 19239, *9 (S.D.N.Y. 2004). Many of the parody trademark cases involve the same claims: federal trademark infringement, state unfair competition law violations, state and federal dilution. The claims tend to overlap and possibly create judicial waste. *Id.*

n141 *Id.*

n142 Starbucks Corp. v. Wolfe's Borough Coffee, Inc., 477 F.3d 765, 765 (2d Cir. 2007) (Starbucks II).

n143 Starbucks Corp. v. Wolfe's Borough Coffee, Inc., 559 F. Supp. 2d 472, 481 (S.D.N.Y. 2008) (Starbucks III) ("[J]udgment will be entered in Defendant's favor on all counts.").

n144 Starbucks Corp. v. Wolfe's Borough Coffee, Inc., 588 F.3d 97, 107 (2d Cir. 2009), *affirming in part and vacating in part* (Starbucks IV) (Judge Miner).

Upon its finding that the marks were not substantially similar, however, the District Court concluded that '[t]his dissimilarity alone is sufficient to defeat [Starbucks'] blurring claim, and in any event, this factor at a minimum weighs strongly against [Starbucks] in the dilution analysis.' We conclude that the District Court erred to the extent it required "substantial" similarity between the marks, and, in this connection, we note that the court may also have placed undue significance on the similarity factor in determining the likelihood of dilution in its alternative analysis.

Id.

n145 *Id.*

n146 2011 U.S. Dist. LEXIS 148081, 15 (S.D.N.Y. 2011).

n147 Starbucks Corp. v. Wolfe's Borough Coffee, Inc., 736 F.3d 198, 200 (2d Cir. 2013) (Starbucks VI).

n148 *Id.* at 201--03. The court said:

[I]n 2001 Starbucks started this action claiming, among other things, trademark dilution in violation of 15 U.S.C. §§ 1125(c), 1127. . . . The District Court determined that there was neither actual dilution, which would establish a violation of federal trademark law, nor a likelihood of dilution, which would establish a violation of New York trademark law. Starbucks appealed. While the appeal was pending, Congress passed the Trademark Dilution Revision Act of 2006 ("TDRA"), which amended the FTDA to clarify that the owner of a famous mark seeking an injunction need prove only that the defendant's mark "is likely to cause dilution . . . of the famous mark.

Id. at 201--02. The court held:

[T]he District Court held that Starbucks had failed to meet its burden of showing that it was entitled to injunctive relief: [T]he Charbucks marks are...not likely to impair the distinctiveness of the famous Starbucks marks. In other words, [Starbucks] has failed to carry its burden of proving that [Black Bear's] use of its marks...is likely to cause dilution by blurring.

Id. at 205 (quoting Starbucks V, *supra* note 138).

n149 Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC, 507 F.3d 252, 252 (4th Cir. 2007).

n150 *Id.* at 256. There were nine claims arising from the same facts. The list of state and federal claims reveals the problem with overlapping legal protection between state and federal law and between trademark and copyright law. *See generally*, Lee B. Burgunder, *The Scoop on Betty Boop: A Proposal to Limit Overreaching Trademarks*, 32 LOY. L. A. ENT. L. REV. 257 (2012) (use of trademark which lasts in perpetuity to replace copyright protection when the latter has expired).

n151 Products are sold by Designer Doggy and can be viewed at <http://www.designerdoggy.com/brands/Haute--Diggity--Dog.html>. DESIGNER DOGGY, <http://www.designerdoggy.com/brands/Haute-Diggity-Dog.html> (last visited Jan. 24, 2015).

n152 Louis Vuitton Malletier S.A., 507 F.3d at 256--57 (4th Cir. 2007).

n153 Radiance Found., Inc. v. NAACP, No. 2:13-CV-53, 2014 U.S. Dist. LEXIS 57431, at *56--57 (E.D. Va. Apr. 24, 2014) (quoting L.L. Bean, Inc. v. Drake Publishers, Inc., 811 F.2d 26, 34 (1st Cir. 1987); Hormel Foods Corp. v. Jim Henson Prods., Inc., 73 F.3d 497, 503 (2d Cir. 1996) (quoting Cliff Notes, Inc. v. Bantam Doubleday Dell Publishing Group, Inc., 886 F.2d 490, 494 (2d Cir. 1989)).

n154 Louis Vuitton Malletier S.A., 507 F.3d at 260 (quoting Jordache Enterprise, Inc. v. Hogg Wyld, Ltd., 828 F.2d 1482, 1486 (10th Cir. 1987)).

n155 *Id.* at 261. "We conclude that the PETA criteria are amply satisfied in this case and that the 'Chewy Vuiton' dog toys convey 'just enough of the original design to allow the consumer to appreciate the point of parody,' but stop well short of appropriating the entire marks that LVM claims." *Id.* (quoting People for the Ethical Treatment of Animals v. Doughney, 263 F.2d 359, 266 (4th Cir. 2001)).

n156 *Id.* at 263.

n157 *Id.* at 266--67.

Under the statute's plain language, parodying a famous mark is protected by the fair use defense only if the parody is not 'a designation of source for the person's own goods or services.' The TDRA, however, does not require a court to ignore the existence of a parody that is used as a trademark, and it does not preclude a court from considering parody as part of the circumstances to be considered for determining whether the plaintiff has made out a claim for dilution by blurring Thus, it would appear that a defendant's use of a mark as a parody is relevant to the overall question of whether the defendant's use is likely to impair the famous mark's distinctiveness Indeed, by making the famous mark an object of

the parody, a successful parody might actually enhance the famous mark's distinctiveness by making it an icon . . . In sum, while a defendant's use of a parody as a mark does not support a "fair use" defense, it may be considered in determining whether the plaintiff--owner of a famous mark has proved its claim that the defendant's use of a parody mark is likely to impair the distinctiveness of the famous mark.

n158 *Radiance Found., Inc.*, 2014 U.S. Dist. LEXIS 57431, at *4.

n159 *Radiance Found., Inc. v. NAACP*, No. 2:13-CV-53, 2014 U.S. Dist. LEXIS 57431, at *3 (E.D. Va. Apr. 24, 2014).

n160 *Id.* at *23.

n161 *Id.* at *57.

n162 *Id.* at *25--26.

n163 *Id.* at *65.

n164 *Id.* at *66.

n165 *Radiance Found., Inc. v. NAACP*, No. 2:13-CV-53, 2014 U.S. Dist. LEXIS 57431, at *78--79 (E.D. Va. Apr. 24, 2014).

n166 *Id.* at *79.

n167 *MPS Entm't, LLC v. Abercrombie & Fitch Stores, Inc.*, No. 11--24110--CIV--O'SULLIVAN, 2013 U.S. Dist. LEXIS 91193, at *1 (S.D. Fla. 2014).

n168 *Id.* at *3.

n169 *Id.* at *7--8.

n170 *Malletier v. Hyundai Motor Am.*, 2012 U.S. Dist. LEXIS 42795, *1 (S.D.N.Y. Mar. 22, 2012).

n171 *Id.* at *5.

n172 *Id.* at *2.

n173 *Id.* at *11--12.

n174 *Id.* at *49.

n175 *Id.* at 75 "Based on this record...no reasonable trier of fact could conclude that the Louis Vuitton--style marks shown in the 'Luxury' ad could constitute 'use in connection with...identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.'" *Id.* at *55 (quoting 15 U.S.C. § 1125(c)(3)(A)(ii)).

n176 CCA & B, LLC v. F + W Media Inc., 819 F. Supp. 2d 1310, 1315 (N.D. Ga. 2011).

n177 *Id.*

n178 *Id.*

n179 *Id.*

n180 *Id.* at 1317.

n181 *Id.* at 1322--1324.

n182 *Id.* at 1330.

n183 ProtectMarriage.com -- Yes on 8 v. Courage Campaign, 680 F. Supp. 2d 1225, 1226 (E.D. Cal. 2010).

n184 *Id.* at 1227.

n185 *Id.* at 1229.

n186 *Lettuce Entertain You Enters. v. Leila Sophia AR, LLC*, 638 F. Supp. 2d 895, 896 (N.D. Ill. 2009).

n187 *Id.*

n188 *Id.* at 902.

n189 *Hershey Co. v. Art Van Furniture, Inc.*, No. 08--14463, 2008 U.S. Dist. LEXIS 87509, at *1 (E.D. Mich. Oct. 24, 2008).

n190 *Id.* at *2.

n191 *Id.* at *41--42. "Defendant's 'couch bar' may be funny, but it is not biting; its resemblance to Plaintiff's famous trade dress is too muted to poke fun, yet too transparent to evoke a generic candy bar." *Id.* This opinion bodes poorly for DUMB STARBUCKS, since the latter is not particularly biting either.

n192 *Id.* at *42. "Reducing the risk of customer confusion inherently serves the public interest. A free market society depends on informed consumers for its well-being, and [t]rademark infringement, by its very nature, adversely affects the public interest in the free flow of truthful commercial information." *Id.* at *43 (quotations omitted).

n193 *Anheuser-Busch, Inc. v. VIP Prods., LLC*, 666 F. Supp. 2d 974, 982--83 (E.D. Mo. 2008).

n194 *See* Louis Vuitton Mallatier (LVM) v. Haute Diggity Dogg, 507 F.3d 252, 263 (4th Cir. 2007) and Tommy Hilfiger Licensing v. Nature Labs, LLC, 221 F. Supp. 2d 410, 425 (S.D.N.Y. 2002).

n195 *Anheuser--Busch, Inc.*, 666 F. Supp. 2d at 987--88.

n196 *Burck v. Mars, Inc.*, 571 F. Supp. 2d 446, 448 (S.D.N.Y. 2008).

n197 *Id.* at 448.

n198 *Id.* at 458.

n199 *Smith v. Wal--Mart Stores, Inc.*, 475 F. Supp. 2d 1318, 1320 (N.D. Ga. 2007).

n200 *Id.* at 1309.

n201 *Id.* at 1311.

n202 *Id.* at 1313.

n203 *Id.* at 1340.

n204 *Walocaust*, CAFEPRESS, <http://www.cafepress.com/walocaust> (last visited Jan. 24, 2015).

n205 *Smith v. Wal-Mart Stores, Inc.*, 475 F. Supp. 2d 1318, 1321 (N.D. Ga. 2008).

n206 *Id.* at 1335.

n207 *Id.* at 1339.

n208 Michael S. Mireles, Jr., *Towards Recognizing and Reconciling the Multiplicity of Values and Interests in Trademark Law*, 44 IND. L. REV. 427, 428 (2011). In the last seventy years, trademark rights have expanded enormously. Many commentators believe this has led to an unjustified increase in the rights and remedies available to trademark owners. This expansion has been approved and led by trademark owners, Congress, and courts, including the U.S. Supreme Court.

n209 Grinvald, *supra* note 10, at 638--640. The author named the section "The Fame Monster." She thinks fame and the law's favoritist statute, the TDRA, inspires famous mark holders to bully junior mark holders. The scope of legal protection for trademarks has expanded greatly in the last century. From the recognition of new subject matter of trademarks to new causes of action, trademark owners have benefited from additional protection. Trademark owners have pursued this protection because of the increased importance of the brand in establishing and building goodwill, and expanding into new product, service, and geographic markets, particularly with the advent of globalization and use of the Internet. *See also* David Bollier, BRAND NAME BULLIES: THE QUEST TO OWN AND CONTROL CULTURE (2005) (documenting various bullying campaigns).

n210 Michael S. Mireles, Jr., *Aesthetic Functionality*, 21 TEX. INTELL. PROP. L.J. 155, 157--158 (2013). Diligent trademark owners -- spurred by the structure and policy of trademark law and the value of the brand -- are motivated to vigorously protect their trademarks through policing efforts... Notably, many trademark owners are successful not only in the marketplace, but also in obtaining additional trademark protection through new legislation. Scholars and courts have criticized the expanding nature of trademark protection, which may harm competition and impinge on socially important values, such as free expression.

n211 Grinvald, *supra* note 10, at 631.

n212 *Id.* at 628.

n213 *Id.* at 629. This bullying is a serious concern, as it has implications far beyond trademark law and impacts the U.S. economy and the freedom of cultural expression. One of the harms produced by bullying is that economic competition is impaired. In particular, small businesses and individuals are more adversely affected, as these victims do not have the wherewithal to fight legal battles.

n214 William T. Gallagher, *Trademark and Copyright Enforcement in the Shadow of IP Law*, 28 SANTA CLARA COMPUTER & HIGH TECH. L.J. 453, 456 (2011-2012). In recent years, as Congress has created new intellectual property (IP) rights and courts have often interpreted those rights broadly, legal scholars have frequently decried the expanded scope of protection afforded IP owners in most substantive areas of IP law - including patents, copyrights, trademarks, and rights of publicity. According to this critique, the over-expansion of IP rights throughout the past two decades harms competition, chills free speech, and diminishes the public domain as increasingly broad areas of social life are brought within the scope of strong IP protection. The author interviewed trademark lawyers and created qualitative evidence of senior mark holders engaging in bullying through use of cease and desist letters.

n215 *Id.* at 461.

n216 *See Gallagher, supra note 214*, *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 573 (1994) (A number of lawyers advise clients not to sue on parody claims because it is so unpredictable.).

n217 *Id.* at 571.

n218 *Id.* at 580.

n219 David A. Simon, *The Confusion Trap: Rethinking Parody in Trademark Law*, 88 Wash. L. Rev. 1021, 1024 (2013).

n220 Dogan & Lemley, *supra* note 12, at 500 (Courts that make the distinction must decide what qualifies as a parody, including deciding: "is a subsidiary purpose to make fun of the plaintiff enough, or must it be the primary focus of the defendant's use? ... Does the defendant's intent to make a parody ... matter? Does it matter how the audience perceives it?").

n221 Simon, *supra* note 219 at 1028. This author asks whether parody under copyright and *Campbell* is followed by trademark law and he answers basically yes. He includes a proposal for how courts might handle parody in trademark situations better.

n222 See Dogan & Lemley, *supra* note 12, at 490. ("Lacking tools specifically designed for parody, courts treat it in an ad hoc way that reflects their own subjective assessment of the value or parody and the morality of free rides.")

n223 Simon, *supra* note 219, at 1024.

n224 Dogan & Lemley, *supra* note 12, at 504. Dogan & Lemly recommend that courts use a nominative fair use framework for analyzing trademark parodies. *Id.* at 508.

n225 See *Dallas Cowboy Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 205-06 (2d Cir. 1979).

n226 The federal and state governments could still use criminal law to prevent pornography by a mark holder. See e.g., *Alexander v. US*, 509 U.S. 544, 555-56 (1993).

n227 15 U.S.C. § 1125(c)(3)(A)(ii) (2012).

n228 15 U.S.C. § 1125(c)(3)(C) (2012). The way the statute reads, it is actually two different defenses. One defense is that the use is not commercial. The other defense is that the use is a fair use AND the use is not as a source indicator, a brand identification.

n229 Dogan & Lemley, *supra* note 12, at 484 et seq.

n230 Eugene C. Lim, *Of Chew Toys and Designer Handbags: A Critical Analysis of the "Parody" Exception under the U.S. Trademark Dilution Revision Act*, 35 CAMPBELL L. REV. 83, 85 (2012).

While parodies have recently received some legislative attention...through the Trademark Dilution Revision Act (TDRA), the dividing line between a "legitimate" parody and a "dilutive" parody is not entirely clear, and the rather imprecise language of the TDRA has provoked an interesting debate among trademark scholars and commentators. While some commentators have applauded the TDRA as having broadened the protection of civil liberties through its "fair use" provision, others have argued that the TDRA takes freedom of expression too far by failing to provide adequate protection against tarnishment caused by artistic works that sully the reputation or good name of a famous trademark.

Id. Lim asserted that the TDRA's parody provision "is too lenient vis-a-vis artistic parodies that are not used as trademarks and yet too strict with respect to source-identifying parodies."

n231 Dogan & Lemley, *supra* note 12, at 474:

We conclude that, despite increasing attention to speech interests in recent years, the law's treatment of parody reflects too much uncertainty, leaving would-be parodists vulnerable to threats of legal action by trademark holders. In particular, given the flexibility of likelihood of confusion analysis, parodists' fate is usually determined by the subjective judgment of courts, whose treatment of parody often seems to turn on instinct rather than trademark principles.

n232 See *Lard-Ass*, OXFORD DICTIONARY, http://www.oxforddictionaries.com/us/definition/american_english/lard-ass (last visited Jan. 24, 2015). The opinion is *Jordache Enterprises, Inc. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1483 (10th Cir. 1987).

n233 Dogan & Lemley, *supra* note 12, at 476 (stating, "Other courts have reached similar results by reference to trademark law's standard likelihood of confusion test.").

n234 15 U.S.C. § 1125(c)(1)(2012).

n235 See MCCARTHY, *supra* note 35, at § 24:72, at 24-213 (2014) ("Dilution: Beyond the Likelihood of Confusion").

n236 See text accompanying *supra* notes 149--157. See also *Hormel Foods Corp. v. Jim Henson Prods., Inc.*, 73 F.3d 497, 503 (2d Cir. 1996).

n237 Shashank Upadhye, *Trademark Surveys: Identifying the Relevant Universe of Confused Consumers*, 8 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 549, 551 (1998) (discussing who the relevant consumer is under prior law).

n238 See *Hormel Foods Corp.*, 73 F.3d at 503.

n239 *Mutual of Omaha Insurance Co. v. Novak*, 836 F.2d 397, 399 (8th Cir. 1987).

n240 The district court and the court of appeals considered the survey to be "properly conducted" even though some of the most significant questions dealt with whether Mutual of Omaha "went along" with Novak's t-shirts, questions that the courts acknowledged to be ambiguous. *Id.* at 400.

n241 *Hustler Magazine v. Falwell*, 485 U.S. 46, 55 (1988).

n242 *V Secret Catalogue, Inc. v. Moseley*, 605 F.3d 382, 389 (6th Cir. 2010) ("Thus, any new mark with a lewd or offensive-to-some sexual association raises a strong inference of tarnishment.")

n243 Emerson, *supra* note 50, at 488 ("The history of the First Amendment evidences a longstanding concern to protect parody, even where

there is a commercial *component* to propagating the parody.").

n244 *Id.* at 488.

n245 *Id.* at 489. *See also* Corina I. Cacovean, *Is Free Riding Aided by Parody to Sneak Between the Cracks of the Trademark Dilution Revision Act?*, 31 HASTINGS COMM. & ENT. L.J. 441, 443 (2009).

n246 *New York Times Co. v. Sullivan*, 376 U.S. 254, 300-01 (1964). *New York Times* was a libel suit, however, the authors have noted the similarities between defamation and some trademark actions.

n247 Gallagher, *supra* note 214, at 457. A number of IP lawyers admitted that they sent cease-and-desist letters even in situations where they thought the law would not support the client's claim. *Id.* at 461.

n248 U.S. Patent and Trademark Office web site is available at www.uspto.gov and its Trademark Electronic Search System (TESS) is available at tmsearch.uspto.gov. UNITED STATES PATENT AND TRADEMARK OFFICE, <http://www.uspto.gov> (last visited Jan. 24, 2015).; *Trademark Electronic Search System (TESS)*, UNITED STATES PATENT AND TRADEMARK OFFICE, <http://tmsearch.uspto.gov/bin/gate.exe?f=tess&state=4809:kurn5.1.1> (last visited Jan. 24, 2015). The Patent and Trademark Office also has state trademark information links at www.uspto.gov/trademarks/process/State_Trademark_Links.jsp. *State Trademark Information*, UNITED STATES PATENT AND TRADEMARK OFFICE, http://www.uspto.gov/trademarks/process/State_Trademark_Links.jsp (last visited Jan. 24, 2015). *See also*, Gregory H. Guillot, *All About Trademarks*, GGMARK.COM, <http://www.ggmark.com> (last visited May 16, 2014) (includes information about federal, state, and international trademark law). *See also*, *Overview of Trademark Law*, *supra* note 34, (provides summary of trademark law) and *Trademark*, LEGAL INFORMATION INSTITUTE, <http://www.law.cornell.edu/wex/trademark> (last visited June 25, 2014) (provides summary of trademark law and access to the statutes themselves).

n249 Harvard operates the Berkman Center for Internet & Society, at <http://cyber.law.harvard.edu>. BERKMAN CENTER FOR INTERNET AND SOCIETY, <http://cyber.law.harvard.edu> (last visited July 5, 2014). Stanford operates the Stanford IP Litigation Clearinghouse at <http://www.law.stanford.edu/organizations/programs-and-centers/stanford-ip-litigation-clearinghouse>. STANFORD IP LITIGATION CLEARINGHOUSE, <http://www.law.stanford.edu/organizations/programs-and-centers/stanford-ip-litigation-clearinghouse> (last visited July 5, 2014). Cornell operates the Legal Information Institute (LII), which has IP information at http://www.law.cornell.edu/wex/category/intellectual_property. *Intellectual Property*, LEGAL INFORMATION INSTITUTE, http://www.law.cornell.edu/wex/category/intellectual_property (last visited July 5, 2014).

n250 The Comic Book Defense Fund's website is *available at* <http://cbldf.org>. COMIC BOOK LEGAL DEFENSE FUND, <http://cbldf.org> (last visited Dec. 26, 2014).

n251 *See About Tiffany & Co., TIFFANY & CO., FOR THE PRESS*, <http://press.tiffany.com/ViewBackgrounder.aspx?backgrounderId=9> (last visited July 12, 2014). As the son of Charles Lewis Tiffany, who founded Tiffany & Co. in 1837, Louis Comfort Tiffany might have followed in his father's footsteps. Instead, with an affinity for hard work and a fertile imagination, he followed his own path to success and renown. Just as Charles Tiffany created exquisite jewels for the well-to-do, building his "fancy goods" store into one of the great success stories of the age, Louis Comfort Tiffany created his own extraordinary designs that enriched the lives of all Americans.

n252 Sandra L. Rierison, *The Myth and Reality of Dilution*, 11 Duke L. & Tech. Rev. 212, 213-214 (2012).

n253 Britt N. Lovejoy, *Note: Tarnishing the Dilution by Tarnishment Cause of Action: Starbucks Corp. v. Wolfe's Borough Coffee, Inc. and V Secret Catalogue, Inc. v. Moseley, Compared*, 26 BERKELEY TECH. L.J. 623, 623-624 (2011):

Although the TDRA provides some guidance as to what factors might suggest a likelihood of dilution by blurring, it does not provide similar guidance as to what a plaintiff must show in order to prove a likelihood of tarnishment. The tarnishment provision, unlike the blurring provision, does not include a list of factors for consideration. ... Despite this ambiguity, little scholarship has touched upon dilution by tarnishment since the passage of the TDRA. (citations omitted).

n254 Eriq Gardner, *Comedy Central Lawyers Approve 'Dumb Starbucks' Stunt*, THE HOLLYWOOD REPORTER (Feb. 11, 2014), <http://www.hollywoodreporter.com/thr-esq/comedy-central-lawyers-approve-dumb-679246>. Attorney Aaron Moss said,

You can't just take a famous logo and trade dress, call it dumb and use it to sell the very same products in competition with the company you're making fun of. I question whether it's even a legitimate parody in the first place. The people behind 'Dumb Starbucks' are not making fun of 'Starbucks' so much as they're using its marks as a vehicle to sell their own commercial products.

n255 *See* Cahoy, *supra* note 17, at 14. Any parody use of a trademark involves some degree of free-riding:

By using a trademark as a source indicator, consumers are able to apply the goodwill generated from products or services back to the originating company. Without trademark protection, the goodwill created by a business based on its products or services can simply be appropriated by competitors. Capitalizing on the goodwill of another business is a disincentive to investment because it allows free riders to unfairly compete. Trademarks, thus, promote investment by ensuring that the intangible benefits received by the investor are not misappropriated by competitors ... This is the primary benefit which is gained by the property owner.

(citations omitted). Dogan & Lemley, *supra* note 12, at 483 (arguing that trademark law should not attempt to

prevent all free riding by junior mark holders). The question remains as a policy what free-riding should be illegal and what free-riding should be permitted or even encouraged.

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Legal Monitor Worldwide

August 11, 2014 Monday

Calling their bluff? Pizza chain's lawyer challenges Parkway's powerhouse firm to prove its case in court

LENGTH: 992 words

A Florida pizza chain being sued by Garden State Parkway officials who say its logo looks too much like the road's iconic yellow trailblazer is delivering a spicy threat of its own to the authority's powerhouse lawyers.

Jersey Boardwalk Pizza contends it's not infringing any trademarks, saying the Parkway's logo is in the public domain and a judge should drop the lawsuit.

And the company's attorney, JoyAnn Kenny, added some toppings to its response: She may seek sanctions against the politically connected law firm Wolff & Samson for filing a suit with "no legal basis" and "harassing and causing unnecessary legal expense" for her clients. "The proposition that as a result of the Florida Pizza Parties' use of their logos, consumers are likely to believe that the pizza restaurants or services offered through the pizza restaurants are provided, sponsored, approved, licensed by, or affiliated with the NJ Turnpike is laughable and, for a great number of New Jersey residents (myself included) embarrassing," Kenny, an associate at Marks & Klein in Red Bank, wrote on Aug. 2 to Wolff & Samson attorneys Peter Nussbaum and Ronald Israel in West Orange.

She ended the letter by saying that unless the suit is dropped, she'll file her own action under federal law that allows judges to sanction law firms -- and make them pay the other side's legal bills -- for pursuing frivolous lawsuits.

Neither Nussbaum nor Israel of Wolff & Samson returned calls.

Tom Feeney, a spokesman for the New Jersey Turnpike Authority, which runs the Parkway, said in a statement that "our position is that the courts are the appropriate place to have these conversations, not the newspapers. Other than to tell you that there is not a scintilla of merit to any point she makes in her letter, we're not going to comment further." The pizza suit was filed July 21 in U.S. District Court in New Jersey, against three related companies run by a pair of brothers-in-law originally from the Garden State who started making pizzas together nine years ago after moving to South Florida. Paul DiMatteo, born and raised in Brick, and Skip Parratt, a Belmar native, now have two Jersey Boardwalk Pizza restaurants, in Tavernier, Fla., in the Keys, and in Florida City, on the mainland's southern end. They don't dispute the similarity between the chain's logo and the Parkway's trailblazer. Rather, the fight is over whether the Turnpike Authority has the legal right to prevent DiMatteo and Parratt from using something that looks like it. The complaint says the pizza owners "are trading upon the tremendous fame and goodwill associated with ... (the) Garden State Parkway Logo, which mark is one of the most iconic symbols in the State of New Jersey and is well

known throughout the country." It claims using a "parkway-like logo is likely to dilute, and has diluted, the strength and value of the parkway logo."

The commercial value of logos is something the Turnpike Authority and other highway agencies take very seriously these days, as federal funding for road projects dries up and agencies seek to grab money from every potential asset. The agency has several federal trademark applications on file, for the logo and for knickknacks like key chains, towels and coffee mugs that can be sold.

Spokesmen for the New York State Thruway Authority and the Pennsylvania Turnpike Commission said those agencies were in the process of registering their logos.

"We can't recall an occasion where we had to contact anybody, much less sue them, for the use of our logo," said William Capone, a spokesman for the 75-year-old Pennsylvania Turnpike, which has a keystone-shaped logo.

Regardless of the law, lawyers not involved in the case said the Turnpike Authority and its law firm might be trying to intimidate small businesses with limited resources into meeting their trademark demands.

"There's something called trademark bullying," said Stephen Baker, an intellectual property lawyer based in Raritan. It felt a lot like that to the founders of Bagel Guys Deli in Long Branch, who received a cease-and-desist letter from Wolff & Samson early last year, demanding they take down their Parkway-like sign and destroy any similar messaging. "Me and my partner sat down and we thought, are they bluffing?" said Chris Brigandi, 32, of West Long Branch, who started the business with Brad Dian, a friend since their high school days in Toms River. "We figured we'd get buried, so we said forget it."

But Brigandi said it still cost them \$12,000 just to back down, including the tab for replacing their sign and other items, and a \$5,000 bill from their own lawyer just to make sure their changes had satisfied the Turnpike Authority.

In the suit against Jersey Boardwalk Pizza, the complaint says the pizza logo is so similar to the Parkway's that it was "likely to cause confusion, mistake or deception as to the source or origin of (the pizza owners') services."

But Kenny said public outrage over the suit made it clear there was no such confusion.

"No one expects to pay for pizza with their E-ZPass, or to order a slice at a toll booth," Kenny wrote.

Kenny asserted in her letter that, because the Turnpike Authority had adopted the Federal Highway Administration Manual on Uniform Traffic Control Devices as its own standard, its trailblazer is in the public domain and it was prohibited from asserting trademark protection.

Trademark lawyers who reviewed the complaint said a trademark infringement action by a highway agency against two pizzerias more than 1,200 miles away seemed like a stretch.

Baker and his partner, Ryan McGonigle, said whether or not there has been any confusion, they can't see how the Parkway has been damaged by the pizzerias.

"How does the parkway authority have any damage if it's not doing business in Florida?" Baker said. In infringement suits, he said, "You always have to have damage."

Ben Manevitz, a Clifton lawyer specializing in trademarks and

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LENGTH: 17964 words**ARTICLE:** HOW TO DO THINGS WITH WORD MARKS: A SPEECH-ACT THEORY OF DISTINCTIVENESS**NAME:** Alexandra J. Roberts ***BIO:**

* Assistant Professor of Intellectual Property and Executive Director of the Franklin Pierce Center for IP, University of New Hampshire School of Law. The author thanks Ian Ayres, Sarah Burstein, John Balzano, Stacey Dogan, Gregory Dolin, Wendy Gordon, Michael Meurer, Martin Schwimmer, Frederick Tung, Rebecca Tushnet, and participants in the 2012 Intellectual Property Scholars Conference at Stanford Law School and the 2012 Roundtable on Intellectual Property and Constitutional Law at the University of New Hampshire School of Law.

LEXISNEXIS SUMMARY:

... But when examining attorneys, the the Trademark Trial and Appeal Board (TTAB), and federal courts deem inherently distinctive marks that contain descriptive terms, in practice it empowers the owners of those marks to prevent competitors from using similar marks or marks containing some of the same terms regardless of whether consumers actually regard them as source indicators. ... As a result, fact-finders reward producer ingenuity by overprotecting descriptive marks, needlessly handicapping competitor speech and enabling owners to assert rights in trademarks when they don't actually function as trademarks and may never come to indicate source. ... Existing tests for distinctiveness often lead fact finders to reach the wrong outcome for borderline marks because the tests do not adequately interrogate whether a proposed mark fulfills its source-constative, performative function. ... The risks of presuming secondary meaning in descriptive marks are far higher than those of presuming secondary meaning in inherently distinctive marks because, before and after they are trademarks, descriptive marks are simply words. ... Creativity Fallacy The express goal of the fact-finder assessing a mark's distinctiveness, whether in the context of registration or litigation, is gauging consumer perception of the mark. ... Another of the pitfalls of the competitors' need test is that courts applying it, like those applying the dictionary test, often consider a phrase in its entirety rather than asking whether competitors might need to use one or more component terms to describe their goods. ... Laudatory marks convey their desired message without requiring much imagination; competitors often use the same terms for their own products; and laudatory terms should remain "freely available to all competitors in any given field to refer to their products or services."

TEXT:

[*1036] INTRODUCTION

Have you ever eaten a steak bomb? If the phrase "steak bomb" means anything to you, does it mean a submarine ⁿ¹ sandwich stuffed with steak, salami, peppers, onions, mushrooms, and cheese, or does it refer to one particular purveyor of said sandwich? That question suddenly became relevant for the owner of a sub shop in New Hampshire when he

received a cease-and-desist letter from a competitor.ⁿ² The letter cited a federal trademark registration granting USA Subs exclusive rights to use the mark STEAK BOMBⁿ³ for steak sandwiches and demanded that Great American Subs cease using the phrase, which appeared on the latter's menus, signage, and website. But as one patron remarked after learning of the dispute, "steak bombs are a staple of life in New England . . . This is right up there with trying to trademark 'lobster roll.'"ⁿ⁴ A local newspaper agreed, recounting conversations with "several local sub shop owners, all of whom carry their own versions of the steak bomb"ⁿ⁵ and call it by the same name.

In order for a word or phrase to be legally recognized and protected as a trademarkⁿ⁶ under federal law, it cannot be generic or "merely descriptive" for the goods or services with which it is used.ⁿ⁷ Consumers must perceive the mark as an indicator of source, rather than as a description of the product itself: they must associate the phrase STEAK BOMB with a specific brand or restaurant, rather than with a type of sandwich available from various purveyors. Whether a trademark qualifies for registration or protection depends upon whether the mark is "distinctive"ⁿ⁸ of the product--whether consumers perceive the mark as distinguishing source.

A trademark can be *inherently* distinctive, and thus protectable *ab initio*, or it can become protectable by *acquiring* distinctiveness based on its use in commerce. Marks that are fanciful (made up words, such as EXCEDRIN for aspirin), arbitrary (existing words applied to unrelated [*1037] goods, such as PENGUIN for books), or suggestive (words that hint at characteristics of the goods or services, such as GREYHOUND for buses) are considered inherently distinctive and can be registered on the Principal Register or protected at common law without further indicia of distinctiveness. Marks that are characterized as descriptive, such as SAFETY for snow tires, are only registrable if they have become distinctive based on their use in commerce.ⁿ⁹

The STEAK BOMB kerfuffle is far from the only example that illustrates how overprotecting descriptive marks enables mark owners to silence competitors' speech. A cosmetics company that registered PERFECTING SERUM for serum that purports to perfect the skinⁿ¹⁰ issued warnings to over a dozen competitors whose products used the same name, demanding they cease use of the phrase; the company is currently embroiled in litigation with those competitors that did not capitulate.ⁿ¹¹ The producer of ENTREPRENEUR magazine, via a series of cease and desist letters and strike suits, persuaded more than forty other entities that used the term "entrepreneur" to end their use.ⁿ¹² A rum maker registered PAINKILLER for a well-known mixed drink sold under that name and then threatened to sue two bartenders who opened a tiki bar named for the cocktail.ⁿ¹³ Based on its registration of SMALLLAW for news about small law firms, a media company demanded a competitor refrain from using the phrase "small law" in discussing--what else?--small law firms.ⁿ¹⁴

[*1038] In each of these examples, a commercial actor has used trademark law to prevent competitors from describing their products in accurate ways. The right to wield a trademark offensively, engaging in self-help or enlisting the court system to stop others from using the same or a confusingly similar mark or term, must be predicated on the ownership and use of a valid mark, whether registered or not. The mark must only be asserted against a party making a trademark useⁿ¹⁵ that is likely to confuse consumers or dilute a famous mark. The requirement that the mark actually functions as a mark is critical. Of course, a descriptive term can *come* to serve as a mark over time, acquiring distinctiveness based on commercial use, advertising, publicity, and consumer engagement.ⁿ¹⁶ Once marks become distinctive, protecting them against competitors makes sense. But when examining attorneys, the the Trademark Trial and Appeal Board (TTAB), and federal courts deem *inherently* distinctiveⁿ¹⁷ marks that contain descriptive terms, in practice it empowers the owners of those marks to prevent competitors from using similar marks or marks containing some of the same terms regardless of whether consumers actually regard them as source indicators.

Fact-finders apply a variety of testsⁿ¹⁸ to determine whether a word mark is inherently distinctive. Such tests include the dictionary, puffery, competitors' need, competitors' use, and imagination tests. In addition, the incorporation of a rhetorical device, such as incongruity, musicality, or double entendre, is often treated as a proxy for distinctiveness. Those tests and proxies, discussed at length in Part III, lead fact-finders to incorrectly deem inherently distinctive marks like the alliterative CLASSIC COLA for a brand of cola,ⁿ¹⁹ the anaphoric SPORTSWEAR FOR EVERYWEAR for [*1039] apparel,ⁿ²⁰ or the ostensibly incongruous SNO-RAKE for a particular snow removal tool.ⁿ²¹ When

descriptive terms that lack secondary meaning are granted protection, that protection authorizes the owner to wield the mark offensively against new entrants before the mark has come to serve as a trademark to consumers. Such offensive use is the equivalent of a property owner erecting a "no trespassing" sign on a piece of land that he has not yet purchased (and may never come to own).ⁿ²² USA Subs made precisely that type of offensive use when it demanded that Great American Subs cease using "steak bomb" despite copious evidence that consumers do not regard the phrase as a trademark.ⁿ²³

The formal and informal tests for distinctiveness fail to provide objective guidelines for gauging consumer perception. Given the centrality of distinctiveness to trademark law, we might expect courts and agencies to have developed predictable, evidence-based standards for determining whether consumers perceive particular terms as trademarks. Instead, the tests invite fact-finders to privilege the perceptions of the producers who selected the marks over those of consumers. As a result, fact-finders reward producer ingenuity by overprotecting descriptive marks, needlessly handicapping competitor speechⁿ²⁴ and enabling owners to assert rights in trademarks when they don't actually function *as* trademarks and may never come to indicate source.

[*1040] In order to correct this problem, USPTO trademark examining attorneys, the TTAB, and federal courts should require secondary meaning for a greater proportion of marks. Rather than granting immediate protection for marks that contain one or more descriptive terms, fact-finders must raise the bar on what constitutes inherent distinctivenessⁿ²⁵ in order to better serve the goals of trademark law and protect junior users' ability to compete freely. No change in the Lanham Act is necessary. Changing how the standard for distinctiveness is applied would help preserve competitors' ability to communicate information about their goods and protect consumers' access to knowledge about new or lesser-known products. This Article proposes a new test for inherent distinctiveness that asks simply whether a hypothetical competitor could use a term literally and in good faith to describe its own product.

In order to highlight deficiencies in the classification of descriptive marks and provide a better test for distinctiveness, this Article employs speech-act theory, drawing upon concepts first articulated by linguist and philosopher J. L. Austin in *How to Do Things with Words*.ⁿ²⁶ Austin contrasts the "constative utterance," speechⁿ²⁷ that relates or reports, with the "performative utterance," speech characterized by *doing* in addition to describing. The phrase "I sentence you to five years in prison," uttered by a judge in the proper context, is an example of performative speech; it enacts the very sentence it articulates. In contrast, most speech is constative: it describes and can be judged true or false. Austin never mentioned trademarks in his famous William James lectures, but he certainly could have, as speech-act theory has a great deal of insight to offer trademark law. Speech-act theory provides a helpful lens for understanding how trademarks work and illustrates why overprotecting descriptive terms undermines the goals of trademark law and hurts competition. In so doing, it directs us to a clearer and more consistent test for protectability.

The first Part of this Article introduces speech-act theory as a framework for understanding trademark use as both speech and action. The second Part explores distinctiveness doctrine and the role of trademark law in fostering competition. The third Part discusses the tests and proxies courts use to determine whether a proposed mark is merely descriptive or **[*1041]** inherently distinctive--whether it functions primarily to convey information about a product's characteristics or primarily to communicate its source. The fourth Part draws on speech-act theory to generate a new test for inherent distinctiveness and applies that test to several of the examples that appear throughout the Article.

I. A SPEECH-ACT THEORY OF TRADEMARKS

Speech-act theory has received a great deal of attention over the years from scholars of linguistics, philosophy, theology, rhetoric, and literature, but lends itself perhaps most fruitfully--as Austin and his successors were well aware--to the study of law.ⁿ²⁸ A statute does not merely make statements about the law; rather, in articulating the law, it creates it.ⁿ²⁹ Contract disputes may hinge on whether a certain utterance constituted an "offer" or an "acceptance," without which no contract was formed. Austin called these types of utterances "speech acts" or "performatives" because, unlike statements that primarily function to convey information, they primarily function to *alter* reality--they are noteworthy for "not merely[] saying something[,], but *doing* something."ⁿ³⁰ Performatives are "acts of language[]" that .

. . . bring[] things into being, organizing the world rather than simply representing what is." ⁿ³¹ A judge who speaks the words "I sentence you to three years in juvenile detention" is, at that moment, enacting the sentence. Of course, the judge must also be authorized to perform the sentencing, and the context must otherwise be appropriate--if she speaks the words to her beagle at the dog park, or she is not a judge but an actress playing a role, the performative does not succeed: it is "infelicitous." ⁿ³²

[*1042] Austin distinguished constative utterances, such as "New York City has five boroughs," from performative utterances. Constative utterances "claim[] to represent things as they are, to name things that are already there." ⁿ³³ Trademark use is constative in one of two ways--it is either *source*-constative or *goods*-constative. Use is *source*-constative when consumers perceive the mark as primarily indicating the goods' source, as when EXCEDRIN is used as a trademark in connection with aspirin. Use is *goods*-constative when consumers perceive the mark as primarily describing qualities or characteristics of the product or service itself, ⁿ³⁴ as when, for example, a restaurant's sign reads "Brick Oven Pizza."

When trademark use is source-constative, law renders it simultaneously performative: the trademark use, with or without registration, generates enforceable legal rights and places competitors on notice of those rights. The constative speech is directed at consumers; the performative act, at competitors. A producer may intend its use of a mark to be source-constative, but if the mark is descriptive and lacks secondary meaning, consumers will perceive it as merely goods-constative--the use will suffer from an audience uptake error. Audience reaction is a contingency essential to the performativity of the mark. Just as the performative "I bet you the Red Sox will win tomorrow" is felicitous only if met with assent, ⁿ³⁵ so is the performative function of trademarks supposedly contingent upon consumer perception. When a producer's use of a distinctive word mark relates some information about a product to consumers, it simultaneously generates enforceable legal rights and places competitors on notice of those rights.

Consider an inherently distinctive mark like ADVIL. Because the mark does not exist as a word apart from its status as a mark, every utterance of the mark by the producer is source-constative and thus performative: it has the legal and ontological effect of creating the trademark and bestowing common law rights upon its owner and simultaneously putting competitors on notice of those rights. The primary attribute of performative speech acts is that they not only state something, but also do something. When Pfizer advertisements advise consumers to "choose ADVIL for pain," or a supermarket circular notifies us that "ADVIL is on sale during the month of July," the term "ADVIL" in the sentence--like Austin's "I bequeath" or "I christen"--serves as both speech and act. ⁿ³⁶ As directed at consumers, the **[*1043]** use is source-constative, describing the product's brand or source. As directed at competitors, the use is performative, doing action: it puts competitors on notice that "ADVIL" is taken and forbids them from adopting "RAVDIL" for pain relievers, or any other mark that comes too close to treading on Pfizer's piece of semantic real estate. Existing tests for distinctiveness often lead fact finders to reach the wrong outcome for borderline marks because the tests do not adequately interrogate whether a proposed mark fulfills its source-constative, performative function.

Trademarks are typically categorized as either fanciful, arbitrary, suggestive, or descriptive. ⁿ³⁷ Fanciful and arbitrary marks map neatly onto the speech-act schema: KODAK for cameras and BUMBLE AND BUMBLE for hairspray are innately source-constative precisely because they are never goods-constative. The adjective "bumble" has no definition that modifies the noun "hairspray" other than its source-indicating definition. Conversely, descriptive marks like TASTY SELECTIONS for cookie dough ⁿ³⁸ or TRIPLE MOISTURE for hair conditioner ⁿ³⁹ are, without secondary meaning, goods-constative--consumers have no inherent reason to perceive the terms as describing anything other than characteristics or aspirations of the products to which they are affixed.

As in the case of the judge who cannot sentence her pet beagle to life imprisonment, performatives require certain contextual elements in order for their use to be felicitous:

The uttering of the words is, indeed, usually a, or even *the*, leading incident in the performance of the act . . . the performance of which is also the object of the utterance, but it is far from being usually, even if it is ever, the *sole* thing necessary if the act is to be deemed to have been performed. Speaking generally, it

is always necessary that the *circumstances* in which the words are uttered should be, in some way, or ways, *appropriate*, and it is very commonly [*1044] necessary that either the speaker himself or other persons should *also* perform certain *other* actions, whether 'physical' or 'mental' actions or even acts of uttering further words. ⁿ⁴⁰

Source-constative trademarks also require the presence of contextual elements. When Pfizer suggests that headache sufferers purchase ADVIL, its trademark use is likely to be felicitous because the fanciful mark always already functions as a mark, and will be perceived as such by consumers. But when PENGUIN is used as a mark for a publishing house, consumers remain aware of the term's dictionary meaning; thus, "I can get the PENGUIN version of that book for half price" will be source-constative while "I can pet a penguin at the Mystic Aquarium" will not. The source-constative use of arbitrary or suggestive marks, then, is more context-dependent than that of fanciful marks, while the source-constative use of descriptive marks with secondary meaning is the most context-dependent. ⁿ⁴¹

Austin describes various errors that can prevent a performative utterance from being successful, or in his terms, "felicitous." The one most relevant to a discussion of trademark distinctiveness is the one I call "uptake" error. If I enter a colleague's office and say, "I wonder if it would be cooler in here if you opened the window," and my colleague opens the window, then my request succeeded--my performative utterance was felicitous. But if my colleague doesn't hear me, or he believes I'm being sarcastic because it's already fairly cool in his office, the instruction doesn't take. I possessed the requisite intent to request his action, and I recited conventional words to do so, but I also needed a specific response from him; without it, the performative is infelicitous. The performative function of trademarks is likewise contingent upon audience perception. ⁿ⁴² The mark owner's intent to use its mark as a source indicator does not suffice to render that use source-constative; only the consumer's perception of the mark as fulfilling a trademark function makes the use source-constative.

Speech-act theory teaches that words can constitute both speech and action simultaneously. As applied to trademark distinctiveness doctrine, it [*1045] drives home the difference between distinctive and merely descriptive marks as a difference between words that perform action and words that simply provide information. Fact-finders tasked with evaluating whether a word mark is inherently distinctive often behave as though they are simply placing passive terms in various siloes as dictated by a set of rules. In fact, their task is to determine whether a mark is, by its nature, primed to serve as an active indicator of source. The speech-act model can thus guide us toward a more deliberate and conscientious approach to gauging distinctiveness.

II. INHERENT DISTINCTIVENESS

Protecting descriptive terms as inherently distinctive directly harms competitors and new entrants. Two of the chief policy justifications offered for trademark law are that it protects consumers from being misled, deceived, or confused and that it provides incentive for producers to ensure that the quality of the goods sold under the mark is consistent. Proponents of law and economics argue that another of the main benefits trademarks offer is their capacity to reduce consumer search costs, promoting marketplace efficiency. ⁿ⁴³ Conversely, protecting producers' investment is touted as the "second goal of trademark law" by some, ⁿ⁴⁴ and its primary and original goal by others. ⁿ⁴⁵ Different trademark doctrines prioritize different policy goals and values: ⁿ⁴⁶ the consumer perspective reigns supreme in theories about infringement and motivates the bars against registering deceptive ⁿ⁴⁷ and scandalous ⁿ⁴⁸ marks; producer protection, on the other hand, provides the basis for anti-dilution laws. Most positive theories [*1046] of trademark law focus on consumers and mark owners, ⁿ⁴⁹ with a nod to "competition" but little emphasis on competitors themselves. ⁿ⁵⁰

But the speech-act theory of trademarks demonstrates that trademark use has two target audiences. As directed at consumers, it serves to indicate source and consistency and reduce search costs. As directed at competitors, it provides notice that a term or phrase is being used as a mark and that infringement, dilution, cyber-squatting, and other behaviors that violate the perceived rights associated with the mark owner's use will not be tolerated.

Whose interests are served and whose subordinated when the PTO grants registration of marks that contain

goods-constative terms? In such cases, the producers have not yet invested sufficient time and money to create an association between the mark and the product, rendering the mark source-constative; if they had, secondary meaning would serve as a basis for registration. Consumers have not yet been conditioned to associate the mark with a particular producer or its goods; if they had, secondary meaning would exist. When applications to register marks that contain non-disclaimed descriptive terms are denied registration unless the owner can demonstrate secondary meaning, neither producers nor consumers are harmed. Consumers are not misled; search costs do not increase; producers are not deprived of valuable goodwill because they have not yet acquired it. ⁿ⁵¹ In the converse scenario, however, arguably descriptive marks are protected without secondary meaning, and competition is stifled. Junior users are more likely to avoid using terms similar to those that compose the mark--terms they might find useful or desirable in marketing their competing goods. Competitive speech is chilled without the justification of either preventing consumer confusion or protecting producer goodwill.

[*1047] Despite the harm to competitors and consumers, neither constituency is likely to be effective in blocking the registration of descriptive marks. Consumers share with competitors a general desire to keep descriptive terms in the pool for use by others, but their interest in preventing registration of a specific descriptive mark is rather attenuated. When they have the motivation, they typically lack the means to block registration. ⁿ⁵² Competitors' perspectives warrant even greater attention than consumers' perspectives in connection with the decision to register an arguably descriptive mark before it acquires secondary meaning. When descriptive marks are registered without acquired distinctiveness, the chilling effects on competitor speech are significant, yet competitors are not well-positioned to object to it. If the PTO passes an applied-for mark to publication, it appears among the thousands of entries published in the Official Gazette each week. ⁿ⁵³ A competitor can then oppose the mark in an *inter partes* proceeding before the TTAB within thirty days ⁿ⁵⁴ or seek to cancel the mark within five years of registration. ⁿ⁵⁵ But the sheer volume of marks in each Gazette makes it unlikely that any mark owner will be able to review it each week to decide whether to oppose any of the published marks. ⁿ⁵⁶ Producers are motivated to seek maximal protection for their marks, and consumers and competitors have little opportunity to push back. The PTO and TTAB face only producer pressure to grant registration, with little countervailing pressure from those with opposing interests.

[*1048] Whether a proposed trademark is inherently distinctive is an important determination. Yet that determination is often botched by fact finders, as evidenced by a plethora of decisions that overprotect descriptive marks based on vague, misapplied, and ill-fitting tests. Distinctiveness purports to be a question of consumer perception, but because the existing tests ⁿ⁵⁷ provide scant guidance for the PTO, TTAB, and federal courts, fact finders often focus unduly on mark selection, fixing on the employment of double entendre, incongruity, rhyme, metaphor, alliteration, or other rhetorical device as evidence that a mark is distinctive.

Rewarding mark owners for the use of such devices without regard to the goods-constative nature of specific terms often creates problems. It can result in deeming marks suggestive when they're actually merely descriptive and removing from the pool of available words many that competitors ought to remain free to use. ⁿ⁵⁸ When courts overprotect descriptive marks *ex ante*, they supplant the goals of open competition and economic efficiency with a scheme that prizes owners' natural rights and, in so doing, chill commercial expression. ⁿ⁵⁹ What's more, they specifically disadvantage competitors, precluding second comers from using descriptive and laudatory terms to position their products as viable alternatives to those already in the marketplace.

A. Defining Distinctiveness

Distinctiveness refers to a trademark's serving as an indication of source to consumers--i.e., functioning as a trademark. A distinctive mark need not tell consumers who or what the source of a product actually is but merely that the product will be consistent because the source is consistent. The source-indicating function of trademarks enables the consumer to rest assured that a STARBUCKS iced doppio she buys on West Street in Annapolis will be nearly identical to the STARBUCKS iced doppio she buys at John F. Kennedy airport outside of gate forty-six.

[*1049] Courts and the PTO categorize word marks ⁿ⁶⁰ along a spectrum of least to most distinctive, including

generic, descriptive, suggestive, arbitrary, and fanciful marks. ⁿ⁶¹ Fanciful, arbitrary, and suggestive marks are considered inherently source-indicating and thus automatically protectable, while descriptive marks are only protected if they possess secondary meaning, and generic terms cannot be protected as trademarks. Fanciful or "coined" marks like CLOROX for bleach are created solely to serve as trademarks. Arbitrary marks are existing words used as trademarks for supposedly unrelated products, such as AARDVARK for graphic design or, in the example most often cited by courts in recent years, APPLE for computers. ⁿ⁶²

While arbitrary and fanciful marks ostensibly bear no relation to the goods or services on which they're used, ⁿ⁶³ suggestive marks suggest or "subtly connote" ⁿ⁶⁴ information about the qualities or nature of the product to which they are affixed without directly describing it, such as CHICKEN OF THE SEA for tuna fish ⁿ⁶⁵ or COPPERTONE for suntan oil. In contrast, a descriptive mark imparts information about the goods or services directly ⁿ⁶⁶ and immediately. Descriptive marks communicate some feature of, or information about, a product, such as its ingredients, ⁿ⁶⁷ characteristics, ⁿ⁶⁸ color, ⁿ⁶⁹ odor, ⁿ⁷⁰ flavor, ⁿ⁷¹ shape, ⁿ⁷² function, ⁿ⁷³ intended [*1050] users, ⁿ⁷⁴ purpose, ⁿ⁷⁵ mechanism of action, ⁿ⁷⁶ or effect. ⁿ⁷⁷ A word mark need not describe all of the characteristics of a product to be deemed merely descriptive--it is enough that it describe one significant function or attribute. ⁿ⁷⁸ Prior to the 1900s, descriptive marks could not receive protection as trademarks; ⁿ⁷⁹ today, descriptive marks can only be enforced or registered on the Principal Register if they possess acquired distinctiveness (as opposed to the inherent distinctiveness that arbitrary, fanciful, and suggestive marks are presumed to possess). ⁿ⁸⁰

While descriptive terms identify qualities of the goods, generic terms convey their "nature and class." ⁿ⁸¹ Generic phrases, like "computer store" for a store that sells computers or "strawberry milk" for strawberry-flavored milk, are neither inherently distinctive nor capable of acquiring distinctiveness, and thus cannot become source-constative and earn [*1051] protection as trademarks. ⁿ⁸² The phrase "computer store" functions not as an indication of source for the store or the computers it offers for sale, but simply as the most obvious way to refer to any store that sells computers. Marks initially registrable on the Principal Register or protectable under common law can become generic over time. Formerly source-constative trademarks that are now considered generic and incapable of serving a source-indicating function include "thermos," ⁿ⁸³ "trampoline," ⁿ⁸⁴ "yo-yo," ⁿ⁸⁵ and "cellophane." ⁿ⁸⁶

The determination of whether a mark is inherently distinctive is not made in the abstract, but in the context of the goods or services to which it is affixed. ⁿ⁸⁷ For example, DELICIOUS might be generic for a particular cultivar of apple and thus incapable of becoming a source indicator. ⁿ⁸⁸ Yet DELICIOUS would be descriptive if used in connection with ice cream or potato chips because it functions as a laudatory term boasting their superior taste. DELICIOUS would be arbitrary for copy machines or snowplow services because it has no goods-constative meaning as applied to them. The Ninth Circuit, faced with determining whether DELICIOUS was suggestive or descriptive for footwear, left the question for the jury. ⁿ⁸⁹

B. Policy Goals

Why protect fanciful, arbitrary, and suggestive marks without requiring registrants to establish secondary meaning? Theorists have rationalized that those categories of words and phrases will be source-constative as soon as they are used in commerce, precisely because they bear little or no logical, goods-constative relationship to the goods or services with which they are used. ⁿ⁹⁰ As Robert Bone notes, characterizing a subset of marks as inherently distinctive and protecting them without requiring owners to establish acquired distinctiveness is an efficient shortcut because it minimizes administrative costs by capitalizing on our knowledge about how trademarks accrue meaning:

[*1052] Because the symbol has no other meaning to consumers (or in the case of suggestive marks, no other obvious meaning), consumers, who are accustomed to seeing source identifiers on labels, are very likely to assume that the symbol is a trademark and use it as such. Thus, the probability is extremely high (though not certain) that an inherently distinctive mark will become a source identifier, and in a reasonably short period of time.

....

. . . Because of the high probability that these marks already have or will soon acquire secondary meaning, the conclusive presumption is very likely to be correct most of the time. Moreover, the conclusive presumption saves the litigation costs of actually proving secondary meaning in individual cases. ⁿ⁹¹

Conversely, descriptive marks are less certain to acquire secondary meaning ⁿ⁹² and apt to take longer to acquire it if they do. The risks of presuming secondary meaning in descriptive marks are far higher than those of presuming secondary meaning in inherently distinctive marks because, before and after they are trademarks, descriptive marks are simply words. Further, they are words understood to convey information about the goods and services with which they are used. In order to warrant protection as trademarks, marks must function *as* trademarks, i.e. as source indicators. When they do not, public policy favors ensuring those words remain available to the public and to other producers. ⁿ⁹³ The Court of Customs and Patent Appeals (CCPA), the predecessor to the Court of Appeals for the Federal Circuit, ⁿ⁹⁴ has identified two "major reasons" for declining to protect merely descriptive marks without a showing of secondary meaning: "to prevent the owner of a mark from inhibiting competition in the sale of particular goods," and "to maintain freedom of the public to use the language involved, thus avoiding the possibility of harassing infringement suits by the registrant against others who use the mark when advertising or [*1053] describing their own products." ⁿ⁹⁵ Justice Stevens in his dissent in *Park 'N Fly* noted the "well-recognized public interest in prohibiting the commercial monopolization of [descriptive] phrases" and cautioned that "[l]anguage, even in a commercial context, properly belongs to the public." ⁿ⁹⁶

As those opinions acknowledge, competition can be inhibited where competitors are not free to draw from the complete pool of possible terms and phrases to describe their products. If a new entrant to the field of portable music players devised a way for multiple users to listen to a single player simultaneously, it might want to advertise the new player using the phrase "share music with your friends!" But once the new entrant learns of the registration for SHAREMUSIC under § 2(e), ⁿ⁹⁷ it may feel constrained in its use of that descriptive phrase. Competition is also inhibited when the pool of descriptive terms has been depleted and competitors cannot--or believe they cannot--incorporate certain descriptive or generic terms into their trademarks. For example, the determination that XTREME HEAT is inherently distinctive for cheese curls ⁿ⁹⁸ will likely lead the makers of other snacks to steer clear of marks like XTREME CHEESE or EXTRA HEAT, even though "cheese" and "heat" describe the chips' flavor and "xtreme" or "extra" serve to modify or amplify those descriptors. In theory, the PTO, TTAB, and courts treat flavors and laudatory terms as merely descriptive, but they often allow those default rules to be trumped by the application of various tests and proxies. The PTO also applies a "rule of doubt" in close questions of distinctiveness, resolving borderline cases in favor of applicants.

Of course, infringement suits are not the only means of aggressive policing by trademark owners. Some large companies send out hundreds of "cease and desist" letters per year, ⁿ⁹⁹ each designed to intimidate its recipient into choosing a different mark because the letter writer deems the [*1054] recipient's use infringing. ⁿ¹⁰⁰ Often such letters are sent from large companies with legal teams to junior users who lack expertise in trademark law and cannot afford litigation. ⁿ¹⁰¹ When a firm successfully registers a descriptive term as a mark by persuading the trademark examining attorney that the mark is inherently distinctive, it may succeed in discouraging others from employing that descriptive term. ⁿ¹⁰² The statutory fair use defense to a claim of infringement does not sufficiently mitigate the harm to competition because it is not actual infringement liability that chills the use of descriptive terms, but the specter of litigation.

Federal courts have long acknowledged "the danger of depleting the general vocabulary available to all for description and denomination of articles of commerce." ⁿ¹⁰³ Sixty years ago, the Third Circuit Court of Appeals warned against excluding commercial actors from "us[ing] apt normal words or phrases in depicting or characterizing articles because of language preemptions by others." ⁿ¹⁰⁴ About thirty years after that, the Seventh Circuit similarly opined:

The rationale for prohibiting the appropriation of . . . a descriptive term as a trademark rests upon the

equal right of another individual producing and marketing a similar product to describe his or her product with similar accuracy. Were this right not protected by the law, elements of the language could be monopolized in such a way as to impoverish others' ability to communicate. ⁿ¹⁰⁵

Descriptive terms used in conjunction with the sale of goods or services, such as NO MORE TANGLES for a hair detangling spray or [*1055] QUICK COPIES for a photocopying service, may be perceived by consumers only as goods-constative--conveying a feature of the product, rather than source-constative--communicating a brand name or consistent source. If the PTO and courts overprotect descriptive marks by allowing their registration and enforcement without secondary meaning, they risk depleting the language available to competitors and chilling speech by granting a property right in a term that serves no trademark function.

To determine whether a trademark that is merely descriptive has acquired secondary meaning and thus warrants registration or protection under federal law, trademark examining attorneys and courts look to various indicia of secondary meaning, ⁿ¹⁰⁶ including the nature, expense, and amount of advertising; length, exclusivity, and manner of use; total sales; consumer or dealer statements of recognition of the mark as a source identifier; survey evidence; and unsolicited media coverage. ⁿ¹⁰⁷ A court's inquiry with regard to secondary meaning focuses on the effectiveness of promotional efforts in altering the mark's meaning to consumers. ⁿ¹⁰⁸ The goal is to determine whether, based on the use of a mark in commerce, an initially goods-constative mark has become source-constative.

Determining whether a word mark is inherently distinctive or merely descriptive ⁿ¹⁰⁹--what McCarthy has called the "[d]escriptive-'suggestive' [*1056] battle line" ⁿ¹¹⁰--often triggers in fact-finders a "know it when I see it" attitude that reflects their personal impressions of a mark, rather than gauging the perception of the relevant group of consumers. Calling the determination "fuzzy," ⁿ¹¹¹ "tricky," ⁿ¹¹² "blurred," ⁿ¹¹³ "hazy," ⁿ¹¹⁴ and "difficult," ⁿ¹¹⁵ and the distinction ⁿ¹¹⁶ between descriptive and suggestive marks "inarticulable," ⁿ¹¹⁷ judges have repeatedly acknowledged that intuition plays a large role in evaluating distinctiveness. ⁿ¹¹⁸ While a number of so-called "tests" are recited and ostensibly applied, the results are inconsistent both across and within the TTAB, PTO, federal district courts, and circuit courts of appeal. The unsatisfactory tests and inconsistent results leave applicants and litigants ill-equipped to predict how their marks will be categorized, raising administrative costs and failing to serve the signaling function that should guide firms in selecting marks. ⁿ¹¹⁹

III. TESTS FOR DISTINCTIVENESS

Skeptics need not look far to find examples of inconsistent outcomes. The Eighth Circuit held "LA" suggestive for low-alcohol beer, ⁿ¹²⁰ while the Seventh Circuit held the same mark merely descriptive ⁿ¹²¹ within the same [*1057] five-year period. One trademark practitioner points out the inexplicability of the PTO's classifying SUPER MOIST as suggestive for cake mix while deeming MOIST SUPREME and MOIST DELUXE merely descriptive for similar products. ⁿ¹²² Another notes the PTO's bafflingly inconsistent treatment of nineteen similar "The [noun] People" marks for retail, distribution, or educational services, ⁿ¹²³ including its deeming THE TUNA PEOPLE and THE HARDWARE PEOPLE suggestive and THE SHRIMP PEOPLE and THE TOOL KIT PEOPLE merely descriptive. ⁿ¹²⁴ The PTO, TTAB, and federal courts have applied a number of formal and informal tests to guide fact-finders in determining distinctiveness. This Part explores each in turn, revealing both their inconsistent application and their inappropriate emphasis on producer creativity and intent rather than consumer perception or competitor speech.

A. Imagination

The test used most often to determine whether a mark is merely descriptive, i.e. goods-constative, is known as the imagination test. It asks how much imagination a consumer must use to glean from the word mark a description of the goods or services in question--in other words, how direct and immediate the link is between the mark and a characteristic of the goods. ⁿ¹²⁵ Under the imagination test, a "term is suggestive if it requires imagination, thought and perception to reach a conclusion as to the nature of goods." ⁿ¹²⁶ For example, a district court recently held LOVELY SKIN merely descriptive for skin care products, finding "that no imagination, thought, or perception is needed to reach

a conclusion as to the nature of goods sold under the name Lovely Skin. The goods . . . are designed to produce . . . exactly what the name describes." ⁿ¹²⁷ Another district court held GROUT SHIELD merely descriptive for products that clean grout and enhance its color, opining that it "does not require 'imagination, thought [*1058] and perception' to reach a conclusion that plaintiff's products are intended to protect grout." ⁿ¹²⁸

The Ninth Circuit calls the imagination test the "primary criterion" for evaluating whether a mark is suggestive or descriptive. ⁿ¹²⁹ Nonetheless, the imagination test is less a test than an application of the definitions of the "descriptive" and "suggestive" categories of marks. Vague and subjective as it appears--a fact-finder purports to measure the extent of imagination a *consumer* would use in gleanng information about goods--courts and the TTAB have held myriad marks suggestive based on the imagination test alone. Yet the test maps poorly onto the speech-act theory of trademarks. Under that theory, if a mark primarily functions to communicate a feature rather than a source, the fact that it requires imagination to glean the description does not necessarily render it source-constative.

A related approach to the imagination test is to conceptualize it as a "multi-stage" ⁿ¹³⁰ or "inferential" ⁿ¹³¹ reasoning test, "mental leap," ⁿ¹³² or "mental hiccup." ⁿ¹³³ In accordance with that approach, the TTAB reasoned that

some degree of thought or imagination must be used to get from BRIDAL KEEPSAFE to the concept "keeps bridal gowns safe" . . . [T]here is an element of incompleteness which we believe an individual encountering the mark must interpret in order to arrive at the conclusion that applicant's boxes are used for holding wedding gowns after cleaning. ⁿ¹³⁴

Based on this logic, a mark is suggestive if a consumer "must exercise 'mature thought or follow a multistage reasoning process' to determine attributes of the product or service" based on the mark. ⁿ¹³⁵ The mark [*1059] MAILROOM TOOLKIT was found to be distinctive for a toolkit designed to create "'mailroom friendly' database programs" on the basis that it "requires imagination or cogitation as an additional mental step in order for applicant's customers to perceive [w]hat it is." ⁿ¹³⁶

Likewise, the TTAB held the mark APPLIANCE STATION suggestive because a multistage reasoning process

is necessary in order to ascertain the precise nature of applicant's services. . . [S]tation describes the system in applicant's retail stores by which a customer may order or obtain information about the products sold therein; appliances are among the products sold in applicant's stores; thus a customer may order or obtain information about the appliances sold in applicant's stores at the "appliance station." ⁿ¹³⁷

Compare the excerpt above with the following discussion from a district court, finding PET PALS merely descriptive for a pet health and safety program based on the imagination test:

The dictionary defines "pal" as "a close friend." Thus, the literal interpretation of "pet pal" is one who is a friend to his or her pet. It is a common and distinctive quality of friendship to care for and seek the well-being of one's friend. Thus, it takes no imagination or perception to conclude that a program called "Pet Pals" is one that promotes the well-being of pets. ⁿ¹³⁸

Multistage reasoning is a concept that, like imagination, seems to contract or expand in order to rationalize what is often an intuition-based result. Yet even if it takes multiple stages to translate "appliance station" into a direct description of the service provided, courts offer no reason to presume that such a multistage process transforms a goods-constative phrase to a source-constative one.

[*1060] Beyond asking fact-finders to determine whether relevant consumers use multistage reasoning, imagination, cogitation, additional mental steps, or even mere perception, the test provides little concrete guidance. Instead, it supplies the requisite language for courts, the PTO, and the TTAB to justify their determinations post-hoc. Viewed from another angle, some of these decisions appear flat-out wrong: MAILROOM TOOLKIT for a toolkit for creating mailroom programs, BRIDAL KEEPSAFE for a box that keeps a bridal gown safe, and APPLIANCE

STATION for a station where appliances are sold not only "convey[] an immediate idea" about the goods or services offered, the goods and services can scarcely be explained without the very words the marks comprise. What would a competitor call a new and better toolkit for creating mailroom programs without risking trademark infringement--SYSTEM FOR CREATING VIRTUAL ROOMS FOR DISTRIBUTION OF MAIL?

When determining whether a word mark is suggestive or merely descriptive, ostensibly "the mentality used is that of an ordinary prospective purchaser who, seeing the mark for the first time, is only generally apprised as to the service and not specifically as to the particular qualities, features, characteristics or aspects of the service." ⁿ¹³⁹ In some cases, courts overzealously misapply the imagination test, defining descriptiveness in a way that is too narrow to be meaningful. In one such approach, the viewer attempts to deduce the product from the mark as a test for distinctiveness, ⁿ¹⁴⁰ deeming a mark merely descriptive only if it describes *all* characteristics of the product in question, rather than one. ⁿ¹⁴¹ For example, the Eleventh Circuit declined to overturn a jury's finding that LASERSPECIALIST.COM was suggestive, finding it "requires a leap of the imagination to deduce that a 'laser specialist' is a[n] oculoplastic surgeon." ⁿ¹⁴² Likewise, the Second Circuit held WET ONES inherently distinctive for individual moist towelettes:

while the plaintiff acknowledged that "Wet Ones is descriptive in the sense that each of the words describes an attribute of the [*1061] product--it is wet and it is dispensed one by one . . . [T]he term 'Wet Ones,' without more, does not itself conjure up the image of a towelette . . . [but] could plausibly describe a wide variety of products. ⁿ¹⁴³

The Federal Circuit has also fallen prey to this backward application of the imagination test. In one case it held LOAD-CARRIER was not merely descriptive for load-supporting units for automobiles because it was "equally suggestive of many other things--e.g., wheel barrows, dump trucks, freight cars, steamships, and elevators." ⁿ¹⁴⁴

The TTAB appears less prone to engage in this type of reasoning, noting that a descriptiveness refusal does not require

that it is possible for a blindfolded consumer who has been given only the proposed mark to enumerate the exact features, technologies or methodologies employed in the goods. Rather, the question is whether someone who knows what the goods are will understand the term or phrase to convey significant information about them ⁿ¹⁴⁵

The distinction is crucial, given that fact-finders applying the "blindfold" test would adjudge so few marks descriptive that the test would eviscerate the category of descriptive marks. Under the logic of the Federal Circuit in *Maremont*, DELICIOUS DESSERT for ice cream would not be descriptive because it could refer just as easily to brownies or banana bread as it could to ice cream. It is difficult to posit a real or hypothetical descriptive mark that could pass the "blindfold" test because if a phrase embodies the [*1062] product so completely as to leave no question about its characteristics, it's likely generic, and if it describes only one or a subset of features, the blindfold test would deem it suggestive.

B. Double Entendre

Courts treat double entendre in a mark as signaling suggestiveness ⁿ¹⁴⁶ and often categorize marks that employ double entendre as suggestive. ⁿ¹⁴⁷ In the words of one treatise writer, "If a mark projects a double meaning, it is not merely descriptive." ⁿ¹⁴⁸ Courts, the PTO, and the TTAB, in assessing inherent distinctiveness, often give a pass to a phrase that qualifies as a double entendre, even when it comprises one or more literally descriptive terms. But double entendres are indicia of mark owner creativity, not consumer perception. Case law offers no evidence that employment of double entendre elevates a mark containing descriptive terms from goods-constative to source-constative.

A "double entendre," old French for "twofold meaning," ⁿ¹⁴⁹ is defined as "a word or expression capable of two interpretations" ⁿ¹⁵⁰ or one "that can be interpreted in two ways." ⁿ¹⁵¹ The TMEP defines the term as "an expression that has a double connotation or significance as applied to the goods or services." ⁿ¹⁵² The TTAB has deemed

suggestive, based on their use of double entendre, marks including SHEER ELEGANCE for pantyhose; ⁿ¹⁵³ SUGAR & SPICE for bakery products; ⁿ¹⁵⁴ THE FARMACY for retail store services relating to dietary supplements and nutrition; ⁿ¹⁵⁵ THE SOFT PUNCH for a noncarbonated soft drink; ⁿ¹⁵⁶ NAPSACK for a [*1063] baby carrier with straps; ⁿ¹⁵⁷ HAY DOLLY for a dolly for carrying hay; ⁿ¹⁵⁸ CHIC for jeans; ⁿ¹⁵⁹ MUFFUNS for mini-muffins; ⁿ¹⁶⁰ and L'EGGS for pantyhose. ⁿ¹⁶¹ Federal courts have followed suit, applying the double entendre rule to hold distinctive marks including CHOICE for a health care plan; ⁿ¹⁶² 100% TIME RELEASE MOISTURIZER for skin moisturizer; ⁿ¹⁶³ and POLY PITCHER for a pitcher made of polyethylene. ⁿ¹⁶⁴ A district court credited a double entendre argument sufficiently to leave for a jury the question of whether THE PINT was inherently distinctive for a urinal that only requires one pint of water to flush. ⁿ¹⁶⁵

Practitioners are well-versed in the double entendre exception ⁿ¹⁶⁶ and often make a point to assert the existence of a double entendre when arguing before the TTAB or responding to an office action from the PTO, whether or not the word play is an obvious and intended feature of the mark. ⁿ¹⁶⁷ As one district court explained, "a mark that consists of a double or triple entendre, at least one meaning of which is suggestive, is protectable without proof of secondary meaning." ⁿ¹⁶⁸ Some of the courts that apply this rule interpret the phrase "merely descriptive" quite literally to mean "only descriptive," such that the Lanham Act's prohibition on registering descriptive marks without secondary meaning does not apply if a mark possesses both a descriptive interpretation and an additional, non-descriptive interpretation. ⁿ¹⁶⁹

[*1064] C. Incongruity

Courts and examining attorneys also treat incongruity as "a strong indication that a mark is suggestive rather than merely descriptive." ⁿ¹⁷⁰ A conclusion that a mark is incongruous may result from the unusual combination of two or more words together, in the form of "internally incongruous" marks like REBEL DEBUTANTE for clothing ⁿ¹⁷¹ or CORPORATE FUEL for business consulting services. ⁿ¹⁷² Alternatively, it may result from the use of a term or phrase that is unexpected given the goods in question, "contextually incongruous" marks like CRAZY GOOD for toaster pastries ⁿ¹⁷³ or SNO-RAKE for a tool for removing snow. ⁿ¹⁷⁴ Fact-finders have identified incongruity based merely on the use of descriptive terms in an unexpected order; the Second Circuit held SEASON-ALL inherently distinctive for aluminum storm windows despite acknowledging that ALL-SEASON would be merely descriptive. ⁿ¹⁷⁵ Incongruity apparently can lift a mark into the category of suggestive and thus inherently distinctive marks even when the mark comprises words that might be characterized as descriptive or generic in isolation, as in examples like DESIGNERS PLUS+ for sweaters, ⁿ¹⁷⁶ BRANTREATS for biscuits made with bran, ⁿ¹⁷⁷ GRAPE RANCH for wine, ⁿ¹⁷⁸ and PERFECTING SERUM for moisturizer. ⁿ¹⁷⁹

Incongruity is not considered its own separate test; rather, incongruous marks are usually regarded as suggestive based on the imagination test. For example, the TTAB held SNO-RAKE inherently distinctive for a tool used [*1065] to remove snow, opining that "the idea of a 'rake' or 'raking' . . . sit[s] strange in terms of application to snow." ⁿ¹⁸⁰ It noted that the concept of descriptiveness "should not penalize coinage of . . . incongruous word combinations whose import would not be grasped without some measure of imagination and 'mental pause.'" ⁿ¹⁸¹ The TMEP cites several instructive examples of incongruous marks: TENNIS IN THE ROUND for tennis facilities; ⁿ¹⁸² FRANKWURST for hot dogs; ⁿ¹⁸³ TINT TONE for hair coloring; ⁿ¹⁸⁴ and PARIS BEACH CLUB for t-shirts. ⁿ¹⁸⁵ Here again, the Board's analyses give no real reason to expect an incongruous mark will be source-constative without secondary meaning based on use.

D. Creativity Fallacy

The express goal of the fact-finder assessing a mark's distinctiveness, whether in the context of registration or litigation, is gauging consumer perception of the mark. Yet time and again, trademark examining attorneys, the TTAB, and federal courts are influenced by the perceived creativity of the producer who selected the mark. ⁿ¹⁸⁶ Of course, corporations often invest substantial money and time into devising the perfect mark; they expect it will serve as a source indicator for their goods, and fact-finders may find themselves itching to reward that investment on a theory of desert or

natural rights. ⁿ¹⁸⁷ But it is inappropriate for producer selection to influence evaluation of a borderline mark.

Fact-finders applying some of the tests and proxies discussed above are often seduced by the "creativity fallacy." The semantic gymnastics that enable courts to equate "mere" descriptiveness with a determination that a mark has only one descriptive meaning and no other meanings represents [*1066] the creativity fallacy at work. ⁿ¹⁸⁸ In other cases, fact-finders are unduly swayed by mark owners' use of sophisticated rhetorical devices, from rhyme and allusion to assonance and alliteration. The TTAB, for example, has held not merely descriptive the rhyming marks AIR CARE for maintenance of medical equipment used for administering oxygen, ⁿ¹⁸⁹ BEST REST for mattresses, ⁿ¹⁹⁰ ACTION SLACKS for stretchy pants, ⁿ¹⁹¹ and STRIPE WRITER for pens and markers. ⁿ¹⁹²

Alliteration has also nudged marks from the category of merely descriptive to that of suggestive for some fact-finders. The TTAB has held distinctive COLOR CARE for laundry bleach that protects colored fabrics, ⁿ¹⁹³ CLASSIC COLA for a beverage, ⁿ¹⁹⁴ TINT TONE for hair coloring, ⁿ¹⁹⁵ MASTER MECHANIC for tools, ⁿ¹⁹⁶ FAST FEATURE PLATFORM for telecommunications hardware and software, ⁿ¹⁹⁷ and SNAP SIMPLY SAFER for medical syringes. ⁿ¹⁹⁸ Characterizing LIGHT 'N LIVELY for yogurt as inherently distinctive, the TTAB credited the mark's "alliterative lilting cadence." ⁿ¹⁹⁹ Marks that employ metaphor, synecdoche, and related figures of speech, such as CHICKEN OF THE SEA for canned tuna ⁿ²⁰⁰ and PC ON A STICK for flash drives ⁿ²⁰¹ have also been deemed inherently distinctive. The Fifth Circuit held EXTEND YOUR BEAUTY suggestive for eyelash extensions, relying in part on a belief that the term [*1067] "beauty serves as a metaphor for eyelashes" and "metaphorical usage means the mark is arguably suggestive." ⁿ²⁰²

While the creativity fallacy usually strikes fact-finders unawares, occasionally its application is explicit. The Fifth Circuit characterized its attention to creativity as the converse of the imagination test, suggesting that the selection of a clever mark correlates with the perception that the mark requires consumer imagination:

The imagination test might usefully be reversed by inquiring whether the first user has devised a term of some creativity or cleverness, as opposed to merely selecting a term that anyone might readily have chosen. (Any dunce could come up with a generic term, for example.) Creativity on the part of the mark's inventor is a correlative of imagination on the part of the consumer. ⁿ²⁰³

But does "[c]reativity on the part of the mark's inventor" really correlate with or indicate whether a mark is goods-constative or source-constative? The court gives no reason to believe it does. Whether the marks discussed above are goods-constative or not, focusing on the producer's mark selection process distracts the court from the ultimate issue of consumer perception. The goals of trademark law are better served when fact-finders focus on consumers and competitors in their evaluations of distinctiveness and registrability.

E. Dictionary

The "dictionary test" refers generally to the practice of considering a mark's dictionary definitions in gauging its distinctiveness. ⁿ²⁰⁴ According to the Fifth Circuit, in determining whether a mark is inherently distinctive, "[a] suitable starting place is the dictionary, for [t]he dictionary definition of the word is an appropriate and relevant indication of the ordinary significance and meaning of words to the public." ⁿ²⁰⁵ Some define the test more specifically to refer to the question of whether "the mark's dictionary definition corresponds with its meaning and context," rendering it merely [*1068] descriptive when applied to the mark holder's goods. ⁿ²⁰⁶ For example, a district court held MICROTHIN merely descriptive for condoms, citing a dictionary that defined the term as "extremely or, sometimes, microscopically thin." ⁿ²⁰⁷ The court noted that "[d]ictionary definitions are relevant to determining the placement of a mark on the spectrum of generic to fanciful," and in the case of MICROTHIN, the mark "immediately convey[ed] the intended meaning as to the type of condom sold—one that is extremely thin." ⁿ²⁰⁸

When a mark consists of two or more words, some courts consider the dictionary definition of each component term. ⁿ²⁰⁹ A district court assessing the distinctiveness of the mark WEBSITE GADGET, for example, cited dictionary

definitions for both "gadget" and "website" and concluded that the two terms' definitions were equivalent to the definition of the phrase at issue. The dictionary test thus "indicate[d] ['website gadget'] is a term of ordinary significance and meaning to the public," providing "at least preliminary evidence" of descriptiveness.ⁿ²¹⁰ Other courts query whether the entire phrase is listed in a dictionary and view its absence as an indication that the mark is not merely descriptiveⁿ²¹¹ or disregard the test if the phrase is not found.ⁿ²¹² The Fifth Circuit, considering whether the mark EXTEND [*1069] YOUR BEAUTY was descriptive or distinctive for eyelash extensions, found the dictionary test weighed toward suggestiveness because "[t]he three-word mark, viewed as a whole, has no dictionary meaning."ⁿ²¹³ The same court, evaluating the distinctiveness of the mark BETTER-N-BUTTER, recalled the 'dictionary test' it applied in *Zatarains*, but concluded it was "inapplicable because 'Better-N-Butter' is not a standard dictionary term."ⁿ²¹⁴

Dictionary definitions of a mark's component terms may have some relevance in determining whether a mark is goods-constative or source-constative, as discussed further below. But a dictionary alone does not suffice to establish contemporary usage by consumers and competitors. To better measure whether a given term is used descriptively by a particular group or within a specific industry, fact-finders should consider sources such as consumer reviews, auction websites, search engine queries, social networking platforms, reader comments in response to media coverage, and online message boards, which provide a more complete understanding of a term's meaning to the relevant public.

F. Competitors' Need

The "competitors' need" testⁿ²¹⁵ evaluates the extent to which a term or phrase is needed by competitors to identify their goods or services. For example, the mark WEBSITE GADGET was deemed merely descriptive in part because the district court deemed the component terms "virtually indispensable to the vocabulary of the website industry."ⁿ²¹⁶ According to McCarthy, if a trademark conveys a message about goods that is "so direct and clear that competing sellers would be likely to need to use the term in describing their goods in advertising and promotion," it indicates that the mark is merely descriptive.ⁿ²¹⁷ Conversely, if competitors do not need the [*1070] term or phrase to describe their goods, the mark is less likely to be descriptive. Some courts have asserted an inverse relationship between the imagination test and the competitors' need test: the more imagination required to deduce characteristics of the goods or services, the less likely competitors need to use the same terms within their own trademarks.ⁿ²¹⁸

Of the existing tests for descriptiveness, the competitors' need test comes closest to considering offensive use against competitors and is most closely aligned with the test this Article proposes. Its fatal flaw lies in construing narrowly the question of whether competitors *need* to use the term or terms in describing their goods and servicesⁿ²¹⁹--whether they are "indispensable to the industry"ⁿ²²⁰--rather than whether competitors might choose to use the terms or ought to be free to use them. The Ninth Circuit in *Zobmondo*, for example, applied the competitors' need test in determining whether the mark WOULD YOU RATHER . . . ? is merely descriptive for a board game that asks players to choose between two alternative scenarios. The court found the mark distinctive because "competitors do not *need* to use 'WOULD YOU RATHER . . . ?' to describe their products. They can say 'Would you prefer' or 'Would you most like' or use some other verbal formula to convey a choice of alternatives."ⁿ²²¹ Of course, WOULD YOU MOST LIKE is a rather artless name for a game. Requiring a second-comer to sidestep straightforward terms that describe its goods when the senior user has not instilled those terms with a source-indicating function does not seem justifiable based on the policy goal of avoiding consumer confusion. It simply rewards the first mover for primacy. Protecting descriptive terms without secondary meaning triggers concerns about the land-grab nature of trademark registration.

Another of the pitfalls of the competitors' need test is that courts applying it, like those applying the dictionary test, often consider a phrase in its entirety rather than asking whether competitors might need to use one or more component terms to describe their goods. The Fifth Circuit in *Blendco* deemed the mark BETTER-N-BUTTER for butter-flavored oil suggestive in part because competitors "would not likely need or even find [*1071] useful the exact term 'Better-N-Butter' or a similar term in its name. 'Liquid margarine,' 'buttery blend,' 'I can't believe it's not butter,' or many other terms could be used."ⁿ²²² Given the richness of the English language, fact-finders who want to offer synonyms for competitors' use will always be able to do so unless the mark or its components are actually generic.ⁿ²²³ As the *Zobmondo* and *Blendco* courts make abundantly clear, hypothetical trademarks for potential competitors always exist,

although they may be less appealing or effective than the marks at issue. Laudatory terms, for example, will always fail the competitors' need test due to the wealth of alternative laudatory words.

Members of Congress considered competitors' needs in the context of the fair use defense to allegations of trademark infringement ⁿ²²⁴ and reached a similar conclusion. Where a prior draft of the law suggested that fair use required necessity, a committee member from the House of Representatives articulated the problem of requiring that an infringement defendant show he *needed* to employ a particular term to describe his own goods, rather than that he merely chose to do so:

If, for example, someone should register the term "jackknife," and secure an incontestable right after five years' continuous use, and somebody else came along and in a normal way in his business used the term "jackknife" and this man sued him, and the defendant said, "Why, I am just using the English language," the plaintiff could say, "No; under this provision here you cannot use that term "jackknife" because I have an incontestable right in it." "But," he says, "I am not using it as a trademark. I am using it in a normal way to describe this product." And the plaintiff says, "But it is not necessary to use that word to truthfully describe it. You can use 'Pocket knife.'" Now, if you go along that line and somebody else registers "pocket knife," it would not be long until that man would have a lot of trouble describing his product. ⁿ²²⁵

[*1072] That "jackknife" has not only a finite number of synonyms but a very small number, and that it is a noun rather than an adjective, suggests the possibility that it is generic, rather than descriptive. Yet the same principle applies to flatly descriptive terms like "tasty" for food products, "miracle" for slimming apparel, or "non-stick" for cookware. Whether a given concept has three synonyms or three hundred, a mark owner should not be able to corner the market on a descriptive term and exclude competitors from using it unless and until he can establish that the once goods-constative term has become source-constative.

G. Competitors' Use

The "competitors' use" test, also called the "actual use," "common use," or "extent-of-use" test, asks whether others marketing similar goods or services already use the designation; if they do, the mark is more likely to be found descriptive. ⁿ²²⁶ The competitors' use and competitors' needs test are complementary ⁿ²²⁷--just as actual confusion between two marks is regarded as strong evidence of likelihood of confusion in an infringement analysis, actual use by competitors is regarded as an indication of competitor need.

The Fifth Circuit discussed the policy underlying the competitors' use test in assessing the mark SECURITY CENTER:

We look into actual and likely use of a mark in order to determine whether its protection, i.e., its exclusion from the language freely available for commercial use, interferes with competition among providers of the same product or service. The more users there are of a term, the more its protection in a given case would be commercially disruptive and unfair to competitors. ⁿ²²⁸

[*1073] Like the competitors' need test, the competitors' use test is often applied too narrowly to preserve the ability of future competitors to rely on descriptive terms. The TTAB found the competitors' use test supported reversal of the USPTO determination that the mark CRAZY GOOD was merely descriptive for baked goods. In so doing, the Board interpreted the test to implicate only uses of the phrase by competitors selling the very same type of goods as the applicant and ignored uses in connection with other types of goods. ⁿ²²⁹ The TTAB deemed the mark suggestive even though the record showed that "several sellers of other, largely unrelated products may have made trademark use of this term." ⁿ²³⁰ Such an interpretation is problematic for terms of praise or superiority that could be applied to a variety of goods and services. The use of "crazy good" as slang for "great" by third parties, even if they are non-competitors, indicates that the phrase is laudatory and thus merely descriptive for all goods. Other marks that are not technically

descriptive of goods have been deemed insufficiently distinctive based on competitors' use, such as PEOPLES for banks, ⁿ²³¹ LABRADOR for software, ⁿ²³² BLISS for beauty salons or spas, ⁿ²³³ and puns that play on the term SHEAR for hair cutting services. ⁿ²³⁴

The competitors' use test will also fall short when the mark at issue is used by the first producer to launch or popularize novel goods, such as APP STORE for an online store selling wireless applications, ⁿ²³⁵ **[*1074]** BLUBLOCKER for sunglasses that block blue light, ⁿ²³⁶ or BEANIE BABIES ⁿ²³⁷ for plush animals stuffed with pellets. Some courts have thus rightly questioned the premise that competitors' non-use of a term indicates or reflects consumer perceptions. ⁿ²³⁸ As with the other tests, the competitors' use test offers no evidence that consumers will understand a descriptive mark as goods-constative simply because others don't use the same mark. When numerous competitors use the same terms on similar goods--as Murad, Guerlain, Kinerase, and Lancome all use "perfecting serum" in connection with competing cosmetic products--it provides evidence that the phrase is goods-constative, but we have no reason to believe the converse also holds true. Use by competitors may therefore be helpful in *disproving* distinctiveness, but its mere absence does not prove a mark source-constative.

H. Puffing

It seems reasonable that terms and phrases that are either needed by competitors or are actually used by them should not receive protection without secondary meaning. Those tests will not, however, filter out all goods-constative terms. Laudatory or "puffing" marks are widely recognized as merely descriptive, ⁿ²³⁹ even where competitors do not use, and do not necessarily need to use, the same laudatory terms that their competitors use to describe competing products. The Trademark Manual of Examining Procedure provides that "[l]audatory terms, those that attribute quality or excellence to goods or services, are merely descriptive under [§ 2(e)(1)]." ⁿ²⁴⁰ The Federal Circuit regularly applied the same rule, holding that "[m]arks that are merely laudatory and descriptive of the alleged merit of a product" are not inherently distinctive; "puffing marks are regarded as a condensed form of describing the character or quality of the goods." ⁿ²⁴¹ In one recent case, the Federal Circuit reversed the TTAB and held that it **[*1075]** "legally erred when it concluded that puffery could render [a particular] mark more than descriptive." ⁿ²⁴²

Puffing marks include terms like "best," "superior," and "preferred." ⁿ²⁴³ The TMEP cites exemplars including THE BEST BEER IN AMERICA for beer; ⁿ²⁴⁴ THE ULTIMATE BIKE RACK for bike racks; ⁿ²⁴⁵ QUESO QUESADILLA SUPREME for cheese; ⁿ²⁴⁶ and ORIGINAL BLEND for cat food. ⁿ²⁴⁷ Numerous federal courts purport to apply the same rule; the Ninth Circuit opined that when a word mark constitutes "self-laudatory advertising," that advertising weighs against a finding that the mark is suggestive, ⁿ²⁴⁸ while an S.D.N.Y. opinion states definitively that "laudatory and descriptive words . . . do not qualify for trademark protection." ⁿ²⁴⁹ Other laudatory marks held merely descriptive include SUPER LAUNDRY for laundry-related services; ⁿ²⁵⁰ NUMBER ONE IN FLOORCARE for vacuum cleaners; ⁿ²⁵¹ TASTEMAKERS for a publication; ⁿ²⁵² TRADITIONAL for feta cheese; ⁿ²⁵³ and THE GREATEST BAR for bar and restaurant services. ⁿ²⁵⁴

Categorizing laudatory marks as descriptive appears to comport with the various tests used to determine distinctiveness--laudatory terms purport to directly describe the goods or services (whether they do so accurately or not). Laudatory marks convey their desired message without requiring much imagination; competitors often use the same terms for their own products; and laudatory terms should remain "freely available to all competitors in any given field to refer to their products or services." ⁿ²⁵⁵ Ultimately, though, the "rule" cannot accurately guide applicants and litigants in predicting outcomes, because the same courts that recite it **[*1076]** regularly defy it. In recent years, the following apparently--often admittedly--laudatory marks have been held inherently distinctive: BEER 1 for beer; ⁿ²⁵⁶ SUPER IRON for iron supplements for soil; ⁿ²⁵⁷ RAPIDSHAVE for shaving cream; ⁿ²⁵⁸ HEARTWISE for low-cholesterol foods; ⁿ²⁵⁹ MASTER MECHANIC for tools; ⁿ²⁶⁰ BEST REST for mattresses; ⁿ²⁶¹ BETTER-N-BUTTER for a butter substitute; ⁿ²⁶² ULTRACATH for catheters; ⁿ²⁶³ and STEAK UMM for meat. ⁿ²⁶⁴ The general rule that laudatory marks are not inherently distinctive is consistent with the speech-act theory of distinctiveness, but the problem lies in fact-finders' lack of adherence to it.

I. Intentional Fallacy

The creativity fallacy has a counterpart in the intentional fallacy.ⁿ²⁶⁵ Theoretically, as the Third Circuit has noted, "In classifying a mark, the Court does not look to the intent of the party choosing that mark. Instead, the impact of the mark on the minds of prospective consumers is controlling."ⁿ²⁶⁶ Nonetheless, a number of courts and boards seeking to determine whether a mark is inherently distinctive or merely descriptive have explicitly weighed the intent of the mark owner in selecting the mark, [*1077] using intent as a proxy for consumer perception. Underlying the intentional fallacy is the rationale that "if the proponent of trademark status himself uses the mark as a descriptive term, [it] is strong evidence of descriptiveness,"ⁿ²⁶⁷ and perhaps vice-versa.

Evidence of the intentional fallacy abounds. The First Circuit found "5 Minute" epoxy descriptive based in part on testimony by the company's president that "he called his product '5 Minute' epoxy because [the company was] trying to give the customer an idea that it sets up in about five minutes' time."ⁿ²⁶⁸ A district court in the same circuit held UNLEASHED merely descriptive for dog-walking services, citing the defendant's statement that "'Unleashed' was meant to be 'a description of what we were doing and what we felt described the services and products we offered.'"ⁿ²⁶⁹ Another district court held SINU CLEANSE merely descriptive based on testimony that the company selected the mark because it "described better the cleaning or cleansing process."ⁿ²⁷⁰ Yet another based its finding of descriptiveness in part on deposition testimony that the mark owner considered the mark descriptive.ⁿ²⁷¹

While it may seem rational to be guided by a company's understanding of its own mark in determining that mark's distinctiveness, that consideration offers no insight as to whether a mark is goods-constative or source-constative to consumers. The intentional and creativity fallacies exemplify the "uptake error": just as some performatives require audience reaction, a mark cannot be source-constative without consumers perceiving it as an indication of source. A term or phrase is not an effective or ineffective trademark as a result of the wishes or mental processes of the person who devised it, but only as a result of how consumers view it.

IV. THE SPEECH-ACT TEST FOR INHERENT DISTINCTIVENESS

The tests discussed in the preceding section fail because they privilege producers' interests over those of competitors, because they inappropriately reward producers for creating clever word combinations out of descriptive and generic terms, and because they are simply too vague and ill-defined to provide clear and consistent guidance to courts, the TTAB, trademark examining attorneys, and new entrants. The speech-act test for inherent distinctiveness offers a single question that prizes competition and clarity [*1078] and directs fact-finders' attention to contemporary consumer usage of descriptive terms. It simply asks whether a hypothetical competitor could use one or more of the trademark's component terms in good faith to describe its own product if the term is defined in accordance with contemporary usage. This test borrows from existing fair use doctrine to bring fair use concerns to the forefront of the distinctiveness analysis. I first describe the fair use defense and then propose an adaptation to remedy the above-described pathologies of existing approaches.

A. The Statutory Fair Use Defense

Section 33(b)(4) of the Lanham Act provides a fair use defense to an allegation of infringement where "the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark . . . of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party."ⁿ²⁷² A junior user charged with trademark infringement who pleads statutory fair useⁿ²⁷³ argues that the word or phrase is used to describe the product, geographic origin, creator, or some other aspect of the junior user's goods or services and not used as a mark.ⁿ²⁷⁴ For example, when a party described its comfortable women's dress shoe by telling consumers that the shoe "feels like a sneaker," the Second Circuit affirmed that such a descriptive use did not infringe plaintiff's registered mark LOOKS LIKE A PUMP, FEELS LIKE A SNEAKER because the defendant's use qualified as a fair use under the Lanham Act.ⁿ²⁷⁵ Likewise, the Seventh Circuit held that the use of the term "sweet-tart" to describe the flavor of cranberry juice did not infringe the trademark SWEETARTS for candy,ⁿ²⁷⁶ and the Fifth Circuit held a defendant's use

of "fish fry" to describe a batter coating for fish non-infringing, [*1079] despite the plaintiff's rights in the mark FISH-FRI for a competing batter. ⁿ²⁷⁷

Courts have construed the statutory fair use defense to comprise three elements: the defendant must use the term or phrase (1) other than as a trademark or service mark; (2) "fairly and in good faith"; and (3) "only to describe" its goods or services. ⁿ²⁷⁸ Thus, in considering whether the use of the phrase "thirst aid" as part of the slogan "Gatorade is thirst aid" infringed the plaintiff's THIRST AID trademark, the Seventh Circuit considered the prominence of the phrase and the use of rhyme in creating a catchy slogan and held that the defendant's use of "thirst aid" constituted use as a mark, rendering the defendant ineligible for the fair use defense because its use failed to satisfy the first element of the test. ⁿ²⁷⁹ The good faith required by the second element has been interpreted to require that the defendant did not intend to create source confusion or capitalize on the plaintiff's goodwill. ⁿ²⁸⁰

The third element, whether a mark is used to describe the goods, is construed broadly. According to McCarthy, a fair use defendant's use of a term "need not literally describe a characteristic of the goods, but can fit within the defense if its use is descriptive in a broader sense." ⁿ²⁸¹ For example, the Second Circuit held that a lipstick seller could use the phrase "Seal it with a kiss!" on a countertop display that invited consumers to kiss a postcard without infringing on plaintiff's trademark SEALED WITH A KISS for lip gloss. ⁿ²⁸² Likewise, the maker of beauty products could use "love potion" to describe the effects of its products on others without infringing the plaintiff's mark LOVE POTION for perfume. ⁿ²⁸³ The Ninth Circuit held an apparel manufacturer could sell tank tops featuring the word "delicious" without infringing plaintiff's mark DELICIOUS for shoes. ⁿ²⁸⁴

[*1080] As William McGeveran and other commentators have argued, the safeguards for fair use offer too little protection, and come into play too late, to adequately protect speech. ⁿ²⁸⁵ High-profile infringement cases involving fair use almost always reach the correct outcome; when courts consider the merits, "the defendant's free speech arguments ultimately carry the day." ⁿ²⁸⁶ And yet we cannot be lulled into a false sense of complacency based on those outcomes:

[O]nly a tiny fraction of disputes actually reach litigation and become eligible for a happy ending Considerable anecdotal evidence suggests that the real action occurs outside the courthouse: markholders send cease-and-desist letters and threaten legal action against those using trademarks to facilitate speech, and the recipients frequently capitulate. We need not devote too much energy to improving the courts' ability to reach the correct substantive outcomes in the final judgment at the end of a lawsuit. They already do. Rather, the priority should be restructuring the relevant doctrines to reduce the pre-litigation chilling effect. ⁿ²⁸⁷

McGeveran focuses his attention primarily on restructuring the fair use doctrine and refining its application by courts, working toward "clearer rules and faster adjudication." ⁿ²⁸⁸ The speech-act theory of trademark distinctiveness advocates addressing the problems McGeveran identifies by intervening at the outset, incorporating fair use goals into the registration process. The pre-litigation chilling effect ⁿ²⁸⁹ can impact a potential new entrant as early as the mark selection stage, all because a producer succeeded in registering a mark with descriptive components without being required to demonstrate acquired distinctiveness. ⁿ²⁹⁰ Cease and desist letters [*1081] posted to the Chilling Effects Clearinghouse ⁿ²⁹¹ reflect the frequency of this scenario, and they likely represent only a very small fraction of the letters producers send each year.

Rather than fine-tune the fair use test as a defense to an allegation of infringement, this Article proposes moving it up in time, applying some of its elements when owners initially apply to register trademarks. While the existing approach to categorizing distinctive marks emphasizes only producer interests, putting fair use first will help ensure that useful descriptive terms remain available to second comers, which in turn serves competition by maximizing both competitors' ability to effectively explain what they're selling, and consumers' access to information about alternatives.

B. Fair Use First

The Subparts above have detailed the ways in which the existing formal tests and informal proxies for gauging distinctiveness tend to overprotect descriptive terms, handicapping competitors' ability to compete fairly. A speech-act approach to distinctiveness would preclude some of those problems by refocusing the distinctiveness inquiry on more appropriate questions, such as how the public views and uses the term and whether granting trademark rights in it would affect competitors.

The speech-act distinctiveness inquiry closely resembles the statutory fair use defense. It borrows two of three elements from that defense: the descriptive and good faith elements.ⁿ²⁹² The test simply asks whether a hypothetical competitor could use any of the terms that compose the producer's mark (1) in good faith and (2) descriptively in connection with the competitor's own product. If the answer to both questions is "yes," the original mark is not inherently distinctive and should not be registered without a showing of secondary meaning. Simply stated, words that are descriptive enough to be used by a junior user on or in connection with related goods, without the junior user seeking to pass off its goods as those of the senior user, belong in the pool for competitors to use until the senior user has made use sufficient to lead consumers to view the mark as an indication of source. The descriptive or laudatory terms must remain available for new entrants until the producer has invested sufficient time, [*1082] money, and effort to create a source-constative mark. Until then, competition should take priority.

The rule of doubt that mandates holding a mark inherently distinctive where the mark appears to occupy the liminal space between descriptiveness and distinctiveness must be reversed. When in doubt, the PTO, TTAB, and federal courts should categorize such marks as non-distinctive. Descriptive terms communicate information, which is nonrival.ⁿ²⁹³ Laudatory terms constitute puffery and are not inherently source identifying, but rather serve to advertise the product. The option to oppose a mark on the grounds of mere descriptiveness after it passes to publication is rarely exercised by small business owners and places too great a burden on competitors to act as watchdogs. Rather, producers should bear the burden of either establishing that a mark is clearly distinctive or demonstrating secondary meaning. The harm to competition when goods-constative marks are granted protection is far greater than the harm to producers when a borderline mark is deemed descriptive and secondary meaning required. If the mark indeed has the capacity to function as a source identifier, a producer need merely proceed to market and advertise its goods in the ordinary course of business, and it will soon be able to demonstrate secondary meaning.

It's crucial that the determination of whether a hypothetical competitor could use a given term descriptively in connection with its own product be based on evidence of whether and how the trademark term is used by the public. Consulting only dictionaries and prior registrations--as several of the current tests advocate--doesn't suffice. Fortunately, fact-finders have access to a wealth of evidence with which to catalogue usage. In recent cases, trademark examining attorneys have looked to online message boards,ⁿ²⁹⁴ blogs,ⁿ²⁹⁵ consumer reviews,ⁿ²⁹⁶ auction sites, industry or community norms,ⁿ²⁹⁷ periodicals,ⁿ²⁹⁸ and Twitter to gauge whether a term is [*1083] descriptive for a given product category. The speech-act model demonstrates why that type of evidence is necessary to determine whether a phrase is source-constative and merits protection.

Consider earlier examples. In the case of PERFECTING SERUM, the TTAB acknowledged use by competitors but dismissed it, noting "there are only two other users of the term at issue."ⁿ²⁹⁹ But if a prospective purchaser runs a search for "perfecting serum" on a popular site geared toward consumer reviews of beauty products and finds that users' posts discuss three or more different brands of products called "perfecting serum"ⁿ³⁰⁰ or use the phrase to refer to a whole class of products, then "perfecting serum" is functioning as a goods-constative phrase. Consumers understand it and use it to describe a product, not that product's source, so competitors should be free to use the term descriptively under the speech-act test. Instead, the registration for PERFECTING SERUMⁿ³⁰¹ empowers its owner to use the mark offensively, suing any competitors that use the phrase, which is exactly what Murad has done and continues to do.

BRANTREATS was also among the marks allowed registration without a showing of secondary meaning, and neither "bran" nor "treats" is disclaimed in the registration.ⁿ³⁰² But "bran" is an ingredient, and "treat" is laudatory. Could a new entrant use "bran" or "treats" (or both) for its cookies in good faith, without attempting to pass off its product as Almondina's? A quick search shows that the general public indeed uses both terms, sometimes at the same

time, to describe baked goods: Google results for the search "bran treats" returns recipes for homemade "bran treats,"ⁿ³⁰³ "peanut butter bran treats,"ⁿ³⁰⁴ "sweet pecan bran treats,"ⁿ³⁰⁵ "blueberry bran breakfast treats,"ⁿ³⁰⁶ "all bran treats,"ⁿ³⁰⁷ "chocolate bran [*1084] treats,"ⁿ³⁰⁸ "bran muffin treats,"ⁿ³⁰⁹ and many more. The use of both terms in those recipes belies the TTAB's assertion that "BRANTREATS is an incongruous term when used in connection with a biscuit made of a cereal by-product"ⁿ³¹⁰ unless the Board defines competitors' use so narrowly that the goods must be nearly identical--flat, crispy, biscotti-shaped cookies--to qualify as competitive products. BRANTREATS is thus goods-constative unless and until it becomes source-constative through use.

When the owner of a winery in Oklahomaⁿ³¹¹ applied to register GRAPE RANCH for wine, the examining attorney issued multiple office actions, denying registration on the basis that the mark was merely descriptive.ⁿ³¹² She appended over a dozen Internet screenshots demonstrating that numerous other wineries used the words "ranch" or "grape" on their wine bottles' labels or websites and at least two sources used the phrase "grape ranch" in a descriptive or generic sense.ⁿ³¹³ She also appended a number of prior registrations reflecting disclaimers of exclusive rights to "ranch" or "grape" as part of a word mark for wine.ⁿ³¹⁴ The applicant appealed and the TTAB reversed the refusal, holding the mark inherently distinctive because it was incongruous as applied to wine.ⁿ³¹⁵ But if the TTAB had applied the speech-act test rather than the imagination test, it would have affirmed the trademark examining attorney's refusal based on the latter's own evidence. Hypothetical users could--and in fact already do--use each component term descriptively and in good faith in connection with their own wines.

Finally, we return to SNO-RAKE. A search for "snow rake" on amazon.com returns hundreds of results, including an Avalanche! brand [*1085] "snowrake," a Garelick brand "snow roof rake,"ⁿ³¹⁶ a Sno-Knife brand "snow removal tool rake,"ⁿ³¹⁷ a Suncast brand "snow roof rake,"ⁿ³¹⁸ a Midwest Rake brand "aluminum snow removal roof rake,"ⁿ³¹⁹ and a Garant brand "Poly Blade Aluminum Handle Snow Roof Rake With 16-Foot Reach."ⁿ³²⁰ In fact, Amazon features an entire product category called "snow rakes." The TTAB speculated that no one uses "rake" as his verb or noun of choice for snow clean-up, but it did not offer any evidence for its assertion.ⁿ³²¹ At least today, competitors and consumers clearly use "snow rake" goods-constatively. A competitor could thus use "rake," with or without "snow," in good faith to describe its own snow removal products, rendering the mark merely descriptive under the speech-act test.

CONCLUSION

Commentators have described the anti-competitive and chilling effects of granting extensive protection to owners of trademarks that comprise descriptive or generic terms.ⁿ³²² It is clear, however, that the tests for descriptiveness and distinctiveness often lead trademark examining attorneys, the TTAB, and federal courts to protect as inherently distinctive marks that are purely descriptive or contain descriptive elements and lack both secondary meaning and appropriate disclaimers. Because the tests are ill-defined and haphazardly-applied, their use "exacerbate[s] rather than ameliorat[es] the chilling effect."ⁿ³²³ The Supreme Court has acknowledged that "Competition is deterred . . . not merely by successful suit but by the [*1086] plausible threat of successful suit."ⁿ³²⁴ In fact, competition is also deterred by the threat of expensive and lengthy litigation, even when plaintiffs are ultimately unlikely to succeed.ⁿ³²⁵

Speech-act theory offers the crucial insight that a trademark is not just a word; it's also an action. Trademarks have both semantic force and legal force, and the latter is too often used to silence competitors by forcing them to sidestep the clearest and most obvious terms in describing and marketing their goods. Protecting descriptive terms as marks when they lack secondary meaning divorces action from speech. It enables a producer to exploit the benefits of mark ownership without the mark having legally earned protection.

In order to safeguard competitors' rights, we must repair the speech-act connection by ensuring that descriptive terms remain in the pool for use by competitors, with a narrow exceptionⁿ³²⁶ for those marks that have become source-constative through use. The best way to accomplish that goal is to bring concerns about competitor speech to the fore when evaluating trademarks that contain descriptive terms. Could a hypothetical competitor use one or more of the trademark's component terms, defined in accordance with contemporary usage, literally and in good faith to describe its own product? If it could, the mark remains goods-constative until its owner can establish that it has become

source-constative. Only then does the Lanham Act empower the mark owner to use the mark performatively.

Legal Topics:

For related research and practice materials, see the following legal topics:

Trademark LawProtection of RightsRegistrationGeneral OverviewTrademark LawSubject
MatterDistinctivenessInherent DistinctivenessTrademark LawSubject MatterSecondary MeaningGeneral Overview

FOOTNOTES:

n1 Also known as a bomber, grinder, hero, hoagie, Italian sandwich, or torpedo. Frederic Gomes Cassidy & Joan Houston Hall, 2 DICTIONARY OF AMERICAN REGIONAL ENGLISH 5 (1991) "dagwood"); Bert Vaux, THE DIALECT SURVEY 64, http://www4.uwm.edu/FLL/linguistics/dialect/staticmaps/q_64.html (mapping answers to the prompt "What do you call the long sandwich that contains cold cuts, lettuce, and so on?").

n2 Ray Duckler, *Scuffling over the Steak Bomb*, CONCORD (NH) MONITOR, Sept. 27, 2007.

n3 STEAK BOMB, Registration No. 32,49292. Trademark registrations can be accessed via the website of the US Patent and Trademark Office at <http://tess2.uspto.gov>.

n4 Jon Eick, *Steak Bomb War Still Red Hot*, SO GOOD BLOG (Sept. 10, 2007), <http://www.sogoodblog.com/2007/09/10/steak-bomb-war-still-red-hot/>.

n5 Duckler, *supra* note 2.

n6 This Article uses "trademark" or "mark" throughout to refer to both trademarks and service marks, and uses "goods," "services," and "products" interchangeably to refer to any goods or services offered for sale in connection with a given mark.

n7 15 U.S.C. § 1052(e)(1) (2006).

n8 Trademark distinctiveness is discussed *infra* in Part II(a).

n9 15 U.S.C. § 1052(f) (2006).

n10 PERFECTING SERUM, Registration No. 37,98129; *In re Murad, Inc.*, 2010 WL 667931 (T.T.A.B. 2010) (reversing § 2e(1) mere descriptiveness refusal).

n11 Such "trademark bullying" has recently received increased attention among members of Congress as well as scholars. *See* Trademark Technical and Conforming Amendment Act of 2010, Pub. L. No. 111-146, § 4, 124 Stat. 66, 69-70 (2010). Leah Chan Grinvald defines bullying as "the enforcement of an unreasonable interpretation by a large corporation of its trademark rights against a small business or individual through the use of intimidation tactics." Leah Chan Grinvald, *Shaming Trademark Bullies*, 2011 WISC. L. REV. 625, 642. William T. Gallagher asserts that "powerful IP rights owners, as sophisticated 'repeat players' in IP enforcement efforts against often 'one-shot' participants in the legal system, have strategic advantages that allow them to enforce IP rights beyond their proper scope." William T. Gallagher, *Trademark and Copyright Enforcement in the Shadow of IP Law*, 28 SANTA CLARA COMPUTER & HIGH TECH. L.J. 453, 459 (2012). On the other hand, trademark holders may silence competitors based on rights they reasonably believe they possess when descriptive terms are incorrectly treated as inherently distinctive. While some enforcement campaigns qualify as "bullying," others may not.

n12 Amy Zipkin, *Entrepreneurs Must Choose Their Words with Care*, N.Y. TIMES, Oct. 7, 2004, at C2; *see also* Gallagher, *supra* note 11, at 457 ("[M]ost IP disputes do not result in litigation, and most litigation settles well before trial.").

n13 PAINKILLER, Registration No. 2,758,165; *Seattle Bartenders Boycott Pusser's Rum Following Painkiller Legal Action*, SEATTLE MET, June 9, 2011, <http://www.seattlemet.com/bars-and-nightlife/sauced/articles/seattle-bartenders-pained-about-painkiller-trademark-pursuit-by-pussers-june-2011>.

n14 SMALLLAW, Registration No. 3,832,551; *Should Lawyerist Cave to Trademark Bullying?*, LAWYERIST, Feb. 28, 2011, <http://lawyerist.com/lawyerist-trademark-bullying-poll/>.

n15 15 U.S.C. § 1115(b)(4) (2006). A "trademark use" refers to the use of a mark as a source indicator in connection with goods or services. For example, if a water bottle is labeled "Dasani purified water," the company is likely making a trademark use of "DASANI" but not of "purified water."

n16 *Id.*

n17 Common law rights based on the use of a distinctive trademark are enforceable under the Lanham Act, although registration of a mark on the Principal Register provides additional rights and privileges. For example, registering a trademark gives rise to a rebuttable presumption of validity. 15 U.S.C. § 1115(a) (2006); *Leelanau Wine Cellars, Ltd. v. Black & Red, Inc.*, 502 F.3d 504 (6th Cir. 2007). When an infringement plaintiff has not registered its mark, it bears the burden of persuasion that the mark is protectable. See Raymond I. Geraldson, Jr., Mark V.B. Partridge & Joseph N. Welch, *Developments in Trademark and Unfair Competition Law: In the Courts, the Patent and Trademark Office and Before the Trademark Trial and Appeal Board*, 24 J. MARSHALL L. REV. 1, 12 (1990), for a discussion of other benefits of registration.

n18 The PTO and TTAB most often consider inherent distinctiveness in determining whether a mark may be registered on the Principal Register without a showing of secondary meaning. Federal courts typically consider it in the context of infringement litigation, where distinctiveness can have a substantial effect on the outcome of a likelihood of confusion analysis. *See, e.g.*, Edward J. Heath & John M. Tanski, *Drawing the Line Between Descriptive and Suggestive Trademarks*, COM. & BUS. LIT., Sept. 2010, at 11.

n19 *In re Classic Beverage, Inc.*, 6 U.S.P.Q.2d 1383, 1386 (T.T.A.B. 1988) (requiring disclaimer of "cola").

n20 *In re David Crystal, Inc.*, 145 U.S.P.Q. 95 (T.T.A.B. 1965).

n21 SNO-RAKE, Registration No. 1,252,181; *In re Shutts*, 217 U.S.P.Q. 363 (T.T.A.B. 1983).

n22 *See* Jake Linford, *Trademark Owner as Adverse Possessor*, 63 CASE W. RES. L. REV. 703, 706 n.6 (2013) (arguing that the trademark doctrine providing for rights in descriptive trademarks resembles the real property doctrine of adverse possession and observing "the trademark owner takes a defensive posture against encroachment similar to that taken by a real property owner to forestall adverse possession" (citing Laura A. Heymann, *The Grammar of Trademarks*, 14 LEWIS & CLARK L. REV. 1313, 1318 (2010))). Gallagher's

interviews with IP attorneys reveal that the language of real property often dominates discussions of trademark protection: "When referring to trademark examples, the most frequently used phrases [by interviewees] included the 'need to build a fence around' their client's trademark, or to 'wall off' and protect a mark in order to keep it distinct in the marketplace." *Supra* note 11 at 491.

n23 On the contrary, blog comments and media coverage make abundantly clear that consumers do not perceive STEAK BOMB as an indication of source. *See* comments at Duckler, *supra* note 2; Eick, *supra* note 4; *N.H. Shop Claims Ownership of 'Steak Bomb' Sandwich*, BOS. HERALD, Aug. 29, 2007.

n24 *See generally* Suman Naresh, *Incontestability and Rights in Descriptive Trademarks*, 53 U. CHI. L. REV. 953, 982 (1986) ("[M]onopolization of descriptive marks by particular sellers would seriously disadvantage their competitors by creating formidable informational barriers between the competitors and their potential customers."). As a result, "buyers experience greater difficulty and incur higher costs in obtaining the information necessary to make optimal purchasing decisions among similar products." *Id.* at 992; *see also* Maya Alexandri, *The International News Quasi-Property Paradigm and Trademark Incontestability: A Call for Rewriting the Lanham Act*, 13 HARV. J.L. & TECH. 303, 327-28 (2000) ("[M]onopolies in descriptive marks can lead to increased start-up or marketing costs, endow one firm with an unfair competitive advantage, and, in extreme cases, enable a firm to engage in predatory pricing.").

n25 *See* Robert G. Bone, *Enforcement Costs and Trademark Puzzles*, 90 VA. L. REV. 2099 (2004) (discussing why trademark law has evolved to protect inherently distinctive marks without requiring proof that they function as source indicators).

n26 J. L. AUSTIN, *HOW TO DO THINGS WITH WORDS* 25 (2d ed., William James Lectures, J. O. Urmson and Marina Sbisa, eds. 1962); *see also* JOHN R. SEARLE, *SPEECH ACTS: AN ESSAY IN THE PHILOSOPHY OF LANGUAGE* 54-55 (1969).

n27 Despite the prevalence of terms like "utterance" and "speech" throughout Austin's work, speech-act theory can and has been applied to written language. *E.g.*, Kepa Korta & John Perry, *Pragmatics*, in *THE STANFORD ENCYCLOPEDIA OF PHILOSOPHY* (Edward N. Zalta ed., Summer 2011 ed.); Kent Bach, *Speech Acts*, in *ROUTLEDGE ENCYCLOPEDIA OF PHILOSOPHY* (2011).

n28 *See, e.g.*, Peter Meijes Tiersma, *The Language of Offer & Acceptance: Speech Acts & the Question of Intent*, 74 CAL. L. REV. 189 (1986); *see also* Janet E. Ainsworth, *In a Different Register: the Pragmatics of Powerlessness in Police Interrogation*, 103 YALE L.J. 259 (1993); Martin F. Hansen, *Fact, Opinion, & Consensus: The Verifiability of Allegedly Defamatory Speech*, 62 GEO. WASH. L. REV. 43 (1993); B. Jessie Hill, *Putting Religious Symbolism in Context: A Linguistic Critique of the Endorsement Test*, 104 MICH. L. REV. 491 (2005); Laura E. Little, *Hiding with Words: Obfuscation, Avoidance, & Federal Jurisdiction Opinions*, 46 UCLA L. REV. 75 (1998); Jonathan Yovel, *What is Contract Law 'About'? Speech Act Theory and a Critique of 'Skeletal Promises'*, 94 NW. U. L. REV. 937 (2000).

n29 See Austin, *supra* note 26. Austin provides several illuminating examples of performatives: a ship owner announces, "I christen this ship the Harper's Ferry" and kicks away the chocks; a dying man states, "I give and bequeath my watch to my brother"; an umpire pronounces a base-runner "out" at third base.

n30 *Id.* at 25 (emphasis added).

n31 JONATHAN CULLER, *LINGUISTIC THEORY: A VERY SHORT INTRODUCTION* 101-102 (2011).

n32 AUSTIN, *supra* note 26. Austin uses the term "felicitous" (or "happy") to describe a successful or effective performative utterance and "infelicitous" to characterize a performative utterance that fails to achieve its intended result.

n33 CULLER, *supra* note 31, at 101.

n34 See 3 LOUIS ALTMAN & MALLA POLLACK, *CALLMANN ON UNFAIR COMPETITION, TRADEMARKS, AND MONOPOLIES* § 18:13 n.13 (4th ed. 2011) (comment by author Altman) ("The fundamental import of the term 'descriptive' . . . is antithetical to the notion of source-significance.").

n35 See AUSTIN, *supra* note 26, at 9 ("[F]or a bet to have been made, it is generally necessary for the offer of the bet to have been accepted by a taker (who must have done something, such as to say 'Done').").

n36 See Justin Hughes, *Group Speech Acts*, 7 *LINGUISTICS AND PHIL.* 379 (1984) (discussing performative utterances by groups).

n37 See *infra* Part II.A for a discussion of mark categories and the distinctiveness spectrum.

n38 The application to register TASTY SELECTIONS for "[c]akes, cookie dough, and muffin batter" on the Principal Register was abandoned after the PTO issued a non-final office action refusing registration based on descriptiveness under 15 U.S.C. § 1052(e)(1). U.S. Trademark Application Serial No. 85,422,053 (filed Sept. 14, 2011), *available at* <http://tdr.uspto.gov>.

n39 Neutrogena registered NEUTROGENA TRIPLE MOISTURE for "[h]air care preparations" but, at the PTO's instruction, disclaimed "the exclusive right to use TRIPLE MOISTURE apart from the mark as shown." NEUTROGENA TRIPLE MOISTURE, Registration No. 28,676,08. The PTO often requires a disclaimer as a condition of registration when a mark contains one or more terms that are descriptive or generic. *See In re Stereotaxis, Inc.*, 429 F.3d 1039, 1041 (Fed. Cir. 2005). According to the Trademark Manual of Examining Procedure [hereinafter TMEP], "[t]he purpose of a disclaimer is to permit the registration of a mark that is registrable as a whole but contains matter that would not be registrable standing alone, without creating a false impression of the extent of the registrant's right with respect to certain elements in the mark." TMEP § 1213 (9th ed. Oct. 2013); *see also* Ashlyn Lembree, *Marking Territory: An Empirical Study Concerning the Tightening of Trademark Claim Space on the USPTO Register*, INTELL. PROP. TODAY (May 2011).

n40 AUSTIN, *supra* note 26, at 8.

n41 *See* Thomas R. Lee, Eric D. DeRosia, & Glenn L. Christensen, *An Empirical and Consumer Psychology Analysis of Trademark Distinctiveness*, 41 ARIZ. ST. L.J. 1033 (2004) (suggesting that consumers often perceive even merely descriptive terms as trademarks when they appear on product packaging with various non-semantic indicia of trademark use, such as large font size, prominent location, capitalization, and color).

n42 Similarly, Jeanne Fromer points out that a trademark must be "socially appropriate" for the goods and services to which it is applied: "Once a mark is selected and used, society will find it either helpful and it will be a successful--and thus appropriate--mark or unhelpful as a source indicator. In the latter case . . . trademark law frequently steps in to deny protection for the link." Jeanne C. Fromer, *The Role of Creativity in Trademark Law*, 86 NOTRE DAME L. REV. 1885, 1906 (2011).

n43 *See generally* WILLIAM M. LANDES & RICHARD A. POSNER, *THE ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY LAW* 173 (2003) ("[In t]he implicit economic model that guides that law . . . trademarks lower consumers' search costs by providing them with valuable information about brands and encourage quality control . . ."); William M. Landes & Richard A. Posner, *The Economics of Trademark Law*, 78 TRADEMARK REP. 267 (1988); *see also, e.g.*, *Ty Inc. v. Perryman*, 306 F.3d 509, 510 (7th Cir. 2002) ("The fundamental purpose of a trademark is to reduce consumer search costs by providing a concise and unequivocal identifier of the particular source of particular goods," giving producers an incentive to invest in products and maintain quality.).

n44 Greg Lastowka, *Trademark's Daemons*, 48 HOUS. L. REV. 779, 785 (2011).

n45 Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 NOTRE DAME L. REV. 1839, 1858-60 (2007), (arguing that trademark law was designed to protect producers, rather than consumers); *see also* Fromer, *supra* note 42, at 1891 ("[Nineteenth-century trademark law] focused primarily on protecting producers from competitors' illegitimate interference with their trade rather than on the consumer."); Lastowka, *supra* note 44, at 785.

n46 Mark P. McKenna, *Teaching Trademark Theory Through the Lens of Distinctiveness*, 52 ST. LOUIS U. L.J. 843, 847 (2008).

n47 15 U.S.C. §§ 2(a), 2(e)(1), 2(e)(3) (2006).

n48 *Id.* at § 2(a)

n49 *E.g.*, *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 428 (2003) (citation omitted), *superseded by statute*, Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, § 2, 120 Stat. 1730, 1730 (2006) (codified at 15 U.S.C. § 1125 (2006)) ("[Trademark law] protects consumers from being misled by the use of infringing marks[.]"); *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 163-64 (1995) (explaining that trademark protection "reduce[s] the customer's costs of shopping and making purchasing decisions" and ensures mark owners "reap the financial, reputation-related rewards associated with a desirable product"); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 773 (1992) (noting that the purpose of trademark protection is "preventing deception and unfair competition"); *see also* S. REP. NO. 79-1333, at 3 (1946), *reprinted in* 1946 U.S.C.C.A.N. 1274, 1274 ("The purpose underlying any [trademark] statute is . . . to protect the public so that it may be confident . . . it will get the product which it asks for and wants to get . . . [and to] protect[] [a mark owner] in his investment from its misappropriation by pirates and cheats."); 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 2:1, at 2-3 (4th ed. 2011) (explaining that the basic policy behind trademark law is to protect consumers from deception but that a producer's "interest in not having the fruit of his labor misappropriated should not be disregarded"); Michael Grynberg, *The Judicial Role in Trademark Law*, 52 B.C. L. REV. 1283, 1287 (2011) ("The view that trademark law vindicates both buyer and seller interests is old."); McKenna, *supra* note 46, at 847 ("Trademark law has long struggled to balance the interests of consumers and producers.").

n50 Genericism doctrine, on the other hand, prioritizes competition.

n51 Requiring applicants to demonstrate secondary meaning in order to register or enforce an arguably descriptive mark often increases costs for those applicants, however.

n52 Consumers have no standing to oppose or cancel the registration of a mark on the basis that it is merely descriptive. As Michael Grynberg has argued, consumers aren't technically represented in infringement litigation either, yet their interests are front and center as fact finders seek to gauge the likelihood of their confusion. Michael Grynberg, *Trademark Litigation as Consumer Conflict*, 83 N.Y.U. L. REV. 60, 73 (2008).

n53 The Official Gazette is available in PDF form at the USPTO official website, http://www.uspto.gov/news/og/trademark_og/index.jsp.

n54 In order to show standing, a petitioner must allege that it has a direct stake in the outcome and could be harmed by the registration of the mark it seeks to cancel.

n55 After five years have elapsed, marks can still be canceled on certain grounds, but many marks achieve incontestable status five years after registration and are then protected from challenge based on mere descriptiveness. *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189 (1985).

n56 See Lisa P. Ramsey, *Descriptive Trademarks and the First Amendment*, 70 TENN. L. REV. 1095, 1165 (2003) ("Although competitors have five years to challenge a registered descriptive mark before it can become incontestable, time and money are required to monitor trademark registrations and file opposition proceedings with the PTO. It is even more unlikely that general members of the public and possible future competitors will monitor PTO registrations to ensure that descriptive words remain available for use by everyone in a particular industry."). While some large firms retain a third party to monitor the Gazette for trademarks that might be confusingly similar to those in their portfolios, merely descriptive marks are harder to screen, and potential new entrants who have not yet begun to compete with a mark holder are unlikely to be attuned to the process. See U.S. PATENT & TRADEMARK OFFICE, DEPT OF COMMERCE, TRADEMARK LITIGATION TACTICS AND FEDERAL GOVERNMENT SERVICES TO PROTECT TRADEMARKS AND PREVENT COUNTERFEITING 7 (Apr. 2011), available at http://www.uspto.gov/ip/TMLitigationReport_final_2011April27.pdf.

n57 The tests and heuristics used to evaluate distinctiveness and descriptiveness are discussed *infra* at Part III.

n58 See Bone, *supra* note 25, at 2114 (noting that when trademark law protects a descriptive word, such as FISH-FRI for a batter mix used to fry fish, there is a risk that competing firms will have difficulty finding other words to use as trademarks to describe the same features of

their products. A trade-mark like FISH-FRI is more than a device to communicate to consumers product information acquired through advertising, experience, or word of mouth; the word itself communicates information directly. A firm with exclusive rights to a descriptive word like FISH-FRI therefore gets an immediate advertising advantage.); *see also* Michael S. Mireles, Jr., *Towards Recognizing and Reconciling the Multiplicity of Values and Interests in Trademark Law*, 44 IND. L. REV. 427, 448 (2011).

n59 *See* Ramsey, *supra* note 56 (arguing that granting exclusive rights in descriptive trademarks violates the First Amendment and asserting that the government should protect trademark rights only in inherently distinctive marks).

n60 Designs, colors, scents, packaging, product configuration, and other non-semantic elements that indicate source can also be protected as trademarks or trade dress. While "descriptiveness" and "distinctiveness" are not without meaning in assessing non-semantic marks, this Article focuses on word marks. Some of its principles, however, may apply with equal force to non-semantic marks.

n61 TMEP § 1209.01 (9th ed. Oct. 2013). *But see* Barton Beebe, *Search and Persuasion in Trademark Law*, 103 MICH. L. REV. 2020, 2029 (2005) ("As perceived by a given consumer, a trademark either is or is not source distinctive; it either qualifies for protection or it does not. The difference between the mark which is source distinctive and the mark which is not is a difference of kind, not degree.").

n62 *See, e.g.,* Flynn v. AK Peters, Ltd., 377 F.3d 13, 19 (1st Cir. 2004); First Sav. Bank, F.S.B. v. First Bank Sys., Inc., 101 F.3d 645, 655 (10th Cir. 1996); Sara Lee Corp. v. Kayser-Roth Corp., 81 F.3d 455, 464 (4th Cir. 1996).

n63 Many commentators have questioned this assumption in recent years. *See, for example,* Rebecca Tushnet's discussion of the mark VIAGRA, ostensibly a fanciful mark but carefully architected to connote virility and vigor and to conjure images of Niagara Falls. Rebecca Tushnet, *Looking at the Lanham Act: Images in Trademark and Advertising Law*, 48 HOUS. L. REV. 861, 871-72 (2011).

n64 AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 349 (9th Cir. 1979).

n65 Van Camp Sea Food Co. v. Alexander B. Stewart Orgs., 50 F.2d 976, 977 (C.C.P.A. 1931).

n66 *Sands, Taylor & Wood Co. v. Quaker Oats Co.*, 978 F.2d 947, 952 (7th Cir. 1992) ("[I]f the mark imparts information directly it is descriptive." (quoting *Union Carbide Corp. v. Ever-Ready Inc.*, 531 F.2d 366, 379 (7th Cir. 1976))); *Field of Screams, L.L.C. v. Olney Boys and Girls Cmty. Sports Ass'n*, No. DKC 10-0327, 2011 WL 890501, at *5 (D. Md. Mar. 14, 2011).

n67 *E.g., In re Gagliardi Bros., Inc.*, 218 U.S.P.Q. 181, 184 (T.T.A.B. 1983) (BEEFLAKES merely descriptive for thinly sliced beef).

n68 *Levi Strauss & Co. v. Plushbottom & Peabody, Ltd.*, 212 U.S.P.Q. 296, 298 (T.T.A.B. 1981) (STRAIGHTS merely descriptive for straight-legged jeans).

n69 *E.g., W. Publ'g. Co. v. Rose Art Indus.*, 733 F. Supp. 698, 700 (S.D.N.Y. 1990). *But see* *Consol. Foods Corp. v. Big Red, Inc.*, 226 U.S.P.Q. 829, 835 (T.T.A.B. 1985) (BIG RED inherently distinctive for a large bottle of a red soft drink).

n70 *E.g., In re Gyulay*, 820 F.2d 1216, 1218 (Fed. Cir. 1987) (APPLE PIE merely descriptive for potpourri); *Am. Greetings Corp.*, 226 U.S.P.Q. 365, 366 (APRICOT merely descriptive for apricot-scented dolls).

n71 *L.P. Larson, Jr., Co. v. Wm. Wrigley, Jr., Co.*, 253 F. 914, 915 (7th Cir. 1918) (SPEARMINT merely descriptive for spearmint-flavored chewing gum.); *In re Andes Candies Inc.*, 478 F.2d 1264, 1267 (C.C.P.A. 1973) (CRÉME DE MENTHE for candy not inherently distinctive).

n72 *In re Invue Sec. Prods. Inc.*, 2008 WL 5256384, at *3 (T.T.A.B. Dec. 8, 2008) (PUCK merely descriptive for puck-shaped anti-shoplifting devices).

n73 *Express Diagnostic Int'l v. Tydings*, No. C 06-01346 JW, 2009 WL 111736, at *3-5 (N.D. Cal. Jan. 15, 2009) (DRUGCHECK not inherently distinctive for urine collection cups for detecting drugs).

n74 *Shaw-Barton, Inc. v. John Baumgarth Co.*, 313 F.2d 167, 168-69 (7th Cir. 1963) (HOMEMAKER for calendars merely descriptive of target audience of product); *In re Major League Umpires*, 60 U.S.P.Q.2d 1059, 1060 (T.T.A.B. 2001) (MAJOR LEAGUE UMPIRE merely descriptive for clothing and protective gear).

n75 *E.g., In re L.R. Brock Ind. Inc.*, 218 U.S.P.Q. 1055, 1056 (T.T.A.B. 1983) (POOPSCOOP non-distinctive for dog excrement scooper).

n76 *E.g., In re Aid Labs, Inc.*, 223 U.S.P.Q. 357, 358 (T.T.A.B. 1984) (BUG MIST for insecticide merely descriptive because it conveys "the product may be used in mist form on bugs").

n77 *In re MBAssociates*, 180 U.S.P.Q. 338, 339 (T.T.A.B. 1973) (STUN-GUN merely descriptive for a weapon that stuns its target).

n78 TMEP § 1209.01(b) (9th ed. Oct. 2013).

n79 The Trademark Act of 1920 first provided that merely descriptive marks could become registrable if they had acquired distinctiveness. *See Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 U.S. 315, 329-30 (1938).

n80 15 U.S.C. § 1052 (2006). Merely descriptive marks capable of becoming distinctive may, however, be registrable on the Supplemental Register before they acquire distinctiveness. 15 U.S.C. § 1091; TMEP § 1209.01 (9th ed. Oct. 2013).

n81 1 MCCARTHY, *supra* note 49 § 12.51, *quoting* *King-Seeley Thermos Co. v. Aladdin Industries, Inc.*, 321 F.2d 577 (2nd Cir. 1963).

n82 *See* 3 ALTMAN & POLLACK, *supra* note 34 § 18:13 ("[M]ere descriptiveness . . . includes [both] genericism and descriptiveness"; "genericism is the extreme form of 'mere descriptiveness.'").

n83 King-Seeley Thermos Co. v. Aladdin Indus., Inc., 321 F.2d 577, 579 (2d Cir. 1963).

n84 Nissen Trampoline Co. v. Am. Trampoline Co., 193 F. Supp. 745, 749 (S.D. Iowa 1961).

n85 Donald F. Duncan, Inc. v. Royal Tops Mfg. Co., 343 F.2d 655, 668 (7th Cir. 1965).

n86 DuPont Cellophane Co. v. Waxed Prods. Co., 85 F.2d 75, 80 (2d Cir. 1936).

n87 TMEP § 1209.01(b) (9th ed. Oct. 2013); Unleashed Doggie Day Care, LLC v. Petco Animal Supplies Stores, Inc., 828 F. Supp. 2d 384, 391 (D. Mass. 2010).

n88 See, e.g., Walters Gardens, Inc. v. Pride of Place Plants, Inc., 2008 WL 902844, at *12 (T.T.A.B. March 4, 2008) (PIILU generic for a specific cultivar or varietal of Clematis plant and thus unregistrable).

n89 Fortune Dynamic, Inc. v. Victoria's Secret Stores Brand Mgmt., Inc., 618 F.3d 1025, 1031 (9th Cir. 2010) (declining to determine the precise category of the mark on summary judgment).

n90 Bone, *supra* note 25, at 2130-35.

n91 *Id.* at 2130-32 (internal citation omitted).

n92 While fanciful, arbitrary, and suggestive marks are considered inherently distinctive, they can also accrue secondary meaning over time, strengthening their protectability against infringing or diluting uses. See *infra* note 109.

n93 *Am. Heritage Life Ins. Co. v. Heritage Life Ins. Co.*, 494 F.2d 3, 11 (5th Cir. 1974) ("[O]thers should be equally entitled to use such nondistinctive words."); see also 3 *ALTMAN & POLLACK*, *supra* note 34 § 18:15 (protecting descriptive terms as inherently distinctive is in tension with "the policy of allowing wide use of widely-useful words.").

n94 In 1982, the Federal Courts Improvement Act (Pub. L. No. 97-164, 96 Stat. 25) abolished the CCPA and the U.S. Court of Claims, reassigning the judges from both courts to the newly created Court of Appeals for the Federal Circuit [hereinafter CAFC]. The CAFC adopted the decisions of its predecessor courts as its own binding precedent. See *S. Corp. v. United States*, 690 F.2d 1368, 1370 (Fed. Cir. 1982).

n95 *In re Abcor Dev. Co.*, 588 F.2d 811, 813 (C.C.P.A. 1978), cited in TMEP § 1209 (9th ed. Oct. 2013).

n96 *Park 'N Fly, Inc. v. Dollar Park 'N Fly, Inc.*, 469 U.S. 189, 214-15 (1985) (Stevens, J., dissenting).

n97 See *In re Dana Innovations*, 2007 WL 466797 (T.T.A.B. Feb. 6, 2007).

n98 Serial No. 85/027087 was published in the Principal Register on August 28, 2012, after the TTAB held the mark not merely descriptive. *In re HEB Grocery Co.*, 2012 WL 2930644, at *5 (T.T.A.B. June 29, 2012).

n99 Letter from Kenneth L. Port to David Kappos, Dir. of the U.S. Patent & Trademark Office 17 (2011), available at <http://openwmitchell.edu/facsch/203>. The NFL estimates that it sends out 80 to 100 cease-and-desist letters each year regarding unauthorized use of its SUPER BOWL trademark. Robert Channick, *Defense Rules in Guarding Super Bowl Name*, CHICAGO TRIBUNE, Feb. 1, 2012, http://articles.chicagotribune.com/2012-02-01/business/ct-biz-0201-big-game-20120201_1_nfl-shield-official-pizza-sponsor-nfl-sponsors. For a helpful discussion of trademark bullying, including the use of cease and desist letters, see Grinvald, *supra* note 11.

n100 See generally CHILLING EFFECTS, www.chillingeffects.org (last visited Jan. 2, 2014), for examples of cease and desist letters alleging trademark infringement.

n101 See Grinvald, *supra* note 11, at 628 & n.13. See also Department of Commerce letter to Congress on Trademark Litigation Tactics and Federal Government Services to Protect Trademarks and Prevent Counterfeiting at 18 (April 2011), written in response to Public Law 111-146, which required a study and report on the effect of abusive trademark litigation tactics on small businesses:

With respect to cease-and-desist letters, many of the comments acknowledged regular use of these letters in the trademark field. A handful of small business owners explained that they withdrew their trademark applications after receiving a cease-and-desist letter because they lacked the time or financial resources to litigate against a larger, wealthier company. This imbalance of resources was a common theme among many of the comments

n102 For example, the owner of the VILLAGE VOICE trademark has accused of infringement the proprietors of various other publications that use the term "voice," including the *Cape Cod Voice*, the *Bloomington Voice*, and the *Tacoma Voice*. Zipkin, *supra* note 12. Over a ten year period, the owner of the mark ENTREPRENEUR for magazine services "resolved or settled about forty instances of actual or potential trademark infringement," the majority likely via cease-and-desist letters or informal communications. *Id.*

n103 *Telechron, Inc. v. Telicon Corp.*, 198 F.2d 903, 906 (3d Cir. 1952).

n104 *Id.*

n105 *Gimix, Inc. v. JS & A Grp., Inc.*, 699 F.2d 901, 907 (7th Cir. 1983).

n106 Three basic types of evidence may be used to establish acquired distinctiveness under § 2(f): (1) ownership of prior registrations on the Principal Register of the same mark for goods that are the same as or related to those named in the pending application (37 C.F.R. § 2.41(b) (2006)); TMEP §§ 1212.04-1212.04(e) (9th ed. Oct. 2013)); (2) a statement verified by the applicant that the mark has become distinctive of the applicant's goods or services by reason of substantially exclusive and continuous use for the five years before the claim of distinctiveness is made (37 C.F.R. § 2.41(b); TMEP §§ 1212.05-1212.05(d) (9th ed. Oct. 2013)); and (3) actual evidence of acquired distinctiveness (37 C.F.R. § 2.41(a); TMEP §§ 1212, 1212.06-1212.06(e)(iv) (9th ed. Oct. 2013)).

n107 See 37 C.F.R. § 2.41(a); *In re Ideal Indus., Inc.*, 508 F.2d 1336, 1337-41 (C.C.P.A. 1975); *In re Instant Transactions Corp.*, 201 U.S.P.Q. 957 (T.T.A.B. 1979); 3 ALTMAN & POLLACK, *supra* note 34 § 20:29; TMEP § 1212.06 (9th ed. Oct. 2013).

n108 Aloe Creme Labs., Inc. v. Milsan, Inc., 423 F.2d 845, 850 (5th Cir. 1970).

n109 Distinctiveness is evaluated in several different contexts. When a mark owner files a use-based application to register her mark on the Principal Register, an examining attorney determines whether the mark is registrable on a § 2(e) basis as inherently distinctive or only on a § 2(f) basis, in which case proof of secondary meaning is required. When the application is filed on an intent-to-use ("ITU") basis, a descriptive mark will usually be rejected because the owner has not yet begun to use the mark in commerce, and secondary meaning is thus unlikely to exist. An applicant can challenge a refusal by filing an *ex parte* appeal with the TTAB. If the PTO is sufficiently convinced of a mark's inherent distinctiveness and has not rejected the mark on any other basis, the mark will be published in the Gazette. Third parties can then bring *inter partes* proceedings before the TTAB to oppose registration of a mark within thirty days of publication or to cancel a mark after the opposition period has closed. When federal courts consider distinctiveness, they do so most frequently in infringement cases, either during a preliminary determination of whether a plaintiff owns a valid and legally protectable trademark or as part of a likelihood of confusion analysis. In many jurisdictions, the multifactor test for likelihood of confusion considers the strength of the plaintiff's mark, which has two components: conceptual strength, typically equated with the mark's inherent distinctiveness, and commercial strength, a concept more akin to secondary meaning. *E.g.*, *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961). Some courts explicitly consider mark strength among the most important factors in determining the likelihood of confusion, *e.g.*, *Aronowitz v. Health-Chem Corp.*, 513 F.3d 1229 (11th Cir. 2008), and a recent empirical analysis led three scholars to conclude that the strength of the plaintiff's mark was the second most important factor in predicting a finding of infringement. See Kevin Blum, Ariel Fox, Christina J. Hayes & James (Hanjun) Xu, *Consistency of Confusion? A Fifteen-Year Revisiting of Barton Beebe's Empirical Analysis of Multifactor Tests for Trademark Infringement*, 2010 STAN. TECH. L. REV. 3, 33 (2010). Courts adjudicating claims of trademark dilution may also consider whether or not a mark is distinctive.

n110 2 MCCARTHY, *supra* note 49 § 11:22 ("Generally, litigation over descriptiveness resolves into a dispute as to whether a given mark should be put into one of two pigeonholes: (1) the 'descriptive' category or (2) the 'suggestive' category.").

n111 Decatur Fed. Sav. & Loan Ass'n. v. Peach State Fed. Sav. & Loan Ass'n., No. C-78-904-A, 1978 WL 21348, at *1 (N.D. Ga., Dec. 29, 1978).

n112 Lahoti v. VeriCheck, Inc. (*Lahoti I*), 586 F.3d 1190, 1195-96 (9th Cir. 2009).

n113 SiLite Inc. v. Creative Bath Prods. Inc., 33 U.S.P.Q.2d 1308 (N.D. Ill. 1994).

n114 2 MCCARTHY, *supra* note 49 § 11:66.

n115 Soweco, Inc. v. Shell Oil Co., 617 F.2d 1178, 1183 (5th Cir. 1980).

n116 The Federal Circuit has opined that "a term may possess elements of suggestiveness and descriptiveness at the same time. No clean boundaries separate these legal categories." *In re Nett Designs, Inc.*, 236 F.3d 1339, 1341 (Fed. Cir. 2001).

n117 AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 349 (9th Cir. 1979) (quoting RESTATEMENT (FIRST) OF TORTS § 721 cmt. a (1938)).

n118 *See Lahoti I*, 586 F.3d at 1197-98; *Dranoff-Perlstein Assocs. v. Sklar*, 967 F.2d 852, 858 (3d Cir. 1992); *Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522, 1528 (4th Cir. 1984); *Educ. Dev. Corp. v. The Econ. Co.*, 562 F.2d 26, 29 (10th Cir. 1977); *Anheuser-Busch, Inc. v. Holt*, 2009 WL 4086585 (T.T.A.B. Sept. 16, 2009); *see also* Ann Bartow, *Likelihood of Confusion*, 41 SAN DIEGO L. REV. 721, 738 (2004).

n119 Bone, *supra* note 25.

n120 Anheuser-Busch Inc. v. Stroh Brewery Co., 750 F.2d 631, 224 U.S.P.Q. 657 (8th Cir. 1984).

n121 G. Heileman Brewing Co., Inc. v. Anheuser-Busch, Inc., 873 F.2d 985, 10 U.S.P.Q.2d 1801 (7th Cir. 1989).

n122 Stephen R. Baird, *Taking the Cake with Suggestive Trademarks?*, DUETS BLOG (Dec. 30, 2009), <http://www.duetsblog.com/2009/12/articles/trademarks/taking-the-cake-withsuggestivetrademarks/>.

n123 Morris Turek, *When Trademark Searches Go Wild!*, YOUR TRADEMARK ATTORNEY (Jan. 8, 2012), <http://www.yourtrademarkattorney.com/blog/people-trademarks/>.

n124 *Id.*

n125 2 MCCARTHY, *supra* note 49 § 11:67.

n126 Equine Techs., Inc. v. Equitechnology, Inc., 68 F.3d 542, 544 (1st Cir. 1995) (quoting *Blinded Veterans Ass'n v. Blinded Am. Veterans Found.*, 872 F.2d 1035, 1040 (D.C. Cir. 1989)). A Westlaw search for cases containing the phrase "imagination, thought and perception" in the same sentence as the term "suggestive" generates over four hundred results.

n127 *Lovely Skin, Inc. v. Ishtar Skin Care Prods., LLC*, No. 8:10CV87, 2012 WL 379930, at *5 (D. Neb. Feb. 6, 2012) (internal quotations and citations omitted).

n128 *Grout Shield Distribs., LLC v. Elio E. Salvo, Inc.*, 824 F. Supp. 2d 389, 409 (E.D.N.Y. 2011). *See also, e.g.*, *Half Price Books, Records, Magazines, Inc. v. Barnesandnoble.com*, No. Civ. A. 302CV2518-G, 2003 WL 23175436 (N.D. Tex. Aug. 15, 2003) ("The public needs no imagination to conclude from the mark 'Half Price Books' that Half Price sells discounted books.").

n129 *Self-Realization Fellowship Church v. Ananda Church of Self-Realization*, 59 F.3d 902, 911 (9th Cir. 1995); *Lahoti I*, 586 F.3d 1190, 1198 (4th Cir. 2009).

n130 *See* 2 MCCARTHY, *supra* note 49 § 11:71.

n131 *Tumblebus Inc. v. Cranmer*, 399 F.3d 754, 760-61 (6th Cir. 2005).

n132 *See Bone*, *supra* note 25 at 2132 (characterizing "the so-called 'leap of imagination' test" as "the most common test used to distinguish descriptive from suggestive marks.").

n133 *In re TCL Govideo*, 2006 WL 2558017, at *4-5 (T.T.A.B. 2006) (YOURDVD inherently distinctive for consumer electronic devices).

n134 *In re Cleaner's Supply, Inc.*, 2003 WL 169796 (T.T.A.B. 2003).

n135 *Heartland Animal Clinic, P.A. v. Heartland SPCA Animal Med. Clinic, LLC*, 861 F. Supp. 2d 1291, 1300 (D. Kan. 2012); *see, e.g.*, *Anheuser-Busch, Inc. v. Holt*, 2009 WL 4086585, at *7 (T.T.A.B. 2009) ("We find that only after some degree of thought, imagination or a multistage reasoning process would a purchaser encountering beer sold under the mark ONE BEER, BEER 1 believe, if then, that the mark merely describes something specific about applicant's beer."); *In re Dana Innovations*, 2007 WL 466797 (T.T.A.B. 2007) ("If[,] . . . when the goods or services are encountered under a mark, a multistage reasoning process, or resort to imagination, is required in order to determine the attributes or characteristics of the product or services, the mark is suggestive rather than merely descriptive.").

n136 *In re Satori Software*, 2002 WL 1485321 (T.T.A.B. 2002). *See also, e.g.*, *Marketquest Group, Inc. v. BIC Corp.*, No. 11-CV-618JLS(WMC), 2011 WL 5360899, slip op. at *7 (S.D. Cal. Nov. 7, 2011) (quoting *Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1058 (9th Cir. 1999)) (district court held ALL-IN-ONE not merely descriptive for customized imprinting services on promotional merchandise because it "requires a mental leap from the mark to the product").

n137 *In re Circuit City Stores W. Coast, Inc.*, 1998 WL 611614, at *2 (T.T.A.B. 1998).

n138 *P.A.W. Safety Charities v. Petco Animal Supplies, Inc.*, No. CV-0212-P, 2000 WL 284193, at *3 (N.D. Tex. Mar. 15, 2000) (internal citations omitted).

n139 *Aetna Health Care Sys., Inc. v. Health Care Choice, Inc.*, No. 84-C-642-E, 1986 WL 84362, at *15 (N.D. Okla. May 15, 1986); *Blisscraft of Hollywood v. United Plastics Co.*, 294 F.2d 694, 699-700 (2d Cir. 1961).

n140 *See* 3 ALTMAN & POLLACK, *supra* note 34 § 18:13 n.44.

n141 *E.g.*, *Lahoti v. Vericheck, Inc. (Lahoti II)*, 636 F.3d 501, 506 (9th Cir. 2011) (lower court erred when it "seemed to require that, in order to be considered descriptive, the VERICHECK mark would have to describe the 'broad array of electronic transaction processing services that Vericheck provides.'").

n142 *St. Luke's Cataract & Laser Inst., P.A. v. Sanderson*, 573 F.3d 1186, 1208 (11th Cir. 2009); *but see Fancaster, Inc. v. Comcast Corp.*, 832 F. Supp. 2d 380, 416 (D.N.J. 2011) ("[W]hile the name 'fancaster' may not perfectly describe the nature of each and every video on fancaster.com, it fairly describes certain distinct characteristics of the overwhelming majority of them--namely, a sports or other type of fan broadcasting via a microphone.").

n143 *Playtex Prods. Inc. v. Ga.-Pac. Corp.*, 390 F.3d 158, 164 (2d Cir. 2004). *See also, e.g.*, *BIC Corp. v. Far E. Source Corp.*, No. 99 Civ. 11385, 2000 U.S. Dist. LEXIS 18226, at *3 (S.D.N.Y. Dec. 19, 2000) (WITE-OUT held suggestive; "[M]ost of the WITE-OUT products are white in color and used to take 'out' a mistake. However . . . the phrase without more does not imply a correction product."); *Field of Screams, LLC v. Olney Boys & Girls Cmty. Sports Ass'n*, No. DKC10-0327, 2011 WL 890501, at *6 (D. Md. Mar. 14, 2011) (FIELD OF SCREAMS inherently distinctive for a Halloween-themed attraction; the mark "does not flatly describe the venue because that venue is alleged to be more than a simple field; rather, it is allegedly an entertainment complex . . . [Screams] might be elicited by any number of things unrelated to a Halloween-themed attraction (such as a rollercoaster, for instance)").

n144 *Maremont Corp. v. Air Lift Co.*, 463 F.2d 1114, 1116-17 (C.C.P.A. 1972).

n145 *In re Holmes*, 2004 WL 256176 (T.T.A.B. 2004) (holding INFIDELITYKIT merely descriptive for a kit used in detecting semen); *see also In re Identity Sciences*, 2010 WL 3351820 (T.T.A.B. 2010) ("The proto-typical consumer of our legal test for mere descriptiveness is not blindfolded, but knows full well [the purpose of applicant's goods]."); *In re Tower Tech. Inc.*, 64 U.S.P.Q.2d 1314, 1316-17 (T.T.A.B. 2002) ("The question is not whether someone presented with only the mark could guess what the goods or services are. Rather, the question is whether someone who knows what the goods or services are will understand the mark to convey information about them."), *cited in DuoProSS Meditech Corp. v. Inviro Med. Devs., Ltd. (DuoProSS II)*, 695 F.3d 1247, 1254 (Fed. Cir. 2012).

n146 3 ALTMAN & POLLACK, *supra* note 34 § 18:15.

n147 *E.g., In re Computer Bus. Sys. Grp.*, 229 U.S.P.Q. 859, (T.T.A.B. 1985).

n148 1 TRADE LAW PRAC. FORMS § 8:38.20.

n149 *Double entendre*, ONLINE ETYMOLOGY DICTIONARY,
http://etymonline.com/index.php?term=double+entendre&allowed_in_frame=0 (last visited Jan. 20, 2014).

n150 MERRIAM-WEBSTER ONLINE DICTIONARY,
<http://www.merriam-webster.com/dictionary/double+entendre?show=0&t=1390253327> (last visited Jan. 20, 2014).

n151 COLLINS ENGLISH DICTIONARY ONLINE, <http://www.collinsdictionary.com/dictionary/english/double-entendre> (last visited Jan. 20, 2014).

n152 TMEP § 1213.05(c) (9th ed. Oct. 2013).

n153 *No Nonsense Fashions, Inc. v. Consol. Foods Corp.*, 226 U.S.P.Q. 502, 506 (T.T.A.B 1985) ("Sheer Elegance" for pantyhose suggestive because it describes the texture and also suggests the "ultimate in elegance").

n154 *In re Colonial Stores Inc.*, 394 F.2d 549 (C.C.P.A. 1968), *cited in* TMEP § 1213.05(c) (9th ed. Oct. 2013).

n155 *In re* Tea and Sympathy, Inc., 88 U.S.P.Q.2d 1062 (T.T.A.B. 2008), *cited in* TMEP § 1213.05(c) (9th ed. Oct. 2013).

n156 *In re* Del. Punch Co., 186 U.S.P.Q. 63 (T.T.A.B. 1975) (mark "possesses a degree of ingenuity in its phraseology which is evident in the double entendre that it projects"), *cited in* TMEP § 1213.05(c) (9th ed. Oct. 2013).

n157 *In re* Happy Baby Carrier Co., 179 U.S.P.Q. 864 (T.T.A.B. 1973).

n158 *In re* Priefert Mfg. Co., Inc., 222 U.S.P.Q. 731, 733 (T.T.A.B. 1984).

n159 *Henry Siegel Co. v. M & R Int'l Mfg. Co.*, 4 U.S.P.Q.2d 1154, 1159 (T.T.A.B. 1987).

n160 *In re* Grand Metro. Foodserv. Inc., 30 U.S.P.Q.2d 1974, 1975 (T.T.A.B. 1994).

n161 *Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F.3d 455, 465 (4th Cir. 1996).

n162 *Aetna Health Care Sys., Inc. v. Health Care Choice, Inc.*, No. 84-C-642-E, 1986 WL 84362, at *16 (N.D. Okla. May 15, 1986) (explaining that the mark CHOICE constituted a double entendre and thus was inherently distinctive or, in the alternative, had acquired secondary meaning).

n163 *Estee Lauder, Inc. v. The Gap, Inc.*, 932 F. Supp. 595, 609 (S.D.N.Y. 1996), *rev'd on other grounds*, 108 F.3d 1503 (2d Cir. 1997).

n164 *Blisscraft of Hollywood v. United Plastics Co.*, 294 F.2d 694, 700 (2d Cir. 1961) (holding that the mark qualified as a double entendre because it was "reminiscent or suggestive of Molly Pitcher of Revolutionary time").

n165 *Zurco, Inc. v. Sloan Valve Co.*, 785 F. Supp. 2d 476, 490-91 (W.D. Pa. 2011).

n166 Joshua M. Dalton & Ilisa Horowitz, *Funny When You Think About It: Double Entendres and Trademark Protectability*, 88 J. PAT. & TRADEMARK OFF. SOC'Y 649 (2006).

n167 *E.g., In re Art Jewdaica LLC*, 2011 WL 3533289, at *2 (T.T.A.B. Jan. 28, 2011).

n168 *Estee Lauder*, 932 F. Supp. at 609. The TMEP recites the same rule, stating that a "mark that comprises [a] 'double entendre' will not be refused registration as merely descriptive if one of its meanings is not merely descriptive in relation to the goods or services." TMEP § 1213.05(c) (9th ed. Oct. 2013).

n169 *In re Midmark Corp.*, 2010 WL 667929, at *4 (T.T.A.B. Jan. 25, 2010) ("Section 2(e)(1) prohibits the registration of marks which are 'merely descriptive' . . . and [the CCPA has] indicated that 'merely' means 'only.' Thus . . . if either of the two proposed meanings offered by the examining attorney is not merely descriptive, we must reverse the refusal [to register . . .]" (citation omitted)). *See also* *Hercules Powder Co. v. Newton*, 266 F. 169, 172 (2d Cir. 1920) ("'Merely descriptive' means only descriptive, or nothing more than descriptive."); BARRY KRAMER & ALLEN D. BRUFISKY, 1 TRADEMARK LAW PRACTICE FORMS § 8:38.20 (2d ed. 2002) (citing *In re Quick-Print Copy Shop, Inc.*, 616 F.2d 523 (C.C.P.A. 1980) ("To be 'merely' descriptive, the term must be 'only' descriptive, i.e., the term serves no purpose other than to describe the goods or services.")).

n170 TMEP § 1209.01(a) (9th ed. Oct. 2013); *see also* 3 ALTMAN & POLLACK, *supra* note 34 § 18:15 ("Common signals of suggestiveness include incongruity[] and double entendre."); *Union Carbide Corp. v. Ever-Ready, Inc.*, 531 F.2d 366, 379 (7th Cir. 1976), *cert. denied*, 429 U.S. 830 (1976).

n171 *Rebel Debutante LLC v. Forsythe Cosmetic Grp., Ltd.*, 799 F. Supp. 2d 558, 569 (M.D.N.C. 2011) ("[T]he term 'Rebel Debutante' on its face appears suggestive, juxtaposing . . . the formal, reserved debutante with rebelliousness.").

n172 *In re Corporate Fuel Partners, LLC*, 2010 WL 3501479, at *1 (T.T.A.B. Aug. 27, 2010).

n173 *In re Kellogg N. Am. Co.*, 2008 WL 2675685, at *7, *11 (T.T.A.B. June 30, 2008) ("[T]he incongruity of using ['crazy'] in connection with 'good'" indicated that the mark was inherently distinctive for pastries.).

n174 *In re Shutts*, 217 U.S.P.Q. (BNA) 363 (T.T.A.B. 1983), *cited in* TMEP § 1209.01(a) (9th ed. Oct. 2013).

n175 *Aluminum Fabricating Co. of Pittsburgh v. Season-All Window Corp.*, 259 F.2d 314, 316 (2d Cir. 1958).

n176 *In re Hampshire-Designers, Inc.*, 199 U.S.P.Q. 383, 384 (T.T.A.B. 1978).

n177 *In re YZ Enters., Inc.*, 2000 WL 1125563, at *2 (T.T.A.B. July 28, 2000) ("BRANTREATS is an incongruous term when used in connection with a biscuit made of a cereal by-product.").

n178 *In re Whiteman*, 2005 WL 2543637, at *1 (T.T.A.B. Sept. 28, 2005).

n179 *In re Murad*, 2010 WL 667931, at *1 (T.T.A.B. Feb. 4, 2010).

n180 *In re Shutts*, 217 U.S.P.Q. 363, 364 (T.T.A.B. Feb. 25, 1983), *cited in* TMEP § 1209.01(a) (9th ed. Oct. 2013).

n181 *Id.* at 364-65.

n182 *In re Tennis in the Round Inc.*, 199 U.S.P.Q. 496, 498 (T.T.A.B. 1978), *cited in* TMEP § 1209.01(a) (9th ed. Oct. 2013).

n183 *In re Vienna Sausage Mfg. Co.*, 156 U.S.P.Q. 155, 156 (T.T.A.B. 1967), *cited in* TMEP § 1209.01(a) (9th ed. Oct. 2013).

n184 *In re John H. Breck, Inc.*, 150 U.S.P.Q. 397, 398 (T.T.A.B. 1966), *cited in* TMEP § 1209.01(a) (9th ed. Oct. 2013).

n185 *In re Sharky's Drygoods Co.*, 23 U.S.P.Q. 2d 1061 (T.T.A.B. 1992), *cited in* TMEP § 1210.01(a) (9th ed. Oct. 2013).

n186 *See* Fromer, *supra* note 42, at 1902 (arguing that creativity is more central to trademark law than has been appreciated and "encouraging creativity lies at the heart of trademark law and theory").

n187 *See* Stacey L. Dogan & Mark A. Lemley, *The Merchandising Right: Fragile Theory or Fait Accompli?*, 54 EMORY L.J. 461, 482 (2005) (criticizing line of merchandising rights cases as "stem[ming] from the unjust enrichment instinct that 'if value, then right'"); *see also* Rochelle Cooper Dreyfuss, *Expressive Genericity: Trademarks as Language in the Pepsi Generation*, 65 NOTRE DAME L. REV. 397, 405 (1990), *cited in id.* at 481 n.81.

n188 Greg Lastowka has identified a "creativity daemon" that overemphasizes creativity at the expense of trademark doctrine, leading in some cases to unexpected and insupportable results. Lastowka, *supra* note 44, at 791.

n189 *Airco, Inc. v. Air Prods. & Chems., Inc.*, 196 U.S.P.Q. 832 (T.T.A.B. 1977).

n190 *Dreamwell, Ltd. v. Kittrich Corp.*, 2011 WL 1495462 (T.T.A.B. Mar. 29, 2011).

n191 *Levi Strauss & Co. v. R. Josephs Sportswear, Inc.*, 28 U.S.P.Q.2d 1464, 1471 (T.T.A.B. 1993).

n192 *In re JPI Colorworkshop, Inc.*, 2005 WL 1822541, at *1 (T.T.A.B. July 26, 2005); *but see In re Ginc UK Ltd.*, 90 U.S.P.Q.2d 1472, 1477 (T.T.A.B. 2007) (holding that rhyme of ZOGGS TOGGS "does not infuse TOGGS with any separate and distinct meaning apart from its generic meaning").

n193 *In re Morton-Norwich Prods., Inc.*, 209 U.S.P.Q. 791, 792 (T.T.A.B. 1981).

n194 *In re Classic Beverage Inc.*, 6 U.S.P.Q.2d 1383, 1387 (T.T.A.B. 1988) (reversing § 2(e)(1) refusal to register).

n195 *In re John H. Breck, Inc.*, 150 U.S.P.Q. 397, 398 (T.T.A.B. 1966), *cited in* TMEP § 1209.01(a) (9th ed. Oct. 2013).

n196 *In re True Value Co.*, 2008 WL 4674589, at *2 (T.T.A.B. Sept. 26, 2008).

n197 *In re Siemens Stromberg-Carlson*, 1999 WL 1062812, at *3 (T.T.A.B. Nov. 19, 1999).

n198 *Inviro Med. Devices Ltd. v. DuoProSS Meditech Corp. (DuoProSS I)*, No. 92046702, Dkt. 52, at *23 (T.T.A.B. 2011), *rev'd*, *DuoProSS II*, 695 F.3d 1247, 1257 (Fed. Cir. 2012). The Federal Circuit took exception to the TTAB's comment that "the combination of the terms SIMPLY and SAFER 'creates a rhyming pattern that results in a distinctive impression,'" asserting that "[t]he Board's observation about the alliteration . . . [is] not a finding about the commercial impression that the mark conveys to a consumer based on evidence in the record."

n199 *In re Kraft, Inc.*, 218 U.S.P.Q. 571, 573 (T.T.A.B. 1983).

n200 *Van Camp Sea Food Co. v. Alexander B. Stewart Orgs.*, 50 F.2d 976, 977 (C.C.P.A. 1931).

n201 *In re Lockheed Martin Corp.*, 2012 WL 5902074, at *5 (T.T.A.B. Nov. 15, 2012) ("The term PC is used elliptically to stand in for 'all of the data and software content of a PC.'").

n202 *Xtreme Lashes, LLC v. Xtended Beauty, Inc.*, 576 F.3d 221, 233 (5th Cir. 2009).

n203 *Sec. Ctr., Ltd. v. First Nat'l Sec. Ctrs.*, 750 F.2d 1295, 1299 (5th Cir. 1985).

n204 *See Janes v. Watson*, No. SA-05-CA-0473-XR, 2006 WL 2322820, at *5 (W.D. Tex. Aug. 2, 2006) ("The first test [for descriptiveness] is the 'dictionary test,' under which the dictionary definition of the mark is considered.").

n205 *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 792 (5th Cir. 1983), *abrogated by* *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111 (2004).

n206 *Xtreme Lashes*, 576 F.3d at 232; *see also, e.g.*, *USA Football Inc. v. Robinson*, 74 U.S.P.Q.2d 1646, 1653-61 (S.D. Tex. 2004) (deeming mark "USA Football" merely descriptive and discussing judicial formulations invoked to support descriptiveness, including "the dictionary test"); *Chi. Reader, Inc. v. Metro Coll. Pub. Co.*, 218 U.S.P.Q. 804 (N.D. Ill. 1982), *aff'd*, 711 F.2d 801 (7th Cir. 1983) (court may rely on dictionary for common usage of word); *Bone*, *supra* note 25, at 2130-35 ("[T]he dictionary test [refers to] looking the word mark up in the dictionary to see if its primary meaning is descriptive of the product . . ."). *But see In re Phase Dynamics, Inc.*, 2010 WL 985332, at *4-5 (T.T.A.B. Mar. 4, 2010) ("Although dictionary evidence may certainly be used to prove a mark is merely descriptive, we are not aware of any case law that actually sets out a 'dictionary test.'"); *Sec. Ctr.*, 750 F.2d at 1298 n.4 ("Dictionaries lag behind linguistic realities . . . so the dictionary test may be of questionable validity in many instances.").

n207 Church & Dwight Co., Inc. v. Mayer Labs., Inc., 868 F. Supp. 2d 876, 925 (N.D. Cal. 2012).

n208 *Id.*

n209 *E.g.*, Surgicenters of Am., Inc. v. Med. Dental Surgeries, Co., 601 F.2d 1011, 1015 n.11 (9th Cir. 1979); *In re* World Internet Inc., 2007 WL 1620775, at *8 (T.T.A.B. May 31, 2007) (holding WORLD INTERNET SUMMIT merely descriptive for Internet marketing seminars).

n210 Firefly Digital Inc. v. Google Inc., 817 F. Supp. 2d 846, 862 (W.D. La. 2011) (internal quotation marks omitted).

n211 A TTAB panel held CRAZY GOOD suggestive for toaster pastries in *In re* Kellogg, 2008 WL 2675685, at *13 (T.T.A.B. June 30, 2008). In his concurring opinion, Judge Bucher applied the dictionary test to the entire phrase and counted its absence as evidence of distinctiveness. *See also In re* Strategic Weather Servs., LP, 2000 WL 1853498, at *3 (T.T.A.B. Nov. 30, 2000) (applicant argued that the absence from dictionaries of composite terms including "boatingweather," "fishingweather," and "golfweather" suggested the marks were not merely descriptive; Board reversed refusal for eleven of the seventeen marks).

n212 Blendco, Inc. v. Conagra Foods, Inc., 132 F. App'x 520, 521-22 (5th Cir. 2005). *See also* Janes v. Watson, No. SA-05-CA-0473-XR, 2006 WL 2322820, at *5 (W.D. Tex. Aug. 2, 2006) ("Because 'FineArtStudioOnline' is not a standard dictionary term, [the dictionary] test is inapplicable."). *But see In re* Petroglyph Games Inc., 91 U.S.P.Q.2d 1332, 1341, (T.T.A.B. 2009) (Where the component terms "battle" and "cam(era)" were descriptive for the goods at issue, "the absence of [the composite term] BATTLECAM from the dictionary . . . does not dictate, as applicant contends, that we find the term to be a fanciful mark, rather than a descriptive term." (citation omitted)).

n213 Xtreme Lashes, LLC v. Xtended Beauty, Inc., 576 F.3d 221, 233 (5th Cir. 2009). *But see In re* Mine Safety Appliances Co., 66 U.S.P.Q.2d 1694 (T.T.A.B. 2002) (WORKMASK found descriptive despite absence from dictionaries); *In re* Energy Prods. of Idaho, 13 U.S.P.Q.2d 2049, 2052 (T.T.A.B. 1989) ("The absence of [WASTE-TO-ENERGY] from the dictionary is not, contrary to applicant's argument, 'persuasive evidence' that the term is not merely descriptive of applicant's services."); Sweats Fashions Inc. v. Pannill Knitting Co., 833 F.2d 1560, 1564 (Fed. Cir. 1987) (absence of term "sweats" from dictionary insufficient to preclude summary judgment "in the face of the strong evidence showing that 'sweats' is commonly used as a descriptive name for . . . sweatshirts and sweatpants.").

n214 *Blendco*, 132 F. App'x at 521-22.

n215 This test has also been called the "competition test" or "the necessity standard."

n216 *Firefly Digital Inc. v. Google Inc.*, 817 F. Supp. 2d 846, 862 (W.D. La. 2011).

n217 2 MCCARTHY, *supra* note 49 § 11:68; *see also* *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 793 (5th Cir. 1983) (finding competitors would need to use the phrase "fish fry" to describe batter for use in frying fish).

n218 *Miss World (UK), Ltd. v. Mrs. Am. Pageants, Inc.*, 856 F.2d 1445, 1449 (9th Cir. 1988); *see also* *Marketquest Grp., Inc. v. BIC Corp.*, No. 11-CV-618JLS(WMC), 2011 WL 5360899, at *7 (S.D. Cal. Nov. 7, 2011).

n219 *E.g., In re Kellogg N. Am., Co.*, 2008 WL 2675685, at *14 (T.T.A.B. June 30, 2008); *Zobmondo Entm't, LLC v. Falls Media, LLC*, 602 F.3d 1108, 1118 (9th Cir. 2010); *Fortune Dynamic, Inc. v. Victoria's Secret Stores Brand Mgmt., Inc.*, 618 F.3d 1025, 1034 (9th Cir. 2010); *Reynolds Metals Co.*, 480 F.2d 902 (C.C.P.A. 1973); *Marketquest*, 2011 WL 5360899, at *7.

n220 *Ice Cold Auto Air of Clearwater, Inc. v. Cold Air & Accessories, Inc.*, 828 F. Supp. 925, 933 (M.D. Fla. 1993).

n221 *Zobmondo*, 602 F.3d at 1118 (reversing summary judgment, finding issue of fact remained as to mark's distinctiveness) (emphasis added).

n222 *Blendco, Inc. v. Conagra Foods, Inc.*, 132 F. App'x 520, 522 (5th Cir. 2005).

n223 Even generic terms may have synonyms, as several courts have acknowledged. *See, e.g.,* Loctite Corp. v. Nat'l Starch and Chem. Corp., 516 F. Supp. 190 (S.D.N.Y. 1981) (that synonyms exist for a generic or descriptive term, such as "instant glue" or "ten second glue" for "super glue," does not establish that Super Glue is not generic or descriptive); *In re Diamond Commc'n Prods. Inc.*, 1999 WL 180802, at *1 (T.T.A.B. Mar. 30, 1999) ("That other generic words like 'strap' or 'fastener' might also be used to name such products does not make 'cable tie' or its equivalent any less generic.").

n224 15 U.S.C. § 1115(b)(4) (2006). The Supreme Court has summarized the four elements of statutory fair use as "the affirmative defense that a term is used descriptively, not as a mark, fairly, and in good faith." *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 124 (2004).

n225 *Hearings on H.R. 102, H.R. 5461, and S. 895 Before the Subcomm. on Trademarks of the H. Comm. on Patents*, 77th Cong. 67 (1941), cited in 4 ALTMAN & POLLACK, *supra* note 34 § 22:64.

n226 *E.g.,* *Sec. Ctr., Ltd. v. First Nat. Sec. Ctr.*, 750 F.2d 1295, 1300 (characterizing "security center" as descriptive in part based on "the number of enterprises throughout the nation that use 'security center' in some form"); *Fortune Dynamic v. Victoria Secret Stores Brand Mgmt., Inc.*, 618 F.3d 1025, 1034 (9th Cir. 2009) ("[W]e are aware of no other shoe companies . . . that use the word 'delicious' to describe their product"); *Peoples Fed. Sav. Bank v. People's United Bank*, 672 F.3d 1, 6 (1st Cir. 2012) ("[F]requent use of the term 'People' in connection with banking services cuts in favor of defining the mark as descriptive. . . . '[P]eople' ranks as the twelfth most commonly used word in bank names on the FDIC's website, appearing in the names of 159 banks in the United States."); *In re Panera*, 2002 WL 31536505, at *2-3 (T.T.A.B. 2002).

n227 Courts often consider both tests together or treat the dual considerations as two halves of the same test. *See, e.g.,* *Sec. Ctr.*, 750 F.2d at 1300 ("We turn now to the issue whether those engaged in similar businesses have used the phrase, or are likely to do so."); *In re Siemens Stromberg-Carlson*, 1999 WL 1062812, at *3 (T.T.A.B. 1999).

n228 *Sec. Ctr.*, 750 F.2d at 1300.

n229 *In re Kellogg N. Am. Co.*, 2008 WL 2675685, at *14 (T.T.A.B. 2008); *see also* *Heartland Animal Clinic, P.A. v. Heartland SPCA Animal Med. Clinic, LLC*, 861 F. Supp. 2d 1293 (D. Kan. 2012) (holding HEARTLAND ANIMAL CLINIC suggestive for veterinary services even though Google Maps and local phonebook showed hundreds of businesses using "heartland" in geographic area).

n230 *In re Kellogg*, 2008 WL 2675685, at *14.

n231 *Peoples Fed. Sav. Bank v. People's United Bank*, 672 F.3d 1, 15 (1st Cir. 2012) (PEOPLES merely descriptive for banking services).

n232 *Labrador Software, Inc. v. Lyvos, Inc.*, 32 F. Supp. 2d 31, 33 (D. Mass. 1999) (holding LABRADOR marks and dog images descriptive for information retrieval software in light of frequent use by competitors of terms "Labrador" and "retriever").

n233 *Bliss Salon Day Spa v. Bliss World LLC*, 268 F.3d 494, 498 (7th Cir. 2001) (affirming denial of injunctive relief for Bliss Salon against Bliss World, noting that "BLISS marks are a glut on the market in hair styling and beauty care.").

n234 *Pullan v. Fulbright*, 287 Ark. 21, 23 (Ark. 1985) (SHEAR PLEASURE descriptive for hair salon).

n235 U.S. Trademark Application Serial No. 77,525,433 (filed July 17, 2008). Apple initially attempted to register APP STORE under § 2(e) but was unable to persuade the trademark examining attorney that the mark was inherently distinctive for the services in question. *See* Office Action from U.S. Patent and Trademark Office to Apple, Inc. (Sept. 24, 2008), *available at* TSDR, tsdr.uspto.gov (search "77525433," click "DOCUMENTS," click "Sep. 24, 2008 Offc Action Outgoing"); Response to Office Action from Apple, Inc. to U.S. Patent and Trademark Office (Feb. 18, 2009), *available at* TSDR, tsdr.uspto.gov (search "77525433," click "DOCUMENTS," click "Feb. 18, 2009 Response to Office Action"); Office Action from U.S. Patent and Trademark Office to Apple, Inc. (Mar. 19, 2009), *available at* TSDR, tsdr.uspto.gov (search "77525433," click "DOCUMENTS," click "Mar. 19, 2009 Offc Action Outgoing").

n236 BLUBLOCKER, Registration No. 1,504,627. BLUBLOCKER was registered based on a § 2(f) showing of acquired distinctiveness.

n237 BEANIE BABIES, Registration No. 2,049,196. BEANIE BABIES was registered under § 2(e).

n238 *E.g.*, Decatur Fed. Sav. & Loan Assoc. v. Peach State Fed. Sav. & Loan Assoc., No. C-78-904-A, 1978 WL 21348, at *1 (N.D. Ga., Dec. 29, 1978).

n239 *But see* Gary J. Sosinsky, Note, *Laudatory Terms in Trademark Law: Square Pegs in Round Holes*, 9 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 725, 729 (1999) (observing courts' inconsistency in proposing laudatory terms be treated as "suggestive in a literal sense yet needing secondary meaning to be protected").

n240 Thomas R. Lee, Eric D. DeRosia & Glenn L. Christensen, *An Empirical and Consumer Psychology Analysis of Trademark Distinctiveness*, 41 ARIZ. ST. L.J. 1033, 1045 n.39 (2009).

n241 *In re Bos. Beer Co.*, 198 F.3d 1370, 1373 (Fed. Cir. 1999) (citing 2 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS & UNFAIR COMPETITION § 11:17 (4th ed. 1996)); *see also* Hoover Co. v. Royal Appliance Mfg. Co., 238 F.3d 1357, 1360 (Fed. Cir. 2001).

n242 *DuoProSS II*, 695 F.3d 1247, 1256 (Fed. Cir. 2012) ("[O]ur precedent clearly indicate[s] that puffing . . . is *more* likely to render a mark merely descriptive . . .").

n243 *Champions Golf Club, Inc. v. The Champions Golf Club, Inc.*, 78 F.3d 1111, 1117 (6th Cir. 1996) (district court erred in holding CHAMPIONS arbitrary for golf club services).

n244 *In re Bos. Beer Co.*, 47 U.S.P.Q.2d 1914 (T.T.A.B. 1998), *aff'd*, 198 F.3d 1370 (Fed. Cir. 1999); TMEP § 1209.03(k) (9th ed. Oct. 2013).

n245 *In re Nett Designs, Inc.*, 236 F.3d 1339 (Fed. Cir. 2001); TMEP § 1209.03(k) (9th ed. Oct. 2013).

n246 *In re Dos Padres Inc.*, 49 U.S.P.Q.2d 1860 (T.T.A.B. 1998); TMEP § 1209.03(k) (9th ed. Oct. 2013).

n247 *Gen. Foods Corp. v. Ralston Purina Co.*, 220 U.S.P.Q. 990 (T.T.A.B. 1984); TMEP § 1209.03(k) (9th ed. Oct. 2013).

n248 *Fortune Dynamic v. Victoria's Secret Stores Brand Mgmt.*, 618 F.3d 1025, 1034 (9th Cir. 2009).

n249 *Eaton Allen Corp. v. Paco Impressions Corp.*, 405 F. Supp. 530, 532-33 (S.D.N.Y. 1975).

n250 *In re Coinmach Corp.*, 2002 WL 31651718 (T.T.A.B. 2002).

n251 *Hoover Co. v. Royal Appliance Mfg. Co.*, 238 F.3d 1357 (Fed. Cir. 2001).

n252 *Advance Magazine Pubs., Inc. v. Norris*, No. 04 Civ. 7877 (RJS), 2008 WL 5336468 (S.D.N.Y. Dec. 15, 2008).

n253 *Kangadis, Inc. v. Euphrates, Inc.*, 378 F. Supp. 2d 162 (E.D.N.Y. 2005).

n254 *In re The Place Inc.*, 76 U.S.P.Q.2d 1467 (T.T.A.B. 2005).

n255 *In re Boston Beer Co.*, 198 F.3d 1370, 1372 (Fed. Cir. 1999) (quoting the TTAB's decision and affirming refusal to register THE BEST BEER IN AMERICA for beer).

n256 Anheuser-Busch, Inc. v. Holt, No. 91180119, 2009 WL 4086585 (T.T.A.B. 2009).

n257 *In re* Occidental Petroleum Corp., 167 U.S.P.Q. 128 (T.T.A.B. 1970).

n258 Colgate-Palmolive Co. v. House for Men, Inc., 143 U.S.P.Q. 159 (T.T.A.B. 1964).

n259 Worthington Foods, Inc. v. Kellogg Co., 732 F. Supp. 1417, 1435 (S.D. Ohio 1990).

n260 *In re* True Value Co., 2008 WL 4674589, at *1 (T.T.A.B. Sept. 26, 2008).

n261 Dreamwell, Ltd. v. Kittrich Corp., No. 91188186, 2011 WL 1495462, at *7 (T.T.A.B. Mar. 29, 2011) (dismissing § 2(e)(1) opposition).

n262 Blendco, Inc. v. Conagra Foods, Inc., 132 F. App'x 520, 522 (5th Cir. 2005).

n263 *In re* Advanced Neuromodulation Sys., Inc., 2006 WL 2850875, at *5 (T.T.A.B. Sept. 14, 2006) (holding the mark inherently distinctive while acknowledging the "unmistakable feeling of puffery").

n264 Steak Umm Co. v. Steak 'Em Up, Inc., 868 F. Supp. 2d 415, 422 (E.D. Pa. 2012) ("[T]he word 'Umm' sounds like 'mmm,' a suggestion that the [steak] tastes good.").

n265 "Intentional fallacy" is a term used in literary criticism to describe the practice of interpreting a work of art based on the intent or purpose of its creator, "the popular belief that to know what the author intended . . . was to know the correct interpretation of the work." ENCYCLOPEDIA BRITANNICA, *Intentional Fallacy*, available at <http://www.britannica.com/EBchecked/topic/289889/intentional-fallacy>. For a related discussion, see Laura A. Heymann, *The Reasonable Person in Trademark Law*, 52 ST. LOUIS U. L.J. 781, 782 (2008) ("[T]he meaning of a trademark is, at heart, an interpretive exercise, and as reader-response theory tells us, there is no reason to prefer any particular interpretation of a text over any other, least of all the author's.").

n266 *Steak Umm Co.*, 868 F. Supp. 2d at 427; *A & H Sportswear, Inc. v. Victoria's Secret Stores, Inc.*, 237 F.3d 198, 210 (3d Cir. 2000). See also Thomas L. Casagrande, *A Verdict for Your Thoughts? Why an Accused Trademark Infringer's Intent Has No Place in Likelihood of Confusion Analysis*, 101 TRADEMARK REP. 1447, 1465 (2011) (noting that in the infringement context, courts, commentators, and the Restatement have acknowledged that the alleged infringer's intent is "imperceptible to the ordinary consumer, and, therefore has no bearing on what that consumer perceives in the marketplace and whether he or she is likely to be confused.").

n267 *Unleashed Doggie Day Care, LLC v. Petco Animal Supplies Stores, Inc.*, 828 F. Supp. 2d 384, 391 (D. Mass. 2010) (citing 2 MCCARTHY, *supra* note 49 § 11:69).

n268 *Devcon Corp. v. Woodhill Chem. Sales Corp.*, 455 F.2d 830, 832 (1st Cir. 1972).

n269 *Unleashed Doggie Day Care, LLC*, 828 F. Supp. 2d at 391.

n270 *Water Pik, Inc. v. Med-Sys., Inc.*, 848 F. Supp. 2d 1262, 1277 (D. Colo. 2012).

n271 *DuoProSS Meditech Corp. v. Inviro Med. Devices, Ltd.*, 695 F.3d 1247, 1256 (Fed. Cir. 2012); *Firefly Digital Inc. v. Google Inc.*, 817 F. Supp. 2d 846, 862 (W.D. La. 2011).

n272 15 U.S.C. § 1115(b)(4) (2006). The defense has been recognized at common law and under § 43(a) of the Lanham Act, with respect to both registered and unregistered trademarks. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 28 cmt. a (1995); see also Margreth Barrett, *Reconciling Fair Use and Trademark Use*, 28 CARDOZO ARTS & ENT. L.J. 1, 47 (2010) ("Courts and commentators routinely note that the Lanham Act fair use defense is substantively equivalent to the common-law 'use for secondary meaning' limitation . . .

.").

n273 This type of use is also called "classic" or "descriptive" fair use.

n274 See Peter M. Brody & Alexandra J. Roberts, *What's in a Domain Name? Nominative Fair Use Online After Toyota v. Tabari*, 100 TRADEMARK REP. 1290, 1292 (2010); see also *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 12 (2d Cir. 1976).

n275 *U.S. Shoe Corp. v. Brown Grp., Inc.*, 740 F. Supp. 196, 198 (S.D.N.Y. 1990), *aff'd*, 923 F.2d 844 (2d Cir. 1990); see also Barrett, *supra* note 272, at 47 (citing *Car-Freshner Corp. v. S.C. Johnson & Son, Inc.*, 70 F.3d 267, 270 (2d Cir. 1995) ("[E]ven if the word or symbol is inherently distinctive as to the plaintiff's goods or services, a defendant may still use it fairly to describe its own" goods or services.)).

n276 *Sunmark, Inc. v. Ocean Spray Cranberries, Inc.*, 64 F.3d 1055, 1061 (7th Cir. 1995).

n277 *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 792 (5th Cir. 1983), *abrogated by* *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111 (2004).

n278 *Seaboard Seed Co. v. Bemis Co.*, 632 F. Supp. 1133, 1138 (N.D. Ill. 1986) (breaking statutory fair use into these three elements).

n279 *Sands, Taylor & Wood Co. v. Quaker Oats Co.*, 978 F.2d 947, 951 (7th Cir. 1992).

n280 *E.g.*, *Int'l Stamp Art, Inc. v. U.S. Postal Serv.*, 456 F.3d 1270, 1274-75 (11th Cir. 2006); *EMI Catalogue P'ship v. Hill, Holliday, Connors, Cosmopolos Inc.*, 228 F.3d 56, 66 (2d Cir. 2000). *But see* 2 MCCARTHY, *supra* note 49 § 11:49 (noting "[t]he meaning of [the good faith] element . . . is somewhat unclear" and cataloguing applications of the good faith requirement by numerous courts).

n281 2 MCCARTHY, *supra* note 49 § 11:48.

n282 *Cosmetically Sealed Indus., Inc. v. Chesebrough-Pond's USA Co.*, 125 F.3d 28, 30 (2d Cir. 1997).

n283 *Dessert Beauty, Inc. v. Fox*, 568 F. Supp. 2d 416, 423 (S.D.N.Y. 2008), *aff'd*, 329 F. App'x 333 (2d Cir. 2009).

n284 *See Fortune Dynamic, Inc. v. Victoria's Secret Stores Brand Mgmt., Inc.*, 618 F.3d 1025, 1044 (9th Cir. 2010). The holding was contingent on the jury finding that the word "delicious" was used to describe the wearer and not as a trademark. *Id.* at 1044.

n285 William McGeeveran, *Four Free Speech Goals for Trademark Law*, 18 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1205 (2008).

n286 *Id.* at 1206.

n287 *Id.* at 1206-07 (internal footnote omitted).

n288 *Id.* at 1227.

n289 *See Gallagher, supra* note 11, at 456 ("[M]ost enforcement of IP rights takes place *not* in court, but in the everyday practices of IP owners and their lawyers. 'Cease and desist' letters, phone calls, and negotiations with alleged infringers constitute the bulk of IP enforcement efforts in trademark and copyright practice. To be sure, these efforts take place in the 'shadow' of IP law and are therefore influenced by it. But it is in these everyday practices--and not in trial or appellate courts--that most IP rights are asserted, resisted, and negotiated.").

n290 Of course, mark owners that do demonstrate acquired distinctiveness may also wield their registrations offensively to quash others' legitimate uses of descriptive terms that would constitute protected fair use. Raising the bar for inherent distinctiveness is not a complete cure that would stop bullies from silencing fair-use competitors, which is why some scholars have called for an end to the protection of descriptive marks regardless of the extent or duration of their use. *See, e.g., Ramsey, supra* note 56, at 460.

n291 The organization Chilling Effects invites those who receive cease and desist letters to submit them. Chilling Effects posts the letters online and provides general information to aid recipients in assessing and responding to them. *See* CHILLING EFFECTS, <http://www.chillingeffects.org> (last visited Jan. 21, 2013).

n292 The third element, the requirement of non-trademark use by the junior user, is irrelevant at the trademark prosecution stage.

n293 *See* YOCHAI BENKLER, THE WEALTH OF NETWORKS: HOW SOCIAL PRODUCTION TRANSFORMS MARKETS & FREEDOM 36 (2006) ("When economists speak of information, they usually say that it is 'nonrival.' We consider a good to be nonrival when its consumption by one person does not make it any less available for consumption by another.").

n294 *E.g., In re Petroglyph Games, Inc.*, 2009 WL 1759327, at *11-12 (T.T.A.B. July 19, 2009) (citing user reviews and gaming websites to support refusal to register BATTLECAM as merely descriptive for a feature of computer game software).

n295 *E.g., In re ZeroNines Tech., Inc.*, 2010 WL 2783883 (T.T.A.B. June 22, 2010).

n296 *E.g., In re Murad*, 2010 WL 667931 (T.T.A.B. Feb. 4, 2009).

n297 *Birmingham v. Mizuno USA, Inc.*, No. 5:09-CV-0566 (GTS/GHL), 2011 WL 1299356 (N.D.N.Y. Mar. 31, 2011) (finding SOFTHANDS descriptive for a product that absorbs the impact of a ball to the hands because it conveys characteristics of the product and "because it uses a term of art commonly used within the baseball community").

n298 *E.g., In re Diamond Comm. Prods. Inc.*, 1999 WL 180802, at *1 (T.T.A.B. Mar. 30, 1999) (affirming refusal to register CABLE-TY based on evidence from periodicals that "cable tie" is generic or descriptive for the goods at issue).

n299 *In re Murad*, 2010 WL 667931, at *4.

n300 For example, a search for "perfecting serum" on [makeupalley.com](http://www.makeupalley.com), a site that hosts product reviews and receives over 25,000 visitors a day, results in reviews for "Murad perfecting serum"; "Guerlain Issima Secret Divin[e]-Skin perfecting serum Anti-ag[ing]"; "L'Oreal Liss Extreme Reflexium Shine perfecting serum"; "Superdrug Optimum Advanced Firm and Lift perfecting serum"; "Kinerase Dr. Lewinn Skin Tone perfecting serum XK"; and "Sunday Riley Stimulant III perfecting Stem Cell serum." MAKEUPALLEY, <http://www.makeupalley.com> (last visited Mar. 20, 2014).

n301 Murad registered PERFECTING SERUM on the Supplemental Register (Registration No. 2,148,418) and later on the Principal Register (Registration No. 3,798,129).

n302 BRANTREATS, Registration No. 2,533,197.

n303 Cecily Brownstone, *Bran Treats*, GADSDEN TIMES, June 21, 1978, <http://news.google.com/newspapers?nid=1891&dat=19780621&id=Xt8pAAAAIBAJ&sjid=XNYEAAAAIBAJ&pg=3850,3516193>.

n304 *Peanut Butter Bran Treats*, LIVESTRONG, <http://www.livestrong.com/thedailyplate/meals/emsy13/peanut-butter-bran-treats/> (last visited Jan. 22, 2014).

n305 *Sweet Pecan Bran Treats*, KRUSTEAZ, <http://www.krusteaz.com/muffins-and-crumb-cake-recipes-89/sweet-pecan-bran-treats-1521> (last visited Jan. 22, 2014).

n306 *Blueberry Bran Breakfast Treats Recipe*, YUMMLY, <http://www.yummly.com/recipe/Blueberry-Bran-Breakfast-Treats-Recipe> (last visited Jan. 22, 2014).

n307 *All Bran Treats Recipe*, SPARKRECIPES, <http://recipes.sparkpeople.com/recipe-detail.asp?recipe=252253> (last visited Jan. 22, 2014).

n308 *Chocolate Bran Treat*, SPARKPEOPLE, http://www.sparkpeople.com/secrets.asp?tip=22919_chocolate_bran_treats (last visited Jan. 22, 2014).

n309 *Bran Muffin Treats*, COOKS.COM, <http://www.cooks.com/recipe/4d9y87rh/bran-muffin-treats.html> (last visited Jan. 22, 2014).

n310 *In re YZ Enters.*, 2000 WL 1125563, at *2 (T.T.A.B. July 28, 2000).

n311 The makers of GRAPE RANCH wine later relocated their winery from Oklahoma to Texas. *Grape Ranch Winery Chooses Texas over Oklahoma*, OKLAHOMA WINE NEWS, Oct. 15, 2010, <http://oklahomawine.blogspot.com/2010/10/grape-ranch-winery-chooses-texas-over.html>.

n312 The Examining Attorney initially also refused registration on the grounds of likelihood of confusion with another registered mark but later withdrew that basis for refusal. The file wrapper for GRAPE RANCH can be accessed at the USPTO Trademark Status and Document Retrieval System (TSDR) at <http://tsdr.uspto.gov/> by entering "78281418" in the search box labeled "US Serial No."

n313 For example, an author's byline describes him as "operat[ing] a wine grape ranch in California's Napa Valley." Office Action from U.S. Patent and Trademark Office to Jack D. Whiteman (June 24, 2005), *available at* TSDR, tsdr.uspto.gov (search "78281418," click "DOCUMENTS," click "Jun. 24, 2005 Offc Action Outgoing").

n314 *Id.*; see also *In re Whiteman*, 2005 WL 2543637, at *3 (T.T.A.B. Sept. 28, 2005).

n315 *In re Whiteman*, 2005 WL 2543637, at *5.

n316 *Garelick 89421 21-foot Aluminum Snow Rake with 24-inch Blade*, AMAZON, http://www.amazon.com/Garelick-89421-21-Foot-Aluminum-24-Inch/dp/B0000BYCD5/ref=sr_1_2?ie=UTF8&qid=1390411421&sr=8-2&keywords=snow+rake (last visited Jan. 22, 2014).

n317 *Sno-Knife Roof Snow Removal Tool Rake*, AMAZON, http://www.amazon.com/Sno-Knife-Roof-Snow-Removal-Tool/dp/B000E9J2BK/ref=sr_1_1?ie=UTF8&qid=1390423109&sr=8-1&keywords=snow+rake+knife (last visited Jan. 22, 2014).

n318 *Suncast SR2100 Snow Roof Rake with 20-foot 3-3/8-inch Reach*, AMAZON, http://www.amazon.com/Suncast-SRR2100-24-Inch-Shovel-20-Foot/dp/B0007NY3DA/ref=sr_1_4?ie=UTF8&qid=1390411421&sr=8-4&keywords=snow+rake (last visited Jan. 22, 2014).

n319 *Midwest Rake 96022 22-inch Aluminum Snow Removal Roof Rake with 16-foot Reach (Discontinued by Manufacturer)*, AMAZON, http://www.amazon.com/Midwest-Rake-96022-Discontinued-Manufacturer/dp/B0002DQ2CK/ref=sr_1_10?ie=UTF8&qid=1390411421&sr=8-10&keywords=snow+rake (last visited Jan. 22, 2014).

n320 *Garant GPRR24U Yukon 24-Inch Poly Blade Aluminum Handle Snow Roof Rake With 16-Foot Reach*, AMAZON, http://www.amazon.com/Garant-GPRR24U-24-Inch-Aluminum-16-Foot/dp/B000A16VS4/ref=sr_1_13?ie=UTF8&qid=1390411421&sr=8-13&keywords=snow+rake (last visited Jan. 22, 2014).

n321 *In re Shutts*, 217 U.S.P.Q. (BNA) 363 (T.T.A.B. 1983).

n322 *See, e.g.,* McGeveran, *supra* note 285, at 1208 ("Expansive trademark protection for common words and phrases can effectively remove them from our language . . . [which] has significant anticompetitive effects.").

n323 *Id.* at 1214.

n324 Wal-Mart Stores, Inc. v. Samara Bros., Inc., 529 U.S. 205, 214 (2000).

n325 As Gallagher's interviews demonstrated, "asserting even weak claims can be quite effective for the trademark and copyright owners." Gallagher, *supra* note 11, at 475.

n326 *See* Two Pesos, Inc. v. Taco Cabana, 505 U.S. 763, 769 (2003) (characterizing secondary meaning as a "narrow exception" to the rule that descriptive trademarks do not receive protection under trademark law).

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ARTICLE: Trademark Owner's Strategy: Litigation Versus the UDRP

NAME: Jessica Sganga*

BIO: * Jessica Sganga received her Juris Doctor from Pepperdine University School of Law in 2013.

LEXISNEXIS SUMMARY:

... The following non-exhaustive list constitutes evidence of the registration and use of a domain name in bad faith: (i) circumstances indicating that the Respondent registered or acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of your documented out-of-pocket costs directly related to the domain name; or (ii) circumstances indicating that the Respondent registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that respondent has engaged in a pattern of such conduct; or (iii) circumstances indicating that the Respondent registered the domain name primarily for the purpose of disrupting the business of a competitor; or (iv) circumstances indicating that the Respondent is using the domain name to intentionally attempt to attract, for commercial gain, Internet users to its website or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of the Respondent's website or location or of a product or service on its website or location. ... Facebook has also enforced its trademark against Bearbook, PlaceBook, Shagbook, FacebookOfPorn, Faceporn, Lamebook, and Teachbook; however, Facebook did not use the UDRP in these disputes. ... In this case, Facebook probably strategized that the UDRP's expediency does not trump the litigation's potential damages. ... Prior to ICANN's approval of a new gTLD, third parties have a seven-month opportunity to file an objection to an application on several grounds, including an objector's trademark rights. ... Because domain names play such an integral role in consumer perception of a site's source, trademark owners must police the use of their trademark in domain names. ... Generally, a trademark owner takes one of these two routes: 1) the trademark owner files a complaint in federal court, pleading trademark infringement under the Lanham Act, trademark dilution under the FTDA, and/or cybersquatting under the ACPA; or 2) the trademark owner files a UDRP complaint.

TEXT:

[*301]

Introduction

The Internet has widened the gap between the producer and the consumer. Online consumers have no assurances as to whom they are dealing with or what they are actually buying, except for the domain name.ⁿ¹ Domain names fulfill the

same role that trademarks historically played in more traditional modes of business.ⁿ² Accordingly, "the use of one's trademark as a domain name has been increasingly important in securing a business' Internet dominance";ⁿ³ likewise, precluding others from using one's trademark in a domain name has become critical.ⁿ⁴

[*302] Any individual can register an available domain name for a low price;ⁿ⁵ consequently, domain names can impinge on the rights of trademark owners. A trademark owner may seek redress against a domain name registrant from the Lanham Act, the Federal Trademark Dilution Act (FTDA), the Anticybersquatting Consumer Protection Act (ACPA), and the Uniform Domain-Name Dispute-Resolution Policy (UDRP). Each avenue offers trademark owners a unique path; however, these avenues are not mutually exclusive. Part I of this paper outlines the domain name registration process. Additionally, Part I describes the history of the Lanham Act, including the enactment of the FTDA. Part II outlines the rise of the ACPA. Part III describes the UDRP, including some criticisms of it. Part IV exposes the strategic decisions a trademark owner can make - federal court versus the UDRP - by looking at Facebook's recent enforcement campaign to control the prefix "face" and suffix "book" for social networking sites. Part V discusses the implications of the new generic top-level domains and Uniform Rapid Suspension System (URS) Procedure's release. Part VI briefly concludes by discussing the implications of this study and suggesting avenues for future research.

I. The Lanham Act

Since the 1990s, United States trademark owners have been bringing actions against domain name registrants under sections 32 and 43 of the Lanham Act.ⁿ⁶ The Lanham Act prohibits uses of trademarks that are likely to cause confusion about the source of a product or service.ⁿ⁷ Section 32 permits suits against any unauthorized "use in commerce ... 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."ⁿ⁸ Section 43 allows suits against any person using:

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 **[*303]** misleading representation of fact, which - 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.ⁿ⁹

The Lanham Act seeks to "prevent consumer confusion that enables a seller to pass "off his goods as the goods of another."ⁿ¹⁰ To determine whether a likelihood of confusion exists under the Lanham Act, circuit courts have developed various multifactor tests.ⁿ¹¹ In general, these tests include non-exhaustive lists of factors pertaining to the likelihood of consumer confusion.ⁿ¹² A claimant need not prove that a domain name registrant acted with bad faith, although it is still a factor in these tests.ⁿ¹³ Additionally, infringement claims are subject to a commercial use requirement.ⁿ¹⁴ As a result, registration of a domain name with another's trademark, but not using it in commerce, does not invoke protection of the Lanham Act.ⁿ¹⁵

Section 35(a) of the Lanham Act governs what damages a successful claimant is entitled to recover: "(1) defendant's profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action."ⁿ¹⁶ In exceptional **[*304]** cases, a district court may award reasonable attorney fees to the prevailing party.ⁿ¹⁷ A claimant may also seek injunctive relief.ⁿ¹⁸

In 1996, Congress codified existing common law by enacting the Federal Trademark Dilution Act (FTDA), which allows the owner of a famous mark to obtain an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or tarnishment.ⁿ¹⁹ A claimant does not need to show a likelihood of confusion, competition, or actual economic injury.ⁿ²⁰ Under the FTDA, where willful intent to dilute is demonstrated, the owner of the famous mark is

also entitled to recover "(1) damages (2) the dilutor's profits, and (3) costs." ⁿ²¹

II. Anticybersquatting Consumer Protection Act

While the Lanham Act and FTDA provided recourse for conflict arising in the Domain Name System (DNS), the legal remedies for cybersquatting victims became "expensive and uncertain." ⁿ²² Cybersquatters are defined as those who: "(1) register well-known brand names as Internet domain names in order to extract payment from the rightful owners of the marks; (2) register well-known marks as domain names and warehouse those marks with the hope of selling them to the highest bidder; (3) register well-known marks to prey on consumer confusion by misusing the domain name to divert customers from the mark owner's site to the cybersquatter's own site; (4) target distinctive marks to defraud consumers, including to engage in counterfeiting activities." ⁿ²³ "Because the element of direct competition or [*305] consumer confusion is often absent in trademark suits against cybersquatters, [cybersquatting victims initially] relied on the FTDA for help." ⁿ²⁴ However, the FTDA did not expressly prohibit the act of cybersquatting, and cybersquatters began taking the necessary precautions to shield themselves from liability under the FTDA. ⁿ²⁵ Specifically, "'many cybersquatters [were] careful to no longer offer the domain name for sale in any manner that could implicate liability ...'" ⁿ²⁶

To remedy the perceived shortcomings of the FTDA in cybersquatting cases, ⁿ²⁷ Congress enacted the Anticybersquatting Consumer Protection Act (ACPA) in 1999. ⁿ²⁸ The ACPA, in effect, amended the Lanham Act by creating a particular federal remedy for cybersquatting. ⁿ²⁹ Specifically, the ACPA prohibits a person from registering a domain name with bad faith intent to profit from a mark that is confusingly similar to a registered or unregistered mark, or dilutive of a famous mark. ⁿ³⁰ The bad faith requirement of the ACPA creates a higher burden of proof than the Lanham Act, and the merit of an ACPA claim does not depend on whether trademark [*306] infringement exists under the Lanham Act or whether trademark dilution exists under the FTDA. ⁿ³¹

In determining whether a defendant acted with a bad faith intent to profit from the use of a mark, a court may look at the nine, non-exhaustive factors the ACPA provides to assist courts. ⁿ³² Additionally, the ACPA exempts defendants who "believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful." ⁿ³³

As for remedies, the ACPA provides that "a court may order the forfeiture or cancellation of the domain name or the transfer of the domain name to the owner of the mark" ⁿ³⁴ for any "domain name registered before, on, or after the date of the enactment of [the] Act." ⁿ³⁵ The ACPA also provides an award of damages for violations of the Act, so long as the [*307] domain name was registered after the enactment of the ACPA. ⁿ³⁶ Further, the ACPA does not preclude an award of damages under any pre-existing law. ⁿ³⁷

The ACPA also protects against reverse domain name hijacking. ⁿ³⁸ A reverse domain name hijacking claim exists when trademark owners "overreach" in exercising their ACPA rights. ⁿ³⁹ In a reverse hijacking claim, "a plaintiff (registrant) must show that (1) the plaintiff's name was "suspended, disabled, or transferred" under a registrar's policy, (2) the trademark owner has notice of the action, and (3) plaintiff's use or registration of the domain name is not unlawful." ⁿ⁴⁰ A plaintiff can seek declaratory and injunctive relief, in addition to damages. ⁿ⁴¹

III. Uniform Dispute Resolution Policy

To deal with the rising litigation related to domain names, ICANN instituted the Uniform Dispute Resolution Policy (UDRP) on August 26, 1999. ⁿ⁴² The UDRP is a non-binding, alternative dispute resolution (ADR) process designed to solve disputes between trademark ⁿ⁴³ owners and domain name registrants. ⁿ⁴⁴ More specifically, ICANN drafted the UDRP to fight [*308] cybersquatting. ⁿ⁴⁵ As discussed above, cybersquatting is the practice of registering well-known brand names as Internet domain names in order to force the rightful owners of the marks to pay for the right to engage in electronic commerce under their own brand name. ⁿ⁴⁶ Cybersquatting is profitable because it is inexpensive to register the mark of an established company as a domain name, and such companies often pay substantial sums of

money to obtain the domain name with their mark. ⁿ⁴⁷ ICANN also intended the UDRP to prevent typosquatting, which involves "identifying legitimate popular web sites and purposefully registering deceptively similar or deliberately misspelled domain names in order to lure visitors into visiting unrelated - and often pornographic - web sites." ⁿ⁴⁸ Typosquatters, like cybersquatters, profit "if owners of the legitimate domain name are willing to purchase the deceptive domain name to prevent further confusion" and lost profits. ⁿ⁴⁹

The UDRP essentially is an expedited administrative proceeding that the owner of a trademark initiates "by filing a complaint with an approved [*309] dispute-resolution service provider." ⁿ⁵⁰ The UDRP begins with the registration agreement that the domain name registrant signs with the registrar. All registration agreements include a clause that all claims allegedly arising from abusive registrations of domain names will be decided pursuant to the UDRP. ⁿ⁵¹ Consequently, a domain name registrant ("Respondent") is required to submit to a mandatory administrative proceeding if a third party ("Complainant") asserts to the applicable Provider that:

(i) The disputed domain names registered by the Respondent are identical or confusingly similar to a trademark or service mark in which the Complainant has rights; and

(ii) The Respondent has no rights or legitimate interests with respect to the disputed domain names; and

(iii) The disputed domain names have been registered and are being used in bad faith. ⁿ⁵²

In order to force the transfer or cancellation of a domain name, the Complainant must prove the existence of all three elements by a preponderance of evidence. ⁿ⁵³ The following scenarios demonstrate a Respondent's rights or legitimate interests with respect to the disputed domain name:

(i) before any notice ... of the dispute, [the Respondent's] use of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with a bona fide offering of goods or services; or

(ii) [the Respondent] (as an individual, business, or other organization) [has] been commonly known by the domain name, even if [it has acquired] no trademark or service mark rights; or

[*310]

(iii) [the Respondent] is making a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue. ⁿ⁵⁴

The following non-exhaustive ⁿ⁵⁵ list constitutes evidence of the registration and use ⁿ⁵⁶ of a domain name in bad faith:

(i) circumstances indicating that [the Respondent] registered or acquired the domain name primarily for the purpose of selling, renting, or otherwise transferring the domain name registration to the complainant who is the owner of the

trademark or service mark or to a competitor of that complainant, for valuable consideration in excess of your documented out-of-pocket costs directly related to the domain name; or

(ii) [circumstances indicating that the Respondent] registered the domain name in order to prevent the owner of the trademark or service mark from reflecting the mark in a corresponding domain name, provided that respondent has engaged in a pattern of such conduct; or

(iii) [circumstances indicating that the Respondent] registered the domain name primarily for the purpose of disrupting the business of a competitor;ⁿ⁵⁷ or

(iv) [circumstances indicating that the Respondent] is using the domain name [to] intentionally attempt to attract, for commercial gain, Internet users to its website or other on-line location, by creating a likelihood of confusion with the complainant's mark as to the source, sponsorship, affiliation, or endorsement of [the Respondent's] website or location or of a product or service on its website or location.ⁿ⁵⁸

The Respondent must respond to a UDRP complaint within twenty days.ⁿ⁵⁹ However, if the Respondent does not respond to the complaint [*311] within the requisite twenty days, the UDRP requires adjudication based only on the complaint.ⁿ⁶⁰ As a result, default judgments are frequently granted in the UDRP proceedings.ⁿ⁶¹ In several cases, the UDRP panel has interpreted a respondent's default as an actual admission of the complaint's assertions.ⁿ⁶² Assuming the respondent does respond, he or she can prevail by negating any one of the complaint's three required elements.ⁿ⁶³

Under the UDRP, a "Panel shall decide a complaint on the basis of the statements and documents submitted and in accordance with the Policy, these Rules and any rules and principles of law that it deems applicable."ⁿ⁶⁴ The Panel's decision may include transferring the domain name to the complainant or the respondent may keep the domain name.ⁿ⁶⁵ A complainant may also seek cancellation of the domain name.ⁿ⁶⁶ The UDRP does not award injunctive relief or monetary damages.ⁿ⁶⁷ However, because UDRP proceedings are not binding, a dissatisfied complainant or respondent can [*312] file a complaint in federal court.ⁿ⁶⁸ WIPO claims that such appeals rarely occur.ⁿ⁶⁹ While providing a form of recourse after a panel decision is necessary, some UDRP participants arguably do not feel like the costly process of litigation is much recourse.ⁿ⁷⁰ Accordingly, "critics have argued that the UDRP would operate more effectively and fairly if it included an internal review board - essentially an appellate body - that could hear appeals."ⁿ⁷¹

IV. Facebook's Strategy: Litigation Versus the UDRP

The previous sections briefly explain how conflict under the DNS may be resolved - through the Lanham Act, FTDA, ACPA, and the UDRP. A critical examination of Facebook's recent enforcement campaign to control the prefix "face" and suffix "book" for social networking sites offers a deeper understanding of these options. Facebook currently owns seventy-nine active trademarks, including "Facebook," "FB," "Like," "Face," and "Wall."ⁿ⁷² To date, Facebook has filed sixteen UDRP complaints resulting in [*313] the transference of thirty-seven domain names to Facebook and the termination of two domain names.ⁿ⁷³ In all of these cases, the challenged domain name included "facebook" in its entirety, and the panels used Facebook's fame and notoriety as evidence of registration and use in bad faith.ⁿ⁷⁴ Facebook has also enforced its trademark against Bearbook, PlaceBook, Shagbook, FacebookOfPorn, Faceporn, Lamebook, and Teachbook; however, Facebook did not use the UDRP in these disputes.ⁿ⁷⁵

Bearbook and PlaceBook both changed their names after receiving cease and desist letters from Facebook.ⁿ⁷⁶ The

letters demanded that both companies abandon their unregistered trademarks because their names confuse users and dilute the Facebook registered trademark.ⁿ⁷⁷ Bearbook, now called Bruizr, is a social networking site for the hirsute, gay community,ⁿ⁷⁸ and PlaceBook, now called TripTrace, is a start-up site that provides a variety of location-based services.ⁿ⁷⁹ Neither company had the funds to fight Facebook in a trademark battle.ⁿ⁸⁰ While Facebook had the option of pursuing its cause of action in federal court or the UDRP, Bearbook and Placebook were ultimately left with no way to defend themselves (besides fighting a costly, long battle in federal court).

This scenario raises the inadequacy of recourse for "trademark bullying" victims.ⁿ⁸¹ "A trademark bully is a trademark owner who uses intimidation [*314] tactics in order to eliminate potential competitors and remove them from the market place."ⁿ⁸² Trademark bullies enforce their trademark rights beyond any reasonable interpretation of trademark law and capitalize on the fact that most of their victims will be unable to pay the litigation costs associated with defending a trademark infringement or dilution charge.ⁿ⁸³ Trademark bullying victims may bring a reverse hijacking claim under the ACPA or seek a declaratory judgment;ⁿ⁸⁴ but, if the victim does not have the funds to defend itself in court, it is unlikely that it will not have enough funds to file either of these claims. Under the UDRP, the victim of a trademark bully may not file a UDRP complaint against the trademark owner.ⁿ⁸⁵ However, if a trademark bully files a UDRP complaint, and the panel finds that the complaint was brought in bad faith, such as in an attempt to reverse hijack or to harass the domain name holder, the panel "shall declare in its decision that the complaint was brought in bad faith and constitutes an abuse of the administrative proceeding."ⁿ⁸⁶

Unlike Bearbook and Placebook, Shagbook - an adult dating website - refused to willingly abandon its name.ⁿ⁸⁷ On May 24, 2010, Shagbook applied for a trademark with the United States Patent and Trademark Office (USPTO).ⁿ⁸⁸ The USPTO published the mark "shagbook" in the Trademark Official Gazette on January 25, 2011;ⁿ⁸⁹ thereafter, Facebook filed an opposition to stop Shagbook from registering a trademark under that name.ⁿ⁹⁰ In Shagbook's answer to the opposition, Shagbook alleged that the term [*315] "facebook" is generic, and thus, incapable of trademark protection.ⁿ⁹¹ Shagbook's registration of "shagbook" and Facebook's opposition of "shagbook" are still pending in the USPTO.ⁿ⁹² However, Shagbook's cancellation of "facebook" was dismissed and terminated on March 29, 2012.ⁿ⁹³

Facebook most likely has not filed a UDRP complaint against Shagbook because the strength of Facebook's UDRP complaint depends on the outcome of the pending opposition proceeding. If the opposition is sustained, Facebook has more leverage to demand that Shagbook abandon its domain name. If, however, the opposition is not sustained, and "shagbook" registers, a UDRP panel would likely not prevent a trademark registrant from using its own trademark as a domain name.

Unlike with Shagbook, the UDRP is a viable option for Facebook's dispute with FacebookOfSex.com, a site launched by adult social networking company FriendFinder.ⁿ⁹⁴ On April 13, 2011, Facebook filed suit in the Northern District of California against FriendFinder and its subsidiaries, claiming "FacebookOfSex" is too similar to Facebook's trademarked name.ⁿ⁹⁵ The suit, which includes trademark dilution and cybersquatting claims, seeks injunctive relief, revenue from the site, actual damages, and punitive damages.ⁿ⁹⁶ The action is still pending in the district court, but the parties stipulated to stay the action in order to reach a settlement.ⁿ⁹⁷

[*316] Facebook most likely would have prevailed in a UDRP proceeding here. Facebook and FacebookOfSex are confusingly similar because the domain name includes the "facebook" mark in its entirety. FriendFinder has no rights or legitimate interests with respect to FacebookOfSex. And circumstances indicate that FacebookOfSex has been registered and is being used in bad faith; specifically, because "FaceBookOfSex includes many of the same features as Facebook, such as profiles with photos and personal info, the ability to upload and share contact, and live chats," a likelihood of confusion is created with respect to Facebook's affiliation.ⁿ⁹⁸ The UDRP, however, does not award damages as a remedy.ⁿ⁹⁹ FriendFinder's estimated 2011 revenues are \$ 333 million, and FacebookofSex.com received over 4 million monthly visitors;ⁿ¹⁰⁰ such solvency makes FacebookOfSex.com a good target for litigation.ⁿ¹⁰¹ Moreover, "tech companies concerned with their online image have won much more marginal trademark disputes [in federal court] than this one."ⁿ¹⁰² In this case, Facebook probably strategized that the UDRP's expediency does not trump the litigation's potential damages.

Unlike with FriendFinder, the UDRP may be the best (or only available) forum for Facebook's dispute with Faceporn.com. Faceporn.com is a pornographic website that allows "its users to create profiles, join groups, upload photos and video, and conduct live chats." ⁿ¹⁰³ Retro Invent is a Norwegian company doing business as Faceporn.com, and Thomas Pedersen, a resident of Norway, is the principal of Retro Invent. ⁿ¹⁰⁴ **[*317]** Facebook sued Pedersen and Retro Invent for trademark dilution and infringement, in addition to cybersquatting, in the Northern District of California. ⁿ¹⁰⁵ Facebook moved for a default judgment after neither defendant responded; however, on November 29, 2011, the district court sua sponte issued an order to show cause for lack of personal jurisdiction. ⁿ¹⁰⁶ On December 12, 2011, Facebook filed its response to the order to show cause. ⁿ¹⁰⁷ On March 2, 2012, the presiding magistrate judge issued a report and recommendation to deny Facebook's motion for default judgment, finding that Facebook failed to show that the defendants purposefully directed their conduct at California. ⁿ¹⁰⁸

This is an opportune scenario for utilizing the UDRP: "Recourse to the courts involves perplexing jurisdiction . . . + . . . issues, which the UDRP was meant to avoid." ⁿ¹⁰⁹ As a domain name registrant, Retro Invent is required to submit to the UDRP, regardless of jurisdiction. ⁿ¹¹⁰ Facebook filed its complaint on October 15, 2011. ⁿ¹¹¹ Nearly a year has passed, and Retro Invent still owns the domain name Faceporn.com. ⁿ¹¹² The UDRP **[*318]** Administrative Procedure, on the other hand, is generally completed within sixty days of the date the WIPO Center receives the complaint. ⁿ¹¹³ Facebook technically could have simultaneously filed a complaint in the district court and with WIPO. It is, however, important to note that "in the event of any legal proceedings initiated prior to or during an administrative proceeding in respect of a domain name dispute that is the subject of the complaint, the Panel shall have the discretion to decide whether to suspend or terminate the administrative proceeding, or to proceed to a decision." ⁿ¹¹⁴ In sum, Facebook may have had a more satisfactory result with the UDRP, assuming Facebook could prove confusing similarity and bad faith. ⁿ¹¹⁵

The UDRP was not a viable option for Facebook in its dispute with Lamebook. Lamebook is a Facebook parody blog that "invites users to submit funny or embarrassing photos, status updates, wall posts and other tidbits from Facebook profiles." ⁿ¹¹⁶ This case is unique because Lamebook preemptively filed suit against Facebook in the Western District of Texas, seeking declaratory judgment on November 4, 2010. ⁿ¹¹⁷ Four days later, Facebook sued Lamebook in the Northern District of California. ⁿ¹¹⁸ The California case was dismissed without prejudice, and the parties settled the Texas case on August 24, 2011. ⁿ¹¹⁹ The parties agreed Lamebook would **[*319]** keep its name, but add this prominent disclaimer to its site: ⁿ¹²⁰ "This is an unofficial parody and is not affiliated with or associated with, or endorsed or approved by, Facebook." ⁿ¹²¹

Here, Lamebook could not have filed a UDRP complaint because there was no declaratory judgment equivalent in the UDRP. However, by definition, "any such declaration [by the district court] shall have the force and effect of a final judgment or decree . . ." ⁿ¹²² Because a UDRP decision is not binding in federal court, a UDRP declaratory judgment equivalent would be futile.

Facebook also sued Teachbook, an online community for teachers, in the Northern District of California on August 18, 2010, choosing not to use the UDRP. ⁿ¹²³ On May 3, 2011, the district judge granted Teachbook's motion to dismiss for lack of personal jurisdiction because Teachbook does not allow people from California to join the site. ⁿ¹²⁴ On May 6, 2011, Facebook re-filed its complaint in the Northern District of Illinois. ⁿ¹²⁵ On September 26, 2011, Teachbook moved to dismiss the complaint for failure to state a claim upon which relief can be granted, which the district court denied. ⁿ¹²⁶ A year later, Facebook and Teachbook reached a settlement agreement. ⁿ¹²⁷ Under this agreement, Teachbook changed its name to TeachQuest. ⁿ¹²⁸

[*320] While the UDRP may have alleviated the jurisdictional and timeliness problems Facebook encountered here, it is unclear whether Facebook could have prevailed with a UDRP panel. ⁿ¹²⁹ Evidence of bad faith is lacking because it is unclear if Teachbook is using its domain name to intentionally attempt to attract Internet users to its website, by creating a likelihood of confusion as to its affiliation with Facebook. Teachbook's site, aesthetically at least, looks nothing like facebook.com. ⁿ¹³⁰ Furthermore, Facebook has no incentive to risk losing in the UDRP, where Teachbook can afford to defend itself. ⁿ¹³¹ So long as Facebook has a valid claim (and is not "trademark bullying"),

Facebook can use the financial strain of a long lawsuit as part of its strategy. Just as Lamebook and FriendFinder settled, Teachbook eventually settled too.

The previous cases illustrate when litigation can be useful, and conversely, when the UDRP can be useful. If removing the site is the complainant's primary goal, the UDRP can be a more efficient mechanism than federal court. A trademark owner must strategically choose its forum.

V. New gTLDs and the Uniform Rapid Suspension System Procedure

However, understanding how to best protect one's trademark in the DNS is about to become even more important with ICANN's release of its new generic top-level (gTLDs) domains. Developed to increase competition, ICANN accepted applications for new gTLDs from January 12, 2012 to May 30, 2012. ⁿ¹³² The basic cost of submitting an application was \$ 185,000 per gTLD. ⁿ¹³³ The submission process is projected to last at least five months, as ICANN must determine if each applicant has the financial, technical, and operational capabilities to run a TLD on its own. ⁿ¹³⁴ Prior to ICANN's approval of a new gTLD, third parties have a seven-month [*321] opportunity to file an objection to an application on several grounds, including an objector's trademark rights. ⁿ¹³⁵

To assist with the release of the new gTLDs, ICANN developed the Uniform Rapid Suspension System (URS) Procedure. ⁿ¹³⁶ The URS is an expedited supplement ⁿ¹³⁷ to the UDRP, designed to remedy clear-cut, blatant cases of infringing conduct. ⁿ¹³⁸ The final resolution of a URS proceeding takes a mere twenty days. ⁿ¹³⁹ The URS includes an initial administrative review that is conducted within two business days of a complaint's filing. ⁿ¹⁴⁰ If the complaint is in order, the URS Provider will notify the domain name's registry that it must "lock" the domain name, thereby precluding the domain name from being transferred or altered. ⁿ¹⁴¹ The proposed standards for URS examiners to apply in rendering their decisions are the same as those in the UDRP, but the burden of proof is higher. ⁿ¹⁴² Complainants in URS proceedings must prove their cases with clear and convincing evidence. ⁿ¹⁴³ If a URS complainant prevails, the contested domain name would be suspended for the duration of the registration period, not transferred. ⁿ¹⁴⁴ Further, the cost of the URS will be much less than the UDRP. URS fees will be about three hundred dollars per decision, ⁿ¹⁴⁵ whereas the UDRP filing [*322] fee is usually about a thousand dollars. ⁿ¹⁴⁶ "Once it's finally implemented, the URS will provide a very streamlined process, considerably faster and cheaper than the UDRP (and vastly faster and cheaper than the litigation route)." ⁿ¹⁴⁷

While the UDRP, and now the URS, are designed as alternatives to litigation, the URS may promote more litigation. Because the URS is so inexpensive and quick, trademark owners could use the URS to suspend an infringing site and then file in federal court to obtain damages. For a mere three hundred dollars, Facebook could have suspended FacebookOfPorn.com within twenty days of filing a URS complaint and then filed in federal court. While the URS holding will not affect a federal court's decision, at least during the action's pendency, FacebookOfPorn.com would have been suspended. A favorable URS holding could also help leverage a substantial settlement. Furthermore, a trademark owner dissatisfied with a URS decision may feel motivated, or at least financially capable, to "try again" - either in the UDRP or through litigation. Or a successful URS complainant may want to file a UDRP complaint to cancel or transfer the domain name. Because the standard of proof is higher in the URS, arguably, a successful URS complainant should be a successful UDRP complainant. Will the UDRP panels respect the decisions of the URS panels? How the URS fits into a trademark owner's strategy will be interesting.

VI. Conclusion

Internet users assume, and implicitly trust, that a company's name or brand will correlate to its domain name. Because domain names play such an integral role in consumer perception of a site's source, trademark owners [*323] must police the use of their trademark in domain names. A trademark owner may seek redress against a domain name registrant from the Lanham Act, the FTDA, the ACPA, and the UDRP. Soon, trademark owners may enforce their rights against domain name registrants through the URS as well.

Trademark owners must strategically choose how they want to enforce their trademark rights against domain name registrants. Generally, a trademark owner takes one of these two routes: 1) the trademark owner files a complaint in federal court, pleading trademark infringement under the Lanham Act, trademark dilution under the FTDA, and/or cybersquatting under the ACPA; or 2) the trademark owner files a UDRP complaint. Soon, trademark owners will have a third option - the URS. And, as discussed in the previous section, trademark owners may feel compelled to combine the use of the URS with the UDRP or litigation.

A critical examination of Facebook's recent enforcement campaign to control the prefix "face" and suffix "book" for social networking sites offers a deeper understanding of a trademark owner's strategy. Beyond the elements of proof necessary for any of these options, a trademark owner must weigh the potential for damage recovery in litigation versus the expediency and lower cost of the UDRP. As evidenced by Facebook's enforcement campaign, sometimes the price of the UDRP can actually weigh against its use. And, while the line between trademark bullying and aggressive trademark protection is a fine one, Facebook's campaign demonstrates that the threat of litigation is a powerful tool that leaves many alleged infringers with little recourse other than a costly litigation battle.

Should ICANN implement a mechanism to allow domain name registrants to cheaply file trademark-bullying complaints after receiving cease and desist letters? This, in effect, would be analogous to filing a declaratory judgment claim with the UDRP. The futility of a non-binding declaratory judgment was discussed in the previous section; nevertheless, it may stop some trademark owners from pursuing their cause of action in court. Further steps should be taken to develop an inexpensive mechanism for trademark bullying victims to defend themselves.

Legal Topics:

For related research and practice materials, see the following legal topics:

Computer & Internet Law Trademark Protection Protection of Rights Internet Domain Names Trademark Law Protection of Rights Registration General Overview Trademark Law Subject Matter Names Internet Domains

FOOTNOTES:

n1. " Web users often assume, as a rule of thumb, that the domain name of a particular company will be the company name followed by ".com." Brookfield Communications, Inc. v. W. Coast Entm't Corp., 174 F.3d 1036, 1045 (9th Cir. 1999).

n2. The Intersection of Trademarks and Domain Names, International Trademark Association (Aug. 1997), <http://www.ntia.doc.gov/legacy/ntiahome/domainname/email/INTA-whitepaper.htm>.

n3. Yasaman Navai, Sporty's' Farm L.L.C., v. Sportsman Market Inc.-Protecting Against Cybersquatting or Extending the Allowable Reach of Trademark Law on the World Wide Web, 11 DePaul-LCA J. Art & Ent. L. 191 (2001). The right domain name is an integral part of any marketing strategy, especially with the rise of search engines. See Strategic Domain Name Marketing Company, Psyence.net, <http://www.strategicdomainnamemarketing.com> (last visited Feb. 25, 2012). WordTracker and Overture's Inventory provide information about which phrases are most popular in searches. Id.

n4. In order to protect their trademarks, many companies register domain names that are similar to their name. For instance, Google owns at least one thousand domain names. See Google Domain Names, pingdom (Apr. 23, 2008), <http://royal.pingdom.com/2008/04/23/google-domain-names---the-funny-strange-and-surprising/>. This list includes many more than the obvious domain names like google.com, blogger.com, and gmail.com. Id. The list includes possible misspellings: gewgol.com, glougle.com, goolge.com, glugli.com, geggle.com, georgle.com, glogoo.co, and gmale.com. See id. The list also includes potential new services: google4kids.com, googlebackups.com, googleauction.com, googlebroadband.com, googlecasinogames.com, googlefamily.com, googlejokes.com, googlelovers.com, googlepersonals.com, googlereligion.com, googlegym.com, googledaycare.com, bankgoogle.com, and googlepaperproducts.com. Id.

n5. For example, Dotster charges \$ 14.99 per year to register a .com, .net, or .org domain name. Domain Pricing, Dotster, <http://www.dotster.com/domreg/extension-popup.bml> (last visited Feb. 25, 2012). Dotster allows a user to type in a desired domain name, and the site instantaneously tells the user if the domain is already taken and suggests alternative variations to the domain name. Id.

n6. Shiveh Roxana Reed, Sensible Agnosticism: An Updated Approach to Domain-Name Trademark Infringement, 61 Duke L.J. 211, 228-29 (2011).

n7. Lanham Trade-Mark Act, 15 U.S.C. §§1051-1141n (1946); 15 U.S.C. §§1114, 1125(a) (2006).

n8. 15 U.S.C. § 1114(1)(a).

n9. 15 U.S.C. § 1125(a)(1).

n10. Lang v. Ret. Living Publ'g' Co., Inc., 949 F.2d 576, 582-83 (2d Cir. 1991) (quoting Programmed Tax Sys., Inc. v. Raytheon Co., 439 F. Supp. 1128, 1132 (S.D.N.Y. 1977)); see Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co., 316 U.S. 203, 205 (1942) (explaining that the main purpose of the Lanham Act is to prevent the use of identical or similar marks in a way that confuses the public about the actual source of goods and services).

n11. Reed, supra note 6, at 229. For example, the Ninth Circuit applies an eight-factor test to determine whether confusion is likely: (1) strength of the mark; (2) proximity of the goods; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) type of goods and the degree of care likely to be exercised by the purchaser; (7) defendant's intent in selecting the mark; and (8) likelihood of expansion of the product lines. AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 348-49 (9th Cir. 1979).

n12. Reed, *supra* note 6, at 229. "These factors may apply differently, however, when the trademark is used to refer to the plaintiff trademark owner's product or service, rather than to the defendant domain name registrant's own product or service. In the Ninth Circuit, for example, a three-factor nominative-fair-use test replaces the traditional likelihood-of-confusion test in these cases." *Id.*

n13. See Reed, *supra* note 6, at 229.

n14. 15 U.S.C. § 1114; *Prestonettes, Inc. v. Coty*, 264 U.S. 359, 368 (1924). Under the First Amendment, commercial speech may be regulated in ways that would be impermissible if the same regulation were applied to noncommercial expressions. *Florida Bar v. Went For It, Inc.*, 515 U.S. 618, 623 (1995).

n15. *Brookfield Communications, Inc.*, 174 F.3d at 1052 (9th Cir. 1999) (holding that an intent to use it commercially does not invoke the protection of the Lanham Act either).

n16. 15 U.S.C. § 1117(a) (2006).

The court shall assess such profits and damages or cause the same to be assessed under its direction. In assessing profits the plaintiff shall be required to prove defendant's sales only; defendant must prove all elements of cost or deduction claimed. In assessing damages the court may enter judgment, according to the circumstances of the case, for any sum above the amount found as actual damages, not exceeding three times such amount. If the court shall find that the amount of the recovery based on profits is either inadequate or excessive the court may in its discretion enter judgment for such sum as the court shall find to be just, according to the circumstances of the case. Such sum in either of the above circumstances shall constitute compensation and not a penalty. *Id.*

Intentional use of a counterfeit mark provides different damages under Lanham Act, however. See 15 U.S.C. § 1117(b).

n17. See 15 U.S.C. § 1117.

n18. See 15 U.S.C. § 1125(c)(1) (2006).

n19. 15 U.S.C. § 1125(c)(1) (2006).

n20. *Id.*

n21. *Sporty's Farm L.L.C. v. Sportsman's Mkt., Inc.*, 202 F.3d 489, 500 (2d Cir. 2000).

n22. *Id.* at 495 (quoting H.R.Rep. No. 106-412, at 6).

n23. *Lucas Nursery & Landscaping, Inc. v. Grosse*, 359 F.3d 806, 809 (6th Cir. 2004) (internal quotations omitted (citing S.Rep. No. 106-140, at 56)).

n24. Yasaman Navai, *Sporty's Farm L.L.C. v. Sportsman Market Inc.-Protecting Against Cybersquatting or Extending the Allowable Reach of Trademark Law on the World Wide Web*, 11 DePaul-LCA J. Art & Ent. L. & Pol'y 191, 199 (2001).

n25. See *Virtual Works, Inc. v. Volkswagen of Am., Inc.*, 238 F.3d 264, 267 (4th Cir. 2001).

n26. *Sporty's Farm L.L.C.*, 202 F.3d at 495 (quoting S.Rep. No. 106-140, at 7).

n27. See *Sporty's Farm L.L.C.*, 202 F.3d at 496.

n28. See 15 U.S.C. § 1125(d)(1)(A) (2006).

A person shall be liable in a civil action by the owner of a mark, including a personal name which is protected as a mark under this section, if, without regard to the goods or services of the parties, that person--

(i) has a bad faith intent to profit from that mark, including a personal name which is protected as a mark under this section; and

(ii) registers, traffics in, or uses a domain name that--

(I) in the case of a mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to that mark;

(II) in the case of a famous mark that is famous at the time of registration of the domain name, is identical or confusingly similar to or dilutive of that mark; or

(III) is a trademark, word, or name protected by reason of section 706 of Title 18 or section 220506 of Title 36. Id.

n29. See 15 U.S.C. § 1125(d)(1)(A) (2006).

n30. See 15 U.S.C. § 1125(d)(1)(A) (2006). "Bad faith intent to profit" are terms of art in the ACPA, and thus, courts should not equate them with "bad faith" in other contexts. Sporty's Farm L.L.C., 202 F.3d at 499. Recall, "bad faith" was a factor in the Lanham Act likelihood of confusion tests but not necessary to a finding of infringement. Id.

n31. See Reed, *supra* note 6, at 230-31.

n32. See 15 U.S.C. § 1125(d)(1)(B)(i). These factors are:

(I) the trademark or other intellectual property rights of the person, if any, in the domain name;

(II) the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person;

(III) the person's prior use, if any, of the domain name in connection with the bona fide offering of any goods or services;

(IV) the person's bona fide noncommercial or fair use of the mark in a site accessible under the domain name;

(V) the person's intent to divert consumers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site;

(VI) the person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person's prior conduct indicating a pattern of such conduct;

(VII) the person's provision of material and misleading false contact information when applying for the registration of the domain name, the person's intentional failure to maintain accurate contact information, or the person's prior conduct indicating a pattern of such conduct;

(VIII) the person's registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties; and

(IX) the extent to which the mark incorporated in the person's domain name registration is or is not distinctive and famous within the meaning of subsection(c)(1) of section 43. Id.

n33. 15 U.S.C. § 1125 (d)(1)(B)(ii).

n34. 15 U.S.C. § 1125(d)(1)(C).

n35. 15 U.S.C. § 1117.

n36. See 15 U.S.C. § 1125(d)(1)(C).

n37. 15 U.S.C. § 1125(d)(3) (providing that any remedies created by the new act are "in addition to any other civil action or remedy otherwise applicable").

n38. See Eric Goldman, District Court Denies Motion to Dismiss on Reverse Domain Name Hijacking Claim, Technology & Marketing Blog (Oct. 31, 2011), http://blog.ericgoldman.org/archives/2011/10/district_court.htm (discussing a district court's denial of a motion to dismiss on a reverse domain name hijacking claim). Reverse hijacking argument claims are rare. *Id.*

n39. Goldman, *supra* note 38.

n40. *Id.*

n41. 15 U.S.C. § 1125. In order to obtain damages, however, the claimant must show that the person claiming rights to the domain name made "knowing and material" misrepresentations. *Id.*

n42. FAQs on the UDRP, InterNIC, <http://www.internic.net/faqs/udrp.html> (last visited Feb. 25, 2012). In 2011, 2,764 cases were submitted to the UDRP. Total Number of Cases per Year, WIPO, <http://www.wipo.int/amc/en/domains/statistics/cases.jsp> (last visited March 1, 2012).

n43. " Unless personal names have achieved trademark status they are not protected under the UDRP In contrast, the Lanham Act provides a remedy for cyberspiracy of personal names that do not qualify for trademark protection" Gerald M. Levine, Injunctive Relief Against Domain Name Registrants for Unauthorized Registration of Personal Name, UDRP Commentaries (Jan. 12, 2012), <http://www.udrpcommentaries.com/injunctive-relief-against-domain-name-registrants-for-unauthorized-registration-of-personal-name/>.

n44. See FAQs on the UDRP, *supra* note 42. UDRP panel decisions, unlike arbitration, are not binding. See Elizabeth C. Woodard, The UDRP, ADR, and Arbitration: Using Proven Solutions to Address Perceived Problems with the UDRP, 19 Fordham Intell. Prop. Media & Ent. L.J. 1169, 1179 (2009). "Using classic arbitration was considered [by WIPO] but dismissed on the grounds that it does not allow for judicial review of decisions, an element that WIPO considered crucial to ensure the fairness of the new process. WIPO therefore concluded that an entirely new system of ADR was required." *Id.* Consequently, the UDRP is a unique blend of different forms of ADR. *Id.* Some argue, however, "the desire to treat the UDRP process as less than binding arbitration ultimately works against the UDRP's goal of establishing a quick and inexpensive resolution mechanism," because the domain name registrant can file a lawsuit at any time. Chad D. Emerson, Wasting Time in Cyberspace: The Udrp's Inefficient Approach Toward Arbitrating Internet Domain Name Disputes, 34 U. Balt. L. Rev. 161, 175-76 (2004).

n45. " The UDRP was not the first attempt to solve the cybersquatting problem using ADR. A single registrar had previously created its own system of ADR for cybersquatting disputes, in an effort to avoid being brought into lawsuits between trademark owners and cybersquatters. Once more registrars were accredited, however, the U.S. government decided that cybersquatting was so pervasive that it was necessary to create a new ADR system dedicated to hearing cybersquatting claims." Woodard, *supra* note 44, at 1178--79.

n46. See Navai *supra* note 24.

n47. Generally, cybersquatters do not sell the same type of product as the trademark holder does. See, e.g., *Virtual Works, Inc. v. Volkswagen of Am., Inc.*, 238 F.3d 264, 267 (4th Cir. 2001) (holding Internet service provider Virtual Works's domain name "vw.net" was confusingly similar to the Volkswagen company's famous "VW" mark and domain name owner was motivated by bad faith).

n48. Christopher G. Clark, *The Truth In Domain Names Act of 2003 and A Preventative Measure to Combat Typosquatting*, 89 *Cornell L. Rev.* 1476, 1480 (2004). For example, "www.whitehouse.com" used to direct a viewer, such as an innocent child looking for the White House's website, to an adult pornography website. See *In Re Parisi*, SERIAL 75291235, 2004 WL 2368410 (Trademark Tr. & App. Bd. May 28, 2004). Additionally, any person can register a Columbia top-level domain (.co). As such, it is easy to redirect a user who makes the mistake of typing ".co" instead of ".com."

n49. Clark, *supra* note 48, at 1481.

n50. Uniform Domain-Name Dispute-Resolution Policy, ICANN, <http://www.icann.org/en/udrp/udrp.htm> (last visited Feb. 25, 2012). "Around 60% of the UDRP disputes have been heard by the World Intellectual Property Organization's [(WIPO)] Domain Name Dispute Resolution Service (DNDRS), arguably because plaintiffs are comfortable with WIPO's aesthetic of the 'sacredness' of intellectual property. The others are the CPR Institute for Dispute Resolution (CPR), National Arbitration Forum (NAF) and the Asian Domain Name Dispute Resolution Centre (ADNDRC). The latter replaced Canada-based eResolution (eRes), which withdrew in late 2001." ICANN profile: UDRP, Caslon Analytics, <http://www.caslon.com.au/icannprofile7.htm> (last visited Feb. 25, 2012); see List of Approved Dispute Resolution Service Providers, ICANN, <http://www.icann.org/en/dndr/udrp/approved-providers.htm> (last visited Feb. 25, 2012) (providing a list of ICANN's approved UDRP service providers).

n51. See Uniform Domain-Name Dispute-Resolution Policy, *infra* note 52.

n52. Uniform Domain Name Dispute Resolution Policy, ICANN, <http://www.icann.org/en/udrp/udrp-policy-24oct99.htm> (last visited Feb. 25, 2012).

n53. See *id.*; Dennis S. Prah & Eric Null, The New Generic Top-Level Domain Program: A New Era of Risk for Trademark Owners and the Internet, 101 Trademark Rep. 1757, 1784 (2011).

n54. Uniform Domain Name Dispute Resolution Policy, *supra* note 52.

n55. Because this list is non-exhaustive, panels have found bad faith in circumstances beyond those enumerated. See, e.g., *Tourism and Corporate Automation Ltd. v. TSI Ltd.*, AF-0096, [2000] GENDND 66 Disputes.org/eResolution Consortium Admin. Panel March 16, 2000 (WorldLII) (finding an employee who left his job "more or less unhappily," then registered a domain name identical to the trademark of his former employer with no demonstrable plans to use the name acted in "bad faith").

n56. Initially, the UDRP's bad faith use requirement concerned trademark attorneys because "use" under the Lanham Act means "used in commerce." See *supra* note 16. However, the "use" requirement has not been troublesome: "Three of the four factors outlining bad faith do not require any use per se ... and many of the early decisions under the UDRP have similarly found bad faith in the absence of any traditional use of the domain, indeed even in the absence of an active website." Analysis of Key UDRP Issues, Berkman Center for Internet & Soc'y at Harv. U., <http://cyber.law.harvard.edu/udrp/analysis.html> (last visited Feb. 25, 2012).

n57. "For example, in *Bragg v. Condon* (plasticdocshop.com, cosmeticdocshop.com) FA0092528, the respondent registered two domain names using a competitor's trademark soon after learning of the competitor's confidential business strategy; and in *Easyjet Airline Company Ltd v. Steggles* (easyjet.net) D2000-0024, the respondent's web site used the disputed domain name to link to two of the complainant's competitors." Analysis of Key UDRP Issues, *supra* note 56.

n58. Uniform Domain Name Dispute Resolution Policy, *supra* note 52.

n59. Rules for Uniform Domain Name Dispute Resolution Policy, ICANN, <http://www.icann.org/en/dndr/udrp/uniform-rules.htm> (last visited Feb. 25, 2012). Some commentators have argued that UDRP is pro-claimant, and thus an unfair process, because of the twenty-day response time. See Woodard, *supra* note 464, at 1188-89. While the rules of most arbitration providers give respondents thirty days to answer a complaint, the Federal Rules of Civil Procedure only allow defendants twenty-one days to answer a complaint. *Id.* at 1190; Fed. R. Civ. P. 12.

n60. Rules for Uniform Domain Name Dispute Resolution Policy, *supra* note 59.

n61. One study found that 54% of UDRP claims result in default judgments, and that 96% of those default judgments favor the complainant. See Woodard, *supra* note 44, at 1192.

n62. See *Alcoholics Anonymous World Servs., Inc. v. Raymond*, D2000-0007 (WIPO Arbitration and Mediation Ctr. Admin. Panel March 6, 2000) (holding that "Respondent's failure to respond to the Complaint allows the inference that the evidence would not have been favorable to Respondent").

n63. See Uniform Domain Name Dispute Resolution Policy, *supra* note 52.

n64. Rules for Uniform Domain Name Dispute Resolution Policy, *supra* note 59. This provision, Rule 15(a), was "promulgated to give the panel full discretion in deciding which law, if any, to apply to any particular dispute." Analysis of Key UDRP Issues, *supra* note 56. "Panelists in a UDRP proceeding are given significantly more freedom to select important aspects of the decision-making process than panelists in other types of ADR, most of which require the governing law of the proceeding to be mutually agreed upon by the parties in advance." Woodard, *supra* note 44, at 1195-96. Panels do rely on previous UDRP opinions as persuasive authority to help address procedural and substantive matters though. See, e.g., *Alcoholics Anonymous World Servs., Inc.*, D2000-0007.

n65. Frequently Asked Questions: Internet Domain Names, WIPO, <http://www.wipo.int/amc/en/center/faq/domains.html#12> (last visited Feb. 25, 2012). "The panel decisions are mandatory in the sense that accredited registrars are bound to take the necessary steps to enforce a decision, such as transferring the name concerned." *Id.*

n66. *Id.* Based on WIPO's statistical analysis of all cases decided, 1.57% end with cancellation of the domain name, 85.07% end with transfer of the domain name, and 13.36% end with denial of the complaint. Case Outcome (Consolidated): All Years, WIPO, http://www.wipo.int/amc/en/domains/statistics/decision_rate.jsp?year= (last visited Oct. 30, 2012).

n67. Frequently Asked Questions: Internet Domain Names, *supra* note 65.

n68. "The accredited domain name registrars ... implement a decision after a period of ten days, unless the decision is appealed in court in that time." Frequently Asked Questions: Internet Domain Names, *supra* note 65. Appealing a panel decision in court is only possible if jurisdiction exists; however, being able to appeal a UDRP panel decision to a judge was an integral part of ICANN's original vision in developing UDRP. See Woodard, *supra* note 44, at 1179.

n69. Frequently Asked Questions: Internet Domain Names, *supra* note 65. Any decision made by a panel under the UDRP is no more than an agreed-upon administration that is not given any deference in federal court. See *Barcelona.com, Inc. v. Excelentísimo Ayuntamiento De Barcelona*, 330 F.3d 617, 626 (4th Cir. 2003) ("Because a UDRP decision is susceptible of being grounded on principles foreign or hostile to American law, the ACPA authorizes reversing a panel decision if such a result is called for by application of the Lanham Act.").

n70. See Woodard, *supra* note 44, at 1200.

n71. *Id.* at 1200-01. "These critics claim that such a board is necessary to 'provide uniformity to the process,' reduce inconsistencies among UDRP decisions, and 'establish principles and precedent under the UDRP, which other lower level Panels would be required to follow.'" *Id.* Other critics have proposed a change to the UDRP appeal process, such that when there is a split panel, either side can request one additional three-person panel review. See *How to Save UDRP from Bad Panel Decisions*, Domain Name Wire (May 1, 2008), <http://domainnamewire.com/2008/05/01/how-to-save-udrp-from-bad-panel-decisions/>.

n72. See Trademark Electronic Search System (TESS), United States Patent and Trademark Office, <http://tess2.uspto.gov/bin/gate.exe?f=searchss&state=4004:dbjkr.1.1> (search for live marks with "facebook" under "Owner name and address" field). On March 15, 2012, Facebook expanded its trademark rights over the word "book" by revising its "Statement of Rights and Responsibilities." See *Statement of Rights and Responsibilities Updates*, Facebook, https://www.facebook.com/note.php?note_id=10151420037600301 (last visited Oct. 12, 2012). All Facebook users must now agree to the following: "You will not use our copyrights or trademarks (including Facebook, the Facebook and F Logos, FB, Face, Poke, Book and Wall), or any confusingly similar marks, except as expressly permitted by our Brand Usage Guidelines or with our prior written permission." *Id.*

n73. Recent Case Activity, UDRPsearch, <http://www.udrpsearch.com/search?query=facebook&search=parties> (last visited Oct. 12, 2012).

n74. See *id.*

n75. See Eric Goldman, Facebook's Trademark Suit Against Teachbook Survives Motion to Dismiss, Technology & Marketing Blog (Oct. 1, 2011), http://blog.ericgoldman.org/archives/2011/10/facebook_trade.htm.

n76. See Bearbook Gets Bullied Into Changing To Bruizr, Bearotic (May 10, 2011), <http://www.bearotic.com/2011/05/10/bearbook-gets-bullied-into-changing-to-bruizr/>; MG Siegler, Facebook Bullies PlaceBook Into Changing Their Name - Or The Way It's Pronounced, TechCrunch (Aug. 10, 2010), <http://techcrunch.com/2010/08/10/facebook-placebook/>.

n77. See Bearbook Gets Bullied Into Changing To Bruizr, *supra* note 76; Siegler, *supra* note 76.

n78. See, e.g., bruizr, <http://bruizr.com/tour.aspx> (last visited Feb. 28, 2012).

n79. See Siegler, *supra* note 76.

n80. See Bearbook Gets Bullied Into Changing To Bruizr, *supra* note 76; Siegler, *supra* note 76. It is also possible that they realized their likelihood of success was slim.

n81. See Gerald M. Levine, Determining When Trademark Protection Becomes Bullying, UDRP Commentaries (Mar. 5, 2011), <http://www.udrpcommentaries.com/determining-when-trademark-protection-becomes-bullying/> ("In connection with a study mandated by The Trademark Technical and Conforming Amendment Act of 2010, the USPTO requested feedback from U.S. trademark owners, practitioners, and others regarding their experiences with litigation tactics Those answering the ABA-IPL survey believed that the issue "should be left to the judiciary on a case-by-case basis.").

n82. Benjamin Ashurov, What is a trademark bully?, Trademark Bully, http://www.trademarkbully.com/?page_id=23 (last visited March 1, 2012).

n83. *Id.* (listing Facebook as number one on the "Biggest Bully List").

n84. See *supra* text accompanying notes 38-40.

n85. Rules for Uniform Domain-Name Dispute-Resolution Policy, *supra* note 50. If Bearbook filed a UDRP complaint against Facebook, Bearbook would have to prove that Facebook registered its domain name in bad faith.

n86. *Id.*

n87. Joe Mullin, Shagbook Attacks Facebook's Trademark, Calling It Generic, paidContent (Aug. 4, 2011), <http://paidcontent.org/article/419-shagbook-attacks-facebooks-trademark-calling-it-generic/>.

n88. Trademark Status and Document Retrieval, United States Patent and Trademark Office, <http://tdr.uspto.gov/search.action?sn=85046798#> (last visited Oct. 12, 2012).

n89. *Id.* "Any party who believes it will be damaged by the registration of the mark may file a notice of opposition (or extension of time therefor) with the Trademark Trial and Appeal Board. If no party files an opposition or extension request within thirty (30) days after the publication date, then within twelve (12) weeks of the publication date a certificate of registration should issue." *Id.*

n90. Trademark Trial and Appeal Board Inquiry System, USPTO TTABVUE, <http://ttabvue.uspto.gov/ttabvue/v?pno=91200221&pty=OPP> (last visited Oct. 12, 2012).

n91. *Id.* Shagbook claimed Facebook has been "trademark bullying" by "abusively using oppositions, litigation, and threats of the same to maintain a competitive market advantage." Mullin, *supra* note 87; see Stephen Hodson, Could Facebook's lawsuit against Shagbook cost it the "Facebook" trademark, The Inquisitr (Aug. 5, 2011), <http://www.inquisitr.com/132617/could-facebooks-lawsuit-against-shagbook-cost-it-the-facebook-trademark/>.

n92. Trademark Trial and Appeal Board Inquiry System, *supra* note 90.

n93. Trademark Status and Document Retrieval, United States Patent and Trademark Office,
http://tsdr.uspto.gov/#caseNumber=78574726&caseType=SERIAL_NO&searchType=statusSearch (last visited Oct. 12, 2012).

n94. Michael H. Berkens, Facebook Finally Sues Owner Of FacebookofSex.com But Still Not XXXBook.com or XXXMatch.com, *The Domains* (Apr. 18, 2011),
<http://www.thedomains.com/2011/04/18/facebook-finally-sues-owner-of-facebookofsex-com-but-still-not-xxxbook-com-or-xxxmatch-com/>.

n95. *Id.*

n96. *Id.*

n97. Facebook, Inc. v. Various, Inc. et al Document 55, Justia Docs (Nov. 8, 2011),
<http://dockets.justia.com/docket/california/candce/4:2011cv01805/239648/>. "The Whois information for Facebookofsex.xxx was updated this week and now reflects Facebook, Inc. as the registrant of the domain. The web address was first registered back on December 10, 2011 by a resident of Quebec, shortly after general availability of .XXX domain names began." J.B., Facebook snags adult entertainment domain name Facebookofsex dot-XXX, *Fusible* (Feb. 25, 2012),
<http://fusible.com/2012/02/facebook-snags-adult-entertainment-domain-name-facebookofsex-dot-xxx/>.

n98. Joe Mullin, Facebook Sues FriendFinder, Peeved Over FacebookOfSex.com Website, *paidContent* (Apr.15, 2011),
<http://paidcontent.org/article/419-facebook-sues-friendfinder-peeved-over-facebookofsex.com-website/>.

n99. See Frequently Asked Questions: Internet Domain Names, *supra* note 65.

n100. Michael H. Berkens, FriendFinder Pulls Down FacebookofSex.com, The Domains (Apr. 29, 2011) <http://www.thedomains.com/2011/04/29/friendfinder-pulls-down-facebookofsex-com/>.

n101. Ironically, CEO Marc Bell theorizes that FriendFinder's shares have received a boost from the recent Facebook IPO filing. See Eric Savitz, FriendFinder Finds New Friends; Stock Triples In 2 Weeks (Updated), Forbes (Feb. 9, 2012), <http://www.forbes.com/sites/ericsavitz/2012/02/09/friendfinder-finds-new-friends-stock-triples-in-2-weeks/2/>.

n102. Mullin, *supra* note 98.

n103. Venkat Balasubramani, Facebook Fails In Its Argument That Faceporn Is Under US Jurisdiction For Using A .com, Techdirt (Dec. 7, 2011), <http://www.techdirt.com/articles/20111206/11351416992/facebook-fails-its-argument-that-faceporn-is-under-us-jurisdiction-using-com.shtml>.

n104. Facebook, Inc. v. Pederson Document 46, Justia Dockets & Filings, <http://docs.justia.com/cases/federal/district-courts/california/candce/3:2010cv04673/233043/46/> (last visited March 1, 2012). Faceporn.com is currently "offline for a redesign." FaceBook.com Sues FacePorn.com, Special VPS (Oct. 22, 2010), <http://www.specialvps.com/facebookcom-sues-faceporncom/>.

n105. Facebook, Inc. v. Pederson, Justia Dockets & Filings, <http://docs.justia.com/cases/federal/district-courts/california/candce/3:2010cv04673/233043/46/> (last visited March 1, 2012).

n106. *Id.* Facebook alleges that Faceporn is a highly interactive website that has 250 users in California and 1000 users in the United States, and that Faceporn targeted "a U.S. audience" by registering its website with a domain name ending in ".com." These allegations alone, without facts showing that Faceporn's California viewer base was "an integral component" of Faceporn's business model and profitability, falls short of meeting Facebook's burden to establish that the exercise of personal jurisdiction over Defendants is proper, as "not all material placed on the Internet is, solely by virtue of its universal accessibility, expressly aimed at every state in which it is accessed..." *Id.*

n107. See *id.*

n108. See *id.*

n109. Julia Hornle, *The Uniform Domain Name Dispute Resolution Procedure: Is Too Much of A Good Thing A Bad Thing?*, 11 *SMU Sci. & Tech. L. Rev.* 253, 284 (2008).

n110. See *supra* note 54.

n111. See *Facebook, Inc. v. Pederson*, *supra* note 104.

n112. Whois faceporn.com, Whois, <http://www.whois.com/whois/faceporn.com> (last visited Oct. 12, 2012). One has to wonder why the district court has been sitting on this jurisdictional issue for so long. On September 30, 2011, the district court judge randomly assigned Facebook's motion for default judgment to a magistrate judge; the magistrate judge issued the order to show cause regarding personal jurisdiction. *Facebook, Inc. v. Pederson* Document 46, *supra* note 105. As to dispositive pretrial matters, magistrate judges may enter findings and recommendations, which are reviewed by the district judge *de novo*. See § 3505 *The District Courts*, 13 *Fed. Prac. & Proc. Juris.* § 3505 (3d ed.). However, a magistrate judge may conduct all proceedings and order the entry of judgment upon consent of the parties. See *id.* Here, the parties did not consent to magistrate jurisdiction. Therefore, the magistrate judge cannot dismiss this case for lack of personal jurisdiction. Rather, the magistrate judge can issue a recommendation to the district court. The docket does not reflect that the district court has reviewed the magistrate judge's report and recommendation though.

n113. WIPO Guide to the Uniform Domain Name Resolution Policy (UDRP), WIPO, <http://www.wipo.int/amc/en/domains/guide/#b2> (last visited March 1, 2012). Some critics have argued that "aggrieved parties ... should proceed straight to court without stopping at the UDRP" if they "truly want to save time and money." Emerson, *supra* note 44, at 163. This criticism is based on a domain name registrant's ability to circumvent, or even completely avoid, mandatory participation in the UDRP by initiating a lawsuit. *Id.* at 173. Here, however, it is highly unlikely Retro Invent would bring a lawsuit against Facebook, considering Retro Invent is not answering Facebook's complaint.

n114. Rules for Uniform Domain-Name Dispute Resolution Policy, *supra* note 52. "In the event that a Party initiates any legal proceedings during the pendency of an administrative proceeding in respect of a domain-name dispute that is the subject of the complaint, it shall promptly notify the Panel and the Provider." *Id.*

n115. Because both Facebook and Faceporn are eight letter words with two syllables, and Faceporn does offer a service - albeit one that includes porn - very similar to Facebook, Facebook could argue that Faceporn is likely to create Internet user confusion. Moreover, Facebook owns the trademark "Face."

n116. Catharine Smith, *Lamebook SUES Facebook*, The Huffington Post (May 25, 2011), http://www.huffingtonpost.com/2010/11/08/lamebook-sues-facebook_n_780482.html.

n117. Complaint at 1, *Lamebook LLC v. Facebook, Inc.*, No. 10-0833 (W.D. Tex. Nov. 4, 2010).

n118. *Facebook Inc. v. Lamebook LLC*, Justia Dockets & Filings, <http://dockets.justia.com/docket/california/candce/3:2010cv05048/233994/> (last visited March 1, 2012).

n119. *Id.* "It's unclear whether Facebook settled because it was concerned about the possible outcome of litigating a case in Lamebook's hometown of Austin, Texas, or whether it wanted to avoid the potential negative publicity associated with the case. Or maybe Facebook was concerned that, given Lamebook's argument that it was a parody website, the case would have turned out similar to the prominent *Louis Vuitton Malletier, S.A. v. Haute Diggity Dog, LLC* case (507 F.3d 252), which found that the defendant Haute Diggity Dog did not infringe or dilute the Louis Vuitton trademark with its Chewy Vuiton line of products. Regardless of the reason, the settlement is surprising considering how protective Facebook is of its intellectual property rights." Keri S. Bruce, *Facebook and Lamebook Settle Trademark Dispute*, Adlaw By Request (Sept. 20, 2011), <http://www.adlawbyrequest.com/2011/09/articles/in-the-courts/facebook-and-lamebook-settle-trademark-dispute/>.

n120. *Id.*

n121. *Lamebook*, www.lamebook.com (last visited March 1, 2012).

n122. 28 U.S.C. § 2201. The main reason for seeking declaratory judgment is to avoid being sued.

n123. Docket - *Facebook v. Teachbook (CA)*, Scribd, <http://www.scribd.com/doc/55132878/Docket-Facebook-v-Teachbook-CA> (last visited March 1, 2012).

n124. Order Granting Motion to Dismiss at 4, Facebook, Inc. v. Teachbook.com LLC, No. 10-3654 (N.D. Cal. May 3, 2011), ECF No. 35.

n125. Facebook, Inc. v. Teachbook.com LLC, 11-CV-3052, 2011 WL 4449686 at 1 (N.D. Ill. Sept. 26, 2011).

n126. Id.

n127. Facebook, Teachbook reach settlement in lawsuit, eSchool News (Sept. 7, 2012), <http://www.eschoolnews.com/2012/09/07/facebook-teachbook-reach-settlement-in-lawsuit/>.

n128. Id.

n129. "I doubt this kind of claim would hold up under UDRP rules (unless a "friendly" panelist got the case), which is probably why Facebook has resorted to the US courts." Kevin Murphy, Facebook sues TeachBook.com for cybersquatting, DomainIncite (Aug. 24, 2010), <http://domainincite.com/facebook-sues-teachbook-com-for-cybersquatting/>.

n130. See Wayback Machine, www.archive.org (type in teachbook.com).

n131. See id.

n132. Reveal Day 13 June 2012 - New gTLD Applied-For Strings, ICANN New gTLDs, <http://newgtlds.icann.org/en/program-status/application-results/strings-1200utc-13jun12-en> (last visited Oct. 12, 2012). On June 13, 2012, ICANN released which gTLDs companies applied for during this round. Id. Not surprisingly, Apple applied for the gTLD "apple." Id.

n133. Matthew Humphris, gTLDs explained: What's the process and how much will you have to pay ICANN?, Geek.com (Jun. 20, 2011)

<http://www.geek.com/articles/geek-pick/gtlds-whats-the-process-and-how-much-pay-icann-20110620/>.

n134. Id.

n135. Objection and Dispute Resolution, ICANN New gTLDs, <http://newgtlds.icann.org/en/program-status/objection-dispute-resolution> (last visited Oct. 12, 2012).

n136. See WIPO Observations on New gTLD Dispute Resolution Mechanism, WIPO, <http://www.wipo.int/amc/en/domains/newgtld/#2> (last visited Oct. 12, 2012).

n137. Complainants may use either or both procedures. See For GNSO Consideration: Uniform Rapid Suspension System (URS), ICANN 1, <http://www.icann.org/en/topics/new-gtlds/draft-proposed-procedure-urs-04oct09-en.pdf> (last visited March 2, 2012).

n138. Id.

n139. Dennis S. Prah & Eric Null, The New Generic Top-Level Domain Program: A New Era of Risk for Trademark Owners and the Internet, 101 Trademark Rep. 1757, 1783 (2011). A Registrant will have fourteen days to respond to a URS complaint. Id.

n140. Id.

n141. For GNSO Consideration: Uniform Rapid Suspension System (URS), *supra* note 137, at 6-7.

n142. Id. at 8.

n143. *Id.* "Proving bad faith by clear and convincing evidence could be difficult The URS's heightened burden of proof arguably overcompensates and protects the respondent too much, as ACPA proceedings have invoked a lower burden of proof with success." Pahl & Null, *supra* note 139, at 1783-85.

n144. For GNSO Consideration: Uniform Rapid Suspension System (URS), *supra* note 137, at 8. If the complainant wanted the domain name transferred, the complainant would have to file a UDRP complaint as well. *Id.*

n145. " Both WIPO and the National Arbitration Forum NAF have publicly stated that, with IP attorney arbitrator fees averaging \$ 650 per hour, there is no way they can procure the services of credible experts at that price, much less cover their own administrative costs." Philip Corwin, ICANN Names WIPO as Exclusive Arbitrator of Legal Rights Objections to New gTLDs, Internet Commerce Association (Feb. 17, 2012), http://www.internetcommerce.org/WIPO_LRO.

n146. *Id.*

n147. Kevin Goldberg, ICANN's New Uniform Rapid Suspension System, *CommLawBlog* (Dec. 13, 2011), <http://www.commlawblog.com/2011/12/articles/intellectual-property/icanns-new-uniform-rapid-suspension-system/>.

ICANN is woefully behind on developing the implementation details for [URS] ICANN staff had indicated ... that a URS [Implementation Advisory Group] would be launched within a month after that October 2011 gathering, but more than a quarter year later we have yet to see any progress on this front. That unexplained delay may well be due to ICANN's implausible promise to trademark owners that the URS would carry a fee of only \$ 300.

Corwin, *supra* note 145. WIPO also expressed its doubts, calling the process "overburdened." See WIPO Observations on New gTLD Dispute Resolution Mechanism, *supra* note 136.

30 of 47 DOCUMENTS

**ROYAL OAK ENTERPRISES, LLC, Plaintiff, v. NATURE'S GRILLING
PRODUCTS, LLC, Defendant.**

CIVIL ACTION NO. 1:10-CV-2494-JEC

**UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
GEORGIA, ATLANTA DIVISION**

2011 U.S. Dist. LEXIS 133856

**November 21, 2011, Decided
November 21, 2011, Filed**

CORE TERMS: discovery, summary judgment, protective order, grilling, trademark, scheduling, sur-reply, moot, privileged documents, leave to file, bullying, subpoena, movant, similarity, charcoal, insurer's, party's case, trademark infringement, claim file, genuine issue, anticipation of litigation, declaration, briquets, prevail, log, party's claim, material fact, nonmoving party, quotation marks omitted, question of fact

COUNSEL: [*1] For Royal Oak Enterprises, LLC, Plaintiff, Counter Defendant: George Marshall Thomas, Norman Andrew Crain, Thomas, Kayden, Horstemeyer & Risley, LLP, Atlanta, GA.

For Nature's Grilling Products, LLC, Defendant: Anandhi S. Rajan, Swift Currie McGhee & Hiers, Atlanta, GA; David L. Pardue, Swift, Currie, McGhee & Hiers, LLP, Atlanta, GA.

For Nature's Grilling Products, LLC, Counter Claimant: David L. Pardue, Swift, Currie, McGhee & Hiers, LLP, Atlanta, GA.

JUDGES: JULIE E. CARNES, CHIEF UNITED STATES DISTRICT JUDGE.

OPINION BY: JULIE E. CARNES

OPINION

ORDER and OPINION

This case is presently before the Court on defendant's Motion For Protective Order [21], defendant's Motion For Summary Judgment [23], defendant's Motion For Protective Order Regarding Privileged Documents [27], plaintiff's Motion To Deny Summary Judgment Under Rule 56(d) [33], defendant's Emergency Motion For Scheduling Conference [38], defendant's Motion For Leave To File Sur-Reply [46], and the parties' Joint Motion For A Discovery Extension [49].

The Court has reviewed the record and the arguments of the parties and, for the reasons set out below, concludes that defendant's Motion For Protective Order [21] should be **DENIED as moot**, defendant's Motion [*2] For Summary Judgment [23] should be **DENIED without prejudice**, defendant's Motion for Protective Order Regarding Privileged Documents [27] should be **GRANTED**, plaintiff's Motion To Deny Summary Judgment [33] should be **GRANTED**, defendant's Emergency Motion For Scheduling Conference [38] should be **DENIED**, defendant's Motion For Leave To

File Sur-Reply [46] should be **DENIED as moot**, and the parties' Joint Motion For A Discovery Extension [49] should be **GRANTED**.

BACKGROUND

This is a trademark case. Plaintiff Royal Oak Enterprises, LLC ("Royal Oak") uses the mark "Nature-Glo" in connection with its sale of charcoal and wood briquets, wood chips and grill wood. (Compl. [1] at ¶¶ 9, 15.) The original owner of the "Nature-Glo" mark, Hickory Specialties, Inc., adopted and began using the mark in its charcoal and grilling products business in 1985. (*Id.* at ¶ 8.) Hickory Specialties registered the mark with the United States Patent and Trademark Office ("USPTO") in 1987, and subsequently assigned the mark to plaintiff. (*Id.* at ¶¶ 10, 15.)

Defendant Nature's Grilling Products, LLC ("Nature's Grilling") is in the business of selling natural and sustainable grilling products, including charcoal briquets. [*3] (Def.'s Br. in Supp. of Summ. J. ("Def.'s Br.") [25] at 5-6.) In 2006, defendant began using the mark "Nature's Grilling Products" in connection with its business. (*Id.* at 5.) Defendant later shortened its mark to "Nature's Grilling." (*Id.*) Defendant filed an application to register the "Nature's Grilling" mark with the USPTO in February, 2008. (*Id.* at 6.) Approximately two years later, the USPTO notified defendant that the "Nature's Grilling" mark had been allowed for use in connection with charcoal briquets. (*Id.*)

Plaintiff contends that defendant's use of the term "Nature's Grilling" infringes plaintiff's preexisting rights in the mark "Nature-Glo." (Compl. [1] at ¶ 28.) In its complaint, plaintiff asserts federal claims against defendant for trademark infringement and unfair competition, and state claims for infringement and deceptive trade practices. (*Id.* at ¶¶ 23-45.) Assuming that it prevails on its claims, plaintiff seeks an injunction prohibiting defendant from using the "Nature's Grilling" mark, as well as compensatory damages and the costs of the action. (*Id.* at 11-12.)

Discovery in this case was scheduled to close in May, 2011, but it is largely incomplete as a result of [*4] several intervening motions filed by the defendant. Specifically, defendant has filed a motion for a protective order regarding discovery pending resolution of its separate motion for summary judgment. (Def.'s Mot. for Protective Order [21] and Mot. for Summ. J. [23].) According to defendant, this action should be summarily dismissed prior to discovery because it constitutes "trademark bullying." (Def.'s Br. [25] at 1-4.) In response to defendant's highly unusual request for summary judgment without any discovery, plaintiff has filed a motion to deny summary judgment pursuant to Federal Rule 56(d). (Pl.'s Mot. to Deny Summ. J. [33].)

In addition to the above motions, defendant has filed a motion requesting general protection from discovery and a protective order as to certain allegedly privileged documents. (Def.'s Mot. for Protective Order [27] and Mot. for Scheduling Conference [38].) The parties have also filed a joint motion to extend the discovery deadline, which expired nearly six months ago.¹ (Jt. Mot. for Extension [49].) All of these motions are presently before the Court.

¹ Defendant's motion for leave to file a sur-reply also appears on the docket. (Def.'s Mot. for Leave [46].) [*5] The proposed sur-reply pertains to plaintiff's motion for a stay of this action pending a ruling by the Trademark Trial and Appeal Board ("TTAB") in a cancellation proceeding. (*Id.*) The Court previously denied plaintiff's motion for a stay. (Order [52].) Accordingly, defendant's motion for leave to file a sur-reply addressing the stay issue [46] is **DENIED as moot**.

DISCUSSION

I. Defendant's Motion For Summary Judgment

A. Standard

Summary judgment is appropriate when the pleadings, the discovery and disclosure materials on file, and any affidavits

show that there is no genuine issue as to any material fact and that the movant is entitled to a judgment as a matter of law. FED. R. CIV. P. 56(c). A fact's materiality is determined by the controlling substantive law. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248, 106 S. Ct. 2505, 91 L. Ed. 2d 202 (1986). An issue is genuine when the evidence is such that a reasonable jury could return a verdict for the nonmovant. *Id.*

Summary judgment is not properly viewed as a device that the trial court may, in its discretion, implement in lieu of a trial on the merits. Instead, Rule 56 mandates the entry of summary judgment against a party who fails to make a showing sufficient to establish [*6] the existence of every element essential to that party's case on which that party will bear the burden of proof at trial. *Celotex Corp. v. Catrett*, 477 U.S. 317, 322, 106 S. Ct. 2548, 91 L. Ed. 2d 265 (1986); FED. R. CIV. P. 56(c). In such a situation, there can be "no genuine issue as to any material fact," as "a complete failure of proof concerning an essential element of the nonmoving party's case necessarily renders all other facts immaterial." *Celotex Corp.*, 477 U.S. at 323 (quoting FED. R. CIV. P. 56(c)) (internal quotation marks omitted).

The movant bears the initial responsibility of asserting the basis for his motion. *Id.* at 323. However, the movant is not required to negate his opponent's claim. The movant may discharge his burden by merely "showing"--that is, pointing out to the district court--that there is an absence of evidence to support the nonmoving party's case." *Id.* at 325. After the movant has carried his burden, the nonmoving party is then required to "go beyond the pleadings" and present competent evidence designating "specific facts showing that there is a genuine issue for trial." *Id.* at 324 (quoting FED. R. CIV. P. 56(e)) (internal quotation marks omitted). While the court is to view all evidence [*7] and factual inferences in a light most favorable to the nonmoving party, *Samples*, 846 F.2d at 1330, "the mere existence of *some* alleged factual dispute between the parties will not defeat an otherwise properly supported motion for summary judgment; the requirement is that there be no *genuine* issue of *material* fact." *Anderson*, 477 U.S. at 247-48.

B. Plaintiff's Trademark Claims

In order to prevail on its federal trademark infringement claims, plaintiff must show that defendant's use of the "Nature's Grilling" mark is likely to confuse consumers.² *Welding Servs., Inc. v. Forman*, 509 F.3d 1351, 1356 (11th Cir. 2007). Whether there is a likelihood of confusion is a question of fact, determined by weighing the following factors: (1) strength or distinctiveness of the allegedly infringed mark, (2) similarity of the infringed and infringing marks, (3) similarity of the goods or services offered under the two marks, (4) similarity of the sales methods used by the two parties, such as their sales outlets and customer base, (5) similarity of advertising methods, (6) intent of the alleged infringer to misappropriate the proprietor's good will, and (7) the existence and extent of actual confusion [*8] in the consuming public. *Id.* at 1360.

² Plaintiff's state claims are governed by the same standard. See *Future Prof'ls, Inc. v. Darby*, 266 Ga. 690, 691, 470 S.E.2d 644 (1996)(Georgia law "entitles a person to the protection of a trade name when another person's use of a similar name" creates a likelihood of confusion) and *Impreglon, Inc. v. Newco Enters.*, 508 F. Supp. 2d 1222, 1242-43 (N.D. Ga. 2007)(Story, J.)(recognizing that the Lanham Act and the Georgia UDTPA are governed by the same standard).

For purposes of the present motion, defendant concedes that the goods offered for sale under the two marks are the same, and that the parties use similar advertising methods. (Def.'s Br. [25] at 10.) Nevertheless, and in spite of the lack of any discovery on the relevant issues, defendant argues that summary judgment is warranted because the remaining factors overwhelmingly weigh in its favor. (*Id.*) Specifically, defendant asserts that the "Nature's Grilling" and "Nature-Glo" marks "drastically differ" in sound and appearance. (*Id.* at 11-20.) In addition, defendant submits the declaration testimony of its founder Bradley Natrass that defendant: (1) uses different channels of trade and does not share [*9] a customer base with plaintiff and (2) did not intend to take advantage of plaintiff's goodwill in the "Nature-Glo" mark. (*Id.* at 21-23.) Finally, defendant notes that it is unaware of any instances of actual confusion among consumers. (*Id.* at 24.)

Depending on the evidence that is developed during discovery, defendant may ultimately prevail on its motion for summary judgment. However, at this stage in the litigation, the motion is clearly premature. Contrary to defendant's suggestion, the marks at issue are not so obviously distinct that reasonable confusion is foreclosed. *Cf. Alaven Consumer Healthcare, Inc. v. DrFloras, LLC*, 399 Fed. Appx. 545, 547 (11th Cir. 2010)(upholding the district court's determination that "DrNatura" and "DrFloras" were insufficiently similar to create a triable issue of fact on trademark infringement). Considering that the products offered for sale under the marks are identical, discovery may reveal questions of fact on this issue.

As to the remaining factors, plaintiff is entitled to discovery in order to: (1) test the veracity of the declaration testimony submitted by defendant and (2) explore fact-intensive issues such as intent and actual confusion. *See* [*10] FED. R. CIV. P. 56(d)(providing for discovery where a nonmovant "cannot present facts essential to justify its opposition" to summary judgment) and *Snook v. Trust Co. of Georgia Bank of Savannah, N.A.*, 859 F.2d 865, 870 (11th Cir. 1988)("This court has often noted that summary judgment should not be granted until the party opposing the motion has had an adequate opportunity for discovery."). *See also Vining v. Runyon*, 99 F.3d 1056, 1058 (11th Cir. 1996)("it is error for a district court to decide a summary judgment motion before ruling on an outstanding motion to compel"). Even in the absence of any discovery, plaintiff has produced evidence that contradicts defendant's assertions as to the channels of trade. (Pl.'s Resp. to Def.'s Mot. for Summ. J. ("Pl.'s Resp.") [32] at 22-24.)

In fact, defendant concedes in a different pleading that at least some discovery is warranted "out of respect for fair play and the general notion of a sort of civil Sixth Amendment right to cross-examination." (Def.'s Resp. to Pl.'s Mot. to Deny Summ. J. Under Rule 56(d) [39] at 1.) The Court agrees with that statement. Moreover, the Court is persuaded by plaintiff's argument that discovery is required by [*11] Rule 56(d). (Pl.'s Mot. to Deny Summ. J. Under Rule 56(d) [33].) Accordingly, the Court **GRANTS** plaintiff's Motion to Deny Summary Judgment Under Rule 56(d) [33] and **DENIES without prejudice** defendant's Motion for Summary Judgment [23]. Defendant will be permitted to renew its motion for summary judgment following discovery.³

³ In accordance with these rulings, and to clarify the docket, the Court **DENIES as moot** defendant's motion for a protective order as to discovery [21] pending the Court's ruling on summary judgment. Defendant effectively achieved a stay by refusing to participate in discovery prior to the Court's ruling.

II. Discovery Motions

A. General Protective Order

The question that remains to be decided is whether plaintiff is entitled to full discovery prior to the summary judgment ruling. In its motion for a scheduling conference, defendant argues that discovery should be strictly limited in its scope and time frame. (Def.'s Mot. for Emergency Scheduling Conference [38].) As a justification for imposing such limits, defendant again invokes the "trademark bullying" rationale. (*Id.* at 6.) According to defendant, this case is simply an attempt by plaintiff to rid itself of a competitor [*12] under the guise of enforcing trademark rights. (*Id.*) Defendant suggests that its survival will be threatened by the expense of full discovery and the length of time required to complete it. (*Id.* at 4-5.)

Defendant's arguments are unpersuasive. As an initial matter, there is insufficient evidence in the record to simply accept, without question, defendant's trademark bullying theory. In support of its theory, defendant cites a USPTO survey and recent Congressional action concerning the "epidemic" of trademark bullying. (Def.'s Br. [25] at 1, 4.) Of course, the fact that trademark bullying is becoming more common does not mean that plaintiff is guilty of it in this particular case. Further, hyperbolic name-calling of one's opponent tends to suggest some insecurity about the merits of one's own position.

Defendant also presents declaration testimony suggesting that plaintiff recently lost a contract to defendant in a competitive bidding process. (Natrass Decl. [36] at 2-4.) Assuming the testimony is true, it does not necessarily follow that plaintiff filed this action in retaliation. Indeed, the fact that plaintiff concurrently filed a cancellation proceeding with the TTAB suggests otherwise. [*13] In any case, the declarant's statements are open to dispute, as they have not been tested by deposition or otherwise in discovery.

Furthermore, defendant's stated concerns about its ability to fund the litigation and survive during the time required to complete full discovery are suspect. Defendant claims that it does not have the necessary cash reserves to pay "exorbitant attorneys' fees for protracted and burdensome litigation." (*Id.* at 4.) However, in other pleadings, defendant asserts that this litigation "costs zero" to defendant as a result of its insurance coverage. (Def.'s Br. in Supp. of Mot. to File Sur-Reply [46] at 10.) Certainly defendant's conduct of the litigation thus far, including its extensive filing of non-meritorious motions, has not been especially cost-sensitive. As to the time factor, discovery could have been completed six months ago if defendant had merely complied with the original scheduling order, rather than filing a pre-discovery motion for summary judgment that counsel could not have reasonably expected would actually be granted.

In short, there is no good reason to deviate in this case from the usual course of discovery. Accordingly, the Court **DENIES** [*14] defendant's motion for a scheduling conference [38] and the relief requested therein. To facilitate the discovery process, the Court **GRANTS** the joint motion for an extension of time to complete discovery [49]. Discovery will begin on the date of this order, and will conclude in four (4) months. As to its scope, all discovery requests should comply with Rule 26(b) of the Federal Rules of Civil Procedure. *See* FED. R. CIV. P. 26(b)(permitting discovery "regarding any nonprivileged matter that is relevant to any party's claim or defense"). Pursuant to Rule 26(c), the parties should make every effort to resolve any disputes that arise without the involvement of the Court. *See* FED. R. CIV. P. 26(c)(requiring "an effort to resolve [discovery] dispute[s] without court action").

B. Protective Order As To Privileged Documents

In addition to its general request for protection from discovery, defendant has filed a motion for a protective order as to specific documents that are allegedly privileged. (Def.'s Mot. for Protective Order [27].) The documents at issue are the subject of a subpoena served on defendant's insurer, Nautilus Insurance Company ("Nautilus"). (*Id.* at Ex. B.) The subpoena encompasses [*15] the entire Nautilus claim file, including any communications with defendant and/or defense counsel since the beginning of the litigation. (*Id.*)

Federal Rule of Civil Procedure 26(b)(3) generally prohibits the discovery of "documents . . . that are prepared in anticipation of litigation or for trial by or for another party or its representative." FED. R. CIV. P. 26(b)(3). The prohibition expressly extends to documents created by a party's insurer. *Id.* Pursuant to Rule 26(b)(3), such documents may only be discovered if the party requesting them "shows that it has substantial need for the materials to prepare its case and cannot, without undue hardship, obtain their substantial equivalent by other means." *Id.*

The documents described in the Nautilus subpoena clearly fall within the protection of Rule 26(b)(3). *See Carver v. Allstate Ins. Co.*, 94 F.R.D. 131, 134 (D.C. Ga. 1982)(once litigation is imminent, an insurer's claim file is maintained "in anticipation of litigation" and its contents are protected by Rule 26(b)(3)) and *Taylor v. Temple & Cutler*, 192 F.R.D. 552, 558 (E.D. Mich. 1999)(files generated during an insurer's investigation of a third party claim are made in anticipation of [*16] litigation and are not discoverable). The subpoena specifically covers documents related to the litigation that were generated after the case was filed. (Def.'s Mot. for Protective Order [27] at Ex. B.)

Plaintiff does not even attempt to show "substantial need" or "undue hardship." (Pl.'s Resp. to Mot. for Protective Order [31].) Indeed, plaintiff does not provide any substantive response to defendant's motion. (*Id.*) Rather, plaintiff argues that the motion should be denied because defendant did not: (1) submit a memorandum of law in support of its motion or (2) provide a privilege log as required by Rule 26(b)(5). (*Id.* at 1-2.)

Plaintiff's arguments are unavailing. Defendant's motion adequately sets forth its fairly simple legal argument concerning Rule 26(b)(3), and cites the appropriate authorities. A formal brief is not necessary. With regard to the privilege log, Rule 26(b)(5) technically does not apply because plaintiff's subpoena is not directed to a "party" in the case. *See* FED. R. CIV. P. 26(b)(5). Moreover, a privilege log would serve no purpose here because defendant seeks protection for the entire Nautilus claim file. As plaintiff fails to assert any persuasive argument for [*17] permitting discovery of the file, the Court **GRANTS** defendant's motion for a protective order [27].

CONCLUSION

For the foregoing reasons, the Court **DENIES as moot** defendant's Motion For Protective Order [21], **DENIES without prejudice** defendant's Motion For Summary Judgment [23], **GRANTS** defendant's Motion for Protective Order Regarding Privileged Documents [27], **GRANTS** plaintiff's Motion To Deny Summary Judgment [33], **DENIES** defendant's Emergency Motion For Scheduling Conference [38], **DENIES as moot** defendant's Motion For Leave To File Sur-Reply [46], and **GRANTS** the parties' Joint Motion For A Discovery Extension [49].

So ORDERED this 21st day of November, 2011.

/s/ Julie E. Carnes

JULIE E. CARNES

CHIEF UNITED STATES DISTRICT JUDGE

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Article: RESOLVING THE IP DISCONNECT FOR SMALL BUSINESSES

NAME: Leah Chan Grinvald*

BIO: * ©2012 Leah Chan Grinvald. Assistant Professor of Law, Saint Louis University School of Law. For their helpful comments, the author would like to thank Cynthia Ho, Patricia L. Judd, Marcia McCormick, Karen Petroski, Lisa P. Ramsey, Marketa Trimble, Peter K. Yu, Mary Ziegler, the participants at the Eighth Annual Works-in-Progress in Intellectual Property Conference, the 2011 Intellectual Property Scholars Roundtable, and the 2010 December Conference of Asian Pacific American Law Faculty. The author would also like to thank Erin McGowan, John O'Brien, and Cory Smith for their invaluable research assistance, the Saint Louis University School of Law for its generous research support, and the editors of the Marquette Law Review.

LEXISNEXIS SUMMARY:

... Provisions to Encourage Use of Detention Procedures by Trademark Holders Not only does ACTA require that the United States provide a method for trademark holders to request detentions of suspected shipments, there are also a number of provisions in ACTA that encourage such use by trademark holders. ... Further, ACTA's mandate to include mere trademark infringement into the United States' border measures may mean that the CBP will need to revise its current procedures with respect to merely infringing shipments. ... Further, in cases where the CBP has provided personally-identifiable information to trademark holders prior to making a determination of infringement, small businesses are vulnerable to interference by trademark bullies on perfectly legitimate products. ... Such a rigorous timeframe and a requirement for proactive steps on the part of trademark holders can be found in other international agreements, such as in the Agreement on Trade-Related Aspects of Intellectual Property (TRIPS), as well as in the European Union (EU). ... Either of these situations would indicate that the requesting trademark holder has not sufficiently undertaken an analysis of her trademark rights vis-a-vis the importer.

HIGHLIGHT:

Small businesses are an important component of the American economy. In fact, the jobs created by small businesses could assist the United States in overcoming its most recent economic downturn. Paradoxically, though, the failure rate of small businesses is quite high. Although various factors contribute to this high failure rate, one of the factors the U.S. government has focused on has been the disproportionate impact that intellectual property laws, policies, and their enforcement may have on small businesses. While the U.S. government has paid attention to the impact of domestic intellectual property laws on small businesses, the government has paid little attention to the impact that the implementation of international intellectual property obligations may have on small businesses. This disconnect threatens to undo the efforts of the U.S. government, as implementation of these obligations in the United States pose similar hurdles to success for small businesses. One recent example of this disconnect and potential for serious harm to

small businesses is the Anti-Counterfeiting Trade Agreement (ACTA), where the U.S. government has seemingly all but ignored small businesses. This Article uses ACTA as an example of how the U.S. government should be analyzing and negotiating international intellectual property agreements with an eye toward the impact on small businesses, which would thereby resolve the disconnect and create a coherent policy approach.

TEXT:

[*1493]

I. Introduction

Small businesses are the heart of the American economy, accounting for approximately sixty percent of all job creation in any given year.ⁿ¹ The United States government has recognized that small businesses may be the key to leading the United States out of its recent economic downturn.ⁿ² At the same time, starting a small business is a risky proposition. Approximately fifty percent of all new businesses fail within the first five years.ⁿ³ This vulnerability to failure is due to a number of factors, including the disproportionate impact that certain laws may have on small businesses.ⁿ⁴ Such laws may be those involving intellectual property,ⁿ⁵ employment,ⁿ⁶ taxes,ⁿ⁷ and international trade,ⁿ⁸ to **[*1494]** name a few. In particular, the U.S. government has recognized that intellectual property laws, policies, and their enforcement can have unintended consequences that may impact the viability of some small businesses.ⁿ⁹ In recent years, the U.S. government has recognized this unintended harm to small businesses and, through a number of governmental agencies, has established a variety of programs to assist small businesses in overcoming hurdles posed by domestic laws.ⁿ¹⁰

However, there is a disconnect between the U.S. government's efforts to assist small businesses with domestic intellectual property laws on the one hand, and the international agreements it enters into on the other hand.ⁿ¹¹ This disconnect threatens to undo the efforts of the U.S. government to assist small businesses, as these agreements may contain intellectual property provisions that will have deleterious effects on small businesses once they are implemented domestically. These deleterious effects may range from creating more competition for small businesses in the United States,ⁿ¹² raising barriers to doing business,ⁿ¹³ to directly **[*1495]** impacting financial resources.ⁿ¹⁴ This disconnect is a serious concern as the United States has negotiated a number of international agreements that contain intellectual property obligations, in addition to currently negotiating the Trans-Pacific Partnership Agreement.ⁿ¹⁵ Policymakers in the United States need to take into account the harms that domestic implementation of these obligations will have on small businesses.

This Article examines one recent example of this disconnect and potential for serious harm to small businesses, the Anti-Counterfeiting Trade Agreement (ACTA),ⁿ¹⁶ where the U.S. government has seemingly all but ignored small businesses.ⁿ¹⁷ As a result, the signed agreement **[*1496]** contains a number of provisions that have the potential to harm small businesses in their implementation in the United States.ⁿ¹⁸ In particular, this Article argues that there are at least two negative intellectual property-related implications for small businesses: first, small businesses will be more vulnerable to detentions and seizures of their imported products at the U.S. border, and second, trademark bulliesⁿ¹⁹ will be provided with a more effective framework for bullying. Both implications have a very real potential for harming American small businesses, as the ability to import products into the United States directly impacts a business' ability to remain competitive in the market and maintain its business.ⁿ²⁰ As mentioned above, small businesses are already vulnerable to financial failure;ⁿ²¹ therefore, any additional negative financial impact may push a greater number of small businesses into bankruptcy.

[*1497] Although this Article provides a number of proposals that could help mitigate the impact ACTA will have on small businesses, these proposals are merely examples of how policymakers should rethink their approach with respect to international intellectual property agreements that have already been adopted or fully negotiated.ⁿ²² This Article suggests that interpretation, adoption of safeguards, and education can assist in overcoming barriers that may be posed by such agreements. With respect to future agreements, this Article urges policymakers to take small business concerns into account when negotiating international intellectual property-related agreements (for example, in the

current ongoing negotiations of the Trans-Pacific Partnership Agreement ⁿ²³) and when implementing these agreements in the United States. If policymakers do so, the United States will have a coherent policy approach to small businesses, which will make the assistance it provides to small businesses more effective.

The remainder of this Article will proceed in six parts. Part II will provide an overview of the hurdles posed by intellectual property laws to small businesses and the U.S. government assistance in overcoming these hurdles. Part III will provide background information on ACTA, including an overview of the agreement, an identification of the specific provisions that are of concern, and a comparison of the new provisions to existing law and regulations. Part IV will analyze the provisions of [*1498] ACTA that contribute to the first implication for small businesses, which is that small businesses will be more vulnerable to border seizures. Part V will focus on the second implication for small businesses, that ACTA provides a more effective bullying framework to trademark bullies. Part VI will turn to the proposals of this Article that may assist in mitigating harms for small businesses, and Part VII concludes this Article.

II. Small Businesses, Harms to Viability from Intellectual Property Laws and U.S. Government Response

Intellectual property rights - the umbrella term for the various intangible ownership rights in inventions, ⁿ²⁴ brand symbols, ⁿ²⁵ and original works in recordable media ⁿ²⁶ - pose unique challenges to small businesses. ⁿ²⁷ As intellectual property rights give exclusivity over use, duplication, distribution, exploitation (among other rights) to the right holder, small businesses run into a variety of issues in starting up or in conducting business. ⁿ²⁸ In fact, overly protective intellectual property rights may harm the viability of small businesses, ⁿ²⁹ or prevent small [*1499] businesses from entering into a particular market. ⁿ³⁰ For example, due to expanded trademark rights, small businesses face an increasing threat from trademark bullies that threaten litigation, which if instituted could cause the targeted victims to enter into bankruptcy. ⁿ³¹ Recently, the U.S. Congress and the Obama Administration have recognized this, and as a response, Congress has held hearings and requested studies to be undertaken to determine whether changes to American intellectual property laws are needed. ⁿ³² In addition, the Obama Administration, through the Small Business Administration and other governmental entities, has worked to provide resources to small businesses in order to mitigate some of the harms intellectual property laws pose. ⁿ³³ However, as will be discussed in Parts III through V below, if the U.S. government does not pay similar attention to its international intellectual property obligations, small businesses will continue to be negatively impacted by intellectual property laws.

A. Harms to Small Businesses from Intellectual Property Laws

Although intellectual property rights can sometimes be beneficial to small businesses, ⁿ³⁴ there are significant harms that can arise that may impact viability. These harms arise because the intellectual property right holder is given exclusivity over her patent, trademark, or copyright. Depending on the type of right held, the right holder has the ability to exclude third parties from utilizing her intellectual property in a number of different ways. ⁿ³⁵ Patents, for example, give a patent holder [*1500] the right to exclude third parties from duplicating the holder's invention, as well as distributing or even using the patented invention in another product. ⁿ³⁶ As another example, trademark law gives a trademark holder the right to exclude third parties from "using 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." ⁿ³⁷

Due to this, small businesses run into a variety of problems when starting up a business, or in conducting business. The first problem arises in starting a business. Intellectual property rights raise the costs of starting a business because entrepreneurs should conduct "clearance" searches to find any existing intellectual property rights that their products or services may infringe. ⁿ³⁸ To start a business without conducting a search for existing rights is risky. For example, if an entrepreneur starts a business selling fans without conducting a prior search, she is exposed to the risk that her fan may contain elements covered by a patent or that such elements constitute another's trademark. ⁿ³⁹ If the patent or trademark holder enforces their rights against the entrepreneur, the new business will run into the issues discussed below. However, the costs associated with conducting a clearance search may be outside of the entrepreneur's budget because

such clearance searches can be costly.ⁿ⁴⁰ In addition, even if the entrepreneur conducts such a search, finds existing intellectual property rights, and seeks to create a design that does not infringe on those rights, moving forward may be too costly for a small business.ⁿ⁴¹ Further, [*1501] licensing opportunities of the right holder's intellectual property may also be outside the budget of the entrepreneur's start-up expenses.ⁿ⁴² In total, the requirements to search, invest in research to design non-infringing products, and pay potential license fees all create high barriers to entry for small businesses.ⁿ⁴³ This may mean that some entrepreneurs will be thwarted from starting a business, which lowers the potential for job creation by small businesses.ⁿ⁴⁴

Another problem arises from the enforcement of intellectual property rights against small businesses. In the example above, if the small business did not conduct a prior search and the business' product potentially infringes another's right, the small business would have been vulnerable to a lawsuit brought by the intellectual property right holder.ⁿ⁴⁵ Litigation is an expensive proposition.ⁿ⁴⁶ If the small business decides to defend itself in the lawsuit, the business needs to have enough resources to continue the lawsuit through to the final appeal.ⁿ⁴⁷ In addition, even if the small business decides to not fight the lawsuit (or the right holder just threatens to bring a lawsuit) and the parties settle, a [*1502] settlement may be too costly for the small business to continue its business. In a settlement, the right holder may demand a license fee from the small business, expulsion of profits, delivery of the infringing goods, or attorney's fees (or all of the above).ⁿ⁴⁸ Further, some of these threats may be without merit because intellectual property rights bullies may abusively claim infringement knowing that small businesses lack the resources to fight lawsuits.ⁿ⁴⁹ Therefore, enforcement of intellectual property rights can raise the costs of doing business for small firms, which has been found by at least one study to be the number one cause for small entities to fail.ⁿ⁵⁰

B. U.S. Government Assistance to Mitigate Harms to Small Businesses

Since 1942, the U.S. government has recognized that small businesses need extra support and resources in order to succeed in the marketplace.ⁿ⁵¹ One of the ways in which the government provides assistance to small businesses is through the Small Business Administration (SBA).ⁿ⁵² The implementing legislation for the SBA recognized that the "security and well-being [of the American economic system] cannot be realized unless the actual and potential capacity of small business is encouraged and developed."ⁿ⁵³ With respect to the harms posed by intellectual property laws, the SBA's assistance to small business owners is primarily in educating them about intellectual [*1503] property rights.ⁿ⁵⁴ Educating small business owners is critical because without such knowledge, small business owners may not even be aware of the risks that they are taking in starting up a business. As part of its educational measures, the SBA maintains an online community board where small business owners can post questions they may have about intellectual property laws and have them answered by experts.ⁿ⁵⁵

Similarly, other governmental agencies maintain educational programs that target small businesses, such as the U.S. Patent and Trademark Office (PTO). Its "Small Business Education Campaign" seeks to "curb [intellectual property] crime and strengthen [intellectual property] enforcement - both domestically and overseas."ⁿ⁵⁶ As part of this program, the PTO maintains a telephone hotline where small businesses can call and speak to an intellectual property attorney at the PTO.ⁿ⁵⁷ In addition, the PTO conducts outreach seminars targeted at small businesses.ⁿ⁵⁸

On the legislative side, the U.S. Congress has addressed the challenges that small businesses face with respect to intellectual property laws. For example, the House Committee on Small Businesses has held a variety of hearings aimed at determining how to revise current intellectual property laws to better serve small businesses. As part of the ongoing debates on patent reform, the Committee held a hearing entitled "The Importance of Patent Reform on Small Business" in 2007.ⁿ⁵⁹ During the hearing, the Committee heard from a number of witnesses regarding the changes to the American patent laws that would assist small businesses.ⁿ⁶⁰ With respect to enforcement of intellectual property laws, Congress recognized that small businesses were vulnerable to over enforcement and abuse.ⁿ⁶¹ In the Trademark Technical and Conforming Act passed in early 2010, Congress commissioned a report from the Intellectual Property Enforcement Coordinator to study "the extent to which small businesses may be [*1504] harmed by litigation tactics by corporations attempting to enforce trademark rights beyond a reasonable interpretation of the scope of the rights granted to the trademark owner."ⁿ⁶²

With respect to international intellectual property laws, the U.S. government has shown concern that small businesses may be adversely impacted.ⁿ⁶³ To date, the United States has entered into at least seventeen separate agreements with other countries that contain a variety of intellectual property-related obligations.ⁿ⁶⁴ Many of these obligations are already implemented in the United States, but there remain some obligations that need to be implemented in order for the United States to be compliant with such agreements.ⁿ⁶⁵ Although Congress has questioned whether these agreements are a barrier to small businesses, the focus of such concern has been on the harm to small businesses arising from the inability to protect intellectual property rights in other countries.ⁿ⁶⁶ In addition, other governmental agencies have focused on intellectual property-related barriers to small businesses in exporting to other countries, rather than importing into the United States.ⁿ⁶⁷ Neither Congress nor any other branch of the U.S. government has examined whether these international obligations, as implemented domestically, could harm small businesses. As the U.S. government is continuously negotiating new agreements that contain intellectual property-related obligationsⁿ⁶⁸ (some of which may need to [*1505] be implemented into the United Statesⁿ⁶⁹), this disconnect threatens to undo the assistance that the U.S. government provides to small businesses.

III. The Anti-Counterfeiting Trade Agreement

One of the more recently negotiated international intellectual property-related agreements is the Anti-Counterfeiting Trade Agreement (ACTA).ⁿ⁷⁰ During the negotiations, small businesses appear to have been left out of the calculus.ⁿ⁷¹ The Office of the United States Trade Representative (USTR) has claimed that, "ACTA is consistent with existing U.S. law, and does not require any change to U.S. law for its implementation in the United States."ⁿ⁷² However, this Article argues that there are in fact a number of changes to current U.S. policy and practice that will need to be made in order to comply with ACTA,ⁿ⁷³ and such changes have the potential to harm small businesses.

[*1506]

A. Overview

Although the initial goal of the drafters was focused on counterfeiting and piracy, the early drafts of ACTA and related documents that were leaked beginning in 2007 showed that the proposed text of ACTA envisioned far broader changes to international intellectual property law and norms.ⁿ⁷⁴ For example, these early drafts envisioned the criminalization of all trademark infringement, rather than confining criminalization to counterfeit trademark products.ⁿ⁷⁵ Fortunately, the final text of ACTA is a marked improvement over these earlier drafts (for example, deleting the criminalization of trademark infringementⁿ⁷⁶); however, the current text still poses serious concerns for small businesses.ⁿ⁷⁷ Because there are numerous provisions in ACTA that may harm small businesses, this Article focuses on the immediate and direct harm for small businesses that import products [*1507] into the United States.ⁿ⁷⁸ Without the ability to effectively import products into the United States, the capital resources of small businesses will be hampered through a number of ways, including defaults on delivery obligations or elimination of inventory.ⁿ⁷⁹

B. Provisions of Concern

There are at least four different provisions in ACTA that have the potential to harm the ability of small businesses to effectively import products into the United States. While the U.S.T.R. maintains that there is no need to change U.S. laws to implement ACTA, this Article argues that compliance with ACTA will require the United States to expand the scope of its border enforcement measures, provide right holders with increased participation in border enforcement, provide additional information to right holders, and encourage right holders to utilize border enforcement measures. Parts IV and V argue that these provisions will increase small business vulnerability to border detentions and seizures, along with providing trademark bullies with a more effective framework for bullying small businesses.

1. Scope of Border Measures

As a first concern, Article 13 of ACTA will require that the United States broaden the scope of its enforcement at the

border. The relevant portion of Article 13 states, "In providing, as appropriate, and consistent with its domestic system of intellectual property rights protection ... for effective border enforcement of intellectual property rights, a Party should do so in a manner that does not discriminate unjustifiably between intellectual property rights" ⁿ⁸⁰ Currently the U.S. Customs and Border Protection agency (CBP) enforces American intellectual property rights at the border by detaining imported shipments that infringe an American right holder's intellectual property. ⁿ⁸¹ Prominent among the intellectual property rights that are enforced at the border [*1508] are trademarks. ⁿ⁸² Defined broadly, trademark infringement is the unauthorized use by a third party of another's trademark that is likely to cause confusion. ⁿ⁸³ However, the term "trademark infringement" refers to two different types of infringement: "mere" or "traditional" trademark infringement and counterfeiting. The differences between the two are vast.

In order for a trademark to be determined to be "counterfeit," the unauthorized trademark must be identical or "substantially indistinguishable from" a registered mark. ⁿ⁸⁴ In contrast, mere trademark infringement occurs when a third party's mark is similar enough to the original trademark that confusion is likely to occur among consumers of the trademark holder. ⁿ⁸⁵ The requirement that the unauthorized mark be identical or indistinguishable from the registered trademark means that the legal standard for determining a mark as counterfeit is much narrower than the standard for mere trademark infringement. Counterfeiting is considered the more severe form of trademark infringement, as seen in the different remedies that are available for instances of counterfeiting. In cases of mere trademark infringement, an injunction is the typical remedy. ⁿ⁸⁶ In cases of counterfeiting, an injunction and statutory damages are typical remedies. ⁿ⁸⁷ Statutory damages may be up to \$ 1 million for each mark on each product. ⁿ⁸⁸ Further, counterfeiting is a crime, punishable by up to [*1509] ten years in prison, a fine of no more than \$ 2 million (for individuals), or both. ⁿ⁸⁹

As will be discussed in Part IV, the current border enforcement efforts of the United States are focused on stopping counterfeit products from entering into the United States. ⁿ⁹⁰ This is understandable, as counterfeit products have the potential to harm Americans, whereas mere trademark infringement only has the potential to confuse consumers. ⁿ⁹¹ However, implementing Article 13 of ACTA will mean that the U.S. Customs and Border Protection (CBP) will need to revise its focus and include mere trademark infringement in its border enforcement efforts. This is due to the definition of the term "intellectual property" in Article 13, which is all-inclusive and incorporates a very broad notion of "trademark." ⁿ⁹² This means that all forms of potentially trademark infringing products will need to be detained by border enforcement authorities, not just those shipments that the authorities suspect contain counterfeited goods. This provision is problematic because it will mean that small businesses will be vulnerable to increased border detentions and seizures of their imported products. ⁿ⁹³

2. Right Holder Involvement in Border Measures

Another provision of concern is Article 16(1), which requires that the United States give right holders the ability to request detention of suspect shipments. ⁿ⁹⁴ The language of Article 16(1) provides, "Each [*1510] Party shall adopt or maintain procedures with respect to import and export shipments under which: ... (b) where appropriate, a right holder may request its competent authorities to suspend the release of suspect goods." ⁿ⁹⁵ This requirement would also be a change for the CBP, as the current CBP regulations do not include procedures for trademark holders to request detention of specific shipments. ⁿ⁹⁶

Although the CBP encourages right holders to provide to the CBP intelligence about specific shipments, there is no application procedure that the right holders follow (as envisioned by ACTA). ⁿ⁹⁷ It can be inferred from the CBP materials that the CBP may utilize the information provided by trademark holders, but that the decision to detain shipments is ultimately in the CBP's discretion while trademark holders play a passive role. ⁿ⁹⁸ This inference is further supported by the current CBP regulations that provide for trademark holders' recordation of their registered trademarks with the CBP, ⁿ⁹⁹ and provision of training materials and information. ⁿ¹⁰⁰ Therefore, if the United States [*1511] implements this requirement of ACTA, changes in the current CBP regulations and procedures would be needed. This would be a drastic departure from current practices and - combined with the provisions discussed in subsections 3 and 4 below - provides a new and more effective enforcement framework to trademark bullies, which would harm small businesses.

3. Disclosure of Information

Along with the increased trademark holder involvement in customs detentions of shipments, ACTA requires that the scope of information required to be disclosed to right holders be significantly broadened. Article 22(c) of ACTA requires that the following information be given to right holders: "description and quantity of the goods, the name and address of the consignor, importer, exporter, or consignee, and, if known, the country of origin of the goods, and the name and address of the manufacturer of the goods." ⁿ¹⁰¹ By comparison, the CBP currently provides similar information only in cases of counterfeit seizures. ⁿ¹⁰² In cases of mere trademark infringement, the CBP provides much less information: "Date of Importation; Port of Entry; Description of Merchandise; Quantity; [and] Country of Origin." ⁿ¹⁰³ Article 22(c) would require broad disclosure in all cases of trademark infringement and, therefore, would necessitate a change in current CBP interpretation and practice of U.S. law. As will be argued in Part V, this expanded scope of information required to be provided to right holders encourages more effective bullying of small businesses.

4. Provisions to Encourage Use of Detention Procedures by Trademark Holders

Not only does ACTA require that the United States provide a method for trademark holders to request detentions of suspected shipments, there are also a number of provisions in ACTA that encourage such use by trademark holders. In particular, Articles 17, 18 and 21 include such "encouragement" provisions.

Article 17 covers various matters related to the application process by the trademark holder to request detentions. Article 17(1) provides **[*1512]** that requesting trademark holders shall provide "adequate evidence to satisfy the competent authorities that ... there is prima facie an infringement of the right holder's intellectual property right" ⁿ¹⁰⁴ Although this language would seem to place a fairly heavy burden on requesting trademark holders, and thereby work as a disincentive, it is unclear the level of scrutiny that the CBP will apply to such applications.

In trademark litigation, the elements of a prima facie case of trademark infringement are: (1) valid trademark of the plaintiff with priority of use; (2) unauthorized use by the defendant; and (3) a likelihood of confusion between the plaintiff's trademark and defendant's use. ⁿ¹⁰⁵ However, embedded into these seemingly straightforward elements are a variety of complexities, as in the case of an alleged unauthorized use by the defendant. ⁿ¹⁰⁶ When dealing with mere trademark infringement, there are a variety of defenses that can turn an otherwise unauthorized use into a permissible one. ⁿ¹⁰⁷ For example, a trademark holder's evidence of prima facie infringement may be copies of brochures of an importer's product that bear the trademark holder's mark alongside the importer's product. ⁿ¹⁰⁸ But such advertising may qualify for a nominative fair use defense or be permissible comparative advertising, and therefore, not be considered **[*1513]** trademark infringement. ⁿ¹⁰⁹ In addition, the final element of a prima facie case, the likelihood of confusion, is a multi-factor analysis that greatly differs from circuit to circuit, ⁿ¹¹⁰ and is further vulnerable to great subjectivity. ⁿ¹¹¹ All of this legal complexity provides CBP field officers with great leeway to determine likelihood of confusion and therefore, the requirement of a prima facie case may not be much of an impediment to trademark holders.

Moreover, the additional provisions of Article 17 seem to indicate that the drafters of ACTA wanted to encourage the use of the application process. An additional requirement for a requesting trademark holder is that it provide "sufficient information that may reasonably be expected to be within the right holder's knowledge to make the suspect goods reasonably recognizable by the competent authorities." ⁿ¹¹² As will be discussed below, it is unclear the level of information the term "reasonably recognizable" will require. ⁿ¹¹³ Further, the last sentence of Article 17(1) acts as a barrier to the United States to place greater restrictions on requesting trademark holders as it states, "The requirement to provide sufficient information shall not unreasonably deter recourse to the procedures described in subparagraphs 1(b) and 2(b) of Article 16 (Border Measures)." ⁿ¹¹⁴

Similarly, Article 18 encourages trademark holders to apply for detentions of shipments. Article 18 indicates that the United States should provide their customs authorities with the authority to request from trademark holders, "a reasonable security or equivalent assurance **[*1514]** sufficient to protect the defendant ... and to prevent abuse." ⁿ¹¹⁵ While the "reasonableness" of such security is not defined, the following sentence provides an insight into the levels

which ACTA envisions the United States to set: "Each Party shall provide that such security or equivalent assurance shall not unreasonably deter recourse to these procedures."ⁿ¹¹⁶ This requirement would appear to indicate that the levels of the security should be on the lower end of the scale and effectively creates a barrier to the United States being allowed to set higher levels of security in order to disincentivize abuse.

Finally, Article 21 places an additional barrier on the United States from requiring that requesting trademark holders pay high fees in order to discourage abuse. Article 21 provides, "Each Party shall provide that any application fee, storage fee, or destruction fee to be assessed by its competent authorities in connection with the procedures described in this Section shall not be used to unreasonably deter recourse to these procedures."ⁿ¹¹⁷ As will be discussed in Part IV, one of the ways to weed out non-serious or abusive actors is by setting fees at an amount at which only serious actors would be willing to pay.ⁿ¹¹⁸ By creating a barrier to such fee-setting, it appears that ACTA contemplates that some level of abuse should be tolerated by the United States. Altogether, these "encouragement" provisions found in Articles 17, 18, and 21 work to not only encourage abuse, but - as this Article argues in Part V - work hand-in-hand with Articles 16 and 22 to provide to trademark bullies a more effective framework for bullying.

IV. First Implication: Small Businesses Will Be More Vulnerable to Border Seizures

ACTA's mandate to include all forms of trademark infringement in the United States' border enforcement measures will mean that small businesses will be more vulnerable to border seizures. This is due to at least two factors. The first factor is that it will be more likely that shipments of products that are potentially merely trademark infringing will be detained by customs authorities.ⁿ¹¹⁹ Although ACTA's mandate **[*1515]** to include all forms of trademark infringement in border enforcement measures is not new to the United States' domestic legislation, the current focus of the U.S. CBP is on counterfeit products.ⁿ¹²⁰ Therefore, ACTA requires that the CBP broaden their net of detection at the border. The second factor is that small businesses are less likely to have the resources to know how to handle such detention. Small businesses are less likely than large businesses to be able to financially afford delays in importation of products or any losses of shipments that may arise through seizure.ⁿ¹²¹ This implication is particularly troubling, as the American economy depends in large part on the health of its small businesses.ⁿ¹²²

A. Broadening the Net of Detentions & Seizures

As discussed above, Article 13 of ACTA requires that all trademark infringing products be subject to the border measures of the United States.ⁿ¹²³ Legislatively, the scope of ACTA's border enforcement measures actually mirrors that of the federal trademark statute, the Lanham Act,ⁿ¹²⁴ and the customs-related statute, the Tariff Act.ⁿ¹²⁵ Section 42 of the Lanham Act provides,

No article of imported merchandise which shall copy or simulate the name of any domestic manufacture ... or which shall copy or simulate a trademark registered in accordance with the provisions of this chapter ... shall be admitted to entry at any customhouse of the United States.ⁿ¹²⁶

In addition, Section 526 of the Tariff Act reads,

[*1516]

It shall be unlawful to import into the United States any merchandise of foreign manufacture if such merchandise, or the label, sign, print, package, wrapper, or receptacle, bears a trademark owned by a citizen of ... the United States, and registered in the Patent and Trademark Office ... unless written consent of the owner of such trademark is produced at the time of making entry.ⁿ¹²⁷

Read together, Section 42 of the Lanham Act and Section 526 of the Tariff Act both prohibit the importation of goods

that infringe upon registered trademarks.

Based on this reading, it does not appear that Article 13 would necessitate a legislative change in the United States; rather, this Article argues that Article 13 would require a major change in the practices of the U.S. customs authorities. In its implementation of the Lanham and Tariff Acts, the U.S. CBP currently focuses its intellectual property enforcement efforts on counterfeited and pirated shipments.ⁿ¹²⁸ While shipments of products that are not counterfeit, but potentially are trademark infringing, are detained and seized at times,ⁿ¹²⁹ these shipments are not the primary focus of the U.S. government or the CBP.ⁿ¹³⁰ This can be seen in the manner in which the CBP promotes the work that it undertakes and in its interpretation of the relevant statutory provisions.

First, in almost every description of its priorities and focus on intellectual property enforcement, the CBP describes the scope of its measures in counterfeiting and piracy terms.ⁿ¹³¹ For example, in the overview of its intellectual property rights priority, the CBP states, "Stopping the flow of fake goods is a priority for the U.S. government, and CBP has designated intellectual property rights (IPR) enforcement as a Priority Trade Issue (PTI)."ⁿ¹³² In particular, the CBP attempts to [*1517] intercept those shipments that would contain products that threaten the health and safety of Americans.ⁿ¹³³ In the brochure entitled "Protecting Intellectual Property Rights at Our Borders," the encroachment on intellectual property rights defined as a serious problem is counterfeiting and piracy: "Growing global trade in pirated and counterfeit goods threatens the health and safety of people, their jobs, community competitiveness, trade, investment in research and innovation, and critical infrastructure and national security."ⁿ¹³⁴

Additionally, the CBP interpretation of the relevant provisions of the Lanham and Tariff Acts provides support that the CBP views its primary responsibility in intellectual property enforcement as related only to counterfeiting and piracy.ⁿ¹³⁵ First, the CBP regulations interpreting these federal laws differentiate between detention of counterfeit products on the one hand and products "bearing copying or simulating trademarks" on the other.ⁿ¹³⁶ This distinction is made without much statutory support: Section 42 of the Lanham Act does not distinguish between counterfeited trademarks and "copying or simulating ... trademarks."ⁿ¹³⁷ And although Section 526 of the Tariff Act distinguishes products bearing counterfeit trademarks in subsection (e), the purpose for such distinction could be seen to provide a different method of disposal for counterfeit products, as opposed to merely infringing products.ⁿ¹³⁸ The original Section 526 did not distinguish between counterfeit and merely infringing products.ⁿ¹³⁹

[*1518] More telling is the different treatment in the CBP monitoring efforts between counterfeit and merely infringing products. The CBP policy is to encourage trademark holders to "record" their federally-registered trademarks with the CBP: "Customs policy mandates that the majority of resources and emphasis should be placed upon the enforcement of recorded trademarks."ⁿ¹⁴⁰ While the CBP indicates that unrecorded trademarks may still be monitored at the borders (just not as a priority), the CBP actually does not provide the same protection to counterfeited unrecorded trademarks and merely infringed unrecorded trademarks.ⁿ¹⁴¹ Whereas CBP field officers are instructed that goods bearing counterfeit, but unrecorded, trademarks "may be seized" "where administratively feasible and appropriate,"ⁿ¹⁴² CBP field officers are instructed the opposite in cases of merely infringing, but unrecorded, trademarks. For this latter category, the CBP states that "Customs policy is to neither detain nor seize goods bearing such marks."ⁿ¹⁴³

Therefore, it would appear that Article 13 of ACTA would require the United States and the CBP to broaden its current focus to include not only counterfeit shipments but any shipment that may potentially contain trademark infringing products. Broadening the net of potential detentions and seizures will likely have a disproportionate impact on those small businesses who import products that bear trademarks similar to large trademark holders but are not counterfeits.ⁿ¹⁴⁴ In 2009, there were approximately 174,500 small businesses importing products into the United States.ⁿ¹⁴⁵ This represents approximately ninety-seven percent of the total number of importers in the United States.ⁿ¹⁴⁶ Specifically, those small businesses that operate in the private label market are likely to be importing products that may be more likely to be [*1519] detained under a broadened CBP enforcement net.ⁿ¹⁴⁷ Private label manufacturers produce products that are intended to be a low-cost alternative to branded products.ⁿ¹⁴⁸ Although some private label manufacturers have their own trademarks, they may appear to be similar to more well-known products due to characteristics such as fonts, colors, or packaging design.ⁿ¹⁴⁹ In addition, private label products may include the more

well-known product trademark as a manner of comparison for consumers.ⁿ¹⁵⁰ All of these factors increase the potential for these types of products to be detained by the CBP under ACTA's broadened requirements. In addition, depending on the standards used by the CBP to determine infringement, seizures and forfeitures may be the more likely outcome after an initial detention.ⁿ¹⁵¹ This greater potential for detention, seizure, and forfeiture of imported shipments will place an additional burden on small businesses' existing lowered resource levels and potentially increase the failure rate of small businesses in the United States.

B. Small Businesses' Lack of Resources

Another factor contributing to the increased vulnerability of small businesses to ACTA's enhanced border measures is the paucity of [*1520] resources that small businesses have to draw upon. In the United States, approximately seventy-eight percent of the twenty-seven million small businesses are owned and managed by a single individual without additional employees.ⁿ¹⁵² This means that most small business owners are managing every aspect of their business on a daily basis, from the day-to-day business aspects, to future planning, to handling legal claims such as customs detentions based on an allegation of trademark infringement. Unlike a large corporation with a staff of in-house lawyers who may be knowledgeable about customs procedures and trademark law, the small-business owner will likely not be informed as to his or her rights with respect to the customs authorities or trademark law, as she is likely to not be a lawyer.ⁿ¹⁵³ Even if the owner is a lawyer (or perhaps has family or friends that are lawyers), it is likely that trademark law is not her area of expertise.ⁿ¹⁵⁴

Without the internal capacity for an analysis of the allegation of trademark infringement by customs, the small business will need outside legal assistance. But unlike large corporations with large legal budgets and multiple outside law firms on retainer, small business owners generally operate on a very tight budget.ⁿ¹⁵⁵ Most small businesses are undercapitalized,ⁿ¹⁵⁶ which means that it is likely that the owner has not properly funded the business to begin with.ⁿ¹⁵⁷ To compound the [*1521] undercapitalization problem, many small businesses poorly estimate their future earnings and do not manage their cash flow well.ⁿ¹⁵⁸ In addition, it is unlikely that the small business owner will adequately budget for any potential customs detentions or seizures, as many small businesses conduct inadequate risk assessments.ⁿ¹⁵⁹ Further, it is unlikely that small businesses will be able to access low-cost legal resources. Although there are many governmental agencies in the United States with office liaisons that provide small business assistance, the CBP is not one of them.ⁿ¹⁶⁰ Similarly, while there are various non-profit entities devoted to providing legal assistance for intellectual property issues, such as the Volunteer Lawyers for the Arts organizations around the United States or law school legal clinics, these entities are likely not well-versed in customs procedures.ⁿ¹⁶¹ Even if these organizations do have the capacity to handle the unique cross section of intellectual property and customs issues that arise in a detention proceeding, barriers still exist to receiving legal assistance through these organizations, including the capacity of the organization and whether the small business meets the criteria of the organization.ⁿ¹⁶²

In addition, even if small businesses could access low-cost or free assistance, many small businesses may not be able to afford the delay in the release of their shipments from the customs authorities, in terms of both monetary and reputational costs. Under current CBP procedures, customs officers are allowed to detain shipments based on "reasonable suspicion" that the shipment likely infringes a registered trademark.ⁿ¹⁶³ [*1522] Even if no reasonable suspicion exists at the time of detention, CBP officers are allowed to detain shipments for up to five days in order to determine whether reasonable suspicion exists.ⁿ¹⁶⁴ If, after five days, reasonable suspicion is determined to exist, then the CBP sends a letter to the importer informing him or her of the detention.ⁿ¹⁶⁵

The next step in the detention process is that the importer has up to thirty days to meet one of the exceptions provided by the CBP in order for the shipment to not be seized and forfeited.ⁿ¹⁶⁶ These exceptions include the following: (1) the trademarks that are deemed to be infringing are removed from the products such that the products can no longer be associated with the infringed trademarks;ⁿ¹⁶⁷ (2) the importer can prove that he or she is legitimately associated with the trademark holder as either the recordant of the trademark or the holder's designate;ⁿ¹⁶⁸ (3) the trademark holder provides written consent to the importation of the shipment;ⁿ¹⁶⁹ or (4) the importer is claiming the one-item personal exemption.ⁿ¹⁷⁰ If none of these exceptions are met, then the shipment is subject to seizure and

forfeiture. ⁿ¹⁷¹

[*1523] In addition, this thirty-day timeframe for detentions may change with the enactment of ACTA. The current provisions of ACTA do not specify a timeframe in which the CBP needs to render a decision regarding the infringing nature of the shipment. The only limitation on such determination is that it should be made "within a reasonable period" after the shipment's detention. ⁿ¹⁷² From leaked prior versions of ACTA, it can be seen that the drafters debated specifying that this "reasonable" time period apply to the initiation of such determination proceedings, and not to the need to determine whether the shipment infringed. ⁿ¹⁷³ Therefore, this "reasonable" time period may be well beyond thirty days.

Further, ACTA's mandate to include mere trademark infringement into the United States' border measures may mean that the CBP will need to revise its current procedures with respect to merely infringing shipments. As mentioned above, during the thirty-day period after the CBP notifies the importer of a detained shipment that has been judged "confusingly similar" to a recorded trademark, the importer may remove the marks from the products. ⁿ¹⁷⁴ This provides the importer the opportunity to salvage a portion of her shipment, albeit without its original source identifying mark. While it is likely that the importer would need to expend resources to remove the infringing marks and perhaps replace them with new ones, this expense is likely to be less than the loss of the shipment altogether through seizure and forfeiture. However, the CBP will likely need to revise this procedure in the event of ACTA's implementation. Article 20(1) of ACTA requires that

Each Party shall provide that its competent authorities have the authority to order the destruction of goods following a [*1524] determination referred to in Article 19 (Determination as to Infringement) that the goods are infringing. In cases where such goods are not destroyed, each Party shall ensure that, except in exceptional circumstances, such goods are disposed of outside the channels of commerce in such a manner as to avoid any harm to the right holder. ⁿ¹⁷⁵

This provision effectively removes the CBP discretion to allow an importer to reclaim her shipment after removal of the infringing trademarks, as the release of the shipment to the importer will place the products into the "channels of commerce." ⁿ¹⁷⁶ Although Article 20(1) allows for some infringing goods to be disposed of within channels of commerce, the limitation of "exceptional circumstances" appears to require a high level of justification on the part of the CBP and importer for such release. It is likely that the average small business will not qualify under this exception, and the number of seizures and forfeitures may rise as a consequence. ⁿ¹⁷⁷

Many small businesses may not be able to financially afford such delays or losses of their shipments. Depending on the situation of a small business, the financial loss can arise from a number of different reasons. If the small business had contracted with a third party to deliver the products contained in the shipment by a certain date, or within a certain time period, any delay of the shipment by customs may cause the small business to be in breach of its contract. Delays in delivery, especially substantial delays, often provide contractual grounds for a third party to decline to accept and pay for the products even if [*1525] they are eventually delivered. ⁿ¹⁷⁸ In addition, if the delivery is never made (due to a seizure and forfeiture), the small business may be in total breach of its contractual obligations. Depending on the contract and third party, the small business may be liable for damages for its unintended breach. ⁿ¹⁷⁹

Although some small businesses may have insurance that could cover such losses, such small businesses could still face issues in obtaining payment under their policies. ⁿ¹⁸⁰ First, it is not certain that the coverage would be adequate to cover such losses. When purchasing insurance, a small business owner may decide to pay a lower premium in exchange for a higher deductible. ⁿ¹⁸¹ This may mean that when a loss occurs, the deductible may be the same amount as the loss of the shipment, which will not help the small business. ⁿ¹⁸² Second, the insurance company may decide to decline the small business' claim, depending on the scope of coverage that the small business selected at the time of purchasing the insurance. The scope of insurance policy coverage differs widely and oftentimes depends on the priorities that the small business laid out when purchasing the insurance. ⁿ¹⁸³ At the time of purchase, the small business owner may have

overlooked the need to include losses from potential trademark infringement claims. In addition, not all small businesses may purchase business insurance. While some types of insurance may be mandatory in some states, general business insurance is typically not required and may be too [*1526] costly, especially for start-up businesses in the early stages of business formation.ⁿ¹⁸⁴

Notwithstanding the financial impact that a delay or loss of a shipment may have on a small business, there may be other, non-financial consequences (or even indirect consequences). All businesses depend on their reputation, both for maintenance of their customer base and for future growth.ⁿ¹⁸⁵ Small businesses that deliver shipments late, or not at all, may lose good reputations that they have worked hard to build. Current customers may decline to perform under executed contracts, or they may decline to enter into future contracts. In addition, potential customers may choose to select to do business with another entity that has not had similar delivery or legal issues. As a consequence, the small business may have difficulty maintaining its current business, with the end result being bankruptcy. With the success rate of U.S. small businesses hovering at around fifty percent, it appears that these indirect and direct financial impacts could push the success rate even lower.ⁿ¹⁸⁶

V. Second Implication: ACTA Provides Trademark Bullies with a More Effective Framework for Bullying

Trademark bullying has become a problem in recent years in the United States and is a particular problem for small businesses due to their weakness vis-a-vis large trademark holders.ⁿ¹⁸⁷ Trademark bullying occurs when a large corporation enforces an unreasonable interpretation of its trademark rights against a small business through [*1527] the use of intimidation tactics.ⁿ¹⁸⁸ Trademark bullies tend to attempt to coerce small businesses into ceasing use of the bullies' trademarks through a traditional enforcement program, which consists of intimidating cease-and-desist letters and the threat of litigation.ⁿ¹⁸⁹ This type of trademark bullying has stemmed in part from an expansion of trademark rights and protection afforded to American trademark holders.ⁿ¹⁹⁰ Although U.S. trademark law currently serves to assist trademark bullies and perhaps even incentivize such bullies, ACTA would go one step further and provide trademark bullies with a more effective path for bullying.ⁿ¹⁹¹ This implication arises from the requirements contained in Articles 16 and 17 of ACTA, which in effect incentivizes bullies to work through the CBP to bully their victims with a complete lack of judicial oversight.ⁿ¹⁹² In addition, the expanded information requirements of Article 22 of ACTA allow bullies to interfere in the supply chain of small businesses both inside and outside of the United States. Finally, Articles 17, 18, and 21, requiring the United States to encourage participation in the border enforcement measures by trademark holders and limiting the United States' ability to implement safeguards, work to support this more effective framework for bullying.ⁿ¹⁹³

A. Incentivizing Forum Shifting and Interference with Supply Chains

As discussed above, Articles 16(1)(b) and 17 would appear to require the CBP to establish an application process whereby trademark holders would have the right to request detentions of specific shipments [*1528] of suspected goods.ⁿ¹⁹⁴ Although the CBP encourages trademark holders to engage the CBP with training and provide them with information regarding shipments, the CBP currently retains the discretion regarding whether to detain shipments.ⁿ¹⁹⁵ The requirements of Articles 16 and 17 result in an incentivization of trademark bullies to shift their attacks on small businesses from one that includes a potential for judicial oversight (the threat of litigation) to the CBP. Additionally, adherence to Article 22, which requires an expanded scope of information to be given to trademark holders, would provide trademark bullies with the tools to interfere in the supply chain of small businesses both inside and outside of the United States.

1. Incentivizing Forum Shifting

Articles 16 and 17 provide trademark holders with an unprecedented ability to direct the CBP's seizure activities and target specific importers.ⁿ¹⁹⁶ Although this ability to target specific importers would appear to have merit in cases of counterfeiting, the inclusion of all forms of trademark infringement in the scope of border measures could mean that small businesses could be disproportionately targeted.ⁿ¹⁹⁷ In addition, and perhaps more importantly, implementation

of Articles 16 and 17 would shift the costs of enforcement from the budgets of the trademark bullies onto the CBP.ⁿ¹⁹⁸ Instead of having to resort to [*1529] traditional enforcement measures (sending cease-and-desist letters, followed by potential litigation), a trademark bully would be able to simply apply to the CBP for detentions of specific shipments of small businesses.ⁿ¹⁹⁹ This would result in a cost savings to the trademark bully because the bully would not need to pay high-priced lawyers to oversee its enforcement efforts.ⁿ²⁰⁰

Border enforcement efforts are typically the purview of "brand managers," who are generally not attorneys, but in-house employees with experience in customs practices and procedures.ⁿ²⁰¹ Depending on experience, brand protection managers may be paid in the range of \$ 67,000 to \$ 118,000.ⁿ²⁰² In addition, under traditional enforcement tactics, if a target decided to put up a fight, a trademark bully may need to litigate the dispute to maintain its reputation as a bully,ⁿ²⁰³ which can be quite expensive. In a survey conducted by the American Intellectual Property Law Association in 2006, median costs for trademark litigation ranged from \$ 250,000 to \$ 650,000, depending on the size of the lawsuit.ⁿ²⁰⁴ Further, litigating necessitates expending financial resources [*1530] to see a lawsuit through until the final appeal.ⁿ²⁰⁵ A trademark bully may decide to appeal a lost lawsuit all the way to the end and then need to pay both its legal costs and the defendant's, as in the case of Mattel Corporation's lawsuit against the artist Tom Forsythe.ⁿ²⁰⁶

In addition, an ability to direct the CBP's enforcement actions seemingly provides trademark bullies with the power to directly impact the inventory flow of small businesses on a faster timetable than through traditional enforcement methods. Instead of sending a cease-and-desist letter and providing an option (albeit in some cases not a viable option) to the target to comply with its demands, a trademark bully could simply apply to the CBP and have that target's shipments detained.ⁿ²⁰⁷ This then shifts the point of contact and the responsibility for compliance from the trademark bully to the CBP. Once a shipment is detained, the small business needs to work through the CBP and on the CBP's timeframe to obtain release of the shipment.ⁿ²⁰⁸ By contrast, under the traditional enforcement framework, a trademark bully would need to work with its target, oversee compliance, and potentially resort to the judicial system if a target decided to not comply with its demands. The traditional enforcement framework results in a much longer process than the CBP process. Litigation, in the best of circumstances, may take up to one year to complete.ⁿ²⁰⁹

[*1531] Finally, another aspect that incentivizes trademark bullies to shift their enforcement efforts to the CBP is that the option for small business victims to resort to the court system is opaque in customs proceedings. First, it is unclear that a targeted small business would be able to afford to appeal a detention or seizure to the judicial system. As discussed above, many small businesses are undercapitalized and have conducted insufficient risk assessments.ⁿ²¹⁰ Even if a targeted small business could afford to mount a legal appeal of a CBP decision, under current law, an appeals process is quite complicated.ⁿ²¹¹ Depending on the type of action taken by the CBP, a targeted small business can appeal to the Court of International Trade or to a U.S. District Court.ⁿ²¹² If an appealing small business chooses the wrong forum, the case may be dismissed for lack of subject matter jurisdiction.ⁿ²¹³ The small business is then required to re-file the case in the alternate jurisdiction and pay the relevant costs and attorneys' fees for a second time. This type of complicated process will likely dissuade a small business from filing an appeal (or may dissuade an attorney from advising the small business to mount a legal appeal), which allows the bullies easy victories without any type of judicial oversight. Altogether, these three aspects of implementing Articles 16 and 17 would incentivize forum shifting of abusive trademark enforcement to the CBP.

2. Empowering Interference with Supply Chains Without Judicial Oversight

In addition to incentivizing a shift in forums from one that may include judicial oversight to the CBP, an implementation of Article 22 of ACTA would encourage the CBP to provide unprecedented levels of information to trademark holders. This would empower trademark bullies with the ability to impair small business activities not only in the United States, but also at the source of their manufacturing. This is due [*1532] to the expanded scope of information required to be given under Article 22, along with the potential for the CBP to provide such expanded scope of information prior to the time a determination of infringement has been made.ⁿ²¹⁴

Currently, the CBP policies require that very limited information be provided to trademark holders in cases of mere trademark infringement.ⁿ²¹⁵ This information includes date of importation, port of entry, description of merchandise, quantity, and country of origin.ⁿ²¹⁶ This limited information means that trademark holders are kept informed about infringing imports, but have no ability to interfere with the importer's business because the CBP does not release personally-identifying information.ⁿ²¹⁷ By contrast, Article 22 expands the scope of such information to "including, but not limited to, the description and quantity of the goods, the name and address of the consignor, importer, exporter, or consignee, and, if known, the country of origin of the goods, and the name and address of the manufacturer of the goods."ⁿ²¹⁸ This information would provide trademark holders with personally-identifying information of every entity connected to the shipment.

In addition, ACTA encourages that the timeframe for the provision of such information is as soon as possible. Article 22(b) encourages that customs authorities provide the personally-identifying information as soon as a shipment is detained so that the trademark holder can "assist in the determination referred to in Article 19 (Determination as to Infringement)."ⁿ²¹⁹ Currently, CBP field officers are allowed to disclose to trademark holders the limited information described above prior to the time of detention.ⁿ²²⁰ Because Article 22(b) is couched in optional [*1533] language ("a Party may authorize its competent authorities"ⁿ²²¹), the CBP could decide that its current practice of allowing CBP field officers to provide trademark holders with information prior to the time of detention is consistent with Article 22(b).

The more important question is whether the current CBP practice of releasing its limited information after a shipment has been detained would comport with the scope of information listed in Article 22(b). If the CBP decided that it needed to expand the scope of information to comply with Article 22(b), personally-identifying information would be given to trademark holders prior to the time of detention.ⁿ²²² This would in effect provide trademark bullies with the tools to interfere with the supply chain of small businesses prior to a determination of infringement. By knowing the name of the consignor, importer, exporter, and consignee as well as the name and address of the manufacturer of the goods, trademark bullies would be able to trace small businesses' chain of supply.ⁿ²²³

Depending on the country of origin, a trademark bully may be able to persuade the consignor, exporter, or manufacturer of the goods to cease supplying the small business with products.ⁿ²²⁴ For example, if the country of origin is China, it is likely that the trademark bully is manufacturing in China as well, since a high percentage of the world's manufacturing occurs in China.ⁿ²²⁵ A cease-and-desist letter from a well-known American corporation to the manufacturer, exporter, or consignor may be all that is needed to cease supply to the small business. In addition, depending on the influence of the trademark bully in any particular local area of China, the trademark bully may be able to [*1534] "persuade" the local authorities to raid the consignor, exporter, or manufacturer of the goods without proof of counterfeit products.ⁿ²²⁶ This would, in turn, disrupt the small business' supply chain and at the very least, make life more difficult for the small business.

Further, even if the CBP decided that it did not need to comply with the optional Article 22(b) language, it would need to comply with the mandatory Article 22(c) language. As discussed above, Article 22(c) would require that the CBP release the personally-identifying information within thirty days after seizure or a determination of infringement. It is hard to read the straight-forward language of Article 22(c) as consistent with the current practices of the CBP with respect to the scope of information provided. Therefore, it is likely that an implementation of Article 22(c) would require that the CBP include the personally-identifying information along with its provision of information to trademark holders. While the timing of the provision of information (after seizure or determination of infringement) may make such provision more appropriate, it is important to remember that the scope of the CBP's determination of infringement is quite narrow. The CBP's determination is with respect to only the shipment at issue, and not with respect to other products or shipments that a small business may import in the future.ⁿ²²⁷ However, providing trademark holders with personally-identifying information allows trademark bullies to interfere with such small business's entire importing operation, regardless of whether future shipments would be infringing.

Moreover, all of this interference can take place without any judicial oversight and due process. Although

trademark holders may be allowed to similarly interfere with the supply chains of infringing third parties after a successful determination of infringement in a trademark lawsuit, such interference is typically only allowed after a court issues an injunction against such infringer.ⁿ²²⁸ And an injunction (preliminary or [*1535] permanent) is not granted lightly. In order to grant an injunction, a court must find:

(1) that [the plaintiff] has suffered an irreparable injury; (2) that remedies available at law, such as monetary damages, are inadequate to compensate for that injury; (3) that, considering the balance of hardships between the plaintiff and defendant, a remedy in equity is warranted; and (4) that the public interest would not be disserved by a permanent injunction.ⁿ²²⁹

In addition, in cases where a court awards an injunction, such award is subject to review by an appellate court for abuse of discretion.ⁿ²³⁰ The same cannot be said of the CBP's determination or review standards. As discussed above, it is unclear the standards under which the CBP determines trademark infringement.ⁿ²³¹ In addition, it is unclear whether small businesses would have the resources to appeal such determination, and if they do, where such appeal should be made.ⁿ²³² Further, in cases where the CBP has provided personally-identifiable information to trademark holders prior to making a determination of infringement, [*1536] small businesses are vulnerable to interference by trademark bullies on perfectly legitimate products.

B. Lack of Safeguards

An additional element in the incentivization of trademark bullies to forum shift and interfere with small businesses' supply chains is the lack of safeguards found within the provisions of ACTA. To the contrary, the provisions of ACTA appear to be directed at encouraging some level of abuse. This stems from the language of ACTA found in Articles 17, 18, and 21 that mandates against overly strict measures that may deter abuse of the border enforcement measures.ⁿ²³³ In addition, the absence of any real consequences for abuse seems designed to allow bullies easy access to bully their victims through the CBP.

1. Limitations on Deterrence of Abuse

In directing that trademark holders be given the ability to request detention of shipments, Article 17(1) of ACTA requires only that trademark holders provide "sufficient information that may reasonably be expected to be within the right holder's knowledge to make the suspect goods reasonably recognizable by the competent authorities."ⁿ²³⁴ In addition, Article 17(1) further provides that "the requirement to provide sufficient information shall not unreasonably deter recourse to the [border enforcement] procedures" ⁿ²³⁵ Similar limiting language is found in Article 18: "Each Party shall provide that such security or equivalent assurance shall not unreasonably deter recourse to these procedures."ⁿ²³⁶ Additional limiting language is found in Article 21, which discusses fees to be assessed on trademark holders requesting detentions: "Each Party shall provide that any application fee, storage fee, or destruction fee to be assessed by its competent authorities in connection with the procedures described in this Section shall not be used to unreasonably deter recourse to these procedures."ⁿ²³⁷

Altogether, these provisions work to limit the CBP's ability to curb potential abuses. For example, one method of curbing abuse in the application process by trademark holders would be to require a higher [*1537] threshold amount of information that only trademark holders carrying out a trademark enforcement program in good faith would have. Where trademark holders engage in an enforcement program in good faith, such holders will likely conduct investigations of suspected activity prior to contacting customs authorities or law enforcement agencies. In order to do this, some large trademark holders routinely hire private investigators to report on infringing activities.ⁿ²³⁸ Employing private investigators is not a costless undertaking, with some private investigation fees starting at \$ 180 per hour.ⁿ²³⁹ However, such cost ensures that such trademark holders are obtaining extensive (and more likely accurate) information regarding potential infringements, which can then be passed along to the CBP. In turn, if the CBP decides to act upon

such information, it is less likely that they will be conducting a fishing expedition. Under the current language of Article 17(1), it appears that the CBP would be required to allow trademark holders to submit as much information as such holders would "reasonably" possess. It is unclear whether large trademark holders should "reasonably" possess information obtained only through engaging private investigators or other methods of extensive investigation. It is possible that under a loose interpretation of "reasonably," large trademark holders would not need to undertake extensive investigation efforts before having the right to request detentions. Such requests may then turn into fishing expeditions for the CBP and may result in a greater increase in unwarranted detentions, thus disproportionately impacting small businesses.

In addition, another method to limit abuse in an application process to request detentions would be to require that the requesting trademark holders place with the CBP some form of monetary security that could be used to cover the damage caused by unwarranted detentions. The level of the bond or security could be related to the expected value of the shipment, as measured against the trademark holder's own products of a similar category and quantity.ⁿ²⁴⁰ Additionally, a non-refundable [*1538] application fee could be assessed based on the expected value of the shipment. If a detention is deemed to have been unwarranted (meaning that no infringement was found), then the bond would be forfeited entirely. This level and type of security would work to discourage those trademark holders from requesting detentions negligently or even willfully. However, the language of Articles 18 and 21 would prevent either of these types of deterring fees from being implemented. Combined, the limiting language of Articles 17(1), 18, and 21 works to limit the discretion the CBP may otherwise have in attempting to deter abuse of the application procedures by trademark bullies.

2. Lack of Consequences for Bullies

Finally, there appears to be no consequences for bullies under ACTA. In fact, with the limiting language contained in Articles 17, 18, and 21, it would seem that ACTA seems more concerned with promoting the use of the application process to request detentions than with deterring abuse. The only mention of a potential penalty for abuse appears in Article 17(4), which provides the following, "A Party may provide that, where the applicant has abused the procedures described in subparagraphs 1(b) and 2(b) of Article 16 (Border Measures), or where there is due cause, its competent authorities have the authority to deny, suspend, or void an application."ⁿ²⁴¹ While this language leaves open the possibility that the United States could adopt additional sanctions for trademark bullies, the language does not provide much guidance. In addition, the language seems to indicate that an adequate remedy is to simply "deny, suspend, or void an application."ⁿ²⁴² Although an application may be related to multiple shipments and to multiple points of entry (per Article 17(2)), this is not a requirement.ⁿ²⁴³ Therefore, depending on the application process adopted by the CBP under an implementation of ACTA, denial, suspension, or voidance of an application may just relate to one shipment at one point of entry. The language of Article 17(4) does not seem to contemplate any other [*1539] sanctions or remedies, and therefore, leaves the possibility that no further sanctions will be placed on bullies. This may leave open the potential for bullies to reapply in the future with no further consequences. In addition, if the CBP adopts a single shipment-single port of entry application or sanction process (as contemplated by Article 17(2) of ACTA), this low level of sanction leaves open the possibility that bullies will reapply to request a detention of products for the same importer, just at a different point of entry. With over three hundred points of entry in the United States, this leaves a dedicated bully with quite a number of possibilities for abuse.ⁿ²⁴⁴

VI. Proposals to Mitigate Harm to Small Businesses Stemming from International Intellectual Property Agreements

The first, and most obvious way in which potential harm to small businesses stemming from international intellectual property agreements could be avoided is to have the U.S. government take into consideration small business concerns during negotiations. However, this only mitigates harms from future agreements and does not assist with fully negotiated or signed agreements, such as ACTA.ⁿ²⁴⁵ In this latter instance, this Article suggests that at least three approaches may be taken that could still mitigate harms to small businesses: interpretation of problematic provisions, adoption of safeguards, and education of small businesses.

A. Interpretation of Problematic Provisions

In cases where international agreements have already been fully negotiated or signed, promoting a small business-friendly interpretation of problematic provisions may be all that is needed. Specifically, interpretation can be utilized by governmental agencies that may need to implement the problematic provisions of an international agreement. In the case of ACTA and the border enforcement measures, the CBP will need to implement the provisions relating to the scope of such measures. As discussed above, Article 13 of ACTA requires that the CBP broaden the scope of border enforcement to include mere trademark infringement. To mitigate the impact to small businesses [*1540] from this implementation, the CBP can adopt an interpretation of Articles 5(h) and 13 that excludes mere trademark infringement.

At least one American industry group, the Intellectual Property Owners Association (IPO), has suggested this path. n246 As IPO's letter to Ambassador Ron Kirk states,

ACTA is unwittingly broadening the scope of the seizure power of Customs and Border Patrol forces to encompass civil action trademark infringement and raising the specter of potential abuse in many countries around the globe. The determination of whether marks are similar and whether there is a likelihood of confusion should not be conducted hastily and in an ex parte manner by a border official, but should instead be based upon the appropriate legal analysis (possibly resulting from extensive pre-trial preparation and discovery where allowed). n247

IPO has suggested that the definition of "intellectual property" as provided in Article 5(h) of ACTA could be narrowly construed as referring only to "trademark counterfeiting" or "copyright piracy." n248 The support for such interpretation is that ACTA should be interpreted consistent with the current laws of the United States, as well as with the "stated intention of ACTA as reflected in the preamble, that it is an "anti-counterfeiting trade agreement."" n249 IPO goes on to state, "IPO is confident that it is not the intent of ACTA to change settled United States law by transforming what are the commonly occurring non-counterfeit-types of civil action infringements into activity intended to be punished under federal criminal law in the case of the United States" n250

The same suggestion has been made by at least one scholar, although with the goal of protecting access to generic medicines. n251 Henning Grosse Ruse-Khan of the Max Planck Institute has proposed a limitation on the scope of ACTA's border measures with respect to [*1541] goods in transit through an interpretation of Article 6(1) and Article 13. n252 Article 6(1) provides:

Each Party shall ensure that enforcement procedures are available under its law so as to permit effective action against any act of infringement of intellectual property rights covered by this Agreement, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements. These procedures shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse. n253

And as discussed above, Article 13 provides the scope of border measures for ACTA and allows the United States to provide "as appropriate, and consistent with its domestic system of intellectual property rights protection and without prejudice to the requirements of the TRIPS Agreement, for effective border enforcement of intellectual property rights." n254 In addition, border enforcement measures should not "discriminate unjustifiably between intellectual property rights" and should "avoid[] the creation of barriers to legitimate trade." n255

Although Ruse-Khan's interpretation of both of these sections of ACTA relies primarily on a policy argument that trade in generic medicines is recognized as a global benefit, Ruse-Khan's interpretation can still be the basis for similar

interpretations of Articles 6(1) and 13 even based on different policy reasons.ⁿ²⁵⁶ With respect to Article 6(1), [*1542] Ruse-Khan focuses on the definition of "legitimate trade," and argues that a normative understanding of the term would mean that a public policy in the country of origin or destination would support a limitation of border measures to exclude mere trademark infringement.ⁿ²⁵⁷ In addition, Ruse-Khan argues that Article 13 contains "several open and ambiguous terms and conditions, which in sum create a form of constructive ambiguity that disguises the remaining differences amongst the parties over the treaty text."ⁿ²⁵⁸ Ruse-Khan posits that these ambiguities may have been a way for the United States and the European Union to resolve their differences over geographical indications and other intellectual property rights.ⁿ²⁵⁹ However, Ruse-Khan concludes that the same ambiguities could be utilized to interpret an exclusion of mere trademark infringement.ⁿ²⁶⁰

This Article argues that a similar interpretation can be applied to importations by small businesses in the United States. As discussed above, ACTA's inclusion of mere trademark infringement in the scope of border measures would likely mean that more small businesses' imports into the United States would be more vulnerable to a risk of detention than before.ⁿ²⁶¹ This increased vulnerability raises the very real possibility that barriers to trade conducted by small businesses in the United States would be raised to such an extent as to prevent small businesses from participating in international trade. Without the ability to participate in international trade, small businesses would be unable to take advantage of the savings that manufacturing or supply purchasing in places such as China may bring to a business.ⁿ²⁶² In turn, this would raise the cost of doing business and perhaps create insurmountable [*1543] obstacles to starting a small business in the first place or, at the very least, maintaining a profitable small business.

These barriers would appear contrary to the current public policies of the United States, which are geared toward providing as much assistance as possible to small businesses.ⁿ²⁶³ Recognizing that small businesses are the "backbone" of the United States economy, the United States has implemented a number of policy measures aimed at assisting small businesses secure financing,ⁿ²⁶⁴ effectively plan for the growth of their businesses,ⁿ²⁶⁵ and even enter the international trade arena.ⁿ²⁶⁶ It would seem that the importance placed on small businesses in the United States shows a sufficient policy rationale that could underlie an interpretation of Article 6(1) or Article 13 that would allow the United States to exclude mere trademark infringement from the scope of its border measures.

B. Adoption of Safeguards for Small Businesses

Even if a governmental agency (such as the CBP) were unable to interpret problematic provisions as proposed above, another method that could be used to mitigate harms to small businesses is the adoption of safeguards. With respect to ACTA, safeguards could include adopting more rigorous procedures for detentions of imported shipments and adopting penalties for abuse by trademark holders.

1. More Rigorous Detention Procedures

In the event the CBP could not (or does not) adopt a limiting interpretation of ACTA to exclude mere trademark infringement, the CBP should adopt more rigorous procedures for its border measures, which would help mitigate harms to small businesses. An adoption of such measures would not contravene ACTA or require an interpretation of ACTA because Article 6(1) explicitly allows the United States to "provide for safeguards against" the abuse of the [*1544] border measures procedures.ⁿ²⁶⁷ In particular, one measure that could easily be adopted by the CBP is a more limited timeframe in which detentions can occur for merely trademark infringing shipments, along with a requirement for proactive measures on the part of trademark bullies.ⁿ²⁶⁸

Currently, the CBP procedures allow a timeframe of between five and thirty days for initial detentions of shipments.ⁿ²⁶⁹ As discussed above, the first five days are for the CBP to determine whether "reasonable suspicion" exists for detaining a shipment that may be merely infringing.ⁿ²⁷⁰ After the five days have expired, if the CBP has determined that reasonable suspicion does exist, then the CBP issues a notice of detention to the importer.ⁿ²⁷¹ The notice of detention provides the importer with thirty days in which the importer may establish any of the grounds in which its goods may be released.ⁿ²⁷² However, the CBP procedures are silent on whether the importer may obtain a

release of its shipment sooner than the thirty day period if the importer meets one of the conditions for release.ⁿ²⁷³ In addition, these procedures apply where the CBP has acted to detain shipments, not where trademark holders have requested such detentions.ⁿ²⁷⁴ Although there may be a possibility of abuse by CBP field officers in detaining non-infringing shipments, the potential for abuse is much greater where trademark holders request such detentions.ⁿ²⁷⁵ In order to deter abuse by trademark holders in requesting detentions, this Article suggests that the CBP should adopt different procedures when detentions are requested by trademark holders for merely infringing products.

[*1545] With respect to shipments of merely infringing products detained based on a trademark holder's request, the timeframe for detention should be limited to ten days, or in the case of perishable goods, three days. In addition, the CBP should adopt a requirement that the trademark holder is required to file a cause of action against the importer in a district court before the expiration of the ten or three day period. If the trademark holder does not file such action against the importer, then the goods shall be released.ⁿ²⁷⁶ Such a rigorous timeframe and a requirement for proactive steps on the part of trademark holders can be found in other international agreements, such as in the Agreement on Trade-Related Aspects of Intellectual Property (TRIPS), as well as in the European Union (EU).ⁿ²⁷⁷ Although these rigorous timeframes are applied only to counterfeit shipments under TRIPS and in the EU,ⁿ²⁷⁸ the potential for abuse by trademark bullies in the United States supports an application to where merely trademark infringing shipments are detained at the request of trademark holders.

Article 55 of TRIPS provides that a ten-day period (beginning at the time notice is served to the trademark holder of the detention) be provided for trademark holders to inform the customs authorities that they have initiated proceedings against the importer.ⁿ²⁷⁹ If the trademark **[*1546]** holder does not provide notice to the customs authorities, then the shipment shall be released.ⁿ²⁸⁰ In addition, the ten-day period may be extended by another ten days if so requested.ⁿ²⁸¹ A similar provision is found in the EC Council Regulation No. 1383/2003, which requires that Member states detain shipments for no longer than ten days, or three days in the case of perishable goods.ⁿ²⁸² Although the timeframe can be extended for another ten days in the case of regular shipments, in the case of perishable goods, no extension is allowed.ⁿ²⁸³ During this timeframe, a trademark holder who requests such detention must inform the customs authorities that they have initiated legal proceedings against the importer, or else the detained goods shall be released.ⁿ²⁸⁴

This strict timeframe would assist in providing some safeguard against abuse by trademark bullies who may request unwarranted detentions because it would add costs to the otherwise costless trademark enforcement process that the CBP provides.ⁿ²⁸⁵ If, instead, the current CBP procedures were applied to detentions requested by trademark holders, factoring of litigation costs would never be required by the trademark holders. While trademark bullies could bring lawsuits for mere trademark infringement against importers after successful detentions, it would not be required, thereby providing a near costless form of enforcement to trademark bullies. Without costs to enforcement, there would be no disincentive for abuse.

Under this Article's proposed new procedures, trademark bullies would need to undertake a serious analysis of the potential infringement **[*1547]** by third parties prior to requesting any detentions. This analysis would include not only the severity of the infringement, but also the likelihood of success on the merits of the case and whether litigation is appropriate. In addition, the short timeframe provided for trademark bullies to undertake any actions against importers would mean that trademark bullies would need to be prepared at the outset to follow up its requests with litigation. This would add a variety of costs, including legal fees for the analysis and for preliminary preparation of court documents. Although there may be some trademark bullies who may proceed in any situation,ⁿ²⁸⁶ it is likely that in a majority of situations, these costs would incentivize trademark bullies to request detentions only where they have a reasonable case of trademark infringement.ⁿ²⁸⁷

2. Penalties for Abuse

In addition to adopting a more rigorous timeframe and requiring proactive steps to be taken by trademark holders, the CBP should adopt penalties for abuse of the border enforcement measures. Similar to the adoption of the more rigorous

procedures as described above, an adoption of penalties for abuse would not be contrary to the plain language of ACTA, nor would it require an interpretation of ACTA. As mentioned above, ACTA already provides for the ability of the United States to adopt measures that would prevent abuse under Article 6(1).ⁿ²⁸⁸ Further, as discussed in Part IV, Article 17(4) does contemplate some form of penalty for abusing trademark holders by allowing the United States to "deny, suspend, or void an application."ⁿ²⁸⁹ But while Article 17(4) does not seem to indicate that any further penalty should be applied to abusive trademark holders,ⁿ²⁹⁰ neither does it prevent the United States from adopting additional penalties. In cases where a request by trademark holders has yielded three unwarranted detentions,ⁿ²⁹¹ the CBP should revoke the ability of such trademark [*1548] holders (and its affiliates) to utilize the border enforcement measures across all U.S. ports of entry. With over three hundred ports of entry in the United States,ⁿ²⁹² revocation of the ability to request detentions at all ports would likely be a sufficient deterrent to abuse of the process by trademark bullies. This way, a determined bully would not be able to move from one port to another to request additional unwarranted detentions.ⁿ²⁹³

A determination of unwarranted detentions could be made in one of two situations. The first could be where shipments are detained but the CBP finds that there is no trademark infringement. The second situation could be where the trademark holder declines to proceed with filing a lawsuit against the importer. Either of these situations would indicate that the requesting trademark holder has not sufficiently undertaken an analysis of her trademark rights vis-a-vis the importer. While mistakes can occur, three mistakes on three different occasions is abuse. In addition, in order to make the revocation a serious penalty, the revocation of ability to utilize the border enforcement measures should be for at least one year, if not longer. After expiration of the time period, penalized trademark holders could reapply to the CBP to have their ability to utilize the border enforcement measures reinstated, but only upon a showing of an adoption of internal measures that would prevent future abuses.

C. Educational Outreach to Small Businesses

Yet another method that could be used to mitigate harms stemming from international intellectual property agreements is educational outreach to small businesses. This method is one that many governmental agencies already undertake in order to assist small businesses overcome hurdles that intellectual property laws pose.ⁿ²⁹⁴ With respect to ACTA, the CBP should undertake an outreach program to educate small businesses on border measures that may affect them. [*1549] Although the CBP currently maintains a "Trade Outreach" program,ⁿ²⁹⁵ very few programs are geared specifically toward small businesses.ⁿ²⁹⁶ In addition, the CBP does not maintain an office or other liaison specifically for small businesses.ⁿ²⁹⁷ This is in contrast to other governmental agencies that have a role in intellectual property enforcement, like the Office of the United States Trade Representative, which recently designated an Assistant United States Trade Representative for Small Business, Market Access, and Industrial Competitiveness.ⁿ²⁹⁸ While the CBP may not have similar resources to establish an office or point of contact dedicated to small businesses, additional training programs geared toward small businesses could easily be adopted. In particular, the CBP should attempt to educate small businesses about the CBP policies and procedures with respect to importations and intellectual property rights. This would help alleviate some of the harms stemming from the lack of knowledge that many small business owners likely operate under with respect to border enforcement measures.ⁿ²⁹⁹

VII. Conclusion

As the U.S. economy struggles to recover from its most recent "meltdown on par with the Great Depression,"ⁿ³⁰⁰ the U.S. government is paying more attention to small businesses with the understanding that the strength of small businesses may contribute to a successful economic recovery.ⁿ³⁰¹ Although Congress and the U.S. PTO have recognized that [*1550] intellectual property laws can pose an impediment to the success of small businesses,ⁿ³⁰² this recognition has not extended to international agreements that contain intellectual property obligations. This Article attempts to pull these two related areas together in an effort to craft a more consistent policy approach for small businesses. Utilizing ACTA as a timely foil, this Article has attempted to bring to light the potential harms that the border measure provisions of ACTA pose to small businesses. Policymakers need to seriously consider the increased

vulnerability of small businesses to border detentions and seizures, along with an empowerment of trademark bullies, as the viability of small businesses is at stake.

Although the current version of ACTA has been signed by the United States and textual changes are not possible, there are a number of measures that the United States may undertake to mitigate the harms to small businesses. These measures may also be used where other international agreements have already been fully negotiated or signed and ratified. More importantly, the analysis of ACTA provided in this Article and the suggestions to mitigate the harmful provisions provide a framework for policymakers to utilize in their approach to other international intellectual property-related agreements. If this is done, the U.S. government will have resolved the intellectual property disconnect and have a coherent policy approach that effectively assists small businesses.

Legal Topics:

For related research and practice materials, see the following legal topics:

International Trade Law Imports & Exports General Overview International Trade Law Trade Agreements Intellectual Property Provisions Trademark Law Foreign & International Protections GATT & NAFTA

FOOTNOTES:

n1. See Shayndi Raice, For Small Business, Slow Gains in Credit, Wall St. J. (July 13, 2010), http://online.wsj.com/article/SB10001424052748703283004575363381891292318.html?mod=WSJ_newsreel_smallbiz ("Mr. Bernanke noted that small businesses are essential to job creation, saying that data show that small firms employ roughly one-half of all Americans and account for about 60% of job creation.").

n2. See Brian Headd, Small Businesses Most Likely to Lead Economic Recovery, Small Bus. Advoc., July 2009, at 1 ("Small businesses' historical overall rate of net job creation makes them a key player in solving our labor market woes.").

n3. See Frequently Asked Questions, SBA: Office of Advocacy (Jan. 2011), available at <http://www.sba.gov/sites/default/files/sbfaq.pdf>. There is further evidence that 20% of small businesses fail within the first year of inception. See Sarah E. Needleman, Rise in Start-Ups Draws Doubters, Wall St. J. (Feb. 2, 2012), <http://online.wsj.com/article/SB10001424052970204652904577197043592536240.html?KEYWORDS=20+small+business>.

n4. See, e.g., Kirk Heriot et al., Evaluating the Impact of Federal Legislation on Small Businesses: An Exploratory Study of the New Minimum Wage Rate and the Health Insurance Tax, Small Bus. Inst. J., Oct. 2010, at 63, 84, http://sbaer.uca.edu/sbij_2010_v6.pdf (concluding that "a firm with as few as 20 employees would have as much as a 50-55 percent decrease in net income as a result of the two federal labor laws discussed in [the article's] research").

n5. The impact of trademark litigation tactics on small businesses was recognized as a concern by Congress in 2010. In the Trademark

Technical and Conforming Act, passed in early 2010, Congress commissioned a study to be undertaken by the Intellectual Property Enforcement Coordinator to study "the extent to which small businesses may be harmed by litigation tactics by corporations attempting to enforce trademark rights beyond a reasonable interpretation of the scope of the rights granted to the trademark owner." See Trademark Technical and Conforming Amendment Act of 2010, Pub. L. No. 111-146, § 4, 124 Stat. 66, 69-70 (2010). Unfortunately, the study that was presented to Congress does not appear to be responsive to the concerns expressed by Congress. See Eric Goldman, Department of Commerce Releases Worthless Study on Trademark Bullying, Tech. & Mktg. L. Blog (Apr. 29, 2011, 9:58 AM), <http://blog.ericgoldman.org/archives/2011/04/>; David Pardue, Whitewash: Commerce Department Issues Trifling Report on Trademark Bullying, Trade Secrets and IP Today (May 2, 2011, 9:13 AM), <http://tradesecretstoday.blogspot.com/2011/05/whitewash-commerce-department-issues.html>.

n6. See Heriot et al., *supra* note 4, at 64 ("Small firms are especially challenged by changes in their labor costs because the burden is often not shared by multiple shareholders, but rather by a sole proprietor or a few shareholders in a closely held firm.").

n7. See Teresa A. Sullivan et al., Financial Difficulties of Small Businesses and Reasons for Their Failure 4 (U.S. Small Bus. Admin., Working Paper No. SBA-95-0403, 1998), available at <http://archive.sba.gov/advo/research/rs188tot.pdf> (reporting that twenty percent of small businesses studied cited tax-related reasons for their business failure).

n8. See Press Release, Office of U.S. Trade Rep., New Online Tool Highlights Tariff Benefits of Free Trade Agreements for American Small Businesses (Apr. 27, 2011), available at <http://www.ustr.gov/about-us/press-office/press-releases/2011/april/new-online-tool-highlights-tariff-benefits-free-trade> (quoting Small Business Administration Deputy Administrator Marie Johns, who said, "'Many small business owners would benefit from exporting but might not have the time or resources to get started. Giving small business owners a simple way to navigate the complexities of tariffs and international trade is a crucial step in ensuring they have what they need to grow their business and create jobs.'").

n9. See Trademark Technical and Conforming Amendment Act of 2010, Pub. L. No. 111-146, § 4, 124 Stat. at 69-70.

n10. See, e.g., Frequently Asked Questions, U.S. Pat. & Trademark Off., <http://www.uspto.gov/smallbusiness/pdfs/USPTOSmallBusinessCampaignFAQ.pdf> (last visited June 6, 2012) (describing, in number thirteen, what the U.S. Patent & Trademark Office is doing to assist small businesses overcome problems related to intellectual property laws); Press Release, Office of U.S. Trade Rep., *supra* note 8 (attempting to overcome knowledge hurdle and assist small businesses in exporting products overseas).

n11. International intellectual property obligations are typically included in the international trade agreements the United States negotiates with other nations. One of the main sources of international intellectual property obligations for the United States is from the Agreement on Trade Related Aspects of Intellectual Property (TRIPS). See Agreement on Trade-Related Aspects of Intellectual Property Rights, 33 I.L.M. 1197, 1197-98 (1994) [hereinafter TRIPS Agreement].

n12. For example, the Ford Motor Company has complained that the Free Trade Agreement between the United States and South Korea would result in more competition in the United States from Korean cars. Ford has claimed that for every fifty-two Korean cars that are imported into the United States, only one American car can be exported to South Korea. See *All Things Considered: Ford: Korea Trade Deal Could Hurt U.S. Automakers*, Nat'l Pub. Radio (Nov. 4, 2010), available at <http://www.npr.org/templates/story/story.php?storyId=131075653>.

n13. See *infra* Parts IV-V (arguing that due to ACTA, small businesses will be more vulnerable to border seizures and trademark bullies have a more effective bullying framework, both of which impact viability of small businesses).

n14. As argued in Part IV, small businesses will be more vulnerable to border seizures of their imported products, which has a direct impact on their finances. If a business is unable to import products, it may default on delivery obligations or run out of inventory, all of which has a negative and direct impact on the cash flow of the business. See *infra* Part IV.B.

n15. See *Outlines of the Trans-Pacific Partnership*, Off. U.S. Trade Representative, <http://www.ustr.gov/about-us/press-office/fact-sheets/2011/november/outlines-trans-pacific-partnership-agreement> (last visited June 6, 2012) [hereinafter U.S.T.R., TPP] (describing the outlines of the TPP, including intellectual property provisions).

n16. See *Anti-Counterfeiting Trade Agreement*, Dec. 3, 2010, 50 I.L.M. 243 (2011) [hereinafter ACTA].

n17. In a recent hearing before the United States Senate Committee on Finance, the U.S. Trade Representative, Ron Kirk, indicated in one of his responses that "as stated in the President's Trade Policy Agenda, the Administration is committed to conducting its trade policy efforts based on high standards that reflect American values on public engagement and transparency. USTR will continue to consult with stakeholders, both formally, through our ITAC advisory system, and informally. This will help ensure that we receive appropriate input" 2011 Trade Agenda: Hearing Before the S. Comm. on Fin., 112th Cong. 31 (Mar. 9, 2011) [hereinafter *Questions to Ambassador Kirk*] (Statement of Ambassador Ron Kirk, United States Trade Representative), available at http://keionline.org/sites/default/files/RonKirk_SFC_9Mar2011.pdf. Although small businesses comprise one of the ITACs (an acronym for Industry Trade Advisory Committees), ITAC 11, see *Industry Trade Advisory Committees*, Int'l Trade Admin., <http://www.ita.doc.gov/itac/committees/index.asp> (last visited June 6, 2012), it is unclear how much input or credence they have had in formulating the policies of ACTA. For example, in the transcript from the Meeting of the Committee Chairs of the ITACs in October 2010, the chairperson for ITAC 11 (Small and Minority Businesses) made no statements. See *Industry Trade Association Committees (ITACs) Meeting of the Committee Chairs, Public Session*, Oct. 12, 2010, available at http://www.ustr.gov/webfm_send/2449. In addition, ACTA negotiations were conducted in secret, without any stakeholder attendance. See Charles R. McManis, *The Proposed Anti-Counterfeiting Trade Agreement (ACTA): Two Tales of a Treaty*, 46 Hous. L. Rev. 1235, 1236 (2009) (describing the negotiations as "being carried out behind closed doors"); Peter K. Yu, *Six Secret (and Now Open) Fears of ACTA*, 64 SMU L. Rev. 975, 998-1015 (2011) (arguing that the first fear of ACTA was the lack of transparency and accountability of the negotiation process).

n18. Whether ACTA needs to be implemented in the United States is an open question. The U.S.T.R. has taken the position that U.S. law already complies with ACTA. See ACTA: Meeting U.S. Objectives, Office of U.S. Trade Rep., <http://www.ustr.gov/about-us/press-office/fact-sheets/2011/september/acta-meeting-us-objectives> (last visited June 8, 2012) ("Significantly, the ACTA is consistent with existing U.S. law, and does not require any change to U.S. law for its implementation in the United States."). However, policy analysts have come to a different conclusion. See Memorandum from Brian T. Yeh, Legis. Atty. Am. L. Div., Cong. Research Serv., to Hon. Ron Wyden, at 2 (Oct. 29, 2010), available at <http://www.techdirt.com/articles/20110421/16580813994/crs-report-withheld-ustr-confirms-that-acta-language-is-quite-questionable.shtml>; Mike Masnick, CRS Report Withheld by USTR Confirms That ACTA Language Is Quite Questionable, TechDirt (Apr. 26, 2011, 1:33 PM), <http://www.techdirt.com/articles/20110421/16580813994/crs-report-withheld-ustr-confirms-that-acta-language-is-quite-questionable.shtml>.

n19. A trademark bully is a large corporation that enforces an unreasonable interpretation of its trademark rights against a small business through the use of intimidation tactics. See Leah Chan Grinvald, *Shaming Trademark Bullies*, 2011 Wis. L. Rev. 625, 642 [hereinafter Grinvald, *Shaming Trademark Bullies*].

n20. Edward G. Hinkelman, *Importers Manual U.S.A.* 17 (4th ed. 2004) (listing thirteen ways import businesses fail). If the ability to import products is reduced or lost altogether, the costs of running a small business would be higher, making such business less competitive. See *infra* Parts IV.A-B. In addition, the internet-related provisions of ACTA also pose a serious threat to the viability of small businesses. See ACTA, *supra* note 16, art. 27. These internet provisions of ACTA are bracketed for now.

n21. See generally Michael S. Gutter & Tabassum Saleem, *Financial Vulnerability of Small Business Owners*, 14 Fin. Serv. Rev. 133, 134 (2005) (positing small business financial vulnerability due to lack of diversification); Sullivan et al., *supra* note 7, at 21-23 (studying factors that lead small businesses to file for bankruptcy).

n22. On October 1, 2011, the ACTA negotiating parties held a signing ceremony, where eight parties signed the agreement, including the United States. See Press Release, Off. of U.S. Trade Rep., *Partners Sign Groundbreaking Anti-Counterfeiting Trade Agreement* (Oct. 1, 2011), available at <http://www.ustr.gov/about-us/press-office/press-releases/2011/october/partners-sign-groundbreaking-anti-counterfeiting-t>. The next step is for the United States to deposit its ratification of ACTA with Japan, the depositary of the Agreement. See *id.* Once six parties have deposited their ratification of ACTA with Japan, ACTA will enter into force. See *id.* Ambassador Ron Kirk has announced that ACTA is considered by the Obama administration as an "executive agreement," rather than as an international treaty. See Questions to Ambassador Kirk, *supra* note 17, at 27-28. An executive agreement does not require Congressional approval, rather, just the President's signature. See Jack Goldsmith & Lawrence Lessig, *Anti-counterfeiting Agreement Raises Constitutional Concerns*, Wash. Post, Mar. 26, 2010, at A23. However, scholars, commentators, and policymakers have expressed concern that treating ACTA as an executive agreement is unconstitutional. See, e.g., Sean Flynn, *ACTA's Constitutional Problem: The Treaty Is Not a Treaty*, 26 Am. U. Int'l L. Rev. 903, 904 (2011) (arguing that ACTA is an international treaty, and as such, cannot be treated as an executive agreement by the United States); Letter from Ron Wyden, U.S. Senator, to Barack Obama, President of the U.S. (Oct. 12, 2011), available at <http://wyden.senate.gov/newsroom/press/release/?id=12a5b1cb-ccb8-4e14-bb84-a11b35b4ec53>.

n23. See U.S.T.R., TPP, *supra* note 15.

n24. Exclusive rights to an invention are granted through patent law. See 35 U.S.C. § 101 (2006) ("Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.").

n25. Ownership rights in brand symbols are granted through trademark law. See 15 U.S.C. § 1127 (2006) ("The term 'trademark' includes any word, name, symbol, or device, or any combination thereof - (1) used by a person ... to identify and distinguish his or her goods ...").

n26. Ownership rights of works in recordable media are granted through copyright law. See 17 U.S.C. § 102(a) (2006) ("Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device.").

n27. The Small Business Administration generally defines a small business as any entity with five hundred or fewer employees and annual revenues of under \$ 7 million (although the specific figures may differ based on industry). See Summary of Size Standards by Industry, U.S. Small Bus. Admin., <http://sba.gov/content/summary-size-standards-industry> (last visited June 8, 2012).

n28. For example, a copyright gives the owner exclusive rights to reproduce, perform, display, distribute, and create derivative works of the copyrighted item. See 17 U.S.C. § 106 (2006).

n29. See The Impact of Intellectual Property on Entrepreneurship and Job Creation: Hearing Before the H. Comm. on Small Bus., 111th Cong. 1 (2010) [hereinafter *The Impact of Intellectual Property*] (statement of Congressperson Nydia Velazquez, Chairwoman, H. Comm. on Small Bus.) ("Technological entrepreneurs want to know that innovations like TiVo and Slingbox are not hindered, as we seek to protect content creator's rights."). However, not all intellectual property laws disfavor small businesses. For example, the Fairness in Music Licensing Act provides a benefit to small business music users, as codified in the Copyright Act. See 17 U.S.C. § 110(5)(B)(i)-(ii) (2006) (exempting all businesses that are less than 2,000 gross square feet in size, in addition to food and drinking places that are less than 3,750 square feet).

n30. See, e.g., Iain M. Cockburn & Megan J. MacGarvie, Entry and Patenting in the Software Industry (Nat'l Bureau of Econ. Research, Working Paper No. 12563, 2006), available at <http://www.nber.org/papers/w12563> (conducting empirical research on the relationship between patents and market entry of entities without prior experience).

n31. See Grinvald, *Shaming Trademark Bullies*, *supra* note 19, at 647.

n32. See *infra* notes 59-63.

n33. See *infra* Part II.B.

n34. In fact, for some small businesses, such as small biotechnology firms, their intellectual property portfolio may be the most valuable asset of the business. See Andrew J. Sherman, *Legal and Strategic Challenges for Life Science and Biotech Companies*, *Entrepreneurship*, <http://www.entrepreneurship.org/en/resource-center/legal-and-strategic-challenges-for-life-science-and-biotech-companies.aspx> (last visited June 8, 2012) ("For life science companies, IP is typically their most valuable asset.").

n35. See *supra* note 28 and accompanying text.

n36. See 35 U.S.C. § 271(a) (2006) ("Whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.").

n37. 15 U.S.C. § 1114(1)(a).

n38. See, e.g., Linda A. Kuczma, *Creating a Trademark Protection Program in the U.S. and Abroad*, in *Understanding Trademark Law* 2009, 193, 196 (Jeffery A. Handelman et al. eds., 2009) [hereinafter *Understanding Trademark Law*] ("It is common practice to conduct some level of investigation or a trademark search.").

n39. See, e.g., *Vornado Air Circulation Sys., Inc. v. Duracraft Corp.*, 58 F.3d 1498, 1500-01 (10th Cir. 1995), cert. denied, 516 U.S. 1067 (1996).

n40. For example, having a professional service conduct a clearance search for trademarks can cost anywhere from \$ 30 to \$ 100 per mark searched, depending on the type of search used. See Stephen Elias & Richard Stim, *Trademark: Legal Care for Your Business & Product Name* 101-02 (9th ed. 2010) (advising readers how to conduct trademark searches to save professional search service fees).

n41. See Cockburn & MacGarvie, *supra* note 30, at 2.

n42. See *id.* This is assuming that the intellectual property right holder is even amenable to a licensing arrangement.

n43. See *id.*

n44. While entrepreneurs already face high barriers generally due to financing constraints, see David S. Evans & Linda S. Leighton, *Some Empirical Aspects of Entrepreneurship*, 79 *Am. Econ. Rev.* 519, 520 (1989), the costs stemming from intellectual property rights have been shown to have a direct impact on entry by small businesses. For example, one study conducted by economists in 2006 of the software industry found that the increased ability to patent software had a disproportionately negative impact on small businesses. See Cockburn & MacGarvie, *supra* note 30, at 19-21. The study showed that there was a correlation between an increase in the number of patents obtained in the software industry (due to relaxed standards for patentability) and the decrease in the entry into the industry by small firms. *Id.*

n45. See, e.g., *Vornado Air Circulation Sys., Inc. v. Duracraft Corp.*, 58 F.3d 1498, 1500-01 (10th Cir. 1995).

n46. See Am. Intellectual Prop. Law Ass'n, *Report of the Economic Survey 2009*, at 29 (2009) (finding that the median cost to litigate a patent dispute can be as great as \$ 2.5 million).

n47. See Rebecca Callahan, *Arbitration v. Litigation: The Right to Appeal and Other Misperceptions Fueling the Preference for a Judicial Forum 2* (Bepress, Legal Series, Working Paper No. 1248, 2006) (noting the money that can be saved through arbitration processes because those processes offer finality). Callahan further notes the nuanced and lengthy appellate process involved in using the judiciary as a means to settle disputes. *Id.* at 7-8. For example, in the *Vornado* case, the case was appealed all the way to the United States Supreme Court. See 516 U.S. 1067 (1996) (denying certiorari). Although the Supreme Court did not grant certiorari, see *id.*, the litigants likely expended a great deal of financial resources to perfect the appeal and defense.

n48. See, e.g., Letter from Diane Reed, Attorney, Knobbe Martens Olson & Bear LLP, to Christopher J. Day, Law Office of Christopher Day (Sept. 4, 2009) (on file with author); Letter from National Football League, to Ms. Thom, Fleurty Girl (Jan. 13, 2010) (on file with author).

n49. See generally David Bollier, *Brand Name Bullies: The Quest to Own and Control Culture* (2005) (documenting copyright and trademark bullying); Grinvald, *Shaming Trademark Bullies*, *supra* note 19 (discussing trademark bullying); Ted M. Sichelman, *The Vonage Trilogy: A Case Study in "Patent Bullying"* (San Diego Legal Studies, Working Paper No. 11-057, 2011), available at <http://ssrn.com/abstract=1856703> (discussing patent bullying).

n50. See Sullivan et al., *supra* note 7, at 4.

n51. The Small Business Administration was established in 1953, see Small Business Act of 1953, Pub. L. No. 83-163, 67 Stat. 230, 278 (1953); but its predecessor, the Smaller War Plants Corporation, was established in 1942. See Our History, U.S. Small Bus. Admin., <http://www.sba.gov/about-sba-services/our-history> (last visited June 8, 2012).

n52. See Mission Statement, U.S. Small Bus. Admin., <http://www.sba.gov/content/mission-statement-0> (last visited June 8, 2012) ("The U.S. Small Business Administration (SBA) was created in 1953 as an independent agency of the federal government to aid, counsel, assist and protect the interests of small business concerns, to preserve free competitive enterprise and to maintain and strengthen the overall economy of our nation.").

n53. 15 USC § 631(a) (2006).

n54. See Sarah Millican, *Ultimate Guide to Intellectual Property*, U.S. Small Bus. Admin. (Oct. 25, 2011, 4:53 PM), <http://community.sba.gov/community/blogs/community-blogs/business-law-advisor/ultimate-guide-intellectual-property>.

n55. See, e.g., *id.*

n56. Frequently Asked Questions, *supra* note 10, at question 2.

n57. *Id.* at question 10.

n58. *Id.* at question 13.

n59. See The Importance of Patent Reform on Small Business: Hearing Before the H. Comm. on Small Bus., 110th Cong. (2007).

n60. See *id.* at 19-40 (statements of witnesses representing small business interests).

n61. See *id.*

n62. Trademark Technical and Conforming Amendment Act of 2010, Pub. L. No. 111-146, § 4, 124 Stat. 66, 69-70 (2010). As discussed *supra* in note 5, the actual study was not that helpful to small businesses.

n63. See, e.g., The Impact of Intellectual Property, *supra* note 29, at 17 (question by Rep. Luetkemeyer regarding the enforcement of existing laws abroad).

n64. See Trade Agreements, Office of U.S. Trade Rep., <http://www.ustr.gov/trade-agreements> (last visited June 8, 2012).

n65. For example, the Paris Convention and the TRIPS agreement require the United States to protect foreign well-known marks that have

not been previously used in the United States but are well-known here. See generally Leah Chan Grinvald, A Tale of Two Theories of Well-Known Marks, 13 Vand. J. Ent. & Tech. L. 1 (2010) (discussing the U.S. compliance with the well-known marks doctrine).

n66. See, e.g., Help Wanted: How Passing Free Trade Agreements Will Help Small Businesses Create New Jobs: Hearing Before the H. Comm. on Small Bus., 112th Cong. 1-5 (2011).

n67. See, e.g., Small and Medium-Sized Enterprises: U.S. and EU Export Activities, and Barriers and Opportunities Experienced by U.S. Firms, Inv. No. 332-509, USITC Pub. 4169 (July, 2010) (Final).

n68. For example, the United States is currently negotiating the Trans-Pacific Partnership Agreement, which contains various intellectual property obligations. See Catherine Saez, US IP Enforcement Ambitions in Trans-Pacific Trade Agreement Stir Reactions, *Intell. Prop. Watch* (Mar. 16, 2011, 4:30 PM), <http://www.ip-watch.org/weblog/2011/03/16/us-ip-enforcement-ambitions-in-trans-pacific-trade-agreement-stir-reactions/>. The chapter on intellectual property (dated February 2011) was leaked in March 2011. See Trans-Pacific Partnership Agreement, Intellectual Property Rights Chapter (Feb. 2011), <http://keionline.org/sites/default/files/tpp-10feb2011-us-text-ipr-chapter.pdf>.

n69. For example, the draft intellectual property rights chapter of the Trans-Pacific Partnership contains specific obligations with respect to well-known trademarks and geographical indications. See Trans-Pacific Partnership Agreement, *supra* note 68, art. 2(6)-(8). It is questionable whether the United States currently protects well-known trademarks that have not been previously used in the United States at the federal level. See Grinvald, *supra* note 65, at 4-5.

n70. See Emily Ayoob, Recent Development, The Anti-Counterfeiting Trade Agreement, 28 *Cardozo Arts & Ent. L.J.* 175, 178 (2010).

n71. See sources cited *supra* note 17.

n72. ACTA: Meeting U.S. Objectives, *supra* note 18. However, a report by the Congressional Research Service questions this stating: "Depending on how broadly or narrowly several passages from the ACTA draft text are interpreted, it appears that certain provisions of federal intellectual property law could be regarded as inconsistent with ACTA" Memorandum from Brian T. Yeh to the Hon. Ron Wyden, *supra* note 18, at 2; see also Masnick, *supra* note 18.

n73. See *infra* Part III.B. At the time of this Article, it is unclear whether compliance with ACTA will be necessary, as a number of member nations within the European Union have refused to sign the agreement. See ACTA Loses More Support in Europe, *Guardian* (Feb. 15, 2012), <http://www.guardian.co.uk/technology/2012/feb/15/acta-loses-more-support-europe>. According to Article 40(1), six signatories of ACTA need to deposit their ratifications with Japan in order for ACTA to enter into force. See ACTA, *supra* note 16, art. 40(1), 45. Only after ACTA comes into force will it have the effect of binding the United States. See Sean Flynn, ACTA to Be Signed - But Can It Enter into Force?, *infojustice.org* (Sept. 29, 2011), <http://infojustice.org/archives/5699>.

n74. See, e.g., Japan-U.S. Joint Proposal, Anti-Counterfeiting Trade Agreement, Discussion Draft, June 25, 2008, <http://sites.google.com/site/iipenforcement/acta> (discussing "Border Measures"); Discussion Paper on a Possible Anti-Counterfeiting Trade Agreement, May 22, 2008, <http://ipjustice.org/wp/wp-content/uploads/ACTA-discussion-paper-1.pdf>. For scholarly commentary of this issue, see Kenneth L. Port, A Case Against the ACTA, 33 *Cardozo L. Rev.* 1131, 1156-59 (2012) (describing the various objections to ACTA, citing to various organizations, including the Electronic Frontier Foundation); Yu, *supra* note 17, at 1019-44 (arguing that the second and third fears of ACTA are "upward ratchets" of intellectual property protection in the United States and abroad); Margot Kaminiski, Recent Development, The Origins and Potential Impact of the Anti-Counterfeiting Trade Agreement (ACTA), 34 *Yale J. Int'l L.* 247, 247 (2009) (arguing that ACTA would create a "new world" of intellectual property enforcement).

n75. Criminalizing all forms of trademark infringement would be a major change in the United States. See *infra* Part III.B.1 for a discussion of the differences between mere trademark infringement and counterfeiting. For the early proposal to criminalize all forms of trademark infringement, see Japan-U.S. Joint Proposal, Anti-Counterfeiting Trade Agreement [Chapter 2 (Criminal Provisions)], Discussion Draft, Oct. 16, 2008, <http://sites.google.com/site/iipenforcement/acta> ("Each Party shall provide for criminal procedures and penalties to be applied at least in cases of willful trademark counterfeiting [Option J.: trademark infringement caused by confusing similar trademark goods] ..."); Consolidated Text, Anti-Counterfeiting Trade Agreement, Deliberative Draft, Jan. 18, 2010, sec. 3, art. 2.14, <http://sites.google.com/site/iipenforcement/acta>; see also Margot E. Kaminski, An Overview and the Evolution of the Anti-Counterfeiting Trade Agreement, 21 *Alb. L.J. Sci. & Tech.* 385, 424-26 (2011); Kimberlee G. Weatherall, ACTA April 2010 - Analysis of Provisions 3 (2010), available at <http://works.bepress.com/kimweatherall/20/>.

n76. See ACTA, *supra* note 16, art. 23 ("Each Party shall provide for criminal procedures and penalties to be applied at least in cases of willful trademark counterfeiting or copyright or related rights piracy on a commercial scale.").

n77. See Kim Weatherall, ACTA: New (Leaked) Text, New Issues, *Fortnightly Review IP & Media Law* (July 15, 2010), <http://fortnightlyreview.info/2010/07/15/acta-new-leaked-text-new-issues%E2%80%A6/> ("In short, though: the text is an improvement that continues to have significant problems.").

n78. There are a number of small businesses that import into the United States. See U.S. Dept. of Commerce, U.S. Census Bureau News, A Profile of U.S. Importing and Exporting Companies, 2008-2009, at 15 (Apr. 2011).

n79. See *infra* notes 178 and 179.

n80. See ACTA, *supra* note 16, art. 13 (emphasis added).

n81. The United States Customs and Border Protection agency is the border law enforcement agency within the Department of Homeland Security. See We Are CBP!, Border Prot. (Oct. 4, 2010), http://cbp.gov/xp/cgov/careers/customs_careers/we_are_cbp.xml.

n82. See U.S. Customs & Border Prot. and U.S. Immigration & Customs Enforcement, Intellectual Property Rights, Fiscal Year 2010 Seizure Statistics - Final Report 6 (Jan. 2011) (showing that counterfeit footwear accounted for the number one commodity seized at the border).

n83. See 15 U.S.C. § 1114 (2006) (defining trademark infringement of a registered trademark).

n84. See 15 U.S.C. § 1127 (2006) (defining "counterfeit" as "a spurious mark which is identical with, or substantially indistinguishable from, a registered mark").

n85. *Birmingham v. Mizuno USA, Inc.*, No. 5:09- CV-0566 (GTS/GHL), 2011 U.S. Dist. LEXIS 34696, 26 ("This test of identical with, or substantially indistinguishable from requires a closer degree of similarity than is required for traditional trademark infringement or unfair competition." (citation omitted) (internal quotation marks omitted)).

n86. See Jennifer E. Rothman, The Questionable Use of Custom in Intellectual Property, 93 Va. L. Rev. 1899, 1910 n.24 (2007) ("Generally, only injunctive relief is awarded in trademark infringement cases, but when a showing of willfulness is made, courts can award monetary damages for lost profits, costs, and fees.").

n87. See 15 U.S.C. § 1117(a) (2006).

n88. See *id.* § 1117(c).

n89. See 18 U.S.C. § 2320(a).

n90. See *infra* Part IV.B.

n91. See J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 25:10 (4th ed. 2011) (discussing counterfeiting in a variety of industries that have caused serious harm to the public and distinguishing between counterfeit and civil trademark infringement).

n92. See ACTA, *supra* note 16, art. 5(h). Article 5(h) refers to the TRIPS agreement definition of intellectual property, which includes copyright and related rights, trademarks, geographical indications, industrial designs, and layout designs of integrated circuits. See TRIPS Agreement, *supra* note 11, at 1201-12; see also Henning Grosse Ruse-Khan, *A Trade Agreement Creating Barriers to International Trade?: ACTA Border Measures and Goods in Transit*, 26 *Am. U. Int'l L. Rev.* 645, 672-73 (2011).

n93. See *infra* Part IV. This Article is not suggesting that small businesses be allowed to import trademark infringing products; however, due to the complexities of determining what infringes a trademark, it is likely that small businesses in certain industries will be subject to increased border detentions for shipments that may come close to infringing but do not in fact infringe. See *infra* Part IV.B.

n94. See ACTA, *supra* note 16, art. 16(1).

n95. *Id.*

n96. See 19 C.F.R. §§133.1-133.53 (2011); Customs & Border Prot., Customs Directive No. 2310-008A, Trademark and Trade Name Protection (Apr. 7, 2000) [hereinafter Customs Directive], <http://www.cbp.gov/linkhandler/cgov/trade/legal/directives/2310-008a.ctt/2310-008a.pdf>.

n97. Although the Customs Directive states that there is an application procedure, see Customs Directive, *supra* note 96, at 2.3, there is no further mention of the process in the Customs Directive, nor is there an application on the CBP website. See Intellectual Property Rights, U.S. Customs & Border Prot., http://cbp.gov/xp/cgov/trade/priority_trade/ipr/ (last visited June 8, 2012). Instead, trademark holders are encouraged to fill out an online form or call the CBP with any intelligence information they may have. See E-Allegations: Online Trade Violation Reporting System, Customs & Border Prot. (CBP), <https://apps.cbp.gov/eallegations/> (last visited June 8, 2012).

n98. See, e.g., E-Allegations Frequently Asked Questions, U.S. Customs & Border Prot., http://cbp.gov/xp/cgov/trade/trade_programs/e_allegations/e_allegations_faq.xml (last visited June 8, 2012) ("Q: Will I be able to find out the status of an e-Allegation I submit? A: In most cases, Privacy Act and Trade Secrets Act laws prevent CBP from disclosing the results of any research conducted as the result of an e-Allegation."). Trademark holders that are able to afford to train CBP officers and agents may often see products that infringe their trademarks detained more often. See, e.g., Timothy P. Trainer & Vicki E. Allums, Customs Enforcement of Intellectual Property Rights 25-30 (2011) (discussing training of CBP by trademark holders and advising that training will increase the effectiveness of CBP efforts on their behalf).

n99. See 19 C.F.R. §§133.3-133.7. Trade names are also allowed to be recorded with the CBP. See 19 C.F.R. §§133.11-133.15.

n100. See U.S. Customs & Border Prot., Protecting Intellectual Property Rights at Our Borders, Publication No. 0105-0909 ("How Can Right Holders Protect Themselves from Counterfeiting and Piracy? For maximum protection, right holders should: ... Familiarize customs officials with their intellectual property through product identification training guides and/or customs officials training.").

n101. ACTA, *supra* note 16, art. 22(c).

n102. See Customs Directive, *supra* note 97, at 5.1.

n103. See *id.* at 5.2.

n104. ACTA, *supra* note 16, art. 17(1).

n105. See Eric Goldman, Online Word of Mouth and Its Implications for Trademark Law, in *Trademark Law and Theory* 404, 414 (Graeme B. Dinwoodie & Mark D. Janis eds., 2008). Some courts require plaintiffs to establish an additional element for a prima facie case of trademark infringement, that of "commercial use" of the trademark. See Lisa P. Ramsey, Brandjacking on Social Networks: Trademark Infringement by Impersonation of Markholders, 58 *Buff. L. Rev.* 851, 885 (2010) ("Appellate courts in some circuits hold the use in connection with goods, services, or commercial activities language in the infringement statutes also implicitly requires the markholder to establish 'commercial use' of the mark for a prima facie infringement claim.").

n106. The definition of "unauthorized use" has been the subject of a lengthy debate among the scholarly community, with scholars arguing for and against a "trademark use" requirement in infringement cases. See generally Margreth Barrett, Internet Trademark Suits and the Demise of "Trademark Use," 39 *U.C. Davis L. Rev.* 371 (2006) (arguing for such a rule); Graeme B. Dinwoodie & Mark D. Janis, Confusion Over Use: Contextualism in Trademark Law, 92 *Iowa L. Rev.* 1597 (2007) (arguing against a bright-line rule of trademark use); Graeme B. Dinwoodie & Mark D. Janis, Lessons from the Trademark Use Debate, 92 *Iowa L. Rev.* 1703 (2007); Stacey L. Dogan & Mark A. Lemley, Grounding Trademark Law Through Trademark Use, 92 *Iowa L. Rev.* 1669 (2007) (arguing for such a bright-line rule). For a good discussion of the current status of a "trademark use" requirement by courts, see Ramsey, *supra* note 105, at 890-94.

n107. See 15 U.S.C. § 1115 (2006) (listing defenses to trademark infringement).

n108. See, e.g., *Smith v. Chanel, Inc.*, 402 F.2d 562, 562-63 (9th Cir. 1968) (involving defendant's use of plaintiff's trademark "Chanel No. 5" on brochures and invoices).

n109. See *id.* at 570 (holding that "where, as here, the appellants have done all that could reasonably be expected to avoid confusion, the speculative possibility of deliberate fraud by third persons is not a sufficient basis for injunctive relief"); *New Kids on the Block v. News Am. Pub., Inc.*, 971 F.2d 302, 309 (9th Cir. 1992) (holding that nominative fair use is an appropriate defense to trademark infringement).

n110. The specific number of factors varies from circuit to circuit. See Barton Beebe, An Empirical Study of the Multifactor Tests for Trademark Infringement, 94 *Calif. L. Rev.* 1581, 1582-84 (2006); see also Graeme B. Dinwoodie & Mark D. Janis, *Trademarks and Unfair Competition: Law and Policy* 506-08 (3d ed. 2010) (listing the circuits and the respective tests).

n111. See Ann Bartow, Likelihood of Confusion, 41 *San Diego L. Rev.* 721, 745 (2004) ("Whether a mark accused of infringing another mark is similar enough to constitute an actionable colorable imitation is a subjective decision that courts make and is usually articulated as a judgment about whether the contemporaneous coexistence of the marks underlying the dispute is likely to cause consumer confusion.").

n112. ACTA, *supra* note 16, art. 17(1) (emphasis added).

n113. See *infra* Part V.B.1.

n114. ACTA, *supra* note 16, art. 17(1).

n115. *Id.* art. 18.

n116. *Id.*

n117. *Id.* art. 21.

n118. See Edward Lee, *The Global Trade Mark 17* (April 4, 2011) (unpublished manuscript), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1804985 (stating the rationale for setting the application fee at \$ 5,000).

n119. This assumes that a majority of small businesses are "followers" of large businesses and sell products that may imitate popular or famous products, such as look-alike designs of clothing, which may be similar to the original but not trademark infringing or counterfeit products. See *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 207-08 (2000) (involving a case where plaintiff sued designer and Wal-Mart for allegedly infringing the clothing design of plaintiff).

n120. See *infra* Part IV.A.

n121. See *infra* Part IV.B.

n122. See, e.g., Raice, *supra* note 1 ("Mr. Bernanke noted that small businesses are essential to job creation, saying that data show that small firms employ roughly one-half of all Americans and account for about 60% of job creation.").

n123. See *supra* Part III.B.1.

n124. 15 U.S.C. §§1051-1124 (2006).

n125. 19 U.S.C. §§1001-1654 (2006).

n126. 15 U.S.C. § 1124 (2006).

n127. 19 U.S.C. § 1526(a) (2006).

n128. See Intellectual Property Rights, *supra* note 97 (describing its role as one that "protects businesses and consumers every day through an aggressive IPR enforcement program[, whereby] CBP targets and seizes imports of counterfeit and pirated goods").

n129. See Keith M. Stolte, Note, If It Walks Like a Duck: A Proposal to Unify U.S. Customs' Treatment of Infringing Imports, 29 J. Marshall L. Rev. 711, 747 n.180 (1996).

n130. Other commentators have argued similarly, although with a different goal in mind. See, e.g., *id.* at 746.

n131. See, e.g., Intellectual Property Rights, *supra* note 97.

n132. U.S. Customs & Border Prot., Trade, Priority Trade Issues, Intellectual Property Rights, Overview of IPR Enforcement: A Priority Trade Issue (on file with author; webpage no longer available).

n133. See *id.*

n134. Protecting Intellectual Property Rights at Our Borders, *supra* note 100.

n135. At least one American industry group, the Intellectual Property Owners Association, believes similarly. See Letter from Douglas K. Norman, President, Intell. Prop. Owners Ass'n, to The Hon. Ron Kirk, Ambassador, U.S. Trade Representative (Jun. 25, 2010) [hereinafter IPO June Letter], available at <http://www.ipo.org/AM/Template.cfm?Section=Home&template=/CM/ContentDisplay.cfm&ContentID=26212> ("ACTA is unwittingly broadening the scope of the seizure power of Customs and Border Patrol forces to encompass civil action trademark infringement" (emphasis added)).

n136. Compare 19 C.F.R. § 133.21 (2011) (counterfeit), with *id.* § 133.22 (copying or simulating) (2011).

n137. See 15 U.S.C. § 1124 (2006).

n138. See 19 U.S.C. § 1526(e) (2006). This provision was added by amendment in 1978. See Customs Procedural Reform and Simplification Act of 1978, Pub. L. No. 95-410, 92 Stat. 888, 903 (1978).

n139. See Tariff Act of 1930, Pub. L. No. 71-361, 46 Stat. 590, 741 (1930).

n140. Customs Directive, *supra* note 96, at 4.1 ("Agency policy dictates that U.S. Customs focus its enforcement efforts on trademarks and trade names that are 'recorded' with Customs.").

n141. Compare *id.* at 4.3.4.2, with *id.* at 4.3.6.2.

n142. *Id.* at 4.3.4.2.

n143. *Id.* at 4.3.6.2.

n144. One example may be generic medicines. See Ruse-Khan, *supra* note 92, at 676 ("Imposing this task [referring to the determination of likelihood of confusion analysis] on customs officers is likely to result in a considerable increase in seizures and temporary detentions based on right holder allegations that transiting generics are confusingly similar.").

n145. See U.S. Census Bureau News, *supra* note 78, at 15 (stating that the total number of identified importers in 2009 was 179,831, with 5,219 importers having 500 or more employees).

n146. See *id.* The U.S. Census Bureau reports on those U.S. companies that can be linked to import transactions.

n147. It is hard to determine how many small businesses operate in the private label manufacturing market. However, among the fourteen member board of directors of the Private Label Manufacturers' Association, at least three board members represent small businesses. See Press Release, Private Label Manufacturer's Association, Tom Chaffee of Sturm Foods Elected to Second Term as Chairman of PLMA Board of Directors, http://plma.com/share/press/FOR_IMMEDIATE_RELEASE/PLMA_Board_of_Directors%E2%80%952011_Election.pdf (listing Bill Bond from Willert Home Products, Philip Shaoul from Global Tissue Group, and Quentin Filippo from ASO LLC as board members). Willert Home Products employs approximately 380 employees. See Willert Home Products Company Profile, Hoovers, http://www.hoovers.com/company/Willert_Home_Products_Inc/rtryfri-1.html (last visited June 8, 2012). Global Tissue Group has approximately fifty employees. See Global Tissue Group Company Profile, Manta, <http://www.manta.com/c/mm3s544/global-tissue-group-inc> (last visited June 8, 2012). ASO LLC employs approximately 240 employees. See ASO LLC Company Profile, Manta, <http://www.manta.com/c/mm3jrfd/aso-llc> (last visited June 8, 2012).

n148. See What Are Store Brands?, Private Label Mfr. Ass'n, <http://plma.com/storeBrands/facts11.html> (last visited June 8, 2012) ("Store brands ... are products that stores put their own names or brands on. They may also be called private label, house brands, own brands or retailer brands ...").

n149. See, e.g., *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 207-08 (2000) (trademark infringement case involving product design similar to that of plaintiffs).

n150. For example, the well-known trademark may be used as a point of comparison with the lesser known trademark. See, e.g., *Smith v. Chanel, Inc.* 402 F.2d 562 (9th Cir. 1968).

n151. See *supra* Part III.B.

n152. U.S. Census Bureau, 2007 Survey of Business Owners (2007), http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=SBO_2007_00CSCB07&prodType=table.

n153. See Chad Moutray, *Baccalaureate Education and the Employment Decision: Self-Employment and the Class of 1993*, at 30 tbl.6 (Office of Advocacy, U.S. Small Bus. Admin., unnumbered working paper, 2008), available at <http://archive.sba.gov/advo/research/rs333tot.pdf> (indicating that only 8.3% of self-employed citizens had attained a professional degree). While a small percentage of small-business owners have a graduate degree, it is likely that not all of these graduate degrees are law degrees.

n154. Unlike patent attorneys, who are admitted to practice before the U.S. Patent & Trademark Office, trademark attorneys need no special qualification or admittance in order to prosecute or litigate trademark matters. Therefore, it is difficult to estimate the number of trademark attorneys in the United States; however, in 2010, there were approximately 2,218 U.S.-based attorneys who were members of the International Trademark Association, the largest trademark organization. See Int'l Trademark Assoc., *Membership Directory 2010* (on file with author).

n155. Incomes for the average American household fell 4.8% between 2000 and 2009. See Conor Dougherty & Sara Murray, *Lost Decade for Family Income*, *Wall St. J.*, Sept. 17, 2010, <http://online.wsj.com/article/SB10001424052748703440604575495670714069694.htm>.

n156. See David K. Randall, In Pictures: Five Common Financial Mistakes Small Businesses Make, *Forbes*, at slide 2 (Apr. 30, 2009), http://www.forbes.com/2009/04/30/moneybuilder-start-business-personal-finance-starting_slide_2.html.

n157. Properly funding a new small business is crucial, as the small business will need to draw upon the start-up funds in the beginning days of the business, when it is trying to attract customers. See *id.*

n158. See *id.*, at slide 5.

n159. See *id.*, at slide 6.

n160. See Commissioner's Staff Offices, U.S. Customs and Border Prot., http://cbp.gov/xp/cgov/about/organization/comm_staff_off/ (last visited June 8, 2012); Assistant Commissioners' Offices, U.S. Customs and Border Prot., http://cbp.gov/xp/cgov/about/organization/assist_comm_off/ (last visited June 9, 2012).

n161. See, e.g., About Us, St. Louis Volunteer Law. & Acct. for the Arts, <http://www.vlaa.org> (last visited June 9, 2012); Intellectual Property and Nonprofit Organizations Clinic, Wash. U. L. Sch., <http://law.wustl.edu/ClinicalEd/pages.aspx?id=6835> (last visited June 9, 2012).

n162. For example, the Intellectual Property and Nonprofit Organizations Clinic at Washington University Law School divides its activities into four category areas, with none of the categories seemingly a match for a small business with an intellectual property/customs issue. See Intellectual Property and Nonprofit Organizations Clinic, *supra* note 161 (listing coursework, early stage legal advice to innovators and entrepreneurs, entity formation of nonprofit organizations, and research at local area organizations).

n163. See Customs Directive, *supra* note 96, at 4.2.1 ("Customs policy mandates that suspect trademark-violative goods can only be detained upon a 'reasonable suspicion' that said goods bear marks which violate a federally registered trademark.").

n164. See 19 U.S.C. § 1499(c)(1) (2006) ("Within the 5-day period (excluding weekends and holidays) following the date on which merchandise is presented for customs examination, the Customs Service shall decide whether to release or detain the merchandise."); see

also Customs Directive, *supra* note 96, at 4.2.2 ("Where a Customs officer is unsure whether to formally detain the goods at the time of presentation to Customs, he may detain the goods for a 5-day period pursuant to 19 U.S.C. § 1499 to determine whether such "reasonable suspicion" exists.').

n165. See 19 U.S.C. § 1499(c)(2) (2006) ("The Customs Service shall issue a notice to the importer or other party having an interest in detained merchandise no later than 5 days, excluding weekends and holidays, after the decision to detain the merchandise is made."); see also Customs Directive, *supra* note 96, at 4.2.3 ("If Customs determines that such "reasonable suspicion" exists, Customs shall issue a formal letter of detention to the importer before the expiration of the 5-day period.").

n166. See 19 C.F.R. § 133.25(a) (2011) ("The importer may, during the 30-day period, establish that any of the circumstances described in § 133.22(c) or § 133.23(d) are applicable.").

n167. See 19 C.F.R. § 133.22(c)(1) ("The objectionable mark is removed or obliterated as a condition to entry in such a manner as to be illegible and incapable of being reconstituted ... ").

n168. See 19 C.F.R. § 133.22(c)(2) ("The merchandise is imported by the recordant of the trademark or trade name or his designate ... ").

n169. See 19 C.F.R. § 133.22(c)(3) ("The recordant gives written consent to an importation of articles otherwise subject to the restrictions set forth in paragraph (b) of this section or § 133.23(c) of this subpart, and such consent is furnished to appropriate Customs officials ... ").

n170. See 19 C.F.R. § 133.22(c)(4) ("The articles of foreign manufacture bear a recorded trademark and the one-item personal exemption is claimed and allowed under § 148.55 of this chapter."). The personal exemption contains a couple of limitations, the first being that a person importing an otherwise infringing product is limited to "one article of the type bearing a protected trademark" and second, that the importation of the same type of product can only occur once within thirty days. See 19 C.F.R. § 148.55(b)-(c).

n171. See 19 C.F.R. § 133.22(f) ("If the importer has not obtained release of detained articles within the 30-day period of detention, the merchandise shall be seized and forfeiture proceedings instituted.").

n172. See ACTA, *supra* note 16, art. 19.

n173. See Japan-U.S. Joint Proposal Border Measures, *supra* note 74, at 6-7 ("Comment: The language should refer to launching a determination within a reasonable period of time, rather than making a determination within a reasonable period of time.").

n174. See 19 C.F.R. § 133.22(c)(1).

n175. ACTA, *supra* note 16, art. 20(1).

n176. See Letter from Stewart Baker, Assistant Sec'y for Pol'y, U.S. Dep't of Homeland Security, to The Hon. Susan C. Schwab, Ambassador, Officer of the U.S. Trade Rep. (Aug. 7, 2008), available at http://keionline.org/sites/default/files/steward_baker_schwab_7aug2008.pdf.

n177. Article 20 of ACTA is very similar to the language found in TRIPS Articles 46 and 59, which was the subject of interpretation by a WTO dispute panel in the 2009 United States-China intellectual property dispute. The WTO Panel found that "exceptional cases" meant "'of the nature of or forming an exception; unusual, out of the ordinary; special ...'" See Panel Report, China - Measures Affecting the Protection and Enforcement of Intellectual Property Rights, P 7.390, WT/DS362/R (Jan. 26, 2009) (citing 1 New Shorter Oxford English Dictionary 872 (1993)). In addition, the Panel stated, "such cases must be narrowly circumscribed in order to satisfy the description of 'exceptional.' Even when narrowly circumscribed, application of the relevant provision must be rare, lest the so-called exception become the rule, or at least ordinary." See *id.* P 7.391.

n178. See, e.g., *Harlow & Jones, Inc. v. Advance Steel Co.*, 424 F. Supp. 770, 772 (E.D. Mich. 1976) (litigating the rejection by defendant of final delivery due to defendant's contention that the contract provided for timely delivery).

n179. See, e.g., *Melford Olsen Honey, Inc. v. Adeo*, 452 F.3d 956, 967 (8th Cir. 2006); *Latex Equip. Sales & Serv., Inc. v. Apache Mills, Inc.*, 484 S.E.2d 274, 277 (Ga. Ct. App. 1997); *Borah v. McCandless*, 205 P.3d 1209, 1218-19 (Idaho 2009).

n180. Coverage will depend on how the insurance company interprets a customs detention or seizure and forfeiture situation, and whether

that interpretation fits within the insurance policy. See generally Ernest Martin, Jr., et al., *Insurance Coverage for the New Breed of Internet-Related Trademark Infringement Claims*, 54 SMU L. Rev. 1973, 1983-2004 (2001) (discussing interpretation of commercial general liability insurance policies and trademark infringement claims).

n181. See *Buying Insurance, Five Tips for Buying Business Insurance*, Small Bus. Admin., <http://www.sba.gov/content/buying-insurance> (last visited June 15, 2012) ("Generally, the higher deductible you agree to pay, the lower your premium will be.").

n182. See *id.* ("However, when you agree to take on a high deductible you are taking on some financial risk.").

n183. See generally *Choosing Your Specialty Insurance*, Nat'l Fed'n of Indep. Bus., <http://www.nfib.com/business-resources/business-resources-item/cmsid/20385/amp%3bv/1> (last visited June 15, 2012).

n184. Mandatory insurance usually includes worker's compensation and unemployment insurance. See *Insurance Requirements for Employers*, Small Bus. Admin., <http://www.sba.gov/content/insurance-requirements-employers> (last visited June 15, 2012). For example, in Missouri, any business that employs five or more employees is required to carry worker's compensation insurance, with a construction business required to carry such insurance where they employ one or more employees. See *Worker's Compensation Insurance*, Mo. Dep't of Labor, <http://www.labor.mo.gov/DWC/Employers/insurance.asp> (last visited June 15, 2012). In Missouri, unemployment insurance is also required for general businesses in certain circumstances, including where \$ 1,500 or more in wages are paid in any calendar quarter or where the business has an employee for any part of a day in each of twenty different weeks. See *Liability for Missouri Unemployment Insurance Tax*, Mo. Dep't of Labor, <http://www.labor.mo.gov/DES/Employers/liability.asp> (last visited June 15, 2012).

n185. See Charles J. Fombrun & Cees B.M. Van Riel, *Fame & Fortune: How Successful Companies Build Winning Reputations* 3-4 (2004) (explaining that reputations are used by people to decide what to purchase and which businesses to invest in).

n186. See *Frequently Asked Questions*, *supra* note 3.

n187. See generally Grinvald, *Shaming Trademark Bullies*, *supra* note 19.

n188. See *id.* at 642. Cf. 156 Cong. Rec. S349 (daily ed. Jan. 28, 2010) (statement of Sen. Leahy) ("When a corporation exaggerates the scope of its rights far beyond a reasonable interpretation in an attempt to bully a small business out of the market, that is wrong.").

n189. See generally Bollier, *supra* note 49 (documenting various bullying campaigns).

n190. See Grinvald, *Shaming Trademark Bullies*, *supra* note 19, at 632 ("Although merely expanding the law to provide stronger protection to trademark owners does not, in and of itself, cause bullying, simultaneous developments have assisted in incentivizing bullying, including increased protection given to strong or famous trademarks and a lack of meaningful developments to assist those accused of trademark infringement."); see also Deven R. Desai & Sandra L. Rierison, *Confronting the Genericism Conundrum*, 28 *Cardozo L. Rev.* 1789, 1791 (2007).

n191. Although all businesses (small or large) may be impacted by ACTA's empowerment of trademark bullies, the focus of this Article is on small businesses due to their lack of resources and extra vulnerability to enhanced border measures.

n192. See *infra* Part V.A.

n193. See *infra* Part V.B.

n194. See ACTA, *supra* note 16, arts. 16(1) and 17. See discussion of Articles 16(1) and 17 *supra* Parts III.B.2 & III.B.4.

n195. See *supra* Part II.

n196. See ACTA, *supra* note 16, arts. 16(1), 17.

n197. If the CBP excludes mere trademark infringement from its implementation of ACTA and provides educational outreach to small businesses, this provision could provide a benefit to small businesses who are victims of counterfeiting. One of these benefits would be a lowered cost of trademark enforcement against counterfeiters through the CBP. Large businesses are not the only entities that need to be worried about counterfeiters - businesses of all sizes may be victims. See About the Small Business Education Campaign, Stopfakes.gov/smallbusiness, <http://www.uspto.gov/smallbusiness/about/> (last visited June 15, 2012) ("Piracy, counterfeiting and the theft of intellectual property pose a serious threat to all U.S. businesses.").

n198. Cf. Kaminski, *supra* note 75, at 442 (arguing that ACTA on the whole shifts costs from right holders to governments): Stewart Baker, When DHS Questioned ACTA, The Volokh Conspiracy (Apr. 27, 2011, 9:13 PM) (stating (in an article by Stewart Baker, who was the Assistant Secretary for Policy at the Department of Homeland Security at the time ACTA was being negotiated) that "in the Bush Administration, [the Department of Homeland Security] didn't much like ACTA, at least as it was then drafted. It seemed like a sweetheart deal for a few intellectual property owners, who'd get free government enforcement of their private rights, potentially to the detriment of security and traditional customs enforcement").

n199. See ACTA, *supra* note 16, art. 17(2) ("Each Party shall provide for applications to suspend the release of, or to detain, any suspect goods under customs control in its territory. A Party may provide for such applications to apply to multiple shipments. A Party may provide that, at the request of the right holder, the application to suspend the release of, or to detain, suspect goods may apply to selected points of entry and exit under customs control.").

n200. Many large corporations engage outside law firms to write and send cease and desist letters. See, e.g., Letter from Diane Reed to Christopher J. Day, *supra* note 48.

n201. For example, Apple and Fossil have advertised for in-house positions that oversee brand protection management. See Apple, Senior IPR Investigator - Apple (on file with author; webpage no longer available) (advertising for senior intellectual property rights investigator with needed experience in customs procedures); Fossil, Careers, Legal Assistant (on file with author; webpage no longer available) (advertising for paralegal who will coordinate anti-counterfeiting measures). See generally Ginny Han, *Lenovo's Brand Management Strategy - Promotion and Protection*, China Intell. Prop. (Dec. 2007), <http://www.chinaipmagazine.com/en/journal-show.asp?id=267> (discussing Lenovo's brand management strategy, where the brand communication department is independent of the legal department); Ken Taylor, *Using the "P" Word. The Inside Scoop on Pretext Investigations 1, 8-9* (May 8, 2008) (unpublished manuscript) (discussing the ethical issues with attorneys conducting trademark infringement investigations and advocating the use of private investigation firms), available at <http://www.alabar.org/sections/intellectualproperty/pdf/KenTaylor-PretextInvestigations.pdf>.

n202. See Salary Wizard: Product/Brand Manager, Salary.com, <http://swz.salary.com/SalaryWizard/Product-Brand-Manager-Salary-Details.aspx> (last visited June 15, 2012).

n203. See Cheryl L. Hodgson, *When Enforcement Becomes Bullying*, World Trademark Rev., June-July 2010, 73, 76.

n204. See Am. Intellectual Prop. Law Ass'n, Report of the Economic Survey 25 (2007).

n205. See Callahan, *supra* note 47, at 2, 7-8.

n206. See *Mattel, Inc. v. Walking Mountain Prods.*, No. CV99-8543RSWL(RZX), 2004 WL 1454100, at 4 (C.D. Cal. June 21, 2004) (awarding defendant \$ 1,584,089 in legal fees and \$ 241,797.09 in costs), *aff'd*, 353 F.3d 792 (9th Cir. 2003). Mattel Corporation attempted to bully artist Tom Forsythe from using Barbie dolls in his artwork by filing a lawsuit against him. See Bollier, *supra* note 49, at 83, 89-93; Food Chain Barbie and the Fight for Free Speech, *Artsurdist: Photographic Art*, <http://www.tomforsythe.com/the-fight-for-free-speech.html> (last visited June 16, 2012). Forsythe had created the "Food Chain Barbie" photography series, which depicted naked Barbie dolls in various kitchen and food-oriented situations. See Food Chain Barbie-Supergloss-Edition of 20, *Artsurdism: Photographic Art*, <http://www.tomforsythe.com/food-chain-barbie---supergloss.html> (last visited June 15, 2012). The Ninth Circuit district and appellate courts ruled in favor of Forsythe, with the decision of the Ninth Circuit Court of Appeals stating: "The public interest in free and artistic expression greatly outweighs its interest in potential consumer confusion about Mattel's sponsorship of Forsythe's works." *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 807 (9th Cir. 2003).

n207. See ACTA, *supra* note 16, art. 17(2).

n208. See 19 C.F.R. § 133.22(e) (2011) (outlining procedure for obtaining release of detained shipment).

n209. See Julie A. Katz, *The Long and Winding Road: Successful Trademark Litigation in the United States*, *Intell. Asset Mgmt. Mag.* 44, 45 (Brands in the Boardroom 2009).

n210. See *supra* Part IV.B.

n211. The appropriate place to appeal depends on whether the CBP "excluded" the importer's shipment or "seized" the shipment. See *Stuhlbarg Int'l Sales Co. v. John D. Brush & Co.*, 240 F.3d 832, 836 (9th Cir. 2001); *H & H Wholesale Servs., Inc. v. United States*, 437 F. Supp. 2d 1335, 1340 (Ct. Int'l Trade 2006). If an appeal is inappropriately filed, a later court may vacate any judgment based on lack of subject matter jurisdiction. See *Sakar Int'l, Inc. v. United States*, 516 F.3d 1340, 1341-42 (Fed. Cir. 2008) (vacating judgment of the Court of

International Trade for lack of subject matter jurisdiction).

n212. See *Stuhlbarg Int'l Sales Co.*, 240 F.3d at 836; *H & H Wholesale Servs.*, 437 F. Supp. 2d at 1340.

n213. See *Sakar Int'l, Inc.*, 516 F.3d at 1341-42.

n214. See ACTA, *supra* note 16, art. 22(b).

n215. See 19 C.F.R. § 133.25(b) (2011).

n216. See *id.*

n217. In fact, a recent Ninth Circuit case deemed the information contained in the CBP Notice of Seizures "trade secrets" and exempt under the Freedom of Information Act. See *Watkins v. U.S. Bureau of Customs and Border Protection*, 643 F.3d 1196 (9th Cir. 2011). Although *Watkins* was primarily a case about counterfeit goods, the court acknowledged that "importers of non-counterfeit goods ... zealously guard their supply chain." See *id.* at 1196.

n218. ACTA, *supra* note 16, art. 22(b).

n219. *Id.*

n220. See Customs Directive, *supra* note 96, at 5.2 ("When articles are subject to the restrictions under 19 CFR § 133.22, Customs officers MAY disclose to the trademark holder the following information prior to the time that a detention notice is issued under 19 CFR § 133.25.").

n221. ACTA, *supra* note 16, art. 22(b) (emphasis added).

n222. This may not be too far afield. In 1995, the CBP expanded the scope of information provided to trademark holders for merely infringing shipments. See Copyright/Trademark/Trade Name Protection; Disclosure of Information, 60 Fed. Reg. 36249, 36251 (July 14, 1995) (codified at 19 C.F.R. §§133.22, 133.23(a), 133.42-.43).

n223. See, e.g., *Gilda Indus., Inc. v. United States Customs & Border Prot. Bureau*, 457 F. Supp. 2d 6, 11 (D.D.C. 2006) (finding that disclosure of information related to "sources of supply," "product lines," and "supply chains" to provide competitive advantages to competitors by, "for example, arrogating another company's exclusive source of supply").

n224. These products may or may not be infringing.

n225. See James Fallows, *China Makes, the World Takes*, *The Atlantic*, July-Aug. 2007, at 48, 48-50 (describing that Guangzhou, China, has become the world's manufacturing center); Forrest Jones, *China Ousts US as World's Top Manufacturer*, *MoneyNews* (Mar. 14, 2011, 9:39 AM), <http://www.moneynews.com/StreetTalk/China-Ousts-US-World/2011/03/14/id/389350> ("China is now the world's top manufacturer in terms of output, ousting the U.S. from the top spot ...").

n226. One long-noted problem with the enforcement of intellectual property laws (including trademark laws) in China has been corruption. See *Protecting Your Intellectual Property Rights (IPR) in China*, [export.gov](http://www.export.gov), <http://www.export.gov/china/doingbizinchina/riskmanagement/ipr/index.asp> (last visited June 15, 2012). Although bribing local authorities would be illegal for an American corporation under the Foreign Corrupt Practices Act, local authorities could be "persuaded" in non-monetary methods, such as entertainment or even business referrals. See Daniel Chow, *China Under the Foreign Corrupt Practices Act*, 2012 *Wis. L. Rev.* 573, 589-90.

n227. Hinkelman, *supra* note 20, at 199-207 (discussion of entry procedures with respect to shipments).

n228. An injunction typically means that the defendant needs to cease production and sales of the infringing product(s). In addition, through discovery, it is likely that the defendant's supply chain details would be made available to the plaintiff. See, e.g., Marcy J. Bergman,

Trademark Infringement Litigation Primer, in *Understanding Trademark Law*, supra note 38, at 255, 281-82 (providing sample listing of questions to consider for discovery, including "What information is the manufacturer/producer likely to have on key subjects such as intent to copy and design?" and "What is their relationship with the party and scope of involvement?").

n229. *EBay, Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006). Although eBay dealt with a patent infringement and permanent injunction situation, the Second Circuit has stated in dicta that eBay would extend to any case, regardless of the type of intellectual property involved or whether the requested injunction was permanent or temporary. See *Salinger v. Colting*, 607 F.3d 68, 78 n.7 (2d Cir. 2010) (applying eBay in copyright infringement case involving preliminary injunction and stating, in dicta, "although today we are not called upon to extend eBay beyond the context of copyright cases, we see no reason that eBay would not apply with equal force to an injunction in any type of case").

n230. See *e Bay, Inc.*, 547 U.S. at 391.

n231. Although the percentage of detained shipments that are found to be non-infringing is not reported by the CBP, see *Stolte*, supra note 128, at 747 n.180, it could be argued that the potential for an erroneous determination of infringement is higher with CBP field officers making the determination, than with a judge. One of the reasons for this potential is that it is unclear how the likelihood of confusion test is applied by CBP field officers, as well as whether defenses to trademark infringement are applied at all. Both of these factor greatly into a correct determination of trademark infringement. See supra Part II.A.

n232. See supra notes 211-213 and accompanying discussion.

n233. See supra Part II.B.4.

n234. ACTA, supra note 16, art. 17(1).

n235. *Id.*

n236. *Id.* art. 18.

n237. *Id.* art. 21.

n238. See, e.g., Senior IPR Investigator - Apple, *supra* note 201. Cf. Taylor, *supra* note 201, at 9 (advocating for the use of private investigators).

n239. See Marksmen, Trademark Investigations, Services and Fees (on file with author).

n240. Currently, bonds are assessed by the CBP where a trademark holder requests a sample of an infringing product. According to the CBP guidelines, "The bond is normally set at 120 percent (120%) of the CIF value of the sample, plus duty and other applicable fees (but not lower than \$ 100)." Customs Directive, *supra* note 96, at 5.2.2. The acronym "CIF" refers to the "cost, insurance and freight price." See U.N. Dep't of Econ. & Soc. Affairs, International Merchandise Trade Statistics: Concepts and Definitions, at 9, U.N. Doc. ST/ESA/52, U.N. Sales No. E.98.XVII.16 (1998).

n241. ACTA, *supra* note 16, art. 17(4).

n242. *Id.*

n243. See *id.* art. 17(2) ("A Party may provide for such applications to apply to multiple shipments. A Party may provide that, at the request of the right holder, the application to suspend the release of, or to detain, suspect goods may apply to selected points of entry and exit under customs control.").

n244. See Locate a Port of Entry - Air, Land, or Sea, CBP.gov, <http://www.cbp.gov/xp/cgov/toolbox/contacts/ports/> (last visited June 16, 2012).

n245. See sources cited *supra* note 22.

n246. IPO June Letter, *supra* note 135, at 2; Letter from Douglas K. Norman, President, Intell. Prop. Owners Ass'n, to The Hon. Ron Kirk, Ambassador, U.S. Trade Representative (Feb. 15, 2011), available at <http://www.ipo.org/AM/Template.cfm?Section=Home&ContentID=28568&template=/CM/ContentDisplay.cfm> [hereinafter IPO February Letter].

n247. See IPO June Letter, *supra* note 135, at 2.

n248. See IPO February Letter, *supra* note 246, at 2.

n249. See *id.*

n250. See *id.*

n251. See generally Ruse-Khan, *supra* note 92.

n252. See *id.* at 677-81, 695-703.

n253. ACTA, *supra* note 16, art. 6(1).

n254. *Id.* art. 13.

n255. *Id.*

n256. With respect to Article 13, Ruse-Khan states,

Here, access to medicines and international trade in generic medicines and other goods can serve as justifications to exclude ordinary trademark infringements, especially if the country has introduced border measures against goods in transit. The chapeau provision in Article 13 therefore allows for the exclusion of those types of infringements from a domestic system of border measures that are particularly problematic for generic drugs in transit.

See Ruse-Khan, *supra* note 92, at 680-81. With respect to Article 6(1), Ruse-Khan relies on a normative understanding of the term "legitimate" in this phrase, which means that "any enforcement procedures that create barriers to trade for which a justifiable public policy exists or which are supported by other social norms would be considered as "barriers to legitimate trade." See *id.* at 699. The justifiable public policy that underlies Ruse-Khan's argument is access to medicines, which is a public policy generally upheld in both the exporting and importing countries. See *id.* at 700.

n257. See *id.* at 701 ("If this insight is applied to the understanding of 'legitimate trade' advocated here, ACTA Article 6(1) will prohibit seizures of goods in transit as a barrier to legitimate trade whenever the trade in these goods can be justified by a public policy in the country of origin or the country of destination.").

n258. See *id.* at 678-79; see also Henning M. Grosse Ruse-Khan, *The Role of Chairman's Statements in the WTO*, 41 *J. of World Trade* 475, 491-92 (2007).

n259. See Ruse-Khan, *supra* note 92, at 678-79.

n260. See *id.* at 679 ("While this constructive ambiguity may have been primarily created to allow the negotiating parties to take different approaches to address infringements of geographical indications, it may equally serve as an appropriate tool to exclude ordinary trademark infringements from a national system of border measures.").

n261. See *supra* Part IV.

n262. See Fallows, *supra* note 225 ("Americans complain about cheap junk pouring out of Chinese mills, but they rely on China for a lot that is not junk, and whose cheap price is important to American industrial and domestic life.").

n263. See *supra* Part IV.B.

n264. See Ben S. Bernanke, Chairman, Bd. Gov. Fed. Res. Sys., Remarks at the Federal Reserve Meeting Series: "Addressing the Financing Needs of Small Businesses": Restoring the Flow of Credit to Small Businesses (July 12, 2010), available at <http://www.federalreserve.gov/newsevents/speech/bernanke20100712a.pdf>.

n265. See What SBA Offers to Help Small Businesses Grow, U.S. Small Business Administration, <http://www.sba.gov/content/what-sba-offers-help-small-businesses-grow> (last visited June 6, 2012).

n266. See Press Release, Office of U.S. Trade Rep., *supra* note 8.

n267. See ACTA, *supra* note 16, art. 6(1).

n268. Whether similar detention procedures should apply to shipments of counterfeit products, even if requested by trademark holders, is bracketed for now.

n269. See 19 C.F.R. §§133.22, 133.25 (2011)

n270. See Customs Directive, *supra* note 96, at 4.2.2.

n271. See 19 C.F.R. §§133.22, 133.25.

n272. See *id.*

n273. The language of 19 C.F.R. § 133.22 seems to indicate that the importer will not be able to obtain a release of her goods prior to the thirty days. See 19 C.F.R. § 133.22(c) ("Articles subject to the restrictions of this section shall be detained for 30 days from the date on which the goods are presented for Customs examination" (emphasis added)).

n274. As discussed above, the CBP procedures do not contemplate direct involvement by trademark holders. See *supra* Part IV.

n275. Cf. William E. Ridgway, Comment, Revitalizing the Doctrine of Trademark Misuse, 21 Berkeley Tech. L.J. 1547, 1569 (2006) (arguing for an adoption of a "trademark misuse" cause of action in order to impose costs on trademark enforcement, thereby limiting abuse).

n276. One assumption underlying this suggestion is that most trademark bullies are unlikely to file a lawsuit against its victims. As this assumption will not be correct all the time, this requirement does pose a risk of greater lawsuits brought by those trademark bullies who litigate any and all disputes, sometimes in a desire to gain a reputation for being a "bully." See Hodgson, *supra* note 203, at 76 ("A reputation as a bully can actually be seen as a positive for less socially conscious trademark owners - they can not only potentially monopolize the word as a mark, but also gain fame by becoming infamous."). However, one proposal that has been proffered to assist small businesses and individuals with a speedier and less expensive mode of litigation is to create an intellectual property-type of small claims court. See Goldman, *supra* note 5 (making recommendations to assist with overcoming trademark bullying, including "a small claims IP court where low-stakes disputes could be adjudicated more cheaply than full-scale litigation").

n277. See TRIPS Agreement, *supra* note 11, at 1218; EC Council Regulation No. 1383/2003.

n278. See TRIPS Agreement, *supra* note 11, at 1217 (the scope of border measures is only mandatory with respect to counterfeit and pirated products); EC Council Regulation, *supra* note 276, arts. 1(1), 2(1) ("This Regulation sets out the conditions for actions by the customs authorities when goods are suspected of infringing an intellectual property right in the following situations," and "for the purposes of this

Regulation, "goods infringing an intellectual property right" means: (a) "counterfeit goods" ... [and] (b) "pirated goods."").

n279. See TRIPS Agreement, *supra* note 11, at 1218 ("If, within a period not exceeding 10 working days after the applicant has been served notice of the suspension, the customs authorities have not been informed that proceedings leading to a decision on the merits of the case have been initiated by a party other than the defendant, or that the duly empowered authority has taken provisional measures prolonging the suspension of the release of the goods, the goods shall be released ...").

n280. See TRIPS Agreement, *supra* note 11, at 1218.

n281. See *id.* ("In appropriate cases, this time-limit may be extended by another 10 working days.").

n282. See EC Council Regulation, *supra* note 277, art. 13 ("If, within 10 working days of receipt of the notification of suspension of release or of detention, the customs office ... has not been notified that proceedings have been initiated to determine whether an intellectual property right has been infringed under national law in accordance with Article 10 or has not received the right-holder's agreement provided for in Article 11(1) where applicable, release of the goods shall be granted, or their detention shall be ended ...").

n283. See EC Council Regulation, *supra* note 277, art. 13(1) ("This period may be extended by a maximum of 10 working days in appropriate cases."); see also *id.* art. 13(2) ("In the case of perishable goods suspected of infringing an intellectual property right, the period referred to in paragraph 1 shall be three working days. That period may not be extended.").

n284. See EC Council Regulation, *supra* note 277, art. 13(1).

n285. Cf. Ridgway, *supra* note 274, at 1567-69 (arguing for an adoption of a "trademark misuse" cause of action in order to impose costs on trademark enforcement, thereby limiting abuse).

n286. There are some trademark bullies who may desire to gain a reputation as a "bully" and, therefore, litigate any dispute. See Hodgson, *supra* note 203, at 76.

n287. Cf. Ridgway, *supra* note 274, at 1567-69 (arguing for an imposition of "misuse damages" to deter trademark bullying).

n288. See ACTA, *supra* note 16, art. 6(1).

n289. *Id.* art. 17(4).

n290. See *supra* Part V.

n291. Americans seem to favor a "three strikes" rule, as seen in baseball and in the California Penal Code. See Official Baseball Rules, Rule 10.15 (2011), available at http://mlb.mlb.com/mlb/downloads/y2011/Official_Baseball_Rules.pdf; Cal. Penal Code § 667 (West 2010).

n292. See *Locate a Port of Entry*, *supra* note 244.

n293. If the revocation would be with respect to just one port of entry, this forum shopping could be a reality - until recently, each CBP field office operated autonomously from one another. See Telephone Interview with Cherise Miles, Press Officer, U.S. Customs and Border Protection Chicago Field Operations Office (Jun. 21, 2011). However, the CBP is currently attempting to limit port shopping with more recent attempts at inter-office integration. See *id.*

n294. See *Frequently Asked Questions*, *supra* note 10.

n295. See *Trade Outreach*, U.S. Customs and Border Prot., http://cbp.gov/xp/cgov/trade/trade_outreach/ (last visited June 16, 2012).

n296. From a survey of the CBP website, there appears to have been only one training presentation specifically directed to small businesses. See Trade Outreach via Webinar Presentations, U.S. Customs and Border Prot., http://cbp.gov/xp/cgov/trade/trade_outreach/webinar_present/ (last visited June 16, 2012).

n297. See Commissioner's Staff Offices, *supra* note 160; Assistant Commissioners' Offices, *supra* note 160.

n298. See Press Release, Off of U.S. Trade Rep., USTR Announces Designation of Assistant United States Trade Representative for Small Business, Market Access, and Industrial Competitiveness (Jan. 21, 2010), available at <http://www.ustr.gov/about-us/press-office/press-releases/2010/january/ustr-announces-designation-assistant-united-states>.

n299. See *supra* Part IV.B.

n300. See Al Lewis, *The Recovery? Not!*, Wall St. J. (Aug. 15, 2010), <http://online.wsj.com/article/SB10001424052748704023404575430210787709020.html>.

n301. See Headd, *supra* note 2, at 1; Small Business Jobs Act of 2010, U.S. Small Business Administration, <http://www.sba.gov/content/small-business-jobs-act-2010> (last visited June 16, 2012); see also Jesse Lee, President Obama Signs Small Business Jobs Act - Learn What's In It, White House Blog (Sept. 27, 2010, 2:37 PM), <http://www.whitehouse.gov/blog/2010/09/27/president-obama-signs-small-business-jobs-act-learn-whats-it>.

n302. See *supra* Part IV.B.; Trademark Technical and Conforming Amendment Act of 2010, Pub. L. No. 111-146, § 4, 124 Stat. 66, 69-70 (2010) (commissioning a study to report on the effect of trademark litigation abuse on small businesses); see also 156 Cong. Rec. S349, *supra* note 189 (statement of Sen. Leahy) ("I have become concerned, however, that large corporations are at times abusing the substantial rights Congress has granted them in their intellectual property to the detriment of small businesses.").

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NOTE: Picking on the Little Guy? Asserting Trademark Rights Against Fans, Emulators, and Enthusiasts*

* I would like to thank Professor Oren Bracha and Professor Robert Bone for fostering my interest in intellectual property, and Professor Bracha in particular for providing insightful comments on an earlier draft of this Note. I would also like to thank my friends on the staff and Editorial Board of the Texas Law Review for their excellent work in preparing this Note for publication. I am eternally grateful to my family for their love and encouragement through the years. Most of all, thank you to my wife, Arcelia, whose constant love, endless patience, and unwavering support make anything possible.

NAME: - David E. Armendariz

LEXISNEXIS SUMMARY:

... These groups include sports fans, youth and amateur sports teams that use official team names and logos, and enthusiasts that use trademarks in their domain names or to identify their group. ... While the law allows a trademark owner to enforce its rights in these situations, there are costs involved in such enforcement - costs to the trademark owner asserting its rights, costs to the allegedly infringing party, and costs to the community and society as a whole. ... Regardless of whether a likelihood of confusion or dilution exists in a strictly legal sense, trademark owners may have a genuine concern that their brand might be harmed in some way and might want to prevent that potential harm by asserting their rights through a cease-and-desist letter or actual litigation. ... Thus, while trademark confusion may be a valid concern in some instances, the existence of licensing agreements suggests it is not the reason for trademark litigation in every case. ... What ensued was something of a firestorm, spreading to other fan websites with members and Ford fans expressing outrage at Ford's actions. ... The first is to ensure that the doctrines of acquiescence and laches do not attach unless there is a risk of significant harm to the original owner's interests.

TEXT:

[*1259]

We live in a time of robust trademark ⁿ¹ protection, but the fact that a trademark owner has a right does not mean the owner should always exercise that right. There are times when asserting a trademark right might do more harm than good to a trademark owner, without addressing any real threat to that owner. This Note aims to explore the actions of trademark owners against subsets of infringers referred to here as fans, emulators, and enthusiasts - groups that use the mark not to create a separate brand identity of their own but rather to show their support for or imitate the original brand owner. These groups include sports fans, youth and amateur sports teams that use official team names and logos, and enthusiasts that use trademarks in their domain names or to identify their group.

This presents a different situation than most trademark analyses, which usually focus on two separate businesses at

odds with one another, each attempting to secure a share of its own product market. In the particular cases at issue here, the use is not competitive, and it usually has little risk of confusing consumers or diluting the original mark. In fact, in some cases such use may actually strengthen or reinforce the original mark, given the nature of the use.

While the law allows a trademark owner to enforce its rights in these situations, there are costs involved in such enforcement - costs to the trademark owner asserting its rights, costs to the allegedly infringing party, and costs to the community and society as a whole. While costs are inherent in any trademark-enforcement scenario, there is a problem if the costs are not offset by a corresponding benefit. For example, costs to an infringing party or to society are justifiable if the trademark owner derives a benefit to which [*1260] it is entitled under the law - such is the nature of our trademark regime. However, if the trademark owner does not derive a benefit, or actually ends up worse off as a result, then such a situation is unacceptably inefficient. Trademark law itself obligates an owner, to a certain extent, to police its mark and ensure the integrity of its brand, but this obligation should be understood in such a way as to avoid unnecessary enforcement actions that result in inefficient outcomes.

This Note proceeds in four parts. Part I presents several examples of enforcement actions against fans, emulators, and enthusiasts for analysis. Part II explores the trademark owners' possible motivations for taking such actions, looking both at reasons expressed by spokespeople and reasons that may be lying beneath the surface. Part III analyzes the costs of enforcement actions in these cases to the parties involved, including the public. Part IV concludes.

I. Fans, Emulators, and Enthusiasts

There are several examples of enforcement actions taken against fans, emulators, and enthusiasts. Trademark owners take different approaches to these groups that use their marks. Some owners refuse to allow the use altogether, while others force groups to enter into licensing agreements if they wish to continue the use. Still other owners take no action at all and actually encourage the use. What follow are a few representative examples of the types of use that are the focus of this Note.

In 2010, a team of Philadelphia Phillies fans calling themselves the "Phlyin' Phanatics" entered their contraption in the Red Bull Flugtag Competition, a contest in which people build homemade flying machines and launch them into a body of water.ⁿ² The team of fans had spent \$ 3,000 and 400 hours building a machine modeled after the Phillie Phanatic, the mascot of the Phillies and a trademark of Major League Baseball (MLB).ⁿ³ MLB objected to the use, requiring them to remove a replica of the mascot's head from the craft and leaving a sour taste in the mouths of the dejected Phillies fans.ⁿ⁴

MLB has a history of vigorously enforcing its trademarks. In the 1990s, it began cracking down on little league teams whose uniforms featured [*1261] official logos but were not purchased through an authorized, licensed dealer.ⁿ⁵ This requirement to purchase from a licensed dealer appears to be the status quo,ⁿ⁶ but there have been some recent instances of enforcement actions taken against amateur teams. In 2008, a youth league in the Tinley Park area of Chicago was forced to stop using MLB team names because its uniforms were not purchased from licensed vendors, even though the teams apparently did not use official MLB logos.ⁿ⁷ This action even garnered the attention of comedian Stephen Colbert, warranting an appearance in a satirical segment on his show, *The Colbert Report*, along with plenty of tongue-in-cheek criticism of the youth league at the expense of the intended target - MLB.ⁿ⁸ MLB took similar action against the Cape Cod League, an amateur league that had served for years as a breeding ground for future MLB talent.ⁿ⁹ MLB demanded that they comply with the licensed-vendor requirement in order to use MLB team names, but in this case the threat was not a strictly legal one - instead, MLB threatened to withhold the annual \$ 100,000 grant that it had provided to the league for years.ⁿ¹⁰ Six teams were affected by the demand: two changed their names in order to stay loyal to local vendors, and the other four kept their major league names and agreed to purchase through the licensed vendor.ⁿ¹¹

Recently, college football teams have also begun to make news for actions taken against high school teams that use official names and logos, but the actions taken turn out to be quite diverse. For example, the University of Florida

refuses to allow any use of its "Gator" mark, licensed or not, arguing [*1262] that licensing agreements are "extremely difficult to maintain and manage." ⁿ¹² The University of Wisconsin takes a similar stance regarding use of its "Motion W" insignia. ⁿ¹³

The University of Notre Dame has taken a mixed approach to high schools infringing its trademarked "Fighting Irish" name and leprechaun logo. When Notre Dame's football team returned from El Paso, Texas, after participating in the Sun Bowl in 2010, the University sent a letter to Cathedral High School - an El Paso Catholic school - demanding that it phase out its use of the famous leprechaun logo and the name "Fighting Irish." ⁿ¹⁴ The high school had been known as the Fighting Irish for over eighty-five years. ⁿ¹⁵ The University said that it does not actively seek out infringement, but it does stop it when it sees it. ⁿ¹⁶ The school had previously taken similar action against a high school in its home state of Indiana, a school that was founded by the same religious order as the one that founded Notre Dame. ⁿ¹⁷ In the case of Cathedral High School in El Paso, the school will ultimately be allowed to continue using the name "Irish," though it must drop "Fighting" from the name as well as use of the leprechaun logo. ⁿ¹⁸

Other schools take a somewhat more lenient approach to high schools using their logos and names. Schools like Kansas State University allow licensing of their logos for a nominal fee, sometimes as low as one dollar for two years. ⁿ¹⁹ Western Michigan University actively seeks out infringement from time to time, but when it finds instances of infringement, the University offers the infringer the option of a two-year license for \$ 100. ⁿ²⁰

In stark contrast to the approach taken by some colleges, the National Football League (NFL) reportedly allows youth teams and high schools to use official NFL team names and logos freely. ⁿ²¹ In fact, the NFL seems to [*1263] encourage the use. ⁿ²² Thus, many high schools borrow popular official NFL logos without having to worry about the threat of enforcement by the NFL. ⁿ²³

The case of enthusiasts is perhaps best illustrated by an incident between Ford Motor Company and therangerstation.com, a website for enthusiasts of Ford Ranger pickup trucks. In 2008, Ford sent a letter to the owner of the website demanding that he surrender the URL and pay Ford \$ 5,000. ⁿ²⁴ What ensued was an online firestorm regarding Ford's actions against the website. ⁿ²⁵ While Ford's primary concern actually involved the alleged sale of counterfeit merchandise on the site and not use of the trademark "Ranger," ⁿ²⁶ the case is an important illustration of what can happen when a company pursues its trademark rights too aggressively against enthusiasts. ⁿ²⁷

II. Why Do Trademark Owners Assert Their Rights Against These Users?

One question that may not be completely obvious to ask is why trademark owners challenge these types of uses in the first place. Are these owners simply trademark bullies, ⁿ²⁸ seeking to expand their own rights through abusive enforcement against small alleged infringers? This explanation alone seems incomplete here. Many of these allegedly infringing uses do not seem all that threatening to the original owners and may even be reinforcing and strengthening the brand among its followers. A member of a youth football team that calls itself the "Gators" might grow up with an affinity for the University of Florida and go on to become an actual Florida Gator one day. Likewise, a frequent contributor to the message boards on therangerstation.com is likely to continue buying Ford Rangers after sharing common experiences with the online community.

The focus in this part is not on what the law allows a trademark owner to protect, or even what it should allow, because those issues are largely irrelevant in this context. In all of the examples discussed above, the threat of litigation was sufficient to effect compliance by the junior user. These [*1264] users are not equipped to withstand the costs of litigation, and once threatened, they usually conform to the mark owner's demands by either discontinuing the use or entering into a licensing agreement. Thus, the focus in this part is instead on the trademark owners' internal motivations - that is, on what motivates owners to take the enforcement actions that they do.

When asked, many trademark owners assert that the main motivation behind zealous enforcement is preservation of their mark and the rights associated with it. However, there may be other motivations at play here as well, including a

desire to capitalize on an opportunity for revenue and a genuine concern about the effects of actual confusion and dilution among consumers. The likely answer is a combination of these concerns, but while these incentives are often present in any trademark enforcement scenario, there is reason to think that they are less warranted in this specific context.

A. Ability to Capitalize

The easy (and perhaps cynical) answer to why trademark owners assert their rights in these situations is that they want to make more money. The ability to license the use of a mark is an opportunity for increased revenue - a potentially lucrative one, as evidenced by the vibrant sports merchandising market.ⁿ²⁹ If the revenue from licensing to these users exceeds the costs of enforcement,ⁿ³⁰ this could be a sufficient motivator.

MLB's requirement that youth teams buy official uniforms from a licensed vendor clearly results in some revenue, though it is unclear how much. For most of these owners, however, it seems unlikely that generation of revenue is a significant motivator for enforcement. As discussed above, many of them - such as the University of Florida and the University of Wisconsin - refuse to allow the use outright, foreclosing any possibility of licensing revenue from those users.ⁿ³¹ Others - such as Kansas State University and Western Michigan University - do charge nominal licensing fees, though they are so small that licensing income alone cannot be the reason for them to take the actions that they do.
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Additionally, one might expect that as licensing fees approach a level where they become profitable to the trademark owner, the users would become more likely to simply discontinue the use altogether. Youth sports [*1265] teams and car enthusiasts might decide it is not worth the extra cost of using the officially licensed name in order to identify with the brand. Thus, while the opportunity for revenue can surely be one factor in the decision of whether to enforce trademark rights, in at least some of these cases it cannot be the only reason.

B. Fear of Consumer Confusion and Dilution

Another possibility is that the trademark owners in these cases actually fear what the law is purportedly meant to protect against: consumer confusion and dilution.ⁿ³³ Regardless of whether a likelihood of confusion or dilution exists in a strictly legal sense, trademark owners may have a genuine concern that their brand might be harmed in some way and might want to prevent that potential harm by asserting their rights through a cease-and-desist letter or actual litigation.

Confusion in the trademark context typically refers to confusion as to affiliation, connection, association, origin, sponsorship, or approval between the original mark owner and a subsequent user.ⁿ³⁴ When a high school sports team uses a college team's logo or team name, the college may be concerned that third parties who encounter that youth team will think that the college is somehow affiliated with the high school, sponsored the high school, or at the very least, approved the use of the mark. If this is a serious concern, then the mark owner is justified in using the mechanisms of the law to stop the subsequent use.

However, actual confusion among the public is unlikely. The chance that the public will think that a team of teenagers playing high school football is associated with a college hundreds of miles away is arguably small. Most of the spectators are usually affiliated with the school and surrounding community and would know that the school has merely adopted a popular team name or logo. Further, the number of consumers exposed to that particular use is likely to be relatively small, therefore posing a minimal threat [*1266] to the original mark owner.ⁿ³⁵ Finally, the fact that some mark owners enter into licensing agreements belies any claim by them of concern about confusion. Owners that enter into these agreements are actually creating associations and affiliations that were not there previously, and the public is not likely to spot the difference between licensed and unlicensed uses. Thus, while trademark confusion may be a valid concern in some instances, the existence of licensing agreements suggests it is not the reason for trademark litigation in every case.

Fear of dilution is another potential threat that a trademark owner may wish to address by enforcing its rights. Dilution by blurring refers to an "association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark," ⁿ³⁶ and dilution by tarnishment refers to an association that "harms the reputation of the famous mark." ⁿ³⁷ Considering that in many of these cases the contested marks are identical to the original marks, there may be a risk of dilution of the original (assuming the original would be considered a "famous mark"). ⁿ³⁸ Mark owners may fear that too many uses of the same mark might make the original less distinctive or that it may actually harm the reputation of the mark. ⁿ³⁹

In these particular cases, however, it seems that the result would not be dilution but, rather, the opposite. For example, in the case of youth teams using major league names, the use is obviously a reference to the original and not an attempt to create a separate brand identity. At the very least, the contested use likely does not diminish the original brand but rather highlights the original in the minds of those who come into contact with it. In these cases, it is plausible to think that the use might actually reinforce the original brand, leading those who support the youth team to support the original or to buy officially licensed merchandise of the original. ⁿ⁴⁰ Similarly, when a Ford [*1267] enthusiast website uses the original brand in its name, it is an obvious direct reference to the original mark holder and not the typical dilutive use that the Lanham Act (along with most businesses) seems to be concerned with.

While it is possible that the law might find that likelihood of confusion or dilution exists in these contexts, that does not necessarily mean that the trademark owners would sincerely have the same fear. While the risk of confusion and dilution is likely on the minds of trademark owners in these contexts, there is reason to think that this alone is not enough to motivate their actions. The fact that some of the owners enter into licensing arrangements that create associations and allow potentially dilutive uses suggests that there is still another motivator at play here.

C. Fear of Losing Protection

Conventional wisdom says that trademark owners are under an affirmative duty to "police" their marks and that failure to do so can have disastrous consequences, from a weakening of rights all the way up to loss of the mark. ⁿ⁴¹ At least publicly, many trademark owners in these cases adopt this view as well. Regarding its actions against the Cape Cod League, a spokesman for MLB's licensing division said, "There's a variety of reasons we have to do this It affects our relationships. If you don't enforce your trademark rights, then you run the risk of losing them." ⁿ⁴² A spokesman for Notre Dame spoke similarly regarding its actions against Cathedral High [*1268] School, saying, "To allow others to use our trademarks as their own could weaken the University's rights to its own marks to the point where its legitimate property interests could be at risk." ⁿ⁴³ Even the media itself adopts this dire prediction for those owners who fail to police their marks sufficiently. ⁿ⁴⁴

However, many owners also try to at least convey the message that they take no pleasure in fulfilling this duty the law imposes on them. After the Tinley Park Bulldogs were forced to either drop the use of official MLB team names or buy from approved vendors, an MLB spokesman was quoted as saying, "We want nothing more than youth league players using the names of major league teams." ⁿ⁴⁵ During another incident where MLB sent warning letters to a fan site that featured official Houston Astros uniforms, an MLB spokesman said, "'We like the sites, encourage the sites[,] ... but our (trademark) people are very wary of misuse. They are very careful to protect our logos and trademarks.'" ⁿ⁴⁶ In this way, it seems entities attempt to distance themselves from their actions, as if to say that the real culprits behind any harm caused by their enforcement actions against fans are the law itself and the "trademark people" and lawyers that force owners to comply with the unhappy obligations that the law imposes. While, in general, those who sleep on their trademark rights can run the risk of losing them, there is reason to think that the risk may be overstated in this subset of infringement cases. There are two aspects to this potential loss of rights that must be examined: (1) rights as to the infringing party or parties and (2) rights as to third parties in general.

1. Rights as to the Infringing Party. - When trademark owners speak of the obligation to assert their rights for fear of losing them, they may be speaking of the closely related equitable doctrines of laches and acquiescence. ⁿ⁴⁷ The doctrines of laches and acquiescence are by no means exclusive to trademark law, but they do apply in a particular way

in the trademark context. The application of laches and acquiescence has been [*1269] articulated as a sort of "implied license" to use a mark if the mark owner does not enforce its rights vigorously against a party.ⁿ⁴⁸

While the approach of courts is not always precise or consistent regarding the impact of a failure to sue infringers, in general, laches is an equitable defense that may be recognized when a long delay in taking action causes undue prejudice to a defendant.ⁿ⁴⁹ Importantly, however, these are "personal" defenses that only involve the loss of rights as against a particular defendant as opposed to a loss of rights as against the world.ⁿ⁵⁰

The Second Circuit indicates that the defense of laches requires a defendant to prove that it has been prejudiced by the plaintiff's unreasonable delay in bringing suit and characterizes laches as essentially "passive consent."ⁿ⁵¹ The Fourth Circuit enumerates three questions to ask in considering a laches claim: "(1) whether the owner of the mark knew of the infringing use; (2) whether the owner's delay in challenging the infringement of the mark was inexcusable or unreasonable; and (3) whether the infringing user was unduly prejudiced by the owner's delay."ⁿ⁵² The court points out that the Lanham Act does not contain a limitations period, and thus, the doctrine of laches acts to remedy the inequity of a trademark owner allowing a competitor to build up its business only to later "lower the litigation boom."ⁿ⁵³ Thus, the doctrine of laches requires that a claim for infringement existed at the time from which any delay is measured.ⁿ⁵⁴

Acquiescence is very similar to laches but requires something more.ⁿ⁵⁵ In fact, the doctrines are so similar that the Sixth Circuit uses the terms interchangeably, noting that "acquiescence encompasses the elements of laches."ⁿ⁵⁶ What differentiates acquiescence is that it is premised on the notion of "active consent" - that is, a finding of conduct on the part of the plaintiff amounting to "an assurance to the defendant, express or implied, that the plaintiff would not assert his trademark rights against the defendant."ⁿ⁵⁷ As articulated by the Second Circuit, the elements of acquiescence are (1) that the trademark owner actively represented that it would not take action against the subsequent user; (2) that the delay between [*1270] the active representation and any subsequent assertion of a right against the user was not excusable; and (3) that the delay caused undue prejudice to the subsequent user.ⁿ⁵⁸

The doctrines of laches and acquiescence are not as threatening as they may appear at first glance, however. For one, while the doctrines can limit monetary relief for damages, they will generally not bar injunctive relief if the likelihood of confusion is great enough to outweigh the effect of the delay.ⁿ⁵⁹ In the historic trademark case of *United Drug Co. v. Theodore Rectanus Co.*,ⁿ⁶⁰ the Supreme Court articulated this principle.ⁿ⁶¹ That case established that a trademark right is not a property right, nor is it a right "in gross or at large"; rather, it is "a right appurtenant to a business or trade" that derives from use, not mere adoption.ⁿ⁶² While the issue in that case was the scope of geographic rights in a mark,ⁿ⁶³ another corollary inference to take from the nature of a trademark right as articulated by the Court is that there is an interest in the trademark right that extends beyond the owner and the infringer: the public's interest in the mark as a source identifier. A trademark transcends mere property rights, and thus, even in the face of equitable doctrines like laches and acquiescence, the consumer's interest in the trademark may still warrant an injunction to prevent confusion even if the trademark owner himself is foreclosed from recovering a financial remedy. In most of the cases at issue in this Note, all the trademark owners seek is for the infringing use to cease or be licensed. If all that the owners seek to protect is the right to an injunction against the infringing use should they desire it in the future, refusing to enforce that right promptly would not necessarily destroy that right.

Of course, this is assuming the doctrines would even apply when the actual elements of the doctrines are examined. While there may be knowledge of, or even assent to, the infringing use on the part of the owner, it is not clear that the elements of inexcusable delay or undue prejudice would be met in most of these cases. What distinguishes these cases from the usual case of laches and acquiescence is perhaps best articulated in *Dwinell-Wright Co. v. White House Milk Co.*ⁿ⁶⁴ - an opinion authored by Judge Learned Hand. He explained the rationale behind estopping an owner from asserting its rights after an unreasonable delay, saying, "How [such a plaintiff] can expect us to stifle a competition which with complete complaisance, and even with active encouragement, it has allowed for years [*1271] to grow like the mustard tree; why we should destroy a huge business built up with its connivance and consent: this we find it impossible to understand."ⁿ⁶⁵ This characterization makes sense in the context of a business, competing or not, that is

expending efforts and capital to expand and grow. Millions of dollars may have been spent by the time a delaying owner decides to assert rights against the alleged infringer.ⁿ⁶⁶ That is not the case in the examples discussed in Part I. Fans, emulators, and enthusiasts are typically not businesses that seek to grow and expand as a normal business would, and thus it is unlikely that a delay in bringing suit will cause them to incur substantial expenses building up a brand only to lose it all in an eventual lawsuit. Given the relatively minimal effect that a delay would have on these users as compared with the usual commercial infringer, it is unlikely that the element of undue prejudice would even be satisfied in many of those cases.

There are also other doctrines that would act to protect a trademark owner in these cases against losing protection through laches or acquiescence. Consider the situation where the owners claim that they actually want the users to utilize the mark but are forced to enforce the mark or lose protection. If it is truly the case that they support the use, then what might they be afraid of? Why are they afraid of losing protection against a use that they purport not to oppose on its face? Assuming their desire to allow the use is sincere, then what they may fear is a future use or an expansion of the existing use that begins to affect the owner's interests in a way it did not before. For example, a high school might realize that it can sell logoed merchandise to fans of the original owner at a lower cost because it does not pay licensing fees. Under the pretext that it is selling its own merchandise, this activity harms the original owner's interest. Likewise, a youth or amateur sports league could expand and gain national prominence, becoming a legitimate enterprise and posing a real risk of confusion or dilution of the original mark.

This might be a valid concern except for the fact that trademark law makes an exception for these types of cases. Inherent in the doctrine of acquiescence is the principle that "while a plaintiff may acquiesce in some uses of the mark and in any resulting likelihood of consumer confusion, that acquiescence does not extend to a use that has not yet materialized and is not foreseeable."ⁿ⁶⁷ Thus, use in a different way or in a different geographic area [*1272] may be outside of the original scope of consent, express or implied, that may have otherwise foreclosed enforcement against the original infringing use.ⁿ⁶⁸

When Kellogg filed suit against Exxon for the use of Exxon's "Whimsical Tiger" symbol as infringing on its own "Tony the Tiger" mark, thirty-one years had passed from the time Kellogg was placed on notice of the use by virtue of Exxon's federal registration, which Kellogg did not oppose.ⁿ⁶⁹ The district court in the case granted summary judgment to Exxon, finding that this delay constituted acquiescence on the part of Kellogg and that Kellogg was therefore foreclosed from exercising its trademark rights against Exxon.ⁿ⁷⁰ However, Exxon's initial registration was for use on petroleum products, while Kellogg's mark was for breakfast cereals.ⁿ⁷¹ As the Sixth Circuit noted on appeal, "the two marks peaceably co-existed, each catering to its own market."ⁿ⁷² At issue in the case now, however, was Exxon's use of the mark on its line of convenience stores in connection with the sale of food and beverage products.ⁿ⁷³ The Sixth Circuit reversed the district court's summary judgment in favor of Exxon, holding as a matter of law that Kellogg's acquiescence to the use of the mark for petroleum products did not extend to acquiescence to use of the cartoon tiger to sell non-petroleum products.ⁿ⁷⁴ Similarly, acquiescence to the use of a college team's logo or team name for a high school or youth team would not automatically extend to use on merchandise or other commercial activities.

The related doctrine of progressive encroachment is also effective in protecting a delaying or acquiescing trademark owner's rights. Essentially, the doctrine allows an owner sufficient leeway to wait to take action until the likelihood of confusion becomes significant enough to warrant it.ⁿ⁷⁵ As the Second Circuit says, "the primary rationale is that a plaintiff should not be obligated to sue until its right to protection has ripened."ⁿ⁷⁶ According to the court, the important question is whether the defendant "redirected its business so that it more squarely competed with plaintiff and thereby increased the likelihood of public confusion of the marks."ⁿ⁷⁷ Essentially, a plaintiff is allowed to show that even if it could have brought suit earlier but [*1273] did not, certain factors now exist that have justified it doing so.ⁿ⁷⁸ This means that if use by a fan, emulator, or enthusiast becomes a threat to the original owner where it was not one before, that owner could assert progressive encroachment as "an offensive countermeasure to the affirmative defenses of laches and acquiescence" to excuse the delay.ⁿ⁷⁹

Based on the foregoing analysis, it seems that trademark owners have little to fear regarding their rights against

infringers. The doctrine of progressive encroachment and the narrow scope of acquiescence afford considerable protection for a trademark owner, allowing it to tolerate uses to which it has no objection and from which it may actually be benefitting. Further, even a successful laches or acquiescence defense would still not bar a remedy of injunction completely, which is all these owners seek in most cases.

2. Rights as to Third Parties in General. - A more serious consequence than loss of rights against a particular infringer is loss of rights against third parties. Some doctrines, such as genericide and abandonment, can result in a complete loss of rights in a mark, though for reasons to be discussed, that result is highly unlikely in these cases. However, one general result that may affect one's rights in a mark is a loss of mark strength, and this might be a somewhat more realistic concern.

The Lanham Act provides for cancellation of a registered mark at any time if it "becomes the generic name for the goods or services ... for which it is registered, ... or has been abandoned." ⁿ⁸⁰ Further, it provides that a mark is deemed to be "abandoned" if either (1) its use has been discontinued with intent not to resume use, or (2) the owner causes, including through acts of omission, the mark to become the generic name for the goods or services. ⁿ⁸¹ The first definition for abandonment is not at issue here because in none of these cases has the original use been discontinued with an intent not to use the mark. The second definition, which involves the mark becoming the generic name for the goods and services, is commonly referred to as "genericide." ⁿ⁸²

A word or mark is generic if it "refers ... to the genus of which the particular product is a species" ⁿ⁸³ - that is, a generic mark is one that refers to [*1274] a class of goods rather than a specific source of goods. For example, use of the mark "Apple" would be generic for a brand of apples but is not so for a brand of computers. At common law and under the Lanham Act, a generic mark has never been protectable. ⁿ⁸⁴ In determining whether a previously protectable mark has become generic (that is, whether genericide has occurred), courts usually look to both the use of the mark by consumers and the policing efforts of mark owners against third parties. ⁿ⁸⁵ Famous examples of once-protectable marks that were lost through genericide include "Murphy Bed," ⁿ⁸⁶ "Escalator," ⁿ⁸⁷ "Aspirin," ⁿ⁸⁸ and "Thermos." ⁿ⁸⁹

While failure to police a mark can result in genericide, that is highly unlikely in the cases at issue. The use of the trademarks here is not the same as the public adopting a brand name to refer to a class, as it might be with use of the word "Kleenex" to refer to facial tissue or "Xerox" to refer to photocopies. Regardless of how many youth teams use the name "Dodgers," such use is not likely to make the word synonymous with "baseball" or "baseball team." There is little risk of the mark losing significance altogether with this type of use, and in all of these cases the original owner has not discontinued use. Thus, there is no risk of the owners in these cases losing their trademark rights completely as against the world.

However, widespread use of a mark may affect the strength of the mark. In his treatise on trademarks, J. Thomas McCarthy opines that the greatest significance of a failure to sue goes to the strength of the mark rather than abandonment or genericity. ⁿ⁹⁰ In this case, the mark still has significance as a source identifier but is weakened through similar use by competitors. ⁿ⁹¹ However, he calls the relationship here a "tenuous" one. ⁿ⁹² He also notes that failure to sue could undercut an argument of irreparable injury, which is necessary to obtain a preliminary injunction. ⁿ⁹³

Strength of the mark is one of the factors commonly considered in deciding whether a likelihood of confusion exists. ⁿ⁹⁴ Accordingly, it is [*1275] possible that in an action against a third party, a court may look to the use of the mark by fans, emulators, or enthusiasts and conclude that the mark is relatively weak and therefore entitled to a more narrow scope of protection. Similarly, one of the elements for determining likelihood of dilution by blurring is "the extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark." ⁿ⁹⁵ Thus, it is possible that other uses of the mark by these groups could harm a dilution claim by the owner against a third party.

However, such a result would require a court to follow the factors for confusion and dilution blindly, without regard for the difference between use of the mark by these groups and use by a competitor or another business. This kind of blind adherence to the factors is unlikely, as it would warrant a similar inference of weakness for marks that are the

subject of licensing agreements or product-line expansions - an approach that courts have not generally taken.ⁿ⁹⁶

Does this analysis regarding loss of protection suggest that these trademark owners are simply naive and misinformed regarding their rights under trademark law? Not likely. These entities presumably utilize attorneys and professionals who are knowledgeable of their rights under the law. This could mean one of two things. It could mean that even though owners may be aware that the risk that they will lose substantial rights for failure to enforce them is small, they still feel the safest way to ensure full protection of the mark is to stop any other use altogether. After all, Exxon did win summary judgment on the issue of acquiescence at the trial-court level in Kellogg, even where Exxon's use of the mark had expanded to other goods beyond the initial acquiescence by Kellogg.ⁿ⁹⁷ Kellogg was ultimately successful in its appeal on that issue, but it does illustrate the uncertainty and risk inherent in acquiescing to a particular use. The best way for a trademark owner to avoid any uncertainty regarding interpretation of its possible acquiescence is for the owner to never acquiesce in the use to begin with.

The second possibility is that there is more to a trademark owner's motivation than the fear of losing protection or rights. For example, any third-party use of a mark that an owner allows is a use that a potential challenger to that mark might present before a court and force that owner to confront, raising the potential costs of litigation for that owner. Thus, it may benefit the owner to control the mark for control's sake. Again, the surest way to ensure that potential uses of the mark do not harm the owner's [*1276] interests (whether through blurring, tarnishment, consumer confusion, or some other effect) is to foreclose any other unauthorized use at all. The law currently allows the mark owner to do this through mechanisms such as cease-and-desist letters or even litigation, and this Note does not seek to change that. However, such a decision by a trademark owner should take into account the costs associated with it. Similarly, the law should account for these costs to provide appropriate incentives for the trademark owner to exercise its rights and to prevent inefficient enforcement of those rights.ⁿ⁹⁸

III. Costs of Enforcement Against Fans, Emulators, and Enthusiasts

There are several costs associated with enforcing a trademark. The most obvious are the costs of enforcement to the trademark owner: litigation, monitoring, sending cease-and-desist letters, and simply retaining personnel to deal with trademark issues. There are also obvious costs to the infringer, who must discontinue the use, find its own brand, and rebrand anything that has the offending logo. When a right is exercised efficiently, these costs are ones the system should have no problem forcing infringers to bear. Finally, there are costs to the public of litigation and of losing a source identifier that they may have been using to identify a particular product or service. These too are justified costs if overall consumer confusion is reduced by enforcement. However, in many of these cases the costs may not be justified by any appreciable benefit to the owner or otherwise. As we have seen, zealous enforcement may not earn a trademark owner substantially more protection for its mark in these cases than if the owner simply allowed the use, and any financial benefits do not appear to be significant.

A. Costs to the Trademark Owner

Aside from the normal costs of enforcement, actions taken against fans, emulators, and enthusiasts entail special costs to the trademark owner. One such cost is the potential benefit and goodwill that may have been derived from allowing the use. As the NFL observes, allowing use of their team trademarks could be a "great opportunity to inspire kids to one day play in the NFL and wear the real helmet."ⁿ⁹⁹ Allowing the use might even encourage kids and fans at those schools to purchase officially licensed merchandise with the logo, eventually leading them to support the original team.ⁿ¹⁰⁰ This [*1277] opportunity may be something the mark owners are willing to forgo, but if they only do so because they fear they have to in order to preserve their marks, then this is a wasted opportunity.

There is also a risk of backlash against the owner among fans who feel that the actions are unwarranted. In response to the demand that they remove the Phillie Phanatic head from their Flugtag, the Phlyin' Phanatics Flugtag team was understandably dejected, having poured so much time and money into something that was meant to represent their support as Phillies fans. The pilot of the craft, Adam Denard, was quoted as saying, "I've been going to Phillies games

since I was a toddler, and the Phillie Phanatic was always a favorite." ⁿ¹⁰¹ It is not clear that the incident would be enough to turn the group off of the Phillies forever - after all, fandom likely does not die that easily. However, when fans feel a connection to something and devote this amount of effort to it, it is probably little consolation to them that these enforcement actions are in accordance with trademark law.

The incident with the Ranger Station illustrates just how quickly this kind of backlash can take off, especially in the context of widespread Internet use. When the website received the letter from Ford demanding that it turn over the URL and pay \$ 5,000, the news first broke on the forums of the website itself under a thread entitled "TRS is being attacked by the Ford Motor Company." ⁿ¹⁰² What ensued was something of a firestorm, spreading to other fan websites with members and Ford fans expressing outrage at Ford's actions. ⁿ¹⁰³ The furor was abated by quick action on the part of Scott Monty, head of social media at Ford. ⁿ¹⁰⁴ Monty checked with Ford's legal department and confirmed that the actual concern was sale of counterfeit decals on the Ranger Station - the website demand was used as a scare [*1278] tactic. ⁿ¹⁰⁵ Monty acted quickly to resolve the situation and spread word of its resolution through social media. ⁿ¹⁰⁶ After all was said and done, Ford had contained the crisis less than twenty-four hours after it had begun. ⁿ¹⁰⁷

Word spreads quickly online, and one can imagine the damage that may have been done among the brand's most devoted enthusiasts had the situation not been resolved so skillfully. With the growth of the Internet, this poses a real danger to trademark owners who pursue their rights too vigorously. Rumbblings like those that occurred with the Ranger Station surface on some of the news stories surrounding the examples highlighted in this Note. ⁿ¹⁰⁸ In fact, some commentators argue that the public should strive to become informed about possible trademark "bullying" so lawmakers might shape trademark law in a way that makes it work for the people. ⁿ¹⁰⁹ The power of the Internet to provide that information should inform trademark owners' decisions and make them think twice before acting. ⁿ¹¹⁰

B. Costs to the Public

Enforcement in these actions also brings with it costs to the general public. One such cost is the loss to the community of a team that they have grown to support and with which they identify. For example, loss of a logo, name, or mascot not only hurts a community because of the history built up around support for the local high school team, but it also takes time and money for a school to rebrand the team and to rebuild the school spirit and pride behind the team. The public is an interested party in the trademark system, and loss of a mark to the public is not without cost.

There is also an even more significant interest involved that may implicate important speech concerns, and this might best be described as a sort of identification interest. Take the example of the Phlyin' Phanatics [*1279] Flugtag Team. Their interest in building a contraption based on the Phillie Phanatic is not based solely on the fact that the character is an interesting one. It is based on the fact that they feel a sort of identification with the mascot and the team - as fans, they feel entitled to use the mascot to express their support for what they see as "their" team. ⁿ¹¹¹ Many youth teams similarly want to identify with major league teams and players when they seek to don official team uniforms to play youth ball. ⁿ¹¹² Ford Ranger enthusiasts also undoubtedly feel a certain entitlement to use the mark given their allegiance to the brand and their wishes to identify themselves as Ford devotees.

This is another way that use of a mark serves a purpose that transcends the original source-identifying function of trademarks. ⁿ¹¹³ The use of the marks in these cases is reflective of the original mark and should be analyzed differently because of the expressive use involved. As Judge Kozinski notes, once enforcement moves beyond the confusion rationale, trademark law risks losing its "built-in first amendment compass." ⁿ¹¹⁴ This is not to say that enforcement in these cases violates the Constitution. Rather, the law must be sensitive to the price we pay when speech interests are implicated in a trademark-enforcement scenario. Surely, speech is stifled any time a trademark is enforced because it necessarily means that the infringer is not allowed to communicate the mark, but this is usually acceptable because enforcement often serves some beneficial purpose, whether it be preventing consumer confusion, protecting investment in a mark, or lowering consumer search costs. ⁿ¹¹⁵ However, if the benefit derived from the action is small or nonexistent, or if the enforcement actually acts to the detriment of all parties involved, impingement on speech interests like those at issue here becomes a much more serious problem. Trademark law has already created a situation [*1280]

where much of our cultural capital is not in the public domain.ⁿ¹¹⁶ Elements of our cultural heritage have become "private properties that we parody, proliferate, or politicize at our peril,"ⁿ¹¹⁷ and in these cases we can also add identify with to that list of actions that are taken at the risk of infringing another's property right.

Finally, another cost of trademark enforcement in these cases that affects the public interest is the cost to the trademark system itself. A legal system that sanctions, and even incentivizes, trademark bullying through overzealous enforcement of marks against small infringers might harm the integrity of the trademark system as a whole if it goes too far.ⁿ¹¹⁸ When the public begins to see trademark law as a vehicle that serves only corporate interests, it harms the legitimacy of the law.

IV. Conclusion

There are a myriad of reasons why trademark owners might choose to enforce their rights against fans, emulators, and enthusiasts. However, such enforcement actions may yield no benefit in the aggregate and may actually be causing significant harm. In order to prevent inefficient enforcement actions, the focus must be not on the law itself, but rather on the incentives that the law provides (or does not provide) to the trademark owner. The reason for this is simple: A change in the law to protect these allegedly infringing groups would be largely ineffective. The fact of the matter is that these users are in such a position that even if the law is on their side, litigation would be so prohibitively expensive that they would usually face two choices: (1) comply with the cease-and-desist letter, or (2) fight the case and win, but to their financial ruin. The solution, then, is to ensure that the law at the very least does not encourage vigorous enforcement in situations where it benefits no one and results in a net loss to all parties involved.

There are two ways that this may be addressed so that trademark law at least does not encourage inefficient enforcement of a mark.ⁿ¹¹⁹ The first is to ensure that the doctrines of acquiescence and laches do not attach unless there is a risk of significant harm to the original owner's interests. As we have seen, this is largely already the case given the doctrines of ripeness and progressive encroachment. Ensuring that the law allows for recognition of the special nature of the uses in these cases will help prevent inefficient [*1281] enforcement of rights against nonthreatening uses. The second way involves the confusion and dilution analyses. Courts applying the law should recognize that these types of uses should factor differently in the analysis, both in assessing the strength of the mark for confusion and dilution purposes, and in determining whether substantially exclusive use of the mark exists for the dilution inquiry. Since these cases are litigated so infrequently, it is hard to say whether courts would be inclined to do this anyway, but making sure that this is considered is essential to moving toward the proper balance.

For the trademark owner, the foregoing analysis illustrates that choosing whether to stop use by a fan, emulator, or enthusiast is not just a legal decision but also an important business decision, and a mark owner must be cognizant of all of these factors and take them into account before blindly asserting rights against any and all users. In these cases in particular, special attention must be paid given how little owners might stand to gain from enforcing rights against these groups and how much they could lose with an incorrect decision. To the extent that the law can encourage wise, efficient decision making on the part of a mark owner in these situations, it has the potential to result in situations that are beneficial to all involved: the mark owner, the subsequent user, the public, and trademark law itself.

Legal Topics:

For related research and practice materials, see the following legal topics:

Computer & Internet Law Trademark Protection Civil Infringement Actions General Overview Trademark Law Infringement Actions General Overview Trademark Law Likelihood of Confusion Noncompeting Products Dilution

FOOTNOTES:

n1. For simplicity, the term trademark will be used throughout this Note to refer to marks used as source identifiers both for goods (trademarks) and for services (service marks). The distinction between the two does not affect the analysis because they are treated similarly under federal trademark law. See Lanham Act § 3, 15 U.S.C. § 1053 (2006) ("Service marks shall be registrable, in the same manner and with the same effect as are trademarks, and when registered they shall be entitled to the same protection provided in this chapter in the case of trademarks.").

n2. Teresa Masterson, *MLB Decapitates Flugtag's Phlyin' Phanatic*, NBC Philadelphia (Sept. 6, 2010), <http://www.nbcphiladelphia.com/news/local/MLB-Decapitates-Flugtags-Phlyin-Phanatic-102163614.html>.

n3. *Id.*

n4. See Dan Geringer, *Phlyin' Flugtag Team Just Can't Get a Head*, Phila. Daily News (Sept. 3, 2010), http://articles.philly.com/2010-09-03/news/24972804_1_phillie-phanatic-shuttle-red-bull-s-flugtag (quoting members of the team who said they were "really disheartened" and who suggested that they should simply "cut the head off and call it, "The Philly Mascot That Major League Baseball Decided to Kill").

n5. Bill Haltom, *Little League Ballplayers Need Major League Trademark Lawyers*, Tenn. B.J., Mar./Apr. 1995, at 25, 25 (taking a critical view of MLB's requirement that youth teams use officially licensed vendors); Michele Himmelberg, *Little League Outfits Causing Quite a Stir*, Denv. Post, Apr. 23, 1994, at C5, available at Factiva, Doc. No. dnv000020011029dq4n007k3 (reporting that the requirement to purchase through licensed vendors could cost these leagues thousands of dollars if they want to emulate the major league teams, a cost many cannot afford to bear).

n6. See Bob Kimball, *MLB Wants Things Uniform When It Comes to Trademarks*, USAToday.com (June 3, 2008), http://www.usatoday.com/sports/baseball/2008-06-02-mlb-trademarks_N.htm (noting that approximately 4,000 leagues use official MLB uniforms in the United States).

n7. *Id.*; Mike Masnick, *Stephen Colbert Takes on MLB's Attempt to Bully Little Leaguers with Trademarks*, Techdirt (May 30, 2008, 9:39 AM), <http://www.techdirt.com/articles/20080529/2344361265.shtml>.

n8. *The Colbert Report: Episode 400 (The Word: Brushback Pitch)* (Comedy Central television broadcast May 28, 2008), available at <http://www.colbertnation.com/the-colbert-report-videos/168724/may-28-2008/the-word---brushback-pitch>.

n9. See Mark Murphy, Wooden Bat League Faces Splintering Relationship: MLB Licensing Issue Causes Dilemma for Cape Cod Teams, Bos. Herald, May 31, 2009, available at http://www.bostonherald.com/sports/other_sports/general/view.bg?articleid=1175856 (noting that one out of five major league players had played in the amateur league at some point).

n10. Id.

n11. Id.

n12. Matt Porter, Florida Gators Tell Palm Beach Gardens, Glades Day to Stop Using Their Logos, Palm Beach Post (Oct. 13, 2010), <http://www.palmbeachpost.com/sports/florida-gators-tell-palm-beach-gardens-glades-day-969833.html>.

n13. See James Wagner, Logos Inspire a Turf Battle, Wash. Post, Oct. 22, 2010, available at <http://www.washingtonpost.com/wp-dyn/content/article/2010/10/21/AR2010102106519.html> (observing that Wisconsin has forced over forty schools to stop using its logo).

n14. Aaron Bracamontes, Notre Dame Asks Cathedral High School to Drop Irish Logo, Nickname, El Paso Times (Mar. 5, 2011), http://www.elpasotimes.com/news/ci_17543105.

n15. Id.

n16. Id.

n17. Rob Schneider, Cathedral Won't Fight Notre Dame; High School Will Comply with Request to Stop Using the Leprechaun Logo, Indianapolis Star, Mar. 16, 2007, available at

<http://www.indystar.com/article/20070316/LOCAL/703160504/Cathedral-won-t-fight-Notre-Dame>.

n18. Bracamontes, *supra* note 14.

n19. Wagner, *supra* note 13. One interesting restriction on the use of Kansas State's "Powercat" logo is that licensees are free to use almost any colors in their licensed logo, including Kansas State's own purple and silver, but they may not use red and blue, which just happens to be the color combination of Kansas State's rival, the University of Kansas. *Id.*

n20. Larissa Chinwah, Colleges to High Schools: Stop Using Our Logos, *Daily Herald* (Nov. 30, 2010), <http://www.dailyherald.com/article/20101130/news/712019831>.

n21. *Id.*

n22. See *id.* (quoting the NFL's director of corporate communications as saying, "We support football on all levels and do not have an issue with high school and youth teams using NFL team logos"); Wagner, *supra* note 13 (crediting the same spokesman with remarking that the NFL considers it "inspirational for young players to play football under the same name as NFL teams").

n23. Wagner, *supra* note 13.

n24. Ron Ploof, *The Ranger Station Fire: How Ford Motor Company Used Social Media to Extinguish a PR Fire in Less than 24 Hours* 3 (2008), available at http://ronamok.com/ebooks/the_ranger_station_fire_final.pdf.

n25. *Id.*

n26. See *id.* at 8 (explaining that the demands for relinquishment of the URL and payment of \$ 5,000 were intended as scare tactics meant to stop the sale of counterfeit decals on the site).

n27. See *infra* Part III.

n28. See Leah Chan Grinvald, *Shaming Trademark Bullies*, 2011 Wis. L. Rev. 625, 642 (defining "trademark bullying" as "enforcement of an unreasonable interpretation by a large corporation of its trademark rights against a small business or individual through the use of intimidation tactics").

n29. See David Bennett, *Tilting Playing Field: Expanded Protection for Sports Trademarks*, Sports Litig. Alert (Nov. 20, 2009), <http://www.hackneypublications.com/sla/archive/000951.php> (reporting revenues from the licensing of logos and names of college teams of over \$ 3 billion annually); Darren Rovell, *Publication: MLB Will Beat NFL in Licensing Revenue in '10*, CNBC.com (June 14, 2010), http://www.cnbc.com/id/37692194/Publication_MLB_Will_Beat_NFL_In_Licensing_Revenue_In_10 (detailing the results of a report that revealed that the total retail sales of licensed merchandise based on sports teams, logos, and personalities totaled \$ 17.5 billion worldwide in 2009).

n30. See discussion *infra* Part III.

n31. See *supra* notes 12-13.

n32. See *supra* notes 19-20.

n33. See Lanham Act § 32(1)(a), 15 U.S.C. § 1114(1)(a) (2006) (imposing liability upon anyone who without permission "uses in commerce any reproduction ... 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"); *id.* § 43(a), 15 U.S.C. § 1125(a) (making "any person who ... uses in commerce any word, term, name, symbol, or device" liable to "any person who believes that he or she is or is likely to be damaged by such act" if that use "is likely to cause confusion ... 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"); *id.* § 43(c), 15 U.S.C. § 1125(c) ("The owner of a famous mark ... shall be entitled to an injunction against another person who ... commences use of a mark ... that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark ...").

n34. See *id.* § 43(a)(1)(A), 15 U.S.C. § 1125(a)(1)(A) (imposing liability upon users who "cause confusion ... 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").

n35. Although admittedly, with websites like YouTube and the proliferation of nationally televised high school games, there may be a valid counterargument to be made here regarding the exposure of the junior user's use of the mark to the general public.

n36. Lanham Act § 43(c)(2)(B), 15 U.S.C. § 1125(c)(2)(B) (emphasis added).

n37. *Id.* § 43(c)(2)(C), 15 U.S.C. § 1125 (c)(2)(C).

n38. See *id.* § 43(c)(2)(B)(i), 15 U.S.C. § 1125(c)(2)(B)(i) (listing "degree of similarity between the mark or trade name and the famous mark" as one of the factors courts may consider in determining whether a mark is likely to cause dilution by blurring).

n39. The tarnishment concern may have been what motivated MLB to prevent the Phlyin' Phanatics from launching their contraption; perhaps MLB felt that an amateur rendition of their valuable mark would not portray it in the best light. See *supra* notes 2-4 and accompanying text.

n40. If the youth team tries to sell logoed merchandise that could pass as that of the original mark owner, that presents a different, and arguably valid, concern. See *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 412-13 (1916) ("The essence of the wrong [in trademark cases] consists in the sale of the goods of one manufacturer or vendor for those of another."), superseded by statute, Lanham Act, 15 U.S.C. §§ 1051-1141n, as recognized in *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189 (1985); *Beacon Mut. Ins. Co. v. OneBeacon Ins. Grp.*, 376 F.3d 8, 10, 15 (1st Cir. 2004) (identifying loss of sales and diversion of sales as among the types of commercial injury relevant to a determination of infringement under the Lanham Act); *Bos. Prof'l Hockey Ass'n v. Dall. Cap & Emblem Mfg., Inc.*, 510 F.2d 1004, 1012-13 (5th Cir. 1975) (holding that the reprinting of a team's mark on embroidered emblems for sale constituted an infringing use of that mark, even while conceding that buyers might arguably not even be deceived or confused by the emblems); see also 4 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 25:5 (4th ed. 2011) ("Express passing off" is defined as the classic form of trademark infringement."). But see Robert G. Bone, *Enforcement Costs and Trademark Puzzles*, 90 Va. L. Rev. 2099, 2153-55 (2004) (challenging the rationale behind the enforcement of merchandising rights through trademark law, contending that in merchandising cases "there is little in the way of trademark-related harm ... , and the substantive policies favoring trademark protection are not strongly implicated"); Stacey L. Dogan & Mark A. Lemley, *The Merchandising Right: Fragile Theory or Fait Accompli?*, 54 Emory L.J. 461, 481-84 (2005) (arguing that where consumers are not "duped" into thinking that a product bearing a trademark was made or sponsored by the mark owner, a broad merchandising right might actually interfere with the goals of trademark law). Resolution of the debate over whether a merchandising right is consistent with the policies underlying trademark law is beyond the scope of this Note.

n41. See *Nitro Leisure Prods., L.L.C. v. Acushnet Co.*, 341 F.3d 1356, 1367 (Fed. Cir. 2003) (Newman, J., dissenting) ("Trademark law requires that the trademark owner police the quality of the goods to which the mark is applied, on pain of losing the mark entirely."); 6 McCarthy, *supra* note 40, § 31:38 (noting that the law imposes a duty on a trademark owner to police its rights against infringers); Michael S. Mireles, Jr., *Towards Recognizing and Reconciling the Multiplicity of Values and Interests in Trademark Law*, 44 Ind. L. Rev. 427, 473 (2011) ("Trademark owners who fail to police their marks take great risks with the value of their marks under trademark law."); Arnold B. Calmann & Jakob B. Halpern, *Ten Steps to Prevent Trademark Disaster*, N.J. Law., June 2009, at 53, 56 (warning that if an owner does not police its rights effectively, equitable doctrines such as acquiescence or laches may attach, or the mark may lose significance as a source identifier and lose protection altogether).

n42. Murphy, *supra* note 9.

n43. Bracamontes, *supra* note 14.

n44. See, e.g., Wagner, *supra* note 13 ("Under trademark law, logo holders such as universities have an obligation to police their marks. If not, they essentially lose the right to stop unauthorized uses."); Joshua Kaufman, *Fan Art: Friend Or Foe?*, Mondaq (Oct. 16, 2011), <http://www.mondaq.com/unitedstates/x/149444/Trademark/Fan+Art+Friend+or+Foe> ("Trademark owners in the United States have a duty to 'police' their trademarks.").

n45. Bob Kimball, *Using Big-League Team Names Could Cost Big; Licensing Fees Cause Some to Run Legally Afoul*, USA Today, June 3, 2008, at C3, available at Factiva, Doc. No. USAT000020080603e463005x.

n46. Rod Beaton, *Fans' Internet Sites, MLB Clash Over Copyright*, USA Today, Aug. 21, 2002, at 6C.

n47. See Mireles, *supra* note 41, at 469 ("Failure to police third party usage and other conduct may also result in the loss of trademark rights through either laches or some other equitable defense such as estoppel or perhaps even acquiescence.").

n48. *Id.* at 469-70.

n49. 4 McCarthy, *supra* note 40, § 17:17.

n50. *Id.*

n51. Profitness Physical Therapy Ctr. v. Pro-Fit Orthopedic & Sports Physical Therapy P.C., 314 F.3d 62, 67 (2d Cir. 2002) (internal quotation marks omitted).

n52. What-A-Burger of Va., Inc. v. Whataburger, Inc. of Corpus Christi, Tex., 357 F.3d 441, 448-49 (4th Cir. 2004) (quoting Brittingham v. Jenkins, 914 F.2d 447, 456 (4th Cir. 1990)).

n53. *Id.* at 449.

n54. Kellogg Co. v. Exxon Corp., 209 F.3d 562, 569 (6th Cir. 2000).

n55. See *id.* ("Although both laches and acquiescence require proof that the party seeking to enforce its trademark rights has unreasonably delayed pursuing litigation and, as a result, materially prejudiced the alleged infringer, acquiescence requires more.").

n56. *Id.* at 569 n.2.

n57. Profitness Physical Therapy Ctr. v. Pro-Fit Orthopedic & Sports Physical Therapy P.C., 314 F.3d 62, 67-68 (2d Cir. 2002) (internal quotation marks omitted).

n58. *Id.* at 67. Note that the second element listed here, delay, which is crucial to a finding of laches as well, suggests that even if a party has acquiesced, it will be able to revoke that consent if it does so before an unreasonable amount of time has passed.

n59. *Id.* at 68; Kellogg, 209 F.3d at 568.

n60. 248 U.S. 90 (1918).

n61. *Id.* at 102.

n62. *Id.* at 97.

n63. *Id.* at 94-95, 97-98.

n64. 132 F.2d 822 (2d Cir. 1943).

n65. *Id.* at 825-26.

n66. See, e.g., Kellogg Co. v. Exxon Corp., 209 F.3d 562, 565 (6th Cir. 2000) (noting the expense Exxon had incurred over the years promoting its "Whimsical Tiger" mark before Kellogg brought an action for infringement of its "Tony the Tiger" mark).

n67. Profitess Physical Therapy Ctr. v. Pro-Fit Orthopedic & Sports Physical Therapy P.C., 314 F.3d 62, 69 (2d Cir. 2002).

n68. Id.

n69. Kellogg, 209 F.3d at 573.

n70. Id.

n71. Id.

n72. Id.

n73. Id.

n74. Id. at 574. A question of fact still existed as to whether Kellogg had acquiesced to such use at a later time, but the original acquiescence thirty years earlier to the use of the cartoon tiger on petroleum products was not enough. Id.

n75. Profitess Physical Therapy Ctr. v. Pro-Fit Orthopedic & Sports Physical Therapy P.C., 314 F.3d 62, 70 (2d Cir. 2002).

n76. Id.

n77. *Id.*

n78. *Kellogg*, 209 F.3d at 571.

n79. *Id.*

n80. Lanham Act § 14, 15 U.S.C. § 1064(3) (2006).

n81. *Id.* § 45, 15 U.S.C. § 1127.

n82. Deven R. Desai & Sandra L. Rierison, *Confronting the Genericism Conundrum*, 28 *Cardozo L. Rev.* 1789, 1790 (2007) ("Genericide ... refers to the process by which a mark that was once highly valuable and unquestionably protectable loses all trademark status and value."); *id.* at 1791 ("Under the doctrine of genericide, mark holders are required to 'police' their marks, and failure to do so may lead to a court finding that the source-identifying function of the mark no longer exists.").

n83. *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976).

n84. *Id.*

n85. *Mireles*, *supra* note 41, at 459.

n86. *Murphy Door Bed Co. v. Interior Sleep Sys., Inc.*, 874 F.2d 95, 104 (2d Cir. 1989).

n87. *Haughton Elevator Co. v. Seeberger*, 85 U.S.P.Q. 80, 81 (Comm'r Pat. 1950).

n88. *Bayer Co. v. United Drug Co.*, 272 F. 505, 512 (S.D.N.Y. 1921).

n89. *King-Seeley Thermos Co. v. Aladdin Indus., Inc.*, 321 F.2d 577, 581 (2d Cir. 1963).

n90. See 4 *McCarthy*, *supra* note 40, § 17:17.

n91. *Id.*

n92. *Id.*

n93. *Id.*

n94. See *Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F.3d 455, 467 (4th Cir. 1996) (calling strength or distinctiveness of a mark "the first and paramount factor" in the likelihood-of-confusion analysis (internal quotation marks omitted)); *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-50 (9th Cir. 1979) (listing mark strength as one of eight factors for consideration in determining whether a likelihood of confusion exists), abrogated in part on other grounds by *Mattel Inc. v. Walking Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003); *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961) (same).

n95. Lanham Act § 43, 15 U.S.C. § 1125(c)(2)(B)(iii) (2006).

n96. See Sara Stadler Nelson, *The Wages of Ubiquity in Trademark Law*, 88 Iowa L. Rev. 731, 734-36 (2003) (noting that courts generally consider the use of a mark by an owner on a diversity of products to constitute evidence that the mark is famous and entitled to protection under dilution law but ultimately arguing that such usage actually destroys the "uniqueness" of a mark and should therefore preclude a remedy for dilution of that mark).

n97. *Kellogg Co. v. Exxon Corp.*, 209 F.3d 562, 573 (6th Cir. 2000).

n98. For example, courts should recognize the character of an allowed use of a mark by a fan, emulator, or enthusiast and consequently take care that such use is not leveraged unfairly by a challenger to impose unwarranted litigation costs on the mark owner.

n99. See Porter, *supra* note 12 (quoting NFL spokesman Brian McCarthy).

n100. See Richard Chacon, *Seventh Annual Harvard Latino Law, Business, and Public Policy Conference: Investing in Our Future*, 8 Harv. Latino L. Rev. 93, 96 (2005) (calling Cathedral High School in El Paso a "feeder school" for Notre Dame and noting the connection students at Cathedral felt with the university); Marissa Monroy, *Cathedral High School's Ties to Notre Dame*, KVIA El Paso (Dec. 17, 2010), <http://www.kvia.com/news/26178083/detail.html> (remarking on the number of Cathedral graduates that end up at Notre Dame and on the traditions that the high school shares with the university in a report made before Notre Dame's visit to El Paso and subsequent demand); Porter, *supra* note 12 (suggesting that students at Palm Beach Gardens High School, which used the Florida Gator logo without authorization, routinely buy officially licensed merchandise just to wear items with the famous Gator head to school).

n101. Geringer, *supra* note 4.

n102. Ploof, *supra* note 24, at 3.

n103. See, e.g., Wade Meredith, *PR Disaster: Ford Suing the Only People Who Actually Still Care About Ford Cars*, 360angles (Dec. 10, 2008), <http://voltagecreative.com/articles/pr-disaster-ford-suing-people-who-about-ford-cars> (giving a synopsis of the public relations battle along with updates as it progressed and eventually suggesting changing the title of the post to "PR Disaster Averted ... by Brand-Management Jedi Scott Monty" after his response to the situation (alteration in original)); Peloton25, *Comment to TheRangerStation.com in Legal Trouble with Ford ...*, focaljet (Dec. 10, 2008, 1:32 AM),

<http://forums.focaljet.com/team-pit-stop/596094-therangerstation-com-legal-trouble-ford.html> ("I know the legal arguments for both sides on issues like this, but it just seems like common sense should prevail for companies to keep them from going after their own enthusiast base."); Thameth, Comment to TheRangerStation.com in Legal Trouble with Ford ... , focaljet (Dec. 10, 2008, 2:34 AM), <http://forums.focaljet.com/team-pit-stop/596094-therangerstation-com-legal-trouble-ford.html> ("So sad that Ford is letting its legal team do this. At this time they should be embracing their fan base and building it up to make it larger... . Right now is the WORST possible time to be shooting down your fans.").

n104. See Ploof, *supra* note 24, at 4-10 (detailing Monty's response via social media to the negative online publicity).

n105. *Id.* at 8.

n106. *Id.* at 8-10.

n107. *Id.* at 10.

n108. See, e.g., Cathedral Alum, Comment to Notre Dame Forcing Cathedral High to Drop "Fighting," Change Mascot, KVIA.com (Mar. 3, 2011), <http://www.kvia.com/news/27073606/detail.html> ("Notre Dame is now the home of the Fighting Bullies."); Kimball, *supra* note 6 (quoting a website commentator in response to MLB's actions against the Tinley Park Bulldogs as asking, "What the heck are they doing trying to collect on middle class families? Weak, MLB, totally weak, dude"); Nolongeranotredamefan, Comment to Notre Dame Forcing Cathedral High to Drop "Fighting," Change Mascot, KVIA.com (Mar. 3, 2011), <http://www.kvia.com/news/27073606/detail.html> ("Notre Dame is only doing [this] because they were here in El Paso Don't take something from these kids that won't harm you.").

n109. See David Bollier, *Brand Name Bullies: The Quest to Own and Control Culture* 7 (2005) ("As copyright and trademark holders extend their powers in unprecedented ways, it is important for us to learn these little-known stories... . A largely unresponsive body of law can be forced to the bar of public judgment and common sense and, as warranted, be held up to ridicule.").

n110. For an analysis of how the Internet can be used effectively to combat trademark bullies through "shaming," along with some legal-reform proposals to facilitate the use of such tactics, see generally Grinvald, *supra* note 28.

n111. See Geringer, *supra* note 4 (quoting the pilot of the machine, Adam Denard, as saying, "This is my city, Major League Baseball! My Phillies! My Phillie Phanatic!").

n112. See Kimball, *supra* note 6 (relating the dismay of one Tony Baldwin of *insidetheballpark.com* regarding the actions MLB took against the Tinley Park youth league, who said, "I can't believe that MLB is coming down on these teams, especially since these little baseball players look up to these (major league) teams and enjoy putting on a Yankees jersey before playing their game"); Masnick, *supra* note 7 (suggesting that MLB should be doing everything it can to build up its fans and that one way to do that is to let kids identify with the teams and players by using major league team names).

n113. See Alex Kozinski, *Trademarks Unplugged*, 68 N.Y.U. L. Rev. 960, 962 & n.9 (1993) (speaking of marks acquiring characteristics that are "different from - and sometimes inconsistent with - their traditional role as identifiers of source," such as when consumers wear clothing with a trademarked symbol emblazoned on the front).

n114. *Id.* at 973.

n115. The merit or value of any of these purposes is assumed for the sake of argument, while acknowledging that there are valid arguments on all sides about what the proper purpose of trademark law is or should be. That is the subject for another paper, but presumably we can agree that if the design of trademark law is such that enforcement in a given scenario creates a valid benefit, it could justify at least some impact on speech interests.

n116. Rosemary J. Coombe, *Objects of Property and Subjects of Politics: Intellectual Property Laws and Democratic Dialogue*, 69 Texas L. Rev. 1853, 1866 (1991) ("The cultural resources available to us (and within us) are increasingly the properties of others.").

n117. *Id.* at 1868.

n118. See Bollier, *supra* note 109, at 237 (lauding the value of stimulating the public to question the moral legitimacy of laws that permit enforcement abuses through mechanisms like cease-and-desist letters).

n119. Inefficient enforcement may always be a possibility because of other motivations of the trademark owner, but at the very least, such inefficient enforcement should not be encouraged by trademark law itself.

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ARTICLE: Trouble in Trademark Law: How Applying Different Theories Leaves Door Open for Abuse

NAME: Connie Davis Nichols*

Charley Carroll**

BIO: * Connie Davis Nichols is an Associate Professor of Law at Baylor University School of Law. Professor Nichols received a J.D. from The Maurer School of Law - Indiana University and a B.A in Biology from the University of North Carolina at Chapel Hill.

** Charley Carroll is a licensed Texas attorney who graduated in 2011 from Baylor Law School with a concentration in Intellectual Property. With an entrepreneurial spirit and passion for creativity, he now works as an actor, photographer and social media manager for small artistic-driven businesses.

LEXISNEXIS SUMMARY:

... Gilson on Trademarks states the multiple functions currently assigned to trademarks: A trademark functions and is accorded legal protection because it: (a) designates the source or origin of a particular product or service, even though the source is to the consumer anonymous; (b) denotes a particular standard of quality which is embodied in the product or service; (c) identifies a product or service and distinguishes it from the products or services of others; (d) symbolizes the goodwill of its owner and motivates consumers to purchase the trademarked product or service; (e) represents a substantial advertising investment and is treated as a species of property; or (f) protects the public from confusion and deception, insures that consumers are able to purchase the products and services they want, and enables the courts to fashion a standard of acceptable business conduct. ... It is the protection of distinction that laid the groundwork for the previously mentioned allegations of infringement lodged by Lucas, Facebook, and Chik-fil-A. These expansions, namely brand dilution and initial interest confusion, are necessary to protect certain owners' rights, but inconsistent judicial interpretation and unanswered questions have ushered in potential for abuse. ... Prior to the twentieth century, trademark law rested on the Source Theory of product recognition and relief was afforded based on a trademark's value (as rooted in its use in commerce) by identifying the source of producer goods and services in the marketplace. ... Indeed, this abandonment of a likelihood of confusion requirement for infringement on the Internet created a split within and among circuits.

TEXT:

[*1]

I. INTRODUCTION

Never in a million years would one suspect that a small, virtually unknown, Internet start-up company would threaten George Lucas - the master of all things in a galaxy far, far away. It stunned Matt Cooper, owner of Addroid,ⁿ¹ when he received a cease-and-desist letter from LucasFilms Ltd./ [*2] Lucas Entertainment.ⁿ² The letter alleged Cooper's use of the word "droid" in his business name infringed upon Lucas' established trademark rights in the registered "DROID" trademark. Cooper, intending to launch his start-up in January 2011, had two options: either cease all use of the term "Addroid" and any other mark that included the use of "droid" or battle with Lucas, not in the throes of space, but in a courtroom.ⁿ³ In September 2013, Forbes estimated George Lucas's net worth to be \$ 4.2 billion.ⁿ⁴ That figure positions the film director and special effects guru with the ability to follow through on his threat against Cooper and any other infringement potentially threatening his establishment as the premier owner and user of all things "droid."

To many observers and trademark advocates, Lucas's actions appear to be logical outgrowths of the desire to protect his trademark. Indeed, the law imposes a duty on the owner of a registered trademark to monitor and police its trademarks.ⁿ⁵ However, as Mike Masnick of Tech Dirt Blog asks, "Would anyone really confuse R2D2 with an ad platform service?"ⁿ⁶ Masnick's question speaks to the long-established basis for trademark infringement - determining the likelihood of confusion between mutually shared consumer communities.ⁿ⁷ In other words, would consumers, caught in any potential market crossover, wrongfully associate the source of a product or service with a similar trademark?

[*3] Elsewhere on the information superhighway, Facebook, with an estimated net worth of \$ 41 billion,ⁿ⁸ is forcing smaller online businesses into similar situations as Cooper faced with Lucas.ⁿ⁹ Facebook has rained down threats of lawsuits on various website companies that use domain names containing the terms "face" or "book."ⁿ¹⁰ On the receiving end of these suits are websites that serve various purposes: Teachbook, an Illinois-based online community where educators can share lesson plans and other materials,ⁿ¹¹ and Placebook, a site offering users tools for organizing and documenting trips.ⁿ¹² Having only launched in Fall 2010, Teachbook vowed to play the role of David to Facebook's Goliath.ⁿ¹³ Teachbook stated that they would face the lawsuit head on.ⁿ¹⁴ Placebook, whose fight with Facebook began soon after its website launched in May 2010, decided to avoid the potentially costly legal fight and instead changed its name to TripTrace.ⁿ¹⁵

In response to Facebook's trademark protection campaign, a parody site called Lamebook - featuring Facebook users' lesser moments - tried to beat the social network at its own game by seeking to enjoin Facebook from alleging trademark infringement against them.ⁿ¹⁶ In November 2010, Facebook responded with a countersuit, adding Lamebook to its list of would-be infringers.ⁿ¹⁷ At the time, Lamebook was involved in a deal with clothing [*4] retailer Urban Outfitters,ⁿ¹⁸ a 5.4 billion dollar brand, on a coffee table rendition of the website, perhaps providing the motivating factor for getting to Facebook first. Inherent to Lamebook's case is the copyright notion of fair use, which includes parody.ⁿ¹⁹ The topic of trademark use in parody is briefly discussed later but is largely beyond the scope of this article. As Masnick asks of Cooper's use of "droid,"ⁿ²⁰ will the general public assume any site beginning with "face" or ending in "book" is offered and/or sponsored by Facebook?

Undoubtedly, the likes of George Lucas and Facebook have expended much time, energy, and money to obtain the level of recognition afforded by their trademarks; billion dollar net valuations are certainly not born on the backs of the languid. At one time, "droid" was simply a popular suffix indicating something having mechanical qualities. The only "Facebook" anyone was aware of came in the form of a printed pamphlet containing the names and faces of their fellow incoming college freshmen. By adopting the terms as trademarks, subsequently registered with the United States Patent and Trademark Office, these producersⁿ²¹ transformed the term's common associations and connotations into brand and product identifiers - the very essence of trademark law. Like any other valid trademarks, Facebook's and Lucas's trademarks are at risk of losing the meaning and significance they represent. Thus, as trademark law requires, protective measures are rightfully and necessarily taken by mark owners to ensure marks retain their strength and unique meaning in the marketplace.

Our current trademark system provides many incentives for proper trademark development. It affords a monopoly to trademark owners, whose brands the consuming public identifies as the source of the goods or services and

establishes clear channels to eliminate would-be infringers. Indeed, the law obligates trademark owners to regularly police their marks for unauthorized use by third parties who create a likelihood of confusion. The failure to police does not go without consequence. The long-established doctrine of laches eliminates remedial channels to mark owners who fail to consistently take action against infringers.ⁿ²² No doubt, trademarks have become vital organs of the free-market system and often represent the value of a business itself. Consistent interpretation and expansion of trademark law in the past century has morphed it from a producer-identifier/consumer protection to a full-on business information capsule, capable of housing business image and consumer impression. Twentieth-century changes in trademark law, as well as ideas expanding trademark valuation and remedial concepts, have given [*5] trademark users the means to better develop and protect their marks than was previously possible.

Despite the progression of trademark law, trademark policing and protection favors those with the financial resources to spare. These same tools, meant to bring order and purpose to the marketplace, are now susceptible to "weaponization" by firms with strong market power and massive fortunes. Large, established entities often leverage their power in the market by overzealously asserting their trademark rights against small businesses that attempt to use similar marks, regardless of whether these small businesses' similar uses would actually ever cause a likelihood of confusion among consumers. The result is an imbalance, placing unintentional and damaging limitations on hopeful users and granting well-financed mark owners the tools to snuff out competition, create mark monopolies affording no room for similar marks whose use would not cause confusion, and hamper the free-market system. Trademark law requires entities to protect their marks.ⁿ²³ However, at what point do George Lucas and Facebook go from valiant trademark defenders to playground bullies throwing their weight around? Are they fighting against true foes distributing similar set of products using a confusingly similar mark,ⁿ²⁴ or are George Lucas and Facebook just flexing financial muscle to spoil others' efforts? The line has not been clearly drawn and will remain ambiguous unless greater effort is made to properly distinguish protection from bullying or courts begin to punish trademark-system abusers.

This article will examine the two established, yet conflicting, theories of trademark law: Source Theory and Quality Theory.ⁿ²⁵ Rooted in the history of trademark law, Source Theory contains the foundations for trademark law and its purpose.ⁿ²⁶ The standard for infringement under this theory is the "likelihood of confusion," which creates the necessity for a mark's distinctiveness.ⁿ²⁷ In discussing the theory, this article will briefly look at the historical foundations of trademark law, the import of trademark distinctiveness, [*6] and its impact on the validity and strength of a mark. This article will then introduce Quality Theory, which purports that a trademark is able to house and communicate both business image and consumer protection.ⁿ²⁸ The discussion of Quality Theory will delve into several legal expansions, including goodwill in trademark value and dilution statutes, and the unrest resulting from judicial attempts to harmonize the two theories. This article affirms the need for trademark owners to police their marks, but calls for the courts to offer relief to secondary mark users who are unfairly targeted by established mark owners in the name of policing.

II. TRADEMARK'S ROLE IN THE FREE MARKETPLACE

In a marketplace that constantly changes, trademarks assist in stabilizing the economy, encouraging honest business practices, providing a low-cost method for communicating brand quality, and contributing to consumer reliance and loyalty, which would otherwise only be obtainable through other extensive and costly methods. In its simplest form, a trademark is the necessary visual link between a producer and the goods or services it distributes. Without the outline of a woman riding horseback appearing on the packaging, consumers may struggle to distinguish Godiva chocolate from chocolate made by Ghirardelli or Lindt, making brand loyalty and intentional repeat business impossible. If the brand's distinct name and mark were removed, discerning the maker of two different chocolate bars for sale would require an investigation most consumers would likely not care to embark upon when making purchasing decisions. Also, without a trademark system, it would be very difficult to determine liability for defective commercial products and services.

A functioning trademark system orchestrates the many components of a marketplace where the goals of producers, competitors, and consumers are all met. The producer of goods adopts the mark of his choice and maintains the exclusive use of that name, device, or symbol;ⁿ²⁹ the competitor distinguishes his products, and the consumer develops

an awareness of the products available based on their preferences. Trademarks are the simple solution to the varying interests of a marketplace that both encourages competition and seeks to fortify consumer peace of mind. Without trademarks, the marketplace would be a frenetic hub of frustration for producers, competitors, and consumers alike. A trademark assumes a certain value for each producer, and has historically remained intangible. The expansion of societies and businesses, however, has ultimately caused trademarks to develop dramatically more tangible valuations and begin to function as more than mere source identifiers. As the twentieth century arose, courts struggled to merge traditional [*7] trademark concepts with developing trademark uses without expanding the law and broadening the definition of a trademark's value. The trademark is a keystone to a productive economy; however, the evolution of trademark treatment by courts has subsequently given larger entities more grounds for legal action. Trademark law is currently in a state of unrest, largely due to a century of unorganized judicial attempts to harmonize the Source Theory and the Quality Theory, two theories of trademark law that are not wholly compatible.

III. CONFLICTING THEORIES OF TRADEMARK LAW

Source Theory, present in the earliest of trademark systems, bases a trademark's value on its ability to identify the source of products.ⁿ³⁰ Quality Theory, which gained recognition in the early twentieth century, finds the strength of a mark's beating heart in the goodwill the mark harnesses for the brand, including the owner's image and consumer's impression.ⁿ³¹ Rooted in Source Theory is the "likelihood of confusion" test, the long-established basis for trademark infringement.ⁿ³² Action for infringement arose under this test when a secondary use of a mark was so similarly situated, typically caught in market crossover, that consumer confusion about the true source of the product was considered likely.ⁿ³³ Conversely, expansions of the trademark system resulting from Quality Theory's advancement moved away from "likelihood of confusion" and into a generalized realm of prohibiting similar mark use as a general means of protecting against diminishing mark uniqueness.ⁿ³⁴ Currently, both theories of trademark remain distinct, although Quality Theory is dependent upon Source Theory. As such, the functions of trademarks now extend beyond source identification. Gilson on Trademarks states the multiple functions currently assigned to trademarks:

A trademark functions and is accorded legal protection because it: (a) designates the source or origin of a particular product or service, even though the source is to the consumer anonymous; (b) denotes a particular standard of quality which is embodied in the product or service; (c) identifies a product or service and distinguishes it from the products or services of others; (d) symbolizes the goodwill of its owner and motivates consumers to purchase the trademarked product or service; (e) represents a substantial advertising investment and is treated as a species of property; or (f) protects the public from confusion and deception, insures that consumers are able to purchase the products and services they want, [*8] and enables the courts to fashion a standard of acceptable business conduct.ⁿ³⁵

Both theories accurately represent trademark's function in a marketplace, but they have proven highly difficult to harmonize. This is largely the result of marketplace and court efforts to assign tangible value to goodwill that at best is indefinable. These expansions, though valuable in protecting a business's goodwill stake in its trademark, are compounded by messy judicial interpretations opening the door to allow mark owners to use their rights in ways that may potentially stomp out competition, stymie creativity, and suppress free speech under the guise of protecting the mark and its value. Chick-fil-A is a recent actor. In November of 2011, Chick-fil-A asserted its "Eat mor Chikin" tagline and other trademarks against Vermont resident Robert "Bo" Muller-Moore's "Eat More Kale" tagline and trademark.ⁿ³⁶ Chick-fil-A cited policing as the reason for asserting its trademark rights and stated, "We must legally protect and defend our 'Eat mor chikin' trademarks in order to maintain rights to the slogan."ⁿ³⁷ Perhaps Chik-fil-A is correctly policing its mark liquidity as courts have stated must be done. However, would a marketed suggestion to eat more of anything trigger thoughts of Chik-fil-A in the absence of cows with poor spelling offering it?ⁿ³⁸ In this instance, it seems unlikely that if Bo's kale is not fresh, no consumer will blame Chik-fil-A.

A. Source Theory: Prevention of Consumer Confusion and Competitor Counterfeit

Source Theory cannot be fully understood without first examining the roots of modern trademark law, as noted trademark scholar and author Frank Schechter has remarked is often overlooked:

[*9]

Practitioners ... of trade-mark law have ... been quite content to regard that law as practically the creation of the nineteenth century, without attempting in any way to ascertain the extent to which trade-marks had been used prior to the nineteenth century, the functions or purposes which these trade-marks had served and the methods, if any, by which they came under any form of legal protection or surveillance. ⁿ³⁹

Trademarks are as old as the records of man, with semblances of trademark concepts appearing in the earliest civilizations. ⁿ⁴⁰ Trademark presence persisted into the Middle Ages, where consumers lived in segregated societies and often personally knew the manufacturers of the products they purchased. ⁿ⁴¹ The mark protected a producer's reputation and prevented his or her goods from being passed off as the goods of another. ⁿ⁴² These adaptations of trademark usage demonstrate that even before the establishment of English Common Law, mankind had discovered the practicalities of trademarks. ⁿ⁴³ Trademark usage remained intact through Western interpretation and governance of the field to: (1) prevent consumer confusion and deception by aligning the source with the product; and (2) prevent competitors from copying those aspects of a product that identify the source of the product. ⁿ⁴⁴

The usefulness of trademarks has not changed in the centuries since, but the need for a fluid and organized trademark system grew as industries expanded and marketplaces became less geographically defined. ⁿ⁴⁵ Through the sixteenth century and until the early seventeenth century, when the English [*10] courts considered the matter, ⁿ⁴⁶ trademark concerns were largely privatized. ⁿ⁴⁷ As the English courts' awareness of private trademark governance expanded, they began to absorb the concepts into their developing legal aura. Movement of trademark theory towards producer reliance and away from competitor counterfeit made its earliest appearance in the English Courts in *Southern v. How*, in a bit of extraneous commentary regarding the infringement of a clothier's mark:

The action upon the case was brought in the Common Pleas by a clothier, that whereas he had gained great reputation for his making of his cloth by reason whereof he had great utterance to his benefit and profit, and that he used to set his mark on his cloth whereby it should be known to be his cloth: and another clothier, observing it, used the same mark to his ill-made cloth on purpose to deceive him; and it was resolved that the action did well lie. ⁿ⁴⁸

Southern is regarded as early authority for the idea that unauthorized use of a trademark counters its purposes and creates grounds for action. ⁿ⁴⁹ References recognizing *Southern's* prominence appear in many American trademark cases of the early twentieth century. ⁿ⁵⁰ While *Southern* planted a seed, trademark litigation in English courts did not emerge again until the mid-eighteenth century when a tradesman sought injunctive relief against infringement but was denied by the Lord Chancellor, who feared outright protection of trademarks would foster monopolies in the marketplace. ⁿ⁵¹ Though a tightly constrained monopoly on an image, name, or presentation of a brand is necessary to a trademark's function, perhaps Lord Chancellor rightfully feared some of the greater vagaries of opening the door to such monopolies.

There was a noticeable lack of trademark litigation in the early eighteenth century. Nonetheless, the potential benefits of source-to-product indicators in the marketplace gained attention, and Parliament implemented statutes in

select trades that permitted a producers to use marks as a means of identifying products and protecting themselves from counterfeiters.ⁿ⁵² Producers targeted consumers on a broader plane as industry expanded with changes [*11] in manufacturing, technology, and general social and economic practices.ⁿ⁵³ As the need for product-source identifiers became greater than ever before, the English and young American courts took notice.ⁿ⁵⁴ Indeed, in an option-filled market gone unchecked, the danger is great for a low-earning competitor to pass his products off as those made by a successful competitor. This scenario would defeat consumers' ability to determine product quality and develop preference for a certain producer's goods over another, thus further diminishing consumer confidence in economies and marketplaces. Economies could never hope for stability. The worst of this had yet to materialize when American manufacturers became impatient with losses suffered from infringements and pled to the legislature for relief.ⁿ⁵⁵ Founding Father Thomas Jefferson became an avid proponent of creating a system where the federal and state registration of producer marks would serve to cement their rights to protection and relief for unauthorized use of the registered mark.ⁿ⁵⁶ Indeed, this proposed registration system served to put others on notice that the producer was claiming a right to the mark on his products.ⁿ⁵⁷ Jefferson and others recognized trademarks "contribute to the fidelity" of the marketplace, promoting innovative production, fair competition, and consumer trust by significantly decreasing the ease at which deception and fraud could infiltrate the marketplace.ⁿ⁵⁸

Early American trademark case law quickly established the value of a mark's distinctive quality as a useful source identifier and guard against competitor fraud. In *Hanover Star Milling Co. v. Metcalf*, the Supreme Court highlighted these traditional purposes as it explained the producer's sanctity in his mark:

Where a party has been in the habit of labeling his goods with a distinctive mark, so that purchasers recognize goods ... as being of his production, others are debarred from applying the same mark to goods of the same description, because to do so would in effect represent their goods to be of his production and would tend [*12] to deprive him of the profit he might make through the sale of the goods which the purchaser intended to buy.ⁿ⁵⁹

Less than a decade after the Supreme Court decided *Hanover Star*, the federal government registered more than 15,000 trademarks, evidencing producer confidence in the system and eagerness to claim territory in the marketplace.ⁿ⁶⁰ In 1970, there were 23,447 federal registrations granted and 33,326 applications filed.ⁿ⁶¹ In 2011, there were 398,667 applications filed and 177,661 certificates of registration given.ⁿ⁶² Trademark registration continues to grow exponentially and litigation continues to increasingly invade United States courtrooms.

1. Distinctiveness: The Basis of a Trademark's Ability to Distinguish

Distinctiveness is the soul of a valid and registrable trademark. Distinctiveness is also a necessary component of trademark law that can frustrate mark owners. If a mark fails to stand apart from another mark, it fails its function as a source identifier for corresponding products. Marks that are not distinctive may cause consumer confusion, especially if the similarly marked products share market crossover. Coupled with its use in commerce,ⁿ⁶³ a distinctive mark gains consumer awareness and earns protection. Distinctiveness is necessary for the creation and registration of a trademark, but it is neither synonymous with the originality needed for copyright nor the novelty needed to earn a patent:

The trade-mark may be, and generally is, the adoption of something already in existence as the distinctive symbol of the party using it. At common law the exclusive right to a trademark grows out of its use, and not its mere adoption. By the act of Congress this exclusive right attaches upon registration. But in neither case does it depend upon novelty, invention, discovery, or any work of the brain. It requires no fancy or imagination, no genius, no laborious thought. It is simply founded on the priority of appropriation.ⁿ⁶⁴

[*13] Distinctiveness is purely action-oriented, sprouting from specific and formulaic producer efforts to harmonize a mark with his products and nestle the association into consumer awareness. Unlike its intellectual property brethren, trademarks are the application of something already created and then adopted by a producer with the intent to transform it into a marketplace symbol. "To acquire ownership of a trademark it is not enough to have invented the mark first or even to have registered it first; the party claiming ownership must have been the first to actually use the mark in the sale of goods or services." ⁿ⁶⁵

As expressed in the Trade-Mark Cases, adopting a trademark requires little effort. ⁿ⁶⁶ However, making a trademark valuable and effective in the marketplace as a tool for communicating information about a product does require effort. Rooted in its ability to identify the "origin or ownership," ⁿ⁶⁷ a consumer should identify a mark only with the sources of origin or ownership intended by the producer:

To acquire the right to the exclusive use of a name, device, or symbol as a trademark, it must appear that it is adopted for the purpose of identifying the origin or ownership of the article to which it is attached, or that such trade-mark must point distinctively, either by itself or by association, to the origin, manufacture, or ownership of the article on which it was stamped. ⁿ⁶⁸

An adopted mark distinguishing a producer's goods in a marketplace ⁿ⁶⁹ earns common law protection; once the distinguished use of a mark is recognized by the consuming public as denoting the producer's goods, meaning the producer has made efforts to insert his mark into consumer consciousness, it may be federally registered.

Distinctiveness is a matter of degree. The more distinctive a word or symbol is, the greater strength it has as an identifier of the product source. In the marketplace, a mark with greater distinction more easily suits trademark purposes. Thus, a producer is incentivized to adopt a highly distinct mark because it lends itself to greater protection. A strong mark - one with greater distinction - is easier to streamline into consumer consciousness as symbol of origin or ownership. Marks with a greater degree of distinctiveness are [*14] often inherently distinct, and their ability to identify a source is presumed. ⁿ⁷⁰ Weaker marks - those consisting of words or symbols in their commonly recognized contexts - must gain distinctiveness through "secondary meaning" to prove the mark has "acquired" a "source-identifying" meaning apart from its ordinary, common usage. ⁿ⁷¹

"[A] mark has acquired distinctiveness, even if it is not inherently distinctive, if it has developed secondary meaning, which occurs when, 'in the minds of the public, the primary significance of a [mark] is to identify the source of the product rather than the product itself.'" ⁿ⁷²

In *Abercrombie & Fitch Co. v. Hunting World*, the Second Circuit provided the most illustrative analysis of mark distinction by categorizing trademark terms into four classes of distinctiveness and "[arraying them] in an ascending order which roughly reflects their eligibility for trademark status and the degree of protection accorded." ⁿ⁷³ The court listed the classes as "(1) generic, (2) descriptive, (3) suggestive, and (4) arbitrary or fanciful." ⁿ⁷⁴

"Generic" describes a term that has "come to be understood as referring, to the genus of which the particular product is a species." ⁿ⁷⁵ It is a term "commonly used to denote a product or other item ... the thing itself, rather than any particular feature or exemplification of it." ⁿ⁷⁶ Because a generic term is "commonly used as the name or description of a kind of goods," ⁿ⁷⁷ it is useless as an identifier of product origin or ownership, having zero distinction. It is "irretrievably in the public domain, and the preservation of competition precludes its protection." ⁿ⁷⁸ Generic terms are incapable of being registered and do not receive any common law protection.

A "descriptive" mark describes product characteristics and has been subcategorized into two classes: "commonly descriptive" and "merely descriptive."ⁿ⁷⁹ The "commonly descriptive" term is synonymous with the generic **[*15]** term, identifying a product type by its characteristics, and permanently cemented in the public domain.ⁿ⁸⁰ A "merely descriptive" mark describes product characteristics and can be registered if it distinctly represents the applicant's goods upon a showing of secondary meaning, specifically, that "it has become distinctive of the applicant's goods in commerce."ⁿ⁸¹ An example of the difficulty in differentiating "commonly descriptive" and "merely descriptive" terms can be found in the Seventh Circuit case *Henri's Food Products v. Tasty Snacks*, where the court held "tasty dressing" was "merely descriptive."ⁿ⁸² The Court contrasted their case to *Miller Brewing* and the use of "LITE beer,"ⁿ⁸³ in which "the word 'light,' including its phonetic equivalent 'lite' ... [is] a generic or common descriptive term as applied to beer, [and] could not be exclusively appropriated ... as a trademark, 'despite whatever promotional effort may have [been] expended to exploit it.'"ⁿ⁸⁴

Departing from reasoning of the Eastern District Court of Wisconsin, which classified "tasty dressing" as "commonly descriptive,"ⁿ⁸⁵ the Seventh Circuit noted:

Unlike "light beer," "tasty salad dressing" is not a kind, sort, genus or subcategory of salad dressing. Rather, "tasty" is "merely descriptive" and describes a quality found in many genres of salad dressing. It is not an adjective which in any way serves to classify the noun to which it is attached.ⁿ⁸⁶

The court noted that this type of "merely descriptive" word theoretically could convey a secondary meaning. "'Merely descriptive' terms convey a quality or characteristic of the product. The term 'tasty' describes the quality of the salad dressing. There really can be no suggestion that 'tasty dressing' is a kind or type or subcategory of dressing such as, for example, French dressing."ⁿ⁸⁷ A "merely descriptive" term becomes capable of trademark protection and subsequent registration when, through the efforts of the adopting producer, the term acquires secondary meaning as a source identifier apart from the term's ordinary meaning.ⁿ⁸⁸

[*16] Sitting somewhere between the "descriptive" and "fanciful" classes, a "suggestive" term "requires imagination, thought, and perception to reach a conclusion as to the nature of goods."ⁿ⁸⁹ "Suggestive" terms are defined as having inherently distinctive meaning, the association between the mark and its source is presumed and the mark is eligible for trademark protection.ⁿ⁹⁰ Though a suggestive term may capture some of the qualities of a product, it stands apart from a descriptive term, which "conveys an immediate idea of the ingredients, qualities or characteristics of the goods."ⁿ⁹¹

Also inherently distinctive are "arbitrary" and "fanciful" terms.ⁿ⁹² "Arbitrary" or "fanciful" terms bear no relation to the product and therefore deserve protection.ⁿ⁹³ A mark is arbitrary if it "is well-known in a different context" apart from its source-identifying use.ⁿ⁹⁴ A mark is fanciful "if it is newly invented" for the source-identifying use and not otherwise established in any other context.ⁿ⁹⁵

2. Burdens Associated with Distinction

Once a mark has obtained distinction to any degree, it becomes a commodity to the producer because it now carries the ability to distinguish his products from those of his competitors. While a mark with distinction has value and is worthy of protection, it is not free from burden. Once obtained, a mark may not always retain its distinction. Mark distinction may shift along with ever-changing consumer awareness and is constantly at risk of becoming "generic" if a producer does not monitor his mark's use in the marketplace. It is the protection of distinction that laid the groundwork for the previously mentioned allegations of infringement lodged by Lucas, Facebook, and Chik-fil-A.

3. Shifting Distinction

As consumer awareness changes and the market place shifts, it is entirely possible for a mark's identifying power to shift as well. The Second Circuit states that:

The lines of demarcation, however, are not always bright. Moreover, the difficulties are compounded because a term that is in one [*17] category for a particular product may be in quite a different one for another, because a term may shift from one category to another in light of differences in usage through time, because a term may have one meaning to one group of users and a different one to others, and because the same term may be put to different uses with respect to a single product. ⁿ⁹⁶

Thus, the contextual and environmental conditions the mark is associated with are highly relevant to the distinction it carries. For example, when associated with computer systems, the term "Apple" is arbitrary. But an apple grower would find it impossible to adopt this mark as signifying the crop he produces. It would be poor branding, and no producer can claim the sole rights to use the product genus as a brand. ⁿ⁹⁷ Genus terms are inherently generic and therefore remain in the public domain. ⁿ⁹⁸

Maintaining distinction of a mark can be an uphill battle for a producer because they must fight against the winds of a constantly evolving market to preserve a mark's value. The fight is partially won in the first round when a producer chooses an arbitrary, fanciful, or a suggestive mark. As seen with the dilemma posed by common descriptive or merely descriptive marks, terms that avoid directly revealing a product's qualities or characteristics are more useful in the marketplace and thus more capable of achieving trademark purposes. A mark owner must develop his symbol into a valid trademark recognized by the public as indicative of his products, but this process is easier when he chooses a non-descriptive mark creatively at the outset. ⁿ⁹⁹ For the producer choosing a descriptive mark, efforts must focus on shifting consumer awareness away from a term's ordinary meaning and towards the "secondary" source identifying the producer's intended meaning. ⁿ¹⁰⁰ This is not an easy task, but it has been done successfully. ⁿ¹⁰¹

[*18]

4. Genericide

No matter the degree of distinction, a mark owner's worst fear is a transformation into the colloquial term for his product class. ⁿ¹⁰² Producers must find the middle ground between expending too little effort to establish distinction for their mark in a marketplace, and oversaturating to the point of synonymizing a product brand with the class of products itself. Once a term, trademarked or not, becomes referential to a product type, class, or genus, it belongs to the public domain and cannot be validly transformed into a distinctive trademark. ⁿ¹⁰³ A generic classification becomes the fear of any producer who has spent time, money, and effort to distinguish a mark in the marketplace because generic classification indicates a point of no return.

"The [Lanham] Act provides for the cancellation of a registered mark if at any time it 'becomes the common descriptive [or generic] name of an article or substance.'" ⁿ¹⁰⁴ The Second Circuit found that "this means that even proof of secondary meaning, by virtue of which some 'merely descriptive' marks may be registered, cannot transform a generic term into a subject for trademark." ⁿ¹⁰⁵ The court further noted that "no matter how much money and effort the user of a generic term has poured into promoting [merchandise sales] 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." ⁿ¹⁰⁶

When threatened by genericide, producers must overhaul their advertising and communication schemes. In modern trademark practice, producers with threatened marks have, out of necessity, resorted to various strategies to keep the endangered marks alive. This extra spending is needed to provide new significance and meaning to a mark that teeters on the edge of generically signifying a whole product classes. Examples of fallen marks resigned to the generic graveyard include "Escalator" (Otis Elevator Co. trademark for the rotating staircase),ⁿ¹⁰⁷ "Aspirin" (Bayer trademark for acetylsalicylic acid),ⁿ¹⁰⁸ "Thermos" (Thermos GmbH trademark name for a vacuum flask),ⁿ¹⁰⁹ and "Yo-Yo" (Papa's Toy Co. Ltd. trademark for a spinning toy).ⁿ¹¹⁰

Traditionally, a mark's decline towards generic may surprise a producer when brand popularity is high. Kids with cuts and scrapes requesting Band-Aids, or the sniffing friend asking, "Where's the Kleenex?" indicate brand awareness and confidence. However, both Band-Aidⁿ¹¹¹ and Kleenexⁿ¹¹² saw their brands become synonymous with their respective product classes, i.e., bandages and facial tissue paper. Band-Aid sought to avoid their generic brand problem by slightly modifying their commercial jingle, drawing clear focus to the word "brand." The kids, happy to be protected by Band-Aid bandages, now sing, "I am stuck on Band-Aid brand, 'cause Band-Aid's stuck on me." Kleenex has long been victimized by pervasive generic use by consumers, but still remains a valid trademark.

The brand Google,ⁿ¹¹³ an embodiment of a newly created fanciful mark that now represents the preeminent Internet search-engine, has become so synonymous with the act of searching for something on the Internet that consumers transformed the mark into a verb when suggesting someone perform an Internet search. "Just Google it." Google is not passive on this matter. Still measures to reverse this association and retain brand strength do not always correct a problem that can quickly tumble out of control in a time when thoughts, associations, or memes have the potential to go viral in minutes.ⁿ¹¹⁴ Dr. Julie Coleman, an authority on linguistics from the University of Leicester, suggests that while Google is unable to slap every impermissible use of "Google" with a lawsuit, the company could pursue other avenues such as "forcing dictionaries to mention its origin in a trade-marked brand name, which is what the Oxford English Dictionary already does."ⁿ¹¹⁵ Even though some may consider a mark slipping towards generic as the highest [*20] form of brand flattery, producers, who wish to maintain mark protection, often fear such generic status as a trademark black hole.

B. Quality Theory: Protection of Business Goodwill

While Source Theory remains a functioning theory of trademark law, the rise of the twentieth century's booming business landscape, and resulting judicial interpretations of trademark law, broadened the scope of what trademarks can identify. Twentieth century treatment of trademark rights as tangible property forced lawmakers to recognize that trademark, in addition to identifying producer goods and services, also captured the consuming public's perception of a producer's standards and product quality. This secondary interest in protecting a mark called for expansions of trademark law that stepped beyond the established "likelihood of confusion" grounds for infringement. Proponents of Quality Theory target any use of a similar mark, regardless of market crossover, citing the uses as attempting to capture and diminish the quality and standards represented, thereby weakening their mark. Relying on the intangible and ubiquitous concept of goodwill as a component to a trademark's value, Quality Theory required the trademark to shoulder this goodwill, which proved impossible without expansions to the law. These expansions, namely brand dilution and initial interest confusion, are necessary to protect certain owners' rights, but inconsistent judicial interpretation and unanswered questions have ushered in potential for abuse. What is the measure to determine if a mark owner has sufficiently policed the value of his mark? Can a brand with a great amount of goodwill justify a degree of policing that appears arbitrary and perhaps insidious to one who knows the standards for infringement?

1. Trademark as a Symbol of Owner's Goodwill

The historical conception of a trademark as a strict emblem or source of the product to which it attaches has been largely abandoned. The burgeoning business of franchising has made trademark licensing a widespread commercial practice and has resulted in the development of a new rationale for trademarks as representations of product quality. This is particularly true in the case of a franchise system set up to conduct a certain business under a common trademark

or trade name, i.e., not necessarily to distribute the trademarked goods of the franchisor. Under such a type of franchise, the trademark embodies the goodwill and quality standards of the enterprise and is not directly used to identify the enterprise's products. ⁿ¹¹⁶

Prior to the twentieth century, trademark law rested on the Source Theory of product recognition and relief was afforded based on a trademark's value (as rooted in its use in commerce) by identifying the source of producer [*21] goods and services in the marketplace. ⁿ¹¹⁷ In the early twentieth century, propertization of trademarks came to the forefront and brought to light what many were aware of but never acknowledged - in a complex marketplace, where merchants sold goods manufactured by others, a merchant could own a trademark on goods he did not manufacture. ⁿ¹¹⁸ A merchant could sell products made by a wholly different manufacturer, "as frequently occurs today in [the private brand] arrangements, but when he affixed his trademark to them he signified that they met his standards of quality and that his business reputation stood behind them." ⁿ¹¹⁹ Under this system, trademarks were not only a product identifier but also a symbol or guarantee of the quality and standards employed by the mark owner. ⁿ¹²⁰ This resulted in economic and legal acceptance that a trademark was valuable separate and apart from the products it signified in commerce. ⁿ¹²¹ Namely, a trademark captured a business's goodwill,--in some instances, possibly even more than the trademark identified a particular producer.

The acceptance of goodwill as part of the trademark package was possibly inevitable. Nonetheless, it caused new frustrations because few could precisely define goodwill, consistently signify it, or determine its valuation. ⁿ¹²² Still, its presence in the marketplace was universally recognized and undeniable; goodwill or favor towards a brand is the intangible guide that presupposes repeat purchases. ⁿ¹²³ It is the lifeblood of consumer loyalty. The Supreme Court of Georgia wrote about goodwill's abstract nature in *Smith v. Davidson*:

It is difficult to conceive of the good will of a business apart from the tangible properties used in such business, or as a thing of form and substance. It is more like a spirit that hovers over the physical, a sort of atmosphere that surrounds the whole; the aroma that springs from the conduct of the business; the favorable hue or reflection which the trade has become accustomed to associate with [*22] a particular location, or under a certain name. As fragrance may add loveliness to the flower from which it emanates, so good will may add value to the physical from which it springs

ⁿ¹²⁴

Goodwill has developed into a business commodity apart from a producer's ability to distinguish his mark in consumer awareness. ⁿ¹²⁵ A producer attempts to control the distinctive use of his mark as a product identifier, but his goodwill rests in the hands of consumers and is a prize when it is received. ⁿ¹²⁶

Consumers do not make purchasing decisions simply because they can distinguish a product from others. ⁿ¹²⁷ In an option-filled market, consumers make decisions based on product and brand favorability. ⁿ¹²⁸ Consumer recognition of a trademark may "recall a previously-formed regard for the product that is favorable, unfavorable[,] or neutral." ⁿ¹²⁹ These consumer impressions "influence or even determine" the product selections of consumers. ⁿ¹³⁰ Businesses stand to gain when they are able to communicate to the consuming public the qualities and standards they have adopted. ⁿ¹³¹ Ensuring a business's image is accurately conveyed becomes a secondary effort to a consumer's ability to identify a business's products, since consumer choice lends itself to favorability over product distinction alone. ⁿ¹³²

Though the association of goodwill with a trademark is here to stay, it has frustrated the governance of trademark law and the protections it affords. Quality Theory cannot operate apart from Source Theory; a consumer must first distinguish products before he can apply favorability. ⁿ¹³³ However, Source Theory can function on its own without the need to decipher brands' consumer favorability. ⁿ¹³⁴ A trademark's ability to signify a producer's goods and services remains intact regardless of whether consumers attach goodwill to a brand's trademark. ⁿ¹³⁵ Consumers' awareness of a

trademark does not necessarily mean consumers have particular impressions of a certain brand, but the trademark may still function to communicate what products are sold by the brand. The Supreme Court has said:

[*23]

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 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. ⁿ¹³⁶

Expanding to account for the positive value a business's goodwill adds to its trademark, the courts have offered several additional remedies for trademark infringement, which have adjusted the scope of infringement from "likelihood of confusion" to realms of misappropriation and unfair use. ⁿ¹³⁷

2. Dilution: Remedial Expansion in Trademark Law

While Quality Theory gave unsure mark owners a means to conceptualize property rights, it distorted trademark law's original recourse, use of a mark likely to cause consumer confusion because the mark's value was no longer solely in its ability to link consumers from product to brand. ⁿ¹³⁸ Now, infringement has to also contemplate the goodwill a business might have created. ⁿ¹³⁹ Trademark dilution arose as a variant of infringement. ⁿ¹⁴⁰ Courts now protect trademark owners from uses formerly not considered to have been infringements and have offered protections showing they view the trademark as more than a product identifier. ⁿ¹⁴¹ It is theorized that courts "are well on their way to divorcing trademarks entirely from the goods they are supposed to represent." ⁿ¹⁴²

As businesses grow and succeed in the marketplace, their marks gain notoriety and even fame. ⁿ¹⁴³ These trademarks have developed a uniqueness given the distinct and pervasive goodwill developed by the owners. ⁿ¹⁴⁴ Trademark dilution grew out of the proposition that any use of marks similar to famous marks ⁿ¹⁴⁵ weakened the senior mark regardless of whether it actually [*24] caused consumer confusion. ⁿ¹⁴⁶ The Federal Trademark Dilution Act provided, "The owner of a famous mark shall be entitled ... to an injunction against another person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark." ⁿ¹⁴⁷ Departing from the traditional foundation of trademark infringement, trademark dilution sidesteps the "likelihood of confusion" test and prohibits another's use of a similar mark not in competition or connection with those of the famous mark owner. ⁿ¹⁴⁸

Specified by the federal statute, "federal dilution is actionable in two situations: (1) dilution by 'blurring' and (2) dilution by 'tarnishment.'" ⁿ¹⁴⁹ Blurring occurs when the degree of similarity and use between famous and secondary marks is strong enough that consumers could wrongfully associate the marks together, thus, diminishing the distinctiveness of the famous mark. ⁿ¹⁵⁰ Dilution by tarnishment is actionable when consumers perceive an association between famous and secondary marks, potentially damaging the reputation of the famous mark. ⁿ¹⁵¹ Blurring and tarnishment are restricted by forms of speech protected by fair use principles under the Lanham Act. ⁿ¹⁵² Uses of famous marks are permitted in connection with advertising that encourages consumers to compare products or in connection with parody, critique, or commentary on the owner of the famous mark. ⁿ¹⁵³

3. Frustrations of Dilution (Goodwill Protection)

"The requirement that the mark be 'famous' and 'distinctive' significantly limits the pool of marks that may receive dilution protection," ⁿ¹⁵⁴ but these "famous" mark owners often have the financial resources to use this protection as a weapon by targeting brands that stand no chance of siphoning the goodwill of the famous mark. Recently, in Starbucks

Corp. v. Wolfe's Borough Coffee, the Second Circuit rendered dilution claims slightly easier [*25] to win by asserting that "some - but not substantial - similarity between the subject marks" was necessary to "demonstrate a likelihood of dilution." ⁿ¹⁵⁵ From the outset, trademark principles have been devised to tightly control the monopolistic tenants of mark ownership. Even if the adoption and use of a mark give it value and render it protectable, the letters, words, numbers, and colors comprising the marks remain property of the public, free to adopt them in distinct ways. The core of trademark law, resting on the "likelihood of confusion" standard for infringement, left open the opportunity to use similar marks so long as they were not caught in a market crossover.

The recognition that a trademark encompasses the goodwill of a business incorporates the notion that a trademark's prominence is tied directly to the business's longevity. It follows that protections specifically for goodwill were created. Although dilution is an appropriate remedial measure for protecting a business's image and reputation, broad application by courts conflicts with the trademark objective to foster a free and open marketplace. Faced with expensive litigation brought by a large company, regardless of whether the claim claims likelihood of confusion or likelihood of dilution, a small business is likely to trade in the mark at issue for one that is less troublesome. The power and control this places in the hands of large businesses, without checks and sanctions for unfounded lawsuits, permits forms of trademark bullying.

4. The Internet and Initial Interest Confusion

Much like dilution, the theory of initial interest confusion developed as a mechanism to provide a remedy to mark owners whose marks were used by unauthorized third parties to capture a consumer's interest and trade on the goodwill of the trademark. Following the development and proliferation of the Internet, this theory of confusion has been used with increasing frequency, and it is seen most often in the context of domain name disputes, metatag use, and keyword advertising. However, the doctrine has developed inconsistently, with no definitive test and no certainty as to the factors that a court will consider in deciding initial interest confusion cases.

In the early development of online trademark litigation, which dealt primarily with domain names, many courts were reluctant to extend trademark to scenarios where there was no likelihood of confusion. ⁿ¹⁵⁶ Indeed, the consensus at the time was simple: trademark uses must be analyzed according to the traditional likelihood of confusion factors when determining infringement online. ⁿ¹⁵⁷ Evaluating evidence of actual confusion, the district court in CD [*26] Solutions, Inc. v. Tooker wrote, "While an Internet user seeking to purchase a product of defendants may go initially to the plaintiff's website, it is unlikely that an actual or prospective customer of defendants would be confused in its purchasing decision" ⁿ¹⁵⁸ As Internet usage increased and technology advanced, many courts became concerned and could not fathom that the use of a trademark in a domain name did not give rise to an actionable claim under trademark law. The shift in attitude of the courts toward infringement online began the great migration from a requirement of a thorough "likelihood of confusion" inquiry to opinions, which seem to be solely concerned with the goodwill associated with the mark. Indeed, this abandonment of a likelihood of confusion requirement for infringement on the Internet created a split within and among circuits. ⁿ¹⁵⁹ Ultimately, courts began to advance the doctrine to find liability for perceived bad acts without engaging in any analysis, concluding the existence of initial interest confusion and therefore infringement. ⁿ¹⁶⁰ As noted by Notre Dame law professor Mark McKenna, trademark owners have become increasingly astute at equating any use of a trademark as causing confusion (and therefore infringement) and capitalizing on the generalization of confusion as harm. ⁿ¹⁶¹ McKenna is certainly correct that, under modern trademark law, confusion is too often equated to harm and has created the excess that one sees in trademark confusion doctrine.

5. The Reality of the Internet Troika

Imagine for a moment that you are in the market for a tablet computer. While you are not necessarily interested in purchasing an iPad, it is the only thing you can conjure up for your Internet search to describe the type of product for which you are searching. You go to Google, rather than searching for "tablet computers," you type in the search term "iPad." If the search engine [*27] returns results for the Samsung Galaxy Note, according to the "Internet troika" (described below) Samsung has committed trademark infringement. Liability attaches, notwithstanding the facts that

you are not interested in purchasing a particular make or model of tablet, you are clearly aware that Samsung and Apple market competing products, and there is no confusion as to the source. The Internet troika originated with the Ninth Circuit in *Brookfield Communications v. West Coast Entertainment Corp.* and has been used as the benchmark for countless decisions involving initial interest confusion online.ⁿ¹⁶² That "troika" of "(1) the similarity of the marks, (2) the relatedness of goods or services, and, (3) the simultaneous use of the Web as a marketing channel,"ⁿ¹⁶³ has been cited and used by courts extensively in decisions due to their viewing the unauthorized use of trademarks online as inherently creating harm to the goodwill of the brand. Indeed, trademark owners in their policing policies have used this same rationale. Use by a third party of a similar mark is bound to lead to confusion, and this encourages owners to protect their marks with active enforcement even in the absence of any true likelihood of confusion. After over a decade, the Ninth Circuit abandoned the troika and writing for the court in *Network Automation v. Advanced Systems Concepts*, Judge Wardlaw stated that the court "did not intend *Brookfield* to be read so expansively as to forever enshrine these three factors--now often referred to as the 'Internet trinity' or 'Internet troika'--as the test for trademark infringement on the Internet."ⁿ¹⁶⁴ Recognizing the error that arose from reliance on the Internet troika, the court abandoned the limiting view, writing that "given the multifaceted nature of the Internet and the ever-expanding ways in which we all use the technology, ... it makes no sense to prioritize the same three factors for every type of potential online commercial activity."ⁿ¹⁶⁵ There is no doubt that courts that handle trademark cases, like those from the Ninth Circuit, need to evaluate their policies of policing and determine when policing evolves into bullying.

IV. TRADEMARK POLICING VERSUS TRADEMARK BULLYING

For the trademark system to maintain its core functionality, trademark owners must be fervent in protecting their marks. A valid trademark is not something that just materializes into being. It is an investment chosen by a producer, who in turn nurtures it into an effective device for communicating [*28] brand and product information. Rapid growth and expansion of trademark law have placed a lot of weight on trademark owners' shoulders. Trademarks first developed as a means to designate the source or origin of a particular product or service in order to distinguish products and services from one another, but trademarks have since grown to denote standards of quality, symbolic of goodwill, which guide consumer purchases and loyalty.ⁿ¹⁶⁶ Owners invest time and money into building business symbols and deserve the right to protect them.

Doctrinal pressures also exist to encourage diligence in trademark protection. The doctrine of laches, a long established concept, forbids a mark owner to assert his trademark rights over a secondary user when in the past the mark owner has not consistently or appropriately asserted.

"Laches is an equitable time limitation on a party's right to bring suit, ... resting on the maxim that one who seeks the help of a court of equity must not sleep on his rights."ⁿ¹⁶⁷ The party asserting laches must show "(1) [the plaintiff's delay] in filing suit was unreasonable, and (2) [it] would suffer prejudice caused by the delay if the suit were to continue."ⁿ¹⁶⁸

Now a mark owner must rebut the underlying presumption of laches to recover from another who uses improper mark policing as a defense; this limits the relief available in infringement lawsuits.ⁿ¹⁶⁹ Laches presumes that an owner who makes little, inconsistent, or no effort to assert trademark rights perceives no value in his mark and, thus, acquiesces to its unfettered use. Application of laches is highly circumstantial, "not determined by simple rules of thumb or rigid legal rules ... [but] by a consideration of circumstances of each particular case" ⁿ¹⁷⁰ Knowing the highly circumstantial nature of the application of laches, the motivation to assert superiority over other mark uses becomes clear. Failing to stand against one's confusing use may lead to preclusion from future threats and limit options for relief.

However, where laches motivate mark owners to police their marks, it also gives legitimacy to trademark bullies. Courts expect businesses to diligently police their marks in order to expect remedies against alleged infringement, but remain rather tight-lipped on when an owner's mark policing has [*29] become excessive. Courts have yet to truly explore the realm of sanctioning unwarranted lawsuits initiated by those plaintiffs who look to assert an excessive

degree of control by use of their financial strength. This is largely because such cases rarely make it to court and thus demonstrates how these trademark bullies have been successful in their bullying efforts. The administrative costs of enforcing trademark litigation, like litigation in general, are often determinative of which conflicts make it before a court. It is a marketplace reality that many small businesses simply do not have the financial means to stand their ground. Weighing against two evils, it is likely more efficient for a secondary mark user to surrender his rights in the mark, despite the expense invested developing it, in order to avoid the expense of litigating in court. Though this is a construct of a marketplace where entities earning large-and small-scale profits coexist, the developing problem of trademark bullying hinders the anti-monopolistic constraints of trademark law.

V. CONCLUSION

Now more than ever, there is need for judicial recognition of when a mark owner has crossed the line in policing his mark past valid protection and into a realm of hindering competition or fostering monopoly. A concerted delineation on the boundaries of mark protection policies, within the context of the policies' effects on smaller businesses, will level the competitive playing field and more closely align trademark practice with its original intentions. Trademark law frequently sees surrender to the stronger party; larger businesses are striking down smaller businesses who attempt to use marks that are similar, yet unlikely to cause consumer confusion. Are consumers likely to believe that George Lucas, who has been a leader in fantasy film and computer graphic design, suddenly opted to get into the niche market of Internet-based ad design? More importantly, are consumers even aware that "droid" signified Lucas-owned products? Not likely so. Consumer understanding would also likely reject the belief that Mark Zuckerberg and Facebook decided to provide educator lesson plans or that Chik-fil-A decided to bring kale to the forefront of its menu.

What should be the resolution to this growing form of abuse? The answer does not lie in deconstructing the settled world of trademark law. An owner has a valid interest in his mark's position, and what it signifies and communicates to consumers in the marketplace. Courts have always recognized the use of trademarks as a tool for protecting producers and business owners but not as a tool meant for control and monopolistic creation. The trademark has seen its own expansion through the historical development of American and foreign free-market economies. A touch of irony exists in the fact that some mark owners are using the system against itself. Courts must now address this important matter and begin to impose sanctions for excessive policing, where claims of superior over secondary marks are superficial or speculative. The doctrine of laches, as a form of estoppel, prevents inconsistent assertion of mark rights, but certainly does not encourage wanton attacks [*30] against less powerful mark users. Ownership of a trademark does not equate to monopoly over that mark, which is emphasized by the "likelihood of confusion" standard for infringement. However, with expansions and new accommodations introduced into the trademark realm, courts are dealing with an evolving being. Courts must make a concerted effort to come together and consider the effect interpretations and standards have upon the commercial population, not just those who they consistently see before their bench.

Legal Topics:

For related research and practice materials, see the following legal topics:

Trademark LawInfringement ActionsGeneral OverviewTrademark LawLikelihood of ConfusionGeneral OverviewTrademark LawSubject MatterNamesGeneral Overview

FOOTNOTES:

n1. In September 2010, Cooper's web-based advertising platform "Addroid" was in the pre-launch phase when the topic for this article was conceived. As of October, 2011, www.addroid.com is a fully-launched website offering customized web-based, video advertising.

n2. Mike Masnick, Would a Moron In a Hurry Confuse R2D2 with an Ad Platform? No? But George Lucas Would, Techdirt (Sept. 15, 2010, 6:42 AM), <http://www.techdirt.com/articles/20100913/20475810995.shtml>.

n3. See *id.* (explaining that in addition to the trademark infringement cease-and-desist letters to Cooper, Lucas utilized his copyright light saber and sent similar cease-and-desist letters to companies such as Wicked Laser and Jedi Mind); see also Jeremy Taylor, George Lucas Wields Cease and Desist Orders Like a Jedi Does a Lightsaber, Asylum (July 9, 2010), <http://www.asylum.com/2010/07/09/george-lucas-wields-cease-and-desist-orders-like-star-wars-jedi-lightsaber/>.

n4. Forbes 400: #109 George Lucas, Forbes, <http://www.forbes.com/profile/george-lucas/> (last visited Mar. 1, 2014).

n5. See *Saul Zaentz Co. v. Wozniak Travel, Inc.*, 627 F. Supp. 2d 1096, 1110-11 (N.D. Cal. 2008) ("[A] trademark owner has a duty to police its rights against potential infringers ..."); see also 6 J. Thomas McCarthy, *McCarthy On Trademarks & Unfair Competition* § 31:38 (4th ed. 2011) (observing that a duty is imposed on trademark owners to police their rights against infringers).

n6. Masnick, *supra* note 2.

n7. Lanham Act § 43(a)(1), 15 U.S.C. § 1125(a)(1) (2012). See generally *A&H Sportswear Inc. v. Victoria's Secret Stores, Inc.*, 166 F.3d 197, 202 (3d Cir. 1999) ("To succeed in a claim for trademark infringement ... the owner of a valid and legally protectable mark ... must show that the defendant has used a confusingly similar mark.").

n8. Jackie Cohen, Facebook's Valuation Skyrockets to \$ 41 Billion, AllFacebook (Nov. 15, 2010, 11:20 AM), <http://www.allFacebook.com/Facebooks-valuation-skyrockets-to-41-billion-2010-11>.

n9. Facebook(R) is registered with the United States Patent and Trademark Office under various trademark serials for goods and services related to the social networking website Facebook.com. See Trademark Electronic Search System (TESS), U.S. Pat. & Trademark Off., <http://tess2.uspto.gov> (follow "Basic Word Mark Search (New User)" hyperlink; then type "Facebook" into search dialog) (last visited Sept. 5, 2013).

n10. Jackie Cohen, Facebook Fires Back at Lamebook with Lawsuit, AllFacebook (Nov. 16, 2010, 11:00 AM), <http://www.allfacebook.com/facebook-fires-back-at-lamebook-with-a-lawsuit-2010-11>.

n11. Caroline McCarthy, Facebook Pokes Start-Up Teachbook with Lawsuit, CNET News (Aug. 25, 2010, 12:06 PM), http://news.cnet.com/8301-13577_3-20014700-36.html.

n12. Facebook Stomps on Us. . ., Triptrace (Aug. 2, 2010), <http://blog.triptrace.com/2010/08/02/facebook-stomps/>.

n13. David Kravets, Teachbook Vows Facebook Trademark Suit Fight, Wired (Aug. 25, 2010, 7:20 PM), <http://www.wired.com/threatlevel/2010/08/upstart-attacks-Facebook/>.

n14. *Id.*

n15. See Triptrace, *supra* note 12.

n16. Cohen, *supra* note 10.

n17. *Id.*

n18. *Id.*

n19. *Id.*

n20. Masnick, *supra* note 2.

n21. "Producer" is used to denote one as a maker, manufacturer, distributor of goods, or an offeror of services.

n22. See *infra* text accompanying note 117.

n23. See 15 U.S.C. § 1051(a)(3)(D) (2012).

n24. See, e.g., *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 854 n.14 (1982) ("The infringer deprives consumers of their ability to distinguish among the goods of competing manufactures"); *James Burrough, Ltd. v. Sign of Beefeater, Inc.*, 540 F.2d 266, 274 (7th Cir. 1976) ("A 'trademark' is not that which is infringed. What is infringed is the right of the public to be free of confusion and the synonymous right of a trademark owner to control his product's reputation."); *Max Factor & Co. v. Factor*, 226 F. Supp. 120, 124 (S.D. Cal. 1963) ("Under the [trademark] owner's name ... he may protect it ... against those who use the name to sell goods near enough alike to confuse his customers." (quoting *S.C. Johnson & Son, Inc. v. Johnson*, 116 F.2d 427, 429 (2d Cir. 1940))).

n25. See 1-1 Anne Gilson LaLonde, *Gilson on Trademarks* § 1.03[1] (2013) [hereinafter "Gilson"].

n26. *Id.* at § 1.03[11].

n27. *Id.* at § 1.03[2].

n28. See *id.* at § 1.03[3].

n29. See *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 162 (1995) (establishing that a color or symbol may be used as a trademark if it meets the requisite distinction and use); see also *infra* text accompanying note 46.

n30. See Gilson, *supra* note 25, at § 1.03[2].

n31. *Id.* at § 1.03[3], [11].

n32. *Id.* at § 1.03[2].

n33. *Id.*

n34. *Id.* at § 1.03[11].

n35. *Id.* at § 1.03(1).

n36. Jess Bidgood, *Chicken Chain Says Stop, but T-Shirt Maker Balks*, N.Y. Times (Dec. 4, 2011), <http://www.nytimes.com/2011/12/05/us/eat-more-kale-t-shirts-challenged-by-chick-fil-a.html>.

n37. Kirk Phillips, *Which Came First? The Chicken or the Kale?*, BrandSTOKE (Dec. 7, 2011), <http://www.brandstoke.com/2011/12/07/which-came-first-chicken-or-kale/>.

n38. In a conversation with two Baylor law school students, Megan Walker and Wills Collier, the students seemingly hopped onto the corporate bandwagon insisting that Chick-fil-A's action should not be considered "bullying" but rather an attempt to prevent the Eat mor Chickin trademark from dilution. After explaining the requirement for actual dilution versus likelihood of dilution they began to ponder why Muller-Moore did not raise a parody defense. Notwithstanding, outrage of the general public has led to what some might say is a social intolerance of trademark owners' forceful fists against the little guy's expressions that poses no risks whatsoever in creating a likelihood of confusion.

n39. Frank I. Schechter, *The Historical Foundations of The Law Relating to Trade-Marks* 11 (1925).

n40. See Gilson, *supra* note 25, at § 1.06[1] ("Through his mark, a scratchy form of commercial signature, the potter could be identified with the quality of his craftsmanship by all who saw his work." (citing Gerald Ruston, *On the Origin of Trademarks*, in 45 *Trademark Rep.* 127, 127 (1955))); *id.* at § 1.06[1] n.2 ("Ruston cites jars buried in tombs of 1st Dynasty Egyptian Kings, but also mentions markings on pottery of the Stone Age period, c. 5000 B.C.").

n41. *Id.* at § 1.03[11].

n42. See *id.*

n43. See generally Gilson, *supra* note 25, at § 1.06[1].

n44. See *id.* at § 1.03.

n45. *Id.* ("The Industrial Revolution and the Twentieth Century explosions of population, communications, transportation and technology placed the consumer at a substantial distance from the manufacturer."); see also *Family Circle, Inc. v. Family Circle Assocs.*, 332 F.2d 534, 539 (3d Cir. 1964) ("As has been pointed out by the very courts that define trademarks in terms of ownership or origin, that owing to the ramifications of modern trade and international distribution of goods from the manufacturer to the jobber or importer and retailer to the consumer, the source or origin of the goods bearing a well-known trademark is seldom known to the consumer.").

n46. Schechter, *supra* note 39, at 125.

n47. *Id.* at 16 (stating that trade was largely conducted through private "gilds," or organizations, which also presided over arbitrated matters between tradesmen, including when one would use another's mark without permission).

n48. *Id.* at 6 (quoting *Southern v. How*).

n49. See *id.* at 9-10 (treating *Southern v. How* as trademark authority to justify passing off as a well-recognized action for the last 250 years (citing *Magnolia Metal Co. v. Tandem Smelting Syndicate, Ltd.*, 17 R.P.C. 477, 483 (1900))).

n50. See *id.*

n51. See *Blanchard v. Hill*, (1742) 26 Eng. Rep. 692 (P.C.).

n52. See An Act for Better Regulation of the Linen and Hempen Manufacturers in that Part of Great Britain Called Scotland, 1726, 9 Geo. 1, c. 27, § 57 (Scot.).

n53. See Schechter, *supra* note 39, at 130.

n54. See *id.*

n55. See Thomas Jefferson, Secretary of State, *Manufacturer's Marks* (Dec. 9, 1791) ("[A trademark system] would ... contribute to fidelity in the execution of manufacturers, to secure to every manufactory an exclusive right to some mark on its wares, proper to itself."), reprinted in 1 Am. St. Papers Comm. & Navigation 48 (1832).

n56. *Id.* ("That this should be done by general laws ... that this may be done by permitting the owner of every manufactory to enter into the records of the court of the district wherein his manufactory is, the name with which he chooses to mark or designate his wares, and rendering it penal in others to put the same mark to any other wares.").

n57. *See id.*

n58. *See Schechter*, *supra* note 39, at 130-31.

n59. *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 412 (1916) (emphasis added).

n60. *See Schechter*, *supra* note 39, at 134.

n61. *Gilson*, *supra* note 25, at § 1.01 (citing United States Trademark Association 1971 Year End Report).

n62. *Id.*

n63. *See Dep't. of Parks & Recreation v. Bazaar Del Mundo, Inc.*, 448 F.3d 1118, 1125 (9th Cir. 2006) (holding that the common law requires a mark to have been used in commerce before it can be protected by the owner).

n64. *In re Trade-Mark Cases*, 100 U.S. 82, 94 (1879).

n65. *Sengoku Works, Ltd. v. RMC Int'l., Ltd.*, 96 F.3d 1217, 1219 (9th Cir. 1996).

n66. *Trade-Mark Cases*, 100 U.S. at 94.

n67. *Colombia Mill Co. v. Alcorn*, 150 U.S. 460, 463 (1893).

n68. *Id.*

n69. 15 U.S.C. § 1127 (2012) (defining the word "trademark" as "any word, name, symbol, or device, or any combination thereof: (1) used by a person, or (2) which a person has a bona fide intention to use in commerce ... to identify or distinguish [his] goods")) (emphasis added).

n70. See *Wal-Mart Stores v. Samara Bros.*, 529 U.S. 205, 211 (2000) (citing *Inwood Labs.*, 456 U.S. at 851).

n71. See *id.* (qualifying that "secondary meaning" has since come to refer to the acquired, source-identifying meaning of a non-word mark as well).

n72. See *id.* (quoting *Inwood Labs.*, 456 U.S. at 851 n.11).

n73. *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976).

n74. *Id.*

n75. *Id.*

n76. *Blinded Veterans Ass'n v. Blinded Am. Veterans Found.*, 872 F.2d 1035, 1039 (D.C. Cir. 1989).

n77. *Miller Brewing Co. v. G. Heileman Brewing Co.*, 561 F.2d 75, 79 (7th Cir. 1977).

n78. *Henri's Food Prods., Co. v. Tasty Snacks, Inc.*, 817 F.2d 1303, 1305 (7th Cir. 1987).

n79. *Door Sys., Inc. v. Overhead Door Sys., Inc.*, No. 91 C 8050, 1993 LEXIS 7609, at 12 (N.D. Ill. June 3, 1993).

n80. *Id.* at 12-13.

n81. *Id.* at 13 (citing *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 194 (1985)).

n82. See *Henri's Food Prods.*, 817 F.2d at 1305.

n83. See *Miller Brewing*, 561 F.2d at 79.

n84. *Henri's Food Prods.*, 817 F.2d. at 1305 (quoting *Miller Brewing*, 561 F.2d at 79).

n85. *Henri's Food Prods. Co. v. Tasty Snacks, Inc.*, 642 F. Supp. 255, 259 (E.D. Wis. 1986), rev'd, 817 F.2d 1303 (7th Cir. 1987).

n86. *Henri's Food Prods.*, 817 F.2d at 1306.

n87. *Id.*

n88. See *Wal-Mart Stores*, 529 U.S. at 211.

n89. *Abercrombie & Fitch Co. v. Hunting World*, 537 F.2d 4, 11 (2d Cir. 1976) (quoting *Stix Prods., Inc. v. United Merchs. & Mfrs., Inc.*, 295 F. Supp. 479, 488 (S.D.N.Y. 1968)).

n90. See *id.*

n91. *Id.* (quoting *Stix Prods.*, 295 F. Supp. at 488).

n92. *Ashley Furniture Indus. v. Sangiacomo N.A. Ltd.*, 187 F.3d 363, 369 (4th Cir. 1999).

n93. *Id.*

n94. *Id.*

n95. *Id.*

n96. *Abercrombie & Fitch*, 537 F.2d at 9.

n97. See *id.* at 9-10; *Ashley Furniture*, 187 F.3d at 369.

n98. See *Henri's Food Prods.*, 817 F.2d at 1305.

n99. See *Bazaar Del Mundo*, 448 F.3d at 1126.

n100. See *Henri's Food Prods.*, 817 F.2d at 1307.

n101. See *Kellogg Co. v. Nat'l Biscuit Co.*, 305 U.S. 111, 121-22 (1938) (holding Kellogg's wheat puff cereal trademarked as "Shredded Wheat" to be highly descriptive of the product, but validating trademark rights because the mark had developed "secondary meaning" within the marketplace, indicating not just the shape and grain of the cereal but also, specifically the Kellogg product).

n102. See *Losing Trademark Rights*, Intellectual Prop. Law Grp., [http://www.iplg.com/resources/articles/losing trademark rights.html](http://www.iplg.com/resources/articles/losing%20trademark%20rights.html) (last visited Mar. 3, 2013) (explaining genericide).

n103. See *Henri's Food Prods.*, 817 F.2d at 1305.

n104. *Abercrombie & Fitch*, 537 F.2d at 9 (quoting The Trademark Act of 1905 § 14(c), 15 U.S.C. § 1064).

n105. *Id.*

n106. *Id.*

n107. *Haughton Elevator Co. v. Seeberger*, 85 U.S.P.Q. 80 (Dec. Comm'r Pat. 1950) (finding that "Escalator" had become a generic term).

n108. See *Bayer Co. v. United Drug Co.*, 272 F. 505, 513 (S.D.N.Y. 1921) (showing that the consumer believes the word Aspirin has a broader scope than that of the Bayer Co. product).

n109. See *King-Seeley Thermos Co. v. Aladdin Indus.*, 321 F.2d 577, 579 (2d Cir. 1963).

n110. See *Donald F. Duncan, Inc. v. Royal Tops Mfg. Co.*, 343 F.2d 655, 667-68 (7th Cir. 1965).

n111. *Band-Aid*, Registration No. 3,998,863 (including "design plus words, letters, and/or numbers.").

n112. *Kleenex*, Registration No. 4,053,214 (registered for "standard character mark.").

n113. Google, Registration No. 4,058,966 (includes word mark for a host of Internet-based and electronic products and services).

n114. Will Sturgeon, Google Spells Out Its Verb Case Scenario, ZDNet (Aug. 14, 2006, 14:50 GMT), <http://www.zdnet.com/google-spells-out-its-verb-case-scenario-3040149199/>.

n115. Id.

n116. Siegel v. Chicken Delight, Inc., 448 F.2d 43, 48-49 (9th Cir. 1971), cert. denied, 405 U.S. 955 (1972), abrogated by Rick-Mik Enters. v. Equilon Enters., 532 F.3d 963 (9th Cir. 2008).

n117. Gilson, *supra* note 25, at § 1.03[2], [11].

n118. See id. at [11]; see, e.g. Menendez v. Holt, 128 U.S. 514 (1888) (recognizing trademark ownership of a merchant who sold flour purchased from a manufacturer; by placing his mark on the flour sold, he communicated that the flour met his standards and conveyed uniform quality).

n119. Gilson, *supra* note 25, at § 1.03[11].

n120. Id.

n121. Mark A. Lemley, The Modern Lanham Act and the Death of Common Sense, 108 Yale L.J. 1687, 1687-88 (1999) ("There has been a gradual but fundamental shift in trademark law. Commentators and even courts increasingly talk about trademarks as property rights; as things valuable in and of themselves, rather than for the product goodwill they embody.").

n122. Smith v. Davidson, 31 S.E.2d 477, 480 (Ga. 1944).

n123. Gilson, *supra* note 25, at § 1.03[4].

n124. Smith, 31 S.E.2d at 479-80.

n125. See Gilson, *supra* note 25, at § 1.03[4].

n126. *Id.*

n127. *Id.*

n128. *Id.*

n129. *Id.*

n130. *Id.*

n131. Gilson, *supra* note 25, at § 1.03[4].

n132. Id.

n133. See generally id. at § 1.03[2], [3].

n134. See id. at § 1.03[2].

n135. See id.

n136. *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918).

n137. See Lemley, *supra* note 124, at 1697-98.

n138. Id. at 1697.

n139. See id. at 1701, 1709-10.

n140. Id. at 1698-99.

n141. Id. at 1700-01.

n142. Id. at 1687-88.

n143. See Gilson, *supra* note 25, at § 1.03[4].

n144. Id. at § 1.03[2], [4].

n145. Savin Corp. v. Savin Grp., 391 F.3d 439, 449 (2d Cir. 2004) ("[A] plaintiff must show that the senior mark possesses both a 'significant degree of inherent distinctiveness' and, to qualify as famous, 'a high degree ... of acquired distinctiveness.'" (quoting TCPIP Holding Co. v. Haar Commc'ns, Inc., 244 F.3d 88, 97, 98 (2d Cir. 2001))).

n146. Id. at 448 ("The [Federal Trademark Dilution Act] permits the owner of a qualified, famous mark to enjoin junior uses throughout commerce, regardless of the absence of competition or confusion." (quoting TCPIP Holding Co., 244 F.3d at 95)).

n147. Savin Corp., 391 F.3d at 448 (quoting 15 U.S.C. § 1125(c)(1) (2006)).

n148. See 15 U.S.C. § 1125(c) (2012).

n149. Starbucks Corp. v. Wolfe's Borough Coffee, Inc., 588 F.3d 97, 105 (2d Cir. 2009) (citing 15 U.S.C. § 1125(c)).

n150. Id. at 105-06.

n151. Id. at 110.

n152. *Id.* at 110-11.

n153. 15 U.S.C. § 1125(c)(3)(A).

n154. *Starbucks*, 588 F.3d at 105 (citing *Savin Corp.*, 391 F.3d at 449).

n155. *Id.* at 107 n.3.

n156. See, e.g., *Interstellar Starship Servs., Ltd. v. Epix, Inc.*, 983 F. Supp. 1331, 1336-37 (D. Ore. 1997), rev'd, 184 F.3d 1107 (9th Cir. 1999).

n157. See, e.g., *Data Concepts, Inc. v. Digital Consulting, Inc.*, 150 F.3d 620, 623-24 (6th Cir. 1998); *Teletch Customer Care Mgmt. (Cal.), Inc. v. Tele-Tech Co.*, 977 F. Supp. 1407, 1414 (C.D. Cal. 1997); *Interstellar*, 983 F. Supp. at 1335.

n158. *CD Solutions, Inc. v. Tooker*, 15 F. Supp. 2d 986, 989 (D. Ore. 1998).

n159. Compare *PACCAR Inc. v. TeleScan Techs.*, 319 F.3d 243, 249 (6th Cir. 2003) (finding that the touchstone of liability is whether the defendant's use of a disputed mark is likely to cause confusion among consumers regarding the origin of the goods offered), and *Utah Lighthouse Ministry v. Found for Apologetic Info. & Research*, 527 F.3d 1045, 1055 (10th Cir. 2008) (implying that confusion is necessary to show a likelihood of confusion, but it is the "best evidence of a likelihood of confusion in the marketplace"), with *Brookfield Commun. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1050 (9th Cir. 1999) (finding that the difficulties in gathering evidence of actual confusion make its absence generally unnoteworthy), and *Savin Corp. v. Savin Group*, 391 F.3d 439, 448 (2d Cir. 2004) (finding that the owner of a qualified, famous mark may enjoin junior uses throughout commerce, regardless of the absence of confusion).

n160. See Stacey L. Dogan & Mark A. Lemley, Trademarks and Consumer Search Costs on the Internet, 41 Hous. L. Rev. 777, 779-80 (2004).

n161. Mark P. McKenna, Testing Modern Trademark Law's Theory of Harm, 95 Iowa L. Rev. 63, 67 (2009).

n162. See generally *Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036 (9th Cir. 1999) (cited by 531 federal cases before court in *Network Automation, Inc. v. Advanced Sys. Concepts, Inc.*, 638 F.3d 1137 (9th Cir. 2011) declined to extend).

n163. *Network Automation*, 638 F.3d at 1148 (referencing the Brookfield court's emphasis on these three factors).

n164. *Id.*

n165. *Id.*

n166. Gilson, *supra* note 25, at § 1.03[4].

n167. *Saul Zaentz Co. v. Wozniak Travel, Inc.*, 627 F. Supp. 2d 1096, 1108 (N.D. Cal. 2008) (quoting *Jarrow Formulas, Inc. v. Nutrition Now, Inc.*, 304 F.3d 829, 835 (9th Cir. 2002)) (internal quotations omitted).

n168. *Id.* at 1108-09 (quoting *Jarrow Formulas*, 304 F.3d at 838).

n169. See *McLean v. Fleming*, 96 U.S. 245, 255 (1877) ("It is sufficient to give the injured party a right to redress, if he has been guilty of no laches."), superseded by statute as recognized in *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995).

n170. Saul Zaentz, 627 F. Supp. 2d at 1109 (quoting Carl Zeiss Stiftung v. V.E.B. Carl Zeiss, Jena, 293 F. Supp. 892, 917 (S.D.N.Y. 1968)) (internal quotations omitted).

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LENGTH: 22122 words**ARTICLE:** FEAR AND LOATHING: SHAME, SHAMING, AND INTELLECTUAL PROPERTY**NAME:** Elizabeth L. Rosenblatt*

BIO: * Assistant Professor and Director, Whittier Law School Center for Intellectual Property Law. For their insights and input, I would like to thank Annemarie Bridy; Chris Buccafusco; Adam Candeub; Stewart Chang; Eric Goldman; Leah Chan Grinvald; Cynthia Ho; Eric E. Johnson; Edward Lee; Manoj Mate; Dotan Oliar; Lisa Ramsay; Al and Julie Rosenblatt; Wendy Rosenstein; Chris Sprigman; Ethan Zuckerman; the participants at the 2012 Intellectual Property Scholars' Conference; the participants at the 2013 Chicago IP Colloquium; and the participants at the 2013 WIPIP Conference.

LEXISNEXIS SUMMARY:

... For every Internet shaming campaign that reaches its audience, there may be dozens of attempts at shaming that few people ever become aware of. ... Second, the RIAA's advertising campaign explicitly labeled peer-to-peer file sharing "theft," which likened file sharing to an established shameful behavior and may have triggered the shame mechanism in many who had not previously viewed file sharing as shameful. ... Shame and shaming are major factors in creating intellectual property's negative spaces - areas of creation and innovation that thrive without significant formal intellectual property protection. ... Tattoo artists will copy trademarks and copyrighted works onto clients' skin, but refrain from copying custom tattoos; they enforce these norms through notions of self-respect, shame, and shaming rather than formal legal remedies. ... Shaming influences not only whether, but also how, intellectual property owners enforce their rights. ... In the intellectual property context, shame and shaming allow communities to customize copying and attribution norms to the needs and wants of particular creative communities. ... If shamed targets take shamers up on their invitations to join a community of values, shamers may begin to regain trust in those targets. As discussed above, firms cannot experience shame as individuals do, and while the individuals inside firms may be guided by their own shame or firms may feign shame for reputational reasons, firms as unitary entities are guided by a separate set of principles that may overcome shame.

TEXT:

[*1]

Introduction

Shame is civilizing. It is the governing drive of conscience; if people had no shame, the rule of law would lose much of its power, and might would often mean right. Shaming - the public attempt to impose shame on others - is an equally important driver of behavior. People strive to avoid humiliation and the loss of reputation; we steer clear of "bad" behaviors even if they would benefit us. In the words of Seneca the Younger, "Shame can forbid sometimes what

the law does not." ⁿ¹

Shame and shaming are crucial to our understanding of intellectual property law and norms, and yet they have gone largely unexplored in the intellectual property literature. Many scholars have examined intellectual property norms and how they interact with the law. ⁿ² But it is not enough to point out that someone acts a certain way because of norms; we must also understand the motivational forces that drive people to conform. In the criminal and tax law contexts, scholars have paid ample attention to the role of shame and shaming in governing [*2] behavior and, particularly, in reinforcing formal law. ⁿ³ Yet few have recognized what major roles shame and shaming play in the way people choose to follow or disregard intellectual property law.

In the shadow of formal law, shame and shaming govern intellectual property's liminal spaces, where protection is uncertain or inconsistent with the strictures of formal law. Much intellectual creation occurs in markets, where selfish needs and wants must control. There is no Utopian commons where the fruits of creation and innovation are shared by all; pride and practicality demand some measure of ownership or control, tempting creators and copiers to claim more than they have made. Shame and shaming temper these impulses. They reflect the needs and wants of individual creative communities and, based on those needs, either restrict copying or promote it. Where formal law does not reach, shame and shaming create and facilitate copying norms, imposing order and predictability. Where the law does reach, shame and shaming provide a release valve: the discourse of shame surrounding over-assertions of rights encourages rights holders to forbear from asserting weak or overreaching claims rather than being publicly identified as "bullies" or "trolls." Thus, together, shame and shaming help to create and maintain "low-IP equilibria," ⁿ⁴ where copying norms are created and internalized by the creative community and optimized to its needs, rather than being imposed, top-down, by Congress and courts.

The result is an overlay of shame-and shaming-driven behavior that sits atop, and informally adjusts the boundaries of, formal intellectual property protection. This dynamic establishes and enforces intellectual property "negative spaces" - areas where innovation and creation thrive without significant formal intellectual property protection or enforcement. ⁿ⁵ A number of scholars have explored intellectual property's [*3] negative spaces. ⁿ⁶ Most have conducted case studies, examining such diverse areas as fashion, ⁿ⁷ cuisine, ⁿ⁸ magic tricks, ⁿ⁹ stand-up comedy, ⁿ¹⁰ typefaces, ⁿ¹¹ free and open-source software, ⁿ¹² sports, ⁿ¹³ wikis, ⁿ¹⁴ [*4] academic science, ⁿ¹⁵ jambands, ⁿ¹⁶ hip-hop music, ⁿ¹⁷ tattoo artists, ⁿ¹⁸ and even roller derby pseudonyms. ⁿ¹⁹ Negative spaces like these are crucial pieces of the intellectual property law puzzle. They prove that people create even when they are not guaranteed exclusive control over their creations. For that reason, negative spaces tend to undermine the conventional wisdom that intellectual property law is necessary to promote creation and innovation. But while scholars have paid increasing attention to these areas, none have articulated the importance of shame and shaming in creating and maintaining them.

I submit that shame and shaming are not only major factors in generating negative spaces, but also may help guide our understanding of intellectual property law more generally. Shame and shaming regulate behavior in many settings, but they cannot substitute for formal law. They are too variable, and in some cases are harmful. But shame and shaming are valuable nonetheless: first, they modulate the law, making it stronger or weaker depending on community needs; second, they highlight where the law may draw lines in the wrong places. The role of shame and shaming in creating and governing negative spaces implies that people gravitate toward "set points" of intellectual property protection. They create intellectual property rules where none exist, and they rail against the rules when they are too restrictive. Examining shame and shaming in the intellectual property context indicates what people value in various creative settings and teaches that [*5] the level and details of communities' set points may vary from community to community.

As we consider the proper boundaries of intellectual property protection, therefore, we should consider the roles of shame and shaming in shaping creation, innovation, and copying. This Article first explores the operation of shame and shaming. ⁿ²⁰ Next, it examines the relationships between shame, shaming, and formal law, first generally and then in the intellectual property context. ⁿ²¹ This is followed by an analysis of the benefits and drawbacks of shame and shaming as regulatory mechanisms. ⁿ²² The Article concludes with a brief discussion of the normative implications of shame and shaming for intellectual property law. ⁿ²³ While shame and shaming do not - and should not - replace formal

law, they influence it and sometimes stand in its shoes. When considering whether to implement new protections and whether to carve out exceptions to current protections, lawmakers should take into account how shame and shaming will interact with formal rules, and they should consider whether formal enactments will add value beyond shame-based enforcement.

II. Shame and Shaming

While shame and shaming share common roots, they operate somewhat differently. Shame is a painful emotion of self-judgment, generated by the person who experiences it.ⁿ²⁴ Shaming is an external, and generally public, appeal to the shame of another.ⁿ²⁵ Thus, while both rely on the concept of shame, the entity that feels shame or gets shamed may experience them quite differently. Nevertheless, both have the potential to be powerful shapers of behavior.

A. Shame Defined

Shame is the natural response of psychologically healthy individuals when they fail to conform to their own values or to the prevailing values of their family or social community. For example, people might experience shame if they lie, which is contrary to the value "lying is wrong." Both an excess of shame and the lack of it are associated [*6] with psychological pathology - neuroticism and psychoticism, respectively.ⁿ²⁶ But in limited amounts, shame is not only normal and healthy, but also a necessary element of social cohesion.ⁿ²⁷ Shame prevents chaos by motivating people to follow the norms of society and civilization: they conform, at least in part, because they would be ashamed not to.

Shame operates in the gap between ambition and achievement. Psychologically, people are strongly motivated to align their "actual self" with their "ideal self" and their "ought self."ⁿ²⁸ People feel shame when there is a negative gap between their aspiration level ("I aspire to be a generous person ...") and their perceived self on that trait ("... but I am selfish sometimes").ⁿ²⁹

What is "shameful" varies widely from culture to culture, but the phenomenon of shame is universal and has even been identified in nonhuman animals.ⁿ³⁰ Recent studies have shown that shame may have genetic roots, evolving naturally through individual selection.ⁿ³¹ This makes sense. In addition to enhancing social cohesion, shame benefits those who experience it, as they are less likely to run afoul of rules, and by extension, less likely to experience punishment. Indeed, statistical modeling shows that people who experience shame should have longer life spans than those who do not.ⁿ³²

While shame is innate, what people are ashamed of is defined largely through their interactions with others. Social science research has demonstrated that people consciously or subconsciously absorb and internalize the social norms of community influences such as family, religion, profession, neighborhood, and politics.ⁿ³³ Each community [*7] has a set of beliefs that are generally accepted among community members and are partly sustained by their approval.ⁿ³⁴ Some social norms are widely held, such as manners and etiquette, honesty norms, and the norm against cannibalism. But many social norms vary from community to community.ⁿ³⁵ When people are, or aspire to be, members of a particular community, they see themselves as embodying the ideals of that community. Acting or desiring something inconsistent with those ideals will automatically generate shame.ⁿ³⁶ Shame therefore acts as an enforcer of community norms and values.

Shame does not require an audience per se,ⁿ³⁷ but it does depend on some conception, either real or imagined, of what others would think. Experiencing shame demands either being observed by others - peers, respected authorities, customers, social cohort, society at large - or seeing oneself as one presumes others would.ⁿ³⁸ When people are "ashamed of themselves," therefore, it is because they have internalized a value they ascribe to others and see in themselves a failure to embody that value. In the words of Jean-Paul Sartre: "Shame is by nature recognition. I recognize that I am as the Other sees me."ⁿ³⁹

Shame is related to, but different from, guilt. Although many use the terms interchangeably in common parlance,

they differ to social scientists: guilt is based on individual transgressions, while shame is based on a perceived failure or defect of the whole self.ⁿ⁴⁰ For instance, the sentiment that "I did something wrong," differs from the feeling that "there's something wrong with me." Guilt and shame depend on each other to shape behavior through the "guilt-shame cycle."ⁿ⁴¹ [*8] People feel guilty when they transgress, and then they feel shame for being the sort of person who would do something worthy of guilt.ⁿ⁴² ("There is something wrong with me because I want/embody/am willing to do something inconsistent with society's expectations/norms/mores.") For this Article's purposes, however, the difference between guilt and shame is less important than the difference between shame and shaming.

B. Shaming Defined

While shame is a reflexive, internal emotion, shaming is an external, aggressive action - an appeal to the shame of another, generally before a public audience. Shaming may have many motivations, including a desire to impose norms on another, to trigger someone else's shame, or to inflict reputation-based punishment. Regardless of the motivation, shaming appeals to community norms and attempts to impose them on someone else.

Sociologically, shaming includes "all social processes of expressing disapproval which have the intention or effect of invoking remorse in the person being shamed or condemnation by others who become aware of the shaming."ⁿ⁴³ Shaming may take many forms: scolding, rebuking, ridiculing, scorning, avoiding, and shunning are all varieties of shaming sanction.ⁿ⁴⁴ Shaming is often, but not always, directed at stigmatizing a transgressor. As Dan Kahan has explained, public shaming may take the form of stigmatizing publicity (e.g., publishing a list of "johns" to stigmatize those who violate anti-prostitution norms); literal stigmatization (e.g., compelling someone to wear a badge identifying herself as a transgressor); self-debasement (e.g., requiring someone to perform a publically debasing act, such as carrying a sign stating that she stole from a particular retailer); or contrition (e.g., requiring a public apology).ⁿ⁴⁵ Although shaming may be directed privately at the transgressor, it is usually also directed at a broader audience.

Thus, most shaming has two audiences. First, it is directed at the "shamed" entity, as it may cause the target to internalize the values of the shamers or to experience feelings of shame. Second, it is directed [*9] to a community of listeners who share the shamers' values and who may judge the target according to those values. For example, shaming is a core element of picketing: striking workers' signs say, "Shame on [employer]," not only to hurt the employer's feelings, so to speak, but also to harm the employer's reputation - and by extension, its bottom line.

C. How Shame and Shaming Shape Behavior

Both shame and shaming are powerful behavior shapers.ⁿ⁴⁶ Sometimes they work in concert: members of a community adhere to norms and ideals both because they want to avoid feeling shame and because they want to avoid being shamed or expelled from the community.ⁿ⁴⁷ Although the two forces may complement each other, they operate differently: shame operates through automatic self-restraint, whereas shaming operates through conscious manipulation by others.ⁿ⁴⁸ As a result of this difference, the behavioral effects of shaming are more complex, and less reliable, than the behavioral effects of shame.

1. Shame

People fear shame because shame is painful. Long ago, Emile Durkheim, Talcott Parsons, and other social researchers posited that people often comply with internalized norms in order to avoid experiencing shame, and this conclusion has been reinforced by more recent experimental evidence regarding brain activity.ⁿ⁴⁹ In fact, research indicates that shame is more powerful than law in shaping behavior. For example, empirical studies have shown that shame is more effective than rules at securing compliance with college anti-underage drinking policies;ⁿ⁵⁰ that appeals to conscience are more successful than threats [*10] of punitive sanction in securing compliance with tax laws;ⁿ⁵¹ and that hard-core criminals will avoid informing on others, even when informing would have legally beneficial effects, because they are ashamed to "snitch."ⁿ⁵² Thus, shame may drive someone to refrain from behavior even when formal law permits it, or to engage in behavior even when formal law prohibits it.ⁿ⁵³

Shame derives its power from community identity. Commercial chefs, for example, internalize the values "it's bad to copy someone's recipe exactly" and "it's important to give credit to chefs who develop significant recipes."ⁿ⁵⁴ Accordingly, chefs comply with the norms of originality and attribution associated with those values. Members of the open-source movement internalize the ideal "software sharing is good" and comply with the distribution and license-proliferation norms associated with it.ⁿ⁵⁵ When people violate community norms, they feel a threat to their very identities.ⁿ⁵⁶ This makes the fear of shame so potent that people follow community norms even when the norms may not be in their immediate interest. For example, someone who has internalized the value of sharing software code will do so even in cases where sharing the software code might be financially harmful, or where keeping it secret might be financially beneficial.ⁿ⁵⁷

Shame effectively shapes even unobserved and unobservable behavior, because violators of community norms fear losing identity or self-respect.ⁿ⁵⁸ Thus, shame can enforce norms even when they are [*11] sporadically or non-uniformly enforced, as long as community members understand those norms to be community values or ideals.

2. Shaming

Shaming, unlike shame, does not rely exclusively on internalization, but also operates through public perception. Shaming can make a broader audience - members of a community who share the values of the shamer - dislike the shamed entity, and therefore can harm even an entity that does not share the community's values. Shaming sanctions, such as shunning, can harm an entity's reputation, identity, or even profitability. Other shaming sanctions, such as rebuke and recrimination, can lead to humiliation - the "manifestation of shame which is the product of action perpetrated against the self by someone else."ⁿ⁵⁹ This in turn results in an actual or presumed loss of reputation. Since entities want to avoid the disapproval of others, they tend to avoid behavior that would lead to public shaming. Thus, public shaming may shape behavior even when the shamed entity has not internalized the value in question - but it is doubtless most effective when the shamed entity also experiences internal shame as a result of having internalized the value.ⁿ⁶⁰ In those settings, shaming has the potential to be more powerful than physical or pecuniary punishment. Growing up, many children are far more moved by hearing a parent say, "I am ashamed of you," than by other punishments, such as being spanked or having their allowance reduced. The same reasoning extends to the context of formal legal punishment.

Shaming can also work on firms - collective entities such as corporations, partnerships, and associations. Because shame is a human emotion, firms cannot "have shame" as natural people do. Firms lack the emotional mechanisms required to feel, process, or react to shame. But this is not to say that shame has no influence on firm behavior. Firms are comprised of people who (unless they are pathological) undoubtedly experience shame. Individuals' shame may particularly influence small or closely held corporations, and may influence larger firms as well, because the shame of a firm's leaders will at least partially guide the firm's behavior. But the collective shame-driven behaviors of multiple individuals - who may not have internalized the same, or even consistent, values - is less predictable than the individual shame-driven behavior of a single person. In addition, the existence [*12] of a corporate structure, and the presence of other people as a buffer, may make larger corporate entities systematically insusceptible to shame, as they may permit individuals to avoid taking internal responsibility for any value-betraying desires. Therefore, although individuals within a firm will experience their own shame, the firm as a whole cannot be expected to "have shame" as the individuals do.

Although shame may not control corporate entities, public shaming can. It is often effective: we can all think of countless instances in which corporations, universities, sports teams, and the like have been effectively shamed into changing their policies.ⁿ⁶¹ Research shows that shaming works on corporations largely because they are concerned with reputation.ⁿ⁶² As social scientist Raul Lopez-Perez queries, "Why should firms spend huge amounts of money in efforts to improve society and safeguard the environment, guided by ideas of Corporate Social Responsibility ... , if [they thought] nobody cared about that?"ⁿ⁶³ In the intellectual property context, Internet shaming has unquestionably influenced the behavior of potential IP bullies. Many attorneys now advise against sending cease-and-desist letters to "gripe site" operatorsⁿ⁶⁴ - even letters the senders might believe to be "reasonable" - because of the risk that a site

operator will post the letter publicly, harming the sender's reputation. ⁿ⁶⁵

The reasoning behind this response may be cynical rather than ethical: firms make business decisions based on what will help or harm [*13] their bottom lines. But even these decisions depend on firms' presumptions about the shame-based values of consumers, as consumers generally want to patronize businesses they approve of. Consumers feel shame when they support businesses that betray their values. ("I am ashamed to be the sort of person who supports a business that pollutes the environment or engages in other practices I abhor.") Businesses want prospective consumers to see them as embodying the consumers' values and are therefore keenly aware of the reputational impact of shaming. While public shaming may not trigger the "shame" of a business per se, it may compel a business to feign shame for reputational and, by extension, commercial purposes.

One might assume that public shaming is a more powerful behavior shaper than internal shame because public shaming works in two ways - emotionally and reputationally - while internal shame works only emotionally. But the contrary is true: as a behavior shaper, shaming is actually less predictably effective than shame. The effects of shame on individual emotion are automatic, but the effects of shaming are not. Shaming, unlike shame, depends on the beholder.

Shaming demands, at least in part, that the target have basic respect for the shamer's opinion, or the opinions of the shamer's audience. Shaming has little effect if the target perceives its actions to be justified or misunderstood: "If the violator shrugs off the criticisms as a product of ignorance, malice, or envy, and in addition anticipates no bad effects on him from the reception of the criticisms by other people, the criticisms will fail as sanctions for the criticized act." ⁿ⁶⁶ This has particularly broad implications for firms, as they cannot experience the emotional aspect of shaming. Shaming, therefore, has little power over firms that do not depend on public opinion for profits or market share. ⁿ⁶⁷ A firm that believes its reputation does not "matter" may simply ignore any attempts at shaming. ⁿ⁶⁸ Indeed, even if reputation-based shaming does influence public opinion, firms may brush it off if they don't perceive the "public" as significant enough to affect profits. An oil company can tolerate being labeled a "polluter," and a [*14] manufacturer an "exploiter of workers," unless they believe that a meaningful number of relevant purchasers care enough to buy exclusively from "eco-friendly" and "worker-friendly" companies. ⁿ⁶⁹ In addition, different people may hold different, and sometimes diametrically opposed, values regarding what is shameful. While some viewed the public announcement by restaurant chain Chick-Fil-A that it supported anti-gay causes as shameful, others thought it worthy of celebration. ⁿ⁷⁰ In the absence of an authoritative consensus regarding what constitutes good-type or bad-type behavior, shame and shaming cannot provide consistent governance and will inevitably be unsatisfying for some portion of the population.

Furthermore, reputation-based shaming is unlikely to matter unless it reaches the ears and eyes of people who care. For example, although the website Chilling Effects Clearinghouse (Chilling Effects) performs the valuable service of collecting overzealous cease-and-desist letters and takedown notices, ⁿ⁷¹ there is no way of knowing whether Chilling Effects succeeds in reducing the aggressiveness of IP bullies. For every Internet shaming campaign that reaches its audience, there may be dozens of attempts at shaming that few people ever become aware of. And while Internet shaming may be growing as a method of enforcing community values on perceived transgressors, ⁿ⁷² the capacity of listeners may not be growing commensurately. Some percentage of shaming campaigns, therefore, will just be shouting into the wind - and it is difficult, if not impossible, to predict which ones.

In addition, shaming works best if the transgressive behavior is either rare or rarely detected. Studies have shown that once behavior is common, it becomes accepted, and shaming is no longer effective as a [*15] punishment or deterrent. ⁿ⁷³ Similarly, shaming may actually promote bad behavior when the behavior is common, since it may highlight the fact that "everyone is doing it." ⁿ⁷⁴ In the intellectual property context, this carries an ironic twist: the more that IP bullies are shamed, the less their practices may be seen as shameworthy.

Empirical studies show that, even in individuals, shame is a more powerful behavior shaper than shaming. One study established that, although both shame and shaming were more effective than rules in securing students' compliance with college underage drinking policies, students' internal shame was more influential than external shaming penalties, such as "name and shame" lists or embarrassment. ⁿ⁷⁵ Another study found that appealing to

taxpayers' consciences was more successful in securing their compliance with tax laws than threatening them with punitive sanctions. In addition, the study found that voluntary compliance is more likely when an action is deemed important in the wider society or community. Thus, people are motivated more by community approval than by community scorn.ⁿ⁷⁶

These findings reflect that while the pain of shame is automatic, the pain of shaming can be circumvented by rejecting the shamer's values. Shaming can even generate rage and rebellion.ⁿ⁷⁷ The stigmatizing effect of shaming can drive targets out of a community instead of pulling them in, creating "outsiders" who feel they owe nothing to the community and feel no discomfort in transgressing.ⁿ⁷⁸

3. Disintegration vs. Reintegration

Social scientists have struggled to discern what causes shaming to backfire into rage or rebellion. The most prominent theory originates with sociologist John Braithwaite, whose work focuses predominantly on shaming and crime. Braithwaite divides shaming practices into "disintegrative" and "reintegrative" varieties.ⁿ⁷⁹ Disintegrative shaming stigmatizes offenders by alienating them from a community. Thus, [*16] disintegrative shaming may not prevent unwanted behavior - and in fact, may promote it - because instead of creating an incentive to conform to norms, stigmatization creates outcasts who reject community values and consequently repeat their behavior without fear of emotional pain.

In contrast, reintegrative shaming incorporates some notion of forgiveness or repentance and a renewed relationship with the offender. Braithwaite argues that it is therefore much more effective at preventing crime (and by extension, other behaviors unacceptable to the prevailing community). In his words, "the key to crime control is cultural commitments to shaming in ways that I call reintegrative."ⁿ⁸⁰ Unlike stigmatization,

reintegrative shaming ... is disapproval dispensed within an ongoing relationship with the offender based on respect, shaming which focuses on the evil of the deed rather than on the offender as an irremediably evil person, where degradation ceremonies are followed by ceremonies to decertify deviance, where forgiveness, apology, and repentance are culturally important.ⁿ⁸¹

Where disintegrative shaming tells the transgressor, "you are bad," reintegrative shaming tells the transgressor, "do better next time."

Braithwaite's theory is instinctively appealing, but incomplete. Other studies show that the effectiveness of shaming depends on interdependency between the shamer and the transgressor.ⁿ⁸² These findings are consistent with the limits of shaming discussed above: reputation-based shaming works only if (1) it is actually likely to influence the target's reputation and (2) the target cares. In short, an offender who feels no relationship with the shamer is not the fittest candidate for reintegration.

III. Shame, Shaming, and Law

Shame, shaming, and law share a long common history as systems of social control. At a fundamental level, shame and formal law are intertwined. In most cases, formal law embodies the values of society, and breaking the law is considered per se shameful.ⁿ⁸³ This shame [*17] functions even when people may not agree with a particular law: even someone who believes that drugs should be legalized may refrain from taking drugs because it is illegal - and thus shameful - to take them.ⁿ⁸⁴

Shaming, too, has long been used as a tool of law enforcement. Historians have tracked the existence of parallel and complimentary systems of law and shaming at least as far back as ancient Greece, and anthropologists have found it to be a universal phenomenon.ⁿ⁸⁵ Shaming penalties - ranging from public physical punishments such as whippings and hangings to more psychologically driven shaming via stocks or pillories - were common forms of formal law enforcement imposed by religious and state authorities in colonial America.ⁿ⁸⁶ Shaming's popularity as an official penal technique waned in the nineteenth century, likely due in part to the influence of the Quakers - who advocated for rehabilitative and educative punishment - and partly to social science work of the day, which favored swift, certain punishment over more flamboyant options.ⁿ⁸⁷

Today, so-called scarlet letter punishments have returned to vogue as alternatives to the cost and time of prison. A Milwaukee judge offered reduced jail time to a convicted drunk driver who agreed to wear a sandwich board publicly admitting his crime.ⁿ⁸⁸ One Florida judge commonly sentences thieves to carry a sign in front of the place they stole from, stating, "I stole from this store," in lieu of fines or jail time.ⁿ⁸⁹ Public shaming via apology and advertisement are also on the rise as formal punishments for white-collar crime. Informal extrajudicial shaming, such as conducting a "perp walk" for white-collar criminals, is similarly growing in popularity.ⁿ⁹⁰ Furthermore, several states publish lists of tax offenders.ⁿ⁹¹ In most contexts, shame and shaming reinforce formal law. There are a few outlying exceptions to this: for example, in communities of hard-core criminals, shame reinforces anti-"snitching" norms that conflict with law enforcement.ⁿ⁹²

A. IP, Specifically

The outlying exception in the criminal context seems to be the norm in the intellectual property context: While shame and shaming reinforce formal intellectual property law in some ways, they may actually do even more to work against it. Shame and shaming create rules where formal intellectual property law provides none; and where formal law does provide rules, shame and shaming limit enforcement.

For many, intellectual property infringement is shameful, just as violating criminal law is. By labeling certain conduct as "infringing," society identifies it as transgressive, and potential offenders refrain from infringing because they fear the shame of transgressing. External shaming reinforces this; it is likely that shaming has been an informal remedy for unauthorized copying for as long as there has been unauthorized copying.ⁿ⁹³ Recently, the Recording Industry Association of America (RIAA) employed several varieties of shaming to stem the tide of infringing music piracy. First, the RIAA's highly publicized suits against file sharers made examples of a few file sharers - a modern-day pillory - and reinforced the concept that infringement is shameful.ⁿ⁹⁴ Second, the RIAA's advertising campaign explicitly labeled peer-to-peer file sharing "theft," which likened file sharing to an established shameful behavior and may have triggered the shame mechanism in many who had not previously viewed file sharing as [*19] shameful.ⁿ⁹⁵ This example demonstrates how external shaming can define what is shameful. Although a great deal of music file sharing takes place today, some reports say that it has declined somewhat,ⁿ⁹⁶ and many people doubtless elect to not engage in file sharing because they have internalized anti-file sharing values. People, whether they share files or not, are now more likely to believe that file sharing is "wrong."ⁿ⁹⁷

File sharing is only one example of this phenomenon. Because small-scale copyright and patent infringements are difficult to detect, most potential infringers would probably never be caught. But they are guided by conscience; they refrain from infringing not because they fear enforcement, but because they believe infringement is shameful. In that way, shame and shaming operate in the intellectual property law context exactly as they do in other contexts.ⁿ⁹⁸ But shame and shaming also do something else in the IP context: they supplant and re-form formal law, creating restrictions and freedoms that formal law does not. Shame and shaming are major factors in creating intellectual property's negative spaces - areas of creation and innovation that thrive without significant formal intellectual property protection. These areas are important because they tend to defy the conventional wisdom that intellectual property exclusivity is universally necessary as an incentive for creation and innovation. Understanding what makes these areas function, therefore, helps us understand when formal protection is, and is not, needed.

[*20] Shame and shaming create and govern these spaces in two ways. First, in some creative communities, shame and shaming govern copying behavior when there is no formal law in place. Second, shame and shaming help discourage intellectual property owners from enforcing their intellectual property rights in overreaching ways. Shame and shaming are therefore among the factors that help to sustain low-IP equilibria.

1. Fear: Shame and "IP Without IP"

When people have internalized values regarding copying, they are ashamed to violate them, regardless of what the law dictates. This is just as true in areas where formal intellectual property law does not reach - areas that I call "doctrinal no man's land" ⁿ⁹⁹ - as it is in areas well controlled by formal intellectual property law. The result is that, in doctrinal no man's land, individuals conform to community norms regarding copying without the strictures of formal law, creating "IP without IP." ⁿ¹⁰⁰

Even when formal law might permit copying in various contexts, shame prevents it, or shapes the behavior of would-be copiers. For example, copyright fair use rules allow scholars to rely on quotations from other scholars' work, ⁿ¹⁰¹ and law does not require attribution to the original work. Yet scholars still cite each other when they use quotations. Scholars even cite each other when there is no meaningful risk that their plagiarism would be discovered, as when relying on obscure sources or student research. Why cite? Taking credit for another's ideas might, especially in a world without anti-plagiarism norms, be beneficial to the plagiarist. But we live in a world that values citation, and scholars have internalized that norm. Scholars would be ashamed to take credit for others' work (and rightly so). Perhaps scholars share other concerns as well: a desire for reciprocal citation, for example, or a desire to appear well-read. But a great many, no doubt, cite because they believe it would be wrong not to.

Empirical case studies indicate that scholars are not alone in adhering to copying and attribution norms because they would be ashamed not to. Haute cuisine chefs maintain an unspoken, yet well-defined, [*21] set of sharing, anti-copying, and attribution norms that differ significantly from the strictures of formal law. ⁿ¹⁰² Roller derby participants register their pseudonyms in a sport-wide database and consult that database before choosing pseudonyms. Although the law is silent on the question of roller derby pseudonym copying, the participants know that copying would betray community values, and being part of the community is "central to the derby experience." ⁿ¹⁰³ Tattoo artists will copy trademarks and copyrighted works onto clients' skin, but refrain from copying custom tattoos; they enforce these norms through notions of self-respect, shame, and shaming rather than formal legal remedies. ⁿ¹⁰⁴ Comedians refrain from copying not only expression (as copyright law would demand), but also ideas, because they believe joke-stealing is wrong. ⁿ¹⁰⁵ Typeface designers avoid copying designs verbatim because to do so would be "dirty pool." ⁿ¹⁰⁶ Free-software advocates "see avoiding proprietary or commercial entanglements as a moral imperative." ⁿ¹⁰⁷

Although the interviewees in these case studies seldom use the word "shame," they consistently refer to notions of conscience and community values in identifying the taboos and obligations of their particular negative spaces. This amounts to shame: the fear that if they do not conform, they would be failing to live up to the values of their community. This is distinct from concerns about shaming, humiliation, or the embarrassment of being exposed, although certainly each of those may play a part in the decision to comply with community norms. ⁿ¹⁰⁸ Rather, it is about internalizing values, desiring to live up to them, and fearing the emotional pain of shame that would result from betraying those values.

Thus, the individual, internal shame of participants helps to sustain the delicate equilibrium of low-IP negative spaces, where creation [*22] thrives without significant formal intellectual property protection. In these communities, the law permits copying - even unlimited or unrestricted copying. One might expect that freedom to copy would undermine the incentive to create in those areas. It does not, likely because creators in those areas are motivated by reasons other than exclusivity or direct pecuniary benefit. For example, creators may create out of a desire for recognition or a desire to be part of a creative community. For creators who desire recognition, a community that permits widespread copying but demands attribution is ideal. ⁿ¹⁰⁹ Creators who merely desire community membership do best to find a creative community and adhere to its norms, whatever they may be. In either case, the creator will be

highly motivated to conform to community norms, and will feel shame for violating them, because those very norms are among the creator's reasons for joining the community. And even if a creator does not possess the community's values at the outset, the creator will eventually internalize them and feel shame for violating them.

Like the norm against snitching in criminal circles, here shame arises from doing something that is perfectly legal. The shameful behavior may even be salutary from a broader societal perspective, but it violates community norms. Perhaps society would benefit from more imitations of haute cuisine recipes. But because the behavior is taboo among a relevant segment of society - other chefs and "foodies" - chefs generally refrain from copying.ⁿ¹¹⁰ Shame may be an ideal enforcement mechanism when formal law will not work. For example, performance magicians have great difficulty relying on formal law to protect their tricks, because seeking or enforcing protection would usually require disclosing one's secrets. Instead, magicians abide by a culture of secrecy, policed by shame.ⁿ¹¹¹ Where formal law leaves off, shame takes over.

Because they are backed by the power of shame, these norms-based systems are more sustainable than they might appear. One might expect a handful of self-interested rogues to stray from a norms-based system, thereby causing it to collapse. According to Rochelle Cooper Dreyfuss, a number of factors may contribute to the breakdown of negative spaces, which highlights the fragility of low-IP equilibria.ⁿ¹¹² [*23] Yet the norms persist. While shame-based norms depend on a stable conception of what constitutes good-type behavior,ⁿ¹¹³ they will not change easily. Change requires a transformation in attitudes rather than a handful of selfish defectors.

Many negative-space communities of individuals, as distinct from those inhabited mostly by firms, exhibit signs of the "interdependence" that makes shame and shaming most effective.ⁿ¹¹⁴ Although a tattoo artist could work in a vacuum, most rely on each other for business and professional growth.ⁿ¹¹⁵ Open-source creators depend on each other for crowdsourcing and technical support.ⁿ¹¹⁶ Stand-up comedians depend on each other for bookings and moral support in what could otherwise be a crushingly lonely existence.ⁿ¹¹⁷

These are communities in which public shaming would be effective, and occasionally it occurs: dozens of YouTube videos expose alleged joke-stealers.ⁿ¹¹⁸ Tattoo "plagiarist hall of shame" galleries show examples of norm violators.ⁿ¹¹⁹ Academic science plagiarists may be "named and shamed" in journals.ⁿ¹²⁰ Foodies draw attention to menus that seem "plagiarized."ⁿ¹²¹ But for the most part, low-IP subcultures seem not to depend on shaming. Even people who believe they can "get away with it" will adhere to community values because, as a matter of conscience, they want to see themselves as someone who belongs. [*24] This is consistent with case studies about negative spaces: some are close-knit, like the communities of roller derby participants or elite tattoo artists,ⁿ¹²² but others are not. Most lack barriers to entry.ⁿ¹²³ Yet even in the open-source community, where it would be nearly impossible to know who is toeing the line and who is not, certain core values prevail: distributed software creation is good; sharing is good; closed licensing is bad.ⁿ¹²⁴ These values spread, even though the open-source community is geographically far-flung; the Internet permits effective dissemination of common values, and shame follows.ⁿ¹²⁵

These communities rely on a network of custom and internal enforcement to develop norms and teach new members what behaviors are accepted and what behaviors are shameful. This shame-teaching takes place largely informally, through simple communications within the community. It may also involve requesting that community members conform,ⁿ¹²⁶ shaming within the community, or denying members future community benefits. Chefs, for example, are less likely to share recipes with those who betray community values.ⁿ¹²⁷ Tattoo artists will personally confront or badmouth those who copy custom tattoos.ⁿ¹²⁸ Performance magicians will stop associating with colleagues who reveal how tricks are performed; when a rogue magic trick manufacturer sold unauthorized illusions, a long list of respected magicians signed a letter shaming the manufacturer.ⁿ¹²⁹ These informal enforcement mechanisms teach community members what constitutes good-type and bad-type behavior, so that they will be driven by conscience to comply with norms regardless of whether they are likely to be caught. In this way, negative-space communities conduct shame-teaching through a combination of custom - communicating norms and values [*25] to each other - and enforcement techniques, such as shaming, denial of reciprocal benefits, and even expulsion for those who fail to comply.

Thus, each negative-space creative community makes its own copying and attribution norms, and the participants in the community are compelled by shame, and to some extent, shaming, to comply with them. Because they arise organically from within the community, these norms are customized to the needs of the greater community.ⁿ¹³⁰ They may not serve each participant ideally, but they are more likely to suit participants' needs than the one-size-fits-all approach of formal law, which is not only imposed from the outside to suit the needs of external constituencies like major entertainment companies, but is also designed to work across all industries and creative endeavors.ⁿ¹³¹

2. Loathing: Shaming and IP Forbearance

While internal shame prevents copying, external shaming encourages it. More accurately, external shaming discourages intellectual property owners from aggressively enforcing their rights. When copyright, patent, or trademark owners send cease-and-desist letters, the Internet makes it easy to shame the intellectual property owners by accusing them of bullying or being trolls. In so doing, shamers create a public conversation that transforms intellectual property owners into "bad guys" simply for enforcing their own rights. This discourse uses the language of shaming to shape the reaction of the shamed entity and to build public opinion. The terms "troll" and "bully" signal shameful identity just as the terms "junkie" and "slut" signal shaming-based condemnation of drug use and female sexuality.ⁿ¹³²

The Internet creates a panopticon.ⁿ¹³³ The instant an intellectual property owner sends a cease-and-desist letter, that letter can be [*26] posted to the Internet for the whole world to see. And when a shamer begins the discourse, the shamer controls it; when a shamer introduces an IP owner to the world as a bully or troll, the world sees that intellectual property owner through the shamer's eyes. This gives accused infringers the power to turn the accusation around and impose sharing norms on IP-holding entities that may be big and powerful.

Indeed, fear of external shaming may act prophylactically, preventing powerful intellectual property owners from overextending their rights.ⁿ¹³⁴ One commentator advises that "in a classic 'David versus Goliath' battle, throngs of people come to the defense of the small business owner" who is perceived to be at the mercy of the larger corporate giant.ⁿ¹³⁵ Attorneys are increasingly aware that "enforcement can bring unwanted negative publicity."ⁿ¹³⁶ Sending a cease-and-desist letter carries with it an enormous risk of negative attention. The phenomenon is so well-known that it has a name: the Streisand Effect.ⁿ¹³⁷ The name originated in 2003, when photographer Ken Adelman and his wife sought to document California coastal erosion by photographing the entire California coast from a helicopter and posting their results on the website www.californiacoastline.org. These photos included and identified an aerial view of Barbara Streisand's estate.ⁿ¹³⁸ Streisand demanded the photo be removed, first via cease-and-desist letterⁿ¹³⁹ and later via lawsuit, which the Los Angeles Superior Court dismissed.ⁿ¹⁴⁰ The ironic result was that Streisand not only failed to get the photos removed, but also drew massive attention to the photo. Reports state that the image was downloaded just six times prior to the suit but was accessed as many as 420,000 [*27] times in the month after Streisand's suit was filed.ⁿ¹⁴¹ By taking legal action, Streisand created exactly the opposite of her desired result. Her experience and scores of others have taught intellectual property owners that it is risky to assert one's rights, especially when the rights are weak or the alleged infringer has many sympathizers.

Shaming influences not only whether, but also how, intellectual property owners enforce their rights. Savvy IP owners know that their cease-and-desist letters may be posted on the Internet, so they incorporate more reasonable demands and make them less threatening in tone.ⁿ¹⁴² When asserting trademark rights, they shift responsibility away from themselves, relying on the so-called duty to police to appear more practical and less overbearing.ⁿ¹⁴³ By seeming reasonable, intellectual property owners can not only avoid being shamed, but can develop positive reputations. They can harness the shame of consumers who would be ashamed to patronize companies who betray the consumers' values. Jack Daniel's garnered positive attention, for example, by sending an exceedingly friendly cease-and-desist letter to an author who parodied the Jack Daniel's label on a book cover, with a jovial tone and a more limited set of demands than an average letter of its kind.ⁿ¹⁴⁴ Regardless of the motivation, these moves gradually shift intellectual property owners' behavior toward the shamers' values and away from maximal enforcement.

In the Internet age, shaming campaigns have the potential to spread virally. Social media sites like Facebook help

harness network effects to spread shaming messages; the more "likes" a shaming campaign garners, the larger an audience it reaches.ⁿ¹⁴⁵ In addition, sites like Chilling Effects seek to harness this phenomenon by collecting and indexing aggressive cease-and-desist letters. Chilling Effects thereby identifies IP bullies and labels them as such.ⁿ¹⁴⁶ Similarly, for years, [*28] the Patent TrollTracker blog named and shamed patent assertion entities.ⁿ¹⁴⁷

These attempts not only shift public opinion about the shamed entities, but also create public opinion about what constitutes good-type and bad-type behavior. Until Patent TrollTracker embarked on its campaign of naming and shaming patent assertion entities, few had ever heard of a "patent troll," and few had an opinion at all about the moral propriety of being in the patent litigation business. But by creating a discourse of shame around patent assertion behavior, Patent TrollTracker (and many others who took part in the conversation) made the patent assertion business model shameful - or at least ethically questionable.ⁿ¹⁴⁸ Large-scale campaigns have even influenced the path of formal law. In 2011 and 2012, shaming campaigns drew attention to proposed Internet IP regulations known as the Stop Online Piracy Act (SOPA) and the PROTECT-IP Act (PIPA), mixing market and electoral power with the language of shame and ultimately defeating the laws' passage.ⁿ¹⁴⁹

Shaming sends the message that certain values are important enough for the target to adopt (or at least perform) them. If environmentalists did not shame polluters, the polluters might not perceive a sufficient reason to justify the expense of avoiding it. Merely drawing attention to polluting behavior would not produce the same result because attention alone, without normative content, does not create or reinforce values. Shaming not only draws attention to the behavior, but also reinforces to all who listen - including the target and the public at large - that the behavior in question is wrong.

By shaming a target, shamers invite the target to become a part of the shamers' community value system. Shamers not only threaten the [*29] target, but also reintegrate it (in the Braithwaitean sense) by giving the target an opportunity to be forgiven - to "do better next time." If the target adopts or performs the shamers' values, it has the opportunity to join the shamers' community. In addition, if the shamers and the target are at all interdependent, a reformed target will gain customers, or at least stop losing them. Thus, reintegrative shaming is possible even outside the context of insular communities.

Were it not for shaming, IP bullies might not appreciate the number and potency of those who care about pro-sharing values or attribution. A few recent incidents highlight this. In June 2012, the United States Olympic Committee (USOC) sent a cease-and-desist letter to the fiber-arts community Ravelry, demanding that the community stop using the term "Ravelympics" for a community event.ⁿ¹⁵⁰ The USOC was well within its rights to send the letter: in fact, the Olympic and Amateur Sports Act (OASA), which grants it exclusive rights in the term "Olympics," is significantly stronger than the trademark rights granted by the Lanham Act, as the OASA does not provide infringers with the same expression-based exceptions.ⁿ¹⁵¹ Ravelry changed the name of its event to the Ravellenic Games,ⁿ¹⁵² even though there was little likelihood that Ravelry's use of the suffix "-lympics" would cause confusion or harm to the USOC's mark. But the fiber-arts community members were not as ready to accept what it saw as bullying, and they reacted virulently. Over two days, the community generated over 2,300 furious message board posts, and the story went viral to news outlets like Gawker, Slate, and NPR.ⁿ¹⁵³ As a result, the USOC learned a lesson, or at least appeared to: it posted a formal letter of [*30] apology to the community stating, among other things, that it "embraces hand-crafted American goods."ⁿ¹⁵⁴

In January 2013, the Fox television show Glee broadcast a cover version of the Sir Mix-A-Lot song "Baby Got Back" that was copied, note-for-note, from a version by independent artist Jonathan Coulton. This was par for the course: Glee had copied covers before, including covers from artists DJ Earworm, Greg Lasswell, and Nouvelle Vague.ⁿ¹⁵⁵ This did not constitute infringement because, as a function of the compulsory licensing scheme for creating cover songs, cover artists do not own rights in their cover versions. If a cover version of a song is close enough to the original that it fits within the compulsory licensing scheme, the cover does not constitute infringement of the original. But by making something so similar to the original, the cover artist essentially gives up the right to argue that he or she added anything original to the song.ⁿ¹⁵⁶ As a practical matter, a listener might find a cover version to be quite novel, but the

law says differently. Thus, Fox and Glee have the right to copy cover songs without permission from the cover maker, as long as they enter into the appropriate licenses with the original song creator. With Coulton, however, this approach backfired: Coulton is a standard-bearer for the Creative Commons community and its pro-sharing, pro-attribution values. When Coulton made a blog post about Glee's unauthorized use of his cover, the Internet exploded with outrage at Glee's choice not to attribute the cover to Coulton.ⁿ¹⁵⁷ Although Glee was not required by law to give credit to Coulton, the community shamed Glee and Fox, in essence inviting them to join the community's pro-attribution values. It is still too soon to say whether the campaign has had any effect on Fox's attribution practices, but it has generated enough attention to touch Fox's bottom line: in a few days on iTunes, sales of Coulton's [*31] "Baby Got Back - In the Style of Glee" (with all proceeds going to charity) sold more units than any track actually produced by Glee.ⁿ¹⁵⁸

Although these stories demonstrate the communicative power of shaming, they also demonstrate its unpredictability. While each has felt the effects of shaming, there is no guarantee that either the USOC or the producers of Glee will change their enforcement or attribution behaviors in the long term. The shamers invited both entities to join their norms-communities, but it remains to be seen whether either will join. We can be sure, however, that each shamed target has a newfound awareness that competing norms exist - something they may not have known before the shaming occurred. Likewise, consumers can rely on the shaming to make decisions about whether they want to support the Olympics or watch Glee. This demonstrates the discursive aspect of shaming: it carries information about what the shamers believe is, and should be, shameful.

B. Strengths and Weaknesses of Shame and Shaming as Regulatory Mechanisms

As regulatory mechanisms, shame and shaming have a number of significant benefits, even as compared with formal law: they are more democratizing, more flexible, and sometimes more effective at governing behavior. But it would be a mistake to assume that these benefits make shame and shaming optimal tools for regulating copying in all circumstances. In fact, both shame and shaming have significant flaws and risks. Shame only affects a small portion of the population, and shaming, although it applies more universally, is far less likely to be effective. Both shame and shaming have the potential to be deeply damaging. For that reason, they are not adequate replacements for formal law. I suggest that in an ideal intellectual property system, they would augment, not supplant law, serving more as tools for understanding proper levels of protection rather than as regulatory mechanisms in and of themselves.

1. A Few Strengths

Many of the strengths of shame and shaming as regulatory mechanisms are discussed above: shame, and to some extent shaming, compels people to comply with laws and norms, even when their transgressions would likely never be discovered.ⁿ¹⁵⁹ In the intellectual property context, shame and shaming allow communities to customize [*32] copying and attribution norms to the needs and wants of particular creative communities.ⁿ¹⁶⁰ Shame and shaming not only deter and punish, but they also may result in some measure of reconciliation and proportionality, as the community itself metes out what it believes is an appropriate punishment for transgression.ⁿ¹⁶¹

Shame and shaming are also cost-effective. Shame costs nothing, since it happens automatically, and shaming, especially in the age of viral Internet discussion, is very inexpensive. Both can be effective even against minor transgressions. Considering the cost of litigation, a lawsuit over an appropriated roller derby pseudonym, an imitated recipe, a stolen joke, or a plagiarized blog post would - even if the law permitted them - surely not be worth the price. In contrast, shame and shaming are virtually free.

For that reason, shame and shaming can level the playing field between Davids and Goliaths.ⁿ¹⁶² In many circumstances, intellectual property owners hold all the cards, while accused infringers hold none. It costs very little to send a cease-and-desist letter or to initiate a lawsuit, but resisting that letter or defending that suit can be crushingly expensive and time consuming.ⁿ¹⁶³ The result is that IP owners may be able to extract monetary settlements or other business concessions without ever giving meaningful consideration to the merits of their claims. In the online context, this effect is particularly powerful. Under the Digital Millennium Copyright Act, protections for alleged infringers are

weak, as internet service providers are required to remove accused material even before the alleged infringer has an opportunity to respond to the accusation.ⁿ¹⁶⁴ An alleged infringer may have material reinstated by filing a counternotice, but judicial protection for wrongly accused material is not available unless (1) the target of the notice elects to submit a counter-notice; (2) the complainant then [*33] files suit; and (3) a court resolves the issue.ⁿ¹⁶⁵ Shaming gives an inexpensive extralegal option to accused infringers: to shine a bright, public, and critical light on the accuser.

Shaming thus gives IP bullies something to fear. It forces them to examine the quality of their claims because they know that they will be shamed for overreaching and that the consequences of shaming may be far more severe than the benefit they would gain from asserting their rights. In this way, shaming tends to offset other harmful intellectual property phenomena that are not bound by due process, such as the chilling effect of cease-and-desist letters.

Moreover, unlike other penalties, such as fines, shaming can help the shamer directly. Because the shamer is involved in punishing the transgressor, the shamer feels a sense of agency and closure. In fact, when people are "fed up" - for example, as they are fed up with sharp banking practices and white collar crime in the midst of a challenging economy - public shaming may help restore public faith in the shamed industry. If shamed targets take shamers up on their invitations to join a community of values, shamers may begin to regain trust in those targets.

2. Many Weaknesses

In analyzing the flaws and risks of shame and shaming as regulatory mechanisms, it is helpful to separate internal shame from external shaming. Each has its own weaknesses.

The chief critique of internal shame is that it is not universal. As discussed above, firms cannot experience shame as individuals do, and while the individuals inside firms may be guided by their own shame or firms may feign shame for reputational reasons, firms as unitary entities are guided by a separate set of principles that may overcome shame. In addition, people who "have no shame" are simply not bounded by the values of their community. In a way, it is very similar to formal law: some proportion of those bound by formal law will decide to disregard it. The difference is that formal law is more reliably enforceable. Shame is enforced principally through shaming - and transgressors who have no shame are less likely to be bothered by shaming. For that reason, shame cannot act as a universal regulatory mechanism.

A subtler, but no less important, critique is that shame is painful. The same thing that makes shame effective also gives it enormous power over those who experience it. Imagine if everyone walked [*34] around wearing a collar that would administer a shock every time one violated a rule of etiquette: it might be very effective at making the world more genteel, but it would not be humane. This is problematic in itself, but it is especially so when one considers that what constitutes shameful behavior is seldom in the discretion of the person experiencing the shame. An outside force - usually some variety of community or family - defines what is shameful. This gives "mob psychology" enormous power to inflict emotional pain on behavioral outliers.ⁿ¹⁶⁶ In the broader social context, this may have the severest of consequences, such as the suicides of those who have been socialized to believe that homosexuality is shameful. In the intellectual property context, the consequences may be less severe because the behaviors are less likely to be identity defining, - one can change one's copying behaviors, but not one's sexuality - but shame is no less powerful in defining people's personal values in the intellectual property context as in any other. The tragic story of Aaron Swartz may serve as a cautionary tale. Swartz, who co-founded the Internet site Reddit and was an outspoken free-information activist, was indicted for downloading 4.8 million academic articles from the JSTOR database with the intent of distributing them for free via peer-to-peer file sharing sites. Swartz committed suicide in January after pleading not guilty.ⁿ¹⁶⁷ This highlights the inequality of shame and the variability of its results: Swartz almost certainly experienced a complex set of emotions, including depression and shame,ⁿ¹⁶⁸ and he took his own life. JSTOR, which never pursued charges against Swartz, began offering limited free access to its materials in the wake of his death.ⁿ¹⁶⁹ The FBI has its own role in this discourse, but it - and the individual prosecutors who pursued Swartz in defense of their own passionately held values - may never feel shame as Swartz did, although some have argued they should.ⁿ¹⁷⁰

This highlights a third concern with shame: it requires a static, or at least consistently held, idea of what constitutes good-type and bad-type behavior. While this may be common in close-knit communities, [*35] it is far from universal on a broader scale. In fact, as the Chick-Fil-A example demonstrates, some may celebrate what others consider shameful.ⁿ¹⁷¹ And even within a given community, there may be dissent about the best approaches to copying and attribution. For the most part, this variability is a benefit because it allows for customization of norms and fine-grained distinctions among and inside communities. Jamband fans can value copying and sharing of live recordings but oppose the copying of commercial releases,ⁿ¹⁷² while comedians can disapprove of copying jokes.ⁿ¹⁷³ Tattoo artists can approve of purchasing and copying "flash" designs, but revile the copying of custom tattoos; they can rely on copyright protection for books of flash, but disapprove of aggressive copyright enforcement.ⁿ¹⁷⁴ Fan fiction communities can approve of transformative copying, but disapprove of plagiarism.ⁿ¹⁷⁵ But it also means that at the edges of any community, the norms and values may begin to break down. Some roller derby participants have begun registering their names as trademarks, while others place a high value on the sport's self-regulation and would be ashamed to rely on formal law.ⁿ¹⁷⁶ Once outliers grab a foothold, values can shift. This flexibility may be good for optimizing norms to match the needs of a given time and community, but it can make shame an unpredictable governing tool. When different people have conflicting views regarding what is shameful, shame is not only incapable of providing predictable governance, but is also guaranteed to govern in a way that some find unacceptable.

External shaming may be even more troublesome as a regulatory mechanism than internal shame. First, shaming only works if someone hears it. If the target never knows that it is being shamed, it will never respond to the shaming; and if no one ever knows that the target is being shamed, there will be no harm to the target's reputation and no lesson imparted to the public regarding what is or should be considered shameful. As the Internet becomes increasingly saturated, it becomes even more difficult for an audience to separate signal from [*36] noise. This means that the effectiveness of shaming as a regulatory mechanism may end up depending as much on luck as on merit.

In addition, shaming is less effective in communities where identity is plastic.ⁿ¹⁷⁷ If the shamed target is anonymous or can easily change identity, the target will not perceive the threat or feel the sting of reputational harm. Many online settings permit or encourage anonymity; in such settings, shaming is largely ineffective. In pseudonymous societies - for example, many online communities - shaming is more effective, but only if pseudonyms are persistent identifiers of a single entity.ⁿ¹⁷⁸ Although some of these communities have cultures of reciprocity that most members follow, those members must be guided and governed by their own consciences and internal shame, since there is no mechanism for shaming (or even identifying) those without persistent identities. In those settings, formal remedies - and the subpoena power that accompanies them - are far more effective against those without shame.

Even more problematic is shaming's unpredictability. If the target does not share the values of the shamer, or perceives its actions as justified, the shaming will not generate the shamer's desired reaction.ⁿ¹⁷⁹ Most IP owners likely wish to avoid being branded as bullies, but others might actually want to be seen as litigious, "scary" adversaries.ⁿ¹⁸⁰ In addition, if the target does not believe that the shamer's values are popular enough to make a meaningful reputational difference, the target can blithely ignore the shamer's efforts.ⁿ¹⁸¹ For this reason, shaming is likely to be ineffective against targets whose market success does not depend on reputation. Shaming-based collective action can be very effective, as it was with the SOPA-PIPA demonstrations that shamed web intermediaries and congresspeople. But the effectiveness of those demonstrations depended largely on the fact that users may have choices about internet service providers and that congresspeople depend entirely on voters. In contrast, shaming campaigns [*37] against Facebook have been largely ineffective, likely because Facebook perceives no ill effect from violating its customers' norms.ⁿ¹⁸² Facebook no doubt knows that its users believe it should be ashamed of its practice of shifting privacy policies with little or no warning, but Facebook also knows that its market power depends on the network effect, not on reputation.ⁿ¹⁸³ In this way, even the loudest shaming campaign may fall on deaf ears.

Moreover, while shaming campaigns may begin as attempts to integrate an outsider into a community, reintegrative shaming depends on the potential for forgiveness, which may not be forthcoming after a viral shaming campaign. Many members of the Ravelry community continued to revile the USOC long after its public apology.ⁿ¹⁸⁴ A target looking at the Ravelry example could reasonably ask, "Why bother apologizing, if I will continue to be despised?" The result is

that while shaming might spread values to shaming targets through integration or reintegration, it could just as easily lead to recalcitrance, making the target all the more likely to re-offend.

In fact, external shaming can backfire for a number of reasons. While shaming may infuse public opinion with the idea that a particular behavior is "bad," it can have the opposite effect by highlighting how widespread the behavior is. This is particularly likely if campaigns attempt to condemn multiple targets for the behavior before public opinion has condemned it. If a particular type of behavior is a frequent target of shaming campaigns, it could lead targets to believe their behavior puts them in good (or at least numerous) company rather than bad.ⁿ¹⁸⁵ For that reason, using shaming to manipulate targets' shame may have unpredictable results: increased formal enforcement may actually undermine norms by signaling that transgression is common or that compliance is "uncool."ⁿ¹⁸⁶ This may be one reason why shaming campaigns have not eradicated peer-to-peer file sharing: those who engage in it may believe that "everyone is doing it."

[*38] External shaming may also backfire as a result of rage and rebellion.ⁿ¹⁸⁷ Although some proportion of shamers may want to integrate (or reintegrate) an offender into a community of norms, their shaming efforts may ultimately push the target away. Viral shaming campaigns lack a central control mechanism and therefore find it difficult to send a consistently integrative or reintegrative messageⁿ¹⁸⁸ - and even if they succeed in sending such a message, the target may not hear or appreciate what the shamers have in mind. So unless the target depends heavily on the shamer's community for some reason (e.g., profit), the target can become an "outsider" who will not be interested in integration or reintegration and will not be harmed by ostracism, shunning, or other disintegrative shaming techniques.ⁿ¹⁸⁹ Thus, external shaming can create rogues who feel they owe nothing to the community and can therefore transgress with relative impunity.ⁿ¹⁹⁰ Indeed, empirical studies associate shaming sanctions that involve stigmatizing the target with higher rates of re-offense.ⁿ¹⁹¹

On the other hand, reactions to shaming can be equally powerful and potentially destructive in the direction of compliance. If the target does share the shamer's values or the audience reacts strongly to the shaming, the results may be extremely damaging or painful. In social science parlance, "either one finds [shaming sanctions] easy to ignore, or one finds them particularly harsh, and cripplingly diminishing of self-esteem. The effectiveness of such sanctions on people of the first sort is nil; with respect to the second sort, the effect is likely to be overkill, and hard to predict."ⁿ¹⁹² While the former speaks only to shaming's effectiveness, the latter raises what may be a deeper concern: It grants the shamer a potentially overwhelming power to hurt targets and influence values. On one hand, this is powerfully democratizing; entities with very little financial power can shape public opinion effectively through shaming campaigns, as Patent TrollTracker and its ilk have influenced public opinion against patent assertion entities. On the other hand, it can lead to unfair results - especially when shaming is spread virally by a public with incomplete information. **[*39]** YouTube contains many videos shaming "joke-stealers" whose popularity and careers may be severely injured by the shaming, even if they independently, and thus innocently, invented the same jokes. This can lead to lasting, unearned reputational harm.ⁿ¹⁹³

This harm occurs without regard for due process or proportionality. It is, in essence, vigilantism. In the words of John Rothchild, "[A] regime of ... vigilantism is not an entirely attractive prospect."ⁿ¹⁹⁴ Vigilantism may result in justice, but it is uncontrolled. It is ironic that the shaming campaign to defeat SOPA and PIPA focused largely on highlighting the proposed legislation's creation of an Internet "blacklist" without due process - considering that the campaign essentially blacklisted suspected SOPA and PIPA supporters without any due process.ⁿ¹⁹⁵ Blacklisting and watchlisting may be effective shaming techniques, but they can also lead to unsubstantiated "witch-hunting" and disproportionate punishment.ⁿ¹⁹⁶

In the intellectual property context, self-policing might mediate this danger. A study of letters submitted to the Chilling Effects database indicated that individuals who had (or believed they had) a strong defense to infringement allegations were more likely to submit their notices to the database. Thus, it appears that the shaming effect of the database is directed at bullies rather than tarring all IP enforcers with the same shaming brush.ⁿ¹⁹⁷ But self-policing depends on shared values. When a group of shamers has a variety of views, the least reasonable **[*40]** of those views may be the loudest. For example, when the cyber-vigilante group Anonymous becomes involved in a shaming

campaign, reputational harm is only the beginning: the group hacks corporate websites and conducts denial-of-service attacks and other cyber punishments.ⁿ¹⁹⁸ The result is that the target cannot retaliate and may not even be able to defend itself. Anonymous's brand of activity may backfire as a method of behavior control; studies show that shaming actually hinders social behavior when it imposes a harsh cost on the transgressor.ⁿ¹⁹⁹ But even if it effectively disseminates social values, it imposes the most extreme values and does so at a very high cost.

The upshot of these considerations is that both shame and shaming are problematic as regulatory tools. Of the two, shame may be preferable. Although shame only works on a portion of the population, it is - at least for that portion - both more predictable and more effective than shaming. This is consistent with social science research with computer-simulated societies, which indicates that introducing shame - teaching people to be ashamed of certain anti-social behaviors - "is more effective for the achievement of pro-social behavior than increasing the [shaming-based or other] punishment to non-complying agents."ⁿ²⁰⁰

Ultimately, both have benefits and drawbacks. Shame is an excellent mechanism for enforcing norms in relatively close-knit communities of individuals or very small firms. Shaming may currently be the best approach to regulating certain behaviors such as IP bullying and may be particularly helpful in generating a discourse about what behaviors should be considered shameful. But as a replacement for formal law, or even as a mechanism for adjusting the boundaries of formal law, neither shame nor shaming is a panacea.

IV. Normative Implications

Clearly, neither shame nor shaming should replace formal intellectual property law. They are too unpredictable, risky, and potentially harmful. But it is undeniable, and perhaps beneficial, that they augment and shape the effects of formal law. We can look to current uses of shame and shaming in the intellectual property context to learn [*41] something about how the public wants intellectual property law to work.

First, we must acknowledge that formal intellectual property laws cannot, and have not, done the job alone. Shame and shaming have always been part of the intellectual property landscape and are increasingly important in moderating the effects of formal protection. This implies that formal law may not be the ideal mechanism for protecting all varieties of intellectual property in all circumstances. In negative-space communities, a lack of formal protection seems to benefit creation and innovation,ⁿ²⁰¹ at least partly because participants in these communities are governed by customized rule sets enforced by conscience and shame. These communities seem to have little difficulty creating effective systems that meet their own needs.ⁿ²⁰² Some restrict copying; others encourage it with specific provisos such as attribution norms.ⁿ²⁰³ The lack of formal protection does not appear to chill creation or innovation; in fact, it seems to encourage it, especially in settings like academia, cuisine, fashion, open-source software, and fandom, where "creative copying," - building upon the works of others to create something new - advances the creative needs of the community. The norms of these communities are more flexible than formal law, as they are able to change as technology or prevailing markets do. In addition, community members likely follow these norms more assiduously, both because of the power of shame and also because, unlike formal laws made by distant politicians, community members can feel like they had some hand in creating and reinforcing them.

I do not suggest that we should start repealing intellectual property laws because shame will do all the work. However, particularly when considering whether to implement new protections and whether to implement carve-out exceptions to current protections, it is important for lawmakers to consider whether formal enactments will add value beyond shame-based enforcement.

How do we tell the difference between situations where laws are necessary and situations where shame should stand in their place? The discussion above provides some of those answers. Shame cannot be the sole governing mechanism when the transgressors are likely to be firms or other collective entities. But when individuals are the [*42] most likely transgressors, then formal law may not be necessary. Second, social science literature indicates that shame and shaming are most effective when reintegrative shaming is possible and when the participants are interdependent on

each other. This implies that shame and shaming may do much of the work of formal law in relatively close-knit communities where members are likely to communicate with each other and may depend on each other for creative or inventive purposes.ⁿ²⁰⁴ This includes communities like those discussed above that involve creative copying and countercultures in which belonging to the community and adhering to its values becomes part of the participant's identity, such as sharing or free-information movements, athletics, performance magic, stand-up comedy, or roller derby. Ultimately, the equilibria of low-IP spaces may not be as fragile as one might fear.ⁿ²⁰⁵ In a world of shame, shaming, and interdependence, there are high costs, both emotionally and reputationally, for "going rogue."

While shame and shaming are good at regulating interactions within communities, they are far from ideal for regulating interactions among communities.ⁿ²⁰⁶ As we have seen above, different communities hold different, and often inconsistent, values. Take pro-copying or free-information norms: while these work well within the sharing community, they do not necessarily reflect the needs or values of initial creators. Free-information activists may wish to copy without any respect or understanding for the needs of initial creators, and therefore find no shame in harming them. In that instance, formal law is required. As a more concrete example, many fan fiction writers strongly favor transformative copying, as long as it includes attribution.ⁿ²⁰⁷ They not only write transformative works, but also welcome others to remix (and attribute) their fanworks.ⁿ²⁰⁸ Many commercial authors, however, feel differently.ⁿ²⁰⁹ They may not want the characters they [*43] invented to be put in new situations, with or without attribution. Because these communities disagree about what constitutes shameful behavior, shame will not adequately govern their interactions, and formal law is necessary to determine whose view "wins" and under what circumstances. For fans and commercial authors, the law does just that: the Copyright Act and its fair use provision provide parameters under which fans can make transformative use of commercial authors' works.ⁿ²¹⁰ Shame augments formal law to govern fans' behavior among each other (copying is fine, plagiarism is not) and with the commercial authors (showing them fan fiction is generally taboo). Shaming also comes into play, as fans may shame authors or copyright holders who wish to enforce their copyrights against fair uses or attempt to enforce rights they do not have.ⁿ²¹¹ This forces rights holders to consider the strength of their claims before asserting them, because a weak claim is more likely than a strong one to generate reputational harm via shaming.ⁿ²¹² In that setting, therefore, shame and shaming augment law but would not adequately replace it.

While shame and shaming should not be the only mechanisms governing inter-community intellectual property practices, they are still valuable in the inter-community setting, both for governing and for instructing lawmakers about the appropriate boundaries for formal protection. From a governance standpoint, shaming stems the gradual accretion of rights by offsetting the effects of risk aversion and overreaching. Rights holders will inevitably seek to expand protection by asserting rights they do not have or accusing non-infringing activities. Victims of such IP bullying have little formal recourse: they may respond with motions to dismiss, declaratory judgment actions, or anti-SLAPP motions,ⁿ²¹³ but doing so requires significant expense and attention, especially considering that bullying victims may have done nothing wrong. In that setting, shifting some of the risk to the bully - the risk of being shamed - may make bullies think twice about overreaching.ⁿ²¹⁴ [*44] In the creative copying context, for example, this might offset rights holders' coercive power and allow creative copiers the freedom to pursue their art.

From a normative standpoint, shaming demonstrates where the law itself may overreach. When targets are shamed for exercising their own intellectual property rights against plausible opponents - like the shaming of Apple's aggressive patent strategiesⁿ²¹⁵ or Monster Energy Company's aggressive trademark strategiesⁿ²¹⁶ - it may signal that the problem is not with the rights holder, but with laws so broad that rights holders may use them to make costly and potentially chilling claims. Shaming campaigns identify when formal law ill-serves particular communities and when it has fallen out of line with prevailing social norms and preferences.

The prevalence of shaming in response to overreaching intellectual property assertions may also signal the need to shift power to accused infringers early in the cease-and-desist and litigation processes. As discussed above, under current law, shaming is often the best option for small-scale accused infringers when faced with weak or baseless threats from larger-scale rights holders.ⁿ²¹⁷ Although shaming creates a workable escape valve for the bullied, it is flawed: shaming campaigns may not reach the desired audience, and if they do, they may backfire in a number of ways.ⁿ²¹⁸

Even if we are content to leave intra-community governance to shame, it is risky to leave inter-community governance to shaming. With that in mind, lawmakers may want to consider formalizing other early escape valves for accused infringers, [*45] such as broader misuse doctrines, causes of action for "baseless threats," or "anti-troll" fee-shifting legislation.ⁿ²¹⁹ In addition, lawmakers and courts may wish to consider requiring formal apologies as remedies for abuse of process by overreaching plaintiffs. The latter would harness not only the power of shame and shaming, but also the power of plaintiffs' risk aversion. The risk of having to make a public apology might more effectively prevent IP bullying than would the possibility of merely losing a case or having to pay an opponent's fees.

Considering the power of shame and shaming, and the fact that they are already discursively intertwined with intellectual property law, lawmakers may also want to consider the benefits and drawbacks of creating "apology" or "censure" remedies for infringement of formal law. The pros and cons are manifest: formal shaming penalties would signal the shamefulness of intellectual property infringement, and could provide opportunities for reintegration of infringers and emotional vindication for rights holders - but these penalties could backfire and further establish a class of intellectual property "rebels." A full discussion of shaming sanctions as formal remedies for infringement is beyond the scope of this Article, but it should be noted that China's copyright and trademark laws include official censure and apology as punishments for infringement.ⁿ²²⁰

In the end, however, examining shame and shaming in the intellectual property context may be most valuable as a tool for determining what people value. Shame and shaming modify formal law to conform to popular conceptions of what the law should be, especially when those conceptions differ from what the law is. Formal law reflects [*46] the power structure of legislative governance and common law, which rely on influence and compromise to generate rules that may fit poorly in individualized situations.ⁿ²²¹ In contrast, shame and shaming reflect a different power structure: a critical mass of individually powerless people can collectively define and enforce what is shameful, and they can do so in a far more situational, granular manner. Shame and shaming silence the minority, but formal law may compromise away the values of the majority. Neither system reflects the full picture of society, but to ignore shame and shaming is to ignore the will of the people. By examining what is shameful and who is targeted for shaming, one can learn what the critical mass wants from its laws.

The role of shame and shaming in creating and governing negative spaces implies that people gravitate toward "set points" of intellectual property protection. By examining what people find to be shameful, and what they shame others for, we can see that people's collective moral intuition rebels against a complete lack of protection while also resisting a level of protection so high that it chills creation. An examination of shame and shaming also teaches us that the level and details of this optimal set point may not be constant: Some areas of creation may demand a high level of sharing. In others, attribution may be important. In another, even a small amount of copying may be too much.

Considering the power and inevitability of shame, and the unpredictability of shaming, one may conclude that the best outcome would permit shame-based "IP without IP" systems to flourish, while implementing policies that reduce the need for public shaming of those who enforce their intellectual property rights. Regardless of the outcome, however, lawmakers should take note and strive for balance between the "mob justice" of shame and shaming and the one-size-fits all regime of formal law.

V. Conclusion

For too long, lawmakers and scholars have ignored the power of shame and shaming to shape intellectual property behavior, as well as their potential to guide the path of formal intellectual property law. Shame and shaming not only reinforce formal law as they do in other areas, but also augment that law. Together, they help to create and maintain intellectual property negative spaces where innovation and creation thrive without significant formal intellectual property protection or enforcement. In areas beyond the reach of formal intellectual property protection, shame helps define the boundaries of informal or [*47] norms-based intellectual property practices. In areas governed by formal intellectual property protection, shaming helps define the boundaries of rights holders' enforcement forbearance.

These effects adjust the boundaries of formal intellectual property protection in a more finely tuned way than formal law can, but they do so at a potentially high cost. Shame is extremely powerful - more so than formal law - but painful, and it is ineffective as a tool for regulating those who do not experience it. Shaming may influence the behavior of more targets, but has notable disadvantages, including not only pain, but also unpredictable results. Despite those flaws, shame and shaming possess marked advantages over formal law for regulating copying behavior. Most notably, shame and shaming are flexible and reflect the needs of the communities they govern, unlike the monolithic, one-size-fits-all dictates of formal law. Shame and shaming are not suitable substitutes for formal law, nor are they miracle cures for law's failings, but they may act as guideposts for determining where to draw the lines of formal legal protection.

Legal Topics:

For related research and practice materials, see the following legal topics:

Computer & Internet Law
Internet Business
Licensing
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Labor & Employment Law
Collective Bargaining & Labor Relations
Strikes & Work Stoppages
Labor & Employment Law
Employee Privacy
Disclosure of Employee Information
Public Employees

FOOTNOTES:

n1. Lucius Annaeus Seneca, *Trojan Women* (Troades), reprinted in 1 *Seneca: The Tragedies* 1, 14 (David R. Slavitt & Palmer Bovie eds., 1992).

n2. Much of this literature discusses norms as they relate to fields outside the scope of formal intellectual property. See *infra* notes 4-19 and sources cited therein. Another strand explores the relationship between norms and existing formal law. See, e.g., Jennifer E. Rothman, *The Questionable Use of Custom in Intellectual Property*, 93 *Va. L. Rev.* 1899, 1905-06 (2007) (discussing influence of norms on scope of IP rights); Sean B. Seymore, *Rethinking Novelty in Patent Law*, 60 *Duke L.J.* 919, 929 (2011) (referencing a "disconnect between patent law and the norms of science"); John Tehranian, *Infringement Nation: Copyright Reform and the Law/Norm Gap*, 2007 *Utah L. Rev.* 537, 543-50 (discussing disparity between copyright law and norms of infringement). See generally Christopher Jensen, Note, *The More Things Change, The More They Stay the Same: Copyright, Digital Technology, and Social Norms*, 56 *Stan. L. Rev.* 531 (2003) (discussing attempts to create a link between digital copyright law and social norms surrounding tangible property rights).

n3. See generally, e.g., Dan M. Kahan, *Reciprocity, Collective Action, and Community Policing*, 90 *Calif. L. Rev.* 1513, 1536 (2002) [hereinafter Kahan, *Reciprocity*]; Dan M. Kahan, *What do Alternative Sanctions Mean?*, 63 *U. Chi. L. Rev.* 591 (1996) [hereinafter Kahan, *Alternative Sanctions*]; Toni M. Massaro, *Shame, Culture, and American Criminal Law*, 89 *Mich. L. Rev.* 1880 (1991); Eric A. Posner, *Law and Social Norms: The Case of Tax Compliance*, 86 *Va. L. Rev.* 1781 (2000); Richard A. Posner & Eric B. Rasmusen, *Creating and Enforcing Norms, with Special Reference to Sanctions*, 19 *Int'l Rev. L. & Econ.* 369 (1999); Raffaele Rodogno, *Shame, Guilt, and Punishment*, 28 *Law & Phil.* 429 (2009); James Q. Whitman, *What Is Wrong with Inflicting Shame Sanctions?*, 107 *Yale L.J.* 1055 (1998); Note, *Shame, Stigma, and Crime: Evaluating the Efficacy of Shaming Sanctions in Criminal Law*, 116 *Harv. L. Rev.* 2186 (2003).

n4. See Kal Raustiala & Christopher Sprigman, *The Piracy Paradox: Innovation and Intellectual Property in Fashion Design*, 92 *Va. L. Rev.* 1687, 1698-99 (2006) (coining the term "low-IP equilibrium").

n5. See *id.* at 1764 (coining and defining the term "negative space").

n6. For a general discussion of negative spaces, see Kal Raustiala & Christopher Sprigman, *The Knockoff Economy* (2012).

n7. See generally Raustiala & Sprigman, *supra* note 4 (focusing on the lack of intellectual property protection for fashion designs); Kal Raustiala & Christopher Sprigman, *The Piracy Paradox Revisited*, 61 *Stan. L. Rev.* 1201 (2009) (clarifying and expanding on the arguments explored in *Piracy Paradox* and responding to scholarly proposals for legislative reform).

n8. See generally Christopher J. Buccafusco, *On the Legal Consequences of Sauces: Should Thomas Keller's Recipes Be Per Se Copyrightable?*, 24 *Cardozo Arts & Ent. L.J.* 1121 (2007) (exploring the copyrightability of recipes and concluding that economic, public policy, and cultural considerations counsel against extending copyright protection to recipes); Emmanuelle Fauchart & Eric von Hippel, *Norms-Based Intellectual Property Systems: The Case of French Chefs*, 19 *Org. Sci.* 187, 187-88 (2008) (arguing that recipes are better protected by self-enforced social norms than by intellectual property law); Jessica Litman, *The Exclusive Right to Read*, 13 *Cardozo Arts & Ent. L.J.* 29, 44-45 (1994) (reexamining the bargain between copyright holders and the public that copyright entails and arguing that nascent industry can be stimulated by lack of copyright protection); Raustiala & Sprigman, *Piracy Paradox*, *supra* note 4, at 1768; J. Austin Broussard, Note, *An Intellectual Property Food Fight: Why Copyright Law Should Embrace Culinary Innovation*, 10 *Vand. J. Ent. & Tech. L.* 691 (2008) (arguing for copyright protection for chefs' innovative recipes as original works of authorship).

n9. See generally Jacob Loshin, *Secrets Revealed: Protecting Magicians' Intellectual Property Without Law*, in *Law And Magic: A Collection of Essays* 123 (Christine A. Corcos ed., 2010) (describing the ways in which the magic community has developed social norms that protect intellectual property in the absence of IP law).

n10. See generally Dotan Oliar & Christopher Sprigman, *There's No Free Laugh (Anymore): The Emergence of Intellectual Property Norms and the Transformation of Stand-Up Comedy*, 94 *Va. L. Rev.* 1787 (2008) (arguing that intellectual property law is not a cost-effective way to protect creativity of stand-up comedians and that social norms provide a substitute for IP law).

n11. See Blake Fry, *Why Typefaces Proliferate Without Copyright Protection*, 8 *J. Telecomm. & High Tech. L.* 425, 432-37 (2010) (arguing for the continued exclusion of typefaces from copyright protection and explaining why that exclusion does not prevent innovation). See generally Jacqueline D. Lipton, *To © or Not to ©? Copyright and Innovation in the Digital Typeface Industry*, 43 *U.C. Davis L. Rev.* 143 (2009) (calling for Congress, the Copyright Office, and courts to reexamine the issue of typeface copyrightability and arguing for, at most, thin protection for digital typefaces).

n12. See generally, e.g., Yochai Benkler, *Coase's Penguin, or, Linux and The Nature of the Firm*, 112 Yale L.J. 369 (2002) (analyzing the economic and cultural implications of peer production of information).

n13. See, e.g., F. Scott Kieff et al., *It's Your Turn, but It's My Move: Intellectual Property Protection for Sports "Moves,"* 25 Santa Clara Computer & High Tech. L.J. 765, 766, 774-76 (2009) (arguing that the use of IP rights in sports gives more bargaining power to a much broader range of athletes); Gerard N. Magliocca, *Patenting the Curve Ball: Business Methods and Industry Norms*, 2009 BYU L. Rev. 875, 877 (2009) (arguing that "there should be a presumption against considering a process patentable subject matter under 35 U.S.C. § 101 when a norm can be found in the relevant industry against patenting the class of innovations at issue").

n14. See generally Jon M. Garon, *Wiki Authorship, Social Media, and the Curatorial Audience*, 1 Harv. J. Sports & Ent. L. 95 (2010) (arguing for a wiki model in which collaboration is encouraged but normative expectations of authorship are maintained).

n15. See Keith Aoki, *Authors, Inventors and Trademark Owners: Private Intellectual Property and the Public Domain* (pt. 2) 18 Colum.-VLA J.L. & Arts 191, 207 (1994) (explaining that academic scientists are driven by "desires to obtain priority and to gain professional recognition, promotions, grants, tenure and increased funding" to publish their research regardless of intellectual property incentives). See generally Katherine J. Strandburg, *Curiosity-Driven Research and University Technology Transfer*, in *University Entrepreneurship and Technology Transfer: Process, Design, and Intellectual Property* 93 (Gary D. Libecap ed., 2005).

n16. See Mark F. Schultz, *Fear and Norms and Rock & Roll: What Jambands Can Teach Us About Persuading People to Obey Copyright Law*, 21 Berkeley Tech. L.J. 651, 653, 676-77 (2006) (describing the ways in which the jamband community uses social norms to enforce copyright law).

n17. See generally Horace E. Anderson, Jr., *"Criminal Minded?": Mixtape DJs, the Piracy Paradox, and Lessons for the Recording Industry*, 76 Tenn. L. Rev. 111 (2008) (extending Raustiala and Sprigman's "piracy paradox" from the fashion industry to mixtapes and arguing for a model that employs strategic forbearance of copyright enforcement); Horace E. Anderson, Jr., *No Bitin' Allowed: A Hip-Hop Copying Paradigm for All of Us*, 20 Tex. Intell. Prop. L.J. 115 (2011) (describing copying norms in hip-hop music).

n18. See generally Aaron Perzanowski, *Tattoos & IP Norms*, 98 Minn. L. Rev. (forthcoming 2013); Matthew Beasley, Note, *Who Owns Your Skin: Intellectual Property Law and Norms Among Tattoo Artists*, 85 S. Cal. L. Rev. 1137 (2012).

n19. See generally David Fagundes, Talk Derby to Me: Intellectual Property Norms Governing Roller Derby Pseudonyms, 90 Tex. L. Rev. 1093 (2012) (investigating the extralegal governance scheme used to protect derby names to explain the emergence of subcultural IP norms).

n20. See *infra* Part II.

n21. See *infra* Part III.A.

n22. See *infra* Part III.B.

n23. See *infra* Part IV.

n24. See generally Andrew P. Morrison, Shame: The Underside of Narcissism 5 (1989) (taking a psychoanalytic approach); Raul Lopez-Perez, Guilt and Shame: An Axiomatic Analysis, 69 Theory & Decision 569 (2010) (economic); Heidi L. Maibom, The Descent of Shame, 80 Phil. & Phenomenological Res. 566 (2010) (philosophical).

n25. John Braithwaite, Crime, Shame and Reintegration 100 (1989).

n26. See Thomas J. Darvill et al., Personality Correlates of Public and Private Self Consciousness, 13 Personality & Individual Differences 383 (1992) (experimentally correlating excessive shame with neuroticism and a lack of shame with psychoticism).

n27. See Klaus Jaffe, Simulations Show that Shame Drives Social Cohesion, in *Advances in Artificial Intelligence - IBERAMIA-SBIA* 2006 88, 90 (Jaime Simao Sichman et al. eds., 2006) (using simulations to model the function of shame in society).

n28. See Volkan Topalli, When Being Good is Bad: An Expansion of Neutralization Theory, 43 Criminology 797, 799 (2005) (discussing

shame and norms in active hard-core criminal communities).

n29. See Lopez-Perez, *supra* note 24, at 579.

n30. See Maibom, *supra* note 24, at 577-78.

n31. Herbert Gintis, *The Hitchhiker's Guide to Altruism: Gene-Culture Coevolution, and the Internalization of Norms*, 220 *J. Theoretical Biology* 407, 414-15 (2003) (positing and modeling genetic development of altruism as a shame-enforced internal norm); Klaus Jaffe, *Evolution of Shame as an Adaptation to Pro-Social Punishment and Its Contribution to Social Cohesiveness*, *Complexity*, Nov.-Dec. 2008, at 46 (basing findings on computer simulations of genetic development through natural selection).

n32. See Jaffe, *supra* note 27, at 93.

n33. See Norbert Elias, *The Civilizing Process* 492 (Edmund Jephcott trans., Blackwell Publishers 1994) (1939); see also Lopez-Perez, *supra* note 24, at 575 (describing internalization).

n34. See Lopez-Perez, *supra* note 24, at 572 (defining social norms).

n35. See *id.* at 575; see also Topalli, *supra* note 28, at 801 (providing an example of a community, street criminals, with idiosyncratic norms).

n36. Elias, *supra* note 33, at 492; see also Morrison, *supra* note 24, at 32 (discussing relationship between shame and the "ego ideal"); *id.* at 79 (discussing relationship between shame and the threat of rejection or abandonment by a "significant object"); Lopez-Perez, *supra* note 24, at 575-79 (describing shame's operation in shaping behavior through aversion to norm-breaking).

n37. Experimental evidence tends to show that behavior need not be observed to generate shame. For example, failure feedback has proven to generate shame even when given privately by computer without a human experimenter present. David E. Conroy & Aaron L. Pincus, *Interpersonal Impact Messages Associated with Different Forms of Achievement Motivation*, 79 *J. Personality* 675, 694 (2011) (citing Holly A. McGregor & Andrew J. Elliot, *The Shame of Failure: Examining the Link Between Fear of Failure and Shame*, 31 *Personality & Soc. Psychol. Bull.* 218 (2005)).

n38. Maibom, *supra* note 24, at 569.

n39. Jean-Paul Sartre, *Being and Nothingness* 222 (Hazel E. Barnes trans., Gramercy Books 1994) (1956).

n40. See Morrison, *supra* note 24, at 5; see also Maibom, *supra* note 24, at 568; June P. Tangney et al., *Shame, Guilt, and Remorse: Implications for Offender Populations*, 22 *J. Forensic Psychiatry & Psychol.* 706, 707 (2011) (criminological); John Wilson, *Shame, Guilt and Moral Education*, 30 *J. Moral Educ.* 71, 72 (2001) (moral and literary).

n41. Morrison, *supra* note 24, at 11.

n42. See *id.*

n43. Braithwaite, *supra* note 25, at 100.

n44. Edna Ullmann-Margalit, *The Case of the Camera in the Kitchen: Surveillance, Privacy, Sanctions, and Governance*, 2 *Reg. & Governance* 425, 435 (2008).

n45. See Douglas Litowitz, *The Trouble with 'Scarlet Letter' Punishments*, 81 *Judicature* 52, 54-55 (1997) (citing Kahan, *Alternative Sanctions*, *supra* note 3, at 631) (describing Kahan's taxonomy).

n46. See generally, e.g., Liang-Chih Chang, The Effects of Moral Emotions and Justifications on Visitors' Intention to Pick Flowers in a Forest Recreation Area in Taiwan, 18 J. Sustainable Tourism 137 (2010) (correlating moral emotions of guilt, embarrassment, and shame with their propensity to violate flower-picking rules in a park); Topalli, *supra* note 28, at 801 (reporting that hard-core criminals are less likely to engage in snitching and other behaviors of which they would be ashamed).

n47. See Charles R. Tittle et al., A Test of a Micro-Level Application of Shaming Theory, 50 Soc. Probs. 592, 594 (2003).

n48. See Steven Russell, Reintegrative Shaming and the 'Frozen Antithesis': Braithwaite and Elias, 34 J. Soc. 303, 306-08 (1998) (comparing Braithwaite's concept of shaming to Elias' concept of shame).

n49. Lopez-Perez, *supra* note 24, at 570.

n50. See Margaret S. Kelley et al., Deterrence Theory and the Role of Shame in Projected Offending of College Students Against a Ban on Alcohol, 39 J. Drug Educ. 419, 432 (2009).

n51. See Linda Brennan & Wayne Binney, Fear, Guilt, and Shame Appeals in Social Marketing, 63 J. Bus. Res. 140, 142 (2010) (citing James W. Harvey & Kevin F. McCrohan, Is There a Better Way of Improving Compliance with the Tax Laws? Insights from the Philanthropic Literature, 7 J. Pub. Pol'y & Marketing 138, 140 (1988)).

n52. See Topalli, *supra* note 28, at 801 (reporting that hard-core criminals are less likely to engage in snitching and other behaviors of which they would be ashamed).

n53. See Fagundes, *supra* note 19, at 1147-48 (discussing the thin line between law and norms as sources of coercive behavior shaping).

n54. See Fauchart & von Hippel, *supra* note 8, at 188; see also Buccafusco, *supra* note 8, at 1154.

n55. See Lawrence Lessig, *Open Code and Open Societies: Values of Internet Governance*, 74 Chi.-Kent L. Rev. 1405, 1417 (1999) ("This is the core of the Open Source Movement: that the code of open source software remains free for others to take, and modify, and use: that it sits in the public domain, which means that no one needs the permission of anyone else to take it, and improve it.").

n56. See Wilson, *supra* note 40, at 79.

n57. See Gintis, *supra* note 31, at 408; see also Lopez-Perez, *supra* note 24, at 570 (positing that shame drives compliance with norms that are inconsistent with selfishness).

n58. See Posner & Rasmusen, *supra* note 3, at 371. This is the prevailing, modern view. Some theorists still maintain that shame requires an audience to function. See, e.g., Eugene Kandel & Edward P. Lazear, *Peer Pressure and Partnerships*, 100 J. Polit. Econ. 801, 806 (1992) (arguing that shame is generated by external pressure and thus shapes behavior only when behavior is observable).

n59. See Morrison, *supra* note 24, at 15.

n60. See Nathan Harris, *Reintegrative Shaming, Shame, and Criminal Justice*, 62 J. Soc. Issues 327 (2006) (discussing relationship between reintegrative shaming, stigmatization, and experience of shame-guilt).

n61. For just a few examples, see Microsoft's reversal of its Xbox One policies, Andrew Goldfarb, *Microsoft: 'Shame on Us' for Xbox One Messaging: Xbox One Chief Product Officer Marc Whitten Responds to Fans' Concerns*, IGN (July 12, 2013), <http://www.ign.com/articles/2013/07/12/microsoft-shame-on-us-for-xbox-one-messaging>; Nike's transformation of its manufacturing conditions and transparency, Max Nisen, *How Nike Solved Its Sweatshop Problem*, Business Insider (May 9, 2013, 10:00 PM), <http://www.businessinsider.com/how-nike-solved-its-sweatshop-problem-2013-5>; and Rutgers' firing of abusive basketball coach Mike Rice, Mike Lupica, *Mike Rice Finally Fired for his Actions but Shame on Rutgers if All Involved in the Player Abuse Scandal Don't Also Get the Ax*, N.Y. Daily News (Apr. 3, 2013, 9:30 AM), <http://www.nydailynews.com/sports/college/lupica-shame-rutgers-don-fire-involved-article-1.1306415>.

n62. See James Q. Whitman, *What Is Wrong with Inflicting Shame Sanctions?*, Yale L.J. 1055, 1066-67 (1998).

n63. See Lopez-Perez, *supra* note 24, at 570 (footnote omitted) (establishing via economic modeling that shaming drives such corporate norms).

n64. Gripe sites are websites dedicated to the public shaming of people or corporations. For a general collection of gripe sites, see WebGripeSites.com, <http://www.webgripesites.com/> (last visited Sept. 18, 2013). There are countless examples of gripe sites posting cease-and-desist letters they have received. See, e.g., JP Morgan Chase is Officially Pissed Off About This Site, Chase Bank Sucks (Jan. 3, 2009), <http://www.chase-sucks.com/11/jp-morgan-chase-is-officially-pissed-off-about-this-site/>.

n65. See Rachael Braswell, Consumer Gripe Sites, Intellectual Property Law, and the Use of Cease-and-Desist Letters to Chill Protected Speech on the Internet, 17 *Fordham Intell. Prop. Media & Ent. L.J.* 1241, 1287-88 (2007).

n66. Posner & Rasmusen, *supra* note 3, at 374; see also Litowitz, *supra* note 45, at 55; John Rothchild, Protecting the Digital Consumer: The Limits of Cyberspace Utopianism, 74 *Ind. L.J.* 893, 968 (1999) (noting that shaming is ineffective in policing, for example, "the behavior of junk e-mailers, who do not shrink from antagonizing the vast majority of the recipients of their marketing").

n67. See Amy Morganstern, Comment, In the Spotlight: Social Network Advertising and the Right of Publicity, 12 *Intell. Prop. L. Bull.* 181, 196-97 (2008) (noting mixed effectiveness of collective shaming action in motivating corporate entities, particularly those with market-dominant products such as Google and Facebook).

n68. See Posner & Rasmusen, *supra* note 3, at 380.

n69. In its early stages, therefore, public shaming may be more of an attempt to create public "buy-in" for a particular value than an attempt to shape firm behavior. Once a particular market community internalizes a value, firms seeking that community's business will be forced to conform to that value - to market themselves as "eco-friendly" or "worker-friendly" - but may not see any reason to do so earlier. Similarly, early-stage shaming may be an attempt to invite (or coerce) a firm into a particular community by trying to convince the firm that the community is large or influential enough to merit conforming to the community's values.

n70. See Joe Satran, Chick-Fil-A Sales Soar in 2012 Despite Bad PR, *Huffington Post* (Jan. 31, 2013, 12:24 PM), http://www.huffingtonpost.com/2013/01/31/chick-fil-a-sales-2012_n_2590612.html.

n71. See Chilling Effects Clearinghouse, <http://www.chillingeffects.org> (last visited Sept. 18, 2013).

n72. See generally Leah Chan Grinvald, Shaming Trademark Bullies, 2011 Wis. L. Rev. 625; Ira S. Nathenson, Civil Procedures for a World of Shared and User-Generated Content, 48 U. Louisville L. Rev. 911, 951 (2010) ("Public-interest groups and other advocates play a major role in criticizing overreaching copyright enforcement at the systemic level.").

n73. See Posner, *supra* note 3, at 1789-90 (discussing the creation and enforcement of norms in the tax context and more generally).

n74. See Litowitz, *supra* note 45, at 56.

n75. Kelley et al., *supra* note 50, at 432-33.

n76. Brennan & Binney, *supra* note 51, at 142 (citing James W. Harvey & Kevin F. McCrohan, Is There a Better Way of Improving Compliance with the Tax Laws? Insights from the Philanthropic Literature, 7 J. Pub. Pol'y & Marketing 131, 140 (1988)).

n77. See Rodogno, *supra* note 3, at 434 (discussing relationship between humiliation and negative effects in connection with shaming penalties).

n78. See Anne-Marie McAlinden, The Use of 'Shame' with Sexual Offenders, 45 Brit. J. Criminology 373, 379 (2005) (discussing the disintegrative effects of naming and shaming sex offenders).

n79. See Braithwaite, *supra* note 25, at 55.

n80. *Id.* at 1.

n81. John Braithwaite, *Shame and Modernity*, 33 *Brit. J. Criminology* 1, 1 (1993).

n82. See Carter Hay, *An Exploratory Test of Braithwaite's Reintegrative Shaming Theory*, 38 *J. Res. Crime & Delinq.* 132, 147-48 (2001) (empirical test demonstrating that "the negative effect of shaming was not dependent on the level of reintegration").

n83. See Tom R. Tyler, *Why People Obey the Law* 62-63 (1990); see also Catherine A. Sanderson & John M. Darley, "I Am Moral, but You Are Deterred": Differential Attributions About Why People Obey the Law, 32 *J. Applied Soc. Psychol.* 375, 375-78 (2002); Cass R. Sunstein, *On the Expressive Function of Law*, 144 *U. Pa. L. Rev.* 2021, 2025-28 (1996); Jensen, *supra* note 2, at 562 ("However, legal rules can also induce compliance with the law indirectly by changing the social meaning of unlawful conduct. As Cass Sunstein has observed, defining certain conduct as 'against the law' can 'inculcate both shame and pride' in the minds of individuals ...").

n84. See Robert J. MacCoun, *Drugs and the Law: A Psychological Analysis of Drug Prohibition*, 113 *Psychol. Bull.* 497, 501 (1993) ("The mere fact that an act is illicit might have an influence on behavior that is independent of the actual magnitude of the threat of punishment.").

n85. See Sara Forsdyke, *Street Theatre and Popular Justice in Ancient Greece: Shaming, Stoning and Starving Offenders Inside and Outside the Courts*, 201 *Past & Present* 3, 4-6 (2008); see also Toni M. Massaro, *Shame, Culture, and American Criminal Law*, 89 *Mich. L. Rev.* 1880, 1904-15 (1991).

n86. See Litowitz, *supra* note 45, at 53-54.

n87. See *id.* at 54.

n88. See *id.* at 52.

n89. This American Life, 379: Return To The Scene of the Crime (Public Radio International radio broadcast May 1, 2009), available at <http://www.thisamericanlife.org/radio-archives/episode/379/return-to-the-scene-of-the-crime> (the description of the episode reads: "There's a town in Florida where if you shoplift, and get caught, a judge will send you back to the scene of your crime to stand in front of the store, with a large sign that reads 'I stole from this store.' Ira [Glass] and producer Lisa Pollak talk to one such teenager who was caught stealing from a convenience store, the supervisor overseeing her punishment, and the judge who sends her there.").

n90. See John M. Ivancevich et al., Formally Shaming White-Collar Criminals, 51 Bus. Horizons 401, 403-405 (2008).

n91. Id. at 404.

n92. See Topalli, *supra* note 28, at 801 (reporting that hard-core criminals are less likely to engage in snitching and other behaviors of which they would be ashamed).

n93. See, e.g., H. Tomas Gomez-Arostegui, The Untold Story of the First Copyright Suit Under the Statute of Anne in 1710, 25 Berkeley Tech. L.J. 1247, 1302-06 (2010) (describing how parties to the first copyright suit in 1710 had previously used public shaming via printed handbills as a remedy for copying when formal protection was not available).

n94. See Julie E. Cohen, Pervasively Distributed Copyright Enforcement, 95 Geo. L.J. 1, 9 (2006).

n95. See *id.* at 18 ("Entertainment industry representatives have deployed a variety of rhetorical tropes designed to position online copyright infringement, and particularly p2p filesharing, as morally objectionable and socially insidious.").

n96. See, e.g., Press Release, NPD Grp., The NPD Group: Music File Sharing Declined Significantly in 2012 (Feb. 26, 2012), available at <https://www.npd.com/wps/portal/npd/us/news/press-releases/the-npd-group-music-file-sharing-declined-significantly-in-2012/> (reporting a 17% decline in the number of consumers using peer-to-peer file sharing services between 2011 and 2012).

n97. According to a 2003 Gallup poll, 15% of teens aged 13-17 believed it was "morally wrong" to download music from the Internet for free. Steve Hanway & Linda Lyons, Teens OK with Letting Music Downloads Play, Gallup.com (Sept. 30, 2003),

<http://www.gallup.com/poll/9373/teens-letting-music-downloads-play.aspx>. Six years later (when the individuals who took the Gallup survey were all over age 18), a CBS poll found that 30% of young adults aged 18-29 believed that online music sharing was "never acceptable." Bootie Cosgrove-Mather, Poll: Young Say File Sharing OK, CBSNews (Feb. 11, 2009, 8:29 PM), http://www.cbsnews.com/2100-500160_162-573990.html. See also Herkko Hietanen et al., Criminal Friends of Entertainment: Analysing Results from Recent Peer-to-Peer Surveys, 5 ScriptEd 31, 39 (2008) ("Nearly half of the users [of illegal file sharing sites] saw the use of illegal file sharing sites as morally questionable. Evidently the file sharers are not breaking the law because they are unaware of it." (footnote omitted)).

n98. See, e.g., Tyler, *supra* note 83; Kahan, *Alternative Sanctions*, *supra* note 3, at 603.

n99. See Elizabeth L. Rosenblatt, A Theory of IP's Negative Space, 34 Colum. J.L. & Arts 317, 325 (2011) (defining "doctrinal no man's land" as one type of negative space).

n100. See Rochelle Cooper Dreyfuss, Does IP Need IP? Accommodating Intellectual Production Outside the Intellectual Property Paradigm, 31 Cardozo L. Rev. 1437, 1439 (2010) (defining IP without IP as "Intellectual Production without Intellectual Property").

n101. See 17 U.S.C. § 107 (2006) (including "scholarship, or research" among the categories of fair uses of copyrighted material).

n102. See Buccafusco, *supra* note 8 at 1151-55; see also Fauchart & von Hippel, *supra* note 8, at 191-94.

n103. Fagundes, *supra* note 19, at 1126-28.

n104. See Beasley, *supra* note 18, at 1162-68 (reporting tattoo artists' prevailing view that "copycats are not true artists" and describing ways in which shame and shaming govern tattoo artists' conduct).

n105. As one experienced stand-up comedian explained to me, "It's not just fear of being exposed as a joke-stealer and what other people think. It's partly that, but it's also about why you're doing stand-up in the first place. Stand-up is all about being original. If you're not being original, you're nothing." Interview with John Rogers, in L.A., Cal. (February 10, 2013).

n106. Lipton, *supra* note 11, at 169 (quoting Leslie Cabarga, Logo, Font, and Lettering Bible 12 (2004)).

n107. Timothy K. Armstrong, Shrinking the Commons: Termination of Copyright Licenses and Transfers for the Benefit of the Public, 47 Harv. J. on Legis. 359, 369 n.47 (2010).

n108. Interview with John Rogers, *supra* note 105.

n109. See Rosenblatt, *supra* note 99, at 343-45.

n110. See Fauchart & von Hippel, *supra* note 8, at 187-88 (discussing community reactions to recipe copying); cf. Topalli, *supra* note 28, at 810 (discussing participants' guilt and shame for violating the norm against snitching in active hard-core criminal communities).

n111. See Jacob Loshin, *supra* note 9, at 134-35.

n112. See Rochelle Dreyfuss, Fragile Equilibria, Va. L. Rev. In Brief (Jan. 22, 2007), <http://www.virginialawreview.org/inbrief.php?s=inbrief&p=2007/01/22/dreyfuss> (describing "bounded altruism, tipping, herding, failed leadership, and technological change" as likely factors contributing to the breakdown of negative spaces).

n113. See Posner, *supra* note 3, at 1789-90 (discussing signaling-type norms).

n114. See Braithwaite, *supra* note 25, at 85-87 (recognizing that shaming is more effective in "communitarian" societies, defined as societies whose members are interdependent).

n115. Perzanowski, *supra* note 18 (manuscript at 36) ("Gossip can have serious social and professional consequences.").

n116. See Gregg P. Macey, *Cooperative Institutions in Cultural Commons*, 95 *Cornell L. Rev.* 757, 776-77 (2010).

n117. Interview with John Rogers, *supra* note 105.

n118. See, e.g., Joe Rogan, *Joe Rogan VS Carlos Mencia, ONSTAGE VIDEO*, YouTube (Jan. 23, 2013), <http://www.youtube.com/watch?v=gduGUSFbzws>; see also Oliar & Sprigman, *supra* note 10, at 1821, 1825 (describing Internet popularity of clip showing feud between Joe Rogan and Carlos Mencia and a "recent spate of comic shaming videos on YouTube").

n119. See, e.g., Guen Douglas, *How to Avoid Tattoo Plagiarism*, TAM Blog (Mar. 15, 2012), <http://tattooartistmagazineblog.com/2012/03/15/guen-douglas-how-to-avoid-tattoo-plagiarism/>; Shannon Larratt, *Tattoo Plagiarism*, MODBlog (Sept. 21, 2005), <http://news.bme.com/2005/09/21/tattoo-plagiarism/>; NickBaxter.com, <http://www.nickbaxter.com/facemaster.cfm?Thread+PageNum+search=6&PageNum+search=2&task=message+list&thread+index=105061&generate=1&topic+index=10> (last visited Sept. 9, 2013, 5:06 PM); NYArtman, *Plagiarist Hall of Shame*, NYArtman.com (Apr.27, 2011, 10:01 PM), http://www.nyartman.com/index.php?option=com_content&view=article&id=292:plagiarist-hall-of-shame&catid=3:blog-rants&Itemid=65.

n120. See 'Index 2007: Names of Plagiarists': *Is Naming and Shaming the Answer?*, *Bioethics*, Nov. 2007, at ii.

n121. See Buccafusco, *supra* note 8, at 1122 (describing one such event on the culinary blog eGullet.org).

n122. Fagundes, *supra* note 19, at 1101; Beasley, *supra* note 18, at 1167.

n123. See, e.g., Schultz, *supra* note 16, at 679 (noting that in the jamband community, "membership is fluid, often anonymous, and requires no membership card").

n124. See Lessig, *supra* note 55, at 1417 ("This is the core of the Open Source Movement: that the code of open source software remains free for others to take, and modify, and use: that it sits in the public domain, which means that no one needs the permission of anyone else to take it, and improve it.").

n125. See Braithwaite, *supra* note 81, at 13-15 (1993) (discussing urban varieties of community in the context of reintegrative shaming).

n126. For example, the University of Virginia's Electronic Text Center, which houses many public domain texts, is concerned principally with archival dependability when it begs users not to copy its texts for commercial use or mount them on other servers. Brad Bedingfield, Note, Copyrighting Medieval Literature: Editing and Publishing the Pre-Modern Public Domain, 28 Colum. J.L. & Arts 213, 244-45 (2005).

n127. Fauchart & von Hippel, *supra* note 8, at 193.

n128. Beasley, *supra* note 18, at 1167.

n129. Loshin, *supra* note 9, at 138.

n130. See Fagundes, *supra* note 19, at 1136-37 (discussing the flexibility of the derby name regulation system).

n131. See Dan L. Burk & Mark A. Lemley, Policy Levers in Patent Law, 89 Va. L. Rev. 1575, 1577 (2003) (arguing that a formal, unitary patent system is ill-equipped to manage the diverse range of industries it must cover).

n132. See Polly Radcliffe & Alex Stevens, Are Drug Treatment Services Only for 'Thieving Junkie Scumbags'? Drug Users and the Management of Stigmatised Identities, 67 Soc. Sci. & Med. 1065, 1066 (2008) (discussing the shaming and stigmatizing effect of the "junkie" label); Lori Rackl & Andrew Herrmann, Women Trekking Back to Their Dorm in the Morning After a Hookup Take the 'Walk of Shame.' For Guys, It's the 'Stride of Pride.' College Women Today..., Chi Sun-Times, Mar. 21, 2005 (discussing gender-based double-standard and shame-based condemnation of female "sluts").

n133. See Jeremy Bentham, Proposal for a New and Less Expensive Mode of Employing and Reforming Convicts, 6 *Brittanic Magazine* 403, 406 (1798) ("[A] building circular ... the prisoners in their cells By blinds and other contrivances, the Inspectors concealed ... from the observation of the prisoners: hence the sentiment of a sort of invisible omnipresence. The whole circuit reviewable with little, or ... without any, change of place. One station in the inspection part affording the most perfect view of every cell").

n134. See Ullmann-Margalit, *supra* note 44, at 432-33 (discussing the chilling effect of surveillance on behavior).

n135. John Sternal, How to Trademark Shame a Larger Company, *Small Bus. Trends* (Mar. 8, 2012), <http://smallbiztrends.com/2012/03/how-to-trademark-shame-a-larger-company.html>.

n136. William T. Gallagher, Trademark and Copyright Enforcement in the Shadow of IP Law, 28 *Santa Clara Computer & High Tech. L.J.* 453, 494 (2012).

n137. See What Is the Streisand Effect?, *Economist* (Apr. 15, 11:50 PM), <http://www.economist.com/blogs/economist-explains/2013/04/economist-explains-what-streisand-effect>.

n138. See Paul Rogers, Photo of Streisand Home Becomes an Internet Hit, *San Jose Mercury News*, June 24, 2003, at 1B, available at <http://www.californiacoastline.org/news/sjmerc5.html>.

n139. Letter from John M. Gatti, Attorney, Alschuler Grossman Stein & Kahan LLC, to Kenneth Adelman (Feb. 10, 2003), available at <http://www.californiacoastline.org/streisand/threat.pdf>.

n140. Complaint at 21, *Streisand v. Adelman*, No. SC 077 257 (Cal. Super. Ct. Dec. 31, 2003), available at <http://www.californiacoastline.org/streisand/complaint.pdf>; Statement of Decision at 45, *Streisand v. Adelman*, No. SC 077 257 (Cal. Super. Ct. Dec. 31, 2003), available at <http://www.californiacoastline.org/streisand/slapp-ruling.pdf>.

n141. Ruling on Submitted Matters, Tentative Decision and Proposed Statement of Decision at 6, *Streisand v. Adelman*, No. SC 077 2577 (Cal. Super. Ct. Dec. 3, 2003), available at <http://www.californiacoastline.org/streisand/slapp-ruling-tentative.pdf>; Rogers, *supra* note 138.

n142. See Gallagher, *supra* note 136, at 495 (quoting an interviewed attorney's statement: "You always know that a letter you send can be on the Internet that same day, so you write it accordingly.").

n143. See David E. Armendariz, Note, Picking on the Little Guy? Asserting Trademark Rights Against Fans, Emulators, and Enthusiasts, 90 *Tex. L. Rev.* 1259, 1267-68 (2012) (discussing instances in which trademark holders have claimed that pursuit of enthusiasts was rooted in duty to police rather than desire to pursue).

n144. See Debra Cassens Weiss, Jack Daniel's Cease-and-Desist Letter Goes Viral for Being Exceedingly Polite, *A.B.A. J.* (July 26, 2012, 9:38 AM CDT), <http://www.abajournal.com/news/article/jack-daniels-cease-and-desist-letter-goes-viral-for-being-exceedingly-poli/>.

n145. See Grinvald, *supra* note 72, at 627 (describing a Facebook shaming campaign conducted by a small brewery against a large, multi-million dollar company).

n146. See Chilling Effects Clearinghouse, *supra* note 71.

n147. The original Patent TrollTracker blog has since been discontinued. However, earlier posts from the blog have been archived and are available at Patent TrollTracker Resurrected, Tech Rights, <http://techrights.org/patent-trolltracker/> (last visited Sept. 23, 2013).

n148. See, e.g., Lisa A. Dolak & Blaine T. Bettinger, The United States Patent System in the Media Mirror, 58 *Syracuse L. Rev.* 459, 487-89 (2008) (identifying "patent trolls" as among the most common media criticisms of the U.S. patent system).

n149. See Cory Doctorow, *SOPA/PIPA Mashup: How Much Hollywood Money Did Your Lawmaker Take? Name and Shame with Fellow Voters*, BoingBoing (Jan. 21, 2012, 6:24 AM), <http://boingboing.net/2012/01/21/sopapipa-mashup-how-much-hol.html> (shaming legislators who supported the bills); see also Mark Gibbs, *No Blackout for SOPA/PIPA? We Know Who You Are*, Computerworld (Jan. 20, 2012, 10:27 AM), http://www.computerworld.com/s/article/9223589/No_blackout_for_SOPA_PIPA_We_know_who_you_are.?pageNumber=1 (shaming websites that did not participate in public demonstration against bills); Alex Wilhelm, *For Shame! Microsoft's Continued Support of the PROTECT IP Act is Disgraceful*, The Next Web, (Dec. 26, 2011, 5:19 AM), <http://thenextweb.com/microsoft/2011/12/26/for-shame-microsofts-continued-support-of-the-protect-ip-act-is-disgraceful/> (shaming Microsoft, a corporate supporter of the bills).

n150. See Adrian Chen, *Knitters Outraged After U.S. Olympic Committee Squashes Knitting Olympics - and Disses Knitters*, Gawker (June 20, 2012, 5:44 PM), <http://gawker.com/5920036/us-olympics-committee-is-mad-at-knitting-olympics-for-denigrating-real-athletes?tag=olympics> (reproducing letter).

n151. See 36 U.S.C. § 220506 (2006).

n152. See Mary Mooney, *USOC Wins the Olympic Battle, but Ravelry Wins the War*, The Oregonian (June 27, 2012, 2:37 PM), http://blog.oregonlive.com/knitting/2012/06/usoc_wins_the_olympic_battle_b.html.

n153. See *For the Love of Ravelry* (forum), Ravelry, <http://www.ravelry.com/discuss/for-the-love-of-ravelry/2189293/1-25> (Ravelry account required) (including a moderator post observing users' anger: "If you cannot contribute in respectful manner then you need to find another place to post... If you guys can't reel it in, we'll have to. We will lock this thread permanently if it comes to that."); see also Chen, *supra* note 150; Will Oremus, *Mob of Angry Knitters Takes the Gold in Battle with U.S. Olympic Committee*, Slate (June 22, 2012, 3:52 PM), http://www.slate.com/blogs/future_tense/2012/06/22/ravelry_olympics_usoc_apologizes_to_online_knitting_community_over_trademark_crackdown.html; Mark Memmott, *After Knitters Get In A Twist, USOC Apologizes for 'Cease And Desist' Letter*, NPR (June 21, 2012, 1:55 PM), <http://www.npr.org/blogs/thetwo-way/2012/06/21/155508908/after-knitters-get-in-a-twist-usoc-apologizes-for-cease-and-desist-letter>.

n154. Statement from USOC Spokesperson Patrick Sandusky, Team USA (June 21, 2012, 12:07 PM), <http://www.teamusa.org/News/2012/June/21/statement-from-usoc-spokesperson-patrick-sandusky.aspx>.

n155. See Laura Hudson, *Jonathan Coulton Explains How Glee Ripped Off His Cover Song - and Why He's Not Alone*, Wired (Jan. 25, 2013, 3:21 PM), <http://www.wired.com/underwire/2013/01/jonathan-coulton-glee-song/>; see also Nicola Roberts, *A Collection of Covers*

Glee Borrowed from Other People, Livejournal (Jan. 25, 2013, 6:23 AM), <http://ontd-gee.livejournal.com/2513279.html>.

n156. 17 U.S.C. § 115(a)(2) ("A compulsory license includes the privilege of making a musical arrangement of the work to the extent necessary to conform it to the style or manner of interpretation of the performance involved, but the arrangement shall not change the basic melody or fundamental character of the work, and shall not be subject to protection as a derivative work under this title, except with the express consent of the copyright owner.").

n157. See Michele Catalano, Jonathan Coulton vs. Glee and Fox Update: Last Laughs, *Forbes* (Jan. 31, 2013, 8:17 PM), <http://www.forbes.com/sites/michelecatalano/2013/01/31/jonathan-coulton-vs-gee-and-fox-update-last-laughs/>.

n158. *Id.*

n159. See *supra* Part II.C.1.

n160. See *supra* Part III.A.1.

n161. See *supra* Part III.A.2.

n162. See generally Grinvald, *supra* note 72.

n163. See *id.* at 629-30.

n164. Jennifer M. Urban & Laura Quilter, Efficient Process or "Chilling Effects"? Takedown Notices Under Section 512 of the Digital Millennium Copyright Act, 22 *Santa Clara Computer & High Tech L.J.* 621, 636-37 (2006) ("Alleged infringers are subject to removal of

their expressive materials, not only before a judge reviews the complaint, but likely even before they receive notice of a complaint. Further, while they have the opportunity to send a counternotice, the material, once removed, must stay down at least 10-14 days according to the statute. The effect may be to substantially burden expressive and other individual rights. In the case of expressive materials, this could be especially significant: ten days to two weeks may greatly diminish the value of the call to a protest, the competitive price, or the newsworthy blog entry." (footnote omitted)).

n165. See *id.* at 628.

n166. See Posner, *supra* note 3, at 1790-92 (explaining how collective opinion can define good-type and bad-type behavior).

n167. Caroline Bankoff, *Reddit Co-Founder and JSTOR Hacker Aaron Swartz Commits Suicide*, N.Y. Mag. (Jan. 12, 2013, 12:50 PM), <http://nymag.com/daily/intelligencer/2013/01/jstor-hacker-aaron-swartz-commits-suicide.html>.

n168. See Aaron Swartz, *Sick, Raw Thought* (Nov. 27, 2007), <http://www.aaronsw.com/weblog/verysick>.

n169. Bankhoff, *supra* note 167.

n170. See, e.g., Lawrence Lessig, *Prosecutor as Bully*, Lessig Blog, v2 (Jan. 12, 2013) <http://lessig.tumblr.com/post/40347463044/prosecutor-as-bully> ("Here is where we need a better sense of justice, and shame. For the outrageousness in this story is not just Aaron. It is also the absurdity of the prosecutor's behavior.").

n171. See Satran, *supra* note 70.

n172. See Schultz, *supra* note 16, at 680.

n173. See generally Oliar & Sprigman, *supra* note 10.

n174. See Perzanowski, *supra* note 18, (manuscript at 40-43); see also Beasley, *supra* note 18, at 1149-50 (describing some tattoo artists' disapproval of a trade organization that undertook aggressive eBay takedowns).

n175. See Casey Fiesler, Note, Everything I Need to Know I Learned from Fandom: How Existing Social Norms Can Help Shape the Next Generation of User-Generated Content, 10 Vand. J. Ent. & Tech. L. 729, 752-54 (2008).

n176. Fagundes, *supra* note 19, at 1129-30, 1137-38.

n177. See Andrea Vanina Arias, Comment, Life, Liberty, and the Pursuit of Swords and Armor: Regulating the Theft of Virtual Goods, 57 Emory L.J. 1301, 1340 (2008) (discussing the ineffectiveness of shaming as a remedy for theft of intangible goods in communities where identity is anonymous or ephemeral).

n178. See Rothchild, *supra* note 66, at 967-68 (describing how punishment by shaming and banishment was ineffective in policing the LambdaMOO community when a punished wrongdoer could - and did - immediately rejoin the community post-punishment by using a different pseudonym).

n179. See Litowitz, *supra* note 45, at 55; Rothchild, *supra* note 66, at 968.

n180. See Gallagher, *supra* note 136, at 494-95 (noting that some rights holders have a strong aversion to publicity surrounding enforcement activities, while others "relish their reputation for being an aggressive IP enforcer").

n181. See Maibom, *supra* note 24, at 569-71; see also Posner & Rasmusen, *supra* note 3, at 374.

n182. Cf. Posner & Rasmusen, *supra* note 3, at 374 ("If the violator ... anticipates no bad effects on him from the reception of the criticisms by other people, the criticisms will fail as sanctions for the criticized act.").

n183. See Morganstern, *supra* note 67, at 195-97 (discussing mixed effectiveness of collective shaming action in influencing Facebook privacy policies).

n184. See, e.g., Memmott, *supra* note 153 ("Early Reactions to the Apology Aren't Positive").

n185. See Litowitz, *supra* note 45, at 56.

n186. See Posner, *supra* note 3, at 1791-92, 1804, 1813 (discussing unpredictability of shaming as an enforcement mechanism); see also Steven A. Hetcher, Norm Proselytizers Create a Privacy Entitlement in Cyberspace, 16 Berkeley Tech. L.J. 877, 879-80 (2001).

n187. See Raffaele Rodogno, *supra* note 3, at 434 (discussing relationship between humiliation and negative effects in connection with shaming penalties).

n188. For example, Ravelry could not exert control over its members' outraged and angry responses.

n189. Posner & Rasmusen, *supra* note 3, at 380.

n190. See McAlinden, *supra* note 78, at 374 (discussing the disintegrative effects of naming and shaming sex offenders).

n191. See Tangney et al., *supra* note 40, at 709 (discussing studies, including 2007 correlational study of 652 tax evaders).

n192. Ullmann-Margalit, *supra* note 44, at 435 (citations omitted) (internal quotation marks omitted).

n193. See, e.g., deadfrogcomedy, Judd Apatow vs Denis Leary: Is This Joke Stealing, YouTube (July 16, 2008), <http://www.youtube.com/watch?v=zUU3LvsOxM>; deadfrogcomedy, Whose Joke Is It? Carlos Mencia? D.L. Hughley? George Lopez?, YouTube (Feb. 19, 2007), <http://www.youtube.com/watch?v=kPuuVE7KOA>.

n194. Rothchild, *supra* note 66, at 965-66 (describing collateral damage from vigilante over-enforcement of spam norms on Internet bulletin boards); see also Whitman, *supra* note 3, at 1059.

n195. See Doctorow, *supra* note 149 (shaming legislators who supported the bills); see also Gibbs, *supra* note 149 (shaming websites that did not participate in public demonstration against bills); Wilhelm, *supra* note 149 (shaming a corporate supporter of the bills).

n196. See generally Daniel J. Steinbock, Designating the Dangerous: From Blacklists to Watch Lists, 30 Seattle U. L. Rev. 65 (2006) (discussing dangers of blacklisting and watchlisting). I understand that by criticizing shaming as a tool for encouraging IP forbearance and preventing overreaching IP assertion, I am postulating a market failure of sorts - arguing that "more information" may not always be better. And to the extent that shaming disseminates accurate information about shaming targets, it is hard to dispute that it may help consumers make informed decisions. That, in itself, would be a benefit of shaming, if it were true. It may not be: the public may over-or undervalue shaming information, and may reach a point of "information overload" when presented with complete information. But even assuming that the consuming public absorbs information perfectly, shaming may generate negative externalities, including disproportionate, unpredictable, or perverse reactions from the shamed targets.

n197. See Urban & Quilter, *supra* note 164, at 642 (reporting analysis of Chilling Effects submissions).

n198. See, e.g., Cliff Edwards et al., Sony Caught Up in Cyber War with Indignant Hackers: Company with Security Once Considered 'Robust' Now Dealing with Constant Breaches, Charleston Daily Mail (May 30, 2011), available at <http://www.highbeam.com/doc/1P2-28794321.html>; Internet Strikes Back: Anonymous' Operation Megaupload Explained, RT.com (March 7, 2012, 12:28 PM), <http://rt.com/usa/anonymous-barrettbrown-sopa-megaupload-241/>.

n199. Jaffe, *supra* note 27, at 95-96.

n200. *Id.* at 96.

n201. See Rosenblatt, *supra* note 99, at 348-50; see also Elizabeth L. Rosenblatt, Intellectual Property's Negative Space: Beyond the Utilitarian, 40 Fla. St. U. L. Rev. 441, 447 (2013).

n202. This is consistent with research showing that cooperative (coordination) norms arise organically when they suit collective needs. See Hetcher, *supra* note 186, at 902-03.

n203. See *supra* Part III.A.1.

n204. Here, I am referring to communities in which the members are likely to interact with each other.

n205. See Dreyfuss, *supra* note 112.

n206. See generally Jeremy A. Schachter, That's My Joke ... Art ... Trick!: How the Internal Norms of IP Communities Are Ineffective Against Extra-Community Misappropriation, 12 Va. Sports & Ent. L.J. 63 (2012).

n207. See Fiesler, *supra* note 175, at 752-54.

n208. See *id.*

n209. In 2012, for example, the estate of Marion Zimmer Bradley sued fan-author Mary Battle, asserting that her works infringed the author's copyrights and trademark rights. Complaint for Copyright and Trademark Infringement at 3-4, *Marion Zimmer Bradley Literary Works Trust v. Battle*, No. 3:12-cv-00073 (N.D. Cal. Jan. 5, 2012). The same estate contacted the Organization for Transformative Works' "Archive Of Our Own," asserting that noncommercial fan fiction stories posted there infringed Bradley's trademark and copyright rights. See Email from Ann Sharp, Tr., Marion Zimmer Bradley Literary Works Trust, to Rebecca L. Tushnet, Professor of Law, Georgetown University Law Center (Sept. 26, 2012) (on file with author).

n210. See 17 U.S.C. §§101, 107 (2006).

n211. See, for example, the FreeSherlock campaign waged against the Arthur Conan Doyle Estate's threats against transformative authors, based upon expired copyrights. See Free Sherlock!, <http://www.free-sherlock.com> (last visited Sept. 24, 2013).

n212. See Gallagher, *supra* note 136, at 495-96 (describing attorney's consideration of norms and shaming in deciding whether to assert rights against fan sites).

n213. For a helpful explanation of anti-SLAPP (Strategic Lawsuit Against Public Participation) statutes, see Irina D. Manta, *Bearing Down on Trademark Bullies*, 22 *Fordham Intell. Prop. Media & Ent. L.J.* 853, 862 (2012).

n214. See Armendariz, *supra* note 143, at 1277-78 (relating a story about how Ford's social media maven Scott Monty responded to shaming by backing away from trademark over-enforcement).

n215. See, e.g., Henry Blodget, *Apple Sues Samsung for 'Slide-to-Lock' and Other Ludicrous iPhone Patent Violations*, *Business Insider* (Feb. 12, 2012, 8:46 PM), <http://www.businessinsider.com/apple-sues-samsung-for-slide-to-unlock-2012-2>; Mark Gibbs, *Apple's Ridiculous Patent*, *Forbes* (July 27, 2012, 4:45 PM), <http://www.forbes.com/sites/markgibbs/2012/07/27/apples-ridiculous-patent/>; Ryan Moore, *Apple Bullying Samsung Some More [Patent]*, *Android Coliseum* (Dec. 29, 2012, 11:21 AM), <http://www.androidcoliseum.com/2012/12/apple-bullying-samsung-some-more-patent.html>; Aleksi Tzatzev, *The 'Magic Glove' and 8 Other Ridiculous Inventions Patented by Apple*, *Business Insider* (Oct. 20, 2012, 11:00 AM), <http://www.businessinsider.com/9-of-apples-strangest-patents-2012-10?op=1>.

n216. See, e.g., #FightTheMonster, HackettandTiger.com (Aug. 10, 2012), <http://hackettandtiger.com/fightthemonster/>; Mike Masnick, Monster Energy Drink Hires Trademark Bully To Go After Beverage Review Site, TechDirt (Oct. 19, 2009, 12:15 PM), <http://www.techdirt.com/articles/20091019/0420536584.shtml>; Nicole Putnam, Monster Energy Company: Stop Trademark Bullying MonsterFishKeepers.com!, Change.org, <http://www.change.org/petitions/monster-energy-company-stop-trademark-bullying-monsterfishkeepers-com> (last visited Sept. 24, 2013) (online petition).

n217. See *supra* Part III.B.1.

n218. See *supra* Part III.B.2.

n219. The benefits and drawbacks of such approaches are beyond the scope of this Article; I only suggest that, considering their relationship with anti-bully shaming, they are worth considering.

n220. See Copyright Law of the People's Republic of China, State Intellectual Property Office, http://english.sipo.gov.cn/laws/relatedlaws/200804/t20080416_380362.html ("Anyone who commits any of the following acts of infringement shall bear civil liability for such remedies as ceasing the infringing act, eliminating the effects of the act, making an apology or paying compensation for damages, depending on the circumstances ..."); see also Anne M. Wall, Intellectual Property Protection in China: Enforcing Trademark Rights, 17 Marq. Sports L. Rev. 341, 362 (2006) (describing Chinese formal copyright remedy of apology, which "brings with it the significant social stigma of shaming," and noting that Chinese courts have increasingly included the apology remedy in orders); Peter K. Yu, From Pirates to Partners: Protecting Intellectual Property in China in the Twenty-First Century, 50 Am. U. L. Rev. 131, 187 n.312 (2000) (describing public shaming as a remedy that may be "unconventional" to the American audience but has the potential to be very effective). As a generalization, however, Chinese culture is thought to be considerably more concerned with reputation and loss of "face" than American culture, and therefore, the threat of official censure may not be as effective a deterrent of behavior in the United States as it is in China. See Heidi Hansen Kalscheur, Note, About "Face": Using Moral Rights to Increase Copyright Enforcement in China, 39 Hastings Const. L.Q. 513, 524 (2012).

n221. See Burk & Lemley, *supra* note 131, at 1577 (2003).

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CONTENT: SOCIAL NETWORKS AND THE LAW: SOCIAL MEDIA AMPLIFY CONSUMER INVESTMENT IN TRADEMARKS*

*© 2012 Deborah R. Gerhardt.

NAME: Deborah R. Gerhardt**

BIO: ** Assistant Professor, University of North Carolina School of Law. I am grateful for thoughtful feedback from Michael J. Gerhardt, Eric Goldman, Mark Lemley, Mary-Rose Papandrea, Meredith Wilkes and the participants in the North Carolina Law Review Symposium on Social Networking and the Law. Thanks to John Dougherty, Jeremy Fairfield and Charlie Hiser for excellent research assistance.

LEXISNEXIS SUMMARY:

... To distinguish between these two concepts, this Article will use "social media" to refer to website services that offer individuals other than the brand owners a platform for participating in conversations about brands. ... As the Internet creates new opportunities to use brands for expressive and informational purposes, courts sometimes find themselves stuck in a pre-Internet box of brand perception in which the trademark owner is thought to have exclusive rights to control the brand by stamping out all unauthorized uses, especially those that involve commercial transactions. ... This legislation substantially broadened opportunities for stopping the unauthorized use of trademarks, because no longer was consumer deception - or even confusion - a predicate for trademark liability. ... The quick demise of Disney's "SEAL Team 6" trademark applications provides a fascinating insight into how social networking has shifted the trademark balance of power. ... Social media forces them to let go of that myth as brand reliance on consumer investment becomes more open than ever before, and brands become linked with many stories authored by consumers and other brand owners. ... By creating a page on Facebook, a corporate brand owner like Tupperware can benefit from both the narrative of a cool social media brand like Facebook and its membership base. ... Social media also provide consumers with easily accessible opportunities to use brands for favorite products and services as ties in social networking.

HIGHLIGHT:

New ways to use brands in social media are pressuring traditional conceptions of trademark law. Contrary to much trademark doctrine, every brand is built by a community, not by its proprietor alone. I previously described this phenomenon as consumer investment in trademarks. Internet technology amplified the effects of the consumer investment model, enabling consumers to gain more power over the marks of others. This Article shows that social media have turned the volume of consumer voices up another notch and explores the consequences for trademark law. Sites like Facebook offer consumers a platform for the expression of personal identity through trademark preferences. Social media also give consumers unprecedented power to affect brand value by publishing positive and negative

commentary. If corporate brand owners want to take advantage of social media, they must let go of much of their control by opening their brands to constant consumer feedback. This trend is changing traditional notions of what it means to acquire goodwill in a mark. Brand owners no longer work alone to craft the story of a trademark. Instead, modern brand narratives are written in collaboration with consumer communities. This new trend of trademark co-authorship through social media will require rethinking some entrenched concepts of trademark law. Ironically, one way for trademark owners to reassert control of their story is by linking their brand narrative to marks belonging to others. This phenomenon occurs every time one brand owner tells its audience to "like it" on Facebook or "follow it" on Twitter. In social media, many brand owners use the marks of others for commercial benefits without express authorization. The ubiquity of this trend requires rethinking when unauthorized uses should result in trademark liability. New social media norms will require tolerance of expressive, informational and even some commercial use of marks that happen without the owner's permission. Consequently, social media are creating multiple challenges for everyone attempting to apply trademark doctrine to new practices in cyberspace.

TEXT:
[*1492]

Introduction

Social media have set a stage for a chorus of new voices to contribute to trademark meaning. In early 2011, the Tupperware Brands Corporation ("Tupperware") created a Facebook page to promote an image of environmental sustainability and good citizenship.ⁿ¹ It promised to donate a dollar to the Boys and Girls Clubs of America every time a Facebook member clicks on an icon to show she "likes" its page.ⁿ² It also provided a discussion forum for public comments - both positive and negative. Instead of relying on its marketing department and sales representatives to tout its message, Tupperware invited consumers to participate in rewriting a modern version of its brand narrative. In an effort to steer the [*1493] direction of this message, Tupperware used two marks belonging to others (Facebook and the Boys and Girls Clubs) to bolster its image. This example illustrates new online norms that are pressuring traditional trademark doctrine to change. This pressure is bound to increase as across the Internet, more and more social media sites reflect a profusion of similar uses.

Much trademark doctrine leans too heavily on the assumption that brands are created by trademark owners and imposed on a silent and easily confused public audience. The consumer investment model offers a different perspective.ⁿ³ With this balancing tool, trademark doctrine can be brought back in line with commercial reality. Because so many brands fail, the model is built on the foundation that consumers must invest a mark with meaning and resources (like time, creative energy and money) in order for a brand to succeed. Because of this investment, the model provides that consumers should be entitled to some return, at least in the form of a safe zone to use the marks they helped create as informational tools.

The Tupperware example demonstrates that the model can now be extended further. In addition to openly recruiting consumer participation in the brand narrative, other brands are referenced to update the Tupperware story. Facebook is used to modernize and "coolify"ⁿ⁴ the products, and as a platform for telling an energy efficient story. The Boys and Girls Clubs give Tupperware's reputation a charitable dimension and invites the ethic of generosity into its community. In this way, corporations are acting more and more like consumers. To build a personal reputation, individuals have always relied on brands, such as the names of the schools we attended. Now, through social media, many personal brand preferences have become part of our online reputations. Modern corporate branding mimics this consumer trend, and we see many organizations like Tupperware using the brands of others to bolster their image, grow their community, sell their products and positively affect their brand value. Much of this piggy-backing on other brands in social media occurs without express permission. This trend requires rethinking notions of trademark law thought to require brand owners to police their mark and stop all unauthorized brand uses, especially those that result in a commercial benefit to a person who uses a brand without its owner's permission.

[*1494] Part I first defines the terms "social media" and "social networking" as used in this analysis. Next, it briefly outlines how the expansion of trademark doctrine led to creation of the consumer investment model as a mechanism to keep consumer interests in play when trademark issues are decided. It also shows that the model is more relevant than ever as online social networks amplify consumer power over brands. Previously, marketing departments viewed consumers as a passive audience to their carefully controlled brand narrative trumpeted over television, radio or print advertisements. Now, consumer participation is essential to the rise and fall of a brand. Even the richest corporate brand owners cannot escape the effects of consumer power of brands in social media. Part I illustrates this new dynamic through the short life of Disney's "SEAL Team 6" trademark applications. After that, Part I explores how social networking on the Internet creates new opportunities for consumers to invest in brands. It demonstrates how consumers are using brands in new ways, such as props to bolster their reputation in online profiles. As we will see in the following Part, individuals are not the only ones using the brands of others in social media.

Part II shows how corporate brand owners are permitting consumers to help write their brand stories through social media. Brand owners are acting just like consumers, using the brands of others to bolster their corporate reputations and connect with their audience. Many of these commercial uses of third-party brands are unauthorized. Consequently, the nature of online social networking has resulted in brand owners being forced to loosen control over a wide array of trademark use.

Part III explains how these new trends will affect trademark law. As consumer investment in trademarks expands through social media, courts will be confronted with the task of rethinking trademark doctrine that is premised on trademark owners having sole control of the brand narrative. The multitude of unauthorized uses of brands in social media will require a re-examination of the duty to police. It should also prompt reflection on the scope of actions that may be the subject of trademark infringement liability. If the trademark litigation docket is to be kept within reasonable bounds, these new norms will require toleration of consequential expressive, informational and even some commercial use of marks that are not authorized by brand owners. Trademark law would benefit substantially from a clear statutory safe harbor exempting unauthorized uses that communicate truthful information.

[*1495]

I. Social Media and Consumer Power over Brands

Before turning to social media and the consumer investment model, it will be useful to situate the discussion within the larger framework of social network analysis that is used to study connections among individuals and groups in society. ⁿ⁵ This structural approach preceded the Internet by decades. ⁿ⁶ It gave us the famous small world phenomenon, better known as six degrees of separation. ⁿ⁷ This idea of the close connectedness of distant individuals seemed much more startling in the pre-Internet environment. Social scientists apply social network analysis in fields as diverse as epidemiology, software development and economics. ⁿ⁸ These studies describe social networks as composed of "nodes" connected by "ties." ⁿ⁹ The nodes may be individual people or groups such as a corporation, government body or a community. ⁿ¹⁰ The ties can consist of anything that flows between individuals or groups. ⁿ¹¹ A tie can be a good, a service, information, friendship, a technological tool, such as a website, or a brand.

Not all participants in a social network act in the same way. Ties tend to be "asymmetrically reciprocal," meaning that the content and intensity on each side of the tie is generally different. ⁿ¹² For example, when friendship is a tie between two people, one person may be more deeply attached than the other. Similarly, when two people (nodes) use an Internet social network site like Facebook as a tie, one person may communicate more than the other, making the relationship asymmetrically reciprocal. When brands act as ties, the trademark owner may invest more resources in repeating a consistent story and may contribute more to the conversation than any other individual. Despite this asymmetry, consumers continue to serve as nodes in the social network, building ties with each other and the brand owner by contributing stories to the brand narrative. Although the ties may be asymmetrically reciprocal, sometimes, as seen in the SEAL Team 6 [*1496] example below, the aggregate effect of individual contributions in a social network may have a decisive effect on a mark.

In current popular discourse, the term "social network" has developed a different meaning from that used by social scientists. Dictionary.com defines it as "Any website designed to allow multiple users to publish content themselves."ⁿ¹³ To distinguish between these two concepts, this Article will use "social media" to refer to website services that offer individuals other than the brand owners a platform for participating in conversations about brands. "Social media" will include services like Facebook, Twitter and Google+ that allow individuals to use brand preferences as props in constructing their online reputations. Social media will also encompass online stores (like Amazon.com and eBay) and review sites (like CNET) that enable consumers to form ties through brands by sharing comments about products and services. The term "social network" will be used to refer to a system that links groups or individuals through ties. The discussion will focus on the role of trademarks as ties and pay particular attention to how trademarks function as ties when consumers use them to share information over the Internet. While "social network" will be broad enough to embrace all interpersonal connections that use trademarks as ties, the term "social media," as defined here, requires a connection to cyberspace.

Corporate reputation is deeply embedded in brand perceptions. Therefore, trademark owners do what they can to control the qualities and stories associated with their trademarks. To protect the value of this intellectual property, trademark claims are often asserted to prevent harm from unauthorized use. As the Internet creates new opportunities to use brands for expressive and informational purposes, courts sometimes find themselves stuck in a pre-Internet box of brand perception in which the trademark owner is thought to have exclusive rights to control the brand by stamping out all unauthorized uses, especially those that involve commercial transactions.ⁿ¹⁴ This view is premised on the doctrinal assumption that brand value is solely created by the trademark owner.ⁿ¹⁵

[*1497] The consumer investment model is predicated on the idea that trademarks are frequently used as ties to create and maintain social connections.ⁿ¹⁶ This phenomenon is not new. Nonetheless, the Internet has created many new opportunities for social networking using trademarks as ties. In view of these recent trends and in deference to the current lay meaning of social networks, this analysis will focus on the effects that Internet-based social networking has had on trademark practices and how these new practices are likely to influence trademark law. Many of the examples will come from Facebook because by 2011, it became the most used social media site.ⁿ¹⁷

A. The Consumer Investment Model Is Needed To Shrink Bloated Trademark Doctrine To Conform with Contemporary Marketing Practices

Until the 1920s, federal trademark rights extended only so far as necessary to protect unfair competition that led to consumer confusion.ⁿ¹⁸ Such a view permitted use of the same brand on non-competing products or services if the context made it clear that they came from different sources.ⁿ¹⁹ Under the old trademark regime, a bail bondsman named James could sell his services as "James Bond" with little risk of liability. Because the bail bondsman does not compete with the novel and movie franchise, consumer confusion would not be likely. Beginning in the 1920s, courts expanded the foundation for trademark liability to include confusion about sponsorship or affiliation.ⁿ²⁰ The Lanham Act codified both bases as grounds for infringement.ⁿ²¹ Under this broader standard, the bail bondsman has a much more difficult time disproving consumer confusion. Still, he might escape liability because the services he offers are so different from Ian Fleming's novels and films that consumers would not believe they are affiliated.

[*1498] Because liability in such cases turned on unpredictable consumer perceptions, practical certainty was elusive. The likelihood of succeeding in trademark litigation was difficult to predict. It also became difficult to advise clients about the risks of registering trademarks with the United States Patent and Trademark Office ("USPTO") because likelihood of confusion with another mark was a bar to registration.ⁿ²² Discontent with the uncertainty of liability based on consumer confusion, corporate America lobbied for broader trademark protection.ⁿ²³ Congress responded with new legislation. In 1995, it enacted a federal dilution law to protect famous marks against uses that diminished their distinctiveness.ⁿ²⁴ In 1999, Congress created liability for cybersquatting so that an Internet domain name could be seized and transferred to the brand owner if it incorporated a trademark in bad faith.ⁿ²⁵ This legislation substantially broadened opportunities for stopping the unauthorized use of trademarks, because no longer was consumer deception - or even confusion - a predicate for trademark liability.ⁿ²⁶ Trademark doctrine began to tip so far in favor of

brand owners that courts began to find liability from all sorts of unauthorized uses of marks, especially if such uses resulted in a commercial benefit.ⁿ²⁷

If someone begins offering "James Bond" bail bond services in 2012, he may still escape liability for trademark infringement if consumer confusion is not found, but he would have a much tougher time avoiding liability under the federal dilution statute because his business could be found to lessen the distinctiveness of the famous James Bond marks.ⁿ²⁸ If he used the name "James Bond" in his [*1499] website's domain name, he would risk liability for cybersquatting.ⁿ²⁹ With dilution and cybersquatting as part of a trademark owner's arsenal of weapons to protect brands, mark owners have much more power to silence unauthorized uses even if those uses do not in any way diminish sales of their products or services. In view of this trend, balancing forces are needed to preserve the rights of non-mark owners to use brands for descriptive, informational and expressive purposes.

Toward this goal, I proposed the consumer investment model in 2010 as a theoretical framework for bringing consumer interests back into trademark law.ⁿ³⁰ The model demonstrates that because consumers invest marks with meaning and economic value, trademark law should provide them with a return in the form of permitted uses.ⁿ³¹ At a minimum, it supports a view of trademark law that gives consumers the freedom to use marks to express themselves and find information.ⁿ³² Consumers contributed to trademark value long before social networking on the Internet became ubiquitous. The phenomenon has exploded in the twenty-first century. Internet-based social networks are creating whole new areas of unauthorized use, and in doing so, provide interesting new applications for the consumer investment model.

Social media have given consumers unprecedented opportunities to saturate trademarks with new meaning. Empowered by Internet technology, consumers can infuse a brand with buzz, investing it with magnetism and economic value, or they can force a trademark into oblivion even against the wealthiest content owners.ⁿ³³ One commentator observed that "the separate nature of many brand relationships - the 'them' and 'us' - is obsolete."ⁿ³⁴

B. Consumer Criticism on Social Media Convinces Disney To Withdraw "SEAL Team 6" Trademark Applications

The quick demise of Disney's plans for the "SEAL Team 6" mark provides an excellent example of how social networks are facilitating unprecedented public power over brands. A brief look at [*1500] the historical moment in which Disney filed the application is necessary to understand why the life of this trademark was so short. On May 1, 2011, President Obama announced the assassination of Osama bin Laden in Pakistan and his burial at sea.ⁿ³⁵ The American reaction to the death of bin Laden was spontaneous, jubilant and patriotic.ⁿ³⁶ In Washington, D.C., people gathered on Pennsylvania Avenue in front of the White House to shout "U-S-A!"ⁿ³⁷ At the time of the announcement, the Philadelphia Phillies were in the ninth inning of a game against the New York Mets when the crowd began to chant "U-S-A" and did not stop until the game was over.ⁿ³⁸ At the site of the former World Trade Center towers in New York, a crowd gathered to sing "God Bless America," and someone remarked how throughout this event, "everyone was uniting."ⁿ³⁹

The moment was unusual. In a harshly divided political climate, agreement on this issue transcended political differences. Although not all Americans celebrated the death of bin Laden or thought it was handled appropriately, public opinion polls showed near unanimous support for the military action. USA Today and the Gallup Corporation found that "overwhelming majorities of all subgroups of the American population approve of Sunday's action [death of bin Laden], including 97% of Republicans and 95% of Democrats."ⁿ⁴⁰ A Washington Post/Pew Research poll showed that "nearly all Republicans (96%), as well as 82% of Democrats and 88% of independents give the military a great deal of credit."ⁿ⁴¹

[*1501] The covert fighting forces of the United States Navy are known as SEAL Teams.ⁿ⁴² Since the 1960s, the Navy created different numbered SEAL teams to handle especially dangerous missions.ⁿ⁴³ Because their missions are so highly classified, the unit names and the identities of the members who belonged to them were closely guarded secrets.ⁿ⁴⁴ The team that carried out the mission against bin Laden was from the elite unit known as SEAL Team 6.ⁿ⁴⁵

Before 2011, the Navy never publicly acknowledged the existence of these special forces. Off the public radar, they trained intensely and carried out the most dangerous covert military operations. ⁿ⁴⁶

On May 2, 2011, the news media reported that SEAL Team 6 conducted the bin Laden mission, and the nation learned the unit name for these anonymous heroes. ⁿ⁴⁷ On May 3, 2011, Disney Enterprises, Inc. filed three federal trademark applications stating it intended to use the mark "SEAL TEAM 6" for educational and entertainment services, ⁿ⁴⁸ clothing, ⁿ⁴⁹ toys, games, Christmas Tree ornaments and stockings. ⁿ⁵⁰ By May 14, 2011, the news media found Disney's trademark applications and pounced on them. ⁿ⁵¹ In response to a short piece about the trademark application published by the Huffington Post on May 14, 2011, over 900 readers posted comments, and over 43,000 people indicated through Facebook that they "liked it." ⁿ⁵² On May 16, 2011, Jon Stewart reported on The Daily Show:

[*1502]

Putting a trademark on Seal Team 6, it's like trying to copyright the guys who stormed the beaches of Normandy, or the Statue of Liberty, or putting a patent on Patton; it belongs to all of us, not to mention Disney filed this claim only two days after the story was released. ⁿ⁵³

Immediately, the story went viral. The Daily Show sent out two messages on Twitter, and 148 people republished them in their own Twitter feeds. ⁿ⁵⁴ By July 13, 2011, The Daily Show's SEAL Team 6 segment had been viewed 94,000 times. ⁿ⁵⁵

The reaction to the trademark applications reverberated through traditional media as well. On May 19, 2011, a newspaper editorial in the Washington Times characterized Disney's "SEAL Team 6" trademark applications as greedy and unpatriotic and argued that "the patent office ought to reject this crass and unpatriotic attempt to convert such noble sacrifice into tawdry knickknacks." ⁿ⁵⁶ Public outrage fueled the critical fire. On a news website, Disney was criticized with comments such as, "I certainly hope they fail in this effort. Disney has NO business cashing in on what our brave men and women do for pennies a month." ⁿ⁵⁷ Another post read: "Disgraceful action by Disney to turn a real crisis in America to a form of entertainment on the screen. We are at war!! Dumb. This is not a game!!" ⁿ⁵⁸ By May 26, 2011, seven different Facebook pages or groups advocated a boycott of Disney in reaction to the trademark **[*1503]** applications. ⁿ⁵⁹ One person commented on Facebook that "if anyone should profit from the heroic work of our military, it should be the military families and retired service members - not a soulless and clearly tasteless multinational corporation." ⁿ⁶⁰ A critical Fox News report did not permit comments but had over 6,000 "likes" on Facebook. ⁿ⁶¹ A Wall Street Journal article featured comments showing anger over the greed and arrogance of Disney and prompted over 2,000 "likes" on Facebook. ⁿ⁶²

On May 13, 2011, the Navy applied to register "SEAL Team" as a collective mark indicating membership in "an organization of the Department of the Navy that develops and executes military missions involving special operations strategy, doctrine, and tactics." ⁿ⁶³ The Disney trademark application still may have matured to registration because the Navy's collective mark did not involve the sales of any goods or services, and therefore the USPTO may have found that confusion was not likely. ⁿ⁶⁴ Nonetheless, on May 25, 2011, Disney withdrew its trademark applications for "SEAL Team 6." Disney claims that it took this action "in deference to the Navy's application." ⁿ⁶⁵ However, if it were truly concerned about the Navy's interests, it would not have filed the applications at all. The historical record suggests that consumer perceptions influenced Disney's decision. The USPTO database indicates that Disney has filed over 4,700 trademark applications. ⁿ⁶⁶ For one reason or another, Disney **[*1504]** eventually abandoned over 2,290 of them. ⁿ⁶⁷ Only 15 of these 2,290 applications were abandoned within six months of the application date, and only five (including the three SEAL Team 6 marks) were abandoned within three months. ⁿ⁶⁸ These facts demonstrate that it is highly unusual for Disney to abandon a trademark application so quickly. A Nexis search for all six of the quickly abandoned marks showed media reports about the "SEAL Team 6" marks, but none of the others. ⁿ⁶⁹ This information suggests that the "SEAL Team 6" applications mark the first time that Disney withdrew trademark applications so quickly in response to significant public pressure. Such a media storm over a trademark application never happened to Disney before the age of social media.

The quick demise of Disney's "SEAL Team 6" trademark applications provides a fascinating insight into how social networking has shifted the trademark balance of power. Criticism for mark owners is nothing new. But social media not only work as a mirror of public perception, they are a perfect platform for spreading critical fire. Social media can amplify consumer voices like nothing we have seen before. The intensity of the criticism on popular social media sites like Facebook spread the story and made it possible for many consumers to express their contempt.

This dynamic can benefit brand owners like Disney if they are listening and care what their audience thinks. By responding to consumer criticism, they empower consumer voices and recreate the brand as a focal point for a real interactive community. Not wanting to alienate a broad audience, Disney realized that abandoning the "SEAL TEAM 6" trademark applications was necessary in order to stop the negative narrative. In this way, consumers steered a huge corporation in a different direction. That power could not have been exerted without Internet search technology to find the information in the first place and social media to reflect strong public criticism and immediately communicate this message to Disney.

[*1505] Not long ago, trademark applications for future products were seen only by trademark lawyers. In the twenty-first century, Internet search technology has made them easy for anyone to find, and social media have made them potential targets for public comment. As a result, brand owners are confronting something they have never seen before. Even before a product is launched, consumers can publish their immediate reaction to a brand, and public perception can prompt a takedown. In the sections that follow, I will explore how this dynamic affects existing brands as well. Social media hold vast potential to facilitate public organization around brand meaning. Consumer investment in trademarks has become such a powerful force that even coffers as rich as Disney's are not enough to create a protectable trademark when public opinion demands a different result.

C. Social Media Provide New Ways for Consumers To Invest in Trademarks

Trademarks are repositories of meaning that consumers use to construct a sense of personal identity and reputation.ⁿ⁷⁰ By listing schools and employers in resumes, we rely on brands to communicate qualifications. The marks signal specific messages about individual talent and experience. It is not just the Ivy League education that students may want when they apply to an elite college or graduate school. They (and their parents) know that an Ivy League brand in a resume will reap professional benefits for the rest of their lives. Before the Internet, these educational brands were especially important in a printed resume distributed on fine quality paper at moments of professional or educational transition. Through online profiles, these brands are always present on professional websites and in social media sites like Facebook. To the consumer, they have become more valuable, serving as a constant and efficient means to display credentials and reconnect with former classmates and colleagues.

In this way, social media sites expand the resume effect of using brands to define one's sense of self and construct a public persona. In addition to efficiently transmitting information about schools attended and employers, social media provide users with opportunities to create a much more detailed public profile. Many of the meaningful details are provided by trademarks. Brands serve as [*1506] permanent ties on social media sites, creating constant opportunities to connect with people who attended our schools or worked for the same employers long after those institutions are no longer part of our daily lives.

Social media also provide a stage for public demonstration of private preferences. Most of my friends do not know my preferred charities or that I carry Burt's Bees lip balm in my bag, but they will find out if I "like" these brands on Facebook because these preferences would become part of my online profile. With social media, even the private act of reading links personal reputation with corporate brands. When a user posts a link to an article, she sends a message about the quality and perspective of information she prefers. The Internet provides potential employers with a host of publicly available information, including brand preferences, outside the scope of what job applicants choose to include on their resumes.ⁿ⁷¹

In a world with social media, we routinely choose many brands to construct our personal reputations in addition to

those that appear on our formal resumes. Trademarks have historically facilitated social networking by providing consumers with symbols they can use to connect to a community with similar preferences. For a Beatles fan, the band's name gives him an informational tool to find books, music and merchandise. He might also use the mark expressively to show his appreciation and loyalty. If he bought licensed merchandise, like a T-shirt or bumper sticker, his expression will echo the brand owner's message. Alternatively, he may print a T-shirt with the message "Still Pissed at Yoko." He may display a Beatles bumper sticker on his car or have the band's name tattooed on his body. Generally, these expressive uses require him to make a purchase and then communicate his passion for the Beatles by displaying his allegiance. Without going on the Internet, his message will be heard only by those who see him in person.

Social media have empowered consumers to use trademarks to gain more information, make a broader expressive impact and connect to a larger, more dispersed community. With the click of a mouse, the Beatles fan may indicate on Facebook that he "likes" the band. This stated preference automatically becomes part of his personal profile. In January 2012, the Beatles Facebook page had [*1507] 23,751,315 fans.ⁿ⁷² In becoming fans, these Facebook members took a bit of the Beatles magic and made it part of their own online image. In this way, social media provide an unprecedented platform for anyone to create a public persona using brands as props. In social media, the brand can be recruited as a powerful tie in seconds without buying anything. If a Beatles fan posts a message on the official page, his thoughts will be accessible by a much larger audience than he encounters in his daily life. This use of brands occurs repeatedly by consumers seeking to connect to a much broader community linked by a common interest in a trademarked product or service. In the realm of social media, a consumer does not have to buy anything to use the mark of another to make these connections and bolster his online reputation.

Long distance friends, family and business associates may not see us often enough to keep up with our brand preferences, but Facebook has changed all that. For example, the Beatles fan may meet professional acquaintances at a conference and not have the opportunity to share musical tastes. Ties may be cultivated through social media and brands after everyone returns home. In an effort to extend his professional network, he may become Facebook friends with these new contacts. If he has joined the Beatles community on Facebook or uses Twitter to spread Beatles news, his new acquaintances will learn something important about his personal life that he has chosen to broadcast as part of his public persona. And they do not need to go to the trouble to look at his profile. His preferences will be accessible on the friends' news feed as he circulates updates. His appreciation for the band will also be apparent to his Facebook friends if they visit the Beatles page because his photo will be displayed in the margin along with a those of any other friends who also like the Beatles.

A major difference between social networking in physical space and cyberspace is the vast potential opportunity for consumers to create communities linked by brand preferences.ⁿ⁷³ The Internet gives consumers the ability to reach beyond their close circle of friends and family to build networks among acquaintances and strangers based on [*1508] common interests.ⁿ⁷⁴ Many of these communities use brands as "social glue," connecting consumers to each other through social media.ⁿ⁷⁵ Not all of these pages are consumer controlled. Some Facebook group sites that appear to be consumer driven are actually controlled by the brand owner. Pages for branded products may be created by any Facebook user, but only an "authorized representative" of the brand may contribute content to them.ⁿ⁷⁶

However, the Internet does enable consumers to share ideas about brands that trademark owners would never authorize. Facebook permits users to organize a boycott of a branded product and express one's allegiance to the protest. In the wake of the BP oil spill in the Gulf of Mexico, hundreds of thousands of Facebook users took the time to "like" a Boycott BP site.ⁿ⁷⁷ Those who visit it will see an array of critical consumer commentary and links to relevant news articles. This site empowers critical consumers to show that a decade of resources sunk into crafting the BP brand as environmentally friendly was destroyed as the Gulf Oil disaster unfolded, and its "green positioning was revealed as nothing more than a marketing game."ⁿ⁷⁸

Consumer investment in trademarks is growing through the use of online social media. Social media create new platforms that intensify "participatory, collaborative, and socially-linked behaviors whereby consumers serve as creators and disseminators of branded content."ⁿ⁷⁹ None of these themes would emerge without the participation of brand

owners themselves. The next Part will explore how social networking is affecting trademark practices from their perspective.

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II. Social Media and Collaborative Corporate Branding

In social media, corporate brand owners are acting like consumers, using the marks of others as social networking ties, often without authorization. This general dynamic reflects another reason why the consumer investment model works so well in the Internet environment. It defines a "consumer" broadly - as anyone other than the trademark owner - including both individuals and other corporate brand owners.ⁿ⁸⁰ Social media provide strong empirical support for this definition, for in this realm corporations mimic individuals, using the brands of others to enhance their reputations and express their story.

This new landscape creates an array of challenges for brand owners. Before the rise of social media, marketing campaigns were created by a marketing team, pre-recorded and repeated to a silent consumer audience.ⁿ⁸¹ Television, print and radio advertisements were vehicles for telling a uniform, controlled story. To modernize brand strategies for social media, many companies are abandoning that model or using it in connection with more participatory advertising techniques.ⁿ⁸² The result is more collaborative branding where individual consumers, other corporations and trademark owners all contribute to a brand's story.ⁿ⁸³

Two emerging trends reflect less brand owner control and increased consumer investment in trademarks. First, trademark owners are encouraging consumers to step out of the audience and participate in the brand narrative, even though brand owners cannot always control the trajectory of that path. As a result, branding [*1510] strategies have begun to resemble conversations instead of canned performances. Second, in an effort to regain some control, or at least channel consumer energy in a particular direction, mark owners are linking their brand meaning to marks of third parties over which they have little, if any, control. This Section will explain these two trends, and the next Section will show how they are putting new pressures on trademark doctrine.

A. Inviting the Audience to the Drafting Table

The popularity of social media is tempting brand owners to create an online presence in order to attract technologically savvy consumers and keep them interested.ⁿ⁸⁴ This temptation carries with it substantial risk. When trademark owners use social media to build consumer communities, they are entering unfamiliar and potentially hostile territory in which they do not have absolute control over their intellectual property.ⁿ⁸⁵ To succeed in this realm, trademark owners must shift their perspective. In social media, brand owners find themselves forced to accept a wide array of uses over which they have little, if any, control. To have a presence on Facebook and Twitter, which have become so popular with consumers, trademark owners can no longer think of themselves as sole authors of the story associated with their brand. Social media forces them to let go of that myth as brand reliance on consumer investment becomes more open than ever before, and brands become linked with many stories authored by consumers and other brand owners.

In this way, effective use of social media transforms brand owners from proselytizers into "learning organizations."ⁿ⁸⁶ Brand narratives once authored by a corporate marketing department now evolve through social media in which "consumers gain an equal if not greater say than marketers in what the brand looks like and how it behaves."ⁿ⁸⁷ This strategy may be necessary for brand owners to participate in online social networks that use their brand as a tie, but a "brand[]" cannot be controlled centrally or in a top-down manner [*1511] in these circumstances."ⁿ⁸⁸ Consequently, this loosening of brand control invites significant risks.

The marketing scholar Susan Fournier recently observed that "critical consumers networked together can wreak havoc on a brand."ⁿ⁸⁹ The marketing landscape is littered with examples of brands forced to take unexpected turns in response to consumer feedback. Frito-Lay tried to infuse their Sun Chips brand with a green narrative about personal

health and environmental sustainability by creating 100% biodegradable chip bags.ⁿ⁹⁰ When consumers complained on Facebook that the new bags sounded like chain saws, the company withdrew the biodegradable bags and went back to the lab to develop a quieter version.ⁿ⁹¹ And as we saw in the SEAL Team 6 example, if consumers reject the brand or have critical feedback, the brand may be irreparably damaged, even if its owner does nothing to compromise the mark's integrity.ⁿ⁹²

In the fall of 2011, Netflix decided to keep its streaming service as Netflix but divide its DVD delivery service into a new site and brand called "Qwikster."ⁿ⁹³ In response to livid consumer opposition, Netflix stated on its blog that it heard the consumer message that "two websites would make things more difficult, so we are going to keep Netflix as one place to go for streaming and DVDs. This means no change: one website, one account, one password ... in other words, no Qwikster."ⁿ⁹⁴ Like we saw in the SEAL Team 6 story, consumer reaction voiced through social media brought down Qwikster even before the service associated with it was launched.

If the risks to a brand are so great, lucrative benefits must exist as a counterbalance to make social media marketing worthwhile. The benefits are apparent in the quick success of social media brands themselves where the branding strategy looks a lot like community development. Success for social media marks is dependent on the [*1512] ability to attract members and keep them engaged.ⁿ⁹⁵ In 2011, Facebook was considered the most valuable social media site because it hosted the most active users.ⁿ⁹⁶ Social media marks demonstrate that brand value is a direct function of how much consumers invest in it. Facebook's user base expanded substantially over the past seven years: first passing the 1 million mark in 2004, 12 million in 2006, 50 million in 2007, doubling to 100 million in 2008, reaching 350 million in 2009, 500 million in 2010 and 750 million in 2011.ⁿ⁹⁷ During the same period, projections of the company's value grew from an estimated \$ 52 million in 2006, \$ 150 million in 2007, \$ 777 million in 2009 and \$ 4.2 billion in 2011. These numbers show that this immense value was not built solely by Mark Zuckerberg and his team. Without large investments of consumer resources, especially time, Facebook would not have achieved such dominance.ⁿ⁹⁸ In 2011, "Americans spent more time with Facebook than with the next four largest Web brands combined."ⁿ⁹⁹ Other electronic service sites like Google, Groupon, Foursquare, eBay, Craigslist and CNET also demonstrate that consumer investment of resources is critical to the success of an online mark.ⁿ¹⁰⁰

Twenty-first century branding strategies embrace the idea that a product or service that enables consumers to participate in a like-minded community will be more successful. Some new products are being designed to create independent social networks to facilitate connections among fans. For example, the 2011 version of the Nintendo DS has built-in software that signals its owner when [*1513] another gamer is nearby.ⁿ¹⁰¹ The Blu electronic cigarette, introduced in 2011, delivers water vapor with nicotine.ⁿ¹⁰² In an effort to profit from the camaraderie of people who gather to share a cigarette away from smoke-free buildings, the Blu cigarette packs, "when they get within 50 feet of one another, ... vibrate and flash a blue light."ⁿ¹⁰³

Owners of established brands encourage their fans to connect through social media in order to attract conversations about their brands among younger, technologically savvy consumers.ⁿ¹⁰⁴ Current branding strategy relies heavily on the idea that the best brand press comes straight from other consumers.ⁿ¹⁰⁵ Trademark owners can give online users the opportunity to endorse their brand by permitting individuals to express opinions about their products. Expressions of support can take many forms. If a brand owner has a Facebook page, Facebook members may indicate that they "like" a branded product or service. For example, Facebook members may write comments on the Coca-Cola wall. Some social media sites, like Facebook, give brand owners total control over the commentary that appears on the official page. In contrast, Coca-Cola touts the fact that its page was developed by consumers and although the Coca-Cola Company now controls it, the original creators were hired to manage it.ⁿ¹⁰⁶

[*1514] The owner of a Facebook page may delete critical commentary,ⁿ¹⁰⁷ but if it does, it risks alienating its fan base and defeating the goal of creating an authentic online community. Brand managers that use social media in a "top-down" strategy risk "making themselves look separate, going against transparency and oneness ... [and consequently] weakened through appearing 'above' one's supporters."ⁿ¹⁰⁸ Genuinely collaborative social media may create a strong sense of community between brand owners and fans to facilitate meaningful conversations in which

brands can respond to consumer concerns. Like most relationships, "authenticity is the critical currency in establishing transparency." ⁿ¹⁰⁹ If a brand owner can muster up the courage to respond to criticism, it will gain credibility with consumers. Alternatively, it can censor consumer speech on its page and deal with the fallout that will inevitably appear somewhere else on the Internet. In the world of social media, "what happens in Vegas stays on YouTube." ⁿ¹¹⁰ Ignoring consumer concerns may be the greater harm driving brand owners to assume the risks and potential benefits of inviting consumers to step out of the audience and take a seat at the drafting table of brand development. The following Section demonstrates that other corporate brand owners may be present as well.

B. Writing a Brand Story with Marks Belonging to Others

Consumer investment must become part of the theoretical framework we use to evaluate trademark law because it is becoming a ubiquitous feature in the marketing landscape. Instead of focusing on product and service qualities, many advertisements promote brands as shared experiences and community-building tools. Companies unaccustomed to this approach may create a sense of community instantly by linking their brand to a social media mark, like Facebook, which is owned by someone else. For example, as publishers struggle to compete with a host of alternative electronic entertainment, they are attempting to boost sales by linking private reading to electronic social media. In advertisements for the 2011 Nook e-Reader, Barnes and Noble promoted its social networking features that permit [*1515] Facebook and Twitter friends to "follow" what a Nook owner is reading. ⁿ¹¹¹

Even brands that embraced consumer investment by relying on traditional social networking are now turning to online social media to keep their brands alive. Tupperware has relied on consumer sales representatives to demonstrate and sell their products for years. ⁿ¹¹² By using in-person social connections for decades, Tupperware has demonstrated its faith in active consumer investment and social networking between its sales force and their friends. It avoided traditional advertising models in which consumers merely observe or listen to a corporate message. ⁿ¹¹³ Shared personal experiences among friends were essential to the brand's success. In order to keep consumers buying and selling its products, the company sought to encourage online consumer investment through social media such as Facebook and Twitter. ⁿ¹¹⁴ When Tupperware was poised to launch its new interactive Facebook site, its advertising executive, Julie Levinthal, described the move as "the coolification of the brand" designed to transform the reputation from "June Cleaver, 1950's brand, which it's not." ⁿ¹¹⁵ These strategies do far more than display advertisements. They are "meant to create an interactive community and destination for people who sell Tupperware, buy Tupperware or want to become part of the sales force. It's about moving from brand awareness to helping people become brand advocates." ⁿ¹¹⁶

The Tupperware example also illustrates a new type of consumer investment in trademarks. It is not just individuals who are using the brands of others on the Internet. Brand owners are also constructing their online reputations using marks belonging to other companies. This phenomenon of piggy-backing on third-party brands for commercial purposes takes many forms. Some social media marks are built on a collection of third-party brands. The website Makeup Alley hosts reviews of branded cosmetic products. It has "quietly come to be the standard bearer for the unvarnished truth about beauty products online." ⁿ¹¹⁷ Consumers know that a product may not meet [*1516] expectations touted in an advertisement, and product reviews in magazines may not be the best source for unbiased product information because the writers and editors may not be invited to the next big fashion event if they write a critical review. ⁿ¹¹⁸ Therefore, as one Makeup Alley reader noted, "If you're looking for an unconflicted source, you'll probably look to a fellow consumer." ⁿ¹¹⁹ Brands like Makeup Alley are built on the ability to leverage consumer conversations about famous brands. Trademark law's tolerance for such unauthorized but commercial use of third-party brands is essential for business models like this site to exist and prosper.

In an environment where brand criticism is inevitable and easy to publicize, one way for a brand owner to maintain some control is to participate in consumer conversations. ⁿ¹²⁰ To do so, the brand owner may step into an existing community by linking itself to a popular brand owned by someone else. Relying on third-party social media marks to create a brand community is interesting because not only does it require consumer investment, it links the value of a brand with the narrative of a third-party's social networking mark. By creating a page on Facebook, a corporate brand owner like Tupperware can benefit from both the narrative of a cool social media brand like Facebook and its

membership base. In this way, social media have created a fascinating new dynamic for trademark doctrine, because suddenly, many corporations are routinely using the brands of others for commercial purposes. When a company asks for its fans to "follow it" on Twitter or "like it" on Facebook, it is using the brand of a separate social media company for the commercial purposes of modernizing its reputation and attracting technologically savvy consumers.

Through social media, trademark owners may raise the stature of their brands through cross-licensing arrangements in which brands owned by multiple parties will appear in a single advertisement.ⁿ¹²¹ [*1517] The partnership between Facebook and Zynga (owners of the popular game Farmville) has been "enormously lucrative for both companies."ⁿ¹²² Companies selling more traditional products and services are also trying to get into this cross-branding game. In the spring of 2011, American Express launched an advertising campaign called "social currency" in which members share stories about items they purchased through rewards points.ⁿ¹²³ The ads claim to feature real Twitter posts such as, "Just ordered the Wii on @amazon using Rewards Points."ⁿ¹²⁴ To give consumers a feeling of connection to the American Express brand, the company is relying on two sets of brands belonging to other corporations. First, it uses the social networking service marks Facebook and Twitter to tout its online presence on a platform where its consumers already spend time. Second, the ads incorporate more traditional product (Wii) and service (Amazon) marks. Through this cross-branding strategy, American Express is linking its narrative to the stories of marks owned by separate corporations.

The theme of using a third-party's brand in social media presents itself in many other variations. One popular variation on this piggy-backing theme is featuring a name brand product as a charitable incentive. In the spring of 2011, Tupperware attempted to attract fans by promising that the celebrity Kelly Clarkson would donate one dollar to the Boys and Girls Clubs of America every time a Facebook member indicated they "like" the Tupperware page.ⁿ¹²⁵ An alternative variation is to offer someone else's product as a prize. Apple, Inc. does not negotiate a license with everyone who offers an iPod as a prize or incentive.ⁿ¹²⁶ Yet Apple products are often featured in raffles, membership drives and contests.ⁿ¹²⁷ Another variation is to offer [*1518] discounts for someone else's products and services.ⁿ¹²⁸ Online coupon services, like LivingSocial and Groupon, built their marks by providing consumers with discounts for branded products and services.ⁿ¹²⁹ Through these communities, consumers can save money on branded products they already use or explore new options at a lower cost. Deeper discounts are available to those who succeed in convincing their friends to take advantage of the bargain as well.ⁿ¹³⁰ The website Foursquare, launched in 2009, offers its members the opportunity to check in to restaurants, museums, concerts and other locations, and multiple check-ins can lead to discounts.ⁿ¹³¹ In May 2010, the Pew Research Center found that only four percent of U.S. consumers would share their location.ⁿ¹³² To grow the size of its community, Foursquare partnered with American Express to offer discounts to members of both groups.ⁿ¹³³ "To start, American Express will offer deals at Sports Authority and the clothing retailer H&M, along with a few restaurants in New York, like Union Square Cafe and the barbecue joint Blue Smoke."ⁿ¹³⁴ All of these coupon services use third-party social media marks to grow their business models as well. They provide ready-made links so that consumers can easily tell their Facebook friends or Twitter followers about a deal they just landed.

Sometimes, elaborate cross-licensing supports a cross-branding campaign, such as the American Express advertisement. However, for the use of social media brands, contests, and charitable donations, third-party brands are often used without permission of the brand owner. Social media creates a stage on which both corporations, as well as individual consumers, may make unauthorized use of marks belonging to others as props in constructing their online reputation. Piggy-backing on other marks through social media sites has become [*1519] so common that, in many instances, marks are used without obtaining a license or questioning if one is necessary.

Third-party use of social media brands has the potential for providing financial benefits to both consumers and other brand owners. Yet there is clearly a cost to the trademark owner. The individual narrative of each mark becomes inextricably linked with those in the cross-branding arrangement. Some loss of content control happens as well. For example, the Coca-Cola Facebook page does not offer the creative freedom of a private website. It must adhere to the look and feel of Facebook.ⁿ¹³⁵

The success of social media brands demonstrates that the consumer investment model is an important tool to understanding trademark value. Social media present a new and interesting twist to this theme. Instead of relying on an outdated paradigm in which the trademark owner believes it created the mark on its own and should therefore reap all the benefits, social media brands reflect the consumer investment model in which no brand succeeds without significant investment from consumers. In addition to relying on the time and expressive work of consumers, many social media brands also become successful because they provide a forum for businesses to use the brands of others to engage through social media and bolster their online reputations.

III. New Norms in Social Media Foretell Change to Trademark Doctrine

The consumer investment model provides a framework for recognizing that because consumers contribute to brand value, trademark doctrine should tolerate some return on their investment by shielding at least their expressive and informational uses from liability. In social media, businesses are also increasingly using the brands of others for informational, brand-building and commercial purposes. As consumers and businesses invest in the brands of others, trademark doctrine will have to adjust to a new commercial reality. The consumer investment model may provide a tool for balancing important informational interests to sort out which uses trademark law should permit. The model would support trademark liability for counterfeit goods and other situations in which consumers are confused or deceived about the source of a product or service. Such cases compromise investments of time, money and meaning made by [*1520] consumers and brand owners. However, other examples may dictate a different result. At present, trademark law does not provide any clear answers on the extent to which one business may use the mark of another.

In this murky sea of unauthorized trademark use, Congress should define the boundaries of safe harbors. If it does not enact clarifying legislation, courts will have to decide these issues on a case by case basis using current doctrine. Applying a view of trademark doctrine that seeks to stamp out all unauthorized uses may lead to results that make no sense in view of current practices. Some courts find liability whenever the mark of another is used in a way that results in a commercial benefit to someone else.ⁿ¹³⁶ Contemporary trademark doctrine contains a strong current of intolerance for such unauthorized uses. William Landes and Richard Posner explained that "if the law does not prevent it, free riding may destroy the information capital embodied in a trademark, and the prospect of free riding may therefore eliminate the incentive to develop a valuable trademark in the first place."ⁿ¹³⁷ They made this point in the context of passing off - where a competitor uses a famous brand to trick consumers into believing that its counterfeit products come from a well-known source. Some courts have extended this thinking to stop "free riding," even against noncompetitive uses.ⁿ¹³⁸ Other courts have used this formula as a way to avoid inquiring into consumer perceptions. Most famously, the U.S. Court of Appeals for the Fifth Circuit adopted the following standard in *Boston Professional Hockey Ass'n v. Dallas Cap & Emblem Manufacturing, Inc.*ⁿ¹³⁹: "The argument that confusion must be as to the source of the manufacture of the emblem itself is unpersuasive, where the trademark, originated by the team, is the triggering mechanism for the sale of the emblem."ⁿ¹⁴⁰ Under this standard, any time a trademark triggered a sale for someone else, the trademark owner would win even if it presented no evidence of consumer confusion. Many courts and advocates rely on *Boston Hockey* to assert strong trademark rights against alleged infringers.ⁿ¹⁴¹

Trademark law was not intended to be so broad that any time a mark triggered a sale, liability could be imposed. Such a formulation ignores consumer perceptions. The consumer investment model is one lens through which we can see the doctrinal deficiencies. It requires balancing consumer interests before determining trademark liability. Because consumers invest marks with value, others should be able to use the brand for informational purposes even if the use results in a commercial benefit as long as no confusion or deception occurs.

For example, when the *Raleigh News & Observer* runs a headline that Duke University lost a basketball championship to the University of North Carolina ("UNC"), the use of the collegiate marks in a leading headline may trigger sales of more newspapers and generate more advertising revenue on its website. The use of the Duke and UNC mark provide a commercial benefit to the paper, and therefore, a strict application of *Boston Hockey*'s "triggering the sale" standard would result in trademark liability. However, the resulting commercial benefit to the *News & Observer* is not the type of harm trademark law was meant to address. The use is commercial, but it is also truthful and

informational. Although it is possible that the Duke brand may be momentarily harmed and the UNC brand may benefit, the changes in brand perception would be the result of truthful informational speech, not use of the mark as the source for the newspaper or any other consumer confusion or deception. Shielding such use from liability protects the future of the brand as an information tool. Balanced against these important expressive interests, the commercial use does not unfairly compromise [*1522] investments made by the brand owner and ensures that consumers use the branded symbols they helped create as information tools.

Every time a brand owner encourages its fans to "follow it" on Twitter or "like it" on Facebook, the brand owner is using the mark of an unrelated social media company for a commercial benefit. Under the Boston Hockey standard, each of these uses could "trigger a sale" and therefore create a risk of trademark liability. If such use constitutes potential trademark infringement, one may wonder why the social networking sites have permitted this ubiquitous use of their brands. At first glance, these unauthorized uses look like free riding that results in a direct commercial benefit to the unauthorized user. Tupperware did not contribute to the huge investment Facebook made in developing its community. The Tupperware brand need not pay for its Facebook page, or the new opportunities to connect with the community Facebook has established.ⁿ¹⁴² Its presence on Facebook is for a wholly commercial purpose. However, examined from the perspective of the social media company, it becomes clear that each use creates mutually beneficial brand growth. Facebook encourages such uses by corporate brand owners because it gives Facebook members more ties (in the form of popular brands) through which to bond with online friends. Facebook also benefits from brand value and fan loyalty it did not create. Using the brands of others for commercial purposes is a new norm in social media. For this reason, the Boston Hockey standard has become an anachronism. Examination of consumer perceptions should be a necessary prerequisite to trademark liability. Courts that have relied on Boston Hockey should abandon this precedent. The continued application of the "triggering a sale" standard could silence some expressive and commercial uses that should be protected by a safe harbor.

The notion that all unauthorized uses may be silenced has led some overzealous trademark owners to use litigation or the threat of litigation to silence critical commentary. Proof of even a small amount of confusion can result in trademark liability. Therefore, a brand owner betting it can prove that even ten percent of consumers are confused about a use has a viable trademark claim.ⁿ¹⁴³ As Eric Goldman noted:

[*1523]

To these companies, trademark law is a cure-all tonic for their marketplace travails, and trademark doctrine is so plastic and amorphous that defendants have some difficulty mounting a proper defense. As a result, all too frequently, the threat of a trademark lawsuit causes the intermediary to capitulate and excise valuable content from the Internet.ⁿ¹⁴⁴

In an overzealous effort to maintain control of the brand narrative, some trademark owners attempt to stop informational uses by consumers. For example, in *Lifestyle Lift Holding, Inc. v. Real Self, Inc.*,ⁿ¹⁴⁵ a cosmetic and plastic surgery clinic sued a website providing a forum for doctors and patients to comment on cosmetic treatments.ⁿ¹⁴⁶ The RealSelf website contained consumer reviews, many of which were highly critical of LifeStyle Lift.ⁿ¹⁴⁷ Lifestyle Lift claimed that by hosting reviews that mentioned its name, RealSelf created confusion about whether the two companies were affiliated.ⁿ¹⁴⁸ The complaint alleged claims for trademark infringement, false designation of origin [*1524] and unfair competition.ⁿ¹⁴⁹ RealSelf denied liability and asserted that Lifestyle Lift had littered its website with fake positive reviews.ⁿ¹⁵⁰ RealSelf counterclaimed for breach of its terms of service contract and asserted false advertising and unfair competition claims. Soon after the initial pleadings were filed, the case settled, and Lifestyle Lift's litigation strategy backfired.ⁿ¹⁵¹ Media reports indicated that Lifestyle Lift had, in fact, "ordered employees to pretend they were satisfied customers and write glowing reviews of its face-lift procedure on Web sites One e-mail message ... told employees to 'devote the day to doing more postings on the Web as a satisfied client.' " ⁿ¹⁵² Soon after the New York Attorney General began investigating the fake reviews, Lifestyle Lift agreed to pay \$ 300,000 in penalties to the state.ⁿ¹⁵³

Although the informational use of marks by consumers has become a reality of the Internet marketplace, its place in

trademark law is still not adequately protected. Trademark bullying may be deterred when litigation strategies like this one fail to take down truthful information. However, no opinion was issued in the case and brand owners may question whether Lifestyle Lift's strategy would succeed if one does not post fake reviews. Sites that host consumer reviews may have rational concerns about whether fighting such litigation would be worth the cost of hiring attorneys to appear in federal court. Many commentators assert that such informational uses, sometimes referred to as nominative fair use, are beyond the scope of a trademark owner's reach.ⁿ¹⁵⁴ Unfortunately, not all jurisdictions have adopted this defense. A well-defined safe harbor for genuine consumer commentary would substantially improve trademark doctrine.

Another trademark principle worth re-examining is the duty to police unauthorized brand uses. As one judge bluntly stated, "trademark law requires that the trademark owner police the quality of the goods to which the mark is applied, on pain of losing [*1525] the mark entirely."ⁿ¹⁵⁵ This bold assertion cannot be supported empirically. Not every unauthorized use must be stopped to avoid such dire consequences.ⁿ¹⁵⁶ "The owner of a mark is not required to constantly monitor every nook and cranny of the entire nation and to fire both barrels of his shotgun instantly upon spotting a possible infringer."ⁿ¹⁵⁷ However, failure to police can weaken a brand. Many third-party uses on other goods and services of varying quality may lessen a brand's distinctiveness and dilute its meaning. As the unauthorized use of brands on the Internet increases, keeping a mark distinctive and strong can become a daunting and expensive task. So how much policing is enough? What this duty means in the context of social media is an evolving question that has created much practical uncertainty.

For example, after years of permitting iPod giveaways, Apple, Inc. recently attempted to reassert control over the unauthorized use of its brands.ⁿ¹⁵⁸ Should Apple be able to use trademark law to stop a fitness center from offering new members the chance to win an iPod? The fitness center is using Apple's brand for the commercial benefit of attracting new paying members. Under the Boston Hockey trademark liability standard, if the use triggers a membership sale, it could result in trademark liability even if new members would not be confused about whether the fitness classes are offered by Apple. Requiring Apple to sue over all such uses that result in a commercial benefit would result in a huge drain on the company's resources. Imposing a duty to police in this circumstance is wholly unjustified. It creates doctrinal cover for trademark bullying even if the act at issue poses no risk that the third-party use will be evidence of abandonment or even a loss of the mark's distinctiveness and strength.ⁿ¹⁵⁹ The ubiquity of such innocuous use raises important questions about whether new norms have created the necessity of re- [*1526] examining trademark law's duty to police.ⁿ¹⁶⁰ Assuming no deception occurred, the consumer investment model supports a safe harbor for such uses. Because the public's investment of resources and meaning fueled the popularity of Apple's brand, consumers should have the right to use the brand name to describe the contest prize even if the informational use may lead to a commercial benefit for another business.

Another principle of trademark law, the first sale doctrine, may provide the fitness center with a defense. Someone who buys a branded product may sell it or give it away, and the reseller may advertise that he sells a branded product or service without getting a license.ⁿ¹⁶¹ However, the reseller must be cautious not to confuse consumers into thinking they are an authorized dealer or are connected with the brand owner.ⁿ¹⁶² If confusion about source, sponsorship or affiliation may result, the reseller risks liability for trademark infringement or false advertising.ⁿ¹⁶³ The consumer investment model would support liability if the fitness center engages in false advertising or conduct that could lead to confusion about whether it is affiliated with Apple. If the fitness center unfairly deceives or confuses consumers (perhaps by offering counterfeit iPods or used iPods claimed to be new), then the consumer investment model would support liability. In such situations, Apple's interest aligns with the public interest. When consumers are deceived about the source or quality of a brand, their informational investment is harmed in much the same way that the brand owner's interests are harmed. However, if a use is primarily informational and no confusion is likely, the investment consumers put into making the mark famous requires tolerance of such unauthorized use. Because the fame of Apple's brands was built in partnership with enthusiastic consumers, it is not surprising that consumers and businesses would want to celebrate the brand by offering an iPod as a contest prize.

Courts will be repeatedly confronted with litigants testing the boundaries of trademark law in social media. If all commercial benefits cannot be controlled by the brand owner, where are courts to draw the line? Another issue to be

tested is when informational and [*1527] expressive uses justify toleration of some conduct that would normally support trademark liability. The Supreme Court has recognized that some consumer confusion may be tolerated in order to preserve the ability to use descriptive words, even if one company asserts trademark rights in them.ⁿ¹⁶⁴ The consumer investment model provides a theoretical foundation for arguing that if consumer interests are taken into account as part of the trademark policy balance, some confusion may be tolerated in order to preserve Internet functionality and other informational interests.

Some recent authority suggests that courts may be willing to adjust trademark doctrine in this way. For example, the dispute in *Tiffany (NJ) Inc. v. eBay Inc.*ⁿ¹⁶⁵ resulted from eBay's efforts to profit from sales of genuine Tiffany products available on its site despite its knowledge that many members of the eBay community were trying to sell counterfeit Tiffany items.ⁿ¹⁶⁶ The court found that eBay's informational use of Tiffany's mark on its website and as a sponsored link (through advertisements it bought from several search engines) was not a sufficient basis to impose trademark liability.ⁿ¹⁶⁷ The U.S. Court of Appeals for the Second Circuit decided it "need not address the viability of the [nominative fair use] doctrine,"ⁿ¹⁶⁸ yet applied the doctrine's two basic principles in stating

that eBay's use of Tiffany's mark on its website and in sponsored links was lawful. eBay used the Tiffany mark to describe accurately the genuine Tiffany goods offered for sale on its website. And none of eBay's uses of the mark suggested that Tiffany was affiliated itself with eBay or endorsed the sale of its products through eBay's website.ⁿ¹⁶⁹

The auction site's efforts to avoid the sale of counterfeits helped absolve it from vicarious liability. Only the false advertising claim was remanded for additional fact finding. This case reflects a doctrinal approach that is worlds away from the simplistic Boston Hockey view. Under that standard, eBay would have lost because its use of the Tiffany mark triggered commercial benefits for eBay. The Second Circuit's more thoughtful approach inquired into consumer [*1528] perceptions and balanced informational interests before concluding that eBay's conduct did not support liability. This analysis is flexible enough to be consistent with modern advertising practices in social media. The consumer investment model supports the Second Circuit's approach. Some unauthorized uses - even for commercial purposes - might escape liability if a small measure of consumer confusion is outweighed by another overriding consumer interest.

Conclusion

Social media have shifted the trademark balance of power. Brands were once used to tell a set story to a passive audience. All that has changed. In social media, the brand owner no longer has exclusive control. The audience participates in shaping the brand narrative. Both consumers and businesses contribute to these stories by using the brands of others for an array of informational, expressive and commercial purposes. Critical consumer speech can force a mark owner to change product or service features or abandon a brand entirely. Social media have also empowered people to use the brands of others as props in their own narratives. On individual online profiles, the brands of our schools, employers and favorite products and services have become ubiquitous in defining our reputations. Social media also provide consumers with easily accessible opportunities to use brands for favorite products and services as ties in social networking. This increased use of brands is made possible by open Internet architecture, social media platforms and, most importantly, loosening the reins of brand owner control.

Corporate America is also embracing this trend, adopting new advertising norms for social media. Many brand owners are encouraging consumers to use social media to participate in the brand narrative. In building a broader community around their brand, they are also relying on marks belonging to others such as brands for social media, charitable organizations or products that may be used as a contest prize. These new norms have required corporate brand owners to loosen their tight grip on brand control. This changed balance of power creates new risks. Consumers may steer a mark away from a planned marketing path or take it down altogether.

Welcoming consumers to participate in developing the story of a brand has its benefits. Social media give brand owners an open window into the world of consumer perceptions and a platform to respond. Rather than serving as a prop in a story experienced by a silent audience, the brand becomes a tie in a social network where brand owners can connect with the public. In this way, brands that [*1529] once offered the impression of a community can now create an authentic community with meaningful reciprocal communications. This new landscape may benefit the brand owner's bottom line. Patrons who believe that brand owners are listening, reflecting and responding to consumer feedback may deepen their allegiance.

Trademark doctrine was not based on a foundation that can easily accommodate these new norms. Rather, it was founded on the idea that the owner controls the story about the quality of goods or services associated with a brand. For trademark doctrine to evolve with advances in communication technology, the consumer investment model is a necessary doctrinal addition. It will give courts a mechanism to balance consumer informational interests, bringing public concerns back into trademark law. Keeping consumer interests as a balancing force in trademark doctrine has become of greater importance since new advertising norms have given consumer voices much more deference.

To practically achieve this goal of bringing public interests back into trademark doctrine, courts and legislatures could begin with the following changes to trademark law. First, the outdated and simplistic Boston Hockey standard should be expressly overruled. Not every unauthorized use of a trademark that triggers a sale should be the basis of trademark liability. Second, a clear statutory safe harbor should be created for nominative fair use. Third, the malleable likelihood of confusion standard should not be available to silence consumer commentary. In *Lifestyle Lift*, the plaintiff posted fake reviews on the defendant's website and then tried to use trademark litigation to silence genuine ones. Consumer interests will be much better protected if trademark law is available to sanction false and deceptive speech without shutting down stages for sharing genuine critical opinions. Calibrating the appropriate balance will not be easy. As illustrated in *Tiffany*, the Internet business that does not create deceptive content - but may inadvertently host it - should not be held responsible. In order for truthful consumer information to be available, a clear exclusion from liability should be applied when an Internet-based seller has made significant efforts to keep deceptive information contributed by others off its site.ⁿ¹⁷⁰ Liability should be [*1530] available against the person who posted the content, but not against the Internet service hosting it, especially if it did what it could to take down content that it had reason to know was deceptive. Adopting these doctrinal bright lines would go far in keeping the Internet open for meaningful consumer discussion using the branded symbols that, thanks to social media, create so many ties in today's social networks.

FOOTNOTES:

n1. See infra notes 114-16 and accompanying text.

n2. Tupperware Brands Chain of Confidence, Facebook, <http://www.facebook.com/chainofconfidence> (last visited May 6, 2012).

n3. See infra notes 30-34 and accompanying text.

n4. Tupperware, *supra* note 2.

n5. See Linton C. Freedman, *The Development of Social Network Analysis 2* (2004).

n6. See *id.* at 10-42.

n7. Ryan T. Cragun, Deborah Cragun & Piotr Konieczny, *Introduction to Sociology* 72, (2010), available at http://upload.wikimedia.org/wikipedia/commons/1/16/Introduction_to_Sociology-v2.0.pdf (explaining the small world hypothesis).

n8. Freedman, *supra* note 5, at 5.

n9. Barry Wellman, *Social Structures: A Network Approach* 4 (Barry Wellman & S.D. Berkowitz eds., 1988).

n10. *Id.*

n11. *Id.* at 40.

n12. *Id.*

n13. Social Network, Dictionary.com, <http://dictionary.reference.com/browse/social+network> (last visited May 6, 2012).

n14. See, e.g., 800-JR Cigar, Inc. v. GoTo.com, Inc., 437 F. Supp. 2d 273, 282-84 (D.N.J. 2006).

n15. Cf. Deborah R. Gerhardt, Consumer Investment in Trademarks, 88 N.C. L. Rev. 427, 450-58 (2010) (challenging the assumption that trademark meaning is authored solely by brand owners).

n16. *Id.* at 466-67.

n17. In July 2010, Facebook announced that it had over 500 million users. Robin Wauters, Zuckerberg Makes It Official: Facebook Hits 500 Million Members, TechCrunch (July 21, 2010), <http://techcrunch.com/2010/07/21/Facebook-500-million/>.

n18. Gerhardt, *supra* note 15, at 445.

n19. See, e.g., Borden Ice Cream v. Borden's Condensed Milk Co., 201 F. 510, 514 (7th Cir. 1912) ("The phrase 'unfair competition' presupposes competition of some sort. In the absence of competition the doctrine cannot be invoked.").

n20. See Mark. A. Lemley & Mark McKenna, Irrelevant Confusion, 62 Stan. L. Rev. 413, 423-24 (2010).

n21. Lanham Act, Pub. L. No. 79-489, ch. 540, § 43, 60 Stat. 427, 441 (1946) (codified as amended at 15 U.S.C. § 1125(a) (2006)).

n22. 15 U.S.C. § 1052(d) (2006).

n23. See H.R. Rep. No. 104-374, at 3 (1995), reprinted in 1996 U.S.C.C.A.N. 1029, 1030 ("Presently, the nature and extent of the remedies against trademark dilution varies from state to state and, therefore, can provide unpredictable and inadequate results for the trademark owner.").

n24. Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, § 3(a), 109 Stat. 985, 985-86 (codified at 15 U.S.C. § 1125(c) (2006)). The federal dilution statute was substantially revised in the Trademark Dilution Revision Act of 2006. See Deborah R. Gerhardt, The 2006 Trademark Dilution Revision Act Rolls Out a Luxury Claim and a Parody Exemption, 8 N.C. J.L. & Tech. 205, 216 (2007).

n25. Anticybersquatting Consumer Protection Act, Pub. L. No. 106-113, § 3002(a), 113 Stat. 1536, 1501A-545 to -548 (codified at 15 U.S.C. § 1125(d) (2006)).

n26. Gerhardt, *supra* note 15, at 477.

n27. See, e.g., 800-JR Cigar, Inc. v. GoTo.com, Inc., 437 F. Supp. 2d 273, 292 (D.N.J. 2006) (denying summary judgment to defendant based in part on the claim that defendant's unauthorized use of plaintiff's marks in key word advertising resulted in a commercial benefit to the defendant).

n28. See 15 U.S.C. § 1125(c) (2006).

n29. See *id.* § 1125(d).

n30. Gerhardt, *supra* note 15, at 433.

n31. *Id.* at 467.

n32. *Id.* at 459.

n33. Susan Fournier & Jill Avery, *The Uninvited Brand*, 54 *Bus. Horizons* 193 passim (2011).

n34. Jack Yan, *Social Media in Branding: Fulfilling a Need*, 18 *J. Brand Mgmt.* 688, 691 (2011).

n35. Peter Baker & Helene Cooper, *Qaeda Leader Reported Dead in "Targeted Assault,"* *N.Y. Times*, May 2, 2011, at A1.

n36. In Pictures: World Reaction to Bin Laden Death, BBC (May 2, 2011, 12:40 AM), <http://www.bbc.co.uk/news/world-13257633> (first four pictures); see also Nation Reacts to Osama Bin Laden's Death, *Wash. Post* (May 5, 2011), http://www.washingtonpost.com/politics/nation-reacts-to-osama-bin-ladens-death/2011/05/02/AFEpl8VF_gallery.html#photo=32 (including pictures 32-62, reflecting the American reaction).

n37. Osama Bin Laden Dead: Crowds Gather Outside White House, BBC (May 2, 2011, 1:27 AM), <http://www.bbc.co.uk/news/world-us-canada-13256890>.

n38. Cindy Boren, Bin Laden Death Prompts "U-S-A" Chant at Mets-Phillies Game, WWE Event, *Wash. Post* (May 2, 2011, 12:45 AM), http://www.washingtonpost.com/blogs/early-lead/post/bin-laden-death-prompts-u-s-a-chant-at-mets-phillies-game/2011/05/02/AFDOWEF_blog.html.

n39. Jubilant Crowds Celebrate at Ground Zero in New York, BBC (May 2, 2011, 5:33 AM), <http://www.bbc.co.uk/news/world-us-canada-13257569> (showing faint singing at start of video, with the uniting comment in the last ten seconds of video).

n40. Frank Newport, *Americans Back Bin Laden Mission; Credit Military, CIA Most*, Gallup (May 3, 2011), <http://www.gallup.com/poll/147395/Americans-Back-Bin-Laden-Mission-Credit-Military-CIA.aspx>.

n41. Public "Relieved" by bin Laden's Death, Obama's Job Approval Rises, Pew Research Center (May 3, 2011), <http://pewresearch.org/pubs/1978/poll-osama-bin-laden-death-reaction-obama-bush-military-cia-credit-first-heard-news>.

n42. SEAL stands for Sea, Air, and Land Teams. Howard E. Wasdin & Stephen Templin, *SEAL Team Six: Memoirs of an Elite Navy Seal Sniper*, at xv, 3 (2011).

n43. See *id.* at 51-54, 91.

n44. See *id.* at 151 (explaining how a SEAL team member is barred from discussing his assignment and information on his employment to members of the public).

n45. Anna Mulrine, *SEAL Team Six: 10 Questions on the Operation That Killed Osama bin Laden*, *Christian Sci. Monitor* (May 2, 2011), <http://www.csmonitor.com/USA/Military/2011/0502/SEAL-Team-Six-10-questions-on-the-operation-that-killed-Osama-bin-Laden/When-did-President-Obama-authorize-the-strike>.

n46. Wasdin & Templin, *supra* note 42, at 3.

n47. Elisabeth Bumiller, *In Bin Laden's Compound, Seals' All-Star Team*, *N.Y. Times*, May 5, 2011, at A14.

n48. U.S. Trademark Application Serial No. 85,310,970 (filed May 3, 2011).

n49. U.S. Trademark Application Serial No. 85,310,957 (filed May 3, 2011).

n50. U.S. Trademark Application Serial No. 85,310,966 (filed May 3, 2011).

n51. See, e.g., Nick Carbone, Capitalizing on the Commendation: Disney Trademarks "SEAL TEAM 6," Time (May 15, 2011, 1:42 PM), <http://newsfeed.time.com/2011/05/15/capitalizing-on-the-commendation-disney-trademarks-seal-team-6/>; David Morgan, Disney Trademarks "Seal Team 6," CBS News (May 14, 2011, 11:37 AM), http://www.cbsnews.com/8301-31749_162-20062914-10391698.html.

n52. Disney Trademarks "Seal Team 6," Name of Unit That Killed Bin Laden, Huffington Post (May 14, 2011, 1:40 PM), http://www.huffingtonpost.com/2011/05/14/disney-trademarks-seal-te_n_862010.html (reflecting the amount of posts and "likes" from January 2012).

n53. The Daily Show with Jon Stewart (Comedy Central television broadcast May 16, 2011), available at <http://www.thedailyshow.com/watch/mon-may-16-2011/well--that-was-fast---comcast-nbc-merger>.

n54. The Daily Show Twitter (May 16-17, 2011), <http://twitter.com/#!/TheDailyShow> (to access these comments, search www.snapbird.org for Daily Show tweets using the keyword "Disney").

n55. The Daily Show with Jon Stewart, *supra* note 53.

n56. Editorial, Disney Cashes in on SEAL Team 6, Wash. Times (May 19, 2011), <http://www.washingtontimes.com/news/2011/may/19/disney-cashes-in-on-seal-team-6/>. Readers sent in letters to editorial boards, reflecting a similar attitude. Charlie Heiserman, Letter to the Editor, Disney Buying Trademark Is a Bit Goofy, Columbian (May 24, 2011), <http://www.columbian.com/news/2011/may/24/letter-disney-buying-trademark-bit-goofy/>; Warren D. Vandergriff, Letter to the Editor, SEAL Team 6 Deserves Praise, Chattanooga Times Free Press (May 31, 2011), <http://timesfreepress.com/news/2011/may/31/letters-editor/?print>.

n57. Fastboat, Comment to Editorial, Disney Cashes in on SEAL Team 6, Wash. Times (May 20, 2011, 8:29 AM), <http://www.washingtontimes.com/news/2011/may/19/disney-cashes-in-on-seal-team-6/>.

n58. Guest, Comment to Editorial, Disney Cashes in on SEAL Team 6, Wash. Times (May 20, 2011, 10:59 AM), *supra* note 57.

n59. Copies of the page that reflect this comment are on file with the North Carolina Law Review.

n60. Copies of the page that reflect this comment are on file with the North Carolina Law Review.

n61. Jana Winter, Navy Fights Mickey Mouse for SEALs Trademark, Fox News (May 25, 2011), <http://www.foxnews.com/politics/2011/05/25/navy-seals-fights-mickey-mouse-trademark/>.

n62. Ethan Smith & Julian E. Barnes, Walt Disney Surrenders to Navy's SEAL Team 6, Wall St. J., May 26, 2011, at B1. A screenshot capturing the amount of "likes" at that time period is on file with the North Carolina Law Review.

n63. U.S. Trademark Application Serial No. 85,320,305 (filed May 13, 2011). However, the Navy abandoned the "Seal Team" mark on December 26, 2011. Id.

n64. The USPTO does not have dilution as a tool to bar registration at this stage but could have barred the application based on likelihood of confusion. See 15 U.S.C. § 1052(d) (2006).

n65. Disney Pulls Bid To Trademark Bin Laden Strike Team, AFP News (May 25, 2011), <http://www.google.com/hostednews/afp/article/ALeqM5hhaZkyDuII8uTn0OsI1rdOJf7ajQ?docId=CNG.ca725a65a63adb97bed7fa9f6ac97972.341>.

n66. To find the number of trademark applications owned by Disney, I conducted a "structured" search for "Disney" in the "Owner Name" field in the USPTO Trademark Electronic Search System ("TESS") trademark database. United States Patent and Trademark Office, <http://www.uspto.gov/trademarks/index.jsp> (last visited May 6, 2012).

n67. To find the number of abandoned Disney marks, I used a "structured" search in the USPTO TESS trademark database for "Disney" in the "Owner Name" field, used the "and" operator and entered "Dead" in the "Live/Dead Indicator" field.
<http://www.uspto.gov/trademarks/index.jsp> (last visited May 6, 2012). These were last searched in January, 2012.

n68. See Trademark Applications, *supra* notes 48-50; U.S. Trademark Application Serial No. 786,474,314 (for "Animal Nation," filed June 9, 2005, and abandoned twenty-seven days later); U.S. Trademark Application Serial No. 73,801,993 (for "Ducktales," filed May 22, 1989, and abandoned thirty-five days later). These were last searched in January, 2012.

n69. The results of this search are on file with the North Carolina Law Review.

n70. Gerhardt, *supra* note 15, at 460.

n71. Jennifer Preston, Social Media History Becomes a New Job Hurdle, N.Y. Times, July 21, 2011, at B1 (reporting a job offer was denied after an Internet search revealed that the prospective employee sought to purchase OxyContin on Craigslist).

n72. In January 2012, the Beatles Facebook page was "liked" by 23,751,315 people. The Beatles, Facebook, <http://www.facebook.com/thebeatles> (last visited May 6, 2012).

n73. In response to the perceived desire for connections based on shared interests, Facebook launched Community Pages in the spring of 2011, designed to be "dedicated to a topic or experience that is owned collectively by the community connected to it." Alex Li, Connecting to Everything You Care About, Facebook Blog (Apr. 19, 2010, 3:03 PM), <http://blog.facebook.com/blog.php?post=382978412130>.

n74. Eric Goldman, Online Word of Mouth and Its Implications for Trademark Law, in Trademark Law and Theory: A Handbook of Contemporary Research 404 (Graeme B. Dinwoodie & Mark D. Janis eds., 2008).

n75. Fournier & Avery, *supra* note 33, at 195.

n76. Facebook Pages Terms, Facebook (last revised Feb. 29, 2012), http://www.facebook.com/terms_pages.php ("Any user may create a Page; however, only an authorized representative of the subject matter may administer the Page. Pages with names consisting solely of generic or descriptive terms will have their administrative rights removed.").

n77. Boycott BP, Facebook, <http://www.facebook.com/pages/Boycott-BP/119101198107726> (last visited May 6, 2011).

n78. Fournier & Avery, *supra* note 33, at 198.

n79. *Id.* at 194.

n80. Gerhardt, *supra* note 15, at 500 n.2.

n81. Fournier & Avery, *supra* note 33, at 206 ("We've moved from a world where the brand set the agenda, to a world where consumers decide if - and when - brands are invited in Our brand assets are mercurial; they are slipping from our grasp.").

n82. See Yan, *supra* note 34, at 690 ("Organizations must consider their contact with audiences along the lines of the operator answering the telephone or the flight attendant seeing to the passenger."); Natasha Singer, *On Campus, It's One Big Commercial*, N.Y. Times, Sept. 11, 2011, at B1 ("The real change on campus is that companies are marketing through students, not to them Traditional marketing techniques - like national advertising campaigns on MTV or in Rolling Stone - don't resonate with college students the way they used to, says Matt Britton, chief executive of Mr. Youth, a marketing agency in Manhattan.").

n83. Fournier and Avery's article takes this argument quite far by calling the new trend "open source" branding. Fournier & Avery, *supra* note 33, at 194. However, in true open source models, the subject of the collaborative effort is offered to the public at no cost. See The Open Source Definition, Open Source Initiative, www.opensource.org (last visited May 6, 2012). Because the brand owners still charge handsomely for their branded products, the metaphor is not yet an exact fit.

n84. See *infra* notes 104-06.

n85. Copyright control is also at issue. YouTube creates all sorts of community connections through video clip commentary. Even the conservative publishing industry is dipping its toe in social networking and letting go just a bit of control over its copyrighted content. The Barnes & Noble Nook e-Reader permits a book to be loaned for a couple of weeks. David Pogue, *Moving Forward in E-Readers*, N.Y. Times, June 9, 2011, at B1.

n86. Yan, *supra* note 34, at 692.

n87. Fournier & Avery, *supra* note 33, at 194.

n88. Yan, *supra* note 34, at 691.

n89. Fournier & Avery, *supra* note 33, at 200.

n90. Bruce Horovitz, *Frito-Lay Sends Noisy, 'Green' SunChips Bag to the Dump*, USA Today (Oct. 5, 2010, 8:52 AM), http://www.usatoday.com/money/industries/food/2010-10-05-sunchips05_ST_N.htm.

n91. *Id.*

n92. See *supra* Part I.B.

n93. Stu Woo, *Under Fire, Netflix Rewinds DVD Plan*, Wall St. J., Oct. 11, 2011, at A1.

n94. Reed Hastings, DVD's Will Be Staying at Netflix.com, Netflix (Oct. 10, 2011, 5:00 AM), <http://blog.netflix.com/2011/10/dvds-will-be-staying-at-netflixcom.html>.

n95. Cf. Michael Santoli, Bubble Trouble, *Barron's*, July 25, 2011, at 19, 19-21 (discussing the potential overvaluation of social media stocks).

n96. Matt Rosoff, These 19 Social Networks Are Bigger Than Google+, *Bus. Insider* (June 27, 2011), <http://www.businessinsider.com/these-19-social-networks-are-still-bigger-than-google-2011-7#>.

n97. Introducing Timeline, Facebook, <http://www.facebook.com/about/timeline> (last visited May 6, 2012); see also Richard Ozerman, Facebook Goes Beyond College, High School Markets, *TechCrunch* (Apr. 26, 2006), <http://techcrunch.com/2006/04/26/facebook-goes-beyond-college-high-school-markets/> (describing the enormous gains Facebook stood to receive after expanding beyond the school networks); Brian Womack, Facebook Revenue Will Reach \$ 4.27 Billion, *EMarketer Says*, *Bloomberg* (Sept. 20, 2011, 3:44 PM), <http://www.bloomberg.com/news/2011-09-20/facebook-revenue-will-reach-4-27-billion-emarketer-says-1-.html> (reporting the huge gains in revenue for Facebook).

n98. Someni Sengupta & Ben Sisario, Facebook as Tastemaker, *N.Y. Times*, Sept. 23, 2011, at B1.

n99. *Id.*

n100. For a description of some of these review sites, see, for example, Shayndi Raice, Is His Company Worth \$ 100 Billion?, *Wall St. J.*, July 14, 2011, at B1.

n101. The introduction of the Nintendo 3DS claimed that it was

social and wired like no Nintendo system before it, Nintendo 3DS brings fellow players together in exciting new ways with StreetPass(R)

communication. Set your Nintendo 3DS to Sleep Mode and carry it with you wherever you go to exchange game data like Mii(R) characters, high scores, and custom characters with other users you pass on the street. You control what data you exchange, and you can exchange data for multiple games at once, making virtual connections with real world people you encounter in your daily life.

Nintendo 3DS Overview, Nintendo, <http://www.nintendo.com/3ds/hardware#/8> (last visited May 6, 2012).

n102. Joshua Brustein, A Social Networking Device for Smokers, N.Y. Times, May 11, 2011, at B1.

n103. Id.

n104. Jenna Wortham, A Start-Up Matures, Working with AmEx, N.Y. Times, June 23, 2011, at B1 ("American Express also hopes that by pairing with a start-up that appeals to the hip and technologically skilled, it can appeal to a younger crowd.").

n105. Stuart Elliott, The Tupperware Party Moves to Social Media, N.Y. Times, May 5, 2011, at B3 ("Recommendations about a brand or product 'from someone you have confidence in is the absolutely best form' of marketing." (quoting Rick Gonings, Chairman and Chief Executive of Tupperware Brands)).

n106. See Coca-Cola: House Rules, Facebook, https://www.facebook.com/cocacola?v=app_153692631322774 (last visited May 6, 2012); Coca-Cola: Page Creators, Facebook, https://www.facebook.com/cocacola?sk=app_1329208934_13852 (last visited May 6, 2012); Dusty and Michael, Facebook, <https://www.facebook.com/DustyandMichael?sk=info> (last visited May 6, 2012).

n107. Facebook Pages Terms, *supra* note 76 ("Any user may create a Page; however, only an authorized representative of the subject matter may administer the Page.").

n108. Yan, *supra* note 34, at 693.

n109. Fournier & Avery, *supra* note 33, at 198.

n110. Erik Qualman, *Socialnomics* 33 (2009).

n111. Pogue, *supra* note 85.

n112. Elliott, *supra* note 105.

n113. *Id.* ("Tupperware Brands runs no traditional advertising, preferring to spend its marketing dollars on public relations, events and celebrity endorsers and promotions.").

n114. *Id.*

n115. *Id.* (internal quotation marks omitted).

n116. *Id.* (internal quotation marks omitted).

n117. Catherine Saint Louis, *Someone Just Like Me Said, "Buy It,"* N.Y. Times, July 28, 2011, at E1.

n118. *Id.*

n119. *Id.* (internal quotation marks omitted).

n120. Fournier & Avery, *supra* note 33, at 205 ("Significant investments are being made in eavesdropping infrastructures, such that companies can intervene in consumer conversations when the opportunity seems ripe.").

n121. The idea of piggy-backing on other marks is not new. Sometimes it is authorized through a written cross-licensing agreement. Walk down the aisles of any grocery store and you will see multiple examples of Disney, Marvel and DC Comics characters on General Mills and Post food packages. See Jessica Litman, *Breakfast with Batman: The Public Interest in the Advertising Age*, 108 *Yale L.J.* 1717, 1727-28 (1999). This type of cross-licensing is prevalent in the realm of social media.

n122. Sengupta & Sisario, *supra* note 98.

n123. Beth Snyder Bulik, *AmEx Campaign Positions Reward Points as Social Currency*, *Advertising Age* (Mar. 16, 2011), <http://adage.com/article/news/amex-campaign-positions-rewards-points-social-currency/149431/>.

n124. The ad was posted by American Express on YouTube. American Express, *New AmEx Commercial: "Tweet Stories,"* YouTube, <http://www.youtube.com/watch?v=oWiRQmlAlqg&NR=1> (last visited May 6, 2012).

n125. Brian Mansfield, *Kelly Clarkson Teams with Tupperware for "Chain of Confidence,"* *USA Today* (May 13, 2011, 11:58 AM) <http://content.usatoday.com/communities/idolchatter/post/2011/05/kelly-clarkson-teams-with-tupperware-for-chain-of-confidence/1#.T3ua1tmVO9s>; see Dusty and Michael, *supra* note 106. Since then, Tupperware continues to donate one dollar each time a consumer hits "like." Tupperware, *supra* note 2.

n126. See *infra* text accompanying note 158.

n127. A Google search on August 5, 2011, for the terms "win an Apple iPod" resulted in 28,200,000 responsive results (phrase was searched without quotation marks).

n128. Elizabeth Olson, *A Magazine Bets that Readers Play Tag*, N.Y. Times, June 23, 2011, at B1.

n129. Fournier & Avery, *supra* note 33, at 195 ("Groupon's value proposition is based on the online interconnectedness of consumers and the combined power that social networks can afford.").

n130. On July 22, 2011, Groupon offered ten dollars in "Groupon Bucks" for members who succeeded in getting someone else to purchase a Groupon. It imposed no limit on how much a current member could earn under this plan. See *Refer a Friend and Earn \$ 10 in Groupon Bucks!*, Groupon, http://www.groupon.com/visitor_referral (last visited May 6, 2012).

n131. See Foursquare, <https://foursquare.com/> (last visited May 6, 2012).

n132. Wortham, *supra* note 104.

n133. *Id.*

n134. *Id.*

n135. See Facebook Pages Terms, *supra* note 76.

n136. *Bd. of Supervisors for La. State Univ. Agric. & Tech. Coll. v. Smack Apparel Co.*, 550 F.3d 465, 474 (5th Cir. 2008) (affirming summary judgment for the plaintiff based on a finding that "a likelihood of confusion existed because the shirts, which are relatively inexpensive, are not purchased with a high degree of care by consumers"); *Joel v. Various John Does*, 499 F. Supp. 791, 792 (E.D. Wis. 1980) (granting a temporary restraining order against sales of "Billy Joel" merchandise "having reviewed the pertinent authorities" but without taking evidence on whether there was actual confusion). But see *Abraham v. Alpha Chi Omega*, 781 F. Supp. 2d 396, 417 (N.D.

Tex. 2011) ("It is clear that the presence of the marks trigger the purchase of Paddle Tramps's merchandise at issue."); *Bi-Rite Enters., Inc. v. Button Master*, 555 F. Supp. 1188, 1195 (S.D.N.Y. 1983) ("Marks that are exploited only for their functional value and not to confuse the public receive no protection When a mark without copyright protection is exploited for its intrinsic functional value, Congress has implicitly determined that society's interest in free competition overrides the owner's interest in reaping monopoly rewards.").

n137. William Landes & Richard Posner, *The Economic Structure of Intellectual Property* 168 (2003).

n138. See, e.g., *800-JR Cigar, Inc. v. GoTo.com, Inc.*, 437 F. Supp. 2d 273, 278, 280 (D.N.J. 2006).

n139. *Bos. Prof'l Hockey Ass'n v. Dall. Cap & Emblem Mfg., Inc.*, 510 F.2d 1004 (5th Cir. 1975).

n140. *Id.* at 1012.

n141. See, e.g., *Univ. of Ala. Bd. of Trs. v. New Life Art, Inc.*, 677 F. Supp. 2d 1238, 1246 (N.D. Ala. 2009) ("The case is partially controlled by ... *Boston Prof. Hockey Ass'n v. Dallas Cap & Emblem Mfg., Inc.*").

n142. Facebook Page Terms, *supra* note 76 ("Any user may create a Page").

n143. See, e.g., *Henri's Food Prods. Co. v. Kraft, Inc.*, 717 F.2d 352, 359 (7th Cir. 1983) ("Despite the survey's flaws, we conclude that the district court did not err in considering it, and the court correctly found that the 7.6% finding is a factor weighing against infringement."); *Humble Oil & Ref. Co. v. Am. Oil Co.*, 405 F.2d 803, 817 (8th Cir. 1969) (holding evidence that 11% of consumers were confused is not insignificant given the large number of drivers in the Midwest); *Hansen Beverage Co. v. Cytosport, Inc.*, No. CV 09-0031-VBF(AGRx), 2009 WL 5104260, at 16 (C.D. Cal. Nov. 4, 2009) ("The Court need not apply a categorical rule about percentages and its relationship to the likelihood of consumer confusion. Rather, the Court finds that a 12.5% net confusion rate (a rate that is based on both parties' evidence), though not independently sufficient to show consumer confusion, informs the Court of likelihood of consumer confusion."); *Goya Foods, Inc. v. Condal Distributions, Inc.*, 732 F. Supp. 453, 457 (S.D.N.Y. 1990) (finding 7% confusion to be "statistically meaningful" evidence of actual source confusion); *Mut. of Omaha Ins. Co. v. Novak*, 648 F. Supp. 905, 911 (D. Neb. 1986), *aff'd*, 836 F.2d 397 (8th Cir. 1987) (providing surveys showing 10% confusion established "precisely what the trademark laws are intended to avoid"); *Grottrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons*, 365 F. Supp. 707, 716 (S.D.N.Y. 1973), *modified*, 523 F.2d 1331 (2d Cir. 1975) (finding confusion of 7.7% to 8.5% of those surveyed considered "strong evidence of the likelihood of confusion"); 6 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 32:185, at 32-402 to -403 (4th ed. 2011).

n144. Eric Goldman, Lifestyle Lift Tries To Use TM Law To Shut Down User Discussions; Website Countersues for Shilling - Lifestyle Lift v. RealSelf, Tech. & Marketing L. Blog (Mar. 3, 2008), http://blog.ericgoldman.org/archives/2008/03/lifestyle_lift.htm.

n145. After the complaint and answer, the parties settled out of court. See *infra* note 151.

n146. Complaint at 3, Lifestyle Lift Holding, Inc. v. Real Self, Inc., No. 2:08-CV-10089 (E.D. Mich. Jan. 7, 2008), available at <http://www.citmedialaw.org/sites/citmedialaw.org/files/2008-01-07-Lifestyle%20Lift%20Complaint.pdf>.

n147. Answer at 9, Lifestyle Lift Holding, Inc. v. Real Self, Inc., No. 2:08-CV-10089 (E.D. Mich. Mar. 3, 2008), available at <http://www.citmedialaw.org/sites/citmedialaw.org/files/2008-03-03-RealSelf%20Answer%20and%20Counterclaims.pdf> ("RealSelf is the operator an internet website, www.realself.com, which allows consumers of anti-aging solutions and personal beauty services to engage in an internet-based community discussion.").

n148. Complaint, *supra* note 146, at 4.

n149. *Id.* at 2.

n150. Answer, *supra* note 147, at 10.

n151. Order of Dismissal, Lifestyle Lift Holding, Inc. v. Real Self, Inc., No. 2:08-CV-10089 (E.D. Mich. May 12, 2008), available at <http://www.citmedialaw.org/sites/citmedialaw.org/files/2008-05-12-Lifestyle%20Lift%20v.%20Real%20Self,%20Inc.%20Stipulated%20Dismissal.pdf>.

n152. Claire Cain Miller, Company Settles Case of Reviews It Faked, N.Y. Times, July 15, 2009, at B5.

n153. *Id.*

n154. See William McGeeveran, Rethinking Trademark Fair Use, 94 Iowa L. Rev. 49, 88-97 (2008).

n155. Nitro Leisure Prods., LLC v. Acushnet Co., 341 F.3d 1356, 1367 (Fed. Cir. 2003) (Newman, J., dissenting).

n156. See, e.g., 2 McCarthy, *supra* note 143, § 11:91, at 11-250.

n157. 3 McCarthy, *supra* note 143, § 17:17, at 17-42 (quoting Engineered Mech. Servs., Inc. v. Applied Mech. Tech, Inc., 584 F. Supp. 1149, 1151 (M.D. La. 1984)).

n158. Philip Elmer-Dewitt, Apple Tries To Put the Kibosh on iPad and iPhone Giveaways, CNN Money (June 1, 2011, 4:03 PM), <http://tech.fortune.cnn.com/2011/06/01/apple-tries-to-put-the-kibosh-on-ipad-and-iphone-giveaways/>.

n159. See Leah Chan Grinvald, Shaming Trademark Bullies, 2011 Wis. L. Rev. 625, 642 (defining trademark bullying to include four elements: "(1) unreasonable interpretation of rights (2) intimidation tactics, (3) the trademark holder is a large corporation and (4) the accused infringer is a small business or individual").

n160. FDIC v. Homestead Mortg. Co., No. 04-74842, 2010 WL 5420279, at 15-16 (E.D. Mich. Dec. 27, 2010); Saul Zaentz Co. v. Wozniak Travel, Inc., 627 F. Supp. 2d 1096, 1110 (N.D. Cal. 2008) ("The constructive knowledge standard imposes on a trademark owner the duty to police its rights against potential infringers.").

n161. 4 McCarthy, *supra* note 143, § 25:41, at 25-111.

n162. *Id.* § 25:41, at 25-111.

n163. See 15 U.S.C. § 1125(a)(1) (2006).

n164. *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 119 (2004) ("The common law of unfair competition also tolerated some degree of confusion from a descriptive use of words contained in another person's trademark.").

n165. 600 F.3d 93 (2d Cir. 2010), cert. denied, 131 S. Ct. 647 (2010).

n166. *Id.* at 98.

n167. *Id.* at 109.

n168. *Id.* at 102.

n169. *Id.* at 103.

n170. Baseball manager Tony LaRussa sued Twitter when he learned that someone had set up an account in his name, but a month later, he dropped the suit without receiving any compensation from Twitter. See Complaint at 3, *La Russa v. Twitter, Inc.*, No. CGC-09.488101 (2009), available at <http://www.citmedialaw.org/sites/citmedialaw.org/files/2009-05-06-La%20Russa%20Complaint.pdf>; Brad Stone, Keeping a True Identity Becomes a Battle Online, *N.Y. Times*, June 18, 2009, at B1. For additional examples of impersonation, see generally Lisa P. Ramsey, Brandjacking on Social Networks: Trademark Infringement by Impersonation of Markholders, 58 *Buff. L. Rev.* 851 (2010).

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Article: Speech, Citizenry, and the Market: A Corporate Public Figure Doctrine

NAME: Deven R. Desai+

BIO: + Associate Professor, Thomas Jefferson School of Law. This Article has benefitted from the input of Jack Balkin, Ashutosh Bhagwat, Margaret Chon, Julie Cohen, Anthony Falzone, Brett Frischmann, Mark Lemley, Lyrissa Barnett Lidsky, Lisa Ramsey, Neil Richards, Sandra Rierison, Paul Schwartz, Daniel Solove, and Rebecca Tushnet. The attendees of U.C. Berkeley School of Law lecture series, IP Scholars, 2012, at Stanford University School of Law, and Freedom of Expression Scholars Conference, 2013, at Yale Law School were most helpful as well. Ryan Calo and Stanford Law School's Center for Internet and Society's provision of research space and support aided this work also. I thank all for their help. Copyright © 2013 by Deven R. Desai. Editor's Note: For further discussion of Speech, Citizenry, and the Market: A Corporate Public Figure Doctrine, see Ashutosh Bhagwat, Truthiness: Corporate Public Figures and the Problem of Harmful Truths, 98 Minn. L. Rev. (forthcoming April 2013).

LEXISNEXIS SUMMARY:

... Sullivan, I show that First Amendment law that grants corporations speech rights also demands room for robust speech about corporate citizens as public figures. ... The public, political debates by and about corporations, the nature of manufacturing, and the effect of purchasing decisions indicate that corporations may qualify as public figures or be part of a discussion of public concern more often than one might expect. ... Gertz Citizens United, the entity, as possible public figure Entity Person Corporation Public or Private Private Private Prominence in Society Yes Yes Thrust to forefront for No Yes particular controversy in order to influence the resolution of the issues involved Significantly greater access to No Yes media General Public Figure No No Limited Public Figure No Yes It is the use of speech rights that matters. ... First, plaintiffs often bring state dilution claims as part of their lawsuits, but the Act does not reach state dilution laws and trademark infringement claims. ... If so, Nike was making a statement about its products, not general labor issues, and one could limit Nike's commercial speech and factual statements while still allowing Nike to speak about general politics. ... Consumers may wish to take up causes and go after corporations in court, but regulations allowing consumers to police corporate speech are few and suspect under the Court's views on restricting corporate speech. ... Corporations may use reputation laws to thwart speech about corporations.

TEXT:

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INTRODUCTION

Corporations no longer exist in a purely commercial world. Corporate policies intersect with and shape a host of political issues, from fair trade to gay rights to organic farming to children's development to gender bias to labor and

more. Thus Google urges countries to embrace gay rights; Mattel launches a girl power campaign; activists question Nike's labor practices, McDonald's food processing, and Shell Oil's business practices; and bloggers police the Body Shop's claims about its manufacturing practices.ⁿ¹ The social, political, and commercial have converged, and corporate reputations rest on social and political matters as much as, if not more than, commercial matters.

The proposition that corporations are people for First Amendment purposes reveals that, if so, corporations are often public figures.ⁿ² Like other public figures, corporations affect public affairs, take political positions, engage in matters of public concern and controversy, and have reputations. A foundational commitment of free speech law, perhaps the foundational commitment, is that public figures don't and can't own their reputations. Yet through trademark and commercial speech doctrines, corporations have powerful control over their reputations. [*457] If corporations are people for free speech purposes, as a constitutional matter, their control over their reputations can be no greater than the control other public figures have. Recognizing corporations as public figures has broad implications for defamation, libel, trademark, and other corporate reputation-protection doctrines. These shifts achieve symmetry in the law and ensure that speech rights are properly balanced. Corporations cannot have it both ways. Corporations want and receive many of the same legal rights as natural persons. They should be subject to the same limits as other powerful, public figures.

Part I of this Article establishes the nature of corporate citizenry and speech. Although *Citizens United v. Federal Election Commission*ⁿ³ is well-known as it relates to federal election law and super PACs, its statements regarding the nature of corporations as persons and the scope of corporate speech rights are equally, and perhaps more, important. Part I focuses on the contours of First Amendment law and corporate speech as they intersect to treat corporations as members of society engaging in politics. I argue that economic decisions by corporations and consumers have become influential to many political decisions, and may be political decisions themselves, such that corporations of almost any size engage in politics. Combining the logics of *Citizens United* and *New York Times Co. v. Sullivan*,ⁿ⁴ I show that First Amendment law that grants corporations speech rights also demands room for robust speech about corporate citizens as public figures.

Despite First Amendment jurisprudence and the public-figure nature of corporations, certain laws squash critical speech about corporations. Part II demonstrates how these laws shield the reputations of public-figure corporations. First Amendment jurisprudence makes decentralized authority a virtue.ⁿ⁵ This tenet prefers a wide range of information sources and debate to help society question those in power and as a vital element of the political process. That is part of why reputation-protection doctrines meet constitutional challenges: such doctrines erect barriers to questioning public officials and figures.ⁿ⁶ Nonetheless, commercial speech and trademark doctrines limit information from many sources and protect reputations.ⁿ⁷ [*458] The very premise that commercial matters, and by extension trademark law, are not political reveals the flaw. Once deemed a matter of commercial speech, constitutional scrutiny is lower.ⁿ⁸ Currently, limits on the way people comment on and criticize corporations are allowed because of the mistaken belief that politics are not in play. A corporate public figure is, however, political. Just as we would not limit the ability to question and identify human public figures for speech, we should not do so for corporate public figures. But that is what the law enables.

For example, the factors that permit a corporation to bring a dilution claim - national fame and being a household name - track that "rare" creature in First Amendment law, the general-purpose public figure.ⁿ⁹ Dilution law, however, shields the reputation of the nationally famous corporation. Thus, a nationally famous corporate person is treated differently than its natural-person counterpart and may use that fame to quash speech rather than having that fame open the door to more speech about it. This result is at least perverse, and I argue it is unconstitutional.

Trademark law's confusion doctrine also favors a corporation's speech about the corporation over other speech. Trademark law's approach to reputation protection follows an overstated, narrow view that almost all speech not from the corporation leads to reputational harm and consumer confusion.ⁿ¹⁰ When considered misleading commercial speech, critical commentary involving trademarks is easily banned because such speech receives less First Amendment protection than noncommercial speech. Under this view, speech not from the corporation is misleading and must be

eliminated in the name of protecting consumers from any confusion, even if consumers are the ones trying to share information about the corporation [*459] or its products and services.ⁿ¹¹ Instead of many voices questioning corporate public figures, society ends up with an impoverished ability to discuss and challenge them.

Given increased ability for speech by corporations, we need to rebalance speech rules and increase our ability to speak about corporations. I conclude that the logic of the Supreme Court's jurisprudence regarding corporate speech and public figures requires that the law recognize a corporate public figure doctrine. In Part III I set out what a corporate public figure doctrine would look like in practice. I show that corporations can often qualify as either general-or limited-purpose public figures and address the implications of such a result.

The powerful, public, and political nature of corporations demands that we ensure an increased ability to speak about them. An ever-widening range of sources - newspapers, radio, television, blogs, ratings sites, social media reviews, and more - offers society numerous ways to understand and debate any issue. Corporations vigorously use those resources to speak and persuade society about corporate goods and services, political candidates, and social policies, and the Supreme Court has ensured that they may do so. Yet laws protecting corporate reputation interfere with anyone else's ability to speak about those same corporations. A corporate public figure doctrine would allow increased speech about the corporation, provide more information to both the political-and the consumer-information marketplace, and reorder speech laws so that corporations have speech rights and obligations in balance with natural persons.

I. SPEECH BY A CORPORATION: FROM CORPORATE PERSONHOOD TO CORPORATE CITIZENRY

Citizens United provides a clear statement that, as far as speech is concerned, the law affords corporations much the same rights as people.ⁿ¹² An underlying, driving force in the [*460] analysis is that corporations are members of society that participate in our democracy.ⁿ¹³ This vision embraces the corporation as engaging in public life, acting for political ends, and having a reputation. If corporations seek to be recognized as participants in society with commensurate speech rights, they are claiming a type of citizenship, which we must understand. It turns out that the nature of these citizens indicates they are often public figures.

A. Corporate Speakers

The Supreme Court has taken the broad approach that almost any corporation has speech rights in the eyes of the law. A close reading of Citizens United reveals that the Supreme Court believes that corporations have the same speech rights as natural people.ⁿ¹⁴ Given that the case was about a narrow question concerning what constitutes "electioneering communication,"ⁿ¹⁵ and ostensibly was to resolve some incoherence in campaign finance jurisprudence,ⁿ¹⁶ it is odd that the Court went to great lengths to discuss the First Amendment rights of corporations and the idea that corporations have the same speech rights as people. Why the Court chose to reach beyond the narrow election law issue and whether that was the correct approach are good questions but are better explored by others.ⁿ¹⁷ Here, examining how the Court reached its conclusion about corporate speech reveals the Court's unwillingness to draw distinctions not only between corporations and people but also among types of corporations.

None of the several possible objections to this result worked for the Court. One could argue that corporations simply do not have speech rights. Yet, as Justice Kennedy's opinion [*461] pointed out, "the Court has recognized that First Amendment protection extends to corporations," and in political speech cases that protection persists.ⁿ¹⁸ One could argue that corporations are not really part of political debates the same way people are. To rebuff that position, the Court painted a picture of corporations as "contributing to the "discussion, debate, and the dissemination of information and ideas" that the First Amendment seeks to foster."ⁿ¹⁹

For the Court, when it comes to speech, all corporations are equal and can be important in the public sphere. The word corporation evokes images of large, profit-maximizing entities with hundreds, if not thousands, of employees, worth millions, if not billions, of dollars. Yet, a contention that only certain corporations are important enough to have

speech rights fails. As Justice Scalia explained, the corporate form encompasses many entities including "colleges, towns and cities, religious institutions, and guilds." ⁿ²⁰ As with large, for-profit corporations, one can appreciate the importance and role of these institutions in society. Large or small, for-profit or non-profit, type of industry - none of these metrics matter. After all, the corporation at issue, Citizens United, was a small, non-profit corporation with "an annual budget of about \$ 12 million." ⁿ²¹ Its income was based on individual and some corporate donations. ⁿ²² It was quite different than even number 500 on the Fortune 500, ⁿ²³ which had a market capitalization of around \$ 2.8 billion and \$ 283 million in profits in one year alone. ⁿ²⁴ Nonetheless, Citizens United was characterized like so many "corporations and voluntary associations [that] actively petitioned the Government and expressed their views in newspapers and pamphlets" since the beginning of our country. ⁿ²⁵ That such a small entity does not map to the possibly august stature and power of more familiar entities is [*462] irrelevant. Just as the Court explained that "the identity of the speaker is not decisive in determining whether speech is protected," ⁿ²⁶ it layered in an idea that the type of corporation does not matter. By conflating all corporations as being equal, one can declare, "To exclude or impede corporate speech is to muzzle the principal agents of the modern free economy. We should celebrate rather than condemn the addition of this speech to the public debate." ⁿ²⁷ A small, political corporation is the same as Apple, Exxon, Microsoft, IBM, Chevron, GE, Google, and Wal-Mart. All corporations are now equally "the principal agents of the modern free economy." ⁿ²⁸ Thus we have a picture of all corporations as having the same speech rights as natural persons. We also start to see corporations as participants in public debate and vital parts of our political and economic life, which is a step toward recognizing the possible public-figure nature of corporations.

B. Corporations Speak About Matters of Public Importance

Citizens United and New York Times Co. v. Sullivan asked the same question: what are the limits when someone, corporate or otherwise, speaks about a public figure? ⁿ²⁹ The principles offered in Citizens United trace back in part to Sullivan. On the surface, Sullivan involved quite a different matter than Citizens United. Sullivan addressed "the extent to which the constitutional protections for speech and press limit a State's power to award damages in a libel action brought by a public official against critics of his official conduct." ⁿ³⁰ Citizens United addressed speech by a corporate entity in an election context. ⁿ³¹ But both cases address corporate speech about a public figure. As this chart shows, the factual parallels between Citizens United and Sullivan are striking.

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	Citizens United ⁿ³²	Sullivan ⁿ³³
Entity	Activist political entity (non-profit)	Press (for-profit); activist political entity (non-profit)
Purpose	Advocate defeat of candidate	Highlight racial injustice/ raise money
Object of Speech	Candidate for office	Public official
Accuracy of Speech	"Extended criticism The narrative may contain more suggestions and arguments than facts" ⁿ³⁴	"It is uncontroverted that some of the statements contained in the paragraphs were not accurate descriptions of events which occurred in Montgomery." ⁿ³⁵
Medium	Pre-paid video on demand:	Newspaper advertisement

"The movie, in essence, is a
feature-length negative
advertisement that urges
viewers to vote against
Senator Clinton for
President." ⁿ³⁶

[*464] Both cases engage with questions regarding the truth of speech about public figures, the importance of speech about public matters, whether the medium of speech matters, and whether the identity of the speaker allows for limits on speech. Both entities addressed a political matter, called out behaviors by public figures, stretched the truth, were inaccurate in some instances, and used a paid form of mass communication to reach an audience. And, both cases favored more speech and less protection for laws shielding the reputation of a public figure.

As a constitutional matter, the ability to criticize public officials trumps reputation protection and is to be fostered; ⁿ³⁷ the medium of the message does not matter. The medium in *Sullivan* was a paid commercial advertisement in *The New York Times*. When urged that the speech was not protected because of the medium used, the Court ignored the medium and looked to its content, which "communicated information, expressed opinion, recited grievances, protested claimed abuses, and sought financial support on behalf of a movement whose existence and objectives are matters of the highest public interest and concern." ⁿ³⁸ In addition, the *Sullivan* Court advanced the idea that not just the press, but anyone should be able to "promulgate ... information and ideas" broadly. ⁿ³⁹ Prohibiting something as creative as buying an advertisement to advance a point of view would "shackle the First Amendment in its attempt to secure "the widest possible dissemination of information from diverse and antagonistic sources."" ⁿ⁴⁰ The Court favors enabling, not hindering, many voices, which can and should use almost any means to reach as many people as possible, especially when those voices are new and challenging.

[*465] Even when criticism lacks accuracy or may be libel per se - that is, words that "tend to injure a person['s] ... reputation" or "bring [him or her] into public contempt" ⁿ⁴¹ - in political matters, laws protecting reputation lose out. ⁿ⁴² The tolerance for speech, even speech that has inaccuracies or that challenges opinions, is high because "public men, are, as it were, public property, and discussion cannot be denied and the right, as well as the duty, of criticism must not be stifled." ⁿ⁴³ As with mediums, the context of the message matters more than the label. ⁿ⁴⁴ When facing a tradeoff between protecting reputation and possibly limiting debate on public issues, the debate "should be uninhibited, robust, and wide-open," even if that exchange "includes vehement, caustic, and sometimes unpleasantly sharp attacks on government and public officials." ⁿ⁴⁵

Combining the logic of *Citizens United* with *Sullivan* allows for some observations. First, the provision of an outlet for expression for those who may not have the same distribution reach as the traditional press is necessary to permit the dissemination of a wide range of ideas and opinions, even, and perhaps especially, those that challenge and "antagonize" us. ⁿ⁴⁶ Second, corporations have broad speech rights. Like natural persons, corporations can use all mediums, including paid advertisements in newspapers and video-on-demand services, to reach the public about matters of public concern. ⁿ⁴⁷ Third, laws that protect the reputation of or limit this ability to speak about public figures are suspect and likely to be ruled unconstitutional. ⁿ⁴⁸ Fourth, thus far in the analysis, corporations are the speakers. The result is an explicit goal to expand commentary [*466] on public affairs, including commentary by corporations. ⁿ⁴⁹ If corporations can speak freely about public figures, corporations, just like natural people, may become public figures because of their speech and position in society.

C. The Politics of Products and Processes

Corporations have gained speech rights, and the exercise of those rights leads to obligations and limits on those rights. The same politics and logic of privatization that have moved corporations to being at perhaps an apex of importance in

our society and politics demands that society have a greater ability to question and probe corporations. Corporations touch vast areas of individual and political life. As Justice Scalia has said, corporations are "the principal agents of the modern free economy."ⁿ⁵⁰ How individuals engage with the modern free economy can also affect the politics of that economy, either indirectly or through express political acts.ⁿ⁵¹ This dynamic reveals a problem. Private market behaviors are supposed to "serve [an] expansive evaluative function," but "consumers [must] receive an informational context that is appropriately robust for the role they are being asked to serve."ⁿ⁵² The Supreme Court has said that we need to have an "unfettered interchange of ideas for the bringing about of political and social changes desired by the people."ⁿ⁵³ It thus has championed many voices speaking about public figures. That same reasoning applies when corporations and their goods or services are where that political activity takes place. When the Court acknowledged that consumer interest "in the free flow of commercial information ... may be as keen, if not keener by far, than his interest in the day's most urgent political debate,"ⁿ⁵⁴ it seemed to separate commercial and [*467] political information when in fact it captured the importance of commercial information as political and connected to public decision making.ⁿ⁵⁵ Such information allows people to know "who is producing and selling what product, for what reason, and at what price."ⁿ⁵⁶ The public interest at stake is enabling well-informed decision making, based not only on price but on the who and the why of production, so that "intelligent opinions as to how that system ought to be regulated or altered" are possible.ⁿ⁵⁷ The Court connected commercial information to political matters and how we order society.ⁿ⁵⁸ Thus, I argue that the distinction between commercial and political has collapsed so much that the need to ensure a high flow of information about corporations and their goods and services is great, regardless of the label on such information. Furthermore, just as distinctions between public figures and public officials make no sense, as policy is no longer set through "formal political institutions" but through "a complex array of boards, committees, commissions, corporations, and associations, some only loosely connected with the Government,"ⁿ⁵⁹ so too for corporations.ⁿ⁶⁰ Distinctions between human public figures and corporate public figures make no sense. Recognizing corporations as public figures increases safeguards that ensure information about these important actors will be available to society.

The public, political debates by and about corporations, the nature of manufacturing, and the effect of purchasing decisions indicate that corporations may qualify as public figures or be part of a discussion of public concern more often than one might expect.ⁿ⁶¹ If so, rules that impose liability or damages without fault are not allowed by the Constitution.ⁿ⁶² A possible objection to corporations being treated as public figures is that they are private and their work is not about matters of public [*468] concern.ⁿ⁶³ And yet from *Citizens United*, one has a vision of corporations as often fully engaged in public debate with "voices that best represent the most significant segments of the economy."ⁿ⁶⁴ Objections that corporations are private miss the point. Private, natural people may become public figures. Any person who is a public official involved with public affairs "runs the risk of closer public scrutiny than might otherwise be the case," and a private figure may be a public figure subject to similar scrutiny.ⁿ⁶⁵ In *Gertz v. Robert Welch, Inc.*, the seminal case regarding a private individual - that is, someone not elected or appointed to public office - being deemed a public figure, the Supreme Court set out the key question: one must examine whether the person "voluntarily injects himself or is drawn into a particular public controversy and thereby becomes a public figure for a limited range of issues."ⁿ⁶⁶ The Court's description of the characteristics and ways in which someone becomes a public figure shows why some corporations are likely to be seen as public figures:

For the most part those who attain [public figure] status have assumed roles of especial prominence in the affairs of society. Some occupy positions of such persuasive power and influence that they are deemed public figures for all purposes. More commonly, those classed as public figures have thrust themselves to the forefront of particular public controversies in order to influence the resolution of the issues involved. In either event, they invite attention and comment.ⁿ⁶⁷

This description of general-purpose public figures seems to foreshadow Justice Scalia's proclamation about the general importance of corporations almost forty years later.

Furthermore, corporations can distribute their messages in ways that matter for constitutional analysis. In *Gertz*, the Court relied on public figures' "significantly greater access to the channels of effective communication and hence ... more realistic opportunity to counteract false statements than private [*469] individuals normally enjoy" to support the idea that public figures must be subject to more, not less, speech about them.ⁿ⁶⁸ Corporations often have access and resources to counteract any speech about them that may be false or troubling. In *United States v. Alvarez*, the Court recently addressed a regulation of false speech and struck it down in part because four Justices believed that "the dynamics of free speech, of counterspeech, of refutation, can overcome [a] lie."ⁿ⁶⁹ Justice Breyer's concurrence, which Justice Kagan joined, acknowledged the power of more accurate information to "counteract the lie."ⁿ⁷⁰ *Alvarez* saw average citizens' ability to engage in counter-speech as enough power to combat a lie. Given corporations' concentrated wealth, newfound power to create super PACS, and ability to employ sophisticated public relations and communications campaigns either through in-house or hired companies, corporations can rival, if not exceed, the access many human political figures can afford. In other words, corporations can engage in counter-speech as needed and so can meet the counter-speech criteria for being a public figure.ⁿ⁷¹

Connecting *Citizens United* and *Gertz* shows that corporations can be general-purpose public figures easily and, short of that, often can be limited-purpose public figures. This chart helps illustrate the connection.

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	<i>Gertz</i>	<i>Citizens United</i> , the entity, as possible public figure
Entity	Person	Corporation
Public or Private	Private	Private
Prominence in Society	Yes	Yes
Thrust to forefront for particular controversy in order to influence the resolution of the issues involved	No	Yes
Significantly greater access to media	No	Yes
General Public Figure	No	No
Limited Public Figure	No	Yes

It is the use of speech rights that matters. In expanding corporate speech rights, the Supreme Court has not differentiated between national and smaller, unknown corporations.ⁿ⁷² Just as with natural persons, all corporations may speak. And just as with natural persons, a corporate speaker who is not a general-purpose public figure may become a limited public figure through its participation in society and exercise of speech rights.ⁿ⁷³ For example, *Citizens United* was not a public figure in general;ⁿ⁷⁴ it would, however, have met the limited-purpose public figure criteria. *Citizens United* certainly "thrust [itself] to the forefront of particular public controversies in order to influence the resolution of the issues involved."ⁿ⁷⁵ *Citizens United*, the corporate person, used its resources to "enjoy significantly [*471] greater access to the channels of effective communication"ⁿ⁷⁶ as it partnered with cable services to offer an expensive video-on-demand (VOD) version of its communication.ⁿ⁷⁷ Any corporation can engage in similar behaviors. As such, one can see that corporations can often become limited public figures.

In addition, the Court addressed whether a corporation's ability to influence the resolution of an issue could be restricted in *Sorrell v. IMS Health Inc.*ⁿ⁷⁸ There the Court further cemented a corporation's ability to speak and influence matters, as it protected corporate speech even if its marketing was more persuasive than other speech.ⁿ⁷⁹

Corporations use their greater resources to speak and persuade, and the Supreme Court blesses such activity just as it would for individuals. That many corporations may behave as and qualify as public figures, especially when they choose to speak, seems clear. But when someone speaks about corporate public figures, the question of when a corporation or its practices are the subject of public concern arises.

The way society makes and uses goods can influence the global marketplaceⁿ⁸⁰ and has political implications.ⁿ⁸¹ That is why we need to be able to speak about corporations as much as corporations are allowed to speak about whatever they wish to speak. What we buy, what we use, how we make, and how we use have moved beyond pure, personal cost evaluations.ⁿ⁸² Today the idea that purchasing choices are "purely private concerns"ⁿ⁸³ is less clear and often inaccurate. Even when a corporation [*472] is not the direct, obvious provider of a governmental service, the move toward making markets a key way in which we organize society blurs, if not eliminates, the line between the public and private nature of corporations. Corporations are major political and economic actors. Consumers are voting for policy through the market and "may well come to view such preferences as their most appropriate mechanism for influencing the policies and conditions of a globalized world."ⁿ⁸⁴ Not all corporations will qualify as public figures, and not all business processes will qualify as public concerns. Matters of purely private concern will remain subject to less speech protection.ⁿ⁸⁵ Yet, consider questions about diamond-mining practices, child labor issues, oil drilling methods, food-production methods' effect on health, and corporate outsourcing policies.ⁿ⁸⁶ Corporations' role in these matters is precisely why Justice Scalia was correct in his assessment about the importance of corporations in society.ⁿ⁸⁷ Furthermore, corporations often embrace environmental, organic, fair-trade, fair-labor, or other positions as part of their overall image as corporate citizens.ⁿ⁸⁸ They also lobby on all manner of regulatory matters related to the way they conduct their respective businesses. These issues are of public concern.ⁿ⁸⁹

Given consumer activism and the greater ability to share information about a good and whether to purchase it, corporations and consumers face increased claims about whether exercising a purchasing choice is wise or good from a political point of view. For example, the locavore movement focuses on eating food grown within 100 miles of where one lives.ⁿ⁹⁰ It also tries to [*473] reduce fossil fuel use in growing and delivering food.ⁿ⁹¹ The movement is connected to sustainability goals and issues, but some debate the movement's effectiveness for environmental goals.ⁿ⁹² Regardless, the shift has changed the way people and companies such as Google approach buying and consuming food.ⁿ⁹³ Even the paper-or-plastic question of fifteen years ago is not as simple today. Some consumers may believe that paper is better than plastic for the environment but face evidence that one is merely choosing between two products that are harmful to the environment.ⁿ⁹⁴ The potential options don't stop there. What about biodegradable plastic bags?ⁿ⁹⁵ Perhaps compostable bags are the best choice? Some believe that bring-your-own-bag (BYOB), i.e., using a reusable bag, is the best environmental choice.ⁿ⁹⁶ Cities, counties, and even states may pass laws banning certain materials or levying a charge for use of one material over another.ⁿ⁹⁷ Companies making the bags lobby about what is the correct choice. Companies, such as Whole Foods, may choose one option before a law is passed to signal a commitment [*474] to a political ideal.ⁿ⁹⁸ News outlets report on the matter,ⁿ⁹⁹ as do online sources.ⁿ¹⁰⁰ Some statements challenge beliefs and claims about bags.ⁿ¹⁰¹ Food production and recycling are but two areas where commerce, corporations, and politics intersect. For example, energy, health care, "Made in the U.S.A," birther claims, and marriage equality have all been part of public battles where activists across the political spectrum have urged consumers to vote with their dollars.ⁿ¹⁰²

The jurisprudence that demands increased corporate speech rights also mandates increasing the ability to speak about corporations when they exercise those rights. Several doctrines, however, limit speech about corporations and act as reputation shields. In essence, when the corporation, rather [*475] than a natural person, is the subject of speech, it is allowed to save face, which it should not be allowed to do.

II. SPEECH ABOUT THE CORPORATION: AGAINST SAVING CORPORATE FACE

A cluster of laws and doctrines protects corporate reputation despite the constitutional desire for more speech about public figures. The Lanham Act favors reduced speech about corporations and raises barriers to speech based on the idea that distortion is a harm to be prevented. Part of the problem is that the subject matter of corporate reputational

laws is traditionally understood as a type of commercial speech, which receives less protection than other speech.ⁿ¹⁰³ That position underestimates the way in which these laws also act as reputation-protection laws. For example, trademarks have moved far beyond the commercial sphere. Trademarks have become brands; that is, they now are more about allowing corporations to protect reputation and persona than preventing unfair competition and advancing consumer protection.ⁿ¹⁰⁴ Precisely because trademarks have become reputation devices, trademark law runs into constitutional speech problems.ⁿ¹⁰⁵ In fact, corporate reputation doctrines reach conclusions that run contrary to the Supreme Court's speech jurisprudence. We do not question and hamper the ability of a critic to challenge a public figure. We do, however, question and limit the ability to critique a corporate public figure. When choosing between saving corporate face and the right to speak about a corporation or its goods and services, the right to speak should trump.

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A. The Nature of Corporate Face

Corporations have a being; it is their brand and all that goes with it. A corporation's word mark is its given name - its logo, its face.ⁿ¹⁰⁶ Google, Mattel, and Rolex can be the names of political figures just as Hillary Clinton, Mitt Romney, and Barack Obama are names of political figures. The bitten apple, interlocked Gs, and golden arches can be the faces of political figures just as pictures of George W. Bush and Bill Clinton capture the faces of political figures.ⁿ¹⁰⁷ Beyond these familiar aspects, corporations see themselves not only as people but as having identities, personalities, and souls personified by their brands.ⁿ¹⁰⁸ Corporations speak of injury to their reputations in much the same way people refer to reputational injuries in libel.ⁿ¹⁰⁹ This self-perception conforms to corporations' claims to greater recognition as people in the speech context and elsewhere. Like a person, corporations seem to assert:

He hath disgraced me, and hindered me half a million; laughed at my losses, mocked at my gains, scorned my nation, thwarted my bargains, cooled my friends, heated mine enemies; and what's his reason? I am a [Corp.].ⁿ¹¹⁰

as they wage campaigns against those who might use their marks and logos to criticize.

[*477] Like Shylock, corporations seek revenge.ⁿ¹¹¹ Like Sullivan, corporations seek to prevent speech about their public roles and acts. Mattel may be the most notorious example of such behaviors. In two cases, Mattel went after uses of Barbie that depicted the icon in ways to which Mattel objected.ⁿ¹¹² The artists commented on Barbie and on society's view of women.ⁿ¹¹³ Although the cases came out in favor of the speech, the defendants spent the equivalent of millions of dollars defending the suits.ⁿ¹¹⁴ Mark holders also try to shut down consumer gripe sites, sites that criticize the corporation behind the mark.ⁿ¹¹⁵ Tactics include sending cease-and-desist letters to "wear down" critics and taking advantage of the "disparity" in legal skills between the corporation and the critic.ⁿ¹¹⁶ Some have called these behaviors [*478] trademark bullying.ⁿ¹¹⁷ In the case of the small artist and Mattel, only pro bono representation made the defense possible.ⁿ¹¹⁸ After an appeal and remand the defendants won an award of "\$ 1,584,089 in attorney's fees and \$ 241,797.09 in costs."ⁿ¹¹⁹ Despite that victory, the overall result is incorrect. The tactics match the ones at issue in Sullivan: "There is no doubt that these Southern officials were hoping to use libel law to curb press coverage of the civil rights movement."ⁿ¹²⁰ The claims in Sullivan totaled \$ 3 million, the claims against the New York Times for other reporting on Birmingham were for another \$ 3.15 million, and the press in general faced close to \$ 300 million in potential libel damages.ⁿ¹²¹ The Court recognized that the suits were chilling speech.ⁿ¹²² By using cease-and-desist letters and strategic lawsuits that, even when decided correctly, impose terrifying costs, mark holders generate the sort of chilling effects First Amendment doctrine seeks to remove.ⁿ¹²³

Like natural people, corporations claim personal rights but do not wish to be subject to appropriate limits on those rights.ⁿ¹²⁴ Rather than having many sources for information about a corporation, a corporation prefers to be the central and only source of information about the corporation and not to be criticized.ⁿ¹²⁵ That ideal, however, runs contrary to

the Supreme [*479] Court's preference for more, not less, speech about public figures.

Once corporate reputation laws enter the picture, an imbalance in corporate speech law emerges. Imagine telling Citizens United, the entity, that it could not speak about then-Senator Clinton or, if allowed to speak, could not in any way mislead or be aggressive in its claims, let alone use then-Senator Clinton's name or face to deliver the political message. Corporate reputation laws open this possibility all too easily when it comes to speaking about the corporation.ⁿ¹²⁶ None of which is to say these laws ignore speech entirely. Rather, they have a narrow view of speech and fail to accommodate it well.

B. Barriers to Speech About Public-Figure Corporations

The traditional lines between commercial and non-commercial speech, between corporation and person, and between private and public are gone.ⁿ¹²⁷ Nonetheless, threats to speech about public-figure corporations persist. For example, trademark law was once separate from constitutional concerns, because trademarks were easily understood as commercial speech. In essence, commercial speech is speech that proposes a commercial transaction.ⁿ¹²⁸ Such speech - if truthful, non-misleading, and about lawful activity - can be regulated as long as the regulation serves a substantial government interest, directly advances that interest, and is no more extensive than necessary to serve that interest.ⁿ¹²⁹ Noncommercial speech, however, "even if false, can only be regulated under much more [*480] limited circumstances."ⁿ¹³⁰ Thirty years ago Robert Denicola asserted, "The information conveyed through the use of a trademark generally relates not to the momentous philosophical or political issues of the day, but rather to the details of prospective commercial transactions - the source or quality of specific goods or services."ⁿ¹³¹ Thus, limits on commercial speech were considered "exempt from constitutional scrutiny."ⁿ¹³² When Denicola wrote about trademarks and speech, he faced unsettled "doctrine and policy" regarding the justifications for trademark protection including a growing turn to a property approach to trademarks, as seen in stronger misappropriation and dilution theories of trademark.ⁿ¹³³ The ideas of corporate speech were nowhere near as developed as today, yet he already saw that "trademark law must ultimately respond to basic constitutional interests."ⁿ¹³⁴ Given expanded trademark protection, expanded corporate speech, and the politics of products and processes, the world of 1982 is gone, and the concerns motivating Denicola thirty years ago have come to fruition.

These concerns have converged and provide corporations with a speech advantage.ⁿ¹³⁵ Today the information conveyed through a trademark often concerns the political issues of the [*481] day, especially when considering source and quality of goods and services.ⁿ¹³⁶ A paradox arises here because of the idea of trademark law as consumer-protection law.ⁿ¹³⁷ In the political realm, the scale tips to more information, even inaccurate information, as the foundation for rich debate and, over time, informed decision making. In the commercial realm, speech is limited, in part because it is not seen as being on par with political speech, and in part to limit information to accurate and true statements that enhance the marketplace and, *arguendo*, consumer welfare.ⁿ¹³⁸ Often the law does not protect untruthful speech, and the First Amendment allows laws that limit speech as a way to "insure that the stream of commercial information flows cleanly as well as freely."ⁿ¹³⁹ In words that seem to echo trademark law's likelihood of confusion test, the Supreme Court has said, "There can be no constitutional objection to the suppression of commercial messages that do not accurately inform the public about lawful activity. The government may ban forms of communication more likely to deceive the public than to inform it."ⁿ¹⁴⁰ Trademark law arguably protects consumers by removing misleading speech and improving information in the marketplace.ⁿ¹⁴¹ A presumption here is that truth in commercial contexts is easier to find and offer than in political [*482] contexts.ⁿ¹⁴² Commerce is also presumed to be apolitical; often it is not. Speech rules from *Citizens United* and *Sorrell* unfetter a corporation's ability to speak about political stances and the politics of their products. The shift allows corporations to use aggressive and pervasive advertising across the full range of media, such as television, radio, the Internet, mobile displays, billboards, infomercials, and print, to achieve their goals. At the same time, a corporation would prefer not to have others use the same means to criticize them. Current laws about corporate criticism play right into this strategy, as they hinder the ability to use speech to question and police corporations.

For example, dilution law explicitly protects corporate reputation; yet, as I argue, a corporation qualifying for

dilution protection is also a public figure, and as such dilution claims are constitutionally prohibited. Dilution protects famous marks.ⁿ¹⁴³ Federal dilution law defines famous marks as marks "widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner."ⁿ¹⁴⁴ It is a reputation law that seeks to eliminate "blurring" or "tarnishment" of the mark.ⁿ¹⁴⁵ Uses that may transfer recognition from one realm to another are prohibited unless coming from the mark holder.ⁿ¹⁴⁶ Factors indicating that a mark is famous include amounts spent and areas reached by advertising, how much and where goods and services have been sold, and the extent of actual recognition.ⁿ¹⁴⁷ This language comes from a recent revision, which was designed, in part, to move away from dilution protection for "niche" marks, or locally famous marks, and make dilution protection [*483] only available for national brands that have "household" recognition.ⁿ¹⁴⁸

Perhaps to the surprise of corporations that lobbied for dilution protection, marks meriting dilution protection correspond to general corporate public figures.ⁿ¹⁴⁹ A human is "a general purpose public figure only if he or she is a well-known celebrity, his name a household word... . They are frequently so famous that they may be able to transfer their recognition and influence from one field to another."ⁿ¹⁵⁰ A corporation that qualifies for dilution protection is, like a human general public figure, by definition nationally or "widely" known like a "celebrity," a "household" name, and its recognition and influence - what dilution law calls "fame" - is easily applied to many realms.ⁿ¹⁵¹ Unlike the way the law treats human public figures, dilution law is a shield for the corporate public figure. The essence of a dilution claim is that, unlike confusion-based trademark doctrines, holders of famous marks can sue junior users "regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury."ⁿ¹⁵² The classic rationale that regulation of false or misleading speech is allowed evaporates with dilution, for dilution does not require that the speech deceive or confuse consumers and never even asks whether it was false.ⁿ¹⁵³ As part of dilution's reputation-protection structure, an act that may transfer recognition from one realm to another - a criteria that tips toward allowing more speech about a natural person - is prohibited. As Rebecca Tushnet has argued, dilution law enables mark holders "to stabilize [*484] the meaning of a mark," rather than face the "robust competition in the marketplace of ideas" the First Amendment fosters, and it "favors meanings approved by established producers above meanings offered by challengers."ⁿ¹⁵⁴ This image protectionism is exactly the opposite of what First Amendment law requires when a public figure is at stake.

Dilution law fails to accommodate the criticism that should be possible for a public figure. Federal dilution law lists some exemptions for certain types of speech, such as fair use, comparative advertising, and news commentary.ⁿ¹⁵⁵ The exemptions seem to enable commentary this Article seeks to foster, but do not go far enough. First, plaintiffs often bring state dilution claims as part of their lawsuits, but the Act does not reach state dilution laws and trademark infringement claims.ⁿ¹⁵⁶ Second, the exemptions simply do not cover what they should, and analysis ends up asking traditional, fact-intensive trademark law questions, such as whether the use was for the defendant's goods or services or to designate source in a confusing manner, murky issues regarding whether a parody was properly made, and difficult questions of fair use, rather than focusing on the criticism and commentary inquiries needed for speech about public figures.ⁿ¹⁵⁷ In one case the use of Louis Vuitton marks to make and sell a handbag-styled, plush chew toy for a dog was deemed a parody and allowed.ⁿ¹⁵⁸ In contrast, when Hyundai used Louis Vuitton marks in a television advertisement by altering the mark to LZ and placing the altered mark on a basketball that appeared for one second in a thirty-second commercial, the court found that Hyundai had diluted the Louis Vuitton mark.ⁿ¹⁵⁹ Hyundai claimed it was using the mark to comment on the changing meaning of luxury, and the commercial showed ironic images challenging what luxury means, such as "policemen eating caviar in a patrol car; large yachts parked beside modest homes; ... [and] an inner-city basketball game played on a lavish marble court with a gold hoop."ⁿ¹⁶⁰ That did [*485] not matter. Hyundai was not able to meet the fair use exemption, because it was not commenting solely on Louis Vuitton, and there was intent to use the mark.ⁿ¹⁶¹ The inquiry incorrectly focused on intent to misappropriate the mark rather than asking whether the use was to make a false statement about the company - an inquiry that would allow the speech instead of preventing it.ⁿ¹⁶² And, a more general problem appears. As one commentator has put it, the exemptions make the analysis "ambiguous" and thus defeat the goal of increased speech, because the hurdles put us in a world of late case resolution and uncertainty about liabilityⁿ¹⁶³ - the opposite of what we should want if we are to be able to question corporate public figures.

Trademark law encounters further problems as it tries to protect consumers from false and misleading speech. A core understanding of trademark law today is that its purpose is to "facilitate the transmission of accurate information to the market."ⁿ¹⁶⁴ But the source of that transmission is the mark holder.ⁿ¹⁶⁵ Mark holders, not consumers, bring trademark suits.ⁿ¹⁶⁶ The idea is that the mark holder will police its mark, and consumers benefit as a result. In the rare cases where there truly is passing off - using a mark to deceive consumers about what they are buying - trademark law protects consumers,ⁿ¹⁶⁷ and the concerns of this Article are not present. As a constitutional matter, the ideal of protecting consumers by preserving the [*486] quality of information in the marketplace appears sound, but when probed the ideal falls apart.

The current system allows the object of the speech to control the content of that speech, which is a backwards result for public figures. We would not allow Sullivan or Hillary Clinton to dictate whether and how people could comment on them as public figures. Yet, trademark law relies on mark holders to decide when the public should be able to see or hear an opinion about the mark holder. As with the defamation suit at issue in Sullivan, trademark law enables threatening letters and lawsuits that chill speech.ⁿ¹⁶⁸ Trademark enforcement practices, including sending cease-and-desist letters and increasing numbers of "strike suits" designed to force quick settlements, are "standard practice in the face of virtually any use," even legal uses.ⁿ¹⁶⁹ If a case reaches a court, the test applied - the likelihood of confusion test - asks whether the use in question is "likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association" between the plaintiff and defendant or their products.ⁿ¹⁷⁰ The test is, however, quite poor at accommodating speech.ⁿ¹⁷¹ The multifactor test is fact-intensive, requires experts, and is rarely amenable to summary judgment.ⁿ¹⁷² In addition, because trademark law embraces consumers as dullards who are easily confused when purchasing,ⁿ¹⁷³ almost any hint of confusion, even in expression cases, can be found to be an infringing use.ⁿ¹⁷⁴ The Lanham Act is subject to a broad reading, and courts grant injunctions with a small showing or belief that some use of a mark "indicates a trademark owner's mere approval of a defendant's product or service."ⁿ¹⁷⁵ Confusion analysis thus chills speech "regardless of the ultimate outcome."ⁿ¹⁷⁶

[*487] Another speech problem occurs when commercial and noncommercial speech mix. In *Nike, Inc. v. Kasky*, after allegations that Nike "mistreated and underpaid workers at foreign facilities," Nike engaged in a campaign to protect its image, including taking out advertisements, issuing press releases, writing op-eds, and sending letters to university presidents and athletic directors, some of its main constituents or customers.ⁿ¹⁷⁷ Kasky, a private citizen, claimed Nike had made false and misleading statements about its labor practices and sued Nike for unfair and deceptive practices under California law.ⁿ¹⁷⁸ Despite all the advertising and marketing efforts in its campaign, Nike argued its speech was noncommercial, because it did "more than propose a commercial transaction" and was related to more than just "economic interests of the speaker and its audience."ⁿ¹⁷⁹ Nike claimed it was engaging in a general public debate and offering its "opinion on matters of public concern."ⁿ¹⁸⁰ If accepted, Nike's speech would have come under the heightened scienter required before one can find tort liability for such speech.ⁿ¹⁸¹ Yet Nike's communication was an advertisement, concerned a product, and had an economic motivation, and thus arguably fit the definition of commercial speech.ⁿ¹⁸² If so, Nike was making a statement about its products, not general labor issues, and one could limit Nike's commercial speech and factual statements while still allowing Nike to speak about general politics.ⁿ¹⁸³ This view ignores, however, that many people buy goods based on politics. To say that Nike's speech was not political is incorrect. As Justice Breyer explained in his dissent, Nike was responding to claims about "a matter that [was] of significant [*488] public interest and active controversy" and where advocacy for action had been made.ⁿ¹⁸⁴ Nike's speech was simultaneously commercial speech and political speech, with the two aspects "inextricably intertwined."ⁿ¹⁸⁵

The political nature of commerce indicates that a corporation should be allowed to speak, but allowing someone to police that speech through lawsuits would be disfavored. Justice Breyer claimed the choice was binary, between First Amendment protection only for truthful commercial speech and the First Amendment commitment to protecting "the liberty to discuss publicly and truthfully all matters of public concern" as well as creating "breathing space" for speech on matters of public concern, including "potentially incorporating certain false or misleading speech."ⁿ¹⁸⁶ The tradeoff is the familiar one from *Citizens United*: truth testing or more speech on public matters. Breyer sided with more speech. He indicated a statute that allows an individual to bring a suit for false advertising when the individual has suffered no

harm would be unconstitutional, because the threat of such suits would chill corporate speech.ⁿ¹⁸⁷ He further questioned the general idea of a private attorney general being able to go after mixed political speech.ⁿ¹⁸⁸ Breyer noted that such a law would handicap commercial speakers - often corporations - in ways noncommercial speakers were not.ⁿ¹⁸⁹ Although Justice Breyer's analysis is consistent with the idea that laws favoring less speech are likely unconstitutional, it highlights that, yet again, corporate speech is protected, while avenues to challenge corporations are closed.

Like other public figures, corporations need policing. Consumers may wish to take up causes and go after corporations in court, but regulations allowing consumers to police corporate speech are fewⁿ¹⁹⁰ and suspect under the Court's views on restricting corporate speech. All that remains to discipline a corporation is speech about the corporation. That solution, however, reveals the asymmetry of commercial speech law when a [*489] consumer tries to talk about a corporation. Speech about a corporation is often subject to greater, not less, regulation, because of the conceit that the subject matter is less important than non-commercial speech. Justice Breyer recognized a potential harm of having a private attorney general being able to go after mixed political speech,ⁿ¹⁹¹ but given that corporations are the private actors bringing trademark suits, they too are private attorneys general who may go after mixed speech about them. Again, corporations receive the benefits of speech, but without the limits placed on natural persons. Corporations speak with almost no limits. Corporations may use reputation laws to thwart speech about corporations. And, lawsuits to hold corporations accountable for their assertions are not allowed. The confluence of these results narrows the number of speakers about a corporation. The Supreme Court's speech jurisprudence, however, favors "decentralization" - reducing barriers to speech about public figures and increasing the number of decentralized sources of information, not limiting them.

C. The Virtue of Decentralized Authority

Decentralization is supposed to help society have more perspectives - even false or distorting ones and especially critical, challenging ones - so that debate can take place. Corporate reputation laws, however, work to limit the numbers of speakers about a corporation in the name of advancing truthful speech.ⁿ¹⁹² That position is untenable when considering a public-figure corporation. Citizens United examined the truth-value of speech as a question of distortion - "the corrosive and distorting effects of immense aggregations of wealth that are accumulated with the help of the corporate form and that have little or no correlation to the public's support for the corporation's political ideas."ⁿ¹⁹³ The truth-value of speech arises in Sullivan as both factual-error and defamation issues.ⁿ¹⁹⁴ Taken together, these cases show that First Amendment law not only tolerates turbulence about issues and possibly confusing statements from myriad [*490] sources about public figures and/or public matters, but also embraces that muddiness as a way to have a larger debate that is not subject to only one view of an issue.ⁿ¹⁹⁵ Put differently, the Court seeks to increase the amount of information and puts less weight on the information's truth-value.ⁿ¹⁹⁶

The possibility of a speaker, corporate or otherwise, being so powerful as to distort speech simply does not matter in the decentralized approach to speech. Citizens United rejected the concept of antidistortion in favor of allowing more, not less speech. Antidistortion was designed to prevent corporations "from obtaining 'an unfair advantage in the political marketplace' by using 'resources amassed in the economic marketplace.'"ⁿ¹⁹⁷ That a corporation may amass great wealth and use it is not a surprise. Mitigating such a possibility might even be laudable. But individuals can also amass similar wealth, and the First Amendment does not turn on financial status.ⁿ¹⁹⁸ Furthermore, the Court noted that the antidistortion ideal would apply to a media corporation and allow Congress to ban such a corporation's speech.ⁿ¹⁹⁹ According to the Court, "By suppressing the speech of manifold corporations, both for-profit and nonprofit, the Government prevents their voices and viewpoints from reaching the public and advising voters on which persons or entities are hostile to their interests."ⁿ²⁰⁰ Thus, the antidistortion rule, if followed, would deny corporations the right to speak in the same way that individuals speak and be tantamount to censorship that prevents the public from receiving information.ⁿ²⁰¹ Such a rule could not stand. In the face of virulent factions, banning one or the other faction "destroys [*491] the liberty" of some factions and is "worse than the disease."ⁿ²⁰² It is better to have more speech by all manner of speakers and let the public determine "what is true and what is false."ⁿ²⁰³ All of these points fit into the view that the

solution to possibly distorting views is to have all speak rather than have a centralized decision about what speech to allow.

The antidistortion approach to speech was doomed for another reason: the Court's high tolerance for false, inaccurate statements in the realm of political speech. The antidistortion perspective may be correct that certain corporate views could overwhelm other speakers' voices and possibly eliminate precisely the wide range of speech the Citizens United Court vaunted. Antidistortion principles also sought to manage the way in which large corporate donations can corrupt the political process.ⁿ²⁰⁴ The perspective that certain corporate speech will be false and distort the factual record cannot, however, get around Sullivan. Recall that Sullivan involved a claim of libel and left the defendants with truth as a defense.ⁿ²⁰⁵ The Court resoundingly rejected truth testing in favor of speech. When the First Amendment is at issue, "any test of truth - whether administered by judges, juries, or administrative officials - and especially one that puts the burden of proving truth on the speaker" is not recognized.ⁿ²⁰⁶ Such tests would force the speaker to assess and prove the truth of statements; that endeavor, even for true statements, presents great uncertainty and potential costs such that speakers would self-censor for fear of actions and possible judgments against them.ⁿ²⁰⁷ Truth matters, but under the actual malice standard set forth in Sullivan, a defendant must speak "with knowledge that [the publication] was false or with reckless disregard of whether it was false or not."ⁿ²⁰⁸ This standard permits a huge range of speech by punishing only the most egregious false statements. Such a standard accommodates [*492] the fact that "erroneous statement is inevitable in free debate."ⁿ²⁰⁹ The standard also ensures that "constitutional protection [for speech] does not turn upon "the truth, popularity, or social utility of the ideas and beliefs which are offered."ⁿ²¹⁰ Furthermore, "injury to ... reputation," even if based on "utterances containing 'half-truths' and 'misinformation,'" is not sufficient to trump speech about public officials.ⁿ²¹¹ The Sullivan Court, like the Citizens United Court more than 45 years later, championed the ability of anyone - corporation, association, or individual - to criticize public officials (and by extension public figures) and discuss public affairs. Rules that interfere with that ability are likely unconstitutional.

At the same time, the Court's free speech jurisprudence reflects a dedication to a type of symmetry when considering what speech is allowed and how speech is made. Sullivan recognized that public officials have broad immunity against libel if the statement is made as part of the official's duties.ⁿ²¹² In a move to rebalance speech rights, the Sullivan Court held that "it would give public servants an unjustified preference over the public they serve, if critics of [public officials] did not have a fair equivalent of the immunity granted to the officials themselves."ⁿ²¹³ Justice Goldberg's concurrence in Sullivan adds another dimension to this symmetry. The underlying logic seems to be that if the press was able to smear the public official, and the official had little ability to counter that speech, a distortion problem may be present.ⁿ²¹⁴ That was not the case, because public officials have sufficient means for counter-speech through the media.ⁿ²¹⁵ Because there was symmetry regarding speech platforms, there should be "an absolute privilege for criticism of official conduct" by citizens and the press.ⁿ²¹⁶ Citizens United and Sorrell also rejected rules that distinguish amongst speakers [*493] and instead favored applying the same speech rules to all.ⁿ²¹⁷ One way to understand Citizens United's rejection of the antidistortion ideal is as a peculiar form of symmetry. The Court adhered to the idea that all manners of speech in all mediums are equal, and its discussion of the way in which any and all speakers may soon avail themselves of a range of mediums, including the Internet, tracks a desire to avoid carve-outs for a specific type of speaker or medium and instead treat all the same.ⁿ²¹⁸ For the Court, the possibility of all having the same options to speak is more important than whether one speaker may be better at, or have more powerful ways of, using those options.

Furthermore, the Supreme Court's recent decision in *United States v. Alvarez* supports the idea that even when faced with false statements of fact that involve misuse of a powerful symbol - the Medal of Honor - corrective counter-speech is favored over restricting speech.ⁿ²¹⁹ The parallel to the interests advanced for dilution and trademark confusion claims was strong.ⁿ²²⁰ In those areas, however, if a plaintiff can show a dilution or a likelihood of confusion when another uses the plaintiff's mark, harm is presumed and an injunction is issued.ⁿ²²¹ In contrast, not only did Justice Kennedy reject the general position "that false statements receive no First Amendment protection,"ⁿ²²² he rejected the claim that the government interest in protecting the integrity of the award - not "diluting the value [*494] and meaning of military honors," and not letting misuse tarnish the symbol - was sufficient to overcome the interest in

free speech.ⁿ²²³ For Kennedy, the claimed harm - protecting the symbol's value and reducing public confusion about the symbol - lacked connection to the remedy.ⁿ²²⁴ Instead of the restriction on speech like that which trademark law fosters, Alvarez looked to counter-speech and better information sources for people to check potentially false statements as ways to cure the possible confusion and harm the false use of the symbol might create.ⁿ²²⁵

Yet corporate reputation doctrines are asymmetrical to, and reach different conclusions for, the same questions the Court addresses in public figure speech cases. The following chart illustrates the divergence in treatment.

	Antidistortion/ Politics	Confusion/Commerce Law
Truth Test	No	Yes
Reputation Protection	No	Yes
Allows Muffling of Voices	No	Yes
Tolerance for Inaccuracy	Yes	No

The very doctrine that the Supreme Court rejects - the antidistortion doctrine - because it "muffled ... voices"ⁿ²²⁶ and "deprived [the electorate] of information, knowledge and opinion vital to its function,"ⁿ²²⁷ reappears in trademark law under the guises of dilution and likelihood of confusion doctrines. Only here the roles are reversed. The corporate speaker is privileged and shielded from scrutiny as it presses its views about [*495] itself, while everyone else faces hurdles to speak.ⁿ²²⁸ Like the world before Sullivan, the public figure is protected and has superpowers, whereas the speaker is unprotected and faces penalties for speech.ⁿ²²⁹ Instead of relying on the more powerful speaker to use its resources for counter-speech, challenging speech is simply quashed. Beyond the traditional speech rules under which people operate, corporations use trademark law to protect their name, face, and reputation. Trademark law privileges the mark holder's view of its mark and the information the corporation offers for processing its version of the truth over others' and suppresses challenges to what the mark stands for lest those challenges confuse consumers, even in cases where the "protection doesn't protect consumers."ⁿ²³⁰ This position makes little sense for speech about a corporate public figure.

If corporations are afforded the same speech rights as and against individuals and across all mediums, individuals should have the same rights against corporations. Given corporations' important role in society as speakers, as shapers of our world, and as influencers of politics, the law should allow for more discussion about corporations' business practices, goods, and services - not less. As between a corporation's access to media and ability to present a message on an issue and an individual's, a corporation often has greater access to the media to respond - not less. Yet glaring areas of the law undermine, if not negate, the ability to speak about corporations. These laws protect corporate reputation and interfere with the Court's commitment to speech symmetry. They favor a corporation's speech about its goods, services, and the corporation itself while suppressing other speech about the corporation. They embrace antidistortion principles, rather than rejecting them. If the principles of decentralized provision of information - including information about political matters, regardless of some inaccuracies, [*496] and matters related to corporations - are to have force, laws that protect corporation reputation have to be rethought.

III. ESTABLISHING THE CORPORATE PUBLIC FIGURE DOCTRINE

Public-figure jurisprudence should shape the way we govern commentary about corporations. Thus, I propose a corporate public figure doctrine. Dissolving lines about what is commercial speech, expanding corporate power to stop speech, and shrinking ways to police corporations demand increased speech about corporations and lead to one conclusion: we need a safe harbor for speech about corporations. A corporate public figure doctrine provides the contours of such a safe harbor. Such a doctrine creates the possibility for more speech about corporations and rebalances free speech law so that corporate speech rights are subject to the same obligations and limits as the speech rights of

natural persons.

A. Increasing Speech

A corporate public figure doctrine would ensure high information flow and public debate about the politics of commerce.ⁿ²³¹ How much information we allow into a debate involves an inherent tradeoff. First Amendment law and corporate reputation law strive to balance between judgment calls about what is good information that allows us to make better decisions, and bad information that hinders our ability to understand an issue.ⁿ²³² Corporate reputation law tends to limit information and privileges corporations as sources of information.ⁿ²³³ First Amendment jurisprudence favors the provision of more information by individuals, groups, and the press and relies on the ability of people to parse amongst different pieces of information, even inaccurate information, instead of restricting information flow.ⁿ²³⁴ The First Amendment's actual malice [*497] test reflects the choice for more information, not less. Actual malice requires that the defendant knew the publication was false or made with "reckless disregard of whether it was false or not."ⁿ²³⁵ Given the passions involved in political and public issues, the standard requires something more than "ill will or 'malice' in the ordinary sense of the term."ⁿ²³⁶ It does not matter that the allegedly defamatory material is published with an eye toward profit.ⁿ²³⁷ The core issue is whether the defendant "made the false publication with a 'high degree of awareness of ... probable falsity,' or must have 'entertained serious doubts as to the truth of his publication.'"ⁿ²³⁸ Thus it seems that most assertions about a public-figure corporation would be privileged unless someone offered an outright lie and knew it was a lie.ⁿ²³⁹

The Lanham Act is the missing piece of corporate reputation doctrine, where applying actual malice runs into problems but should not. Indeed, the actual malice threshold has been applied to limit some corporate reputation doctrines. Trade libel and slander of title actions - sometimes collectively known as injurious falsehoodsⁿ²⁴⁰ - have been held constitutional when limited to cases involving knowingly false statements and a [*498] showing of actual malice.ⁿ²⁴¹ Actual malice is the threshold for liability in a trade libel case involving a public figure under the Restatement of Torts, and Judge Sack offers it as the probable requirement in his treatise on First Amendment law.ⁿ²⁴² Applying actual malice standards to trademark and false advertising law would track how the Court manages other corporate reputation doctrines. The section of the Lanham Act that addresses false advertising "creates a cause of action strikingly similar to, and that may act as a substitute for, one for injurious falsehood."ⁿ²⁴³ The section concerning trademarks uses almost the exact same language as the false advertising provisions.ⁿ²⁴⁴ Yet trademark and false advertising law are treated quite differently than other corporate reputation laws, with injunctions being common, no intent requirement for deception, and no requirement for special damages related to the speech at issue.ⁿ²⁴⁵ These doctrinal results directly conflict with how we treat public figures. They work to protect corporate public-figure reputation rather than to allow society to scrutinize them as it might any other public figure.

The use of actual malice standards when speaking about corporate public figures allows consumers, commenters, the press, and others to engage in unfettered speech about corporations. This approach rebalances the current system, which favors expanded, barely restricted corporate speech but limits speech about corporations. Such an approach could arguably place all corporate speech beyond the reach of not only much of trademark and false advertising law, but also agencies that regulate corporate speech.ⁿ²⁴⁶ In that sense, Rebecca Tushnet identifies precisely the problem this Article tries to address. [*499] Current Supreme Court jurisprudence seems to go to the heart of commercial speech and consumer protection ideals and eviscerates them in favor of more speech and corrective speech by all.ⁿ²⁴⁷ I am not saying this turn is necessarily desirable, and I acknowledge its problems.ⁿ²⁴⁸ Rather, I believe that First Amendment jurisprudence has gone this route. This shift requires that we offer proper protection for those who would speak about corporate practices. When increased speech is all that remains, barriers to such speech should be torn down.

B. Enabling Speech About the Corporate Public Figure

A few hypothetical situations help illustrate how a corporate public figure doctrine would operate. Suppose Corporation A (CA) is a leading maker of tractor equipment. CA's tractors may be used for a variety of purposes. On the one hand, customers may use the tractors to increase their farms' yield and reduce labor needs to allow for

investment in costlier but more environmentally friendly farm techniques.ⁿ²⁴⁹ On the other hand, some customers may use the tractors to tear down forests, fill in wetlands, or remove settlements.ⁿ²⁵⁰ Now consider Corporation B (CB), a leading maker of toys for girls. CB's doll is the most popular doll for girls. On the one hand, the doll is part of a campaign for girl power and has promoted positive careers, from surgeon to fashion designer to producer to an African-American female Presidential candidate.ⁿ²⁵¹ On the other [*500] hand, the doll may be seen as lacking anatomical normality, promoting consumerism, and at times offering images of girls as unable to handle mathematics.ⁿ²⁵² A third corporation, Corporation C (CC), is a leading soda pop maker. It has promoted its products as being all-American and "Classic."ⁿ²⁵³ It has also altered its ingredients over time. At one point, the soda had a little cocaine in it.ⁿ²⁵⁴ Later, CC switched from using sugar as a sweetener to corn syrup.ⁿ²⁵⁵ In addition, CC has issued reports on its commitment to sustainability.ⁿ²⁵⁶

Now, suppose that someone criticized any of these corporations by making broad claims regarding their practices, the honesty of their assertions, their role in culture, and so on. The critic used print, the Internet, and local radio advertisements to further the campaign. The critic also used the corporation's trademarks in the campaign - a practice sometimes compared to hijacking - because they are the name and face of the corporation.ⁿ²⁵⁷ In some cases, the critic may be using the marks in advertisements for the critic's products, such as when SodaStream, a maker of do-it-yourself soft drink machines, used Coke bottles and cans in a marketing campaign to highlight container waste and landfill created by soda makers' products.ⁿ²⁵⁸ Comparative advertising parodies are another possibility. In *Deere & Co. v. MTD Products, Inc.*, MTD animated Deere's mark so that it was smaller than the original mark and [*501] ran away.ⁿ²⁵⁹ Criticism via a product is another option. In *Coca-Cola Co. v. Gemini Rising, Inc.*, the defendant offered a poster styled like a Coca-Cola ad that read "Enjoy Cocaine" in contrast to Coca-Cola's "Enjoy Coca-Cola" mark,ⁿ²⁶⁰ a commentary that seems appropriate given that cocaine was once an ingredient in the drink. Sometimes the commentary will be about a corporate image and how its products shape society. For example, Barbie was used in music and art to critique images of femininity and consumer society.ⁿ²⁶¹ The antibrand movement has reworked brands to expose child labor (Old Navy), the dangers of cigarettes (Joe Camel), Dow Chemical's inaction after the Bhopal disaster, British Petroleum's responsibility for the Gulf of Mexico, and more.ⁿ²⁶² And suppose a given corporation threatened to sue or sued the speaker.ⁿ²⁶³ How would the issue turn out? Under current doctrine, the critic would face large costs and injunctions, and possibly need to reach an appellate court before the speech was vindicated.ⁿ²⁶⁴ Like the defendants in *Deere* and *Gemini*, some defendants might lose after a long, expensive battle, because, as described above, the inquiry focuses on the incorrect questions about misappropriation of the mark and confusion of consumers rather than whether the statements are false and whether the issue is about a corporate public figure.ⁿ²⁶⁵ Under the proposed approach, a defendant would argue that the corporations are public figures, and that they must meet the actual malice standard under *Sullivan*.ⁿ²⁶⁶

The advantages here are two-fold. In determining whether a plaintiff is a public figure, courts may use an evidentiary hearing.ⁿ²⁶⁷ That early determination allows a court to resolve cases where actual malice is not at issue and saves considerable [*502] costs.ⁿ²⁶⁸ If the plaintiff has not argued there was actual malice but only negligence, and the defendant cedes negligence, and if all other elements are in place, the case turns on whether the plaintiff is a public figure.ⁿ²⁶⁹ If the plaintiff is a public figure, she loses; if not, she wins.ⁿ²⁷⁰ The actual malice determination is subtler but has similar benefits. Actual malice requires clear and convincing evidence.ⁿ²⁷¹ Under *Sullivan*, defendants do not have an immediate bonus regarding burden of proof to prevent litigation costs.ⁿ²⁷² Rather, the higher standard makes summary judgment a favored strategy, because plaintiffs have a difficult time overcoming that standard.ⁿ²⁷³ The standard results in potentially early resolution and thus lower costs.ⁿ²⁷⁴ As such, a corporate public figure doctrine enables earlier determination of the speech issues.

An examination of what the public figure analysis for corporations would look like illustrates how the approach would work and why it should increase the amount of information about corporations rather than reduce it, as is the case today.

Corporations can qualify as either general-or limited-purpose public figures. Under standard public figure doctrine, the general-purpose public figure is the exception, and the limited-purpose figure status is more likely.ⁿ²⁷⁵

Corporations, however, can fit into either category rather easily. ⁿ²⁷⁶ Determining whether the plaintiff is a public figure and what type of public [*503] figure, general-or limited-purpose, is a question of law. ⁿ²⁷⁷ The Court of Appeals of the District of Columbia has explained:

A person becomes a general purpose public figure only if he or she is a well-known celebrity, his name a household word. Such persons have knowingly relinquished their anonymity in return for fame, fortune, or influence. They are frequently so famous that they may be able to transfer their recognition and influence from one field to another. Thus, it is reasonable to attribute a public character to all aspects of their lives. ⁿ²⁷⁸

If CA is Caterpillar; CB, Mattel; and CC, Coca-Cola, they qualify as general-purpose public figures quite well. ⁿ²⁷⁹ Although corporations are not giving up anonymity, they seek and, in these examples, attain "fame, fortune, and influence." ⁿ²⁸⁰

An additional way to analyze the issue is to ask whether the corporations' marks would qualify for federal dilution protection. As explained above, dilution protects famous marks of corporations with much the same levels of "fame, fortune, and influence," and the same ability "to transfer their recognition and influence from one field to another" as human public figures. ⁿ²⁸¹ If a corporation has a viable dilution claim, courts should find that the corporation is also a general-purpose public figure. ⁿ²⁸²

Even if one chooses to avoid declaring a famous corporation a general-purpose public figure, or if CA, CB, and CC were not Caterpillar, Mattel, and Coca-Cola, but instead were local corporations, they may often be limited-purpose public figures. Courts have applied a three-part test to determine whether someone is a limited-purpose public figure. ⁿ²⁸³ First, the controversy must be determined "because the scope of the controversy in which the plaintiff involves himself defines the scope of the [*504] public personality." ⁿ²⁸⁴ The issue must be public such that "persons actually [are] discussing it" and must affect more people than just the ones directly involved in it. ⁿ²⁸⁵ Criticisms about CA's approach to the environment, CB's approach to women's place in society, or CC's approach to health are issues people discuss in the news, on blogs, and elsewhere. They also reach more than the disputants. For these examples, the first prong would be met.

Second, the plaintiff must have more than a "trivial or tangential" role in the controversy. ⁿ²⁸⁶ Whether the role was more than trivial will turn on whether the corporations asserted some influence on outcomes or made statements about the issues at hand. ⁿ²⁸⁷ In our examples, Caterpillar, Mattel, and Coca-Cola have all taken public stands by touting their roles in sustainability, ⁿ²⁸⁸ empowering girls and women, ⁿ²⁸⁹ and health matters. ⁿ²⁹⁰ So even if not deemed general-purpose corporate figures, they would meet this part of the evaluation. If, however, a corporation of any size - national, state, or local - has not made statements on an issue, would it still be a limited-purpose public figure? Answering that question would require investigation of facts about lobbying, public relation campaigns, and similar acts that demonstrate the role of the company. ⁿ²⁹¹ It does not [*505] take much for a corporation's acts to make it a limited-purpose public figure. The question turns on whether the corporation's activity could foreseeably generate public attention. ⁿ²⁹² A corporation's local interactions, activities, and policies, such as community-development projects, advocacy on city and county councils, negotiated tax breaks, employment policies, and so on, would favor treating even a somewhat unknown corporation as a limited public figure. ⁿ²⁹³ One might wish to say that the corporation did not seek the limelight but, like a person, a corporation cannot say it did not want the attention. ⁿ²⁹⁴

Last, the germaneness question would follow a similar fact inquiry, but a corporation's greater general power to shape policy as compared to an individual indicates that many issues could be germane more often than expected. The issue must be "germane to the plaintiff's participation in the controversy." ⁿ²⁹⁵ If the statements about the corporation were about the issues on which it spoke or where it had influence, they would, of course, be germane. ⁿ²⁹⁶ A broad claim that Mattel supports war or Coca-Cola hates same-sex marriage rights or Caterpillar dislikes NASA's space program would not seem to be germane. For human defamation plaintiffs, courts will not allow a private person to be

deemed a limited-purpose public figure unless the statement has some connection to the controversy, and "misstatements wholly unrelated to the controversy" are not protected.ⁿ²⁹⁷ But claims that selling goods from or investing in former apartheid South Africa supported racism helped change policy at both the corporate and state level, which in turn sped the decline of that regime.ⁿ²⁹⁸

[*506] The recent Chick-fil-A gay rights debate illustrates how quickly a topic can become germane. The President of Chick-fil-A was quoted as saying "he endorses 'the biblical definition of the family unit.'" ⁿ²⁹⁹ The issue quickly turned into an indictment of the company in general. Some mayors claimed they would not allow the restaurant to open in their cities.ⁿ³⁰⁰ Other political candidates urged people to eat more Chick-fil-A to show support for the company's president and his family.ⁿ³⁰¹ Although the president seemed to separate his beliefs from how he ran his workplace, some argued that because he made money from the restaurants, and then he and the company donated to conservative financial groups that oppose gay rights, protesting and boycotting Chick-fil-A would help gay rights.ⁿ³⁰² The examples and the process issues discussed above show that corporations are influencing public policy, and consumers are asked to vote with their dollars as a way to support or protest a given policy. Thus, a claim that failing to offer same-sex rights in the workplace undermines LGBT rights or choosing to offer such rights undermines family values could be germane as a general matter. As another example, after Google, Nabisco, and J. C. Penney chose to support gay and lesbian rights, they faced some consumer backlash and received some consumer support.ⁿ³⁰³ Thus, one might argue that any large company that employs many people ought to support or reject gay rights. Indeed, [*507] the Chick-fil-A controversy resulted in a commitment not to support and donate to anti-gay groups.ⁿ³⁰⁴ Inquiring into a corporation's social policies is just as germane as inquiring into a public official's social policies.ⁿ³⁰⁵ The topics become germane as a corporation chooses its policy for such matters and participates in controversy when it makes such decisions. The way in which a corporation makes its goods, offers it services, and runs its business are analogous to a public official's fitness-for-office question - just as our commercial decisions are analogous to our political decisions.
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Corporations can wield enough power that they often influence and alter the course of human events at the international, national, state, and local level. Determining what is germane is difficult, because corporations have burst the bounds of the limited commercial actor. As corporations' importance increases and we are asked to use the market to express and support political ideas, many issues could be deemed germane. In sum, whether a corporation is a limited-purpose public figure should be a broad, lenient inquiry. The increased deference to corporate speech and the reasons supporting such increased power to speak push the corporation into the public figure realm and lead to the need for an increased ability to question the corporation.

Under *Citizens United*, however, corporations have the same speech rights as people.ⁿ³⁰⁷ Thus, corporations will be able to assert claims about other corporations.ⁿ³⁰⁸ In such a world, corporations will have to engage in lawsuits or even more spending for counter-speech, i.e., more advertising, as they [*508] launch broad claims about each other.ⁿ³⁰⁹ These activities are arguably already part of our media and advertising landscape.ⁿ³¹⁰ Consumers and activists may also hurl broad claims about a corporation into the fray.ⁿ³¹¹ As such, consumers will have to sort an ever-increasing stack of information and must be able to parse that information to use it.ⁿ³¹² That result maps to the world of deference to speech by all speakers and reliance on counter-speech that the Supreme Court has embraced.ⁿ³¹³

Put differently, the world of centralized information sources is no longer our world.ⁿ³¹⁴ With the advent of blogs, ratings sites, and social media reviews, consumers look to a range of speech sources to determine the truth.ⁿ³¹⁵ With greater sources of information and lower costs to find it, the law has perhaps moved to an all-out information war model rather than one with paternal notions of centralized information sources.ⁿ³¹⁶ The Supreme Court's preference for increased speech by all, and its embrace of information technology and counter-speech to correct a false claim instead of banning the speech, points to a new world where all speak, and it is believed that the mixing and mashing of ideas will allow the best answers to arise to [*509] correct falsehoods and lead our decisions.ⁿ³¹⁷ If so, and if corporations are to have even greater power to speak, we must protect the ability for such a distributed marketplace of ideas and information to function. Right now, corporations can speak more than ever before, maintain privileges as central sources of information about themselves, and wield great power to suppress speech about their affairs.ⁿ³¹⁸ Applying a

corporate public figure doctrine to corporate reputation law enables all to participate in the marketplace of ideas. Failing to do so upsets the balance required to ensure that all information is shared and available to society, not just one side's view.

CONCLUSION

Free speech law is unbalanced. In *Citizens United* the Supreme Court embraced corporate speech rights about politics. In *Sorrell*, the Court further championed a corporation's right to speak about commerce. A commitment to having more sources of information available to individuals and society as they make decisions underlies part of the Court's justifications for these decisions. But the role of corporations in society was an important aspect of the decisions as well. Corporations are indeed important actors in society. As the Court has said, corporations are key parts of our politics and economy. Corporate policies about labor, the environment, gay rights, and more shape our society and the options for how we live. As society moves to an ever-increasing reliance on the market and private provision of goods, corporations become all the more important for political matters. Consumers and corporations now lobby the market and society about what to buy based on social and political reasons as much as, if not more than, pure price and quality pleas. Corporate rights to do so are clear; others' rights to question and offer counter-speech to corporate claims are not. When consumers or other groups question a corporation, corporations can and do use corporate reputation laws to prevent such speech. Corporations thus have increased speech rights while speech about them is unduly limited. This mistake can be cured once we understand that if corporations have speech rights like people, corporations must be treated like the people to whom they are often most similar: public figures.

[*510] Reordering free speech law to recognize corporate public figures would meet its core goals: increasing the overall amount of information in the marketplace and preventing a public figure from using reputation laws to squelch speech about them. Once that is done, corporations will be like people - able to lobby, persuade, advertise, and engage in politics, and open to the same scrutiny as any other person who does likewise.

Legal Topics:

For related research and practice materials, see the following legal topics:

Constitutional Law Bill of Rights Fundamental Freedoms Freedom of Speech Commercial
Speech Advertising Constitutional Law Bill of Rights Fundamental Freedoms Freedom of Speech Political
Speech Constitutional Law Bill of Rights Fundamental Freedoms Freedom of Speech Scope of Freedom

FOOTNOTES:

n1. See *infra* note 177 and accompanying text; *infra* Part III.B.

n2. This Article follows the logic of expanded speech rights for corporations to its conclusion. It shows that if such expansion is at hand, certain outcomes are required. Nonetheless, there are reasons to question whether such an expansion is well grounded or wise. Several other authors have excellent discussions of why corporations are different than individuals for speech and other purposes. See C. Edwin Baker, *The First Amendment and Commercial Speech*, 84 *Ind. L. Rev.* 981, 987-90 (2009) (arguing that commercial entities are "created for ... instrumental purposes" and have "a morally different status than living, flesh-and-blood people"); see also Patricia Nassif Fetzer, *The Corporate Defamation Plaintiff as First Amendment "Public Figure": Nailing the Jellyfish*, 68 *Iowa L. Rev.* 35, 65-69 (1982) (tracing the Supreme Court's different approaches to corporate personhood depending on the question presented); cf. *Gertz v. Robert Welch, Inc.*, 418 U.S. 323, 341 (1974) (connecting the protection of someone's good name to dignity). Ashutosh Bhagwat has made a strong argument that the nature of an association matters for constitutional analysis of whether a corporate entity has speech rights. Ashutosh Bhagwat, *Associational Speech*, 120 *Yale L.J.* 978, 1023-25 (2011). A corporate entity not engaging in associational speech should not be afforded the same

protection as one engaged in other speech, including commercial speech. *Id.* Bhagwat defines associational speech as "speech that is meant to induce others to associate with the speaker, to strengthen existing associational bonds among individuals including the speaker, or to communicate an association's views to outsiders (including government officials)." *Id.* at 981. As I argue, corporate commercial claims have become political, associational, and commercial at the same time, which is why maintaining boundaries on corporate speech has become difficult.

n3. 558 U.S. 310 (2010).

n4. 376 U.S. 254 (1964).

n5. See *infra* Part II.C.

n6. See *infra* Part II.B.

n7. See *infra* Part II.B.

n8. *Cent. Hudson Gas & Elec. Corp. v. Pub. Serv. Comm'n*, 447 U.S. 557, 562-63 (1980) ("The Constitution ... accords a lesser protection to commercial speech than to other constitutionally guaranteed expression." (citation omitted)).

n9. Cf. *Gertz v. Robert Welch, Inc.*, 418 U.S. 323, 345 (1974) ("Truly involuntary public figures must be exceedingly rare... . Some occupy positions of such persuasive power and influence that they are deemed public figures for all purposes.").

n10. See Mark McKenna, A Consumer Decision-Making Theory of Trademark Law, 98 Va. L. Rev. 67, 69 (2012).

n11. See McKenna, *supra* note 10, at 70 ("Indeed, courts routinely say that trademark law targets 'confusion of any kind.'" (footnote omitted)).

n12. See *Citizens United v. Fed. Election Comm'n*, 558 U.S. 310, 343 (2010) ("The Court has thus rejected the argument that political speech of corporations or other associations should be treated differently under the First Amendment simply because such associations are not 'natural persons.'" (citations omitted)); *id.* at 386 (Scalia, J., concurring); *cf. id.* at 394 (Stevens, J., dissenting) ("The basic premise underlying the Court's ruling is ... the proposition that the First Amendment bars regulatory distinctions based on a speaker's identity, including its 'identity' as a corporation."). The law regarding whether corporations have many, if not all, the same rights as people is complex and changing. That debate will be important, but it is well beyond the scope of this Article, which seeks to show the way the Court's First Amendment jurisprudence and the current nature of corporations should affect corporations' status as public figures.

n13. Cf. Jack M. Balkin, *Digital Speech and Democratic Culture: A Theory of Freedom of Expression for the Information Society*, 79 N.Y.U. L. Rev. 1 (2004) (arguing that digital technologies require that freedom of speech promote a "democratic culture" that allows many to speak and participate in democracy).

n14. See 558 U.S. at 319, 323-24, 343 (majority opinion).

n15. *Id.* at 322-23.

n16. See, e.g., Richard L. Hasen, *Citizens United and the Illusion of Coherence*, 109 Mich. L. Rev. 581, 588-90 (2011).

n17. See, e.g., *id.*

n18. *Citizens United*, 558 U.S. at 342 (quoting *First Nat. Bank of Boston v. Bellotti*, 435 U.S. 765, 784 n.14 (1978) (speech rights do not disappear "simply because its source is a corporation")).

n19. *Id.* at 343 (quoting *Pac. Gas & Elec. Co. v. Pub. Utils. Comm'n of Cal.*, 475 U.S. 1, 8 (1986) (plurality opinion)).

n20. *Id.* at 388 (Scalia, J., concurring).

n21. *Id.* at 319 (majority opinion).

n22. *Id.*

n23. See Fortune 500, CNN Money (May 23, 2011), http://money.cnn.com/magazines/fortune/fortune500/2011/full_list/401_500.html.

n24. Fortune 500, Snapshot, CNN Money (May 23, 2011), <http://money.cnn.com/magazines/fortune/fortune500/2011/snapshots/927.html>.

n25. *Citizens United*, 558 U.S. at 389 (Scalia, J., concurring).

n26. *Id.* at 342 (majority opinion) (quoting *Pac. Gas & Elec. Co. v. Pub. Utils. Comm'n of Cal.*, 475 U.S. 1, 8 (1986) (plurality opinion)).

n27. *Id.* at 393 (Scalia, J., concurring).

n28. *Id.*

n29. *Id.* at 319-20 (majority opinion); *New York Times Co. v. Sullivan*, 376 U.S. 254, 270 (1964). But see *Baker*, *supra* note 2 (arguing that

corporations are different than individuals).

n30. Sullivan, 376 U.S. at 256.

n31. 558 U.S. at 318-19.

n32. Citizens United released a documentary film, *Hillary: The Movie*, critical of the then-Senator. Id. at 319-20. The corporation offered the film through video-on-demand (VOD) services. Id. at 320. VOD can involve a fee paid by individual viewers, or it can be offered free to the viewer. Id. Citizens United chose to pay a cable distributor \$ 1.2 million to carry the film as a VOD option free to the cable company's subscribers. Id. Because the film advocated the defeat of a political candidate and the expenditure to allow the film to reach people occurred within 30 days of the 2008 Presidential primary elections, concerns arose about whether Citizens United would run afoul of section 441b of the Bipartisan Campaign Reform Act of 2002. Id. at 321.

n33. Sullivan involved a political entity using a mass communication medium to make assertions about a political matter and actor. The New York Times had run an advertisement that was critical of actions taken by the State of Alabama against protestors during the civil rights movement. Sullivan, 376 U.S. at 256-58. The advertisement listed several ways the State had acted, including police actions. Id. The advertisement argued that these acts were part of a "wave of terror" aimed at denying the civil rights of the protestors. Id. at 256. The facts asserted were not always accurate, and the Times did not check the facts. Id. at 258-61.

n34. Citizens United, 558 U.S. at 325.

n35. Sullivan, 376 U.S. at 258.

n36. Citizens United, 558 U.S. at 325.

n37. See Sullivan, 376 U.S. at 264 (noting the claim for libel was "constitutionally deficient for failure to provide the safeguards for freedom of speech and of the press that are required by the First and Fourteenth Amendments in a libel action brought by a public official against critics of his official conduct"); see also Mary-Rose Papandrea, *The Story of New York Times Co. v. Sullivan*, in *First Amendment*

Stories 252-55 (Richard W. Garnett & Andrew Koppelman eds., 2012) (tracing the later nuances of reputation protection by the Supreme Court).

n38. Sullivan, 376 U.S. at 266 (citations omitted).

n39. *Id.*

n40. *Id.* The Supreme Court's commitment to protecting mediums to allow political engagement persists and is seen, for example, in *Reno v. ACLU*, where the Court embraced the Internet as a way for anyone to become a "town crier" or "pamphleteer" pressing his or her views to the world. 521 U.S. 844, 870 (1997).

n41. Sullivan, 376 U.S. at 267 (internal quotation marks omitted).

n42. *Id.* at 269 ("Insurrection, contempt, advocacy of unlawful acts, breach of the peace, obscenity, solicitation of legal business, and the various other formulae for the repression of expression ... can claim no talismanic immunity from constitutional limitations.").

n43. *Id.* at 268 (quoting *Beauharnais v. Illinois*, 343 U.S. 250, 263-64 (1952)) (internal quotation marks omitted).

n44. *Id.* (noting the Court will not give weight to the "mere labels" of state law).

n45. *Id.* at 270.

n46. See *id.* at 266.

n47. Cf. *id.* at 270 (finding a national commitment to fostering "wide-open" debate on issues of public importance).

n48. See *Citizens United v. Fed. Election Comm'n*, 558 U.S. 310, 385 (2010) (Roberts, C.J., concurring) ("Congress violates the First Amendment when it decrees that some speakers may not engage in political speech at [certain] times ...").

n49. See *id.* at 364 (majority opinion) ("On certain topics corporations may possess valuable expertise, leaving them the best equipped to point out errors or fallacies in speech of all sorts, including the speech of candidates and elected officials.").

n50. *Id.* at 393 (Scalia, J., concurring).

n51. See *infra* notes 80-81 and accompanying text.

n52. Douglas Kysar, *Preferences for Processes: The Process/Product Distinction and the Regulation of Consumer Choice*, 118 Harv. L. Rev. 525, 535 (2004).

n53. *New York Times Co. v. Sullivan*, 376 U.S. 254, 269 (1964) (quoting *Roth v. United States*, 354 U.S. 476, 484 (1957)).

n54. *Va. State Bd. of Pharmacy v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 763 (1976). The Court reiterated this point in *Bates v. State Bar of Arizona*, 433 U.S. 350, 364 (1977), and *Sorrell v. IMS Health Inc.*, 131 S. Ct. 2653, 2664 (2011).

n55. We protect commercial information not because it enables economic efficiency in the marketplace, but because it is relevant to public decision making in a democracy. See Robert C. Post, *Democracy, Expertise, and Academic Freedom* 39-40 (2012).

n56. Va. State Bd. of Pharmacy, 425 U.S. at 765.

n57. *Id.*

n58. *Id.* ("Allocation of our resources in large measure will be made through numerous private economic decisions.").

n59. *Curtis Publ'g Co. v. Butts*, 388 U.S. 130, 163-64 (1967) (Warren, C.J., concurring).

n60. See Fetzer, *supra* note 2, at 63 (noting corporate influence closely resembles "public sectors of power").

n61. See *infra* Part III.A.

n62. *Post*, *supra* note 55, at 11.

n63. Cf. *Dun & Bradstreet, Inc. v. Greenmoss Builders, Inc.*, 472 U.S. 749, 762 (1985) (granting a business credit report "no special protection" when the speech was "solely in the individual interest of the speaker and its business audience"); Deana Pollard Sacks, *Snyder v. Phelps: A Prediction Based on Oral Arguments and the Supreme Court's Established Speech-Tort Jurisprudence*, 2010 *Cardozo L. Rev.* de.novo 418, 426-27 (noting that private matters are of "reduced constitutional value" and receive less "First Amendment protection from tort liability").

n64. *Citizens United v. Fed. Election Comm'n*, 588 U.S. 310, 354 (2010).

n65. *Gertz v. Robert Welch, Inc.*, 418 U.S. 323, 344-45 (1974).

n66. *Id.* at 351.

n67. *Id.* at 345.

n68. *Id.* at 344.

n69. *United States v. Alvarez*, 132 S. Ct. 2537, 2549 (2012) (plurality opinion).

n70. *Id.* at 2556 (Breyer, J., concurring).

n71. See Lyrrisa Barnett Lidsky, *Silencing John Doe: Defamation & Discourse in Cyberspace*, 49 *Duke L.J.* 855, 909-10 (2000) (noting a corporation's ability to engage in counter-speech supports treating the corporation as a limited-purpose public figure under *Gertz*).

n72. See, e.g., *Citizens United v. Fed. Election Comm'n*, 558 U.S. 310, 354-56 (2010) (holding that the expenditures ban unconstitutionally silences both non-profit and for-profit organizations, as well as corporations both large and small).

n73. See *Gertz*, 418 U.S. at 351 (noting one becomes a limited-purpose public figure by "injecting oneself ... into a particular public controversy").

n74. At the time of the Citizens United decision, Citizens United, the corporation, was not a household name and lacked prominence in society.

n75. Gertz, 418 U.S. at 351.

n76. Id. at 344.

n77. Citizens United, 558 U.S. at 320 (noting Citizens United was to pay \$ 1.2 million to make the VOD programming available at no extra charge to the viewer).

n78. 131 S. Ct. 2653, 2670 (2011).

n79. Id. ("Absent circumstances far from those presented here, the fear that speech might persuade provides no lawful basis for quieting it.").

n80. See Kysar, *supra* note 52, at 529 (explaining that "globalization ... has enhanced the flow of information, not merely goods, and information regarding processes increasingly is finding its way downstream"); id. at 641 (noting that consumers are responding accordingly, since "consumer preferences may be heavily influenced by information regarding the manner in which goods are produced").

n81. See Stan Karas, *Privacy, Identity, Databases*, 52 Am. U. L. Rev. 393, 438 (2002) ("Consumption patterns may identify one as a liberal, moderate Republican, radical feminist, or born-again Christian.").

n82. See *Va. State Bd. of Pharmacy v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 765 (1976).

n83. See *Dun & Bradstreet, Inc. v. Greenmoss Builders, Inc.*, 472 U.S. 749, 759 (1985).

n84. Kysar, *supra* note 52, at 535.

n85. See, e.g., *Dun & Bradstreet*, 472 U.S. at 759 ("Speech on matters of purely private concern is of less First Amendment concern.").

n86. See generally Naomi Klein, *No Logo* (2002) (arguing corporations and their brand strategies have political implications).

n87. See *supra* note 50 and accompanying text.

n88. See, e.g., Margaret Chon, *Marks of Rectitude*, 77 *Fordham L. Rev.* 2311, 2315 (2009) ("Marks now express - whether implicitly or explicitly - environmental, human rights, and labor characteristics, as well as classic health and safety standards ...").

n89. See *infra* notes 284-94 and accompanying text.

n90. Margot Roosevelt, *Local-Food Movement: The Lure of the 100-Mile Diet*, *Time*, June 11, 2006, <http://content.time.com/time/magazine/article/0,9171,1200783,00.html>. See generally Pallavi Gogoi, *The Rise of the 'Locavore'*, *Bloomberg Businessweek* (May 20, 2008), <http://www.businessweek.com/stories/2008-05-20/the-rise-of-the-locavorebusinessweek-business-news-stock-market-and-financial-advice> (detailing the rise of the local food movement, which Gogoi defines as food grown within 250 miles of where one lives).

n91. Gogoi, *supra* note 90 (noting concern over "food miles" and "carbon footprints").

n92. Compare Vasile Stanescu, *"Green" Eggs and Ham? The Myth of Sustainable Meat and the Danger of the Local*, 8 *J. for Critical*

Animal Stud. 8, 8 (2010) (arguing that the locavore movement needs to be "reunderstood and rearticulated"), with Kathy Rudy, Locavores, Feminism, and the Question of Meat, 35 J. Am. Culture 26, 26 (2012) (offering a "qualified endorsement of local eating").

n93. See, e.g., Marion Nestle, What Google's Famous Cafeterias Can Teach Us About Health, The Atlantic, July 13, 2011, <http://www.theatlantic.com/health/archive/2011/07/what-googles-famous-cafeterias-can-teach-us-about-health/241876/> (noting how Google's food program is "designed to promote ... environmental values").

n94. See, e.g., Anne Thompson, Paper or Plastic - What's the Greener Choice?, NBC News (May 7, 2007 7:37 PM), http://www.nbcnews.com/id/18538484/ns/nightly_news/t/paper-or-plastic-whats-greener-choice/ (stating paper bags create more air pollution, while plastic bags produce more solid waste).

n95. See, e.g., BusinessGreen, Europe Considers Plastic Bag Ban, Guardian Environment Network (May 20, 2011, 11:23 AM), <http://www.guardian.co.uk/environment/2011/may/20/europe-plastic-bag-ban> (distinguishing between plastic bags that will biodegrade naturally and those that will not).

n96. See, e.g., Thompson, *supra* note 94.

n97. See, e.g., David Zahniser & Abby Sewell, L.A. OKs Ban on Plastic Bags at Checkout, L.A. Times, May 24, 2012, <http://articles.latimes.com/2012/may/24/local/la-me-0524-bag-ban-20120524> (noting that Los Angeles is the largest city to pass such a ban, while San Jose, San Francisco, Long Beach, and Santa Monica already have such bans in place).

n98. See A Better Bag, Whole Foods Market, <http://www.wholefoodsmarket.com/mission-values/environmental-stewardship/better-bag> (last visited Nov. 2, 2013) (noting that reusable bags are the "eco-nomical" option).

n99. See, e.g., Jane Black, Plastic Bags Headed for a Meltdown, Wash. Post, Feb. 6, 2008, at F1.

n100. See, e.g., Paper vs. Plastic - The Shopping Bag Debate, Greenfeet Blog (Feb. 25, 2009, 2:51 PM), <http://web.archive.org/web/20120125030733/http://blog.greenfeet.com/index.php/paper-vs-plastic-the-shopping-bag-debate/reducing-your-footprint/121>

(accessed by searching for original URL in the Internet Archive index).

n101. Compare Myth: Paper Is Better than Plastic, reuseit.com, <http://web.archive.org/web/20130208060558/http://www.reuseit.com/learn-more/myth-busting/why-paper-is-no-better-than-plastic> (last visited Nov. 2, 2013) (accessed by searching for original URL in the Internet Archive index) (challenging the contention that paper is better than plastic), and Do Plastic Bag Bans Help the Environment?, NPR (Jun. 5, 2012, 12:00 PM), <http://www.npr.org/2012/06/05/154354092/do-plastic-bags-bans-help-the-environment> (noting that with bag choice, "everything is [a] tradeoff[]"), with Top 10 Myths About Plastic Grocery Bags, Am. Progressive Bag Alliance, http://www.plasticsindustry.org/files/about/fbf/myths%2Bfacts_grocerybags.pdf (last visited Nov. 2, 2013) (highlighting trade group's claim about plastic bags' impact on environment).

n102. See, e.g., Justin Gillis, To Fight Climate Change, Students Aim at Portfolios, N.Y. Times, Dec. 5, 2012, at B1-B2 (energy); Janean Chun, John Metz Denny's Obamacare Surcharge Stirs Big Mess for Restaurant Chain, Huffington Post (Nov. 20, 2012, 9:01 AM), http://www.huffingtonpost.com/2012/11/20/john-metz-denny-s-obamacare-surcharge-_n_2146735.html (health care); Tim Cuplan, Foxconn Plans American Expansion as Clients Seek Made in U.S.A., Bloomberg (Dec. 6, 2012, 10:01 AM), <http://www.bloomberg.com/news/2012-12-06/foxconn-plans-american-expansion-as-clients-seek-made-in-u-s-a-.html> (made in the U.S.A.); Nate C. Hindman, At 'Dump the Trump' Macy's Rally Sparks Fly, Huffington Post (Nov. 21, 2012, 11:21 AM), http://huffingtonpost.com/2012/11/21/trump-macys-dump-the-trump_n_2170136.html (birther claims); *infra* notes 299-304 and accompanying text (gay marriage and same-sex rights).

n103. Post, *supra* note 55, at 41.

n104. See, e.g., Dan Burk & Brett McDonnell, Trademarks and the Boundaries of the Firm, 51 Wm. & Mary L. Rev. 345, 361 (2009) (noting that a trademark is a reputational asset).

n105. See, e.g., Rochelle Cooper Dreyfuss, Expressive Genericity: Trademarks as Language in the Pepsi Generation, 65 Notre Dame L. Rev. 397, 398 (1990) (noting the "Constitution ... favors public access to the tools of expression," which include trademarks); Laura Heymann, The Public's Domain in Trademark Law: A First Amendment Theory of the Consumer, 43 Ga. L. Rev. 651, 715 (2009) (arguing that trademark law deserves First Amendment protection); Lisa P. Ramsey, Increasing First Amendment Scrutiny of Trademark Law, 61 SMU L. Rev. 381, 381 (2008) (stressing that "trademarks consist of language").

n106. See Robert C. Denicola, Trademarks as Speech: Constitutional Implications of the Emerging Rationales for the Protection of Trade Symbols, 1982 Wis. L. Rev. 158, 198 ("Famous trademarks are the functional equivalent of famous names ... [a trademark] functions as the visual 'likeness' of its incorporeal owner as well.").

n107. Cf. *id.* at 195-96 ("Famous trademarks offer a particularly powerful means of conjuring up the image of their owners, and thus become an important, perhaps at times indispensable, part of the public vocabulary.").

n108. See, e.g., Marcel Danesi, *Brands* 33 (2006) (explaining that brands are personalities with identities); cf. Celia Lury, *Brands: The Logos of the Global Economy* 24, 33-34 (2004) (discussing brand personality as reflecting the internal connection between the brand and employees who become "the soul" of the brand, as well as reflecting consumer needs).

n109. Despite corporations' greater ability to claim personhood, they do not have the same dignity interests as people, and thus the issues at stake for a person bringing a libel claim are not the same as for a corporation. See generally Baker, *supra* note 2. Baker summarizes the argument that "respect for individual autonomy does not require protecting the speech of artificially created and instrumentally valued commercial entities." *Id.* at 990. I argue here that those reasons are being ignored or are eroding so that corporate reputation claims are starting to function like dignity interests.

n110. William Shakespeare, *Merchant of Venice* act 3, sc. 1; see also *Milkovich v. Lorain Journal Co.*, 497 U.S. 1, 12 (1990) ("But he that filches from me my good name Robs me of that which not enriches him, And makes me poor indeed." (quoting William Shakespeare, *Othello* act 3, sc. 3)).

n111. See William Shakespeare, *Merchant of Venice* act 3, sc. 1 ("And if you wrong us, shall we not revenge?"). The rest of Shylock's speech asks whether he, a Jewish man, does not have eyes, hands, organs; is not subject to the elements; would not laugh if tickled, bleed if pricked; just as any other Christian and impliedly any other person. *Id.* Corporations as of yet do not have such capabilities, but they can and do seek revenge. See, e.g., Steve Silberman, *Mattel's Latest: Cease-and-Desist Barbie*, *Wired*, Oct. 28, 1997, <http://www.wired.com/culture/lifestyle/news/1997/10/8037> (reporting that a Mattel attorney allegedly claimed the company wanted a defendant's house); cf. Deven R. Desai & Sandra L. Rierson, *Confronting the Genericism Conundrum*, 28 *Cardozo L. Rev.* 1789, 1839-42 (2007) (addressing abusive trademark litigation spawned by policing requirement); K.J. Greene, *Abusive Trademark Litigation and the Incredible Shrinking Confusion Doctrine - Trademark Abuse in the Context of Entertainment Media and Cyberspace*, 27 *Harv. J.L. & Pub. Pol'y* 609, 631-38 (2004) (examining instances of abusive trademark litigation); Mark A. Lemley, *Property, Intellectual Property, and Free Riding*, 83 *Tex. L. Rev.* 1031, 1045-46 (2005) (discussing the damages available to trademark and other intellectual property holders for misuse of their intellectual property).

n112. See *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003) (criticism of Barbie by juxtaposing a nude Barbie and various kitchen appliances); *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894 (9th Cir. 2002) (reference to Barbie in a song by the band Aqua).

n113. See *Walking Mountain*, 353 F.3d 792; *MCA Records*, 296 F.3d 894.

n114. The artist in one case sought expenses and fees of \$ 1.6 million after prevailing. *Walking Mountain*, 353 F.3d at 815.

n115. Jonathan L. Schwartz, *Making the Consumer Watchdog's Bark as Strong as Its Gripe: Complaint Sites and the Changing Dynamic of the Fair Use Defense*, 16 Alb. L.J. Sci. & Tech. 59, 70-72 (2006); Hannibal Travis, *The Battle for Mindshare: The Emerging Consensus that the First Amendment Protects Corporate Criticism and Parody on the Internet*, 10 Va. J.L. & Tech. 1, 3-5 (2005).

n116. Schwartz, *supra* note 115, at 71-72.

n117. See, e.g., Leah Chan Grinvald, *Shaming Trademark Bullies*, 2011 Wis. L. Rev. 625; Irina D. Manta, *Bearing Down on Trademark Bullies*, 22 Fordham Intell. Prop. Media & Ent. L.J. 853 (2012).

n118. The artist in the case was represented by the ACLU. See *Walking Mountain*, 353 F.3d at 795.

n119. *Mattel, Inc. v. Walking Mountain Prods.*, No. CV99-8543RSWL(RZX), 2004 WL 1454100, at 4 (C.D. Cal. June 21, 2004).

n120. Papandrea, *supra* note 37, at 237.

n121. *Id.*

n122. *New York Times Co. v. Sullivan*, 376 U.S. 254, 300-01 (1964) (Goldberg, J., concurring in the result).

n123. See Lidsky, *supra* note 71, at 859-61 (examining how corporations use defamation suits to chill speech, especially by those without resources to defend against such suits).

n124. See, e.g., John Stuart Mill, *On Liberty* 21-22 (Ticknor & Fields, 2d ed. 1863) (noting the way in which people invoke the government as vindicating or interfering with rights depending on the issue and perspective rather than following a general principle).

n125. See Stacey L. Dogan & Mark A. Lemley, *Parody as Brand* 10-11 (Stanford Law Sch. Pub. Law and Legal Theory Research Paper Series, Working Paper No. 2,170,498, 2012), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2170498##. A tradition of clearing rights and aggressive suits against those who use intellectual property in ways rights holders dislike undermines First Amendment protection for many creators. See Jennifer E. Rothman, *The Questionable Use of Custom in Intellectual Property*, 93 Va. L. Rev. 1899, 1911-16 (2007). Even major studios pay high fees to identify and clear rights and to obtain expensive errors and omissions insurance, regardless of First Amendment defenses. *Id.* at 1915-16. Documentarians and individual filmmakers face the same costs and often forego use of and references to famous people (because of the right of publicity), copyrighted material, and trademarks, because otherwise the film cannot be made. *Id.* The culture forces requesting permission, which is the opposite of what should happen when public figures and concerns are at hand.

n126. Lidsky, *supra* note 71, at 945 ("Powerful corporate plaintiffs will use libel law to intimidate their critics into silence and, by doing so, will blunt the effectiveness of the Internet as a medium for empowering ordinary citizens to play a meaningful role in public discourse.").

n127. This point has greater force today, but the Supreme Court has acknowledged the issue for First Amendment analysis since at least 1967. See *Curtis Publ'g Co. v. Butts*, 388 U.S. 130, 163-64 (1967).

n128. *Va. State Bd. of Pharmacy v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 762 (1976).

n129. *Cent. Hudson Gas & Elec. Corp. v. Pub. Serv. Comm'n*, 447 U.S. 557, 564 (1980).

n130. Rebecca Tushnet, *Trademark Law as Commercial Speech Regulation*, 58 S.C. L. Rev. 737, 738 (2007) [hereinafter *Tushnet, Trademark Law*].

n131. Denicola, *supra* note 106, at 158-59; accord *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 163-64 (1995) ("Trademark law ... 'reduces 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." (alteration in original) (quoting 1 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 2:01[2] (3d ed. 1994)); William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & Econ. 265, 265-66 (1987) (arguing that trademarks are justified as promoting economic efficiency).

n132. Denicola, *supra* note 106, at 159.

n133. *Id.* at 160, 172, 183. But see Ramsey, *supra* note 105, at 395 (differentiating between protection doctrines for trademarks as commercial speech and trademarks as noncommercial speech).

n134. Denicola, *supra* note 106, at 160.

n135. Corporations are sensitive to speech protection imbalances when they hinder corporate ability to advance a message. One understanding of the recently decided *Kasky v. Nike, Inc.* case, 45 P.3d 243 (Cal. 2002), cert. dismissed, 539 U.S. 654 (2003), is a claim that "it was unfair that Nike's critics could say almost anything, subject only to the lax constraints of defamation law, while Nike's responses were subject to strict liability for falsehood." Rebecca Tushnet, *Fighting Freestyle: The First Amendment, Fairness, and Corporate Reputation*, 50 B.C. L. Rev. 1457, 1465 (2009) [hereinafter Tushnet, *Fighting Freestyle*].

n136. See Deven R. Desai, *From Trademarks to Brands*, 64 Fla. L. Rev. 981, 1039-40 (2012) (discussing anti-branding and political actions based on corporate policies).

n137. See, e.g., Burk & McDonnell, *supra* note 104, at 352 ("Trademark law contains a substantial component of consumer protection ...").

n138. Cf. *United States v. Alvarez*, 132 S. Ct. 2537, 2544-45 (2012) (plurality opinion) (discussing distinctions in false statement of fact cases and their value to society).

n139. *Va. State Bd. of Pharmacy v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 771-72 (1976); see Tushnet, *Trademark Law*, *supra* note 130, at 737-38.

n140. *Cent. Hudson Gas & Elec. Corp. v. Pub. Serv. Comm'n*, 447 U.S. 557, 563 (1980) (emphasis added).

n141. See Mark A. Lemley & Mark McKenna, *Irrelevant Confusion*, 62 *Stan. L. Rev.* 413, 414 (2010) ("When it works well, trademark law facilitates the workings of modern markets by permitting producers to accurately communicate information about the quality of their products to buyers If competitors can falsely mimic that information, they will confuse consumers, who won't know whether they are in fact getting a high quality product. Indeed, some consumers will be stuck with lemons."). For some, the claim is that when it comes to passing off in trademark, the consumer is ill-equipped to protect herself. See Lillian R. BeVier, *Competitor Suits for False Advertising Under Section 43(a) of the Lanham Act: A Puzzle in the Law of Deception*, 78 *Va. L. Rev.* 1, 20 (1992).

n142. Cf. Rebecca Tushnet, *Truth and Advertising: The Lanham Act and Commercial Speech Doctrine*, in *Trademark Law and Theory: A Handbook of Contemporary Research* 294, 312 (Graeme B. Dinwoodie & Mark D. Janis eds., 2008) (noting that with political speech we "presume a fully rational citizen," but those opposed to regulation "presume a careful and competent consumer," whose conduct is "plainly inconsistent with the behavior of idealized speech-evaluators"); Richard H. Weisberg, *The First Amendment Degraded: Milkovich v. Lorain and a Continuing Sense of Loss on Its 20th Birthday*, 62 *S.C. L. Rev.* 157, 179-80 (2010) (arguing a proper reading of *Sullivan* accepts a thinking, deliberating audience).

n143. 15 U.S.C. § 1125(c)(1) (2012).

n144. *Id.* § 1125(c)(2)(A).

n145. See Rebecca Tushnet, *Gone in Sixty Milliseconds: Trademark Law and Cognitive Science*, 86 *Tex. L. Rev.* 507, 564 (2008) [hereinafter *Tushnet, Gone in Sixty Milliseconds*].

n146. 15 U.S.C. § 1125(c)(1).

n147. Tushnet, *Gone in Sixty Milliseconds*, *supra* note 145, at 514.

n148. See Barton Beebe, *A Defense of the New Federal Trademark Antidilution Law*, 16 *Fordham Intell. Prop. Media & Ent. L.J.*, 1143, 1157-58 (2006).

n149. See Sandra L. Rierson, *The Myth and Reality of Dilution*, 11 *Duke L. & Tech. Rev.* 212, 214 (2012) ("Properly viewed, the federal dilution statute is a legislative precursor to the type of corporate personification underlying the Supreme Court's analogous treatment of corporate speech under the First Amendment in *Citizens United* and is equally misplaced." (footnote omitted)).

n150. *Tavoulareas v. Piro*, 817 F.2d 762, 772 (1987) (en banc) (quoting *Waldbaum v. Fairchild Publ'ns, Inc.*, 627 F.2d 1287, 1293 (D.C. Cir. 1980)) (internal quotation marks omitted).

n151. See, e.g., Mark P. McKenna, *Testing Modern Trademark Law's Theory of Harm*, 95 *Iowa L. Rev.* 63, 117 (2009).

n152. 15 U.S.C. § 1125(c)(1) (2012). Federal dilution law has been revised since its initial passage in 1995. Under the revision, a claim may still only be brought by the holder of a famous mark, but the junior user's use must be "likely to cause dilution by blurring or dilution by tarnishment of the famous mark" for there to be a remedy under the cause of action. See *id.*

n153. See Tushnet, *Trademark Law*, *supra* note 130, at 738.

n154. Tushnet, *Gone in Sixty Milliseconds*, *supra* note 145, at 561.

n155. 15 U.S.C. § 1125(c)(3).

n156. See William McGeveran, Rethinking Trademark Fair Use, 94 Iowa L. Rev. 49, 106-07 (2008).

n157. See *id.* at 108-09; Rierson, *supra* note 149, at 212.

n158. *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252 (4th Cir. 2007).

n159. *Louis Vuitton Malletier, S.A. v. Hyundai Motor America*, No. 10 Civ. 1611 (PKC), slip op. at 1 (S.D.N.Y. Mar. 22, 2012).

n160. *Id.* at 2.

n161. *Id.* at 14-15.

n162. Cf. *Stewart v. Rolling Stone LLC*, 181 Cal. Rptr. 3d 98, 119 (2010) ("There was no evidence of any intentional collusion to misappropriate plaintiffs' identities.").

n163. McGeveran, *supra* note 156, at 109; accord Rierson, *supra* note 149, at 267-68 (noting that even where parody is found, "courts must engage in a fact-specific weighing of factors in these types of cases to determine whether the use will 'impair the distinctiveness' of the famous trademark or harm its reputation," and finding parody is "not a foregone conclusion" (footnote omitted) (quoting *Louis Vuitton*, 507 F.3d at 265)).

n164. Robert G. Bone, *Hunting Goodwill: A History of the Concept of Goodwill in Trademark Law*, 86 B.U. L. Rev. 547, 548 (2006) (emphasis added).

n165. Desai, *supra* note 136, at 985.

n166. See 15 U.S.C. § 1114(1) (2012); cf. BeVier, *supra* note 141, at 21 ("If a consumer's interest in not being deceived by a passer-off is going to be protected at all, it will have to be by ... the owner of the trademark.").

n167. See, e.g., Deven R. Desai, *Response, An Information Approach to Trademarks*, 100 *Geo. L.J.* 2119, 2130 (2012); Ariel Katz, *Beyond Search Costs: The Linguistic and Trust Functions of Trademarks*, 2010 *BYU L. Rev.* 1555, 1570-71. But see McGeveran, *supra* note 156, at 68 ("The test has expanded far beyond its roots in cases involving direct commercial competitors.").

n168. See, e.g., Ramsey, *supra* note 105, at 404 (discussing examples of such enforcement actions).

n169. McGeveran, *supra* note 156, at 64.

n170. 15 U.S.C. § 1125(a)(1)(A) (2012).

n171. See generally Ramsey, *supra* note 105 (arguing that First Amendment scrutiny should apply when trademark law chills speech).

n172. McGeveran, *supra* note 156, at 71.

n173. See, e.g., Graeme W. Austin, *Trademarks and the Burdened Imagination*, 69 *Brook. L. Rev.* 827, 887 (2004) ("Ordinarily prudent consumers have also been characterized as 'credulous,' 'inexperienced,' and 'gullible.'" (footnote omitted) (quoting J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 23:93 (4th ed. 1996))).

n174. See generally McGeveran, *supra* note 156 (discussing cases and proposing a fair use statute for trademarks).

n175. Rebecca Tushnet, Running the Gamut from A to B: Federal Trademark and False Advertising Law, 159 U. Pa. L. Rev. 1305, 1313 (2011) [hereinafter Tushnet, Running the Gamut].

n176. McGeveran, *supra* note 156, at 71.

n177. 539 U.S. 654, 656 (2003). The Supreme Court decision was a dismissal of the writ of certiorari as improvidently granted but offers insights about the problems of commercial speech doctrine. See also *Kasky v. Nike, Inc.*, 45 P.3d 243, 248 (Cal. 2002), cert. dismissed, 539 U.S. 654 (2003); accord Erwin Chemerinsky & Catherine Fisk, What Is Commercial Speech? The Issue Not Decided in *Nike v. Kasky*, 54 Case W. Res. L. Rev. 1143, 1148 (2004).

n178. *Nike*, 539 U.S. at 656.

n179. Chemerinsky & Fisk, *supra* note 177, at 1149 (footnote omitted) (quoting Brief for the Petitioners at 22, *Nike*, 539 U.S. 654 (No. 02-575)) (internal quotation marks omitted).

n180. *Id.*

n181. Kysar, *supra* note 52, at 575 n.215.

n182. Chemerinsky & Fisk, *supra* note 177, at 1147-48 (citing *Bolger v. Youngs Drug Prods. Corp.*, 463 U.S. 60, 66-67 (1983)).

n183. *Id.* at 1148-50.

n184. Nike, 539 U.S. at 677 (Breyer, J., dissenting).

n185. Id. (quoting *Riley v. Nat'l Fed'n of the Blind of N.C., Inc.*, 487 U.S. 781, 796 (1988)).

n186. Id. at 676.

n187. Id. at 679-80.

n188. Id. at 681.

n189. Id.

n190. See Tushnet, *Fighting Freestyle*, supra note 135, at 1460 (noting California changed the law to "preclude future Kaskys" from bringing such suits, and few states allow such suits).

n191. Nike, 539 U.S. at 681 (Breyer, J., dissenting).

n192. *Whitney v. California*, 274 U.S. 357, 375-76 (1927) (Brandeis, J., concurring).

n193. *Citizens United v. Fed. Election Comm'n*, 558 U.S. 310, 348 (2010) (quoting *Austin v. Mich. Chamber of Commerce*, 494 U.S. 652, 660 (1990)).

n194. See *New York Times Co. v. Sullivan*, 376 U.S. 254, 273 (1964) ("If neither factual error nor defamatory content suffices to remove the constitutional shield from criticism of official conduct, the combination of the two elements is no less inadequate.").

n195. As shown later, this point clashes directly with the way trademark law operates and has large implications for speech and trademark law. See *infra* pp. 457-42.

n196. Cf. Desai, *supra* note 167, at 2127.

n197. *Citizens United*, 558 U.S. at 313 (quoting *Austin*, 494 U.S. at 659); see also *Sorrell v. IMS Health Inc.*, 131 S. Ct. 2653, 2670 (2011).

n198. *Citizens United*, 558 U.S. at 349-52 ("The First Amendment's protections do not depend on the speaker's 'financial ability to engage in public discussion.'" (quoting *Buckley v. Valeo*, 424 U.S. 1, 49 (1976))).

n199. *Id.*

n200. *Id.* at 354 (emphasis added).

n201. See *United States v. Alvarez*, 132 S. Ct. 2537, 2550 (2012) (plurality opinion) (rejecting "enforced silence" in favor of more speech to counter false statements); *Citizens United*, 558 U.S. at 354 ("The censorship we now confront is vast in its reach. The Government has 'muffled the voices that best represent the most significant segments of the economy.' And 'the electorate [has been] deprived of information, knowledge and opinion vital to its function.'" (emphasis added) (citations omitted)).

n202. *Citizens United*, 558 U.S. at 354-55 (quoting *The Federalist* No. 10, at 130 (James Madison) (B. Wright ed., 1961)).

n203. *Id.* at 355.

n204. *Id.* at 447 (Stevens, J., concurring in part and dissenting in part) (noting that the majority "badly errs both in explaining the nature of [anticorruption, antidistortion, and shareholder protection] rationales, which overlap and complement each other, and in applying them to the case at hand").

n205. See *supra* note 34 (discussing the facts of *New York Times Co. v. Sullivan*, 376 U.S. 254 (1964)).

n206. *Sullivan*, 376 U.S. at 271.

n207. *Id.* at 278-79.

n208. *Id.* at 279-80.

n209. *Id.* at 271.

n210. *Id.*

n211. *Id.* at 272-73.

n212. *Id.* at 282 (recognizing "the utterance of a federal official to be absolutely privileged if made 'within the outer perimeter' of his duties" (quoting *Barr v. Mateo*, 360 U.S. 564, 575 (1959))).

n213. *Id.* at 282-83 (emphasis added).

n214. See *id.* at 304-05 (Goldberg, J., concurring in the result).

n215. *Id.* (arguing that even in the face of "unsubstantiated opinions or deliberate misstatements," a public official should and could engage in counter-speech because she could avail herself of her "equal if not greater access than most private citizens to media of communication").

n216. *Id.* at 304.

n217. *Sorrell v. IMS Health Inc.*, 131 S. Ct. 2653, 2664 (2011); *Citizens United v. Fed. Election Comm'n*, 558 U.S. 310, 353-54 (2010).

n218. See *Citizens United*, 558 U.S. at 350-52, 364 ("There is no precedent supporting laws that attempt to distinguish between corporations which are deemed to be exempt as media corporations and those which are not.").

n219. Both the opinion by Justice Kennedy, which three Justices joined, and the concurring opinion by Justice Breyer, which one Justice joined, look to more information and corrective speech as better ways to solve inaccurate statements than bans on false speech. *United States v. Alvarez*, 132 S. Ct. 2537, 2549 (2012) (plurality opinion); *id.* at 2556 (Breyer, J., concurring).

n220. *Id.* at 2554 (Breyer, J., concurring) ("Statutes prohibiting trademark infringement present, perhaps, the closest analogy to the present statute."). Justice Breyer makes the connection between trademark law and the case but conflates confusion doctrine and dilution doctrine.

n221. See, e.g., Sandra L. Rierson, IP Remedies After eBay: Assessing the Impact on Trademark Law, 2 Akron Intell. Prop. J. 163, 164 (2008) ("In trademark law, like patent law (at least prior to the eBay decision), the case law reflects a strong presumption that injunctive relief goes hand-in-hand with a finding of liability - either in the form of trademark infringement or, more recently, dilution.").

n222. Alvarez, 132 S. Ct. at 2545 (plurality opinion).

n223. Id. at 2545-49.

n224. Id. at 2549.

n225. Id.; id. at 2560 (Alito, J., dissenting).

n226. Citizens United v. Fed. Election Comm'n, 558 U.S. 310, 354 (2010) (quoting McConnell v. Fed. Election Comm'n, 540 U.S. 93, 25758 (2003)).

n227. Id. (quoting United States v. Congress of Indus. Orgs., 335 U.S. 106, 144 (1948)).

n228. Accord Tushnet, *Gone in Sixty Milliseconds*, supra note 145, at 56 ("Dilution is a doctrine that favors meanings approved by established producers above meanings offered by challengers... [To] the extent that truthful commercial speech promotes democratic values, [it is] antidemocratic.").

n229. Cf. Tushnet, *Trademark Law*, supra note 130, at 749 ("If it is true that commercial speech is as relevant and vital to modern citizens as political speech, then suppressing competition is analogous to silencing political opponents and certainly merits skepticism. Like partisan officials deciding which political speech to pursue, trademark owners may see harm where there is only competition.").

n230. Tushnet, *Running the Gamut*, *supra* note 175, at 1360.

n231. See, e.g., *Bose Corp. v. Consumers Union of U.S., Inc.*, 466 U.S. 485, 503-04 (1984) ("The First Amendment presupposes that the freedom to speak one's mind is not only an aspect of individual liberty - and thus a good unto itself - but also is essential to the common quest for truth and the vitality of society as a whole.").

n232. Cf. *Post*, *supra* note 55, at 34 ("Democratic legitimation requires that the speech of all persons be treated with toleration and equality. Democratic competence, by contrast, requires that speech be subject to a disciplinary authority that distinguishes good ideas from bad ones.").

n233. See *supra* Part II.A.

n234. See, e.g., *St. Amant v. Thompson*, 390 U.S. 727, 732 (1968) ("But to insure the ascertainment and publication of the truth about public affairs, it is essential that the First Amendment protect some erroneous publications as well as true ones.").

n235. *New York Times Co. v. Sullivan*, 376 U.S. 254, 280 (1964).

n236. *Harte-Hanks Commc'ns, Inc. v. Connaughton*, 491 U.S. 657, 666 (1989).

n237. *Id.* at 667 ("If a profit motive could somehow strip communications of the otherwise available constitutional protection, our cases from *New York Times* to *Hustler Magazine* would be little more than empty vessels.").

n238. *Id.* (citations omitted) (quoting *Garrison v. Louisiana*, 379 U.S. 64, 74 (1964); *St. Amant*, 390 U.S. at 730).

n239. Alvarez, however, points to a preference for corrective speech rather than a ban, even when an outright lie is the issue. *United States v. Alvarez*, 132 S. Ct. 2537, 2549 (2012) (plurality opinion). Lyrrisa Lidsky has argued that the standard undermines actual malice's power when applied to non-media defendants and offers the opinion that privilege is an alternative defense for non-media speakers. See Lidsky, *supra* note 71, at 915-18. Relying on fact and opinion distinctions means that the gross, hyperbolic statement is protected and misstatement of fact, a key part of what Sullivan protected, is lost. See Weisberg, *supra* note 142, at 183. Reliance on the fact-opinion distinction reverts the law to the pre-Sullivan era and demands truth-testing. *Id.* Truth-testing is part of the way that current corporate reputation laws thwart speech. Applying actual malice to corporate public figures allows the sort of aggressive claims and misstatement of facts at issue in *Sullivan* and *Citizens United* and avoids the truth-testing problems the opinion inquiry raises. It also maps to the idea that the audience is able to sort statements to find the truth. See *id.*; *infra* notes 312-17 and accompanying text.

n240. See 2 Robert D. Sack, *Sack on Defamation* § 13:1.1 (4th ed. 2011).

n241. See, e.g., *Unelko Corp. v. Rooney*, 912 F.2d 1049, 1057-58 (9th Cir. 1990) (trade libel); *SCO Group, Inc. v. Novell, Inc.*, 692 F. Supp. 2d 1287, 1296 (D. Utah 2010) (slander of title); see also Brief of Professors Eugene Volokh and James Weinstein as Amici Curiae in Support of Petitioner at 5, *United States v. Alvarez*, 132 S. Ct. 2537 (2012) (No. 11-210).

n242. See Restatement (Second) of Torts § 623A cmt. d (1977); 2 Sack, *supra* note 240, § 13:1.4 ("A public plaintiff probably must, under the First Amendment, prove 'actual malice' in a disparagement case as in a libel or slander case.").

n243. 2 Sack, *supra* note 240, § 13:2.

n244. See Tushnet, *Fighting Freestyle*, *supra* note 135, at 1475 n.82 ("The language barring falsity and misleading representation is the same in the statute, and courts have interpreted both provisions to require a showing of likely deception.").

n245. See 2 Sack, *supra* note 240, § 13:2.

n246. Tushnet, *Fighting Freestyle*, *supra* note 135, at 1479.

n247. See Rebecca Tushnet, *It Depends on What the Meaning of "False" Is: Falsity and Misleadingness in Commercial Speech Doctrine*, 41 Loy. L.A. L. Rev. 227, 257 (2007) ("The consequence of turning false advertising law into a subtopic of First Amendment law would be a substantial, possibly near-total, contraction of its scope.").

n248. Cf. *id.* ("Advocates of full constitutional protection for commercial speech need to explain what they mean when they say that commercial fraud would still be actionable in their proposed constitutional regime.").

n249. Cf., e.g., Code of Conduct: Environment and Sustainability, Caterpillar, <http://www.caterpillar.com/company/strategy/code-of-conduct/commitment/environment-and-sustainability> (last visited Nov. 2, 2013) ("We strive to create stockholder value by providing customers with solutions that improve the sustainability of their operations.").

n250. See, e.g., Blake Sobczak, *Caterpillar Pulled from Social Indexes*, Associated Press, June 27, 2012, available at <http://bigstory.ap.org/article/caterpillar-pulled-social-indexes> (describing Israeli military's use of "armor-plated Caterpillar bulldozers to raze Palestinian houses").

n251. See, e.g., Simone Brummelhuis, *Career Barbie (Now 50) Is on a Mission and Advocates Girl Power*, *The Next Women* (March 29, 2009), <http://www.thenextwomen.com/2009/03/29/career-barbie-now-50-is-on-a-mission-and-advocates-girl-power>; *I Can Be ... , Barbie*, http://icanbe.barbie.com/en_us/index.html (last visited Nov. 2, 2013) (offering a range of Barbies with different careers and promoting the idea that "Barbie lets you be anything you want to be").

n252. See, e.g., *Life in Plastic*, *Economist*, Dec. 21, 2002, at 20; *Teen Talk Barbie Turns Silent on Math*, *N.Y. Times*, Oct. 21, 1992, at D4.

n253. See Desai, *supra* note 136, at 983.

n254. See, e.g., Douglas H. Boucher, *Cocaine and the Coca Plant*, 41 *BioScience* 72, 75 (1991) (noting Coca-Cola "contained a minute amount of cocaine" in its original formula).

n255. See, e.g., Desai, *supra* note 136, at 983.

n256. See, e.g., The Coca-Cola Company Releases Sustainability Report, CSRwire (Feb. 4, 2011, 3:00 PM), http://www.csrwire.com/press_releases/31545-The-Coca-Cola-Company-Releases-Sustainability-Report.

n257. Cf., e.g., Sonia K. Katyal, *Stealth Marketing and Antibranding: The Love That Dare Not Speak Its Name*, 58 Buff. L. Rev. 795, 807-09 (2010) (giving examples of trademarks parodied in campaigns against major corporations).

n258. See Duane D. Stanford, *SodaStream Takes Marketing Tactic to Coca-Cola's Hometown*, Bloomberg (June 20, 2012, 4:12 PM), <http://www.bloomberg.com/news/2012-06-20/sodastream-takes-marketing-tactic-to-coca-cola-s-hometown.html>.

n259. 41 F.3d 39, 45 (2d Cir. 1994) (enjoining the advertisement at issue).

n260. 346 F. Supp. 1183, 1186 (E.D.N.Y. 1972) (enjoining the printing, distribution, and sale of the poster at issue).

n261. See *supra* notes 112-19 and accompanying text.

n262. See Katyal, *supra* note 257, at 807-09.

n263. See, e.g., Stanford, *supra* note 258 (noting that Coca-Cola sent cease-and-desist letters to SodaStream alleging both trademark infringement and violation of advertising laws).

n264. See, e.g., McGeveran, *supra* note 156, at 61-62, 62 nn.59-64 (explaining the obscurity of the relevant areas of trademark law and the substantial costs produced by trademark litigation).

n265. See *supra* Part II.B.

n266. See *supra* Part III.A.

n267. See 1 Rodney A. Smolla, *Law of Defamation* § 2:121, at 2-150 (2d ed. 2005).

n268. See *id.* at 2-150 to -151.

n269. *Id.* at 2-150.

n270. *Id.*

n271. See 2 Smolla, *supra* note 267, § 12:74, at 12-80 ("The more nuanced and proper understanding is that the substantive First Amendment standards are themselves high, requiring 'clear and convincing evidence' of 'actual malice,' and summary judgment is 'favored' only to the extent that there inures in this substantive standard a relatively difficult burden for plaintiffs to overcome.").

n272. See *id.* at 12-80.3 ("Herbert v. Lando also casts serious doubt on the notion that the chilling effect of a long and expensive trial justifies a presumption in favor of summary judgment, at least to the extent that such a presumption exceeds the balance struck between the rights of publishers and defamation plaintiffs in *New York Times v. Sullivan*.").

n273. *Id.* at 12-80.

n274. *Id.* But cf. Lidsky, *supra* note 71, at 915-18 (arguing that actual malice is easier to overcome for plaintiffs suing non-media speakers and offering an opinion privilege to augment the defense).

n275. See *Time, Inc. v. Firestone*, 424 U.S. 448, 453 (1976) (quoting *Gertz v. Robert Welch, Inc.*, 418 U.S. 323, 345 (1974)).

n276. Fetzer, *supra* note 2, at 84-85.

n277. See *Tavoulareas v. Piro*, 817 F.2d 762, 772 (D.C. Cir. 1987) (en banc); see also *Rosenblatt v. Baer*, 383 U.S. 75, 88 (1966) ("It is for the trial judge in the first instance to determine whether the proofs show respondent to be a 'public official.'").

n278. *Piro*, 817 F.2d at 772 (citations omitted) (internal quotation marks omitted).

n279. See 1 Sack, *supra* note 240, § 5:3.7, at 5-46 to -47.

n280. See *id.* (explaining that the nature of being a public corporation and "going public" is a voluntary action leading to mandatory public scrutiny, and thus concluding that treating public corporations as public figures is consistent with the First Amendment and SEC laws).

n281. See *supra* notes 143-54 and accompanying text.

n282. See *supra* notes 143-54 and accompanying text.

n283. See, e.g., Piro, 817 F.2d at 772-73; Waldbaum v. Fairchild Publ'ns, Inc., 627 F.2d 1287, 1296-98 (D.C. Cir. 1980); see also Trotter v. Jack Anderson Enters., 818 F.2d 431, 433-34 (5th Cir. 1987) (adopting the test).

n284. Piro, 817 F.2d at 772.

n285. Id. (quoting Waldbaum, 627 F.2d at 1297).

n286. Id. at 773 (quoting Waldbaum, 627 F.2d at 1297).

n287. See, e.g., id. at 773-74 (describing the statements made by the plaintiff regarding public policy toward the oil industry, and the influence plaintiff exercised as the head of Mobil).

n288. See supra notes 249-50 and accompanying text; cf., e.g., Global Issues: Engaging with Government, Caterpillar, <http://www.caterpillar.com/cda/components/fullArticle?m=484235&x=7&id=3449560> (last visited Nov. 2, 2013) (stating Caterpillar's commitment to political advocacy on its own behalf).

n289. See supra notes 251-52 and accompanying text; cf., e.g., Mattel, Playing Responsibly: 2009 Global Citizenship Report 40 (2009), available at <http://corporate.mattel.com/about-us/2009GCReport.pdf> (listing learning, health, girl empowerment, and joy as Mattel's publicly advocated philanthropic priorities).

n290. See supra notes 255-56 and accompanying text; cf., e.g., 2011/2012 Sustainability Report, Coca-Cola (Nov. 7, 2012), <http://www.coca-colacompany.com/sustainabilityreport/> (providing links to, among other things, pages detailing Coca-Cola's public commitments to fighting obesity, increasing nutrition education, and more).

n291. Cf. 1 Smolla, supra note 267, § 2:32, at 2-51 ("No magical number of media appearances is required to render a citizen a public figure The court must ask whether a reasonable person would have concluded that the plaintiff would play or was seeking to play a major role in determining the outcome of the controversy.").

n292. See *id.* at 2-51 to -52.

n293. See, e.g., *Chafoulas v. Peterson*, 668 N.W.2d 642, 654 (Minn. 2003), reh'g granted, 668 N.W.2d 642, 666-67 (Minn. 2003) ("By seeking public and government support for development projects that have a significant impact on Rochester, [defendant] has assumed a position that invites attention and comment about the manner in which he conducts his business affairs.").

n294. See *id.*; cf. 1 Smolla, *supra* note 267, § 2:32, at 2-51 ("It is no answer to the assertion that one is a public figure to say, truthfully, that one does not choose to be.").

n295. *Tavoulareas v. Piro*, 817 F.2d 762, 773 (D.C. Cir. 1987) (en banc) (quoting *Waldbaum v. Fairchild Publ'ns, Inc.*, 627 F.2d 1287, 1298 (D.C. Cir. 1980)).

n296. See *Waldbaum*, 627 F.2d at 1298 (holding that the statements made must be related to "plaintiff's participation in the controversy").

n297. *Id.*

n298. See Jennifer Frankel, *The Legal and Regulatory Climate for Investment in Post-apartheid South Africa: An Historical Overview*, 6 *Cardozo J. Int'l & Comp. L.* 183, 189-90 n.40, 191-94 (1998) (describing a "code of conduct" for American companies operating in South Africa that required equal treatment for and desegregation of black employees and included the general exhortation to "work to eliminate laws and customs which impeded social and political justice [and] support the ending of all apartheid laws").

n299. See Mark Oppenheimer, *Few Resist the Temptation to Opine on Chick-fil-A*, *N.Y. Times*, Aug. 4, 2012, at A15.

n300. *Id.*

n301. Id.

n302. See Bill Barrow, *More Than Gay Marriage Driving Chick-fil-A Flap*, San Jose Mercury News, Aug. 4, 2012, http://www.mercurynews.com/top-stories/ci_21233680/more-than-gay-marriage-driving-chick-fil-flap.

n303. See, e.g., American Family Association Calls for Boycott of Google over Company's Support of LGBT Rights, Huffington Post (July 12, 2012, 1:45 AM), http://www.huffingtonpost.com/2012/07/11/american-family-association-google-video_n_1666218.html; Kevin Burra & Curtis M. Wong, *Oreo Cookies' Gay Pride Backlash: 25 Companies and Products Boycotted for Supporting LGBT Rights*, Huffington Post (June 28, 2012, 3:00 PM), http://www.huffingtonpost.com/2012/06/28/oreo-backlash-companies-anti-gay-boycott_n_1634767.html; Heba Hasan, *Anti-Gay Group Slams JCPenney over Father's Day Ad*, Time, June 3, 2012, <http://newsfeed.time.com/2012/06/03/anti-gay-group-slams-jcpenneys-over-fathers-day-ad/>.

n304. See Tiffany Hsu, *Chick-fil-A Vows to Stop Donating to Anti-Gay Groups*, L.A. Times, Sept. 19, 2012, <http://articles.latimes.com/2012/sep/19/business/la-fi-chick-fil-a-gay-20120920>.

n305. An inquiry into public officials' fitness for office makes comments about dishonesty, malfeasance, or improper motivation germane. See *Waldbaum v. Fairchild Publ'ns, Inc.*, 627 F.2d 1287, 1298 n.33 (D.C. Cir. 1980); *Moniter Patriot Co. v. Roy*, 401 U.S. 265, 273 (1971); cf. *Tavoulareas v. Piro*, 817 F.2d 762, 774 (D.C. Cir. 1987) (en banc) (holding that issues of nepotism at the corporate management level are germane).

n306. Compare *supra* note 305 and accompanying text, with *supra* notes 301-02 and accompanying text.

n307. See *supra* note 12 and accompanying text.

n308. See *supra* notes 19-20 and accompanying text (discussing the Supreme Court's desire to have corporations participate in "the public debate").

n309. Cf. Lidsky, *supra* note 71, at 909-10 ("Many publicly held corporations can even finance intensive media campaigns to rehabilitate a damaged corporate reputation.").

n310. See, e.g., Jeanine Poggi, CBS and Time Warner Cable's Smear Campaigns Could Backfire, *Advertising Age* (July 29, 2013), <http://adage.com/article/media/cbs-time-warner-cable-smear-campaigns-backfire/243341/>.

n311. Cf., e.g., Matt DeLong, Google: 'Legalize Love' Campaign Isn't About Gay Marriage, *Wash. Post*, July 8, 2012, http://www.washingtonpost.com/blogs/innovations/post/google-legalize-love-campaign-isnt-about-gay-marriage/2012/07/08/gJQAN3PQWW_blog.html (describing the misinterpretation of Google's Legalize Love campaign, which is not intended to support gay marriage, but rather to "support[] workers in countries that criminalize homosexuality").

n312. Cf. *supra* note 142 (discussing the level of competence and rationality that consumers, as an audience, are presumed to have).

n313. See *supra* note 40 and accompanying text.

n314. See Balkin, *supra* note 13, at 33.

n315. See *id.* at 11 (discussing blogs and amateur media criticism sites, among other things, as complements to traditional mass media).

n316. See Bruce Bimber, *Information and American Democracy* 21-23 (2003) (arguing that the United States is in a fourth information revolution, one characterized by information abundance, where decentralized actors make political decisions, rather than one where the government and a few large organizations drive the process from a central point).

n317. Cf. Post, *supra* note 55, at 36-37 (arguing that the ability to partake in public debate trumps the interest in limiting speech to educate the public with perfectly accurate information).

n318. See *supra* note 125 and accompanying text.

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ARTICLE: AMENDING THE ECONOMIC ESPIONAGE ACT TO REQUIRE THE DISCLOSURE OF NATIONAL SECURITY-RELATED TECHNOLOGY THEFTS

NAME: David Orozco+

BIO:

+ Assistant Professor of Legal Studies, The College of Business, Florida State University, dorozco@fsu.edu. The author appreciates the feedback received at the Florida State University's Center for Insurance Research, and the Academy of Legal Studies in Business 2012 Annual Conference.

LEXISNEXIS SUMMARY:

... To complicate matters, foreign, state-sponsored actors commit trade secret theft using increasingly sophisticated data collection techniques. ... International Trade Commission, the Federal Circuit Court of Appeals affirmed the ITC's authority under Section 337 to apply domestic law to trade secret misappropriation occurring outside of the United States if the products related to those trade secrets were imported into the United States. ... The general reaction following Caremark was that directors would face greater liability for deficient oversight of business performance, such as the mismanagement of trade secrets. ... Accordingly, because of the increasing technological competence and sophistication of foreign states and organizations, export control laws should regulate not only actual goods, but also the technology behind these goods. ... Mandated disclosure would help to address the underreporting of foreign trade secret theft, which impedes the EEA's goal of deterrence; inspire better trade secret management practices; protect whistleblowers from retaliation by their employers retaliation; and encourage cooperation between companies that develop sensitive technologies and federal law enforcement agencies, which is necessary to safeguard the nation's critical infrastructure and knowledge-based assets.

TEXT:

[*878] Emerging trends indicate that the pace of economic espionage and trade secret theft against U.S. corporations is accelerating. There appears to be multiple vectors of attack for persons and governments seeking to steal trade secrets. Foreign competitors of U.S. corporations, some with ties to foreign governments, have increased their efforts to steal trade secret information through the recruitment of current or former employees. Additionally, there are indications that U.S. companies, law firms, academia, and financial institutions are experiencing cyber intrusion activity against electronic repositories containing trade secret information. Trade secret theft threatens American businesses, undermines national security, and places the security of the U.S. economy in jeopardy. These acts also diminish U.S. export prospects around the globe and put American jobs at risk.

As an Administration, we are committed to continuing to be vigilant in addressing threats--including corporate and state sponsored trade secret misappropriation--that jeopardize our status as the world's leader for innovation and creativity. ⁿ¹

The White House issued this statement regarding its strategy to combat trade secret theft in February of 2013. ⁿ² This new strategy emphasizes the growing problem of foreign state-sponsored data breaches. ⁿ³ Recently, private companies and government agencies--ranging from Google to the U.S. [*879] Chamber of Commerce--have reported network breaches by overseas entities seeking to gain access to strategic information. ⁿ⁴

The increasing vulnerability of domestic networks to state-sponsored groups underscores the related problem of trade secret theft committed by foreign actors. ⁿ⁵ Overseas-based trade secret theft poses increasing financial and security risks to the United States. ⁿ⁶ Although measuring specific loss is almost impossible, trade secret theft costs the United States between two and four hundred billion dollars annually. ⁿ⁷ Despite its financial significance, trade secret theft goes largely unnoticed because it is widely under-reported. ⁿ⁸ The various laws in place to protect trade secrets are ineffective due to the unavailability of a private cause of action, which impedes enforcement. ⁿ⁹

[*880] To complicate matters, foreign, state-sponsored actors commit trade secret theft using increasingly sophisticated data collection techniques. ⁿ¹⁰ Some actors actively target technologies that directly affect national security. ⁿ¹¹ Digital information, cultural attitudes favoring open access to information and transparency, use of the Internet and mobile devices to communicate sensitive information, and the outsourcing and globalization of business all contribute to the increase of both domestic and foreign trade secret theft. ⁿ¹²

Given the serious risk and greater frequency of data breaches, policymakers have begun to take on a more active regulatory and oversight role. For example, U.S. Senator Joe Lieberman proposed legislation to protect critical infrastructure from a cyber warfare attack. ⁿ¹³ Similarly, Congress recently approved increased criminal penalties for trade secret theft. ⁿ¹⁴ Finally, in 2011, U.S. Senator Chris Coons and former U.S. Senator Herb Kohl proposed additional legislation to provide a federal private cause of action for companies harmed by trade secret theft. ⁿ¹⁵

[*881] Furthermore, the Office of the National Counterintelligence Executive (ONCIX), which coordinates with several agencies and branches of government to track the impact of industrial espionage on American competitiveness and security, ⁿ¹⁶ reported to Congress that trade secret theft through cyber technology "represent[s] significant and growing threats to the nation's prosperity and security." ⁿ¹⁷ ONCIX's findings reinforce the government's interest in cyber security and emphasize the need for the recently proposed and enacted legislation.

Defense-related technologies are a prime target for trade secret theft. For example, the Department of Defense (DOD) conducts approximately \$ 400 billion in business with private defense contractors annually, which provides access to and allows contractors to collect and maintain sensitive information and intellectual property. ⁿ¹⁸ Consequently, the DOD requires contractors to file suspicious contact reports whenever they encounter activity that signals a possible threat. ⁿ¹⁹ However, although private contractors working with the DOD are frequently targeted, only ten percent of contractors actually file reports when they detect suspicious activity. ⁿ²⁰ This scenario is troubling because if trade secret theft victims fail to report the crime, regulatory laws will not be enforced and harmful activity will not be deterred. ⁿ²¹

To ameliorate the harmful effects of the under-enforcement of trade-secret theft penalties and network vulnerabilities, this Article proposes an amendment to the Economic Espionage Act of 1996 (EEA), a federal statute that criminalizes industrial espionage and trade secret theft. ⁿ²² The proposed [*882] amendment to the EEA seeks to make two changes to the existing law. First, the proposed amendment imposes both civil and criminal penalties for the failure to report trade secret theft involving technology restricted by export control laws. Second, the proposed amendment establishes a whistleblower defense to encourage parties to report suspected trade secret thefts or violations of the duty to disclose.

Part I of the Article discusses the federal and state laws that protect trade secrets and the nexus between trade secrets and national security. Part II demonstrates that the existing laws are largely unsuccessful in preventing, deterring, or remedying trade secret theft against U.S. companies. Part II also examines the tension between the duty to preserve confidential information under agency law and the immunity granted to officers and directors under the fiduciary oversight doctrine developed by the Delaware courts. Part III discusses the policy justifications for amending the EEA to impose an affirmative duty to report suspected trade secret thefts. Finally, Part IV discusses the proposed amendment to the EEA and the expected positive impact that this change will have on trade secret management practices.

I. TRADE SECRET LAW AND THE RELATIONSHIP BETWEEN TRADE SECRETS AND NATIONAL SECURITY

Trade secrets are a form of intellectual propertyⁿ²³ that dates to the Middle Ages.ⁿ²⁴ The term "trade secret" encompasses a broad spectrum of information that can include customer lists,ⁿ²⁵ technical data,ⁿ²⁶ recipes,ⁿ²⁷ and methods of [*883] conducting business.ⁿ²⁸ Trade secrets can be critical intangible assets in a knowledge-based economy.ⁿ²⁹ Companies expend considerable resources to generate and protect trade secrets,ⁿ³⁰ especially information that is valuable, rare, inimitable, and non-substitutable (VRIN).ⁿ³¹ A VRIN resource has the potential to generate long-term and sustainable competitive advantage for companies.ⁿ³²

Theft of a company's trade secrets can occur in two ways: (1) inbound trade secret theft, and (2) outbound trade secret theft.ⁿ³³ Inbound trade secret theft occurs when trade secrets are brought into a company, with or without the company's knowledge.ⁿ³⁴ Outbound trade secret theft, conversely, occurs when a company's own trade secrets leave the company without its consent.ⁿ³⁵ This Article is primarily concerned with imposing an affirmative duty to disclose outbound trade secret theft.

[*884] *A. Regulation of Trade Secrets and Protection Against Trade Secret Misappropriation*

1. Federal Law

a. The Economic Espionage Act

The EEA was enacted in 1996 as a response to the rising economic value of information, the lack of adequate federal criminal sanctions, and the inability of state criminal laws to deter trade secret theft.ⁿ³⁶ The EEA was also meant to address the rise in post-Cold War, state-sponsored industrial espionage.ⁿ³⁷ The Federal Bureau of Investigation (FBI) estimated that, at the time the EEA was enacted, nearly twenty-five countries had developed methods by which to illegally acquire the United States' industrial secrets.ⁿ³⁸

Under the EEA, a "trade secret" encompasses "all forms and types of financial, business, scientific, technical, economic, or engineering information."ⁿ³⁹ This type of information includes "patterns, plans, compilations, program devices, formulas, designs, prototypes, methods, techniques, processes, procedures, programs, or codes, whether tangible or intangible, and whether or how stored, compiled, or memorialized physically, graphically, photographically, or in writing."ⁿ⁴⁰ This information only qualifies as a trade secret if "(A) the owner thereof has taken reasonable measures to keep such information secret; and (B) the information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable through proper means by, the public."ⁿ⁴¹

The EEA criminalizes misappropriation of information that meets the statutory criteria of a trade secret.ⁿ⁴² The EEA prohibits both the theft of trade secrets, undertaken by either domestic or foreign actors,ⁿ⁴³ as well as industrial espionage committed for the benefit of foreign state actors.ⁿ⁴⁴ Although the EEA authorizes the Department of Justice (DOJ) to initiate civil proceedings to enjoin violations of the Act, it does not create a private cause of action for the aggrieved parties.ⁿ⁴⁵ Consequently, victims of misappropriation must work with the U.S. Attorney's Office to obtain relief. Penalties for misappropriating [*885] trade secrets include imprisonment and fines assessed against the

offending individuals and organizations. ⁿ⁴⁶ Congress recently amended the EEA to increase its monetary penalties for misappropriation. ⁿ⁴⁷

b. The International Trade Commission and Section 337 of the Tariff Act of 1930

Under Section 337 of the Tariff Act of 1930, the International Trade Commission (ITC) has the authority to consider unfair trade practices, including trade secret misappropriation involving imported products. ⁿ⁴⁸ In *TianRui Group Co. v. International Trade Commission*, the Federal Circuit Court of Appeals affirmed the ITC's authority under Section 337 to apply domestic law to trade secret misappropriation occurring outside of the United States if the products related to those trade secrets were imported into the United States. ⁿ⁴⁹ Commentators largely agree that the ITC is a more attractive, expedient, and powerful regulator of foreign trade secret theft, particularly for larger companies that can shoulder the litigation expenses. ⁿ⁵⁰ Indeed, if the ITC rules in favor of the trade secret owner, it may issue an "exclusionary order" that prevents the defendant from shipping the implicated goods into the United States. ⁿ⁵¹ However, the ITC is not likely to play an adjudicatory role in cases affecting national security, which involve information that will benefit a [*886] foreign state rather than information that can be used to develop or influence export markets. ⁿ⁵² Misappropriation of information relating to national security is outside of the exclusive jurisdiction of the ITC. ⁿ⁵³

c. The Computer Fraud and Abuse Act

The Computer Fraud and Abuse Act (CFAA) is a federal statute that criminalizes a broad range of actions related to the unauthorized access of a protected computer, or a computer used in or affecting interstate or foreign commerce. ⁿ⁵⁴ The CFAA criminalizes, *inter alia*, the unauthorized use of a protected computer to obtain information or to commit fraud. ⁿ⁵⁵ The statute imposes both criminal and civil penalties, including compensatory damages and equitable relief for the wronged parties. ⁿ⁵⁶ The CFAA has a broad scope, as it prohibits the unauthorized access of a computer, regardless of whether the computer stores trade secret information. ⁿ⁵⁷

Additionally, the CFAA specifically criminalizes the use of a protected computer to obtain national security information. ⁿ⁵⁸ 18 U.S.C. § 1030(a)(1) [*887] prohibits the use of a protected computer without authorization or in excess of authorization and the subsequent willful supply of the information obtained to an unauthorized recipient. ⁿ⁵⁹ The statute also prohibits the willful retention of that information. ⁿ⁶⁰ However, despite the CFAA's national security provision, the statute is rarely used to prosecute national security cases because, according to the DOJ, other anti-espionage statutes offer a better precedential foundation and broader enforcement coverage. ⁿ⁶¹

2. State Law

Each state has enacted laws, both statutorily and judicially, that protect trade secrets. ⁿ⁶² Trade secret protection largely depends on the state's substantive definition of a trade secret and the actions that constitute a violation of the property rights to a trade secret, or the "misappropriation" of the trade secret. ⁿ⁶³

Forty-six states have adopted the Uniform Trade Secrets Act (UTSA) to define, regulate, and protect trade secrets. ⁿ⁶⁴ Under the UTSA, a trade secret is information that

[*888] derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and [] is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. ⁿ⁶⁵

The "information" in question can be "a formula, pattern, compilation, program, device, method, technique, or process." ⁿ⁶⁶ A trade secret under the UTSA largely parallels the definition of a trade secret in the EEA. ⁿ⁶⁷

Although there is little state law that protects against outbound theft, all states impose civil penalties for inbound

trade secret theft. ⁿ⁶⁸ For example, trade secrets can be misappropriated in a UTSA jurisdiction in two ways. First, misappropriation may constitute "acquisition of a trade secret of another by a person who knows or has reason to know that the trade secret was acquired by improper means. ⁿ⁶⁹ Second, a trade secret is misappropriated if it is disclosed

without express or implied consent by a person who

(A) used improper means to acquire knowledge of the trade secret; or

(B) at the time of disclosure or use, knew or had reason to know that his knowledge of the trade secret was

(I) derived from or through a person who had utilized improper means to acquire it;

(II) acquired under circumstances giving rise to a duty to maintain its secrecy or limit its use; or

(III) derived from or through a person who owed a duty to the person seeking relief to maintain its secrecy or limit its use; or

(C) before a material change of his [or her] position, knew or had reason to know that it was a trade secret and that knowledge of it had been acquired by accident or mistake. ⁿ⁷⁰

Acquiring a trade secret by "improper means" includes "theft, bribery, misrepresentation, breach or inducement of a breach to maintain secrecy, or [*889] espionage through electronic or other means." ⁿ⁷¹ The definition of misappropriation under the UTSA is narrower than its counterpart in the EEA. ⁿ⁷²

Although they have not adopted the UTSA, Massachusetts, ⁿ⁷³ New York, ⁿ⁷⁴ North Carolina, ⁿ⁷⁵ and Texas ⁿ⁷⁶ each regulate trade secret misappropriation in a similar way. Many states have also enacted statutes that criminalize trade secret theft; however, there are significant obstacles to enforcing these statutes, including limited state budgets and jurisdiction that is restricted by the state's borders. ⁿ⁷⁷

[*890] 3. *Private Protection of Trade Secrets*

In addition to the common law and state and federal statutory regimes designed to deter and rectify trade secret theft, owners of sensitive information often use private legal and non-legal mechanisms to preemptively secure information. For example, companies often employ non-disclosure agreements, confidentiality agreements, and covenants-not-to-compete to add layers of protection to their confidential data. ⁿ⁷⁸ Additionally, companies may use property systems such as patents or copyrights, in conjunction with trade secrets, to increase information security. ⁿ⁷⁹ Finally, companies may use non-legal mechanisms used to protect trade secrets, such as well-designed human resource and compliance systems, ⁿ⁸⁰ protected networks, and encryption devices. ⁿ⁸¹

B. National Security Implications

According to ONCIX, trade secret theft by foreign agents has clear and significant implications for national competitiveness because many of the country's most profitable and rapidly-growing industries are targeted for trade secret theft. ⁿ⁸² For example, ONCIX states that clean technologies--energy -generating technologies that reduce carbon dioxide emissions--are highly valued targets for acquisition. ⁿ⁸³ Clean technologies have been linked to long-term energy security, ⁿ⁸⁴ and investments in these technologies have grown quickly as a result. ⁿ⁸⁵ Similarly, pharmaceuticals, nanotechnology, and agricultural technologies--all of which are industries characterized by high [*891] research and development costs--are also targeted frequently for theft. ⁿ⁸⁶ Loss of trade secrets in these quickly-evolving areas of business has a direct impact on national competitiveness. As one government enforcement official explained, "[w]e've already lost our manufacturing base. . . . Now we're losing our R. & D. base. If we lose that, what do we fall back on?" ⁿ⁸⁷

Trade secrets also significantly affect national security if they relate to classified information or information pertaining to military technologies. ONCIX stated that the "illicit transfer of technology with military applications to a hostile state [or organization] could endanger the lives of US and allied military personnel." ⁿ⁸⁸ Some military technologies are especially susceptible to trade secret theft; for example, according to ONCIX and the DOD,

Autonomous Underwater Vehicles (AUVs) are routinely targeted for theft. ⁿ⁸⁹

Many technologies related to national security are categorized as dual-use technologies, or technologies that can be used for both military and non-military purposes. ⁿ⁹⁰ Consequently, many dual-use technologies are regulated under export control laws rather than trade secret laws. For example, the Export Administration Act of 1979 authorizes the President to control U.S. exports for the purpose of national security. ⁿ⁹¹ The Department of Commerce's Bureau of Industry Security (BIS) is responsible for administering and enforcing the Export Administration Act. ⁿ⁹²

[*892] The Department of Commerce defines an export as "any item that is sent from the United States to a foreign destination." ⁿ⁹³ Under the Department's regulations, the method of exportation is immaterial; the item may be classified as an export if it is sent via regular mail, hand carry, facsimile, the Internet, by telephone, or delivered in person. ⁿ⁹⁴ Because trade secret theft is increasingly committed by foreign actors targeting a broad array of technologies that are regulated by export controls, many thefts have, as a practical matter, the same effect as the unauthorized exportation of goods. ⁿ⁹⁵

The BIS has the authority to regulate military technologies, dual-use technologies, and even some purely commercial technologies with export controls. ⁿ⁹⁶ Regulated technologies are categorized with an Export Control Classification Number (ECCN), which identifies items based on the nature of the product. ⁿ⁹⁷ ECCNs allow exporters to determine the "reasons for control," which transactions require an export license (based on the country of destination), and which license exceptions, if any, apply. ⁿ⁹⁸

II. THE CHALLENGES OF ENFORCING TRADE SECRET MISAPPROPRIATION LAWS

A. Under-Enforcement

Trade secrets can be difficult to manage and protect. First, the protection of trade secrets hinges on fiduciary relationships, which trigger mutual and corresponding duties. ⁿ⁹⁹ Unlike patents, trademarks, designs, and copyrights, the safeguarding of trade secrets largely depends on individuals' ability to uphold the legal duties that arise from fiduciary relationships. ⁿ¹⁰⁰

[*893] Trade secrets, like other intangible assets, are non-excludable; ⁿ¹⁰¹ absent vigorous monitoring and expensive judicial enforcement, trade secrets are freely accessible. ⁿ¹⁰² To successfully plead trade secret misappropriation, the plaintiff must overcome a defense of independent derivation, under which the defendant claims that he discovered the trade secret through reverse engineering, or through other permissible means. ⁿ¹⁰³ The burden is also on the plaintiff to prove that he expended reasonable efforts to preserve secrecy. ⁿ¹⁰⁴ This standard can be challenging to satisfy in cases in which the plaintiff [*894] created the protected information with the help of third parties, especially if the value of the information has appreciated over time. ⁿ¹⁰⁵

Similarly, significant hurdles impede the enforcement of criminal trade secret laws. Indeed, many believe that the DOJ imposes substantial prerequisites for enforcement under the EEA. ⁿ¹⁰⁶ According to some accounts, U.S. attorneys' offices have imposed a six- or seven-figure loss requirement as a precondition for prosecution. ⁿ¹⁰⁷ The DOJ is also hesitant to criminally prosecute cases unless a civil remedy is unavailable. ⁿ¹⁰⁸ Additionally, there are several other factors that discourage parties from pursuing an EEA claim, such as the higher burden of proof necessary to criminally convict under the EEA, the possibility of a lengthy grand jury investigation, the federal government's exclusive management of important litigation issues, the forfeiture of the attorney-client privilege and work-product immunity afforded by civil trials, and the lack of monetary damages. ⁿ¹⁰⁹ These restrictions may prevent firms from reporting trade secret theft, compounding the public safety concerns surrounding the theft of information affecting national security.

Despite the difficulty in addressing trade secret theft, civil litigation of domestic trade theft is on the rise, demonstrating the importance of trade secret information. ⁿ¹¹⁰ However, this increase reflects only domestic civil suits, not claims brought under the EEA. ⁿ¹¹¹ Indeed, although ONCIX reports that trade [*895] secret theft by foreign

actors is growing at a considerable pace,ⁿ¹¹² this type of trade secret theft is rarely prosecuted.ⁿ¹¹³ The restrictions imposed by the DOJ and the EEA itself likely discourage injured parties from reporting violations and from using the statute as an enforcement mechanism. The failure to report trade secret theft and to enforce trade secret laws, in turn, motivates trade secret thieves to continue engaging in this profitable activity.ⁿ¹¹⁴

B. Market Failures

Given their status as valuable property rights, the marketplace should, in theory, provide adequate incentives to safeguard and enforce trade secrets. Evidence indicates that, although prosecution of domestic trade secret thefts has increased, cases involving foreign actors remain unenforced.ⁿ¹¹⁵ This disparity, according to a market efficiency theory, is caused by (1) cross-border enforcement costs; (2) negative reputational impact; and (3) inadequate information technology (IT) and compliance capabilities.

1. Cross-Border Enforcement Costs

Pursuing civil remedies in foreign trade secret theft cases under the EEA is often prohibitively expensive. First, the complexities that arise during the discovery process can significantly raise litigation costs.ⁿ¹¹⁶ To further complicate matters, each country has its own trade secret law and hiring local counsel with adequate knowledge of a foreign jurisdiction's legal system and [*896] paying for translation services can raise costs substantially.ⁿ¹¹⁷ Similarly, attempting to gather evidence abroad can pose unique challenges that require patience, creativity, and significant resources.ⁿ¹¹⁸

Because it is so difficult to litigate, foreign trade secret theft is best reserved for federal authorities to address under the appropriate criminal statutes and with the aid of government intelligence information and enforcement mechanisms. The U.S. government is especially interested in discovering the sources of the theft of sensitive information because of the national security concerns.ⁿ¹¹⁹ The U.S. government, unlike private companies, has the intelligence capabilities needed to uncover the sources of this theft.ⁿ¹²⁰ Private companies, on the other hand, are either unable to trace the party's identity or unwilling to do so.ⁿ¹²¹ It is also increasingly difficult for private companies to distinguish between cyber crime, trade secret theft, and the collection of economic or technological information by foreign intelligence services.ⁿ¹²²

2. Reputational Costs

When a company discovers that a trade secret has been stolen, more often than not the company will choose not to seek legal remedy. According to ONCIX, a company may keep a security breach private because it could "tarnish a company's reputation and endanger its relationships with its investors, bankers, suppliers, customers and other stakeholders."ⁿ¹²³ An empirical study using an event study methodology confirmed that the value of a publicly traded company can decrease by millions of dollars when the company announces that it has decided to work with federal officials to prosecute a case under the EEA.ⁿ¹²⁴ Many companies, absent regulations requiring affirmative disclosure, elect to remain silent and allow the theft to go unpunished.ⁿ¹²⁵ Moreover, the unavailability of civil damages under the EEA [*897] to offset these reputational costs provides little incentive for private companies to report theft.ⁿ¹²⁶

3. Inadequate IT and Compliance Capabilities

Some business managers view investment in IT programs as an unnecessary cost.ⁿ¹²⁷ Indeed, companies may reach a level of sophistication at which investment in IT safeguards has a negative impact on the company's ability to compete with market prices.ⁿ¹²⁸ However, IT capabilities have a demonstrably positive effect on business strategy and have a significant impact on a company's bottom line.ⁿ¹²⁹ The perception of investment in IT as a cost driver may, therefore, lead to suboptimal investments in IT capabilities meant to safeguard a company's most valuable technologies and knowledge-based assets.ⁿ¹³⁰

Accordingly, it is crucial for businesses to integrate IT security programs into their top leadership team, as well as

into legal and compliance departments. ⁿ¹³¹ Multifunctional coordination of IT resources is important for security because it can contribute to successful legal outcomes in the event of a breach, ⁿ¹³² as well as to help companies proactively keep track of information moving within and in and out of the organization. ⁿ¹³³ To compound the problem, companies increasingly rely on a "high velocity" and contingent workforce, which may facilitate the movement of sensitive information. ⁿ¹³⁴ The highly mobile state of information in modern business justifies investment [*898] in state-of-the-art IT security programs and the addition of IT representatives to various levels and departments within an organization.

C. Agency-Related Legal Impediments

In addition to market failures and high transaction costs, deficiencies in the general legal framework result in poor management and enforcement of trade secret laws and insufficient reporting of trade secret theft. The two most problematic impediments to the enforcement of trade secret laws are the inadequate protection of whistleblowers and lax corporate governance requirements.

1. Inadequate Protection of Whistleblowers

None of the existing trade secret statutory regimes require a party to report a suspected trade secret theft. ⁿ¹³⁵ Additionally, none of the statutes provide whistleblower protection for an individual who discloses trade secret theft and consequently faces retaliation from his employer. ⁿ¹³⁶

Although the majority of states have enacted laws to shield public employees from retaliation by their employers, few states extend that protection to employees of private companies. ⁿ¹³⁷ Moreover, state whistleblower laws vary significantly in the level of protection offered to employees. ⁿ¹³⁸ Employers are also able to circumvent whistleblower protection laws by hiring at-will employees, who can be fired at any time and for any reason--including purely retaliatory discharge--without exposing the employer to liability. ⁿ¹³⁹

Because there is no affirmative legal duty to disclose trade secret theft, existing state laws largely fail to protect employees who report trade secret theft. Many state whistleblower laws, however, require the disclosure to be of violations of law committed by the employer in order for the employee to qualify for protection from retaliation. ⁿ¹⁴⁰ Consequently, without a duty to [*899] report trade secret theft and corresponding protection for the disclosing employee, an employer is free to take action against employees revealing trade secret theft without violating any law.

Conversely, federal law offers a patchwork of whistleblower protection, but only in cases in which the specific statute grants immunity from retaliation. ⁿ¹⁴¹ The federal law that could offer the most protection to whistleblowers of trade secret misappropriation is Section 806 of the Sarbanes-Oxley Act. ⁿ¹⁴² Section 806 provides a civil remedy to any employee who suffers retaliation for reporting a securities fraud or violation, or the violation of any provision of federal law prohibiting fraud against shareholders. ⁿ¹⁴³ Section 806 applies to companies "with a class of securities registered under Section 12 of the Securities Exchange Act of 1934 . . . or that [are] required to file reports under [*900] Section 15(d) of the Securities Exchange Act of 1934." ⁿ¹⁴⁴ However, Section 806 would likely fail to offer relief to an employee suffering from retaliation by his employer as a consequence of disclosing trade secret theft because the failure to report trade secret misappropriation has never been classified as a fraud on a company's shareholders. ⁿ¹⁴⁵ Furthermore, because Section 806 applies to only the small subset of public companies registered under Section 12, many of the companies most vulnerable to trade secret theft--those companies developing technologies that affect national security--fall outside of the statute's reach. ⁿ¹⁴⁶

2. Ineffective Corporate Fiduciary Law

A basic tenet of American law is that a corporation's directors and executives have a fiduciary duty to the organization. The fiduciary relationship is created by the law of agency, under which the agent agrees to act on the principal's behalf and is subject to the principal's control. ⁿ¹⁴⁷ This relationship creates duties and corresponding rights between the parties. ⁿ¹⁴⁸

Existing corporate fiduciary laws are poorly equipped to address cases involving trade secret theft, particularly those cases involving a foreign state -sponsored entity. Consequently, if a foreign actor misappropriates trade secrets as the result of the breach of a corporate fiduciary duty, there is no adequate safeguard to establish liability.

a. The Business Judgment Rule and Trade Secret Misappropriation

Directors of a corporation are legally required to oversee fundamental transactions, such as the sale of the business, a merger, changes to the capital structure, and the appointment and compensation of the chief executive officer.ⁿ¹⁴⁹ These decisions are fundamental transactions of the corporation and are therefore evaluated under the business judgment rule.ⁿ¹⁵⁰ The business [*901] judgment rule protects the directors or officers if they act with adequate information, in good faith, and with the subjective belief that their action was in the best interests of the corporation.ⁿ¹⁵¹

The business judgment rule rests on the assumption that managers and directors have "skills, information[,] and judgment not possessed by reviewing courts, and [that] there is great social utility in encouraging the allocation of assets and the evaluation and assumption of economic risk by those with such skill and information."ⁿ¹⁵² Generally, courts avoid second-guessing legitimate business decisions.ⁿ¹⁵³ Delaware courts, for example, subscribe to the contractarian approach to corporate governance, which allows companies to determine their rights and responsibilities contractually, rather than rely on the legislature to allocate them statutorily.ⁿ¹⁵⁴

As a consequence of the contractarian approach, Delaware courts apply the business judgment rule only in cases in which corporate directors act affirmatively; cases in which directors simply fail to act fall outside of the [*902] scope of the business judgment rule.ⁿ¹⁵⁵ Delaware courts instead evaluate inaction under the duty of loyalty, which requires plaintiffs to specifically plead that the directors or officers of the corporation intentionally acted against--or chose not to act in--the corporation's best interests.ⁿ¹⁵⁶ Corporate directors or officers are, therefore, free from liability under most state corporate governance laws if they pay only cursory attention to trade secret reporting or management practices, even if they are grossly negligent in their inaction.

b. The Oversight Doctrine and Trade Secret Misappropriation

Corporate governance law related to business processes, such as trade secret management, may also fall under the "oversight doctrine," which has been developed over the years by Delaware courts.ⁿ¹⁵⁷ The oversight doctrine protects directors and some officers from personal liability unless they breach the duty of loyalty owed to the corporation.ⁿ¹⁵⁸

The oversight doctrine stands for the proposition that the duty of loyalty may be breached if a director or officer neglects to impose information and reporting requirements.ⁿ¹⁵⁹ In *In re Caremark*, the Delaware Court of Chancery explained that "a director's obligation includes a duty to attempt in good faith to assure that a corporate information and reporting system . . . exists and that [*903] failure to do so under some circumstances may . . . render a director liable for losses caused by non-compliance with applicable legal standards."ⁿ¹⁶⁰

The general reaction following *Caremark* was that directors would face greater liability for deficient oversight of business performance, such as the mismanagement of trade secrets.ⁿ¹⁶¹ However, the oversight doctrine was narrowed in subsequent cases, and it became clear that oversight issues would be assessed under the higher duty of loyalty standard. Indeed, in *Stone v. Ritter*, the Delaware Supreme Court refined *Caremark's* mandate by outlining the evidence required to establish liability in business-oversight cases.ⁿ¹⁶² *Stone* requires the plaintiff to show that either "(a) the directors utterly failed to implement any reporting or information system or controls; or (b) having implemented such a system or controls, consciously failed to monitor or oversee its operations thus disabling themselves from being informed of risks or problems requiring their attention."ⁿ¹⁶³

However, in practice, the test articulated in *Stone* offers little chance of recovery. If the company has some type reporting system in place, it is not liable unless the plaintiff satisfies the difficult burden of proving that the director intentionally relinquished his monitoring responsibilities.ⁿ¹⁶⁴ Consequently, the oversight doctrine often protects the

director from liability so long as a control system exists, even if trade secret misappropriation or other harm results from an outdated or inadequate oversight mechanism that falls well behind the industry's best practices. ⁿ¹⁶⁵ As explained in *Caremark*, director liability based on the duty of oversight "is possibly the most difficult theory in corporation law upon which a plaintiff might hope to win a judgment." ⁿ¹⁶⁶

[*904] III. POLICY JUSTIFICATIONS FOR AMENDING THE ECONOMIC ESPIONAGE ACT

The gap in the enforcement of trade secret protection laws, especially in situations of foreign trade secret theft, indicates that the EEA should be amended to increase protection of trade secret information. This could best be accomplished by imposing an affirmative duty of disclosure of trade secret misappropriation that affects national security. ⁿ¹⁶⁷

In American jurisprudence, affirmative legal duties are generally an exception to the rule favoring negative duties. ⁿ¹⁶⁸ It is well accepted that a governmental demand to perform is significantly more burdensome than a command to refrain from harmful action. ⁿ¹⁶⁹ As a result, the imposition of an affirmative duty requires strong public policy justifications. ⁿ¹⁷⁰ The public policy justifications for imposing an affirmative duty to disclose trade secret theft are detailed below.

However, it is important to note that American law also recognizes that clearly defining the scope of an affirmative duty to perform minimizes the governmental intrusion. ⁿ¹⁷¹ Here, the duty is clearly defined as a duty to report a trade secret theft if the theft applies to any technology that affects national security. ⁿ¹⁷² This requirement would not impose an obligation to prevent the theft, or correct the harm arising from the theft. Rather, the duty is simply to disclose the theft to an enforcement agency, which would then decide whether to pursue the matter if it involves a state-sponsored attack, a threat to national security, or if it would be useful to intelligence-gathering agencies.

A. Protection of the Public Interest

An affirmative duty to act must be justified by a significant public interest. ⁿ¹⁷³ In the case of trade secret misappropriation, the significant public interest is the substantial value of information and the impact of the theft of that information on public welfare and national security.

Many state governments have recognized the public interest in information security and have imposed affirmative disclosure duties in analogous cases of information theft. For example, several states require companies to disclose [*905] breaches of data security. ⁿ¹⁷⁴ California was the first state to enact such a disclosure requirement with the Security Breach Notification Act. ⁿ¹⁷⁵ Other states followed suit and enacted similar legislation, and now forty-six states impose notification requirements. ⁿ¹⁷⁶ This trend suggests that more, if not all, states will adopt such legislation in the future.

Similarly, several members of Congress recently proposed the Cybersecurity Act of 2012, which was written to protect critical domestic infrastructure from cyber warfare attacks. ⁿ¹⁷⁷ Had Congress passed the Act, it would have imposed an affirmative duty on companies that control critical infrastructure to report any "significant cyber incidents affecting critical cyber infrastructure." ⁿ¹⁷⁸

Additionally, some corporate governance laws impose an affirmative duty on managers in situations in which nondisclosure of information would cause significant harm to the corporation. ⁿ¹⁷⁹ For example, the Sarbanes-Oxley Act requires the Chief Executive Officer (CEO) of an organization to certify the correctness of financial statements and that the company has promulgated adequate internal controls. ⁿ¹⁸⁰ Likewise, the Securities and Exchange Commission (SEC) requires directors to take affirmative steps to ensure that the corporation's communications with the public are truthful. ⁿ¹⁸¹

[*906] B. Protection of Critical Technologies with a Unified National Policy

Adding a disclosure requirement to the EEA would also be consistent with the policy goals of export control laws. Export control laws are aimed at regulating the export of tangible goods to prevent the use of those goods in a manner that may harm national interests. ⁿ¹⁸² From a policy perspective, however, the laws' emphasis on actual goods fails to ensure the protection of the underlying technology involved in creating the goods, allowing for recreation of the goods through reverse engineering. ⁿ¹⁸³

Policymakers are increasingly recognizing the eroding distinction between goods and the underlying technology used to create them, viewing the nation's infrastructure as a combination of tangible and intangible components. ⁿ¹⁸⁴ Accordingly, because of the increasing technological competence and sophistication of foreign states and organizations, ⁿ¹⁸⁵ export control laws should regulate not only actual goods, but also the technology behind these goods. This can be accomplished by amending the EEA. Requiring disclosure of the misappropriation of trade secret information will help to increase protection of the intellectual property associated with the manufacturing of some exported goods.

C. Expansion of Protection for Explicit Knowledge

The importance of explicit knowledge to the modern economy provides additional justification for amending the EEA to address trade secret misappropriation. The rapid evolution toward a knowledge-based economy has had a significant impact on business, society, and national competitiveness. ⁿ¹⁸⁶ One of the key challenges in this environment is to [*907] incentivize innovation, which is accomplished by protecting knowledge-based assets that are non-rivalrous and non-excludable. ⁿ¹⁸⁷ Accordingly, the legal system has evolved to provide some measure of security and efficiency in the marketplace of ideas. ⁿ¹⁸⁸ Enforcement costs and ease of replication, however, pose significant challenges to innovators who wish to protect their intellectual property. ⁿ¹⁸⁹ The problem is compounded when business is conducted overseas in jurisdictions that do not adequately protect knowledge. ⁿ¹⁹⁰

Trade secrets are especially vulnerable to this type of knowledge theft because companies routinely memorialize information. In its tacit form, knowledge is difficult to perceive and replicate. ⁿ¹⁹¹ The information used to develop important technologies, therefore, is often made explicit to extract its full value. ⁿ¹⁹² However, when knowledge is made explicit and recorded, it is substantially easier to misappropriate the information. ⁿ¹⁹³ The codification of trade secret information creates an exact blueprint for replication and, if the information is misappropriated, the technology can easily be "reverse-engineered." ⁿ¹⁹⁴

Lastly, the process of creating a technology is often a key ingredient to using the technology. For example, a manufacturing process may be the main source [*908] of competitive advantage for innovative manufacturing firms. ⁿ¹⁹⁵ If the process is tacit, it can be very difficult to replicate. ⁿ¹⁹⁶ Companies, however, often seek to record processes and business methods to increase the store of knowledge within the company. ⁿ¹⁹⁷ Often, this methodology is classified as a trade secret. ⁿ¹⁹⁸ Consequently, the misappropriation of a process-based technology may completely undermine the company's competitive advantage. ⁿ¹⁹⁹

IV. AMENDING THE ECONOMIC ESPIONAGE ACT TO REQUIRE DISCLOSURE OF TRADE SECRET MISAPPROPRIATION IN CASES INVOLVING NATIONAL SECURITY

The EEA should be amended to require disclosure of suspected outbound trade secret theft. The amendment would read as follows:

No person with reasonable knowledge that a violation of this Act has been or is being committed with respect to technologies that are subject to export regulations shall fail to report such information to a federal law enforcement agency.

Whoever violates this section shall be fined not more than \$ or imprisoned more than years, or both.

The proposed amendment would both serve the policy goals explained above and encourage better data security to protect trade secret information and, as a consequence, national security.

The technologies affected by the amendment are those that qualify as trade secrets under the EEA. ⁿ²⁰⁰ The technologies and products that are regulated by export laws but that are not considered trade secrets by the EEA are excluded by the amendment. Technologies that both qualify as trade secrets under the EEA and are subject to export control, however, are covered by the amendment.

Although some whistleblower laws require *actual* knowledge of a violation, ⁿ²⁰¹ the proposed amendment imposes a lesser mens rea standard by [*909] requiring reasonable knowledge of a violation. Several data security breach and whistleblower statutes impose a similar reasonable knowledge standard. ⁿ²⁰² A reasonable knowledge requirement is appropriate because although trade secret misappropriation can be difficult to ascertain due to the thieves' efforts to conceal the activity, ⁿ²⁰³ there are still indicators that signal trade secret theft. For example, a company's IT department may have knowledge of a data breach that would lead a reasonable person to conclude that trade secrets were accessed or obtained.

The proposed amendment also imposes a substantial penalty on any individual who fails to report a suspected trade secret theft. As with many other white collar offenses, prosecutors may evaluate the defendant's level of culpability and conclude that imposing a fine is more appropriate than criminal penalties. ⁿ²⁰⁴ Likewise, judges may rely on the organizational sentencing guidelines to impose the most effective fine.

Prosecutors may also reach a settlement agreement that defers or avoids criminal prosecution if the defendant agrees to institute a compliance program. ⁿ²⁰⁵ Such compliance programs typically encompass: (1) a written policy related to the legal issue distributed throughout the company; (2) employee training; (3) improved recordkeeping; (4) compliance certification at all organizational levels; (5) internal audits and, sometimes, external monitoring; (6) improved screening of third party agents; and (7) a mechanism for rapid and thorough investigation if the defendant suspects a violation. ⁿ²⁰⁶

The proposed amendment imposes an affirmative duty to report suspected theft to federal enforcement authorities rather than to a superior within the organization. This avoids the harm that might occur if the organization fails to take action. Requiring a party to report the theft directly to a public [*910] enforcement agency such as the FBI ⁿ²⁰⁷ will help to alleviate the problems caused by companies failing to report suspected trade secret theft. ⁿ²⁰⁸

The proposed amendment also protects whistleblowers who comply with the statute's disclosure requirement from retaliation by their employers. Likewise, if an individual within an organization has knowledge that another individual within the organization has violated the amendment by failing to report a suspected trade secret theft, he may alert law enforcement with immunity from retaliation by the organization. Immunity under the amendment is afforded by the existing federal obstruction of justice statute, which states that:

Whoever knowingly, with the intent to retaliate, takes any action harmful to any person, including interference with the lawful employment or livelihood of any person, for providing to a law enforcement officer any truthful information relating to the commission or possible commission of any Federal offense, shall be fined under this title or imprisoned not more than 10 years, or both. ⁿ²⁰⁹

The proposed amendment will also improve data security practice among organizations that develop the affected technologies. Most companies go to great lengths to avoid prosecuting trade secret thefts because of the burdens imposed by the EEA. ⁿ²¹⁰ The proposed amendment provides government enforcement and prosecuting agencies with the opportunity to prosecute previously unreported theft, which in turn will help to improve data security. Increased prosecution of the EEA will signal that lax security practices will likely lead to sanctions under the amendment. ⁿ²¹¹ To avoid the difficulties associated with prosecuting trade secret theft under the EEA, companies will be more willing to increase security to avoid reporting suspected trade secret theft in the first place.

[*911] In sum, organizations would have an additional and powerful incentive to create programs to encourage compliance with the amendment's reporting requirement. ⁿ²¹² Entities that develop technologies relevant to national

security would implement more robust network security programs and better human resource practices in order to safeguard trade secrets and avoid the penalties for failing to report a breach. Additionally, under the federal sentencing guidelines, an organization may implement a compliance program that bolsters data security as part of a settlement agreement with the Department of Justice. ⁿ²¹³

V. CONCLUSION

Trade secret law protects the owner of valuable knowledge from misappropriation of the information by third parties. The current legal regime is largely designed to protect trade secrets from theft by domestic actors. As a consequence, the current regime fails to protect many trade secrets that are stolen by foreign state-sponsored entities. This problem is compounded when the misappropriated trade secrets involve technologies that affect national security.

Amending the EEA to mandate disclosure of suspected trade secret thefts related to any technology that is subject to export restriction would help to protect information relevant to national security. Mandated disclosure would help to address the underreporting of foreign trade secret theft, which impedes the EEA's goal of deterrence; inspire better trade secret management practices; protect whistleblowers from retaliation by their employers retaliation; and encourage cooperation between companies that develop sensitive technologies and federal law enforcement agencies, which is necessary to safeguard the nation's critical infrastructure and knowledge-based assets.

Legal Topics:

For related research and practice materials, see the following legal topics:

GovernmentsFederal GovernmentDomestic SecurityTrade Secrets LawCriminal OffensesTrade Secrets LawMisappropriation ActionsGeneral Overview

FOOTNOTES:

ⁿ¹ EXECUTIVE OFFICE OF THE PRESIDENT, ADMINISTRATION STRATEGY ON MITIGATING THE THEFT OF U.S. TRADE SECRETS 1-2 (2013) [hereinafter ADMINISTRATION STRATEGY], *available at* http://www.whitehouse.gov/sites/default/files/omb/IPEC/admin_strategy_onmitigating_the_theft_of_u.s_trade_secrets.pdf.

ⁿ² *Id.* The White House issued this strategy report in tandem with a recent executive order promulgated on February 12, 2013. *See* Exec. Order No. 13636, 78 Fed. Reg. 11,739, 11,739-41 (Feb. 19, 2013) (envisioning greater protection of trade secrets from foreign and domestic theft by (1) mandating that federal agencies inform American companies of known cyber security threats, and (2) coordinating with the National Institutes of Standards and Technology to impose stricter standards and better procedures to protect companies from cyber attacks).

ⁿ³ *See* OFFICE OF THE NAT'L COUNTERINTELLIGENCE EXEC, FOREIGN SPIES STEALING U.S. ECONOMIC SECRETS IN CYBERSPACE i (2011) [hereinafter ONCIX REPORT], *available at* http://www.ncix.gov/publications/reports/fecie_all/Foreign_Economic_Collection_2011.pdf ("Foreign economic collection and industrial espionage against the United States represent significant and growing threats to the nation's prosperity and security.").

ⁿ⁴ *See* Siobhan Gorman, *China Hackers Hit U.S. Chamber*, WALL ST. J., (Dec. 21, 2011), <http://online.wsj.com/article/SB10001424052970204058404577110541568535300.html> (reporting a cyber attack on the U.S. Chamber of Commerce's computer network, resulting in the theft of "everything stored on its systems"); John Markoff, *Hackers Said to Breach Google*

Password System, N.Y. TIMES, April 20, 2012, at A1, A3 (reporting that Chinese hackers stole Google's intellectual property and compromised the email accounts of two human rights activists in China). As a result of the breach of its password system, Google announced on its security blog that it would alert users if the company suspected that a cyber attack had compromised any of its users' Gmail accounts. Eric Grosse, *Security Warnings for Suspected State-Sponsored Attacks*, GOOGLE ONLINE SECURITY BLOG (June 5, 2012, 12:04 PM), <http://google/onlinesecurity.blogspot.com/2012/06/security-warnings-for-suspected-state.html>. According to Google's Vice President of Security Engineering,

[w]e are constantly on the lookout for malicious activity on our systems, in particular attempts by third parties to log into users' accounts unauthorized. When we have specific intelligence--either directly from users or from our own monitoring efforts --we show clear warning signs and put in place extra roadblocks to thwart these bad actors.

Today, we're taking that a step further for a subset of our users, who we believe may be the target of state-sponsored attacks. . . .

You might ask how we know this activity is state-sponsored. We can't go into the details without giving away information that would be helpful to these bad actors, but our detailed analysis--as well as victim reports--strongly suggest the involvement of states or groups that are state-sponsored.

Id.

n5 Google, for example, alleged that Chinese government-sponsored agents were responsible for the 2010 attack on its network. *See* Gorman, *supra* note 4; Markoff, *supra* note 4, at A1.

n6 ADMINISTRATION STRATEGY, *supra* note 1, at 1; ONCIX REPORT, *supra* note 3, at 1, 3.

n7 ONCIX REPORT, *supra* note 3, at 3-4.

n8 ONCIX REPORT, *supra* note 3, at 3 (noting that, even if a company is aware that its trade secrets have been stolen, it may choose not to report the theft because of concerns for its reputation).

n9 Michael L. Rustad, *The Negligent Enablement of Trade Secret Misappropriation*, 22 SANTA CLARA COMPUTER & HIGH TECH. L.J. 455, 474 (2006) ("Trade secret protection is the only branch of intellectual property [for which] there is not a private cause of action based upon federal statute.").

n10 ONCIX REPORT, *supra* note 3, at I, 5-6 (providing examples of China's and Russia's sophisticated data-hacking programs).

n11 *See, e.g.*, Gorman, *supra* note 4 (explaining that Chamber of Commerce breach was the latest in a series of economic espionage originating from China and threatening national security).

n12 See James H.A. Pooley, Mark A. Lemley & Peter J. Toren, *Understanding the Economic Espionage Act of 1996*, 5 TEX. INTELL. PROP. L.J. 177, 178 (1997) ("Outsourcing, collaborative engineering, and the virtual corporation have substantially increased the risk of loss through both inadvertence and espionage"); Nicole Pelroth, *Traveling Light in a Time of Digital Thievery*, N.Y. TIMES, Feb. 10, 2012, at A1 (explaining that trade secret theft is no longer "the work of insiders or disgruntled employees" because "it has become easier to steal information because of the Internet, the proliferation of smartphones and the inclination of employees to plug their personal devices into workplace networks and cart proprietary information around").

n13 See Cybersecurity Act of 2012, S.3414, 112th Cong. (2012). The Senate rejected the bill on August 2, 2012 after a failed vote for cloture. 158 CONG. REC. S5,919 (daily ed. Aug. 2, 2012). Senator Jay Rockefeller of West Virginia revived the effort by introducing the Cybersecurity Act of 2013 in July of 2013. See 159 CONG. REC. S5,909 (daily ed. July 24, 2013) (introducing the Cybersecurity Act of 2013, S.1353, 113th Cong. (2013)). The bill was referred to the Committee on Science, Commerce, and Transportation for consideration on July 24, 2013. 159 CONG. REC. S5,907 (daily ed. July 24, 2013).

n14 See Foreign and Economic Espionage Penalty Enhancement Act of 2012, Pub. L. No. 112-269, 126 Stat. 2442 (increasing the monetary penalties under the Economic Espionage Act (EEA) from a maximum of \$ 500,000 to a maximum of \$ 5 million for individual offenders, and from a maximum of \$ 10 million to a maximum of the "greater of \$ 10,000,000 or 3 times the value of the stolen trade secret to the organization, including expenses for research and design" for an organizational offender).

n15 See 157 CONG. REC. S6,229-30 (daily ed. Oct. 5, 2011) (introducing Senate Amendment 729, which would have amended the Currency Exchange Rate Oversight Reform Act of 2011 to provide for a private cause of action for trade secret theft); Press Release, Senator Coons Introduces Two Amendments to Currency Bill to Protect American Intellectual Property (Oct. 5, 2011), <http://www.coons.senate.gov/newsroom/releases/release/senator-coons-introduces-two-amendments-to-currency-bill-to-protect-american-intellectual-property> (describing legislation that would create "a single, uniform, nationwide cause of action" allowing private companies to "sue for trade-secret theft in federal court"). The amendment was tabled. 157 CONG. REC. S6,227 (daily ed. Oct. 5, 2011).

n16 ONCIX REPORT, *supra* note 3, at iii-iv (noting that, to create the report, ONCIX collaborated with "the Air Force Office of Special Investigations (AFOSI), Army Counterintelligence Center (ACIC), Central Intelligence Agency (CIA), Defense Intelligence Agency (DIA), Defense Security Service (DSS), Department of Energy (DoE), Department of Health and Human Services (HHS), Department of State (DoS), Federal Bureau of Investigation (FBI), National Geospatial-Intelligence Agency (NGA), National Reconnaissance Office (NRO), National Security Agency, and Naval Criminal Investigative Service (NCIS)," among others).

n17 *Id.* at i (indicating that the use of "[c]yberspace" in business "amplifies these threats by making it possible for malicious actors, whether they are corrupted insiders or foreign intelligence services (FIS), to quickly steal and transfer massive quantities of stat while remaining anonymous and hard to detect.").

n18 *Id.* at A-1.

n19 *Id.*

n20 *Id.* (observing that defense contractors generally do not report trade secret theft unless the theft affects a contract with the Pentagon, largely because "reporting procedures are often cumbersome and redundant").

n21 See George Stigler, *The Optimum Enforcement of Laws*, 78 J. POL. ECON. 526, 530-31 (1970) (arguing that, in order to achieve the optimal number of offenses, "rational [law] enforcement" must have "expected penalties increasing with expected gains so there is no marginal net gain from larger offenses").

n22 Economic Espionage Act of 1996, Pub. L. No. 104-294, 110 Stat. 3488 (codified at 18 U.S.C. §§ 1831-39 (2006 & Supp. 2012)). A prior work proposed amending the EEA to mandate affirmative disclosures as a measure to preserve national security. Aaron J. Burstein, *Trade Secrecy as an Instrument of National Security? Rethinking the Foundations of Economic-Espionage*, 41 ARIZ. ST. L.J. 933 (2009). Burstein's article, in contrast to the instant work, does not address the specific changes to the EEA and the enforcement mechanics required to safeguard national security. *Id.* at 982 ("For example, policymakers would need to decide upon triggers for breach reporting, the appropriate recipient(s) of reports, penalties for failing to comply with reporting requirements, and an agenda for using breach reports. Discussing these details is beyond the scope of this Article.").

n23 Trade secrets are quasi-property in the sense that the law punishes misappropriation of the trade secret, but it does not provide relief in cases involving the independent derivation of the secret--such as by reverse engineering--if the information was not misappropriated. *C.f.* 1 ROGER M. MILGRIM, MILGRIM ON TRADE SECRETS § 2.01[2], 2-11 (2001) (explaining that "the possessor of a trade secret has a property right in [the information] that permits the possessor to restrict use and disclosure of it in many situations.").

n24 See Robert P. Merges, From Medieval Guilds to Open Source Software: Informal Norms, Appropriability Institutions, and Innovation 5 (Nov. 13, 2004) (working paper), available at <http://papers.ssrn.com/sol3/papers.cfm?abstract-id=661543> (noting that medieval guilds "protected investments in training new members . . . which is a human capital formation function typically associated with modern 'trade secret' law").

n25 See, e.g., COLO. REV. STAT. § 7-74-102(4) (2012) (defining a "trade secret" to include a "listing of names, addresses, or telephone numbers, or other information relating to any business or profession which is secret and of value").

n26 See, e.g., UNIF. TRADE SECRETS ACT § 1(4) (1986) (defining a "trade secret" to include a "program").

n27 See, e.g., *id.* (defining a "trade secret" to include a "formula," "method," or "process"); William Neuman, *A Man With Muffin Secrets, But No Job to Go With Them*, N.Y. TIMES, Aug. 7, 2010, at A1, A3 (describing the trade secret claim Bimbo Bakeries USA--the owner of Thomas' English muffins--filed against a former employee, which alleged that the employee stole the company's secret "nooks and crannies" recipe).

n28 See, e.g., UNIF. TRADE SECRETS ACT § 1(4) (defining a "trade secret" to include a "method" or "process"); Complaint para. 81. *Starwood Hotels & Resorts Worldwide, Inc. v. Hilton Hotels Corp.*, No. 09 Civ. 2862 (SCR) (S.D.N.Y. June 16, 2010), 2009 WL 1025597 (alleging trade secret misappropriation by former employees of Starwood Hotels who stole several business materials, including Strategic Plans, "Brand Bibles," and "'Property Improvement Plans,'" or templates "for how to create the 'the Ultimate W Experience' in conversion properties, providing step-by-step details for how to convert a hotel property to a W branded hotel.") *Starwood Hotels* survived a motion to dismiss. *Starwood Hotels & Resorts Worldwide, Inc. v. Hilton Hotels Corp.*, No. 09 Civ. 2862 (SCR), 2010 U.S. Dist. LEXIS 71436, at *26 (S.D.N.Y. June 16, 2010).

n29 David J. Teece, Gary Pisano & Amy Shuen, *Dynamic Capabilities and Strategic Management*, 18 STRATEGIC MGMT. J. 509, 516-17 (1997).

n30 See, e.g., Complaint, *supra* note 28, at paras. 46-51 (describing the measure Starwood Hotels took to protect its business methods and processes, such as requiring employees to sign confidentiality agreements and certify compliance with the terms annually, securing networks and computers, allowing remote access to the company's information only through a password protected system, and marking confidential documents).

n31 See Norman D. Bishara & David Orozco, *Using the Resource-Based Theory To Determine Covenant Not To Compete Legitimacy*, 87 IND. L.J. 979, 1009 (2012) (describing how businesses establish a legitimate business interest in non-compete cases through the ownership of a knowledge-based asset with VRIN properties); see also Jay Barney, *Firm Resources and Sustained Competitive Advantage*, 17 J. MGMT. 99, 105-07 (1991) (considered the seminal work on the resource-based theory of business strategy).

n32 Barney, *supra* note 31.

n33 See James Pooley & Katherine Nolan-Stevaux, *Trade Secrets and Corporate Governance: Best Practices*, IPO LAW JOURNAL--TRADE SECRETS SECTION (Nov. 10, 2005), at 1-2, http://www.ipo.org/wp-content/uploads/2013/04/TS_CorporateGovernance.pdf.

n34 See *id.* at 2.

n35 See *id.*

n36 Pooley, Lemley & Toren, *supra* note 12, at 179-80.

n37 See *id.* at 179 (explaining that one of the dual purposes of the EEA was to address "the apparent threat of industrial espionage sponsored by foreign states").

n38 *Id.* at 178-79.

n39 18 U.S.C. § 1839(3) (2006).

n40 *Id.*

n41 *Id.*

n42 18 U.S.C. §§ 1831, 1832 (2006).

n43 18 U.S.C. § 1832 (criminalizing the "[t]heft of trade secrets").

n44 18 U.S.C. § 1831 (criminalizing "[e]conomic espionage").

n45 See 18 U.S.C. § 1836 (2006) (providing for a civil cause of action and exclusive federal jurisdiction, but making no mention of a private cause of action).

n46 18 U.S.C. §§ 1831, 1832. For example, in 2010 scientist Kexue Huang was charged with stealing trade secrets from his former employer, Dow Agrosciences. Press Release, Chinese National Sentenced to 87 Months in Prison for Economic Espionage and Theft of Trade Secrets (Dec. 21, 2011), *available at* <http://www.justice.gov/opa/pr/2011/December/11-crm-1696.html>. He was accused of using those secrets to conduct research that would benefit Chinese universities. *Id.* Huang ultimately pleaded guilty and was sentenced to eighty-seven months in prison. *Id.*

n47 See *supra* note 14 (describing the penalty increases imposed by the Foreign and Economic Espionage Penalty Enhancement Act of 2012).

n48 Tariff Act of 1930, Pub. L. No. 71-361, § 337, 46 Stat. 590, 703-04 (codified at 19 U.S.C. § 1337 (2006)) (creating the ITC and authorizing it to investigate and adjudicate cases involving imports that allegedly infringe intellectual property rights and injure domestic industry).

n49 661 F.3d 1322, 1332-34 (Fed. Cir. 2011).

n50 See Ernest P. Shriver, *Separate But Equal: Intellectual Property Importation and the Recent Amendments to Section 337*, 5 MINN. J. GLOBAL TRADE 441, 463-64 (1996).

n51 19 U.S.C. § 1337(d)(1) ("If the Commission determines, as a result of an investigation under this section, that there is a violation of this section, it shall direct that the articles concerned, imported by any person violating the provision of this section, be excluded from entry into the United States, unless, after considering the effect of such exclusion upon the public health and welfare, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, and United States consumers, it finds that such articles should not be excluded from entry."); see also Colleen V. Chien & Mark A. Lemley, *Patent Holdup, The ITC, and the Public Interest* 105, 122 (Stanford Law School. Working Paper No. 2022168, 2012), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2022168 (arguing that the ITC should apply economic and public policy analyses to its exclusion order decisions).

n52 See ADMINISTRATION STRATEGY, *supra* note 1, Appx. B (describing several cases of trade secret theft and economic espionage involving technical military data stolen to improve Chinese defense systems); ONCIX REPORT, *supra* note 3, at 4-5 (noting that foreign actors, especially from China and Russia, focus their economic espionage and trade secret misappropriation efforts on information related to national security and military intelligence).

n53 See 19 U.S.C. § 1337 (delineating the authority of the ITC to investigate import violations that affect the industry and commerce of the United States).

n54 Computer Fraud and Abuse Act of 1984, Pub. L. No. 98-473, 98 Stat. 2190-91 (codified at 18 U.S.C. § 1030 (2006)) (criminalizing unauthorized access of a computer containing sensitive information). Specific reference to "protected computers" was added to § 1030 in 1996. Economic Espionage Act of 1996. Pub. L. No 104-294, § 201, 110 Stat. 3488, 3491-92 (codified at 18 U.S.C. § 1030). A "protected computer" is a computer

- (A) exclusively for the use of a financial institution or the United States Government, or, in the case of a computer not exclusively for such use, used by or for a financial institution or the United States Government and the conduct constituting the offense affects that use by or for the financial institution or the Government; or
- (B) which is used in or affecting interstate or foreign commerce or communication, including a computer located outside the United States that is used in a manner that affects interstate or foreign commerce or communication of the United States.

18 U.S.C. § 1030(e)(2).

n55 18 U.S.C. § 1030(a)(4) (explaining that an individual violates § 1030(a)(4) if he "knowingly and with intent to defraud, accesses a protected computer without authorization, or exceeds authorized access, and by means of such conduct furthers the intended fraud and obtains anything of value, unless the object of the fraud and the thing obtained consists only of the use of the computer and the value of such use is not more than \$ 5,000 in any 1-year period").

n56 18 U.S.C. § 1030(e)(11) (defining damages as "any reasonable costs to any victim, including the cost of responding to an offense, conducting a damage assessment, and restoring the data, program, system or information to its condition prior to the offense, and any revenue lost, cost incurred, or consequential damages incurred because of interruption of service").

n57 18 U.S.C. § 1030(a) (listing the information and sources of information protected by the statute and failing to limit that protection to trade secrets).

n58 18 U.S.C. § 1030(a)(1). This section provides that any individual who

having knowingly accessed a computer without authorization or exceeding authorized access, and by means of such conduct having obtained information that has been determined by the United States Government pursuant to an Executive order or statute to require protection against unauthorized disclosure for reasons of national defense or foreign relations, or any restricted data, as defined in paragraph y. of section 11 of the Atomic Energy Act of 1954, with reason to believe that such information so obtained could be used to the injury of the United States, or to the advantage of any foreign nation willfully communicates, delivers, transmits, or causes to be communicated, delivered, or transmitted, or attempts to communicate, deliver, transmit or cause to be communicated, delivered, or transmitted the same to any person not entitled to receive it, or willfully retains the same and fails to deliver it to the officer or employee of the United States entitled to receive it . . . shall be punished as provided in subsection (c) of this section.

18 U.S.C. § 1030(a).

n59 18 U.S.C. § 1030(a)(1).

n60 *Id.*

n61 H. MARSHALL JARRETT & MICHAEL W. BAILIE, PROSECUTING COMPUTER CRIMES 15 (2d ed.), <http://www.justice.gov/criminal/cybercrime/docs/ccmanual.pdf> (last visited August 23, 2013) (explaining that Assistant United States Attorneys rarely charge § 1030(a)(1) violations because of "the close similarities between sections 1030(a)(1) and 793(e)," and that, "[i]n situations where both statutes are applicable, prosecutors may tend towards using section 793(e), for which guidance and precedent are more prevalent").

n62 See David W. Slaby et al., *Trade Secret Protection: An Analysis of the Concept "Efforts Reasonable Under the Circumstances to Maintain Secrecy"*, 5 SANTA CLARA COMPUTER & HIGH TECH. L.J. 321, 322-23 (1989) (noting that modern trade secret protection is based on the codification of common law decisions).

n63 See Michael J. Hutter, *Trade Secret Misappropriation: A Lawyer's Practical Approach to the Case Law* 1 W. NEW. ENG. L. REV. 1, 9 (1978) (explaining that classification as a trade secret under the controlling law and "acquisition of the secret by a third party by improper conduct or unfair means" are prerequisites for liability for trade secret misappropriation).

n64 MELVIN F. JAGER, *TRADE SECRETS LAW* § 3.29 (2013) (noting that every state except Massachusetts, New York, North Carolina, and Texas has adopted the UTSA).

n65 UNIF. TRADE SECRETS ACT § 1(4) (1986).

n66 *Id.*

n67 Pooley, Lemley & Toren, *supra* note 12 at 188-89 (comparing the UTSA and the EEA); *see also supra* notes 39-41 and accompanying text (detailing the definition of a trade secret under the EEA).

n68 See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 40 (1995) (defining "appropriation" of trade secrets as the receipt of the information by an unauthorized individual or in an unlawful manner); UNIF. TRADE SECRETS ACT § 1(2) (defining "misappropriation" in the same manner). Each state has developed a trade secret enforcement scheme based on the UTSA or the Restatement. Craig L. Ulrich, *The Economic Espionage Act: Reverse Engineering and the Intellectual Property Public Policy*, 7 MICH. TELECOMM. & TECH. L. REV. 147, 163-64 (2001).

n69 UNIF. TRADE SECRETS ACT § 1(2)(i).

n70 UNIF. TRADE SECRETS ACT § 1(2)(ii).

n71 UNIF. TRADE SECRETS ACT § 1(1).

n72 Pooley, Lemley & Toren, *supra* note 12 at 188-89 (comparing the UTSA and the EEA); *see also supra* notes 42-44 and accompanying text (noting that the EEA prohibits any unlawful access to information that meets the statutory definition of "trade secret").

n73 MASS. GEN. LAWS ANN. ch. 266, § 30(4) (West 2008) (defining "trade secret" as "anything tangible or intangible or electronically kept or stored, which constitutes, represents, evidences or records a secret scientific, technical, merchandising, production or management information, design, process, procedure, formula, invention or improvement").

n74 New York trade secret protection is entirely common law based, and adopts the definition of a trade secret provided by Section 757 of the Restatement of Torts. *Ashland Mgmt. Inc. v. Janien*, 82 N.Y.2d 395, 407 (1993) (relying on the Restatement and state precedent to adjudicate a trade secret misappropriation case); Michael J. Hutter, *The Case for Adoption of a Uniform Trade Secrets Act in New York* 10 ALB. L.J. SCI. & TECH 1, 6 (1999) (stating that New York has not adopted a statutory regime to regulate trade secrets and instead relies on "common law principles derived from the First Restatement of Torts"). The Restatement defines a trade secret as

any formula, pattern, device or compilation of information which is used in one's business, and which gives him an opportunity to obtain an advantage over competitors who do not know or use it. It may be a formula for a chemical compound, a process of manufacturing, treating or preserving materials, a pattern for a machine or other device, or a list of customers.

RESTATEMENT (FIRST) OF TORTS § 757 cmt. b (1939).

n75 N.C. GEN. STAT. § 66-152(3) (2011) (defining a "trade secret" as "business or technical information, including but not limited to a formula, pattern, program, device, compilation of information, method, technique, or process that (a) Derives independent actual or potential commercial value from not being generally known or readily ascertainable through independent development or reverse engineering by persons who can obtain economic value from its disclosure or use; and (b) Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy").

n76 Like New York, Texas regulates trade secrets with common law decisions based on the Restatement of Torts. *In re Bass*, 113 S.W.3d 735, 739 (Tex. 2003) (quoting RESTATEMENT (FIRST) OF TORTS § 757 cmt. b) ("To determine whether a trade secret exists, this Court applies the Restatement of Torts' six-factor test.").

n77 Pooley, Lemley & Toren, *supra* note 12 at 186 (stating that twenty-four states have criminal trade secret theft statutes, but that "the applicability of these state criminal laws is limited by jurisdiction and lack of state resources, particularly in cases with international ramifications").

n78 Bishara & Orozco, *supra* note 31. at 995-96; Pooley, Lemley & Toren. *supra* note 12, at 218.

n79 Bishara & Orozco, *supra* note 31. at 996.

n80 See, e.g., Russell W. Coff, *Human Assets and Management Dilemmas: Coping with Hazards on the Road to Resource-Based Theory*, 22 ACAD. MGMT. REV. 374, 380-87 (1997), available at <http://www.jstor.org/stable/259327> (discussing the use of incentives, symbolic gestures, control rights, and shared governance as methods to retain employees).

n81 Ari B. Good, *Trade Secrets and the New Realities of the Internet Age*, 2 MARQ. INTELL. PROP. L. REV., 51, 92-93 (1998).

n82 ONCIX REPORT, *supra* note 3, at 8-9 (explaining that foreign collection of U.S. civilian technologies follows market patterns of investment and trade). ONCIX predicts that clean technologies, advanced materials and manufacturing techniques, healthcare, pharmaceuticals, and agricultural technologies will experience a surge in investment and therefore will be targeted aggressively for acquisition. *Id.*

n83 ONCIX REPORT, *supra* note 3, at 8.

n84 See David Orozco, *Administrative Patent Levers in the Software, Biotechnology and Clean Technology Industries*, in THE CHANGING FACE OF US PATENT LAW AND ITS IMPACT ON BUSINESS STRATEGY 42, 54-56 (Daniel C. Cahoy & Lynda J. Oswald eds. 2013); see also Daniel R. Cahoy, *Inverse Enclosure: Abdicating the Green Technology Landscape*, 49 AM. BUS. L. J. 805,829-31,834(2012).

n85 ONCIX REPORT, *supra* note 3, at 8.

n86 *Id.* at 8-9.

n87 Nicole Perlroth, *Traveling Light in a Time of Digital Thievery*, N.Y. TIMES, Feb. 10, 2012, at A3 (internal quotation marks omitted).

n88 ONCIX REPORT, *supra* note 3, at 3; see also *United States v. Dongfan Chung*, 659 F.3d 815, 828 (9th Cir. 2011) (upholding the conviction of the defendant for violating the EEA by unlawfully transferring trade secrets pertaining to military aircraft technology).

n89 DEFENSE SECURITY SERVICE, TARGETING U.S. TECHNOLOGIES 16 (2011), available at <http://www.dss.mil/counterintel/2011-unclassified-trends.pdf> (describing AUVs as "a class of underwater vessels capable of submerged, self-propelled locomotion using various enabling technologies to navigate and perform diverse tasks").

n90 DEPARTMENT OF COMMERCE, INTRODUCTION TO COMMERCE DEPARTMENT EXPORT CONTROLS 1 (2010) [hereinafter DEPT OF COMMERCE], *available at* http://www.bis.doc.gov/index.php/forms-documents/doc_view/142-eccn-pdf.

n91 Export Administration Act of 1979, Pub. L. No. 96-72, §§ 3(2)(B), 5(a)(1), 93 Stat. 503, 504, 506 (codified at 50 U.S.C. App. §§ 2402, 2404) (authorizing the President to "prohibit or curtail the export of any goods or technology subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States," to the extent necessary "to further significantly the foreign policy of the United States or to fulfill its declared international obligations").

n92 *See* DEPT OF COMMERCE, *supra* note 90. The BIS enforces the Export Administration Act by issuing Export Administration Regulations (EARs). *Id.* An important aspect of these regulations is the Commerce Control List (CCL), which includes all of the technologies that fall under the EARs. *Id.* at 3. These technologies include broad categories such as: nuclear technologies, materials, chemicals, microorganisms, materials processing technologies, electronics, computers, telecommunications, information security, sensors and lasers, navigation and avionics, marine and propulsion systems. *Id.*; *see also* 15 C.F.R. § 777 Supp. 1 (2012) (containing the full Commerce Control List).

n93 DEPT OF COMMERCE, *supra* note 90, at 2.

n94 *Id.*

n95 *Compare* ONCIX REPORT, *supra* note 3, at 1, 8-9 (noting that economic, scientific, and military data are subject to trade secret theft and predicting that dual-use technologies such as clean technologies, advanced manufacturing techniques, healthcare and pharmaceutical technologies, agricultural technology, and energy and national resource information will be increasingly vulnerable to misappropriation), *with* DEPT OF COMMERCE, *supra* note 90, at 1-2 (noting that dual-use technologies and chemicals, materials processing, computers, and telecommunications and information security are all subject to export controls), *and* 15 C.F.R. § 777 Supp. 1 (listing other scientific technologies in the Commerce Control List regulated by export laws).

n96 DEPT OF COMMERCE, *supra* note 90, at 1.

n97 *Id.* at 3.

n98 *Id.* at 5-6 (providing instructions for determining whether a license is necessary for a particular good or technology and whether a licensing exception applies).

n99 See RESTATEMENT (THIRD) OF AGENCY § 1.01(e) (2005). Contracts such as non-disclosure agreements, confidentiality agreements, and covenants not to compete may supplement the default duties arising under agency. See *id.* ("In addition to an agent's fiduciary duties, the agent has a duty to fulfill specific contractual undertakings" imposed by the principal).

n100 The need for fiduciary controls is because trade secrets do not possess traditional *in rem* property characteristics. See RESTATEMENT (FIRST) OF TORTS § 757 cmt. a (1939) (rejecting the idea that the prohibition of trade secret misappropriation is based in the owner's property right in the information); MILGRIM, *supra* note 23, at § 2.01 (noting that the "property" right in a trade secret is the right to use and disclose the information).

n101 See MILGRIM, *supra* note 23, at § 2.01 ("[N]either the owner of a trade secret or a copyright can use its rights to prevent genuine independent development by others."). See generally CARL SHAPIRO & HAL R. VARIAN, INFORMATION RULES: A STRATEGIC GUIDE TO THE NETWORK ECONOMY 1-19 (1999) (discussing the "information economy"). Although other categories of intangible property--such as patents, trademarks, and copyright--face challenges involving non-excludability and costly enforcement, protection of these other forms of intellectual property is not as under-enforced as protection of trade secrets because of measures to reduce enforcement costs. See, e.g., David L. Schwartz, *The Rise of Contingent Fee Representation in Patent Litigation*, 64 ALA. L. REV. 335, 346, 351-55 (2012) (describing the rise of contingent-fee agreements in patent litigation). Rather, protection of this information is often vigorously enforced. For example, policymakers in the field of trademark law have held hearings on the aggressive enforcement and policing of trademarks by large companies against smaller companies and individuals, leading to what is termed "trademark bullying." See Trademark Technical and Conforming Amendment Act of 2010, Pub. L. No. 111-146, § 4(a)(1), 124 Stat. 66, 70 (requiring the U.S. Patent and Trademark Office to study and report to Congress "the extent to which small businesses may be harmed by litigation tactics by corporations attempting to enforce trademark rights beyond a reasonable interpretation of the scope of the rights granted to the trademark owner"). The under-enforcement of trade secret law, therefore, is an anomaly.

n102 Cf. SHAPIRO & VARIAN, *supra* note 101, at 4-5 (explaining that, because of the ease with which intellectual property can be copied, owners of intellectual property keep the information closely guarded and protect their rights with increased protection). In 2011, the American Intellectual Property Law Association (AIPLA) conducted surveys to determine the costs of intellectual property litigation. AM. INTELL. PROP. ASS'N, REPORT OF THE ECONOMIC SURVEY 2011 (2011). The survey found that, in cases in which the amount in controversy was less than \$ 25 million, the cost of trade secret litigation through trial was \$ 1.3 million. *Id.* If the amount in controversy exceeded \$ 25 million, the cost of litigation increased to \$ 3.2 million. *Id.*

n103 See, e.g., *Int'l Election Sys. Corp. v. Shoup*, 452 F. Supp. 684, 709-10 (E.D. Pa. 1978) (dismissing the plaintiff's trade secret theft claim because the defendant established that it developed its own market to sell its product, rather than misappropriating the plaintiff's customer list data). Reverse engineering is "the process of studying an item in hopes of obtaining a detailed understanding of the way it works," and is "used to create duplicate or superior products without the benefit of having the plans for the original item." Uhrich *supra* note 68 at 155-56.

n104 See 18 U.S.C. § 1839(3)(A) (2006) (requiring the owner of information to "take [] reasonable measures to keep such information secret" for the information to be classified as a trade secret); UNIF. TRADE SECRETS ACT § 1(4) (1986) (requiring that the information be "the subject of efforts that are reasonable under the circumstances to maintain its secrecy" for the information to be classified as a trade secret); RESTATEMENT (FIRST) OF TORTS § 757 cmt. b (1939) ("The subject matter of a trade secret must be secret.").

n105 Bishara & Orozco, *supra* note 31, at 1011. A recent high-profile example of a company's failure to keep data secret involved hackers stealing LinkedIn account users' passwords. Nicole Perlroth, *Lax Security at LinkedIn is Laid Bare*, N.Y. TIMES, June 11, 2012, at B1. The

media widely reported that the breach was the result LinkedIn's out-of-date and inadequate security systems. *See, e.g., id.*

n106 Pooley, Lemley & Toren, *supra* note 12, at 210-11 (noting that an Assistant U.S. Attorney's decision to prosecute a trade secret misappropriation case is subject to DOJ approval, from either the Attorney General, the Deputy Attorney General, or an Assistant Attorney General from the Criminal Division). U.S. Attorneys' offices consider a number of factors in determining whether a trade secret case will be prosecuted, including "(a) whether the information was clearly a trade secret; (b) whether the information was technical or scientific in nature; (c) evidence of criminal conduct and intent; (d) evidence of the information's monetary value; (e) the availability of other remedies; and (f) whether the misappropriation was promptly reported." *Id.* at 211.

n107 Victoria Slind-Flor, *Industry Spying Still Flourishes*, NAT'L L.J., Mar. 29, 2000, at B8; *see also* Pooley, Lemley & Toren, *supra* note 12, at 214 (indicating that "the monetary loss to the victim must be great enough to merit criminal investigation and prosecution," greater than \$ 100,000 in some districts).

n108 Pooley, Lemley & Toren, *supra* note 12, at 215.

n109 Joseph N. Hosteny, *The Economic Espionage Act: A Very Mixed Blessing*, INTELL. PROP. TODAY, Feb. 1998, 7-8, <http://www.hosteny.com/articles/espionage.html>.

n110 David S. Almeling et al., *A Statistical Analysis of Trade Secret Litigation in State Courts*, 46 GONZ. L. REV. 57, 66-68 (2011) [hereinafter *State Court Analysis*] (finding that trade secret litigation in federal courts is increasing at an exponential rate, but at the same time is increasing at only a modest rate in state courts).

n111 David S. Almeling et al., *A Statistical Analysis of Trade Secret Litigation in Federal Courts*, 45 GONZ. L. REV. 291, 303-04 (2009) [hereinafter *Federal Court Analysis*]. The Almeling study of trade secret litigation in federal courts concluded that concerns about foreign trade secret misappropriation "may be overblown" because most trade secret theft is committed by domestic actors. *Id.* This statement, however, does not take into account the central problem of foreign trade secret theft, which is that the victim is often reluctant to pursue claims of foreign theft due to the inordinate costs of litigation. *See supra* notes 106-09 and accompanying text (discussing the barriers to trade secret law litigation and enforcement). Moreover, there is a fundamental difference between domestic theft and foreign state-sponsored theft, adding to the disparity between the number of domestic theft cases and foreign theft cases. While the majority of plaintiffs in domestic theft cases know the defendants, *State Court Analysis*, *supra* note 110, at 69 (noting that domestic thieves are often former employees or business partners), data thieves in cases involving foreign actors are usually anonymous, *Federal Court Analysis*, *supra*, at 303.

n112 ONCIX REPORT, *supra* note 3, at 1.

n113 *See id.* at 5 (reporting that only seven cases were adjudicated under the EEA in 2010).

n114 *See id.* at 4 (estimating that a company's trade secret can be worth \$ 20 million and that trade secret theft and economic espionage are responsible for the loss of up to \$ 400 billion each year).

n115 *See State Court Analysis, supra* note 110, at 66-68 (tracking the increase in trade secret theft litigation in state and federal courts); ONCIX REPORT, *supra* note 3, at 5 (reporting that there were only seven prosecutions under the EEA in 2010); *Federal Court Analysis, supra* note 111, at 303-04 (noting that third parties, such as foreign actors, "comprise a small percentage of alleged misappropriators").

n116 *See* J. Benjamin Bai & Gupoing Da. *Strategies for Trade Secret Protection in China*, 9 Nw. J. TECH & INTELL. PROP. 351, 362 (2011) (explaining that there is no U.S.-style discovery process in China and discussing other technical hurdles that make discovery in foreign trade secret litigation more cumbersome than in domestic litigation).

n117 *See* R. Doak Bishop. *International Litigation in Texas: Obtaining Evidence in Foreign Countries*, 19 HOUS. L. REV. 361, 361 (1982).

n118 *Id. See generally* HAROUT J. SAMRA, THE OPPORTUNITIES AND CHALLENGES OF USING U.S. DISCOVERY IN AID OF FOREIGN AND INTERNATIONAL PROCEEDINGS (2013), *available at* http://www.americanbar.org/content/dam/aba/administrative/litigation/materials/sac2013/sac_2013/13_using_discovery_in_aird.authcheckdam.pdf (discussing various techniques to conduct U.S.-style discovery abroad).

n119 ADMINISTRATION STRATEGY, *supra* note 1, at 1 (expressing a commitment to prosecuting foreign trade secret theft, which "threatens American businesses, undermines national security, and places the security of the U.S. economy in jeopardy").

n120 ONCIX REPORT, *supra* note 3, at 2.

n121 *Id.* at 1-2 (noting that private companies are more concerned with addressing the damage caused by trade secret theft than identifying the perpetrator).

n122 *Id.* at 1.

n123 *Id.* at 3.

n124 See Chris Carr & Larry Gorman, *The Revictimization of Companies by the Stock Market Who Report Trade Secret Theft Under the Economic Espionage Act*, 57 BUS. LAW. 25, 48-49 (2001) (finding that the stock market negatively reacts to the disclosure of trade secret theft).

n125 ONCIX REPORT, *supra* note 3, at 3.

n126 Civil relief under the EEA constitutes injunctive relief. 18 U.S.C. § 1836 (2006). The statute provides no private cause of action for damages. *Id.*

n127 Robert C. Bird, *Pathways of Legal Strategy*, 14 STAN. J.L. Bus. & FIN. 1, 9 (2008).

n128 Joseph S. Nye, Jr., *Nuclear Lessons for Cybersecurity?*, STRATEGIC STUD. Q. 18, 28 (2011) (noting that "[f]irms have an incentive to provide for their own security up to a point, but the competitive pricing of their products limits" those expenditures).

n129 Bird, *supra* note 127, at 10.

n130 See Nye, *supra* note 128, at 28-29 (concluding that there is "an underinvestment in security from the national perspective").

n131 See Russell Beck & Matt Karlyn, *IT Security: A Practical Approach to Protecting Trade Secrets*, CIO (Nov. 11 2009), http://www.cio.com/article/507359/IT_Security_A_Practical_Approach_to_Protecting_Trade_Secrets?page=3&taxonomyId=3187 (advocating for cooperation between business owners and directors, legal counsel, and IT departments to protect their companies from trade secret theft).

n132 See David Orozco, *Legal Knowledge as an Intellectual Property Management Resource*, 47 AM. BUS. L.J. 687, 687-94 (2010) (discussing the importance of integrating legal and managerial knowledge as a source of competitive advantage); David Orozco, *Rational Design Rights Ignorance*, 46 AM. BUS. L.J. 573, 603-04 (2009) (discussing how companies can obtain unique and rare intellectual property outcomes by reducing coordination costs within the firm).

n133 ONCIX REPORT, *supra* note 3, at i, 3 (noting that businesses are often uninformed of how information moves within and outside of the boundaries of the organization and that "[m]any companies are unaware when their sensitive data is pilfered").

n134 Bishara & Orozco, *supra* note 31, at 1004.

n135 *See supra* Part I.A. and accompanying text (detailing the federal and state regulation of trade secrets).

n136 *See* 18 U.S.C. § 1030 (2006) (no protection for whistleblowers); 18 U.S.C. §§ 1831-39 (2006 & Supp. 2012) (same); 19 U.S.C. § 1337 (2006) (same); UNIF. TRADE SECRETS ACT (1986) (same).

n137 Elletta Sangrey Callahan & Terry Morehead Dworkin. *The State of State Whistleblower Protection*, 38 AM. BUS. L.J. 99, 111 (2000); Kevin Rubenstein. Note, *Internal Whistleblowing and Sarhanes-Oxley Section 806: Balancing the Interests of Employee and Employer*, 52 N.Y.L. SCH. L. REV., 637, 643 (2007) ("Most states offer general whistleblower protection to public employees, while a minority of states provide the same protection to all workers.").

n138 Rubenstein. *supra* note 137.

n139 *Id.* at 640 (observing that a "[s]trict application of [the at-will] doctrine would allow an employer to terminate a whistleblower without facing any liability even if the discharge was purely for retaliatory purposes").

n140 For example, New York's whistleblower protection statute states that:

An employer shall not take any retaliatory personnel action against an employee because such employee . . . discloses, or threatens to disclose to a supervisor or to a public body an activity, policy, or practice *of the employer* that is in violation of law, rule or regulation which violation creates and presents a substantial and specific danger to the public health or safety, or which constitutes health care fraud.

N.Y. LAB. LAW § 740(2)(a) (McKinney 2002 & Supp. 2013) (emphasis added).

n141 Some federal statutes offer protection for whistleblowers who charge or testify against their employers for violating the particular statute. *See, e.g.*, 15 U.S.C. § 15(a) (2006) (prohibiting the discharge of an employee who reports violation of the Clayton Act); 15 U.S.C. § 2622(a) (2006) (prohibiting the discharge of an employee who reports violation of the Toxic Substances Control Act); 18 U.S.C. § 1514A (2006 & Supp. 2012) (prohibiting the discharge of an employee who reports violation of the Sarbanes-Oxley Act); 29 U.S.C. § 158(a)(4) (2006) (prohibiting the discharge of an employee who reports violation of the National Labor Relations Act); 29 U.S.C. § 206(d) (2006) (prohibiting the discharge of an employee who reports violation of the Equal Pay Act); 29 U.S.C. § 215(a)(3) (2006) (prohibiting the discharge of an employee who reports violation of the Fair Labor Standards Act); 29 U.S.C. § 623(d) (2006) (prohibiting the discharge of an

employee who reports violation of the Age Discrimination in Employment Act); 29 U.S.C. § 660(c) (2006) (prohibiting the discharge of an employee who reports violation of the Occupational Safety and Health Act); 29 U.S.C. §§ 1132(a), 1140 (2006 & Supp. 2012) (prohibiting the discharge of an employee who reports violation of the Employee Retirement Income Security Act); 29 U.S.C. § 2615 (2006) (prohibiting the discharge of an employee who reports violation of the Family and Medical Leave Act); 31 U.S.C. § 3730(h) (2006 & Supp. 2011) (prohibiting the discharge of an employee who reports violation of the False Claims Act); 42 U.S.C. § 300j-9(i)(1) (2006) (prohibiting the discharge of an employee who reports violation of the Safe Drinking Water Act); 42 U.S.C. § 12203(a) (2006) (prohibiting the discharge of an employee who reports violation of the Americans with Disabilities Act); 42 U.S.C. § 2000e-3(a) (2006) (prohibiting the discharge of an employee who reports violation of the Civil Rights Act of 1964); 42 U.S.C. § 5851(a) (2006) (prohibiting the discharge of an employee who reports violation of the Energy Reorganization Act); 42 U.S.C. § 6971(a) (2006) (prohibiting the discharge of an employee who reports violation of the Solid Waste Disposal Act); 42 U.S.C. § 7622(a) (2006) (prohibiting the discharge of an employee who reports violation of the Clean Air Act); 42 U.S.C. § 9610(a) (2006) (prohibiting the discharge of an employee who reports violation of the Comprehensive Environmental Response, Compensation, and Liability Act).

n142 Sarbanes-Oxley Act of 2002, Pub. L. No. 107-204, § 806, 116 Stat. 745, 802-04 (codified at 18 U.S.C. § 1514A).

n143 § 806, 116 Stat. at 802.

n144 *Id.*

n145 *Cf.* Rustad, *supra* note 9, at 474 (noting that there is no affirmative duty to report trade secret misappropriation); Rubenstein, *supra* note 137, at 647 (asserting that Sarbanes-Oxley protects employees reporting violations of securities laws, which excludes trade secret misappropriation).

n146 *See* § 806, 116 Stat. at 802 (protecting only employees of companies registered under the Securities and Exchange Act of 1934).

n147 RESTATEMENT (THIRD) OF AGENCY § 1.01 (2005).

n148 *Id.* at § 1.01 cmt. e (discussing the rights and duties of the agency relationship).

n149 *See, e.g., In re Caremark*, 698 A.2d 959, 968 (Del. Ch. 1996) (requiring the board of directors to authorize "significant corporate acts"); *see also* DEL. CODE ANN., tit. 8, 141(a) ("The business and affairs of every corporation organized under this [statute] shall be managed by or under the direction of a board of directors, except as may be otherwise provided in this [statute] or in its certification of incorporation.").

n150 *See* Smith v. Van Gorkom, 488 A.2d 858, 872-73, 893 (Del. 1985) (holding that the directors of the defendant corporation breached their duty of care to the corporation by failing to fully investigate before approving a merger), *overruled on other grounds* by Gantler v. Stephens, 965 A.2d 695, 713 & n. 54 (Del. 2009); *Caremark*, 698 A.2d at 967 (explaining that the business judgment rule is applied to cases involving harmful decisions by the board of directors).

n151 Aronson v. Lewis, 473 A.2d 805, 812 (Del. 1984), *overruled on other grounds* by Brehm v. Eisner, 746 A.2d 244, 254 (Del. 2000); *see also* *Caremark*, 698 A.2d at 967 ("[C]ompliance with a director's duty of care can never appropriately be judicially determined by reference to the content of the board decision that leads to a corporate loss, apart from consideration of the good faith or rationality of the process employed.").

n152 *In re* J.P. Stevens & Co. S'holders Litig., 542 A.2d 770, 780 (Del. Ch. 1988) (quoting Solash v. Telex Corp., C.A. No. 9518, 1988 WL 3587, at *8 (Del. Ch. Jan. 19, 1988)).

n153 *See* Hal R. Arkes & Cindy A. Schipani, *Medical Malpractice v. The Business Judgment Rule: Differences in Hindsight Bias*, 73 OR. L. REV. 587, 587 (1994) (describing the rules in place to prevent "retrospective evaluations" of "negligent business decisions"). Courts are keenly aware of the potential to engage in hindsight bias, or "the tendency for people with knowledge of an outcome to exaggerate the extent to which they believe the outcome could have been predicted." *Id.*

n154 Sandra K. Miller, *What Fiduciary Duties Should Apply to the LLC Manager After More than a Decade of Experimentation?*, 32J. CORP. L. 565, 569 (2007) (noting that contractarian states, including Delaware, "expressly defer to the parties' agreement" in resolving corporate disputes). The contractarian approach rests on the perception of the corporation as a collection of contracts or agreements by which the corporation can be governed. *See generally* Frank H. Easterbrook & Daniel R. Fischel, *The Corporate Contract*, 89 COLUM. L. REV. 1416, 1426, 1428 (1989) ("The arrangements among the actors constituting the corporation usually depend on contracts and on positive law, not on corporate law or the status of the corporation as an entity."). *See also* Melvin A. Eisenberg, *The Conception That the Corporation is a Nexus of Contracts, and the Dual Nature of the Firm*, 24 J. CORP. L. 819, 822-23 (1999) (describing the corporation as a "nexus of reciprocal agreements" relied upon to govern the company); Thomas S. Ulen, *The Coasean Firm in Law and Economics*, 18 J. CORP. L. 301, 318-28 (1993) (arguing that corporations use contracts to address both internal and external affairs). Rather than favoring mandatory and uniform public regulation, contractarians favor private market-ordering transactions that allow shareholders and directors to opt in or out of regulations. *See* J. Robert Brown, Jr. & Sandeep Gopalan, *Opting Only In: Contractarians. Waiver of Liability Provisions, and the Race to the Bottom* 42 IND. L. REV. 285, 285-86 (2009).

n155 *Aronson*, 473 A.2d at 813. In practice, although the duty of care liability standard for affirmative decisions is perceived as lax, the Delaware Legislature tempered the standard by amending the Delaware General Corporation Law "to allow for an optional charter provision to exculpate directors for violations of the duty of care." *See* Hillary A. Sale, *Delaware's Good Faith*, 89 CORNELL L. REV. 456, 466 (2004). This amendment allows a corporation to elect whether or not it wishes to immunize corporate directors and officers from any duty of care liability whatsoever. *Id.* Many corporations today provide this liability waiver.

n156 *See* Stone v. Ritter, 911 A.2d 362, 367 & n.9. 370 (Del. 2006) (requiring the plaintiff to plead specific factual allegations, rather than conclusory, general, or speculative statements). This specificity standard also requires the plaintiff include specific facts that indicate intent, which can be a difficult hurdle to overcome. *Id.*

n157 See Nadelle Grossman, *The Duty to Think Strategically* 28-29 (Jan. 1, 2012) (Marquette Univ. Law Sch., Working Paper No. 11-19) [hereinafter *Duty to Think Strategically*], available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1919145. Delaware law has significant influence over general corporate governance law because most public corporations are incorporated in Delaware. Nadelle Grossman, *Director Compliance with Elusive Fiduciary Duties in a Climate of Corporate Governance Reform*, 12 FORDHAM J. CORP. & FIN. L. 393, 397 (2007). Other jurisdictions often look to Delaware law for guidance. *Id.*

n158 See *Stone*, 911 A.2d at 370 (holding that a director breaches his duty of loyalty under the oversight doctrine if he *completely* neglects to enact a risk monitoring system, or he enacts a system but consciously fail to monitor it). It remains unclear whether officers are held to the same standard as directors. Although the existing Delaware cases involved actions by both directors and officers, the cases interpreting the oversight doctrine exclusively mention the duties imposed on and breached by directors. See *Duty to Think Strategically*, *supra* note 157, at 32-33.

n159 *In re Caremark*, 698 A.2d 970, 970-71 (Del. Ch. 1996).

n160 *Id.*

n161 See, e.g., Charles M. Elson & Christopher J. Gyves, *In re Caremark: Good Intentions, Unintended Consequences*, 39 WAKE FOREST L. REV. 691, 691 (2004) (predicting that, following *Caremark*, "boards that fail to establish effective corporate compliance procedures may face substantial liability").

n162 911 A.2d at 370 ("We hold that *Caremark* articulates the necessary conditions predicate for director oversight liability.").

n163 *Id.*

n164 See *id.* (emphasizing the disjunctive nature of the test articulated in *Caremark*).

n165 See William W. Bratton, *Lyondell: A Note of Approbation*, 55 N.Y.L. SCH. L. REV., 561, 570-72 (2010) (arguing that Delaware's "lesser rather than [] greater" approach in *Caremark* and *Stone* "slams down the book of best practices" because it requires "knowing and complete failure" to fulfill responsibilities); see also Perloth, *supra* note 105 (arguing that, because there are no legal consequences for negligent monitoring, some companies have "a devil-may-care attitude toward data"). Increasing corporate liability for business-related trade secrets may be appropriate, but considering a change in state corporate fiduciary law is beyond the scope of this Article.

n166 *In re Caremark*, 698 A.2d 959, 967 (Del. Ch. 2006).

n167 *See infra* Part IV (proposing the text of the amendment and discussing its provisions and the benefits of imposing an affirmative duty to disclose).

n168 Paul H. Robinson, *Criminal Liability for Omissions: A Brief Summary and Critique of the Law in the United States*, 29 N.Y.L. SCH. L. REV., 101, 104 (1984) (describing the "general reluctance in the United States to impose affirmative duties").

n169 *Id.*

n170 *Id.* (arguing that an affirmative duty must be both justified by strong public policy benefits and "imposed in a way that minimizes the extent of the intrusion").

n171 *Cf. id.* (noting that the rule against affirmative duties is based, in part, on the difficulty of defining the scope of the duty, which makes the duty difficult to enforce).

n172 *See infra* Part V (providing the text of the proposed amendment).

n173 Robinson, *supra* note 168, at 104-05 (explaining that the public interest, including the health and safety of the public, can justify an affirmative duty).

n174 *See* Andrew B. Serwin, *Poised on the Precipice: A Critical Examination of Privacy Litigation*, 25 SANTA CLARA COMP. & HIGH TECH. L.J. 883, 884 (2009) (detailing the states that have enacted security breach laws that "mandate public disclosure of data incidents").

n175 *Id.* The statute requires

[a]ny person or business that conducts business in California, and that owns or licenses computerized data that includes personal information, shall disclose any breach of the security of the system following discovery or notification of the breach in the security of the data to any resident of California whose unencrypted personal information was, or is reasonably believed to have been, acquired by an unauthorized person. The disclosure shall be made in the most expedient time possible and without unreasonable delay, consistent with the legitimate needs of law enforcement, as provided in subdivision (c), or any measures necessary to determine the scope of the breach and restore the reasonable integrity of the data system.

CAL. CIV. CODE § 1798.82(a) (West 2009 & Supp. 2013).

n176 Serwin, *supra* note 174.

n177 Cybersecurity Act of 2012, S.3414, 112th Cong. (2012). The Act was originally introduced as S.2105, but the Senate voted on the version of the Act introduced as S.3414. 158 CONG. REC. S.5919 (daily ed. Aug. 2, 2012). The Act ultimately failed a vote of cloture and was not passed. *Id.*; see *supra* note 13 and accompanying text (detailing the progression of the Act and its re introduction in 2013).

n178 Cybersecurity Act of 2012, S.3414, 112th Cong. § 102(b)(4) (2012). "Critical cyber infrastructure" includes infrastructures that affect life-sustaining services and the U.S. economy. S.3414, § 102(b)(3)(B).

n179 See *Duty to Think Strategically*, *supra* note 157, at 27 (explaining that the duties of loyalty and care require affirmative actions by directors of corporations).

n180 Sarbanes-Oxley Act of 2002, Pub. L. No. 107-204, § 906, 116 Stat. 745, 806 (codified at 18 U.S.C. § 1350(2006)).

n181 Conduct of Certain Former Officers and Directors of W.R. Grace & Co., Exchange Act Release No. 34,39157, [1997 Transfer Binder] Fed. Sec. L. Rep. (CCH) P 85,963, at 89,893 (Sept. 30, 1997) (asserting that an officer or director of a public company has "substantial obligations" and that "[i]f an officer or director knows or should know that his or her company's statements concerning particular issues are inadequate or incomplete, he or she has an obligation to correct that failure").

n182 See, e.g., Export Administration Act of 1979, Pub. L. No. 96-72, § 3(2), 93 Stat. 503, 504 (codified at 50 U.S.C. App. § 2402 (2006)) (controlling the export of goods that "would make a significant contribution to the military potential of any other country or combination of countries which would prove detrimental to the national security of the United States").

n183 Reverse engineering is an accepted form of recreating the item in question without misappropriating the information underlying its creation. Ulrich, *supra* note 68, at 156-57 (noting that reverse engineering is "implicitly accepted" by trade secret law).

n184 See NAT'L COUNTERINTELLIGENCE EXECUTIVE, NATIONAL COUNTERINTELLIGENCE STRATEGY OF THE UNITED STATES OF AMERICA 4 (2007) [hereinafter NCIX STRATEGY], available at <http://www.fas.org/irp/ops/ci/cistrategy2007.pdf> ("In collaboration with our colleagues throughout the government, the counterintelligence community will protect our vital national assets--critical infrastructure, sensitive technologies, key resources, networks, and knowledge--from intelligence-related attack.").

n185 ONCIX REPORT, *supra* note 3, at 1, 5-6 (describing the sophisticated techniques foreign actors use to misappropriate sensitive information).

n186 *See* ADMINISTRATIVE STRATEGY, *supra* note 1, at 1-2 (describing intangible assets and intellectual property as "the innovation that drives the American economy and supports jobs in the United States" and noting that this information affects American businesses and the economy, national security, and economic competitiveness); SHAPIRO & VARIAN, *supra* note 101, at 4 (discussing the value of information).

n187 SHAPIRO & VARIAN, *supra* note 101, at 4 (arguing that owners of intellectual property are unable to recover the high production cost of information without the enforcement of their intellectual property rights).

n188 *See, e.g.*, 17 U.S.C. § 501 (2006) (prohibiting the infringement of copyrights); 18 U.S.C. 1831-32 (2006) (protecting trade secrets from misappropriation); 35 U.S.C. 271 (2006 & Supp. 2012) (prohibiting the infringement of patents).

n189 SHAPIRO & VARIAN, *supra* note 101, at 3-4 (noting that intellectual property rights do not "confer complete power to control information" because the ability to copy and instantly send information around the world has made enforcement difficult).

n190 *See, e.g.*, Bai & Da, *supra* note 116, at 362-63 (stating that, even though China has implemented many laws and regulations to protect trade secrets, significant challenges exist due to technical and procedural aspects of the Chinese legal system).

n191 *SEE* IKUJIRO NONAKA & HIROAKA TAKEUCHI, THE KNOWLEDGE-CREATING COMPANY: HOW JAPANESE COMPANIES CREATE THE DYNAMICS OF INFORMATION 8 (1995) (explaining that tacit knowledge, in part, consists of "hard-to-pin-down skills or crafts captured in the term 'know-how'").

n192 *Id.* ("Explicit knowledge can be expressed in words and numbers, and easily communicated and shared in the form of hard data, scientific formulae, codified procedures, or universal principles.").

n193 *Id.* at 8-9. Conversely, tacit knowledge is internalized and cannot be easily transmitted through formula or code. *Id.*

n194 For example, some codified technologies such as software are copied or reverse engineered when the source code is misappropriated. See Markoff *supra* note 4, at A1 (predicting that the theft of Google's software system will provide the hackers with the information needed to replicate--"reverse engineer"--Google's system).

n195 See TianRui Grp. Co. v. Int'l Trade Comm'n, 661 F.3d 1322, 1324-25 (Fed. Cir. 2011); David Orozco, *Administrative Patent Levers*, 117 PENN. ST. L. REV. 1, 8-9 (2012) (noting that business methodology and "fundamental business techniques" are important economic resources).

n196 See NONAKA & TAKEUCHI, *supra* note 191, at 8-9 (explaining that tacit knowledge is internal and not easily disseminated).

n197 See Orozco, *supra* note 195, at 8-14 (explaining that some business methods can be converted into explicit knowledge, which takes the form of a utility patent).

n198 See, e.g., *TianRui Grp. Co.*, 661 F.3d at 1325 (classifying a manufacturing process as a trade secret).

n199 See *id.* (emphasizing the need for a remedy for the misappropriation of a business process).

n200 See 18 U.S.C. § 1839(3) (2006).

n201 See, e.g., N.Y. LAB. LAW § 740(2)(a) (McKinney 2002 & Supp. 2013) (prohibiting retaliatory action against an employee where the employee discloses or threatens to disclose a practice that "is in violation of law" (emphasis added)).

n202 See, e.g., 18 U.S.C. § 1514A(a)(1) (2006 & Supp. 2012) (prohibiting retaliation of an employee who reports violation of securities laws); CAL. CIV. CODE § 1798.82(a) (West 2009 & Supp. 2013) (requiring disclosure if an individual reasonably believes that a data breach has occurred); N.H. REV. STAT. ANN. § 275-E.2 (2008) (prohibiting retaliation against an employee who "has reasonable cause to believe" that the employer has violated the law); see also *Passaic Valley Sewerage Comm'rs v. Dep't of Labor*, 992 F.2d 474, 474-75 (3d Cir. 1993) (considering whether an employee's allegations against his employer were reasonable under the Clean Water Act, which would provide him immunity from retaliation).

n203 See Rusted, *supra* note 9, at 481-82 (highlighting the measures taken by computer hackers to preserve anonymity, including "false email headers, offshore sites, and anonymous e-mailers").

n204 *Cf.* 15 U.S.C. § 78dd-2(a), (g) (2006) (basing the defendant's penalty on his level of culpability).

n205 Virginia G. Maurer & Ralph E. Maurer, Rethinking Compliance Settlements and the Foreign Corrupt Practices Act (2012) (unpublished paper) (on file with author) (discussing the prevalence of DOJ settlements in relation to the Foreign Corrupt Practices Act).

n206 *Id.*

n207 Counterintelligence efforts to protect U.S. economic interests are the FBI's second priority, after terrorism. *Counterintelligence: Economic Espionage*, FEDERAL BUREAU OF INVESTIGATION, <http://www.fbi.gov/about-us/investigate/counterintelligence/economic-espionage> (last visited Sept. 8, 2013). To achieve this high priority, the FBI has a dedicated Economic Espionage Unit. *Id.*

n208 *See supra* Part 11 and accompanying text (discussing the under-enforcement of trade secret laws).

n209 18 U.S.C. 1513(e) (2006 & Supp. 2011).

n210 *See supra* notes 106-109 and accompanying text (detailing the difficulties in litigating a claim under the EEA).

n211 Given the close nexus between employment, American competitiveness and trade secrets, the political climate has been receptive to greater trade secret enforcement actions. *See, e.g.*, Press Release. Department of Justice, Department of Justice Joins in Launch of Administration's Strategic Plan on Intellectual Property Enforcement as Part of Ongoing IP Initiative (June 22, 2010), *available at* <http://www.justice.gov/opa/pr/2010/June/10-ag-722.html>. (reporting that the DOJ has increased efforts and resources to prosecute trade secret cases in response to the Obama Administration's first-ever Joint Strategic Plan on Intellectual Property Enforcement, which resulted in a new DOJ Task Force on Intellectual Property).

n212 A firm's audit committee and compliance director would appropriately oversee compliance with this amendment.

n213 Maurer & Maurer, *supra* note 205.

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ARTICLE: THE TANGLED WEB: A CASE AGAINST NEW GENERIC TOP-LEVEL DOMAINS

NAME: Joseph P. Smith III *

BIO:

* University of Richmond School of Law, L'13.

LEXISNEXIS SUMMARY:

... Specifically, it dismisses ICANN's argument that new generic top-level domains are necessary, exposes the conflict between private ownership of generic top-level domains and trademark law, discusses the detrimental effect new generic top-level domains will have on the FTC's ability to prosecute online fraud, and addresses the persistent ethical concerns raised by the apparent conflicts of interest between ICANN officials and new generic top-level domain applicants. ... It proposes that ICANN implement a small pilot program rather than continue its plan of examining the roughly 2000 applications it received for new generic top-level domains, that ICANN increase the transparency of the organization in two ways, and that ICANN tweak its Trademark Clearinghouse procedure to balance the power between trademark owners and Internet users. ... At the outset, the chairman noted that the "threshold question has not been answered whether the introduction of new gTLDs provides potential benefits to consumers that will not be outweighed by the potential harms." ... Because of this similarity, trademark rights are a prerequisite for suit under ACPA or the UDRP to remove infringing domain names. ... While most of the new generic top-level domains have not yet been opposed, seven generic top-level domains are being hotly contested by Amazon and Google, exemplifying why generic terms should not be sold to private companies.

HIGHLIGHT: Joseph P. Smith III, *The Tangled Web: A Case Against New Generic Top-Level Domains*, <http://jolt.richmond.edu/v20i3/article10.pdf>.

"If we had a reliable way to label our toys good and bad, it would be easy to regulate technology wisely. But we can rarely see far enough ahead to know which road leads to damnation." ⁿ¹

TEXT:

I. INTRODUCTION

P1 Is the "dot-com" era over as we know it? On June 13, 2012, the Internet Corporation for Assigned Names and Numbers ("ICANN") revealed the list of applied-for new generic top-level domains. ⁿ² Top-level domains are the words at the end of a website's address, such as <.com>. ICANN is a non-profit organization responsible for managing the Internet's system of unique identifiers, including domain names. ⁿ³ ICANN describes itself as the definer of

"policies for how the 'names and numbers' of the Internet should run." ⁿ⁴ It is structured on a multi-stakeholder model including "registries, registrars, Internet Service Providers (ISPs), intellectual property advocates, commercial and business interests, non-commercial and non-profit interests, representation from more than 100 governments, and a global array of individual Internet users." ⁿ⁵ ICANN contracts with generic top-level domain registries and registrars to manage the Internet's domains. ⁿ⁶ Each registrar is required to enter into a register accreditation agreement with ICANN, which gives registrars the ability to register new domains. ⁿ⁷

P2 The list of new generic top-level domains is staggering--ICANN received nearly 2000 applications for the new domains by March 2012. ⁿ⁸ With the expansion of generic top-level domains, domain registrars and large corporations like Google and Apple jumped at the opportunity to own a piece of the expanding Internet. ⁿ⁹ Currently, only a few generic top-level domains are used by the masses--<.com>, <.org>, <.gov> for example. However, new generic top-level domains add nearly limitless terms, including <.app>, <.music>, and <.esq>. The amount of applicants paying the \$ 185,000 application fee suggests that companies are confident that an Internet expansion will be successful. To date, ICANN has delegated over 250 new generic top-level domains. But debate continues as to the value and dangers of massively broadening the available generic top-level domain names available.

P3 ICANN touts many benefits of the new generic top-level domains, while ignoring the many consequences that outweigh these benefits. These benefits include greater trademark protection for brands, a more competitive online market, and the ability for niche online markets to flourish. However, those benefits look less appealing when weighed against the negatives, including conflicts with principles of trademark law, increased difficulty for the Federal Trade Commission in prosecuting online fraud, necessity concerns, and ethical issues between ICANN and new generic top-level domain applicants.

P4 This article's purpose is to provide a general understanding of the legal and financial implications of the new generic top-level domains. By looking at the history and functionality of generic top-level domains, the reader will hopefully have the requisite background to understand the implications of adding new top-level domains. The article discusses the following topics.

P5 Section III of this article examines the positive and negative implications of introducing new generic top-level domains. This section discusses ICANN's stated policy goals in introducing new generic top-level domains, it addresses the potential benefits of introducing new top-level domains based on economic and trademark rationales, and it analyzes the negative implications of introducing new generic top-level domains and why these negative effects outweigh any positives. Specifically, it dismisses ICANN's argument that new generic top-level domains are necessary, exposes the conflict between private ownership of generic top-level domains and trademark law, discusses the detrimental effect new generic top-level domains will have on the FTC's ability to prosecute online fraud, and addresses the persistent ethical concerns raised by the apparent conflicts of interest between ICANN officials and new generic top-level domain applicants.

P6 Section IV of this article proposes three remedial measures that attempt to alleviate some of the problems addressed in Part C of section III. It proposes that ICANN implement a small pilot program rather than continue its plan of examining the roughly 2000 applications it received for new generic top-level domains, that ICANN increase the transparency of the organization in two ways, and that ICANN tweak its Trademark Clearinghouse procedure to balance the power between trademark owners and Internet users.

II. A DOMAIN NAMES PRIMER

P7 To understand the implications of ICANN's introduction of new generic top-level domains, an introductory discussion of the history of top-level domains is helpful. This section will first answer the question "what is a domain name and how does it work?" Next, it discusses the development of legal rights attached to domain names and domain ownership. Finally, the article will examine where a domain name is located for the purposes of jurisdiction and review

of the two types of domain name dispute resolutions, and discusses the applicability of each.

A. What is a Domain Name?

P8 A domain name in simple terms is the combination of words and numbers that lead an Internet user to a website.ⁿ¹⁰ The Internet allows users to look up websites through its Domain Name System ("DNS") using a uniform resource locator ("URL") to direct users to specific websites.ⁿ¹¹ The DNS uses a tree-like hierarchy to organize URLs.ⁿ¹² Commonly, a URL has three parts: a protocol (or third-level domain), a server name (or second-level domain), and a resource ID (top-level domain).ⁿ¹³ For example, Google's URL is <www.google.com>. The most common protocol is <www>, which is an abbreviation for World Wide Web.ⁿ¹⁴ To the right of the protocol is a domain name.ⁿ¹⁵ A domain name is a combination of alphanumeric characters used by an Internet browser to identify a website.ⁿ¹⁶ In the Google example, <google> is the domain name. To the right of the domain name is the top-level domain.ⁿ¹⁷ A top-level domain is used to categorize websites.ⁿ¹⁸ In the Google example, <.com> is the top-level domain. The two most common types of top-level domains are generic top-level domains and country code top-level domains.ⁿ¹⁹ Generally, country code top-level domains are two-letter identifiers; e.g., <.fr> for France.ⁿ²⁰ Because country code top-level domains are not changing, this article will focus on generic top-level domains. Top-level domains expanded only slightly in the early years of the Internet. In the 1980's, the Internet only had seven generic top-level domains: <.com>, <.edu>, <.gov>, <.int>, <.mil>, <.net>, and <.org>.ⁿ²¹ In 1995, the Federal Networking Council (FNS) birthed the modern Internet when it passed a resolution defining it as a "the global information system that is logically linked together by a globally unique address space."ⁿ²² Within a year, the Internet became the world's fastest communicator of news, entertainment, and research. In 2001-2002, seven additional generic top-level domains were introduced: <.biz>, <.info>, <.name>, <.pro>, <.aero>, <.coop>, and <.museum>.ⁿ²³ At the same time users were discovering the power of the Internet, businesses were discovering the increasing value of domain name ownership. For example, the domain <www.business.com> was sold for \$ 7.5 million in 1999.ⁿ²⁴ As businesses realized the value of domain name ownership, domain name disputes quickly followed.

B. Domain Name Ownership

P9 During the initial advancement of domain name law, a "personal property" theory was developed by courts to determine who owns a domain name. The Supreme Court of Virginia set the stage for this theory's proliferation, becoming the first court to consider whether property rights attach to domain names in *Network Solutions, Inc. v. Umbro International, Inc.*ⁿ²⁵ The issue in *Umbro* was whether the contractual right to use a domain name can be garnished to settle a default judgment.ⁿ²⁶ After receiving a default judgment against Canada Inc., Umbro filed suit in Fairfax Circuit Court against the domain registrar Network Solutions as a garnishee of Canada Inc., the debtor.ⁿ²⁷ Network Solutions responded that it had no money or other garnishable property belonging to the Canadian debtor and that the domain names registered by the debtor were non-garnishable contracts.ⁿ²⁸ The lower court found that the debtor's domain names were "valuable intangible property" subject to garnishment, and ordered Network Solutions to deposit control of the domains to the court.ⁿ²⁹ The Supreme Court of Virginia did not reach the issue of whether the domain name was a form of personal property because Network Solutions acknowledged that it was during oral argument;ⁿ³⁰ however, the case nonetheless enabled subsequent judicial opinions to explore the personal property theory of domain ownership.

P10 After *Umbro*, federal courts began adopting the "personal property" theory of domain name ownership. In *Kremen v. Cohen*, the Ninth Circuit treated a domain name as analogous to a document.ⁿ³¹ Gary Kremen lost his domain, <sex.com>, when a bankruptcy lawyer sent a fraudulent letter to Network Solutions claiming that Kremen wished to abandon the domain.ⁿ³² Kremen subsequently filed suit against Network Solutions in the Northern District of California.ⁿ³³ The district court granted summary judgment in favor of Network Solutions, holding, in part, that the domain was "intangible property" to which conversion does not apply. Kremen appealed to the Ninth Circuit.ⁿ³⁴

P11 On appeal, the Ninth Circuit reversed the district court and held that California case law allowed a claim of

conversion for any species of property, including domain names. ⁿ³⁵ Network Solutions argued that no property right existed because the domain is refreshed every twelve hours as the information is broadcast online. ⁿ³⁶ The Ninth Circuit rejected this argument by an analogy to shares of stock, reasoning that "[w]hether a document is updated by inserting and deleting particular records or by replacing an old file with an entirely new one is a technical detail with no legal significance." ⁿ³⁷ This rule allowed Kremen to successfully argue that his domain was his personal property and thus within the scope of California conversion law. ⁿ³⁸

P12 Because domain names are personal property, each domain name must have an owner. However, before any ownership rights will attach, the domain name must be registered. ⁿ³⁹ To register a domain name, an interested party must submit an application containing a potential top-level and second-level domain to a registrar. ⁿ⁴⁰ If the application is registered, it is added to the registry's WHOIS database. ⁿ⁴¹ ICANN defines the "registered name holder" as the person whose name appears in the WHOIS domain database. ⁿ⁴² Courts have also considered the issue of domain name ownership, and have generally followed the ICANN definition. ⁿ⁴³

C. Physical Location of Domain Names and Dispute Mechanisms

P13 With the addition of numerous generic top-level domains, it is increasingly important to understand how domain owners can protect their trademarks online. After accepting the theory that domain names are personal property, the next question to be answered is where domains are located for lawsuit purposes. Congress answered this question through legislation interpreted by the courts. The Anti-Cybersquatting Consumer Protection Act ("ACPA") ⁿ⁴⁴ provides evidence of Congress' acceptance for the "personal property" theory of domain name rights while also establishing the location of domain names. ⁿ⁴⁵ Under the ACPA, a person is liable for improper domain registration if that person registers a domain that infringes a valid trademark under certain conditions. ⁿ⁴⁶ First, the alleged infringer must have a bad faith intent to profit from the trademark. ⁿ⁴⁷ Second, the alleged infringer must register, traffic in, or use a domain name that is identical or confusingly similar to the trademark, or dilutive of the trademark if the mark is famous. ⁿ⁴⁸

P14 The ACPA provides for *in rem* jurisdiction of domain names "in the judicial district in which the domain name registrar, domain name registry, or other domain name authority that registered or assigned the domain name is located." ⁿ⁴⁹ The Second Circuit interpreted this language as showing Congress' intent for domain names to exist as intangible property located in two locations: (1) at the location of the domain name registrar, and (2) at the location of the registry. ⁿ⁵⁰

P15 The ACPA provides one mechanism for resolving domain name disputes, while the alternative option is an administrative action brought under ICANN's Uniform Domain-Name Dispute-Resolution Policy ("UDRP"). The UDRP requires parties to submit to a mandatory administrative hearing when the following three conditions are met: (1) the respondent's domain name is identical or confusingly similar to the complainant's trademark; (2) the respondent has no legitimate rights or interests in respect to the domain name; and (3) the respondent's domain name has been registered and is being used in bad faith. ⁿ⁵¹ First, UDRP resolution is faster (and likely cheaper) than litigation under the ACPA. ⁿ⁵² There is no discovery process and a large percentage of UDRP complaints go unanswered. ⁿ⁵³ Complainants are additionally advantaged by the fact that the UDRP panels have not allowed the assertion of equitable defenses. ⁿ⁵⁴ If successful, the only remedy provided by the UDRP is cancellation of the respondent's domain name and transfer to the complainant. ⁿ⁵⁵

P16 While litigation pursuant to the ACPA affords complainants much broader remedies than the UDRP, it also requires the costs and difficulties of traditional litigation. A successful ACPA plaintiff will have the option of statutory damages and temporary or permanent injunctions. ⁿ⁵⁶ In certain cases, a court may also award costs and reasonable attorney's fees. ⁿ⁵⁷ However, an ACPA complainant must first establish *in personam* jurisdiction. ⁿ⁵⁸ Defendants can also raise the equitable defenses otherwise not allowed under the UDRP. ⁿ⁵⁹ The ACPA and UDRP are not mutually exclusive options; a concurrent ACPA suit is permissible with a UDRP action. ⁿ⁶⁰

III. THE ARGUMENTS FOR AND AGAINST NEW GTLDS

P17 Now that ICANN is delegating new generic top-level domains, the stage is set to analyze their positive and negative effects. ICANN champions the introduction of new generic-top level domains, claiming that widespread expansion of generic top-level domains will benefit businesses and consumers. It has ignored, however, many real concerns expressed by its own advisory board, the United States Federal Trade Commission, and interested parties from around the world.

P18 This section examines the positive and negative implications of introducing new generic top-level domains. First, this section examines the policy rationales supporting ICANN's introduction of new generic top-level domains. Then, it discusses the potential benefits of introducing new top-level domains based on economic and trademark rationales. Finally, an analysis of the negative implications of introducing new generic top-level domains demonstrates why these negative effects outweigh any benefits.

A. Policy Rationales for Expansion

P19 ICANN offers five policy justifications for offering new generic top-level domains. For the reasons set forth below, these policy rationales are lackluster at best.

P20 According to ICANN, the expansion is consistent with all prior expansions of generic top-level domains.ⁿ⁶¹ In essence, the expansion is happening because all prior expansions have been successful. Additionally, ICANN claims that "[t]here are no technical impediments to the introduction of new top-level domains as evidenced by the most recent addition of the two previous rounds."ⁿ⁶² In other words, because the new top-level domains were introduced smoothly, the introduction of 2,000 more top-level domains will also work smoothly.

P21 ICANN also claims that expanding the domain name space to accommodate more scripts and symbols in top-level domains will give end users more choices about the nature of their presence on the Internet.ⁿ⁶³ For example, Chinese users will now be able to use Chinese symbols in their domain names.ⁿ⁶⁴ This will allow the domain owner to create a web address that is targeted only towards users who can understand the language.

P22 Further, ICANN asserts that "[t]here is demand for additional top-level domains as a business opportunity."ⁿ⁶⁵ As I will discuss in detail in Part B below, the <.com> domain is almost monopolistic with its dominance online. ICANN assumes that by introducing more top-level domains, the additional choices for domain registrants will decrease the power of the <.com> top-level domain and lower prices for consumers.

P23 "No compelling reason has been articulated to not proceed with accepting applications for new top-level domains."ⁿ⁶⁶ While the accuracy of this statement is subjective to say the least, ICANN believes that new top-level domains will do nothing but good for the Internet as a whole. It will also fill ICANN's pockets with roughly \$ 30 million in surplus application fees; an issue discussed in detail in Part C below.

B. The Benefits of New gTLDs

P24 New generic top-level domains will have some benefits as they are added to the Internet. Prior to the expansion, the Internet had only twenty-two generic top-level domains.ⁿ⁶⁷ ICANN and supporters of the new generic top-level domains advocate for new generic top-level domains for four reasons. First, it will give companies increased brand control and presence online. Second, it will increase top-level domain competition by spreading market power. Third, it will allow for the creation of niche marketplaces, thus lowering consumer search costs. Finally, the difficult application process will ensure high-quality applicants administer new generic top-level domains.

1. Brand Control

P25 One reason ICANN advocates for new generic top-level domains is that it will increase brand control for companies.ⁿ⁶⁸ A company's branding could benefit from new generic top-level domains in a few different ways. For example, a company with the financial strength and capability can operate its own <brand> generic top-level domain and control all usage of its trademark in domain names.ⁿ⁶⁹ By owning its own top-level domain, a company can reduce the amount of characters needed to find certain products within a brand's website. Rather than <www.amazon.com/kindle>, Amazon could direct its users to <kindle.amazon>. It could do the same for each product it offers within its <.amazon> top-level domain. Additionally, consumers from any country could potentially find a company with its own top-level domain more easily because as long as the consumer knows the brand name, a consumer can type <.brand>. According to ICANN, both of these benefits to trademark owners outweigh any potential risk of increased cyber-squatting.ⁿ⁷⁰

2. Increased Competition

P26 ICANN advocates for new generic top-level domains because it will spread market power away from the <.com> top-level domain and thus increase competition.ⁿ⁷¹ In a letter to the United States Department of Commerce, the Department of Justice's Antitrust Division advised that as of 2008, VeriSign, the owner of the <.com> generic top-level domain had significant market power.ⁿ⁷² The DOJ was concerned that because the <.com> domain was so powerful, it raised concerns of whether Verisign had developed a monopoly on domain names.ⁿ⁷³ The DOJ concluded that the introduction of new generic top-level domains would shift some of that market power away from <.com>.ⁿ⁷⁴ By doing so, consumers and potential registrants would see the benefits through more competitive pricing and increased variety.ⁿ⁷⁵ Whereas previously companies such as Verisign have been able to set prices for domains within the <.com> top-level domain, now successful applicants can offer lower prices and help decrease Verisign's market power. Therefore, it is plausible that new generic top-level domains will help increase competition and decrease the price of domain names online.

3. Creation of Niche Marketplaces

P27 ICANN claims that new generic top-level domains will allow for new online business models by creating niche marketplaces that decrease consumer search costs.ⁿ⁷⁶ For example, as more companies began selling digital copies of music online, the top-level domain <.music> could plausibly become the domain under which all companies offer their services. Apple could use <itunes.music>, Google could use <google.music>, and Amazon could use <amazon.music>. This arrangement would benefit both the user and business because the user would be able to find multiple online music sellers more quickly, and the visibility of each music seller would be greater as well. Smaller companies who only offer services in a single market would also benefit from the creation of new niche marketplaces their exposure to consumers would be increased. By searching for the specific top-level domain like <.music>, a user will not only find Apple's music store, but can also shop for lesser known music stores which may have previously been too difficult to find within the broad <.com> domain. With niche marketplaces, both consumers and businesses can benefit by decreased search costs.

4. Qualified New Registrars

P28 Because the application process is so grueling, ICANN is ensuring that only qualified applicants will administer new generic top-level domains. ICANN's "gTLD Applicant Guidebook" contains directions to apply for a new generic top-level domain.ⁿ⁷⁷ The period in which to apply for a generic top-level domain was January 12 through April 12, 2012.ⁿ⁷⁸ After submission, applications are reviewed in three stages.

P29 The first stage of the review process requires the applicant to meet a set of administrative requirements before any substantive review of the application commences.ⁿ⁷⁹ The application is then posted on ICANN's website for a public comment period lasting sixty days.ⁿ⁸⁰ During this comment period, the Government Advisory Committee may also

notify the applicant that the generic top-level domain may be problematic, either because it violates international law or concerns other sensitive issues. ⁿ⁸¹

P30 Next, the "Initial Evaluation" period begins in which the application is reviewed to determine: (1) if it will cause any problems with the structure of the DNS, and (2) if the applicant is capable of managing the generic top-level domain. ⁿ⁸² These two requirements will help ICANN determine whether a potential generic top-level domain will crash the Internet.

P31 Besides its own review of each applicant, ICANN also created formal public objection period for approximately seven months after it posts the list of completed applications that occurs during the initial evaluation. ⁿ⁸³ If an objecting party meets the standing requirement, ICANN will hear objections. ⁿ⁸⁴ This will allow the public to voice any concerns that ICANN may have missed.

P32 Finally, if the applicant survives the preceding periods, the application moves into a "transition to delegation" period. ⁿ⁸⁵ During the transition to delegation, the applicant must enter into a registry agreement with ICANN. ⁿ⁸⁶ At this time, ICANN and the applicant will contract to operate the top-level domain in the same manner that all current top-level domains operate. The applicant must also perform a "technical set-up," where it shows that it can operate a functional top-level domain before the domain is entered into ICANN's database. ⁿ⁸⁷ If the applicant meets all of these requirements, the domain becomes eligible for entry into ICANN's generic top-level domain database. ⁿ⁸⁸

C. The Negative Implications of New gTLDs

P33 While there are positives, the negative implications of introducing new generic top-level domains far outweigh these positives. The following subsections discuss four distinct reasons that ICANN should not introduce more new generic top-level domains at this time. First, ICANN's own Government Advisory Committee has questioned the necessity and likelihood of success for new generic top-level domains. Second, by issuing new generic-top level domains to private companies, a core principle of trademark law is violated. Third, the FTC has warned ICANN that new generic top-level domains will greatly increase the difficulty of prosecuting cases of online fraud. Finally, ICANN's actions regarding the introduction of new generic top-level domains, thus far, have raised serious ethical concerns about the organization's ability to fairly oversee the project.

1. Doubts of Necessity

P34 Many doubts have been raised about whether the new generic top-level domains are even necessary. ICANN advocates for the new generic top-level domains out of a business necessity due to scarcity of second-level domains within the current generic top-level domains. This necessity is questionable and regardless of the fact that ICANN has offered no evidence to support this claim, two counter arguments significantly undercut the validity of the claim. First, ICANN's own Government Advisory Committee ("GAC") chairman openly questioned the necessity for new generic top-level domains in a letter to ICANN's Chairman of the Board in 2007. ⁿ⁸⁹ Second, the Supreme Court rejected a similar argument with regard to colors as trademarks in *Qualitex Co. v. Jacobson Products. Co.*, an argument that also can apply to domain names. ⁿ⁹⁰

P35 In a letter to ICANN's former Chairman of the Board, the former GAC Chairman raised apparently continuing concerns by the GAC about the introduction of new generic top-level domains. ⁿ⁹¹ At the outset, the chairman noted that the "threshold question has not been answered whether the introduction of new gTLDs provides potential benefits to consumers that will not be outweighed by the potential harms." ⁿ⁹² The GAC chairman noted that in 2006 the ICANN Board of Directors requested an economic benefit analysis study of new generic top-level domains, which at the time of the letter had yet to occur. ⁿ⁹³ He was also concerned that the introduction of new generic top-level domains would lead to a creation of monopolies rather than an increase in competition. ⁿ⁹⁴ The GAC warned that a likelihood of "end user confusion" could result from the introduction of new generic top-level domains, which I further discuss in the

"Trademark Concerns" section below. ⁿ⁹⁵ The GAC chairman criticizes ICANN for its failure to address the lack of awareness of the new generic top-level domains by many smaller businesses and Internet users as a whole. ⁿ⁹⁶ The GAC chairman urges ICANN to simplify the application and objection process, and also be more transparent about how it intends to spend the predictably large surplus earned from application fees. ⁿ⁹⁷ Based on all of these issues, it becomes clearer that ICANN has not established a necessity for new generic top-level domains.

P36 ICANN fails to make a valid argument that the new generic top-level domains are running out of space for new second-level domains when it is compared to a similar argument made about trademarks. In 1995, the Supreme Court rejected an argument that scarcity should bar colors from trademark protection. ⁿ⁹⁸ The respondent in *Qualitex* argued that the array of colors is limited and therefore colors should not be afforded trademark protection to prevent any unfair competition. ⁿ⁹⁹ The Court dismissed the argument, noting that the mixing of colors could produce nearly limitless choices for competitors to use in their own products. ⁿ¹⁰⁰ Compared to the color argument in *Qualitex*, ICANN's concern of second-level domain scarcity should be questioned. Second-level domains are composed of both numbers and letters. The potential combinations of numbers and letters in second-level domains are nearly limitless. While a random assortment of numbers and letters may not make a good domain, ICANN cannot claim that the domains are running out. Moreover, unless trademarks themselves are running out, it does not logically follow that <.com> cannot be added to each newly registered mark. While the same trademark is sometimes issued for completely separate products, in that situation the trademark owner could use the trademark name and product type as its domain name. For example, Delta is a trademark for both faucets and airlines. While <delta.com> can only be used for one company, the other could merely adopt the domain <deltaairlines.com> or <deltafaucets.com>. Under this scrutiny, ICANN's claim of scarcity should be given little credence.

2. Conflict with Trademark Law

P37 ICANN's introduction of new generic top-level domains conflicts with the well-established trademark doctrine that prevents ownership of generic terms. Domain names are treated under the law as extensions of trademark rights, but are even more exclusive in the sense that once the domain is issued, no one else can use it. ⁿ¹⁰¹ The rationale behind excluding generic marks is that if one person owned the rights to a generic term, it would prevent a competitor from using the term that identifies its product. ⁿ¹⁰² Examples of generic terms include lamps, cars, etc. Because of this similarity, trademark rights are a prerequisite for suit under ACPA or the UDRP to remove infringing domain names. ⁿ¹⁰³

P38 Courts use a "levels of distinctiveness" test to determine if a mark is eligible for trademark protection. ⁿ¹⁰⁴ There are four levels of distinctiveness. ⁿ¹⁰⁵ Generic marks are terms used to identify a particular type of product, and are never available for trademark protection. Trademarks lower consumers' search costs, allow the owner to develop goodwill in his company, and provide marketing advantages. An important notion of trademark law is that trademarks identify a producer of goods or services, not a type of goods or services. ⁿ¹⁰⁶ Trademark rights exist through use, but only distinctive marks are available for trademark protection. ⁿ¹⁰⁷ Both the UDRP and ACPA require trademark ownership for a complainant to succeed in a domain name dispute, ⁿ¹⁰⁸ and with this fact in mind, the next section will explain why the new generic top-level domains violate these principles.

P39 ICANN accepted applications for hundreds of generic terms as new generic top-level domains. ⁿ¹⁰⁹ These new domains include <.art>, <.computer>, <.pizza>, and <.restaurant>, just to name a few. ⁿ¹¹⁰ While most of the new generic top-level domains have not yet been opposed, seven generic top-level domains are being hotly contested by Amazon and Google, exemplifying why generic terms should not be sold to private companies. By allowing these companies to own generic terms as part of generic top-level domains, the company will have an online monopoly on a generic term and could lead to serious issues of unfair competition.

P40 For example, if Amazon operates the <.app> top-level domain and refuses to allow Google to register a domain under <.app>, Google is unable to compete in the <.app> marketplace. Google and Amazon have both bid on the

domains <.app>, <.cloud>, <.game>, <.movie>, <.music>, and <.play>. ⁿ¹¹¹ All of these terms would fall within the generic category of *Zatarains*' levels of distinctiveness test. ⁿ¹¹² The *Zatarains* court was worried about disadvantaging competitors by allowing generic terms to be trademarked, but ICANN seems to have done the complete opposite. Both Google and Amazon make legitimate use of the term "apps." Either one would be significantly disadvantaged if they were no longer allowed to use the term. If Amazon were given trademark protection in the term "app," Apple would likely be an infringer unless it shut down its "App Store." Luckily, *Zatarains* foresaw this result, and courts across the United States followed this example to set the boundaries of trademark rights. While a trademark on a generic term is not identical to ownership of a generic titled top-level domain, the economic effects would be quite similar.

P41 ICANN announced that the creation of niche' marketplaces as one of its objectives in creating new generic top-level domains. Assuming this becomes common practice, the generic top-level domain owner would presumably license a second-level domain to any interested companies offering products in the niche. But take Amazon for example, who is asserting itself as the only permissible user of the <.app> top-level domain. ⁿ¹¹³ Amazon is only one of many companies who provide "apps," yet it intends to own the entire <.app> registry and prevent any other company from using it. Specifically, Amazon claims in its application that <.app> may not be delegated or assigned to third party organizations, institutions, or individuals. ⁿ¹¹⁴ Amazon is purporting to own the <.app> top-level domain and prevent others who offer "apps" from participating in the new marketplace. Amazon is claiming a trademark right, vis-à-vis its exclusion from others in using a generic term and in effect will have a monopoly in the <.app> marketplace as warned by the GAC in 2009. ⁿ¹¹⁵

3. Enforcement Concerns

P42 The Federal Trade Commission ("FTC") offers a third opposition to the new generic top-level domains because new domains will magnify the already difficult challenge of protecting consumers from online fraud. ⁿ¹¹⁶ In a letter to the CEO and Chairman of ICANN's Board of Directors, the FTC addressed its concern over the effects new generic top-level domains will have on FTC enforcement of online fraud prevention. ⁿ¹¹⁷ The FTC warned that "[f]raudsters will be able to register the misspellings of businesses, including financial institutions, in each of the new gTLDs, create copycat websites, and obtain sensitive consumer data with relative ease before shutting down each site and launching a new one." ⁿ¹¹⁸ The FTC also expressed concerns that the potential for bad actors to obtain and operate top-level registries will significantly increase, even with ICANN's background check procedures. ⁿ¹¹⁹ ICANN has already proven to be negligent in its management of the WHOIS database, in turn obstructing FTC investigations into the owners of fraudulent websites. ⁿ¹²⁰ The FTC suggested that ICANN make certain changes to protect the public from the dangers of new generic top-level domains. It urged ICANN to implement the new generic-top level domain program as a pilot program and only approve a small number of the initial generic top-level domains. ⁿ¹²¹ The FTC encouraged ICANN to hire more compliance staff to strengthen its contractual compliance program. ⁿ¹²² It also recommended that ICANN develop a new program to monitor the consumer issues bound to arise from the implementation of the first round of new generic top-level domains. ⁿ¹²³ Additionally, the FTC requested that ICANN assess its application's risk of consumer harm as part of the application review process. ⁿ¹²⁴ Finally, the FTC advised ICANN to improve the accuracy of its WHOIS databases, potentially including a registrant verification procedure to help the FTC locate and prosecute bad actors. ⁿ¹²⁵ I will advocate for some of these recommendations in Section IV of this article.

4. Ethical Concerns

P43 Beyond the substantive concerns of the introduction of new generic top-level domains, advocates have raised serious ethical concerns about ICANN's Board of Directors. In 2011, two members of the ICANN Board joined for-profit domain holding corporations within a month of leaving ICANN. ⁿ¹²⁶ Because the ICANN bylaws have no restrictions on the Board members after they leave, their employees are more susceptible to conflicts of interests when moving to private companies. ⁿ¹²⁷ Criticisms of ICANN's ethics policies are worldwide and continuing, and are evidenced by a letters sent to ICANN from many new generic top-level domain applicants.

P44 Applicants for the <.africa> top-level domain have continually notified ICANN of a conflict of interest between a competing applicant and ICANN's Government Advisory Committee. On July 18, 2012, DotConnectAfrica ("DCA") advised ICANN as to this conflict. ⁿ¹²⁸ DCA noted that a member of ICANN's GAC also sat on the Board of Directors for KeNIC, a corporation competing with DCA for the <.africa> top-level domain. ⁿ¹²⁹ DCA provided evidence that the GAC Board member has publicly opposed the DCA in various discussions about the <.africa> top-level domain, and it requested that she remove herself from the GAC where she played a role in determining what new generic top-level domains applications are accepted. ⁿ¹³⁰ Even more troubling is the attachment to the DCA email--a prior email dated April 7, 2011 raising the same concerns about the same GAC Board member. ⁿ¹³¹ If this conflict was an isolated incident it would be less severe, but the problem is more widespread.

P45 On July 6, 2012, the CEO of BRS Media exposed another conflict of interest on the GAC with regards to the <.radio> top-level domain. ⁿ¹³² According to the letter, the European Broadcasting Union ("EBU") was admitted to the GAC while it has a pending application for the <.radio> top-level domain. ⁿ¹³³ The BRS CEO requested that the EBU step down from its position on the GAC Board immediately to resolve the glaring conflict of interest. ⁿ¹³⁴ In light of all of these problems, ICANN should implement certain remedial measures to help alleviate these concerns.

IV. REMEDIAL MEASURES FOR NEW GTLDS

P46 As it seems unlikely that ICANN will heed the advice of the FTC and its own GAC, this section offers three remedial measures that ICANN could take now to address some of the concerns expressed in Section III above. First, ICANN should implement a small pilot program rather than continue its plan of examining the roughly 2000 applications it received for new generic top-level domains. This proposal is supported by evidence of success in similar pilot programs created by the United States Patent and Trademark Office, and suggestions by the Federal Trade Commission. Second, ICANN should increase the transparency of the organization in two ways. ICANN should release publicly a detailed plan that explains how ICANN plans to spend its expected \$ 30 million surplus from the new generic top-level domain applications. Additionally, ICANN should expand its conflicts of interest policy to include related committees and organizations participating in the application process. Finally, ICANN cancel the Uniform Rapid Suspension mechanism, which creates an even higher likelihood of trademark bullying without any new protections for domain users. These proposals are discussed in detail below.

A. Implementation via a Pilot Program

P47 ICANN needs to implement the new generic top-level domain through a pilot program to minimize any negative effects, rather than hastily introduce thousands of top-level domains. ICANN noted in the "gTLD Applicant Guidebook" that it can add a maximum of 1000 new generic top-level domains per year. ⁿ¹³⁵ During its four-month application period, ICANN received 1,930 applications. ⁿ¹³⁶ With 2,000 applications to review, a perfect implementation of these new generic top-level domains would take two years. ⁿ¹³⁷ This two-year period, however would be assuming that ICANN is actually able to add 1000 new generic top-level domains per year. During this time, ICANN will presumably accept more applications and develop a backlog of new generic top-level domains.

P48 ICANN should narrowly implement the new generic top-level domains. To mitigate the risks noted above in Section III, ICANN should begin by implementing only a small number of uncontested generic top-level domains owned by experienced registries. By choosing uncontested generic top-level domains, it will lessen the possibility of legal action. Experienced registries will likely have fewer growing pains while administering a new generic top-level domain. The resources ICANN planned to use implementing mass new generic top-level domains can instead be spent on analysis of the pilot generic top-level domains and use this knowledge to better craft the full-scale new generic top-level domain program. If the results of the pilot program are promising, ICANN will already have thousands of applications to review and implement. At the same time, it can accept new applications in good faith, with the pilot program serving as a model for the likely success of further expansion. If the pilot program proves unworkable, ICANN will have saved an enormous amount of resources by limiting its implementation to the piloted generic top-level

domains.

P49 ICANN should use The United States Patent and Trademark Office ("PTO") as a model for implementing the new generic top-level domains as a pilot program. The PTO constantly introduces changes to its procedures through pilot programs and its efforts have been successful. ⁿ¹³⁸ For example, The PTO introduced the "Enhanced First Action Interview Pilot Program" in October of 2009. ⁿ¹³⁹ Because of the program's success, the PTO has extended the program three times and now expanded the program to all technologies. ⁿ¹⁴⁰ Based on these expansions, the PTO has proved the workability of pilot programs on large-scale technological applications, and ICANN should follow the PTO's lead.

B. Increased Transparency

P50 ICANN must also address the ethical concerns of various interested parties by increasing the transparency of its operations. It can do so in the following ways. Regarding its surplus applications profits discussed above in Section III, ICANN should issue a detailed public statement explaining how it will allocate the funds earned from the new generic top-level domain program. Additionally, ICANN should conduct a full-scale review of all parties with any say in the new generic top-level domain application process, and remove anyone with even tenuous conflicts of interest.

1. Allocation of Funds from the new gTLD Applications

P51 ICANN expects to net \$ 140 million from the new generic top-level domain program according to its budget that it released for the fiscal year of 2012-13. ⁿ¹⁴¹ As a non-profit, ICANN receives special tax treatment in exchange for it not earning a profit for its owners. ⁿ¹⁴² However, in its budget, ICANN only forecasted revenues based on the assumption that it would receive 500 new generic top-level domain applications. ⁿ¹⁴³ In fact, the application number is closer to 2,000. ⁿ¹⁴⁴

P52 Because of the greater number of applications, ICANN's budget must be adjusted upward to account for those numbers. Based on ICANN's budget methodology for the 500 applications, the 2,000 applications will net ICANN of \$ 337 million, while predicting a likely operating cost of \$ 156 million. ⁿ¹⁴⁵ It budgets another \$ 150 million in operating costs, leaving a surplus of roughly \$ 30 million on this single round of new generic top-level domain applications. ⁿ¹⁴⁶ Obviously, ICANN cannot make \$ 30 million in profit and continue to remain a nonprofit business. According to the budget, ICANN plans to "initiate a policy development process to define with the community the purpose and mechanism of administration of such excess" with any surplus that remains. ⁿ¹⁴⁷ This statement is vague so I suggest the following as to how ICANN should spend its surplus and remain a non-profit.

P53 With a conservative estimate of \$ 30 million in surpluses, the time has come for ICANN to define the mechanism of administration of such excess. First, ICANN should analyze how best to lower costs for applicants. As a non-profit, ICANN should not be charging more for its services than required to recoup costs. After recouping its costs, ICANN should use some of the surplus to initiate a cost-effectiveness study for the first round of applications and use the findings to lower application costs.

P54 ICANN should also use some of the surplus to strengthen the WHOIS database and hire more compliance staff, as recommended by the FTC in its letter to the Board. ⁿ¹⁴⁸ The FTC noted in its letter to ICANN that both the WHOIS database and the amount of work for the compliance staff will change dramatically as a result of the 2000 new top-level domain applications. ⁿ¹⁴⁹ The WHOIS database will have to be updated constantly to add all of the new second-level domain registrant information under each new generic top-level domain. ⁿ¹⁵⁰ This job will be handled by the compliance staff. Therefore, ICANN will clearly need to hire many more compliance staff members if it hopes to add the new generic top-level domains efficiently and effectively. ⁿ¹⁵¹

2. Conflicts of Interest Program

P55 ICANN needs to develop a comprehensive ethics review program to address the persistent issues raised by various interested parties. On August 20, 2011, the Washington Post published an article exposing a "revolving door" conflict of interest problem with two members of the ICANN Board of Directors.ⁿ¹⁵² The article detailed the quick transition from an ICANN board-member to a director of a private-sector company with active applications for new generic top-level domains.ⁿ¹⁵³ This board-members move was questioned as a conflict of interest because he had previously had direct access to the success of his new company's top-level domain application.ⁿ¹⁵⁴ Further, his former colleagues at ICANN are more likely to choose his company's application with all else being equal.

P56 In response to the Washington Post article, Oregon Senator Ron Wyden wrote a letter to the United States Department of Commerce and National Telecommunications and Information Administration calling for stricter regulations on the ethical obligations of ICANN.ⁿ¹⁵⁵ The Senator has raised concerns about the lack of oversight regarding former ICANN employees transitioning to private firms with generic top-level domain applications.ⁿ¹⁵⁶

P57 As a likely result from the mounting governmental and media pressures, ICANN announced a new conflict of interest policy on May 6, 2012.ⁿ¹⁵⁷ The policy is comprehensive in theory, mirroring standard corporate conflict of interest policies. The policy encourages all members of any ICANN affiliated organization to disclose any conflicts of interest it has with current top-level domain applications.ⁿ¹⁵⁸ This policy is ineffective, however as evidenced by the two conflicts of interest noted subsequent to the May 6, 2012 adoption of the policy and discussed in Section III above. At least two separate Advisory Committee conflicts of interest have been discovered subsequent to ICANN's new conflicts of interest policy.ⁿ¹⁵⁹ Both of these conflicts involved members of the GAC also having an interested stake in new gTLD applications.ⁿ¹⁶⁰

P58 To rectify the more recent conflicts of interest, ICANN needs to require members of its Government Advisory Committee to adhere to a strict conflict of interest policy, rather than merely "encourage" it.ⁿ¹⁶¹ Exemplifying ICANN's failure to remedy this issue, ICANN held an ethics and conflicts of interest panel in June of 2012 and failed to address any concerns about GAC.ⁿ¹⁶² Note that this date is after the letter from Senator Wyden and after the DotConnectAfrica scandal discussed above in Section III. ICANN must address the GAC concerns immediately if it plans to continue reviewing the remaining applications. To address this ethical concern, ICANN should institute a mandatory background check of all GAC members and cross-reference those findings with every applicant for the new generic top-level domain. Under this simple approach, the issues addressed by DotConnectAfrica and Senator Wyden will happen without a bad faith act from an individual. Therefore, at the very least, ICANN will not be turning a blind eye to the shady dealings happening legally within its own organization.

C. Removing the Rapid Uniform Suspension Mechanism

P59 Finally, ICANN should restructure the Trademark Clearinghouse procedure to balance protection of trademarks with usability of the Internet for both providers and users. To best balance the interests of trademark owners and without overburdening registrars or users, ICANN should remove the Rapid Uniform Suspension mechanism.

P60 The Trademark Clearinghouse is a database of trademarks from all over the world for use in the new generic top-level domain program. The Trademark Clearinghouse is designed to protect the rights of trademark owners.ⁿ¹⁶³ Currently, the Clearinghouse offers one adversarial dispute proceeding for trademark owners called the Rapid Uniform Suspension mechanism.ⁿ¹⁶⁴

P61 The Uniform Rapid Suspension ("URS") mechanism is unnecessary and gives too much power to trademark owners. Because the UDRP already serves the same function as the URS, albeit at a slower pace, the URS serves no other purpose than to allow a trademark owner to bully domain registrants who cannot afford to quickly respond to the complaints.

P62 According to ICANN, the URS was created to compliment the UDRP by providing trademark owners with a quick resolution to clear-cut trademark infringement by suspension of the infringing domain. ⁿ¹⁶⁵ Filing a URS complaint will cost a trademark holder \$ 500 dollars. ⁿ¹⁶⁶ The complainant must allege in his complaint entitlement of relief based upon: (1) the registrant's domain is identical or substantially similar to the complainant's valid trademark that is in current use; (2) the registrant has no legitimate right or interest in the domain name; and (3) the domain was being registered and used in bad faith. ⁿ¹⁶⁷ The complaints are reviewed by an administrative review to determine if it meets the above threshold requirements. ⁿ¹⁶⁸ If the panel determines that the complaint satisfies the requirements, it will issue "Lock Notice" with the registrar of the domain within two days of the complaint's filing. ⁿ¹⁶⁹ Within twenty-four hours, the registrar will lock the domain and notify both parties. ⁿ¹⁷⁰ The registrant has fourteen days to respond to the complaint and, similar to a UDRP response, no affirmative defenses or discovery requests are permitted. ⁿ¹⁷¹ Unlike the UDRP, the remedy for a URS complaint is a suspension of the website for the remainder of its registration period but not a transfer of the domain to the complainant. ⁿ¹⁷²

P63 ICANN has not offered any convincing reasons to add the URS and it should not be implemented for the following reasons. The UDRP complainants already have a 90% success rate. ⁿ¹⁷³ With this much success, it is hard to argue that a more trademark-friendly mechanism is needed for even faster resolutions. Moreover, as the UDRP thresholds are easy to meet and without allowing respondent's the ability to raise affirmative defenses, a defendant has even less of a chance of success. ⁿ¹⁷⁴

P64 The quick and cheap process of URS will only decrease the chances even further for any successful defense. ⁿ¹⁷⁵ The URS complaints will cost approximately \$ 500 to file, as opposed to the \$ 4000 or more under the UDRP and will not require an attorney to prosecute the complaint. ⁿ¹⁷⁶ The lesser cost of URS complaints will likely lead to an increase of URS filings as compared to UDRP filings.

P65 To make matters worse, the two-day review period will increase the likelihood of administrative error. More errors will lead to more appeals and a greater waste of resources.

P66 Based on ICANN's URS Update presentation in October 2012, the main objective of the URS is to give trademark owners quicker remedies for infringement. ⁿ¹⁷⁷ While the URS will clearly promote that goal, it will also waste resources that could be better spent improving transparency or implementation of the new generic top-level domain program itself.

P67 Overall, the URS does not offer enough benefits to outweigh the negative implications of giving trademark owners such a powerful adversarial option for domain disputes. Without any statistics to justify the addition of a quicker dispute mechanism, ICANN should continue to direct complainants to the UDRP or ACPA for dispute resolution.

V. CONCLUSION

P68 The Internet has afforded businesses and consumers the ability to interact with unbelievable speed and convenience. Domain ownership allows businesses to take their storefront directly to the consumer, whether at home or anywhere else with an Internet connection. The original generic top-level domains undoubtedly help users immediately identify whether the site they are visiting is for-profit, non-profit, educational, or part of the government. However, the introduction of thousands of new generic top-level domains will likely blur the distinctions of these top-level domains and cause much more detriment than any potential benefit they could provide.

P69 New generic top-level domains will have some benefits for Internet users. They could lead to increased brand control and better marketing opportunities for businesses. New generic top-level domains could increase competitiveness by spreading the market power of the <.com> domain, likely affording consumers more options at better prices. They may also create niche marketplaces for products and community groups, which could lead to lower search costs for consumers and increased visibility for smaller businesses.

P70 The negative implications are more concrete, however, and far outweigh any of the potential benefits to new generic top-level domains. ICANN's own Government Affairs Committee doubts the necessity or economic benefit of introducing new generic top-level domains. The private ownership of generic terms as top-level domains creates a conflict with existing trademark law and could lead to unfair competition. The FTC warns that new generic top-level domains will increase the already difficult task of policing and prosecuting online fraud. Evidence also shows unethical actions taken by ICANN officials that raise serious questions about the fairness of new generic top-level domain applications.

P71 Regardless of the potential consequences, new generic top-level domains are coming in droves. New generic top-level domain applicants should expect a slow and expensive process throughout their pursuit. New domain registrants should expect trademark owners to have more power than ever in suspending registered domains if the domain is similar to a registered trademark. ICANN should expect to earn much more money than allocable under its proposed budget to remain a non-profit. The media should expect at least a few more conflicts of interest to arise between ICANN advisory board members and new generic top-level domain applicants. Above all else, everyone should expect a tangled web as the intricacies of thousands of new generic top-level domains are introduced to the Internet.

Legal Topics:

For related research and practice materials, see the following legal topics:

Computer & Internet Law Trademark Protection Civil Infringement Actions General Overview Trademark Law Protection of Rights General Overview Trademark Law Subject Matter Names Internet Domains

FOOTNOTES:

n1 FREEMAN J. DYSON, *DISTURBING THE UNIVERSE* 7 (1979).

n2 See *New gTLD Reveal Day*, ICANN (June 13, 2012), <http://www.icann.org/en/news/announcements/announcement-13jun12-en.htm>.

n3 *New Agreement Means Greater Independence in Managing the Internet's System of Unique Identifiers*, ICANN (Sept. 29, 2006), <http://www.icann.org/en/news/announcements/announcement-29sep06-en.htm>.

n4 *Welcome to ICANN!*, ICANN, <http://www.icann.org/en/about/welcome> (last visited Apr. 27, 2014).

n5 *Id.*

n6 *See* 1 PAUL D. MCGRADY, MCGRADY ON DOMAIN NAMES § 1.14(c)(i) (Matthew Bender 2010), *available at* LexisNexis 1-1 McGrady on Domain Names § 1.14.

n7 *Id.*

n8 *See* Julianne Pepitone, *Here Comes .NETFLIX: New Web Domain Applications Revealed*, CNN MONEY (June 13, 2012, 6:53 PM), <http://money.cnn.com/2012/06/13/technology/new-domain-expansion-gtlds/>.

n9 *See* Ed. Board, *New Internet Domain Names May Make for a More Tangled Web*, WASH. POST (June 25, 2012), http://www.washingtonpost.com/opinions/new-internet-domain-names-may-make-for-a-more-tangled-web/2012/06/25/gJQAirwp2V_story.html.

n10 *See* Paul Gill, *What Is a 'Domain Name'?*, ABOUT.COM, http://netforbeginners.about.com/od/d/f/domain_name.htm (last visited Apr. 27, 2014); *see also* *Technical Glossary, Reference*, DOMAINAVENUE.COM, http://www.domainavenue.com/faq_glossary.htm (last visited Apr. 27, 2014).

n11 *See id.*

n12 *See* *Top-Level Domains (gTLDs)*, ICANN, <http://archive.icann.org/en/tlds> (last visited Apr. 27, 2014) [hereinafter *Top-Level Domains*].

n13 *See* *Understanding a URL*, C. SAN MATEO LIBR., www.smccd.edu/accounts/csmlibrary/tutorials/url.html (last visited Apr. 27, 2014).

n14 TECHTERMS.COM, www.techterms.com/definition/www (last visited Apr. 27, 2014).

n15 *See Gill, supra* note 10.

n16 The United States Congress defines domain names as "any alphanumeric designation which is registered with or assigned by any domain name registrar, domain name registry, or other domain name registration authority as part of an electronic address on the Internet." 15 U.S.C. § 1127 (2012).

n17 *See Top-Level Domains, supra* note 12.

n18 *Id.*

n19 *See id.*

n20 *See id.*; *Root Zone Database*, IANA, <http://www.iana.org/domains/root/db> (last visited Apr. 27, 2014).

n21 *See Top-Level Domains, supra* note 12.

n22 Barry M. Leiner et al., *Brief History of the Internet*, INTERNET SOCIETY, available at <http://www.isoc.org/internet/history/brief.shtml> (last visited Mar. 25, 2014).

n23 *See Top-Level Domains*, *supra* note 12.

n24 *See* Andrew McLaws, *One Word Domain Name Sales Reach Record Levels*, PR.COM, <http://www.pr.com/press-release/89370> (last visited Mar. 25, 2014). Surprisingly, the purchaser resold the domain in 2007 for \$ 345 million. *Id.*

n25 *Network Solutions, Inc. v. Umbro Int'l, Inc.*, 259 Va. 759 (2000).

n26 *Id.* at 761-62.

n27 *Id.* at 762.

n28 *Id.*

n29 *Id.* at 763.

n30 *Umbro*, 259 Va. at 769-70.

n31 *See Kremen v. Cohen*, 337 F.3d 1024, 1033-34 (9th Cir. 2003).

n32 *Id.* at 1026.

n33 *Id.* at 1027.

n34 *Id.* at 1028.

n35 *Id.* at 1031-36.

n36 *Kremen*, 337 F.3d at 1035.

n37 *Id.*

n38 *Id.* at 1033-36.

n39 *See Ricks v. BMEzine.com*, 727 F. Supp. 2d 936, 957 (D. Nev. 2010).

n40 *See, e.g., Smith v. Network Solutions, Inc.*, 135 F. Supp. 2d 1159, 1161-62 (N.D. Ala. 2001).

n41 *See id.* at 1161.

n42 See Registrar Accreditation Agreement, ICANN, § 1.7, *available at* <http://www.icann.org/en/resources/registrars/raa/raa-17may01-en.htm> (2001).

n43 See, e.g., Gill v. Am. Mortg. Educators, Inc., Case No. C07-5229RBL, 2007 U.S. Dist. LEXIS 69636, at *14 (W.D. Wash. Sept. 19, 2007) (citing 5 ANNE GILSON LALONDE, GILSON ON TRADEMARKS § 30.08 (2007)).

n44 15 U.S.C. § 1125(d) (2012).

n45 See § 1125(d)(2)(A).

n46 See § 1125(d)(1).

n47 See § 1125(d)(1)(A) .

n48 See § 1125(d)(1)(A)(ii)(I-III).

n49 § 1125(d)(2)(A).

n50 Mattel, Inc. v. Barbie-Club.com, 310 F.3d 293, 302-303 (2d Cir. 2002).

A domain name 'registrar' is one of several entities licensed by the Internet Corporation of Assigned Names and Numbers ('ICANN') to grant domain names to applicants, or 'registrants.' The domain name 'registry,' by contrast, is the single official entity that maintains a list ('a registry') of all 'top-level' domain names and that maintains all official records regarding the registrations of such names."

Id. at 296 n.2 (quoting 2 DAVID BENDER, COMPUTER LAW § 3D.03[3] at 3D-56 (2011)).

n51 *Uniform Domain Name Dispute Resolution Policy*, ICANN, § 4(a) (as approved by ICANN on Oct. 24, 1999) [hereinafter *UDRP*], available at <http://www.icann.org/en/help/dndr/udrp/policy>.

n52 See Jason M. Osborne, Note, *Effective and Complementary Solutions to Domain Name Disputes: ICANN'S Uniform Domain Name Dispute Resolution Policy and the Federal Anticybersquatting Consumer Protection Act of 1999*, 76 NOTRE DAME L. REV. 209, 237-39 (2000).

n53 See, e.g., *Mattel*, 310 F.3d at 304.

n54 See, e.g., *The E.W. Scripps Company v. Sinologic Industries*, WIPO Case No. D2003-0447 (2003), available at <http://www.wipo.int/amc/en/domains/decisions/html/2003/d2003-0447.html>; *Disney Enterprises Inc. v. Jared Meyers d/b/a Online Holdings*, FA697818 (Nat. Arb. Forum June 26, 2006), available at <http://www.adrforum.com/domains/decisions/697818.htm>.

n55 See *UDRP*, *supra* note 51, at § 4(i).

n56 See 15 U.S.C. § 1125(c)(6)(B)(ii) (2012).

n57 *Id.*

n58 See *Int'l Shoe Co. v. Washington*, 326 U.S. 310, 316 (1945) (internal citations omitted) (discussing establishment of personal jurisdiction).

n59 15 U.S.C. §§ 1125(d)(1)(B)(I)-(ii)(2012). The ACPA allows a safe harbor for defendants whose conduct would otherwise constitute bad faith if the defendant "had reasonable belief that [the] use of the domain names related to plaintiff's trademark was a fair use or otherwise lawful under 15 U.S.C. § 112(d)(1)(B)(ii)." *Id.* at § 1125(d)(1)(B)(ii); *see also* *Pensacola Motor Sales, Inc. v. E. Shore Toyota, LLC*, 684 F.3d 1211, 1221 (2012).

n60 *See* *Parisi v. Netlearning, Inc.*, 139 F. Supp. 2d 745, 751 (E.D. Va. 2001) ("[T]here is no reason to 'stay' litigation . . . because, quite simply, the UDRP contemplates parallel litigation. Nothing in the UDRP restrains either party from filing suit before, after, or during the administrative proceedings.").

n61 *See generally* ICANN GENERIC NAMES SUPPORTING ORGANIZATION, FINAL REPORT: INTRODUCTION OF NEW GENERIC TOP-LEVEL DOMAINS (2007), *available at* <http://gnso.icann.org/en/issues/new-gtlds/pdp-dec05-fr-part-a-08aug07.htm> [hereinafter NEW GENERIC TOP LEVEL DOMAINS].

n62 *Id.*

n63 *Id.*

n64 *See id.*

n65 *Id.* at 14.

n66 NEW GENERIC TOP LEVEL DOMAINS, *supra* note 61, at 15.

n67 *See New gTLD Fast Facts*, ICANN (Feb. 28, 2014), <http://newgtlds.icann.org/en/about/program/materials/fast-facts-28feb14-en.pdf>; *see also Top-Level Domains*, *supra* note 12.

n68 See KATZ ET AL., AN ECONOMIC FRAMEWORK FOR THE EXPANSION OF NEW GENERIC TOP-LEVEL DOMAINS 32 (2010), available at <http://archive.icann.org/en/topics/new-gtlds/economic-analysis-of-new-gtlds-16jun10-en.pdf>.

n69 *Id.* at 23-24.

n70 See *id.* at 37.

n71 See Letter from Deborah A. Garza, Asst. Atty. Gen., to Meredith A. Baker, Asst. Sec. for Commun'ns & Info. (Dec. 3, 2008), available at <http://www.icann.org/en/news/correspondence/baker-to-dengate-thrush-18dec08-en.pdf>.

n72 *Id.*

n73 *Id.* at 2.

n74 *Id.* at 3.

n75 See KATZ ET AL., *supra* note 68, at 18.

n76 See *id.* at 20, 23.

n77 *See generally* ICANN, GTLD APPLICANT GUIDEBOOK (2012), *available at* <http://newgtlds.icann.org/en/applicants/agb> [hereinafter GUIDEBOOK].

n78 *Id.* at § 1.1.1. Furthermore, users had to register by March 29, 2012.

n79 *See id.* at § 1.1.2.2.

n80 *Id.* at § 1.1.2.3.

n81 *Id.* at § 1.1.2.4. This warning will not be grounds for rejection, but serves to put the applicant on notice that it will likely be rejected later in the process.

n82 GUIDEBOOK, *supra* note 77, at § 1.1.2.5.

n83 *See id.* at § 1.1.2.6.

n84 *Id.*

n85 *Id.* at § 1.1.2.11.

n86 *Id.*

n87 *See* GUIDEBOOK, *supra* note 77, at § 1.1.2.11.

n88 *Id.*

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n90 *See* Qualitex Co. v. Jacobson Prods. Co., 514 U.S. 159, 168-69 (1995).

n91 Letter from Janis Karklins to Peter Dengate Thrush, *supra* note 89.

n92 *Id.* at 1.

n93 *Id.*

n94 *Id.* at 2, 7.

n95 *Id.* at 3.

n96 Letter from Janis Karklins to Peter Dengate Thrush, *supra* note 89, at 1, 3.

n97 *Id.* at 7. I discuss this further *infra* Part III.C.4.

n98 Qualitex Co. v. Jacobson Prods. Co., 514 U.S. 159, 168 (1995).

n99 *Id.*

n100 *Id.* at 169.

n101 *Domain Name Disputes: 20 FAQs*, # 5, LAW DONUT,
<http://www.lawdonut.co.uk/law/commercial-disputes/ip-disputes/domain-name-disputes-20-faqs#8> (last visited Apr. 27, 2014).

n102 *See* Soweco, Inc. v. Shell Oil Co., 617 F.2d 1178, 1183 (5th Cir. 1980).

n103 *See infra* Part II.C.

n104 *See* Zatarains, Inc. v. Oak Grove Smokehouse, Inc., 698 F.2d 786, 790 (5th Cir. 1983) (articulating the levels of distinctiveness test).

n105 *Id.* at 790. Arbitrary or fanciful marks are considered inherently distinctive, and are automatically eligible for protection with use. *Id.* at 791. Examples of arbitrary or fanciful marks include Apple computers and Kodak film. *Id.*; 2 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 11:13 (4th ed. 2014). Suggestive marks "suggest" the type of product offered by the owner in the consumer's mind. *Zatarains*, 698 F.2d at 791. Suggestive marks are also inherently distinctive and are immediately eligible for trademark protection with use. *Id.* Examples of suggestive marks include Chicken of the Sea for canned tuna and Orange Crush for orange drinks. 2 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 11:72 (4th ed. 2014). Descriptive marks "describe" the type of product offered to the consumer, and are only available for trademark protection if the owner establishes "secondary meaning" in the consumer's mind associated with the mark. *Zatarains*, 698 F.2d at 790. Examples of descriptive marks include Chap Stick for medicinal preparations for chapped skin and Raisin-Bran for raisin and bran cereal. 2 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 11:24 (4th ed. 2014).

n106 *Qualitex*, 514 U.S. at 163-64.

n107 *See* *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768-69 (1992).

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n121 Letter from Fed. Trade Comm'n, *supra* note 116, at 6.

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n125 *Id.*

n126 *See* Eric Engleman, *ICANN Departures After Web Suffix Vote Draw Criticism*, WASH. POST (Aug. 20, 2011), http://www.washingtonpost.com/business/icann-departures-draw-criticism/2011/08/19/gIQAzpeDTJ_story_1.html.

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n138 *See* Sarah Tran, *Expediting Innovation*, 36 HARV. ENVTL. L. REV. 123, 143 n.107 (2012).

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n149 *Id.* at 5.

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n162 *See Ethics and Conflicts of Interest - Prague*, ICANN, <http://prague44.icann.org/node/31635> (last visited Apr. 27, 2014).

n163 *See New gTLD Program: Trademark Clearinghouse Explanatory Memorandum: Implementing the Proof of Use Verification*, ICANN, 1 (Sept. 24, 2012), available at <http://newgtlds.icann.org/en/about/trademark-clearinghouse/proof-of-use-24sep12-en.pdf>.

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n165 *Uniform Rapid Suspension: Update on Recent Developments*, ICANN, 1, 5 (Oct. 3, 2012), available at <http://newgtlds.icann.org/en/applicants/urs/update-03oct12-en.pdf>.

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n167 *Uniform Rapid Suspension System ("URS"): Draft Procedure*, ICANN, 1, 2 (Sept. 19, 2011), available at <http://archive.icann.org/en/topics/new-gtlds/urs-clean-19sep11-en.pdf>.

n168 *See id.* at 3.

n169 *See id.* at 3-4.

n170 *See id.* at 3.

n171 *See id.* at 4, 8.

n172 *See Uniform Rapid Suspension System ("URS"): Draft Procedure, supra* note 167, at 8-9.

n173 *See* M. Scott Danhey, *The UDRP: Fundamentally Fair, But Fair From Perfect*, 6 ELECTRONIC COM. & L. REP. 937 (Aug. 29, 2001).

n174 *See UDRP, supra* note 51.

n175 For example, fair use is an affirmative defense to trademark infringement to address First Amendment concerns. *See, e.g.,* Michael B. Weitman, *Fair Use in Trademark in the Post-KP Permanent World*, 71 Brook. L. Rev. 1665, 1689 (2006).

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NOTE: TRADEMARKS FOR THE CURE: WHY NONPROFITS NEED THEIR OWN SET OF TRADEMARK RULES

NAME: LAUREN BEHR**LEXISNEXIS SUMMARY:**

... Unfortunately for nonprofits with trademarks, the Lanham Trademark Act ("Lanham Act" or "Act"), the federal statutory scheme that outlines the trademark registration process and provides protection from infringement, offers no special protection for nonprofits. ... Because confusion causes of action are available to all trademark holders, the KP Make-Up holding allows a fair use defense to be raised not only where consumers are confused as to the source of goods in the market, but also where potential donors are confused about which nonprofit they are supporting. ... The court reasoned that the older Children of the World organization would likely succeed on the merits of trademark infringement and dilution claims, and that it would suffer irreparable harm to its ability to distinguish its services and to prevent dilution of goodwill associated with the mark. ... Later the same year, Sue Prom, who started a small dog sledding fundraiser for breast cancer called "Mush for the Cure" received a letter from Komen's attorneys, challenging her application for a trademark and requesting that she change the name of her event because the two organizations fundraise for the same cause. ... Although this provision does not prevent all smaller groups from being subject to litigation, it does punish those trademark holders who bring trademark actions in bad-faith.

HIGHLIGHT:

Abstract: When the Lanham Trademark Act was originally drafted in 1946, it is unlikely that Congress contemplated that trademarks would be used not only by commercial businesses but also by large nonprofits with a national reach. Today, several nonprofits have grown into highly recognizable brands that wish to protect their valuable trademarks, both to ensure that donations reach their intended recipients and to preserve their good reputation in the eyes of the public. Nonprofit charities, though, undoubtedly have very different goals than for-profit enterprises and yet they are subject to the exact same set of trademark laws. This Note argues that, in light of the fundamental differences between commercial businesses and charitable organizations, amendments to the Lanham Trademark Act are necessary. By carving out special rules for nonprofits within the Lanham Act, these charitable entities will receive the trademark protection they need and can focus on their charitable endeavors.

TEXT:**[*243] INTRODUCTION**

Trademark turf wars between profitable corporations make up a great deal of intellectual property litigation.ⁿ¹ Recently, Apple filed a suit to enjoin Amazon from using the trademarked "Appstore" as part of the new Kindle Fire

hardware.ⁿ² It is highly unlikely that Apple will face criticism for filing this action, as it is expected that a highly visible, hugely profitable entity like Apple would vigorously and zealously guard its [*244] brand.ⁿ³ Yet, when well-known charitable organizations take similarly aggressive action, public response is often notably different.ⁿ⁴

In late 2010, the world's leading breast cancer charity, Susan G. Komen for the Cure ("Komen"), found itself harshly judged in the court of public opinion when national media outlets ran a story that Komen had sent letters to a number of much smaller charities demanding that they not use the phrase "for the cure" in their fundraising efforts.ⁿ⁵ Long-time Komen supporter and comedian Stephen Colbert lampooned the organization's legal maneuvering on his show and many donors expressed their disapproval on Komen's social media sites.ⁿ⁶ Other large, well-known nonprofits, including the Wounded Warriors Project and the University of Notre Dame, have also been criticized for using trademark litigation to aggressively protect their brand.ⁿ⁷

Often, these disputes over nonprofit trademarks are settled out of court because organizations either do not have the resources to wage lengthy legal battles or do not wish to divert resources away from their philanthropic objectives.ⁿ⁸ As a result, there is relatively little guidance from courts for addressing infringement cases when the parties are not commercial businesses.ⁿ⁹

[*245] Given the fundamental differences between nonprofit organizations and for-profit commercial enterprises, it seems reasonable that the law might provide a different set of trademark rules for charitable groups and perhaps provide even greater protection for the marks of well-known nonprofits that work to serve a substantial number of people.ⁿ¹⁰ After all, federal tax law provides charitable groups with tax-exempt status because a nonprofit's earnings all go into the organization and do not benefit private shareholders.ⁿ¹¹

Unfortunately for nonprofits with trademarks, the Lanham Trademark Act ("Lanham Act" or "Act"), the federal statutory scheme that outlines the trademark registration process and provides protection from infringement, offers no special protection for nonprofits.ⁿ¹² In fact, based on the plain language of the statute, nonprofits may actually be barred from bringing claims for dilution, which is one of the most common infringement problems.ⁿ¹³ Further, the 2004 U.S. Supreme Court ruling in *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.* now permits a defendant to prevail even where there is some confusion between two trademarks.ⁿ¹⁴ In the nonprofit world, this holding essentially could allow the concurrent use of similar trademarks despite the potential for donor confusion that could lead to funds ending up with an unintended recipient.ⁿ¹⁵

This Note argues that although there is not much case law or statutory law applying specifically to nonprofit trademark litigation, the time is ripe for an amendment to the Lanham Act that lays out specific protections for nonprofits and their trademarks.ⁿ¹⁶ Komen, a global organization with a reach and media presence that could not have been imagined when the Lanham Act was enacted in 1946, relies largely on its recognizable brand to continue carrying out its mission.ⁿ¹⁷ By aggressively protecting its brand, Komen avoids donor confusion and is able to maintain its reputation and continue its work as the world's leading [*246] organization for breast cancer research and fundraising.ⁿ¹⁸ Thus, large nonprofits have the same strong interest in protecting their brands as for-profit companies--and perhaps an even greater one--because the work of these organizations affects the greater public as both potential donors and recipients.ⁿ¹⁹

Part I of this Note provides a brief overview of the general principles and objectives of trademark law.ⁿ²⁰ Part II first explores how an organization's charitable involvement affects the trademark analysis and then examines recent actions involving charitable entities.ⁿ²¹ Lastly, Part III explains why charitable trademarks are deserving of enhanced protection, and proposes changes to the Lanham Act and the trademark application process that apply specifically to nonprofits.ⁿ²²

I. TRADEMARK RIGHTS IN AMERICAN LAW

The idea of protecting marks that identify the source of goods or services is well established in the law.ⁿ²³

Currently, in the United States, trademark holders may only use the mark in connection with a specified organization, good, or service, but may control the mark for as long as they are using it, which makes trademark rights particularly powerful.ⁿ²⁴

This Part explains both the principles behind trademark law and how the Lanham Act protects source-identifying marks.ⁿ²⁵ Section A discusses the overarching purpose of trademark law and the protections it provides and details the Lanham Act's legislative history.ⁿ²⁶ Section B explains the registration process for trademarks under the Lanham Act.ⁿ²⁷ Finally, Section C describes how trademark holders assert their rights and the claims they may raise in infringement actions.ⁿ²⁸

A. The Principles and Purposes of Trademark Law and the Lanham Act

In order to protect consumers and trademark holders throughout the United States, Congress enacted the Lanham Act in 1946.ⁿ²⁹ The Act established a federal trademark registration system and provided uniform protections to trademark holders.ⁿ³⁰ Prior to the Lanham Act, trademark law was a mix of state common law and federal statutes, which led to inconsistent judicial decisions about the rights of trademark holders.ⁿ³¹ These inconsistent decisions, combined with the increasing nationalization of the U.S. economy, led Congress to determine that state common law did not provide producers and consumers with adequate, uniform protection of their marks.ⁿ³² The Act adopted most common law elements of trademark protection but also broadened trademark protection by adding a constructive notice rule that significantly expanded the geographic scope of trademark rights.ⁿ³³

Trademark law aims to protect the general public from confusion about the origin of goods and services in the market.ⁿ³⁴ Consumers (or donors, in the case of a nonprofit organization) closely associate a strong mark with the trademark holder's product or organization.ⁿ³⁵ The mark allows for a quick identification, which prevents confusion, mistake, and deception about the entity behind the mark and signals any positive public connotations associated with the mark.ⁿ³⁶ When a person sees a trademark, it allows them to identify the source of the product and to quickly distinguish it from others.ⁿ³⁷ Thus, the trademark provides an assurance of consistent quality and reduces an individual's search costs.ⁿ³⁸

Furthermore, trademark law protects the investment and effort of the trademark holder.ⁿ³⁹ Sellers and organizations expend considerable time and resources building their brands and developing the goodwill of the public.ⁿ⁴⁰ Expending money to maintain and improve a product's quality thereby increases the value of the trademark.ⁿ⁴¹ Trademark rights protect this effort by preventing other companies or organizations from capitalizing on the recognition and goodwill that another's mark has earned.ⁿ⁴²

The Lanham Act defines a trademark as, "any word, name, symbol, or device, or any combination thereof" that is used by the holder of the mark to distinguish the holder's organization or goods in the marketplace.ⁿ⁴³ Both the courts and the U.S. Patent and Trademark Office have interpreted this language broadly and granted trademark protections not only to images and names, but also to colors, sounds, and even scents.ⁿ⁴⁴

Although the original purpose of the Act was to protect both consumers and sellers from misrepresentation and fraud in the marketplace, the Act ultimately created a strong policy favoring trademark holders by establishing a cause of action for trademark infringement.ⁿ⁴⁵ Section 1125 of the Lanham Act explicitly states that infringers "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 [infringing] act," thereby providing trademark holders with a federal cause of action.ⁿ⁴⁶ In interpreting the Lanham Act, the U.S. Supreme Court has recognized that trademarks must be protected because they (1) help consumers identify specific goods, services or organizations; (2) guarantee a certain standard of quality of the product related to a particular trademark; and (3) provide useful tools for advertising and sales, where the trademark is associated with a widely known product or organization.ⁿ⁴⁷

B. Registering Trademark Rights Under the Lanham Act

The federal trademark registration process, as laid out in § 1051 of the Lanham Act, provides the best option for national nonprofits like Komen. ⁿ⁴⁸ Federal registration makes the most sense for large, far-reaching nonprofits because it extends a trademark holder's exclusive rights throughout the United States. ⁿ⁴⁹ Further, a federally registered trademark serves as clear proof of the holder's exclusive right to use the trademark across the entire United States, thus making the mark far easier to protect. ⁿ⁵⁰ Additionally, a federally registered mark provides constructive notice to any would-be infringers across the country because trademark registrations are accessible to the public. ⁿ⁵¹ It is important to note, though, that no registration is required to establish trademark rights if a mark is capable of identifying its source to the public. ⁿ⁵²

The ease of establishing protection and the ultimate strength of the trademark are tied to the mark's distinctiveness. ⁿ⁵³ The strength of a **[*251]** mark is a key factor for many courts in analyzing confusion causes of action under § 1125(a). ⁿ⁵⁴ To assess a trademark's distinctiveness, courts have classified trademarks into four categories: arbitrary and fanciful, suggestive, descriptive, and generic. ⁿ⁵⁵

Trademarks that come under the umbrella of the first two categories are considered intrinsically distinctive and therefore, they can be registered without showing any secondary meaning in relation to their sources. ⁿ⁵⁶ Fanciful marks have been completely fabricated by the mark holders and have no dictionary meaning, such as "Clorox" for bleach or "Xerox," for copying equipment. ⁿ⁵⁷ Arbitrary marks, by contrast, are commonly used words that in no way describe the goods or services to which they are attached. ⁿ⁵⁸ For example, the term "Apple" is an arbitrary mark for computer products but would be generic for the fruit and other products using apples as an ingredient. ⁿ⁵⁹

Although less strong than arbitrary or fanciful marks, suggestive marks are also considered inherently distinctive as they convey only an indirect impression of the goods or services to which they are attached. ⁿ⁶⁰ These marks thus require the consumer to use "imagination, thought and perception" to determine the source behind the mark. ⁿ⁶¹ Examples of marks that courts have determined to be suggestive include "Citibank" for banking services and "Wite-Out" for correction fluid. ⁿ⁶²

[*252] Conversely, descriptive marks describe a quality, characteristic, or function of the attached product or service. ⁿ⁶³ These marks only receive trademark protection if they have acquired a secondary meaning such that the public mentally connects the mark with a specific source. ⁿ⁶⁴ Examples of descriptive marks include "Super Glue" for fast-drying glue and "Yellow Pages" for phone directories with yellow pages. ⁿ⁶⁵

Finally, generic terms and images are per se ineligible for trademark protection because they are overly general and therefore do not signify a particular source or organization to the public. ⁿ⁶⁶ The test for genericness is "whether the public perceives the term primarily as the designation of the article." ⁿ⁶⁷ Formerly protected trademarks such as "asprin," "thermos," and "trampoline" no longer receive trademark protection because the public uses these terms to describe the actual article to which the mark was attached instead of the entity behind the product. ⁿ⁶⁸

C. Asserting Federal Trademark Rights

A trademark holder may bring an infringement claim for action that is likely to cause confusion or the dilution of his or her mark, or both. ⁿ⁶⁹ Originally, trademark law only addressed infringing activity that was likely to cause confusion, but Congress amended the Lanham Act in 1996 to include a new cause of action, "dilution." ⁿ⁷⁰ This amendment was intended to protect trademark holders from unauthorized uses of their marks that could potentially diminish the value and strength of a mark's reputation, even if there was no potential for confusion. ⁿ⁷¹

This Section begins by discussing infringement claims for consumer confusion, and the factors courts use to assess the likelihood of confusion. **[*253]** ⁿ⁷² It then explores the more recent dilution amendments, and how they broaden the scope of trademark protection. ⁿ⁷³

1. Confusion Claims

Because the federal trademark system was established to protect both consumers and trademark holders, § 1125(a) of the Lanham Act provides a cause of action for trademark holders against anyone who uses a trademark, without the holder's permission, in any way that is reasonably likely to cause confusion in the minds of consumers.ⁿ⁷⁴ When considering a trademark infringement claim, courts use a two-step analysis: a plaintiff must first establish that they have a valid and enforceable trademark, and then must show that the mark was used in a way that is likely to confuse consumers as to its source.ⁿ⁷⁵

The federal courts of appeals each use their own slightly different multi-factor balancing tests as a flexible guide to decide whether a defendant's use of a registered mark will cause confusion in the market.ⁿ⁷⁶ For example, the U.S. Court of Appeals for the Second Circuit applies an eight factor test, first laid out in 1961 in *Polaroid Corp. v. Polarad Electronics Corp.*, in confusion causes of action.ⁿ⁷⁷ These eight independent elements, generally referred to as the *Polaroid* factors, are: (1) the strength of the senior mark, (2) the similarity of the marks, (3) the proximity of the parties; (4) the likelihood the prior holder "will bridge the gap," (5) the evidence of actual confusion, (6) the intent of the defendant, (7) the quality of the defendant's product, and (8) the buyer's sophistication.ⁿ⁷⁸ The court in *Polaroid* also noted that other factors may be taken into account depending on the complexity of the issues in a particular case.ⁿ⁷⁹

[*254] Although different circuits use slightly different factors in their tests, the circuits are similar in that each factor is weighed independently in a highly fact-specific inquiry to determine whether the defendant infringed the plaintiff's trademark.ⁿ⁸⁰ Accordingly, no single factor is decisive.ⁿ⁸¹ Moreover, because the lists of factors are non-exhaustive, there is no guaranteed uniformity in how the tests are applied both within and among the circuits, and courts are allowed to take into consideration any facts and circumstances relevant to the particular case.ⁿ⁸²

The confusion analysis became even more complicated in 2004 with the Supreme Court's holding in *KP Make-Up*, which involved the availability of a fair use defense for trademark infringement.ⁿ⁸³ The fair use defense is available to would-be infringers under § 1115(b)(4).ⁿ⁸⁴ The statute provides a defense for the use of a protected mark where "the use . . . charged to be an infringement is a use . . . of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin."ⁿ⁸⁵ Essentially, this affirmative defense is available where the alleged infringer (1) did not use plaintiff's mark as its own trademark, (2) used the mark in good faith without intent to capitalize on its similarity to the plaintiff's mark, and (3) used the mark only as a means of describing its own goods or services.ⁿ⁸⁶

Prior to this decision, a potentially infringing defendant could not raise a fair use defense until the defendant clearly proved that there was no potential for confusion.ⁿ⁸⁷ In *KP Make-Up*, the Court held that a fair [*255] use defense could stand even where some confusion existed or was likely to exist.ⁿ⁸⁸ Thus, under this holding, a defendant who has used another's trademark without permission may successfully raise a fair use defense even when the purported "fair use" creates confusion.ⁿ⁸⁹

Because confusion causes of action are available to all trademark holders, the *KP Make-Up* holding allows a fair use defense to be raised not only where consumers are confused as to the source of goods in the market, but also where potential donors are confused about which nonprofit they are supporting.ⁿ⁹⁰ There are often a great number of both large and small charities working on behalf of similar causes, and therefore tremendous potential for public confusion regarding the names of nonprofit organizations.ⁿ⁹¹ Under *KP Make-Up*, it is possible that two organizations could have very similar marks and the second user might be permitted to keep using the mark even where donors were confused and misdirecting contributions, provided that the second user used the mark for description and in good faith.ⁿ⁹²

It should be noted that there is not much case law in this area because most nonprofit confusion claims are not fully litigated to decision.ⁿ⁹³ Charities often opt to settle out of court because they either lack the funding to wage a full legal battle or do not want to divert funds from their mission.ⁿ⁹⁴ When nonprofit cases do actually reach trial, courts have generally expressed great concern over confusion in the nonprofit context.ⁿ⁹⁵

[*256] 2. Dilution: Expanding Trademark Protection for Senior Mark Holders

Congress amended the Lanham Act in 1996 by adding the Federal Trademark Dilution Act (FTDA), which expanded trademark infringement claims beyond situations involving directly competing marks.ⁿ⁹⁶ This significant amendment established a federal cause of action against use that could tarnish or devalue a senior user's mark.ⁿ⁹⁷ The new amendment aimed primarily to protect senior trademark holders that had expended significant money and effort in developing brands and establishing goodwill from the "lessening ... [of] the capacity of [their] famous mark," even where there was no genuine threat of confusion with a competing brand or organization.ⁿ⁹⁸

Whereas trademark infringement law up until this point had focused primarily on protecting the public from confusion about the source behind the mark, the anti-dilution amendment sought to expressly safeguard "the trademark owner's investment in the goodwill that is embodied in a mark," even where there was no chance for confusion.ⁿ⁹⁹ With the passage of this amendment, Congress allowed even greater protection to the most famous trademark holders by establishing a cause of action rooted in the idea that where a mark is so prevalent [*257] in the public, even non-competing uses could diminish the mark's effectiveness.ⁿ¹⁰⁰

A decade after passing the initial anti-dilution legislation, Congress broadened its scope by passing the Trademark Dilution Revision Act (TDRA).ⁿ¹⁰¹ The TDRA requires only a mere likelihood of dilution rather than proof of actual dilution.ⁿ¹⁰² Thus, this recent amendment perpetuated the expansion of federal statutory protection for senior trademark holders.ⁿ¹⁰³

Although the anti-dilution amendment provides a powerful tool for most senior mark holders, its power may be significantly hindered in the charitable nonprofit context.ⁿ¹⁰⁴ Dilution claims may only be brought in commercial settings under § 1125(c) of the Lanham Act, unlike confusion claims which have no such restriction.ⁿ¹⁰⁵ Therefore, as [*258] nonprofits operate outside the commercial world, a charitable organization may not, based on the plain language of § 1125(c), pursue a dilution claim even if the group reasonably believed that it was suffering because another organization was chipping away at its well-known and respected name.ⁿ¹⁰⁶

Despite the plain language of the statute, courts have, in some instances, found trademark infringement for dilution in nonprofit cases.ⁿ¹⁰⁷ These courts were less concerned with a strict statutory interpretation, and more concerned about the tarnishment of recognizable charitable organizations, which could impair their ability to carry out their missions.ⁿ¹⁰⁸ The courts in these cases opted to reach their decisions not by focusing on stringent plain language, but by remaining true to the legislative intent behind the dilution amendments, which was to broaden trademark protection for senior mark holders and their valuable brands.ⁿ¹⁰⁹

II. TRADEMARKS FOR A CAUSE

Given the markedly different objectives of commercial entities and nonprofits, one might reasonably think that different rules would apply in situations involving the trademark rights of a charitable organization.ⁿ¹¹⁰ Indeed, the tax code treats nonprofit organizations differently than commercial enterprises, rewarding these organizations with a preferential tax status because they aim to benefit the public good and rely on the donations of others.ⁿ¹¹¹ Yet the Lanham Act contains no special provisions for nonprofit trademarks.ⁿ¹¹²

[*259] Section A of this Part explores the legal and social consequences that arise when two nonprofit organizations, both presumably trying to perform socially beneficial work, become engaged in a trademark battle.ⁿ¹¹³ Section B then describes the recent, highly publicized controversy that stemmed from Susan G. Komen for the Cure's zealous attempts to protect its trademarks.ⁿ¹¹⁴

A. Turf Wars: Court Involvement in Nonprofit Trademark Actions

Case law involving trademark disputes between nonprofit organizations is somewhat sparse because nonprofit organizations often prefer to reach a settlement rather than face a protracted legal battle that directs resources away from

their overarching missions. ⁿ¹¹⁵ In the rare event that a case involving charities is litigated to a final judgment, courts have typically found for more well-established organizations, which are at risk of losing out on misdirected donations when smaller organizations begin to use similar names. ⁿ¹¹⁶

In 2000, in *Deborah Heart & Lung Center v. Children of the World Foundation*, the U.S. District Court for the District of New Jersey granted the plaintiff organization an injunction against the defendant's continued use of the "Children of the World" mark in connection with the defendant's competing charitable fundraising and medical services. ⁿ¹¹⁷ The Deborah Heart and Lung Center Foundation operated a global outreach program, known as "Children of the World," that provided life-saving surgeries for children with congenital heart defects. ⁿ¹¹⁸ The organization had no registered trademark that would clearly establish [*260] rights to the name "Children of the World," but offered evidence showing that it had operated using this name for nearly thirty years. ⁿ¹¹⁹ The defendant organization, which was two years old at the time, also provided congenital heart surgeries to needy children in Latin America and Eastern Europe and had a registered trademark for "Children of the World Foundation." ⁿ¹²⁰

The court reasoned that the older Children of the World organization would likely succeed on the merits of trademark infringement and dilution claims, and that it would suffer irreparable harm to its ability to distinguish its services and to prevent dilution of goodwill associated with the mark. ⁿ¹²¹ Considering the likelihood of whether an average individual would "confuse or associate the parties' services and marks with one another based on the overall impression created by the mark as a whole," the court found that the marks were confusingly similar, as the names were not identical, but very close to one another, and the organizations directly competed for the same donors. ⁿ¹²²

The court also found that allowing two similarly named organizations fighting for a similar cause to exist concurrently would be likely to dilute the plaintiff's goodwill with donors, as it was well established as the only program of that name for twenty-eight years. ⁿ¹²³ The plaintiff's organization was relatively famous for a number of years before the defendant arrived on the scene and the court believed that the similarity between the two organization's names would lessen the plaintiff's capacity to distinguish its organization and services. ⁿ¹²⁴

Some courts, including the *Children of the World* court, have found an increased likelihood of confusion when the senior mark is famous. ⁿ¹²⁵ These courts reasoned that when a mark is well-known to a [*261] large percentage of the general public, potential donors or buyers are far more likely to mentally connect the similar secondary use of a mark to the more recognizable senior trademark holder, thereby leaving it open for tarnishment by the secondary user. ⁿ¹²⁶

The *Children of the World* court was extremely concerned about this confusion in infringement cases involving nonprofits. ⁿ¹²⁷ The court asserted that nonprofit trademarks should receive enhanced judicial protection because of the public's strong interest in ensuring that individual contributions are received by the intended organization. ⁿ¹²⁸ Further, the court determined that the prospective harm to the defendant or the greater public interest served by the defendant's organization could be ameliorated simply by allowing for a short grace period while the defendant transitioned to a new, non-infringing name. ⁿ¹²⁹

A somewhat similar case arose in 2009, when the U.S. District Court for the District of Nebraska was presented with a nonprofit trademark battle in *WWP, Inc. v. Wounded Warriors, Inc.* ⁿ¹³⁰ The two charitable organizations, both dedicated to supporting injured veterans, became locked in a lengthy litigation over allegedly misdirected donations and the domain name woundedwarriors.org. ⁿ¹³¹ Wounded Warriors, Inc., an Omaha, Nebraska charity, owned the domain name but the Wounded Warrior Project of Jacksonville, Florida, a larger and older group, argued that scores of its supporters donated money to the other group's site thinking it was going to the Florida charity, which owned the similar domain names, woundedwarrior.org and woundedwarriorproject.org. ⁿ¹³² Wounded Warriors Project contended that it had become "synonymous with veteran service to this generation of wounded veterans" due to aggressive marketing and endorsements by Bob Costas, Bill O'Reilly, Jimmy [*262] Buffet, and the NFL, whereas the other organization marketed itself only on its website. ⁿ¹³³ The organization alleged that this publicity prompted donors to mistakenly contribute to the other charity's website. ⁿ¹³⁴

Donations to Wounded Warriors, Inc. had increased dramatically since the launch of the woundedwarriors.org website and the organization admitted during discovery that it had cashed checks for misdirected donations. ⁿ¹³⁵ A jury awarded a \$ 1.7 million verdict to the plaintiff and issued a permanent injunction barring the use of the problematic domain name by the defendant. ⁿ¹³⁶ On appeal, the court upheld the jury verdict, citing the significant donation increases for the defendant and the much larger national profile of the Wounded Warrior Project. ⁿ¹³⁷ Further, the verdict reiterated the strong public interest in donors' gifts reaching their intended destination organizations. ⁿ¹³⁸

Usually, however, trademark disputes like the ones in *Children of the World* and *Wounded Warriors* settle before proceeding to court. ⁿ¹³⁹ A recent example of such a dispute involved the federally trademarked "Sunshine Kids Foundation," an organization which puts on recreational programming nationwide for children with cancer. ⁿ¹⁴⁰ The Sunshine Kids Foundation filed suit against the Sunshine Kids Club of California, which provides programming for children with disabilities, when it discovered that multiple donors had unintentionally sent money to the California organization, believing it was affiliated with the Sunshine Kids Foundation. ⁿ¹⁴¹ The California group drained a large percentage of its resources in fighting a name change before heeding [*263] to counsel's advice to end the legal proceeding by changing its name to Sunshine Connection. ⁿ¹⁴²

Although it is regrettable that the California group had to divert funding away from its worthwhile programming to wage a legal battle, it is likely, based on the existing case law, that, had the case progressed to trial, the court would have found for the federally trademarked Sunshine Kids Foundation because of concerns about donors confusing the smaller group with a more prominent organization. ⁿ¹⁴³ Thus, in opting to rebrand, the California Sunshine Kids likely saved itself from spending further resources on a fight that it was likely to lose. ⁿ¹⁴⁴

B. *The Komen Conundrum: Lawsuits for the Cure?*

The most interesting and publicized recent dispute in the nonprofit trademark landscape involves Susan G. Komen for the Cure. ⁿ¹⁴⁵ Komen is the most well-known and highly-funded organization devoted to fighting breast cancer in the world. ⁿ¹⁴⁶ Since its inception in 1982, Komen has invested over \$ 1.9 billion in breast cancer research and services for women affected by the disease. ⁿ¹⁴⁷ The organization funds programs in over fifty countries worldwide and is synonymous all over the world with breast cancer research and awareness. ⁿ¹⁴⁸ In a January 2010 survey of over nine thousand American consumers, Komen was ranked as the second most-trusted nonprofit brand and was the number one charity to which respondents said they would direct their dollars, a distinction the organization has held for three years. ⁿ¹⁴⁹

[*264] The organization's signature event, the Susan G. Komen Race for the Cure, was first held in 1983 and is now the world's largest breast cancer fundraising event. ⁿ¹⁵⁰ In 2010, there were 146 Komen races worldwide with over 1.6 million participants and one hundred thousand volunteers. ⁿ¹⁵¹ As the Race for the Cure increased in national and global prominence, Komen began registering trademarks for many of its other events including "Fly for the Cure," "Craft for the Cure," "Couture for the Cure," "Ski for the Cure," "Nurses for the Cure," "Salsa Para La Cure," and "Collect for the Cure," to name a few. ⁿ¹⁵² Although Komen does not have a registered trademark for the phrase "for the cure," a mark need not be registered to receive protection if it is sufficiently tied to one source, and it is clear from the vast number of various constructions of "for the cure" that the organization views the phrase as inextricably linked to its brand and fundraising potential. ⁿ¹⁵³

In August 2010, national media picked up a story outlining Komen's dispute with the organization "Uniting Against Lung Cancer," which planned to hold an event entitled "Kites for a Cure." ⁿ¹⁵⁴ Uniting Against Lung Cancer received a letter from Komen's lawyers requesting that it change the name of the event to "Kites for a Cause," or another name. ⁿ¹⁵⁵ The letter also warned the organization against any use of "for the cure" in conjunction with its signature color pink. ⁿ¹⁵⁶ Uniting Against Lung Cancer refused to change the event name and retained its own attorneys. ⁿ¹⁵⁷ After many months, the organization reached a settlement with Komen in which they agreed to only use the phrase "for a Cure" in conjunction with the words "lung cancer" to make the distinction clear. ⁿ¹⁵⁸

Later the same year, Sue Prom, who started a small dog sledding fundraiser for breast cancer called "Mush for the Cure" received a letter from Komen's attorneys, challenging her application for a trademark [*265] and requesting that she change the name of her event because the two organizations fundraise for the same cause. ⁿ¹⁵⁹ Prom, whose event raises money for the National Breast Cancer Foundation (NBCF), was urged by the NBCF to apply for a trademark to protect the event in the hopes of avoiding dealings with the Komen legal team. ⁿ¹⁶⁰

Just a few months after being named one of America's most trusted charities, Komen's new label as a trademark bully dealt a serious blow to its carefully crafted image. ⁿ¹⁶¹ Prom told her story to the national press, explaining that her organization could not afford to rebrand apparel and posters or to fight Komen in court. ⁿ¹⁶² She accused Komen of using donor funds, which should go to the fight against breast cancer, for legal battles. ⁿ¹⁶³ As the story gained momentum, Komen found itself facing a significant public backlash. ⁿ¹⁶⁴

Komen's attorney insisted that the organization tried to be "reasonable" and never had shut down or intended to shut down any smaller charity. ⁿ¹⁶⁵ The company issued a statement saying that the steps it took to protect its trademarks were simply to avoid donor confusion, which is a common problem with similarly named organizations. ⁿ¹⁶⁶ [*266] Still, shortly after Prom's appearance on the NBC Nightly News and amid an onslaught of negative publicity, including a front page Wall Street Journal article and a lampoon by Steven Colbert, Komen withdrew its opposition to the Mush for a Cure trademark application. ⁿ¹⁶⁷

III. CLARIFYING THE CONFUSION: HOW FAIRLY TO APPLY TRADEMARK LAW IN CASES INVOLVING CHARITABLE ORGANIZATIONS

The timing of Komen's decision to withdraw its objection to Mush for a Cure's name strongly indicates that Komen's decision was motivated by bad press and was not related to the merits of its claim. ⁿ¹⁶⁸ Although Komen may have made a smart business decision, the organization had every reason to protect its brand from another group using a similar name. ⁿ¹⁶⁹ The potential for confusion is quite clear--a donor looking for a charity funding research and support for breast cancer patients could reasonably assume that an organization with "for a cure" or "for the cure" was affiliated with the well-known Susan G. Komen for the Cure or one of its many subgroups like Nurses for the Cure or Ski for the Cure. ⁿ¹⁷⁰ Further, in the case of famous nonprofits, it seems highly likely that where there are concerns about confusion, there would be simultaneous concerns about dilution of an organization's reputation. ⁿ¹⁷¹

This Part argues that nonprofits require their own set of trademark rules with some enhanced protections because their objectives are [*267] markedly different from the commercial businesses that were at the forefront of the minds of the legislators who drafted the Lanham Act. ⁿ¹⁷² Section A discusses how nonprofits are different from commercial organizations, and why they therefore require different protections. ⁿ¹⁷³ Section B advocates moving away from the multi-factor tests for confusion claims, as they are designed for the commercial sector, as well as for restricting the holding in *KP Make-Up*, which allows for a fair use defense to trademark infringement even where marks are confusingly similar, to cases involving for-profit companies. ⁿ¹⁷⁴ Section C proposes an amendment to the Lanham Act that would allow nonprofits to bring dilution claims, which they are barred from doing under current law. ⁿ¹⁷⁵ These proposed changes, though small, would help to ensure that large charitable organizations like Komen, whose work is hugely beneficial to society, are adequately protected from losing donations due to donor confusion and from harm to their brand reputation because of dilution. ⁿ¹⁷⁶ Finally, Section D explores how to protect smaller nonprofits that often face much larger, well-known organizations in trademark disputes, so that they are not burdened by litigation and can focus their considerably smaller war chests on their charitable goals. ⁿ¹⁷⁷

A. Why the Law Needs to Protect "For the Cure" and Its Valuable Counterparts

Nonprofit organizations need and deserve specialized trademark protection because their work benefits more than just one business or company and is distinctly different than the for-profit model that Congress had in mind when designing the Lanham Act. ⁿ¹⁷⁸ Charities work to perform a social good, not to turn a profit. ⁿ¹⁷⁹ Accordingly, the law should seek to avoid both the public confusion that leads to donations ending up in the wrong hands and the tarnishment

of a mark that occurs [*268] when the public mistakenly associates a respected organization with a lesser one. ⁿ¹⁸⁰

Although the basic concern is the same for nonprofits as for commercial enterprises, namely that confusion will result in money being funneled to incorrect recipients, the problem of misdirected funds is graver in the nonprofit context. ⁿ¹⁸¹ Because both nonprofit and for-profit organizations invest substantial resources to develop strong marks, there should be greater concern when philanthropic donations reach the wrong destination, as opposed to when a consumer purchases the wrong product because two logos look alike. ⁿ¹⁸² As the U.S. District Court for the District of New Jersey observed in 2000 in *Deborah Heart & Lung Center v. Children of the World Foundation*, there is a strong public interest in ensuring that donors, who are performing a social good, receive assurance that their money is going to its intended destination, which will make them more likely to donate in the future. ⁿ¹⁸³

Further, donors generally would like their money to run to its highest and best use, which might be to the well-established charities with the scale and scope to help more people. ⁿ¹⁸⁴ Larger, more far-reaching organizations have more at stake in maintaining their good reputations. ⁿ¹⁸⁵ Therefore, because of the strong public interest in ensuring that potential donors can rely on marks to identify organizations and that large, trusted nonprofits are protected from reputational [*269] harm, nonprofits require their own trademark rules that provide enhanced protection for larger organizations. ⁿ¹⁸⁶

B. Fixing the Confusing Confusion Standard

Case law indicates that the likelihood of confusion between different nonprofits using similar marks is great, especially where the two groups are working on behalf of similar causes. ⁿ¹⁸⁷ In analyzing the likelihood of confusion, the circuits use different multi-factor tests. ⁿ¹⁸⁸ Some courts weigh certain factors more heavily than others, often giving greater weight to how the two marks relate in the commercial marketplace. ⁿ¹⁸⁹ Ideally, a new section of the Lanham Act, dealing exclusively with nonprofits, would still allow confusion claims, but the courts would not use the multi-factor tests and instead would perform a case-by-case analysis of the pertinent facts and circumstances. ⁿ¹⁹⁰ This type of case-by-case analysis works best in the context of nonprofit trademarks because these cases are often not litigated to a final judgment, and it is therefore unlikely that a court could reliably promulgate a test based on a small sample of prior decisions. ⁿ¹⁹¹

Further, a new nonprofit amendment to the Lanham Act should not allow a fair use defense where there is any potential for confusion between nonprofit groups, thereby effectively limiting to the commercial world the U.S. Supreme Court's 2004 holding in *KP Permanent Make-Up v. Lasting Impression I, Inc.*, which allowed an infringing defendant to prevail on a fair use defense, ⁿ¹⁹² even where some confusion [*270] was likely. ⁿ¹⁹³ In that case, two similar companies marketing permanent make-up products to individuals trying to cover up scars became locked in a dispute over the term "microcolors." ⁿ¹⁹⁴ The *KP Make-Up* court held that a fair use defense could succeed even where some source confusion is present. ⁿ¹⁹⁵

KP Make-Up, and similar cases in which a consumer may be confused as to the source of a product but ultimately ends up with a similar product, is vastly different than nonprofit trademark confusion cases in which larger charitable organizations could potentially lose money and donors' money falls into the wrong hands. ⁿ¹⁹⁶ The potential social harm of allowing confusion in these cases is much more significant, and thus the *KP Make-Up* holding, which allows for some consumer confusion, should not apply to nonprofit trademarks. ⁿ¹⁹⁷

C. Allowing Dilution Claims in the Nonprofit Context

The legislative history behind the anti-dilution amendments clearly indicates that Congress intended to significantly expand federal statutory protection for senior trademark holders. ⁿ¹⁹⁸ Komen and other large, well-known nonprofits are exactly the types of organizations that could be seriously affected by dilution. ⁿ¹⁹⁹ The Lanham Act, however, requires that dilutive acts be "commercial" in nature. ⁿ²⁰⁰ This language [*271] could be construed to exclude charitable nonprofits from raising dilution claims, even though the legislative intent seemingly aims to protect all

well-known or famous marks. ⁿ²⁰¹ At least one court has allowed a nonprofit organization to prevail on a dilution claim, but the current Lanham Act does not guarantee that nonprofits in other jurisdictions would be successful in bringing dilution claims. ⁿ²⁰²

The nonprofit amendment to the Lanham Act would allow charitable organizations to bring dilution claims, without requiring courts to grapple with whether the use of a mark was commercial enough in nature to fall under § 1125(c). ⁿ²⁰³ Dilution can seriously chip away at the work and reputation of large, well-known organizations, and is a serious concern for a famous group like Komen. ⁿ²⁰⁴ Even where there is not confusion as to the source of a mark, dilution reduces the ability of the famous mark to identify the organization behind the mark, thereby tarnishing the effectiveness of the mark and undercutting the organization's investment in creating and publicizing the mark. ⁿ²⁰⁵ Moreover, allowing these dilution claims furthers the clear legislative intent of expanding trademark protection for highly recognizable marks. ⁿ²⁰⁶

D. Preventing Trademark "Bullying"

When the Komen trademark disputes story was picked up by the national media in early 2011, the narrative seemed largely the same in every piece--the large nonprofit with extensive resources was "bullying" a smaller group that was also trying to fight for the same cause. ⁿ²⁰⁷ In reality, Komen was not trying to shut down or bankrupt other charities, but was protecting its well-established reputation because of legitimate [*272] concerns about misdirected donations and dilution. ⁿ²⁰⁸ Although the trademark bully label might have been unfair, it is cause for concern that smaller organizations, which have less resources and less access to legal expertise, could be pulled into court for burdensome litigation. ⁿ²⁰⁹

The smaller groups, though, do have the protection of § 1117 of the Lanham Act, which awards attorney's fees to defendants in cases of gross misuse of the statutory protections in which trademark holders have frivolously or maliciously attacked another entity. ⁿ²¹⁰ Although this provision does not prevent all smaller groups from being subject to litigation, it does punish those trademark holders who bring trademark actions in bad-faith. ⁿ²¹¹

In addition to this recourse, a change could be made to the application process for charitable groups filing for favorable federal tax-exempt status. ⁿ²¹² To gain this favorable tax status, new charitable organizations must fill out a lengthy application questionnaire detailing financial information, charitable goals, and specific activities. ⁿ²¹³ The questionnaire also asks whether the new group owns any intellectual property, including trademarks. ⁿ²¹⁴ Amending this questionnaire to require that any new charitable organization search its name and any other identifying mark on the U.S. Trademark registration site before proceeding with its application could help cut down on nonprofit trademark infringement. ⁿ²¹⁵ This search requirement would provide [*273] notice to groups that they might want to seek permission before using a mark to avoid a possible infringement action. ⁿ²¹⁶

This amendment to the 501(c)(3) application would in no way eliminate all trademark infringement, but it might scale back some infringement on the part of smaller groups, thereby reducing the number of cease and desist letters sent by larger organizations like Komen. ⁿ²¹⁷ In turn, fewer large nonprofits would be labeled as trademark bullies and feel obligated to withdraw their potentially legitimate claims because of bad press, even when they are simply trying to maintain goodwill with established donors and carry out their laudable objectives. ⁿ²¹⁸

CONCLUSION

The 2011 media storm that besieged Susan G. Komen for the Cure when it attempted to assert and defend its trademark highlights a need for trademark law amendments that apply specifically to nonprofits. The Lanham Act, designed over fifty years ago with the commercial sector in mind, did not envision large nonprofits that operate remarkably like businesses, but with vastly different goals. As a result, nonprofit trademark holders must navigate a confusing intellectual property landscape, never entirely sure whether or not the law does or should apply to them. The potential for brand tarnishment of well-established groups that are often in the position to help the greatest number of

people and deserve to have their reputation protected, is great. Further, there is a strong public interest in ensuring that when people make charitable contributions, the funds reach their intended destinations and the public feels confident enough to donate again, thereby facilitating further social good.

A small amendment to the Lanham Act indicating that, in the case of nonprofits, donor confusion is not acceptable and that dilution claims are not limited to the commercial sector would not only allow charitable organizations to better protect their marks, but would also provide some much-needed clarity. As nonprofits continue to grow and are able to reach more and more citizens due to the Internet and social media, the time is ripe to revisit this issue and establish guidelines for [*274] these organizations, so that they can worry less about legal problems and focus more on their laudable social goals.

Legal Topics:

For related research and practice materials, see the following legal topics:

Antitrust & Trade Law Consumer Protection Likelihood of Confusion Trademark Infringement Business & Corporate Law Nonprofit Corporations & Organizations Formation Trademark Law Infringement Actions General Overview

FOOTNOTES:

n1 Kenneth L. Port, *Trademark Extortion: The End of Trademark Law*, 65 WASH & LEE L. REV. 585, 589 (2008) (discussing the rising number of cease and desist letters sent and trademark infringement actions filed by U.S. companies). In 2010, there was an eight percent increase in the number of trademark cases filed in U.S. courts. Parija Kavilanz, *Trademark Wars Heat Up*, CNNMoney (Dec. 1, 2011), <http://money.cnn.com/2011/12/01/smallbusiness/trademark/index.htm>.

n2 Suzanne Choney, *Kindle Fire Added to Apple App Store Suit Against Amazon*, NBC NEWS.COM, (Nov. 18, 2011), <http://www.ribcnews.com/technology/technolog/kindle-fire-added-apple-app-store-suit-against-amazon-118976>.

n3 See Dan Pallotta, *Is It Wrong to Sue a Charity?*, HARV. BUS. REV. BLOG NETWORK (Sep.29, 2010, 2:11 PM), <http://blogs.hbr.org/pallotta/2010/09/is-it-wrong-to-sue-a-charity.html>.

n4 See Clifford M. Marks, *Charity Brawl: Nonprofits Aren't So Generous When a Name's at Stake*, WALL ST. J., Aug. 5, 2010, at A1; Steve Spalding, *Group's Toucan Logo Ruffles Kellogg's Feathers*, DETROIT FREE PRESS, Aug. 23, 2011, at C1 (criticizing the Kellogg Company's decision to pursue legal action against an educational nonprofit's use of a toucan, that it believed was too similar to the Fruit Loops toucan for its logo); Pallotta, *supra* note 3.

n5 See Marks, *supra* note 4; Laura Bassett, *Susan G. Komen Foundation Elbows Out Other Charities over Use of the Word 'Cure,'*

HUFFINGTON POST (Dec. 7, 2010, 12:41 PM),
http://www.huffingtonrjost.com/2010/12/07/komen-foundation-charities-cure_n_793176.html.

n6 Clare Howard, *Komen Defends Its For the Cure' Trademark Protection*, PEORIA J. STAR, Jan. 25, 2011,
<http://www.pjstar.com/news/x448583826/Komen-defends-its-for-the-cure-trademark-protection>; *The Colbert Report*. (Comedy Central television broadcast Jan. 3, 2011), *available at*
<http://www.colbertnation.com/the-colbert-report-videos/369693/january-03-2011/tip-wag--susan-g--komen-foundation--spider-man-musial?>.

n7 Jeremy Shapiro, *Don't Cheer for Old Notre Dame*, EMPORIA GAZETTE, Oct. 25, 2011,
http://www.emporiagazette.com/opinion/editorials/article_489b1897-0676-583b-ac68-84b869b0e2ea.html?_dc=211362552829.0868; Bruce D. Collins, *Lawsuits Between Nonprofits Harm All*, INSIDE COUNSEL (Mar. 1, 2011),
<http://www.insidecounsel.com/2011/03/01/lawsuits-between-nonprofits-harm-all>.

n8 See Christopher T. Ward, *Who's Afraid of the Big, Friendly Nonprofit? Saber Rattling and the Sad State of Affairs for Small Charitable Nonprofits and Trademark Law*, 11 WAKE FOREST INTELL. PROP. LJ. 295, 297 (2011) (noting that many nonprofit trademark actions are settled before trial); Marks, *supra* note 4.

n9 See Ward, *supra* note 8, at 297.

n10 See *infra* notes 178-186 and accompanying text.

n11 See 26 U.S.C. § 501(c)(3) (2006). An organization shall be exempt from taxation provided that "no part of [its] net earnings inure to the benefit of any private shareholder or individual." *Id.*

n12 See *infra* notes 90-95, 110-112 and accompanying text.

n13 See 15 U.S.C. § 1125(c) (2006); *infra* notes 101-106 and accompanying text.

n14 See *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. Ill, 121, 124 (2004); Ward, *supra* note 8, at 308 (explaining how the *KP Make-Up* holding affects nonprofit trademark cases).

n15 See *KP Make-Up*, 543 U.S. at 124; *infra* notes 83-92 and accompanying text.

n16 See *infra* notes 168-218 and accompanying text.

n17 See Press Release, Susan G. Komen for the Cure, For the Cure (Jan. 25, 2011), <http://blog.komen.org/?p=277>.

n18 See *id.* Komen released a statement on its website explaining,

If we've been perhaps a bit overzealous in protecting our name, it's because we feel a huge responsibility to our family of volunteers and donors and all of those who are helped by our mission to discover and deliver the cures for breast cancer.

. . . .

It would be a disservice to all those who put their trust in us if we did not take responsible steps to protect our name. We believe it is critical for people to understand where their donations are going, and we feel an obligation to our donors to make that as clear as possible. The millions of people who either support us or benefit from our programs know and trust our name - Susan G. Komen for the Cure. We want them to continue to feel confident that their money is being used to fight and treat breast cancer and to fund the best scientific research.

Id.

n19 See *infra* notes 178-186 and accompanying text.

n20 See *infra* notes 23-109 and accompanying text.

n21 *See infra* notes 110-167 and accompanying text

n22 *See infra* notes 168-218 and accompanying text.

n23 Port, *supra* note 1, at 595. English courts allowed producers of goods to protect identifying marks as early as the seventeenth century. *Id.* Please note that the terms mark and trademark are used interchangeably both by courts and in scholarship. *Id.*; *see, e.g., KP Make-Up*, 543 U.S. at 117-18; *Deborah Heart & Lung Or. v. Children of the World Found., Ltd.*, 99 F. Supp. 2d 481, 489-91 (D.N.J. 2000); J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 2:14 (4th ed. 2012).

n24 *See Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 412 (1916) (stating that trademark rights are limited to source-identifying uses in conjunction with a product or service); MCCARTHY, *supra* note 23, §§ 3:1, 17:9 (stating that trademark rights stem from the continued use of the mark in the public).

n25 *See infra* notes 29-109 and accompanying text.

n26 *See infra* notes 29-47 and accompanying text.

n27 *See infra* notes 48-68 and accompanying text.

n28 *See infra* notes 69-109 and accompanying text.

n29 Trademark Act of 1946 (Lanham Act), ch. 540, 60 Stat. 427 (codified as amended in scattered sections of 15 U.S.C.); MCCARTHY, *supra* note 23, § 5.4 (discussing the efforts to pass a comprehensive federal trademark statute that culminated in the passage of the Lanham Act in 1946).

n30 See MCCARTHY, *supra* note 23, § 5.4 (discussing the Senate Committee on Patents' argument that a new comprehensive federal law was necessary to ensure efficient and uniform resolutions of trademark cases throughout the nation).

n31 See *id.*

n32 See *id.* (noting that Congress sought to place substantive trademark law into one uniform statute to combat growing concerns over fraud and misrepresentation of goods to consumers and the misallocation of goodwill to incorrect producers and organizations).

n33 See Lanham Act, 15 U.S.C. §§ 1051-1141 (2006); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 19(e) (1995) (clarifying the purpose behind the passing of the Lanham Act and noting the innovation of the 1946 Act). The Lanham Act's federal registration system fosters a policy of national trademark protection "by limiting instances of territorial fragmentation and concurrent rights." RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 19(e). Moreover, a later amendment to the Lanham Act expanded the geographic scope of priority for registered marks through the concept of "constructive use." 15 U.S.C. § 1057(c). Section 1057(c), provides that, contingent upon ultimate registration, the filing of an application for registration on the principal register constitutes "constructive use of the mark, conferring a right of priority, nationwide in effect," against others who have not previously used the mark or filed an application for its registration. *Id.* Registering a trademark is "thus equivalent to nationwide use." RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 19(e).

n34 See MCCARTHY, *supra* note 23, § 2:2 (discussing the purpose of trademark protection and the effect of the Federal Trademark Act of 1946).

n35 See *Children of the World Found.*, 99 F. Supp. 2d at 490; MARY LAFRANCE, UNDERSTANDING TRADEMARK LAW § 2.04 (2d ed. 2009).

n36 *Platinum Home Mortg. Corp. v. Platinum Fin. Grp.*, 149 F.3d 722, 726 (7th Cir. 1998); ROSEMARY J. COOMBE, THE CULTURAL LIFE OF INTELLECTUAL PROPERTIES; AUTHORSHIP, APPROPRIATION, AND THE LAW 60 (1998).

n37 See COOMBE, *supra* note 36, at 60.

n38 *Id.*, see also William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & ECON. 265, 270 (1987) (discussing how trademarks reduce individuals' information search costs).

n39 See Noah D. Bleicher, *Trademarking Tragedy: The Fight for Exclusive Rights to "Let's Roll,"* 52 EMORY L.J. 1850, 1851 (2003).

n40 See COOMBE, *supra* note 36, at 61 (The trademark owner is viewed as a quasi-author who creates a particular set of meanings attached to a mark by investing time, labor, and money, thereby justifying expansive rights in a mark.") (citing Keith Aoki, *Authors, Inventors, and Trademark Owners: Private and Intellectual Property and the Public Domain*, 18 COLUM.-VLA J.L. & ARTS 191, 235(1994)).

n41 See *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 198 (1985) (noting that trademarks foster competition and the maintenance of quality by securing to the holder the benefits of good reputation); Landes & Posner, *supra* note 38, at 270.

n42 See *Park 'N Fly*, 469 U.S. at 198; Landes & Posner, *supra* note 38, at 269.

n43 15 U.S.C. § 1127 (2006).

n44 See *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 166 (1995) (upholding the trademark of a specific shade combination of green-gold for dry cleaner pads); *In re Clarke*, 17 U.S.P.Q.2d (BNA) 1238, 1240 (T.T.A.B. 1990) (affirming trademark protection for a plumeria scent for sewing threads).

n45 See 15 U.S.C. §§ 1114, 1125 (outlining the circumstances under which a trademark holder may bring an infringement claim); MCCARTHY, *supra* note 23, § 5:4 (noting congressional concern over protecting both the public and producers of goods from misrepresentations in the marketplace).

n46 See 15 U.S.C. § 1125(a). The statute states, in pertinent part:

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 . . . 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

Id.

n47 See *Qualitex*, 514 U.S. at 163-64; *Park 'N Fly*, 469 U.S. at 198.

n48 See 15 U.S.C. § 1051.

n49 See 15 U.S.C. § 1115(a) ("Any registration . . . of a mark registered on the [federal] register provided by this chapter . . . shall be prima facie evidence of . . . the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark . . ."); *LAFRANCE*, *supra* note 35, § 1.08.

n50 See *LAFRANCE*, *supra* note 35, § 1.08; see also John Grady & Steve McKelvey, *Trademark Protection of School Colors: Colorful Legal Debate for the Collegiate Licensing Industry*, 18 J. LEGAL ASPECTS SPORT 207, 211 (2008). Courts have found that registration of a trademark creates a presumption that the mark is valid and therefore protected. See, e.g., *Tie Tech, Inc. v. Kinedyne Corp.*, 296 F.3d 778, 783 (9th Cir. 2002); *Lane Capital Mgmt., Inc. v. Lane Capital Mgmt., Inc.*, 192 F.3d 337, 345 (2d Cir. 1999).

n51 See 15 U.S.C. § 1062(a) (describing the publication process for registered trademarks).

n52 See *LAFRANCE*, *supra* note 35, § 2.17 (noting that § 1125 of the Lanham Act does not impose a registration requirement in order to establish protection from confusion or dilution).

n53 See Mark McKenna, *Teaching Intellectual Property Law: Teaching Trademark Theory Through the Lens of Distinctiveness*, 52 ST. LOUIS L.J. 843, 847-48 (2008); see also Randall L. Newsom, Note, *Cease and Desist: Finding an Equitable Solution in Trademark Disputes Between High Schools and Colleges*, 52 B.C. L. REV. 1833, 1840-41 (2011) (discussing how the distinctiveness of a mark relates to its protection under trademark law).

n54 See *Christian Louboutin S.A. v. Yves Saint Laurent Am. Holding Co.*, 696 F.3d 206, 216-17, 225-26 (2d Cir. 2012); *Sullivan v. CBS Corp.*, 385 F.3d 772, 775-76 (7th Cir. 2004); *Scott Fetzer Co. v. House of Vacuums, Inc.*, 381 F.3d 477, 485 (5th Cir. 2004); *Dieter v. B & H Indus.*, 880 F.2d 322, 326 (11th Cir. 1989); *AMF Int. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979); *Polaroid Corp. v. Polaroid Elecs. Co.*, 287 F.2d 492, 495 (2d Cir. 1961); see also LAFRANCE, *supra* note 35, § 3.02 (noting that the strength of a mark is a "universally recognized" factor in a confusion claim analysis).

n55 See *Abercrombie & Fitch Co. v. Hunting Co.*, 537 F.2d 4, 9-11 (2d Cir. 1976) (discussing the differences between the four categories of four trademarks and holding that the word "safari" could fit into more than one category depending on what type of product was being described); McKenna, *supra* note 53, at 848,

n56 See *Abercrombie*, 537 F.3d at 11; LAFRANCE, *supra* note 35, § 2.07. The strongest marks are those that fall into the fanciful and arbitrary mark category. LAFRANCE, *supra* note 35, § 2.07.

n57 LAFRANCE, *supra* note 35, § 2.07; see *Kellogg Co. v. Toucan Golf, Inc.*, 337 F.3d 616, 624 (6th Cir. 2003) (citing examples of fanciful marks).

n58 See MCCARTHY, *supra* note 23, § 11:11.

n59 See LAFRANCE, *supra* note 35, § 2.07.

n60 See *Blinded Veterans Ass'n v. Blinded Am. Veterans Found.*, 872 F.2d 1035, 1040 (D.C. Cir. 1989) (defining suggestive marks); LAFRANCE, *supra* note 35, § 2.07.

n61 *Blinded Veterans*, 872 F.2d at 1040.

n62 *See DeGidio v. West Grp. Corp.*, 355 F.3d 506, 510 (6th Cir. 2004); *Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F.3d 455, 465 (4th Cir. 1996).

n63 *See Blinded Veterans*, 872 F.2d at 1040; *Induct-O-Matic Corp. v. Inductotherm Corp.*, 747 F.2d 358, 362 (6th Cir. 1984).

n64 *See Levi Strauss & Co. v. Blue Bell, Inc.*, 632 F.2d 817, 820 (9th Cir. 1980) (noting that the most essential element of secondary meaning for a descriptive mark is the impression in a buyer's mind).

n65 *See Sara Lee*, 81 F.3d at 464.

n66 *Abercrombie*, 537 F.2d at 9.

n67 *Blinded Veterans*, 872 F.2d at 1041.

n68 *See LAFRANCE*, *supra* note 35, § 2.07.

n69 *See* 15 U.S.C. § 1125 (a), (c) (2006).

n70 See Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, § 3(a), 109 Stat. 985, 986 (1996) (codified at 15 U.S.C. § 1125(c)); see also LAFRANCE, *supra* note 35, § 1.05 (discussing the 1996 amendment to the Lanham Act, which added dilution as another available trademark infringement claim).

n71 See LAFRANCE, *supra* note 35, § 1.05.

n72 See *infra* notes 74-95 and accompanying text.

n73 See *infra* notes 96-109 and accompanying text.

n74 See 15 U.S.C. § 1125(a).

n75 See *id.*; Custom Mfg. & Eng'g, Inc. v. Midway Servs., 508 F.3d 641, 648 n.8 (11th Cir. 2007) (holding that a court will not evaluate the likelihood of confusion where ownership rights are not clearly established); Lampanello v. Falwell, 420 F.3d 309, 313 (4th Cir. 2005) (same); LAFRANCE, *supra* note 35, § 3.02 (explaining the two-step analysis for evaluating a traditional trademark claim under § 1114 of the Lanham Act).

n76 See *Sullivan*, 385 F.3d at 775-76; *Dieter*, 880 F.2d at 326; *AMF*, 599 F.2d at 348-49; *Scott Paper Co. v. Scott's Liquid Gold, Inc.*, 589 F.2d 1225, 1229 (3d Cir. 1978); see also LAFRANCE, *supra* note 35, § 3.02 (discussing the different factor tests and the similarities in their applications).

n77 *Polaroid*, 287 F.2d at 495.

n78 *Id.*

n79 *Id.*; LAFRANCE, *supra* note 35, § 3.02.

n80 *See* Internet Specialties West, Inc. v. Milion-Digiorgio Enters., 559 F.3d 985, 989 (9th Cir. 2009); Pizzeria Uno Corp. v. Temple, 747 F.2d 1522, 1527 (4th Cir. 1984); LAFRANCE, *supra* note 35, § 3.02.

n81 *See* Entrepreneur Media v. Smith, 279 F.3d 1135, 1141 (9th Cir. 2001); Eli Lilly & Co. v. Natural Answers, Inc., 233 F.3d 456, 462 (7th Cir. 2000); LAFRANCE, *supra* note 35, § 3.02.

n82 *See* Ward, *supra* note 8, at 306, 308; LAFRANCE, *supra* note 35, § 3.02.

n83 *See* 543 U.S. 111, 121-22 (2004) (holding that some level of confusion by members of the public is permissible in certain trademark infringement cases where the defendant argues that the use of the mark was a fair use).

n84 *See* 15 U.S.C. § 1115(b)(4) (2006).

n85 *Id.*

n86 *See* Cairns v. Franklin Mint Co., 292 F.3d 1139, 1150 (9th Cir. 2002) (describing the defendant's burden of proof in raising a fair use defense in a trademark infringement action).

n87 *See* KP Make-Up, 543 U.S. at 117, 121 (discussing prior decisions involving confusion claims and the fair use defense); PACAAR Inc.

v. TeleScan Techs., 319 F.3d 243, 256 (6th Cir. 2003) (holding that the finding of a likelihood of confusion forecloses a fair use defense); Zatarains Inc. v. Oak Grove Smokehouse, Inc., 698 F.2d 786, 796 (5th Cir. 1983) (finding that the alleged infringers were free to use words contained in a trademark "in their ordinary, descriptive sense," so long as such use did not confuse customers as to the source of the goods); Ward, *supra* note 8, at 317 (discussing the availability of the fair use defense before *KP Make-Up*).

n88 See *KP Make-Up*, 543 U.S. at 121-22, 124.

n89 See *id.* at 124; LAFRANCE, *supra* note 35, § 3.12 (explaining the impact of the *KP Make-Up* holding).

n90 See 15 U.S.C. § 1125(a); *KP Make-Up*, 543 U.S. at 124; Ward, *supra* note 8, at 317 (discussing the potential impact of the *KP Make-Up* holding on nonprofit trademark cases).

n91 See Ward, *supra* note 8, at 305 (discussing the high potential for likelihood of confusion claims between nonprofit entities).

n92 See *KP Make-Up*, 543 U.S. at 124; Ward, *supra* note 8, at 317 (explaining that smaller charitable organizations have a greater chance of defeating a senior organization's trademark infringement claim by fair use "because there is no longer a requirement to show that consumer confusion is not likely" under *KP Make-Up*).

n93 See Ward, *supra* note 8, at 297 ("Many organizations settle in the face of impossible legal fees, and as a result there is almost no case law analysis where larger organizations sue small nonprofits.").

n94 See *id.*; Marks, *supra* note 4.

n95 See *WWP, Inc. v. Wounded Warriors Family Support, Inc. (Wounded Warriors II)*, 028 F.3d 1032, 1043-44 (2d Cir. 2011) ("[A nonprofit entity's] financial credit--its ability to raise funds, its general reputation, the reputation of those managing and supporting it, are all at stake if its name is used by some other organization and the two become confused in the minds of the public."); *Children of the World*, 99

F. Supp. 2d at 494 ("[T]he public also has a right to know to whom they are giving their money and who is administering these services."); *Cancer Research Inst., Inc. v. Cancer Research Soc'y. Inc.*, 694 F. Supp. 1051, 1055-56 (S.D.N.Y. 1988) ("In the Court's view, the level of recognition and achievement arrived at by plaintiff entitles it to protection from later formed organizations using confusingly similar names.").

n96 Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, § 3(a), 109 Stat. 985, 986 (1996) (codified at 15 U.S.C. § 1125(c) (2006)); see Blake R. Bertagna, *Poaching Profits: An Examination of the Ability of a Trademark Owner to Recover Infringer's Profits Under the Lanham Act as Amended in 1999*, 16 TEX. INTELL. PROP. L.J. 257, 261-62 (2008) (discussing the initial question of how to better protect mark holders that led to the adoption of the FTDA).

n97 See LAFRANCE, *supra* note 35, § 3.05 (describing the legislative history and intent behind the passage of the FTDA); see also Bertagna, *supra* note 96, at 266-67 (explaining that Congress recognized that the dilution of well-known marks had become a greater problem during the 1990s and enacted the dilution amendment to better protect "those marks with such powerful consumer associations that even non-competing uses can impinge on their value"). The term "senior user" means the entity or individual who first used a trademark in the public. See *A & H Sportswear, Inc. v. Victoria's Secret Stores, Inc.*, 237 F.3d 198, 210, 212 (3d Cir. 2000); *Children of the World*, 99 F. Supp. 2d at 49.

n98 See 15 U.S.C. § 1125(c); see also Bertagna, *supra* note 96, at 266-68 (explaining the FTDA's broadening of trademark protection and describing the remedies now available under the Lanham Act).

n99 See LAFRANCE, *supra* note 35, § 3.05 (differentiating between the protections provided by traditional trademark law and those provided by the anti-dilution amendment).

n100 See 15 U.S.C. § 1125(c); MCCARTHY, *supra* note 23, § 5:10-11 (discussing the effects of the amendment to the anti-dilution laws). The Ninth Circuit offered the following example of how dilution can occur even in non-competing markets:

For example, if a cocoa maker began using the "Rolls Royce" mark to identify its hot chocolate, no consumer confusion would be likely to result. Few would assume that the car company had expanded into the cocoa making business. However, the cocoa maker would be capitalizing on the investment the car company had made in its mark. Consumers readily associate the mark with highly priced automobiles of a certain quality. By identifying the cocoa with the Rolls Royce mark, the producer would be capitalizing on consumers' association of the mark with high quality items. Moreover, by labeling a different product "Rolls Royce," the cocoa company would be reducing the ability of the mark to identify the mark holder's product. If someone said, "I'm going to get a Rolls Royce," others could no longer be sure the person was planning on buying an expensive automobile. The person might just be planning on buying a cup of coffee. Thus, the use of the mark to identify the hot chocolate, although not causing consumer confusion, would cause harm by diluting the mark.

Playboy Enters. v. Welles, 279 F.3d 796, 805-06 (9th Cir. 2002).

n101 See Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312 (2006) (codified at 15 U.S.C. § 1125(c) (2006)).

n102 See *id.*

n103 See Leah Chan Grinvald, *Shaming Trademark Bullies*, 2011 Wis. L. REV. 625, 638-40 (discussing the effects of expanding statutory protection for famous mark holders).

n104 See Ward, *supra* note 8, at 310.

n105 See 15 U.S.C. § 1125(c). The statute states in pertinent part:

Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name *in commerce*, that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury. . . . The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection . . . any noncommercial use of a mark.

Id. (emphasis added).

n106 See Ward, *supra* note 8, at 310 (explaining the statutory limitations on dilution claims in nonprofit actions).

n107 See *Rd. Dawgs Motorcycle Club of the U.S., Inc. v. "Cuse" Rd. Dawgs, Inc.*, 679 F. Supp. 2d 259, '285 (N.D.N.Y. 2009) (considering, as a factor in the confusion analysis, whether the senior trademark could be tarnished as a result of the public associating it with the newer similar mark); *Children of the World*, 99 F. Supp. 2d at 493 (holding that an older, well-known nonprofit's goodwill with donors was likely to be tarnished as a result of a newer organization, working on behalf of the same cause, using a similar name).

n108 See *Rd. Dawgs*, 679 F. Supp. 2d at 285; *Children of the World*, 99 F. Supp. 2d at 493.

n109 See 15 U.S.C. § 1125(c); *Rd. Dawgs*, 679 F. Supp. 2d at 285; *Children of the World*, 99 F. Supp. 2d at 493; LAFRANCE, *supra* note 35, § 3.05.

n110 See Ward, *supra* note 8, at 301, 326 (highlighting the differences in goals of commercial entities and nonprofit organizations).

n111 See 26 U.S.C. § 501 (c)(3) (2006); Ward, *supra* note 8, at 301 ("Charitable nonprofits are required to act in accordance with section 501 (c) (3), or they risk losing their nonprofit status. Therefore, these charitable nonprofits' humanitarian motives and nonprofit methods must be part of the trademark analysis.").

n112 See Kenneth E. Liu, *Why Should Nonprofits Care About Trademarks?*, THOMSON COMPUMAKK (2010), <http://trademarks.thomsonreuters.com/article/why-should-nonprofits-care-about-trademarks> ("[T]he protection of nonprofit marks is no different from that of for-profits.").

n113 See *infra* notes 115-144 and accompanying text.

n114 See *infra* notes 145-167 and accompanying text.

n115 See Ward, *supra* note 8, at 297; Press Release, Susan G. Komen for the Cure, Trademark Statement (Jan. 28, 2011), http://www.komenoregon.org/Newsroom/Komen_Trademark_Issues.shtml ("Susan G. Komen for the Cure has sought amicable resolutions in the 47 trademark cases we've encountered in our 30 years; we have no interest in impeding the good work of other non-profits.").

n116 WWP, Inc. v. Wounded Warriors Family Support, Inc. (*Wounded Warriors II*), 628 F.3d 1032, 1035-38 (8th Cir. 2011); Deborah Heart & Lung Ctr. v. Children of the World Found., Ltd., 99 F. Supp. 2d 481, 484, 494 (D.N.J. 2000); Cancer Research Inst., Inc. v. Cancer Research Soc'y, Inc., 694 F. Supp. 1051, 1055-56 (S.D.N.Y. 1988).

n117 *Children of the World*, 99 F. Supp. 2d at 484.

n118 *Id.*

n119 *Id.*; see 15 U.S.C. § 1115(a) (2006); *supra* notes 48-52 and accompanying text (explaining that although trademark registration provides certain benefits, no official registration is necessary to establish trademark rights).

n120 *Children of the World*, 99 F. Supp. 2d at 485.

n121 *Id.* at 493.

n122 *Id.* at 491.

n123 *Id.* at 493.

n124 *See id.* ("If permitted to continue, it is probable that defendants' use of the confusingly similar mark for essentially the same services (charitable and medical) will cause actual lessening of plaintiffs capacity to distinguish its own senior program from the defendants' emerging program. Plaintiff will increasingly be called upon to explain that its program is not related to the New York program, and that task will be increasingly burdensome as defendants expand their publicity and fundraising activities.").

n125 *See Virgin Enters, v. Nawab*, 335 F.3d 141, 149 (2d Cir. 2003) ("Plaintiffs VIRGIN mark was also famous. The mark had been employed with world-wide recognition as the mark of an airline and as the mark for megastores selling music recordings and consumer electronic equipment. The fame of the mark increased the likelihood that consumers seeing defendants' shops selling telephones under the mark VIRGIN would assume incorrectly that defendant's shops were a part of plaintiff's organization."); *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 873 (2d Cir. 1986); *Children of the World*, 99 F. Supp. 2d at 491-93.

n126 See *Virgin Enters.*, 335 F.3d at 149; *Lois Sportswear*, 799 F.2d at 873; *Children of the World*, 99 F. Supp. 2d at 491-93.

n127 See *Children of the World*, 99 F. Supp. 2d at 493-94.

n128 See *id.* at 494 ("[T]he public also has a right to know to whom they are giving their money and who is administering these services. When donors choose to give money to support [a specific organization], they should be assured they are [actually] giving it to the [intended organization] The consumers of these services should likewise know which organization is [assisting them].").

n129 See *id.*

n130 *WWP, Inc. v. Wounded Warriors, Inc. (Wounded Warriors I)*, 566 F. Supp. 2d 970, 974 (D. Neb. 2008).

n131 *Id.*; see *Wounded Warriors II*, 628 F.3d at 1035-36; Marks, *supra* note 4.

n132 *Wounded Warriors I*, 566 F. Supp. 2d at 978-79.

n133 *Wounded Warriors II*, 628 F.3d at 1035.

n134 *Id.* at 1036.

n135 *Id.* The district court declined to conduct a full likelihood of confusion analysis because the defendant openly admitted that there had been some donor confusion. *See Wounded Warriors I*, 566 F. Supp. 2d at 975. The court also found that Wounded Warriors, Inc. was in violation of the Nebraska Deceptive Trade Practices Act, which holds an organization liable for creating or actively participating in causing public confusion or misunderstanding as to affiliation or connection with another entity. *Id.* at 977.

n136 *Wounded Warriors II*, 628 F.3d at 1035.

n137 *See id.* at 1037, 1041.

n138 *See id.* at 1043.

n139 *See Ward, supra* note 8, at 297 (discussing how many nonprofits opt to settle trademark infringement claims to avoid incurring large legal fees); Meredith J. Cooper, *Lawsuit Leads to Name Change*, CHICO NEWS & REV., Oct. 21, 2010, <http://www.newsreview.com/chico/lawsuit-leads-to-name-change/content?oid=1861771>; Marks, *supra* note 4.

n140 *See Cooper, supra*, note 139.

n141 *Id.*

n142 *Id.*

n143 *See Wounded Warriors II*, 628 F.3d at 1035-36, 1043; *Children of the World*, 99 F. Supp. 2d at 493-94; *Cancer Research Inst.*, 694 F.

Supp. at 1055-56.

n144 See *Wounded Warriors II*, 628 F.3d at 1036-38, 1043; *Children of the World*, 99 F. Supp. 2d at 493-94.

n145 See Ward, *supra* note 8, at 302; Marks, *supra* note 4.

n146 GAYLE A. SULIK, PINK RIBBON BLUES 149-50 (2011) ("Komen has the greatest number of corporate partnerships and leads in revenue from corporate-cause marketing campaigns. . . . Brand image helps the organization maintain its leading position in pink ribbon culture. . . . Advertising is a growing component of this strategy."); Ward, *supra* note 8, at 302.

n147 NANCY G. BRINKER, PROMISE ME: HOW A SISTER'S LOVE LAUNCHED THE GLOBAL MOVEMENT TO END BREAST CANCER 342 (2010).

n148 See Marks, *supra* note 4; Press Release, Susan G. Komen for the Cure, Susan G. Komen for the Cure and World Health Leaders Launch Global Women's Health Initiative (June 8, 2010).

n149 Heather Joslyn, *Two Health Charities Rank as America's Most Trusted Nonprofit Brands*, CHRON. PHILANTHROPY (Mar. 4, 2010), <http://philanthropy.com/article/Two-Health-Charities-Rank-as/64512/>. The organization held the number one distinction for three consecutive years and ranks now only behind St. Jude Children's Research Hospital in Memphis, TN, which is similar to Komen in terms of national presence and major marketing initiatives. *Id.* Additionally, Nancy G. Brinker, Komen's founder and CEO, received the Presidential Medal of Freedom, the nation's highest civilian honor in 2009. BRINKER, *supra* note 147, at 334.

n150 BRINKER, *supra* note 147, at 338, 341.

n151 *About the Race*, SUSAN G. KOMEN RACE FOR THE CURE, <http://apps.komen.org/raceforthecure/?ecid=vanityurl:65> (follow "more" hyperlink in "About the Race" window) (last visited Jan. 2, 2013).

n152 Ward, *supra* note 8, at 302.

n153 See LAFRANCE, *supra* note 35, § 2.17; Ward, *supra* note 8, at 302.

n154 Marks, *supra* note 4.

n155 *Id.*

n156 *Id.*

n157 *Id.*

n158 *Id.*

n159 Bassett, *supra* note 5.

n160 *Id.*

n161 See Howard, *supra* note 6.

n162 See Jean Hopfensperger, *Lawsuits far the Cure?* STAR TRIB. (Minneapolis), June 1, 2011, <http://www.startribune.com/local/1229n838.html>; Bassett, *supra* note 5; *NBC Nightly News with Brian Williams* (NBC television broadcast Jan. 24, 2011), available at http://www.msnbc.msn.com/id/3032619/ns/nightly_news/#41237808.

n163 See *NBC Nightly News*, *supra* note 162. Sue Prom asserted:

I'm hoping that they take their money and put it to the cause . . . and what they originally founded their corporation for--the fight against breast cancer--not using their donor money for litigation. I just don't think it's right. That's not why people gave their money to the organization in the first place.

Id.

n164 See Howard, *supra* note 6 ("Stephen Colbert lampooned it. The Huffington Post highlighted some of its aggressive legal actions against small mom-and-pop charities. The Wall Street Journal headlined 'Charity Brawl: Nonprofits Aren't So Generous When a Name's at Stake.' This unwanted recognition building over the past year is focused on Susan G. Komen for the Cure.").

n165 Bassett, *supra* note 5.

n166 See Press Release, Susan G. Komen for the Cure, *supra* note 17. The press release stated, in pertinent part:

We believe it is critical for people to understand where their donations are going, and we feel an obligation to all our donors to make that as clear as possible. The millions of people who either support us or benefit from our programs know and trust our name--Susan G. Komen for the Cure. We want them to continue to feel confident that their money is being used to fight and treat breast cancer and to fund the best scientific research bringing us closer to the cure.

Id.

n167 Hopfensperger, *supra* note 162; see Marks, *supra* note 4; *The Colbert Report*, *supra* note 6; *NBC Nightly News*, *supra* note 162.

n168 See Marks, *supra* note 4; Press Release, Susan G. Komen for the Cure, *supra* note 17 (highlighting Komen's concerns about donor confusion and its desire to protect its name); *NBC Nightly News*, *supra* note 162.

n169 See LAFRANCE, *supra* note 35, § 3.05; Ward, *supra* note 8, at 305 (noting the potential for donor confusion regarding nonprofit brands); *The Colbert Report*, *supra* note 6; *NBC Nightly News*, *supra* note 162.

n170 See *Deborah Heart & Lung Ctr. v. Children of the World Found., Ltd.*, 99 F. Supp. 2d 481, 491 (D.N.J. 2000) (holding that two similar organization names would likely confuse donors because the organizations have the same objectives and compete for fund-raising dollars); Ward, *supra* note 8, at 307.

n171 See *Virgin Enters, v. Nawab*, 335 F.3d 141, 149 (2d Cir. 2003) (noting that the plaintiffs mark was famous, which increased the likelihood that consumers would assume incorrectly that defendant's organization with a similar mark was associated with the plaintiff); *Children of the World*, 99 F. Supp. 2d at 493 (holding that a newer charitable group's use of a mark that was confusingly similar to that of an established nonprofit could dilute the older organization's reputation).

n172 See *infra* notes 178-218 and accompanying text.

n173 See *infra* notes 178-186 and accompanying text.

n174 See *infra* notes 187-197 and accompanying text.

n175 See *infra* notes 198-206 and accompanying text.

n176 See *infra* notes 198-206 and accompanying text.

n177 See *infra* notes 207-218 and accompanying text.

n178 JOHN PALFREY, *INTELLECTUAL PROPERTY STRATEGY* 110 (2011) (noting how nonprofits have a greater range of goals than for-profit businesses, which increases their need for a strong intellectual property strategy); see MCCARTHY, *supra* note 23, at 2:33 (explaining how the Lanham Act was designed to protect producers and consumers).

n179 See *Children of the World*, 99 F. Supp. 2d at 494; PALFREY, *supra* note 178, at 110.

n180 See *WWP, Inc. v. Wounded Warriors Family Support, Inc. (Wounded Warriors II)*, 628 F.3d 1035-36 (2d Cir. 2011); *Children of the World*, 99 F. Supp. 2d at 494; Joslyn, *supra* note 149 (highlighting the importance of public confidence in the trustworthiness of charitable brands).

n181 See *Wounded Warriors II*, 628 F.3d at 1036-37.

n182 Compare *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 114-15 (2004) (allowing consumer confusion in an infringement case involving companies that sold similar make-up products, even though the potential existed for customers to purchase the wrong brand), with *Wounded Warriors II*, 628 F.3d at 1035-36 (holding a nonprofit's use of a mark impermissible because over \$ 1.7 million in donations went to the wrong wounded veterans association).

n183 *Children of the World*, 99 F. Supp. 2d at 494 (noting that the need for strong protection of marks is even greater in the nonprofit context because such organizations perform a social good and donors have a right to know exactly where their contributions are going, so that they are more likely to contribute to charitable organizations again).

n184 See Joslyn, *supra* note 149 (noting that Americans tend to find larger charities more trustworthy and are more likely to donate to groups like Komen, United Way, and St. Jude Children's Research Hospital, which all have highly visible brands and a national presence); *supra* notes 145-158 and accompanying text (highlighting the scope of Susan G. Komen's work worldwide).

n185 See *Joslyn*, *supra* note 149 (highlighting how the public is more familiar with the reputation of these larger groups).

n186 See *PALFREY*, *supra* note 178, at 112.

n187 See *Wounded Warriors II*, 628 F.3d at 1035-36; *Children of the World*, 99 F. Supp. 2d at 490-91; *Cancer Research Inst., Inc. v. Cancer Research Soc'y, Inc.*, 694 F. Supp. 1051, 1055-56 (S.D.N.Y. 1988).

n188 See *supra* notes 76--82 and accompanying text.

n189 See *Sullivan v. CBS Corp.*, 385 F.3d 772, 776 (7th Cir. 2004) (noting the importance of examining each case on its particular facts); *Dieter v. B & H Indus.*, 880 F.2d 322, 326 (11th Cir. 1989); *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979); *Scott Paper Co. v. Scott's Liquid Gold, Inc.*, 589 F.2d 1225, 1230 (3d Cir. 1978); *Polaroid Corp. v. Polarad Elecs. Co.*, 287 F.2d 492, 495-96 (2d Cir. 1961).

n190 See *Ward*, *supra* note 8, at 305-06 (highlighting the potential issues with considering the same factors in each different case).

n191 See *Ward*, *supra* note 8, at 297 (noting that many nonprofit trademark actions settle out of court because the organization cannot or does not want to divert resources from its mission); *Cooper*, *supra* note 139 (discussing a potential trademark action where the defendant opted to rebrand, instead of lighting infringement claims in court).

n192 See 543 U.S. at 124; *supra* notes 83-86 and accompanying text (discussing the fair use defense).

n193 See 543 U.S. at 121, 124; *Wounded Warriors II*, 628 F.3d at 1036-37; *Children of the World*, 99 F. Supp. 2d at 491, 494.

n194 See 543 U.S. at 114-15.

n195 See *id.* at 121, 124.

n196 Compare *id.*, (noting that consumer confusion as a result of similar marks resulted in a customer purchasing the wrong brand of make-up), with *Wounded Warriors*, 628 F.3d at 1035-37 (holding that donor confusion about the names of two organizations that provided slightly different services to war veterans led to one organization losing out on over one million dollars in donations).

n197 See *KP Make-Up*, 543 U.S. at 115; *Wounded Warriors II*, 628 F.3d at 1036-37; *Children of the World*, 99 F. Supp. 2d at 494.

n198 See 15 U.S.C. § 1125(c) (2006); LAFRANCE, *supra* note 35, § 3.05 (describing the legislative intent behind adding anti-dilution amendments to the Lanham Act); Bertagna, *supra* note 96, at 265-66 (discussing how anti-dilution provision was intended to better protect senior mark holders who had invested considerably in developing their marks); *supra* notes 96-103 and accompanying text.

n199 See *Virgin Enters.* 335 F.3d at 149 (explaining that dilution was more of a concern for famous brands because it was more likely that customers would associate a similar mark with the famous brand's mark); *Children of the World*, 99 F. Supp. 2d at 493 (noting that dilution was more of a concern for well-established brands, especially as the infringing mark steps up efforts to publicize itself); Grinvald, *supra* note 103, at 638-40 (discussing the effects of expanding statutory protection for famous trademark holders).

n200 15 U.S.C. § 1125(c).

n201 See *id.*; LAFRANCE, *supra* note 35, § 3.05 (explaining that the clear legislative intent was to broaden, not restrict, trademark protection); Ward, *supra* note 8, at 310 (discussing how the plain language of § 1125(c) indicates that dilution protection does not apply to

charitable organizations, which are not "commercial").

n202 See *Children of the World*, 99 F. Supp. 2d at 493 (expressing concern that the newer organization's use of a similar name was eroding the goodwill that the senior charity had built with the public); Ward, *supra* note 8, at 310.

n203 See 15 U.S.C. § 1125(c); Ward, *supra* note 8, at 310.

n204 See *Virgin Enters.*, 335 F.3d at 149; *Children of the World*, 99 F. Supp. 2d at 494; Bertagna, *supra* note 96, at 267; Grinvald, *supra* note 103, at 638-40.

n205 See *supra* notes 97-100 and accompanying text (discussing the harm from dilution in the absence of confusion).

n206 See LAFRANCE, *supra* note 35, § 3.05; MCCARTHY, *supra* note 23, at 5:11 (noting that Congress amended the Lanham Act based on concerns noted by the Supreme Court that the current dilution provision did not provide sufficient protection).

n207 See Marks, *supra* note 4; Bassett, *supra* note 5; *The Colbert Report*, *supra* note 6; *NBC Nightly News*, *supra* note 162.

n208 See Press Release, Susan G. Komen for the Cure, *supra* note 115 ("Susan G. Komen for the Cure has sought amicable resolutions in the forty seven trademark cases we've encountered in our 30 years; we have no interest in impeding the good work of other nonprofits.").

n209 See Ward, *supra* note 8, at 297 (raising the concern that smaller charities will be forced to divert all their resources away from their goals in order to defend themselves from trademark infringement claims); Press Release, Susan G. Komen for the Cure, *supra* note 17.

n210 35 U.S.C. § 1117 (2006); Ward, *supra* note 8, at 325 (explaining that attorney's fees and costs are available to defendants in egregious cases in which no infringement is found).

n211 *See* 35 U.S.C. § 1117; Ward, *supra* note 8, at 325.

n212 *See* 26 U.S.C. § 501 (c)(3) (2006). Federal tax law provides tax benefits to nonprofit organizations recognized as exempt from federal income tax under § 501(c)(3) of the Internal Revenue Code. *Id.* The benefits of 501(c)(3) status include exemption from federal income tax as well as eligibility to receive tax deductible charitable contributions. *Id.*

n213 I.R.S. Notice 1382, Changes for Form 1023, Application for Recognition of Exemption Under 501 (c)(3) of the Internal Revenue Service Code 1-9 (Oct. 2006).

n214 *See id.* at 6.

n215 *See id.*

n216 *See id.*

n217 *See* Ward, *supra* note 8, at 297 (explaining the concerns of smaller charities regarding trademark litigation and its costs); Marks, *supra* note 4.

n218 *See* Marks, *supra* note 4; Press Release, Susan G. Komen for the Cure, *supra* note 17; Bassett, *supra* note 5; *NBC Nightly News*, *supra* note 159.

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COMMENT: Reprotection for Formerly Generic Trademarks

NAME: Peter J. Brody+

BIO: + BA 2011, Emory University; JD Candidate 2015, The University of Chicago Law School.

TEXT:

[*475]

Introduction

Trademark rights are defined by public perception. If the public identifies a particular mark with a given firm, that mark is protectable; however, if the public understands the mark to refer to a class of products, the mark is "generic" and not protectable. The status of a mark is not fixed - a mark that has trademark significance in 2014 might become generic in 2015. ⁿ¹ The loss of a mark can be a significant blow to the former owner, and it occurs frequently enough to have a name: genericide. ⁿ²

Consider, for example, *Firefly Digital Inc v Google Inc.* ⁿ³ In 2002, Firefly started selling a website content management system "under the term 'WEBSITE GADGET,' and marketing and selling its add-on applications under the term 'GADGET.'" ⁿ⁴ In 2009, Firefly registered "GADGET" with the US Patent and Trademark Office (PTO), ⁿ⁵ which constitutes prima facie evidence of the trademark's validity and serves to identify Firefly. ⁿ⁶ Firefly sued Google in federal court in Louisiana, alleging that Google's use of the term "gadget" in conjunction with its iGoogle product constituted trademark infringement. ⁿ⁷ Google raised a defense of [*476] genericness and, relying on a consumer survey, proved that "gadget" no longer held trademark significance. ⁿ⁸ Google prevailed, and the mark was canceled. ⁿ⁹

But if a term can move from trademarked to generic status, could it also shift back to protected status? At some time, the use of "gadgets" on websites may fall into disfavor. ⁿ¹⁰ Firefly might then want to restart its business, using a name with which it is familiar (like "gadget"). While it would be able to use the term, it might be unable to assert trademark protection in it ever again. In some courts, Firefly would be precluded from relitigating the issue of trademark significance. ⁿ¹¹

The courts of appeals that have attempted to make sense of the possibility of former trademarks regaining legal protection have not reached a consensus. Some, in contrast to the Fifth Circuit, have acknowledged the possibility that a formerly generic term might assume trademark significance. ⁿ¹² However, many others have rejected all attempts at reprotection of a generic term, either through rote application of the "de facto secondary meaning doctrine" or under color of issue preclusion. ⁿ¹³

This Comment argues that terms previously adjudicated to be generic ought to be eligible for reProtection upon a showing of competent evidence. Courts should use the changed-circumstances exception to issue preclusion to avoid a procedural bar to claims that have a chance of success. Finally, to protect defendants from burdensome litigation, courts should turn to the fee-shifting provision of § 35(a) of the Lanham Act - if a party brings a suit attempting to assert a right in a term adjudicated to be generic and loses, that party has sued based on something that it does not own, and the victorious defendant should be compensated for the costs of litigation.

This Comment proceeds as follows: Part I begins with background on how a trademark is obtained. It then discusses the process of genericide. Part II outlines the division between the courts of appeals that allow for the possibility that a mark might [*477] return to protected status and those that block reProtection claims. Part III argues that formerly generic terms should be eligible for reProtection and outlines a method by which courts might discourage potentially abusive litigation.

I. Protecting and Losing a Trademark

The owner of a trademark does not acquire protection simply by creating the mark. Rights are contingent on both use and the public's understanding. This Part examines the background rules that govern the protection of a mark as a trademark and the process by which a protected mark can lose its protected status.

A. Obtaining and Protecting a Trademark

As defined by the Lanham Act, the federal trademark statute, a trademark is "any word, name, symbol, or device, or any combination thereof" that serves to "distinguish [a producer's] goods ... from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown."ⁿ¹⁴ The property right conferred by ownership of a trademark is contingent on its use in commerce, meaning that trademarks are lost if branded products or services are not sold.ⁿ¹⁵

Marks are often classified on a spectrum of strength. Generally, "the stronger the mark, the more likely it is that encroachment on it will produce confusion."ⁿ¹⁶ Strong protection is afforded to "fanciful,"ⁿ¹⁷ "arbitrary,"ⁿ¹⁸ and "suggestive"ⁿ¹⁹ marks. [*478] By contrast, protection is denied to generic marks. "A generic term is one that refers to the genus of which the particular product is a species."ⁿ²⁰ For example, "cola" has long been held to be a generic term.ⁿ²¹

"Descriptive" marks occupy a middle position. "A mark is [] descriptive if it immediately conveys information concerning a quality or characteristic of the product or service."ⁿ²² Courts explaining descriptive marks often use the example of All-Bran cereal - the name provides consumers with information about the product and is therefore descriptive.ⁿ²³ As a baseline principle, descriptive marks are not protected.ⁿ²⁴ However, they may attain protected status by taking on "secondary meaning."ⁿ²⁵ Secondary meaning is acquired through a shift in public perception: "If because of association with a particular product or firm over a period of time a word has come to stand in the minds of the public as a name or identification for that product or firm, the word is said to have acquired a secondary meaning."ⁿ²⁶ For example, the term "5-Hour Energy" describes the effects of an energy drink but has been held to have acquired secondary meaning.ⁿ²⁷ Non-word marks may also gain protection on a showing of secondary meaning - the color pink, for example, is protected when applied to home insulation because of its close association with Owens-Corning.ⁿ²⁸

[*479] This Comment is chiefly concerned with whether a given term is generic, which is a binary question.ⁿ²⁹ If generic, it is not protectable.ⁿ³⁰ The question of distinctiveness - whether the mark is generic or protectable - is a question of fact.ⁿ³¹ Courts consider the "primary significance" of the term, asking "whether consumers think the term represents the generic name of the product ... or a mark indicating merely one source of that product."ⁿ³² If the answer is the name of a product class, protection is denied; if the answer is a particular producer, the mark remains valid.ⁿ³³

Trademark holders may register their marks.ⁿ³⁴ If registered with the PTO, marks are protected against

infringement by § 32 of the Lanham Act.ⁿ³⁵ Generic marks are not eligible for registration, and marks are canceled if they become generic.ⁿ³⁶ However, registration is not a necessary condition for relief since all terms with trademark significance are protected against misappropriation by competitors.ⁿ³⁷ The holder of any trademark (registered or not) may vindicate its property right through litigation under § 43(a) of the Lanham Act.ⁿ³⁸

B. Genericide: The Loss of Trademark Rights

Unlike patents and copyrights, trademarks are theoretically perpetual.ⁿ³⁹ As long as the mark "is used to distinguish and [*480] identify," it may be protected.ⁿ⁴⁰ Professor William Landes and Judge Richard Posner note that this "makes economic sense."ⁿ⁴¹ The full price of a product to a consumer is a function of the nominal (dollar) price and the cost of finding the product.ⁿ⁴² Landes and Posner suggest that trademarks reduce the latter, which they call "search costs."ⁿ⁴³ They explain: "To make the producer of a good give up the name before he ceased selling the good would impose added search costs on consumers because the information embodied in the trademark would disappear."ⁿ⁴⁴ This result would leave firms with a choice: increase the total cost of goods to consumers or lower the nominal price (and therefore the firm's profits) to compensate consumers (and maintain a stable all-in price).ⁿ⁴⁵ As long as the trademark retains its source-identifying significance, it makes little sense to assign the mark an arbitrary end date.

The incentive that trademarks provide to "maintain [] goods and services at defined and persistent qualities" also continues to exist as long as the brand has value.ⁿ⁴⁶ Were a brand to have an expiration date, a company might lower quality as the end date approaches in an attempt to strip every last bit of value from the mark. As such, theoretically perpetual rights are the best way to lower consumer costs and give producers an incentive to maintain constant quality.

[*481] Because trademarks allow consumers to rely on a consistent level of quality and make it possible for producers to charge higher prices, firms have a strong incentive to prevent genericide.ⁿ⁴⁷ Genericide can strip all value from a mark, leaving its former owner with nothing.ⁿ⁴⁸ Even well-known terms might become generic - the term "yellow pages" was once granted trademark protectionⁿ⁴⁹ but now plainly is the general term for any commercial phone directory.ⁿ⁵⁰ Other formerly protected terms that are now generic include "shredded wheat,"ⁿ⁵¹ "shuttle"ⁿ⁵² (to describe an airline service), "super glue,"ⁿ⁵³ and "yo-yo."ⁿ⁵⁴

But genericide can be avoided.ⁿ⁵⁵ For example, "stakeholders wishing to prevent their marks from falling into genericness should consistently use a generic signifier along with the mark."ⁿ⁵⁶ Perhaps the two most famous examples of companies that have used this tactic are "Sanka," which saved its mark by promoting the term "decaf," and "Xerox," which protected its mark by popularizing the word "copier."ⁿ⁵⁷ As a practical matter, though, trademarks often suffer from their own [*482] success. This is a long-recognized phenomenon,ⁿ⁵⁸ and the Lanham Act explicitly acknowledges this possibility.ⁿ⁵⁹

II. Courts Disagree about the Possibility of Reprotection

Once a mark is relegated to generic status, must it stay that way? Courts disagree whether an earlier finding of genericness can be circumvented or whether relitigation is barred. Some courts have accepted the possibility that a term might return to trademark significance. The courts that hold otherwise do not agree as to why terms may not return to protection: some have dismissed reprotection as impossible, while others have used issue preclusion to avoid a direct ruling on the question. Were reprotection possible, the universe of marks currently consigned to generic status but not in meaningful use would be available for productive purposes. After providing background on the leading example of reprotection, this Part examines the respective positions taken by courts that allow reprotection, those that bar it, and the PTO.

A. The "Singer" Cases

The paradigmatic example of a reclamation of a generic term is that of "Singer."ⁿ⁶⁰ The Singer Manufacturing Company, after losing the patent to its sewing machines, attempted to protect its dominant market position through

trademark.ⁿ⁶¹ It brought suit against June, a rival sewing machine manufacturer, alleging that the Singer company "had an exclusive right to the word 'Singer' as a trade name and 'designation' for [] sewing machines."ⁿ⁶² In an 1896 decision, the Supreme Court disagreed. It found "conclusive proof that, as a whole, the Singer machines represented a general class, and were known to the public under that comprehensive name and no other" - that is, the Court [*483] determined that "Singer" was the generic name for all sewing machines of a particular type.ⁿ⁶³

By 1953 the sewing machine market had changed. Singer brought suit against a small repair shop, claiming that the shop had infringed a trademark in the term "Singer."ⁿ⁶⁴ The Fifth Circuit, in *Singer Manufacturing Co v Briley*,ⁿ⁶⁵ essentially affirmed the district court,ⁿ⁶⁶ which had concluded that Singer had - "by the constant and exclusive use of the name 'Singer' in designating sewing machines and other articles manufactured and sold by it and in advertising the same continuously and widely - recaptured from the public domain the name 'Singer.'" ⁿ⁶⁷ This was no mistake - the district court explicitly acknowledged the earlier Supreme Court decision but found that Singer had done enough to change the public's perception of its term.ⁿ⁶⁸ The saga of "Singer," then, demonstrates that it is possible for a mark to be reclaimed.

The Singer result is not wholly anomalous, though it is - so far - the only time that a US court of appeals has accepted a mark's return to trademark significance.ⁿ⁶⁹ The decision is also only questionably good law - its understanding of how meaning might shift has been implicitly repudiated by its own circuit.ⁿ⁷⁰

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B. Courts Divide over Reprotection

Despite the Singer cases, the courts of appeals have failed to arrive at a consensus as to whether a formerly generic mark can be protected. Those courts that have addressed this issue appear to be split into three groups. Within the first group, which recognizes the possibility of reprotection, the cases can be further divided by outcome. The Federal Circuit has allowed for the relitigation of a (possibly) generic term as a component of a larger mark. A later district court decision returned the same term to trademark significance. Separately, the Eleventh and First Circuits have acknowledged the possibility that a term might be reprotected, but they have so far applied issue preclusion to block actual reprotection.

The other two groups take a less favorable view of reprotection. The second group of courts applies issue preclusion as an insurmountable bar to reprotection, though courts in this group may be motivated by another rationale - the de facto secondary meaning doctrine. The third group of courts expressly applies the de facto secondary meaning doctrine as an absolute bar to renewed trademark protection for formerly generic terms, symbols, and trade dress. This Section first provides background on issue preclusion and then explores the positions taken by these three groups of courts.

1. Issue preclusion and the changed-circumstances exception.

In many instances, whether a mark can be reprotected turns on the preliminary inquiry whether the claim is blocked by issue preclusion. The doctrine of issue preclusion is premised on promoting the efficient use of judicial resources and predictability in case outcomes.ⁿ⁷¹ It accomplishes these goals by preventing the relitigation of factual issues that were already resolved by courts. Put broadly, "once an issue is actually and necessarily determined by a court of competent jurisdiction, that determination is conclusive in subsequent suits based on a different cause [*485] of action involving a party to the prior litigation."ⁿ⁷² Generally, for preclusion to apply:

(1) The issues in both proceedings must be identical, (2) the issue in the prior proceeding must have been actually litigated and actually decided, (3) there must have been a full and fair opportunity for litigation in the prior proceeding,

and (4) the issue previously litigated must have been necessary to support a valid and final judgment on the merits.ⁿ⁷³

When these requirements are met, a defendant may rely on the previous determination of fact. In federal court, the defendant need not be the same party against whom the claim was made in the first instance - "courts have adopted a rule that nonmutual issue preclusion is permitted unless it would be unfair."ⁿ⁷⁴

There are, however, limited exceptions to the doctrine of issue preclusion. The Supreme Court has held that issue preclusion may be avoided through the familiar doctrine of changed circumstances. Issue preclusion applies when "controlling facts and applicable legal rules remain unchanged," but not when "the situation is vitally altered between the time of the first judgment and the second."ⁿ⁷⁵ It is true that the circumvention of issue preclusion must be limited - "rare would be the case in which counsel could not conjure up some factual element that had changed between adjudications."ⁿ⁷⁶ But significant factual or legal changes that take place over time can allow a party to avoid being held to a prior determination of fact.ⁿ⁷⁷ When factual determinations are contextual - such as a finding that something had not occurred "to date" - courts have proven willing to circumvent issue preclusion.ⁿ⁷⁸ As such, while issue preclusion is a barrier to subsequent litigation, it is not an absolute and unthinking bar. The next two sections consider the approaches of [*486] the two groups of courts that have examined the interaction between issue preclusion and the possibility of reproofection.

2. Courts that might allow reproofection in changed circumstances.

In three instances, federal courts of appeals have reasoned that it might be possible for a party asserting ownership in a trademark to avoid preclusion.ⁿ⁷⁹ In one of these instances, a relatively limited finding by the court of appeals was applied and extended by a district court to grant reproofection. In the others, reproofection remained squarely a theoretical possibility. This Section describes those cases and then evaluates the guidance that they provide for future litigants hoping to reestablish legal protection for a formerly generic mark.

a) The Federal Circuit's limited holding and its application. The Federal Circuit has noted that preclusion might be circumvented when the formerly generic term is a component of another mark.ⁿ⁸⁰ The term "opry," a folksy mispronunciation of "opera," has been in commercial use (in conjunction with "country music performances of various types") since at least 1927.ⁿ⁸¹ In 1982, WSM, the putative owner of the term, brought an action in the Western District of Missouri to enjoin Dennis Hilton, the operator of Country Shindig Opry, from using the term.ⁿ⁸² The suit backfired. By looking at what "buyers understand by the word for whose use the parties are contending"ⁿ⁸³ and WSM's use of the mark,ⁿ⁸⁴ the court determined that "'opry' is a generic word which connotes in the minds of the public a country music [*487] performance that includes dancing and comedy routines."ⁿ⁸⁵ On this basis, WSM's mark for "opry" was canceled.ⁿ⁸⁶ The Eighth Circuit affirmed.ⁿ⁸⁷

Eight years later, "opry" came up again in litigation, this time at the Federal Circuit. In *Opryland USA Inc v Great American Music Show, Inc*,ⁿ⁸⁸ the court took an appeal from the Trademark Trial and Appeal Board's ("TTAB" or "the Board") denial of cancellation of the term "The Carolina Opry."ⁿ⁸⁹ Among other issues, the court considered the Board's application of preclusion.ⁿ⁹⁰ The Federal Circuit declined to directly reach the issue of reproofection, reasoning that "whether 'opry' has been recaptured as a trademark is not the subject of these opposition and cancellation proceedings, which deal with the registrability of the CAROLINA OPRY marks."ⁿ⁹¹ But the court continued: "Opryland is not estopped from showing the public perception of 'opry', as a significant component of the marks at issue. The Board erred in holding that Opryland could not present evidence of the present public perception of the term 'opry'."ⁿ⁹² The Federal Circuit's finding, then, was limited. By recognizing that "opry" might have trademark significance as part of a larger phrase, the court accepted the possibility that generic words can shift in meaning and that issue preclusion might be avoided. But the court's opinion is narrow insofar as it did not rule on whether "opry" might be protected on its own, or even whether circumstances had changed to allow for that possibility to be litigated.

The District Court for the Middle District of Tennessee, which accepts the possibility that formerly generic terms might take on trademark significance,ⁿ⁹³ has taken this ruling further. In litigation between Gaylord Entertainment

Company, which claimed to own the mark at issue, and Gilmore Entertainment Group, which was using the terms "The Carolina Opry" and [*488] "Opry" in commerce,ⁿ⁹⁴ the court held that "opry" is a protected term.ⁿ⁹⁵

The court returned "opry" to trademark significance in two rulings: first, it addressed a summary judgment motion, and then it issued final judgment. Gilmore had moved for summary judgment, arguing that "opry" was a generic termⁿ⁹⁶ and that a finding of genericness was mandated by issue preclusion.ⁿ⁹⁷

The court justified its decision to avoid the application of preclusion on two grounds. First, it rejected the applicability of *WSM, Inc v Hilton*.ⁿ⁹⁸ The court pointed to an earlier case, *WSM, Inc v Bailey*,ⁿ⁹⁹ which the district court read as standing for the proposition "that 'Opry' was not a generic term."ⁿ¹⁰⁰ Because the Middle District of Tennessee decided that case, the court reasoned that it was "required to follow its own precedent."ⁿ¹⁰¹ As such, it ignored *Hilton* and determined that "Gaylord is not collaterally estopped from litigating the primary significance to the relevant public of the term 'Opry' today."ⁿ¹⁰²

Second, the court used the changed-circumstances exception to avoid preclusion. In doing so, the court read the Federal Circuit opinion in *Opryland USA* as holding "that Gaylord was not collaterally estopped from litigating the generic nature of 'Opry' due to potential changed circumstances."ⁿ¹⁰³ By downplaying the "as a significant component of the marks in issue" language from *Opryland USA*,ⁿ¹⁰⁴ the Middle District of Tennessee was able to draw on the *Opryland USA* decision to support its use of the changed-circumstances exception.ⁿ¹⁰⁵

In issuing its final judgment, the Middle District of Tennessee stated its conclusion directly: "The OPRY mark is well known and famous, and serves to identify Gaylord as the sole source of the goods and services sold in connection with the [*489] OPRY mark."ⁿ¹⁰⁶ As such, Gaylord is now the owner of the "opry" mark and has the federal registration to prove it.ⁿ¹⁰⁷

b) Circuits that have accepted the theoretical possibility, but not the practical occurrence, of reProtection. Other courts of appeals have recognized that it might be possible to reprotect a mark that is not part of a larger term or phrase. However, these courts have accepted only the theoretical possibility of reProtection. The most recent court to consider this possibility was the Eleventh Circuit in *Miller's Ale House, Inc v Boynton Carolina Ale House, LLC*.ⁿ¹⁰⁸ Miller's Ale House - or rather its predecessor, Ale House Management - first attempted to assert trademark protection in the unregistered term "ale house," arguing that the term was not generic when applied to "institutions that serve both food and beer."ⁿ¹⁰⁹ The Fourth Circuit blocked this claim, adjudicating "ale house" to be generic.ⁿ¹¹⁰

Miller's was undeterred by the rejection of its mark. A decade later, Miller's attempted to assert a trademark for "ale house," this time in a different circuit.ⁿ¹¹¹ Looking back to the Fourth Circuit decision, the Eleventh Circuit considered the application of issue preclusion.ⁿ¹¹² Given the weakness of the evidence that Miller's presented in the case at bar - declarations from two customers, some employee statements, and advertising expenditures - the court found that "Miller's evidence fails to indicate any change at all in the public perception of the term 'ale house.'"ⁿ¹¹³ In its decision, the court explained its rationale for allowing the presentation of evidence: because "certain issues in trademark law are more likely than others to be altered across time," "fact-intensive issues such as ... secondary meaning may entail a wholly different inquiry."ⁿ¹¹⁴ The court further clarified that preclusion is not an absolute bar, and that "it must be theoretically possible, where circumstances warrant," for a party to reassert rights in a mark.ⁿ¹¹⁵

[*490] The First Circuit has also left the door open for relitigation of a determination that a mark is generic. The court did so in litigation concerning the term "Lite" in reference to beer. In 1977, the Seventh Circuit held that, since the properly spelled adjective "light" was generic, the word "lite" was generic as well.ⁿ¹¹⁶ Miller Brewing then litigated the same issue before the First Circuit in 1981. On the face of the decision, the First Circuit's ruling in *Miller Brewing Co v Falstaff Brewing Corp*ⁿ¹¹⁷ appears to fall squarely in line with courts that bar reProtection. The court explained that "under no circumstances is a generic term susceptible of de jure protection under § 43(a) of the Lanham Act, 15 USC § 1125(a) or under the law of unfair competition."ⁿ¹¹⁸ The court continued, quoting Judge Henry Friendly and taking an apparently hard line against the possibility of reProtection:

No 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.ⁿ¹¹⁹

But Falstaff left the door open for the possible reProtection of a generic term. First, the First Circuit "assumed that a judgment determining a state of facts existing in the 1970's may not preclude a fresh determination of a state of facts existing in the 1980's."ⁿ¹²⁰ Then, by reference to the Singer cases, the court acknowledged the possibility that a term might cease to have generic meaning.ⁿ¹²¹ The new meaning could then be recognized in subsequent litigation holding the term to be protected. Essentially, the Falstaff court's position can be summed up as follows: no one may appropriate a currently generic term for his or her own exclusive use. However, if a term is no longer generic, factual reconsideration may allow for trademark protection.

[*491] c) Guidance for future litigants. While Miller's Ale House, Opryland USA, and Falstaff appear to stand for the principle that trademarks might be reclaimed from generic status, the cases provides little guidance to future litigants hoping to reassert rights in a mark. In Opryland USA, the Federal Circuit allowed for the reconsideration of the generic status of a term, but only as a component of a mark that had not previously been adjudicated to be generic.ⁿ¹²² As such, an attempt to reprotect a mark on its own is clearly distinguishable, and Opryland USA provides at best limited support. The applicability of Miller's Ale House and Falstaff to future cases is similarly limited. Both opinions disposed of the issue of reProtection relatively quickly, and so the courts' respective analyses provide future litigants with little direction on how to assert such a claim.ⁿ¹²³

These three courts have further contributed to the confusion surrounding the possibility of reProtection by providing limited guidance as to what evidence might be sufficient to warrant reProtection. The Federal Circuit was the least helpful: it simply declined to set a standard.ⁿ¹²⁴ The Eleventh Circuit was slightly more helpful. While it noted that "there is no clear standard for [this] situation," it did provide a word of caution: "Were changed perception sufficient to warrant the elevation of a ... generic term to trademark status, such change would have to be radical."ⁿ¹²⁵ The First Circuit also limited the possibility of reclamation to a very rare situation:

Where a generic association of a word or term has become obsolete and is discoverable only by resort to historical sources or dictionaries compiled on historical principles to preserve from oblivion obsolete words, then, from the viewpoint of trademark and like law, the word or term is no longer a generic word.ⁿ¹²⁶

This standard is so high as to be practically insurmountable.ⁿ¹²⁷ It is also incompatible with the Fifth Circuit's ruling in Briley, in [*492] which the "Singer" mark remained as both the company's name and part of the company's marketing throughout an intervening period of genericness.ⁿ¹²⁸ Furthermore, the First Circuit's standard is self-defeating. If a party wants to reclaim a mark, it stands to reason that the mark is not in "oblivion" and thus is not subject to protection under this definition.

If the standards for protecting a formerly generic mark are either extremely vague or so demanding as to be impossible to meet, when might a party be able to assert a reProtection right at all? It is unclear whether any of these courts of appeals will ever actually allow for reProtection in practice. Still, the fact that these courts have acknowledged the possibility of protection for formerly generic terms is a step toward allowing it.

3. Courts that view issue preclusion as a complete bar to reProtection.

Not all courts agree that the changed-circumstances exception is available in the trademark context. Some courts use the language of issue preclusion to erect a per se bar to reProtection. But because issue preclusion must be able to

account for factual variation, it is possible that another legal doctrine can best explain these decisions.

The Seventh Circuit has adopted the per se bar to reProtection under the guise of issue preclusion. First, in *Miller Brewing Co v G. Heileman Brewing Co*,ⁿ¹²⁹ the earlier case involving light beer, the court considered whether "a misspelled version of the word 'light' can become a trademark for a 'less filling, low-calorie beer.'" ⁿ¹³⁰ The misspelling did not help Miller Brewing - the court considered "light" in connection with beer, determined that the term was generic, and applied that genericness to the misspelling. ⁿ¹³¹

Two years later, Miller Brewing tried again to convince the Seventh Circuit that it had a right to "lite." ⁿ¹³² Finding that the conditions required to establish issue preclusion were present, the court barred the suit and set out a position on the interaction between genericness and issue preclusion:

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For purposes of the law of collateral estoppel, [the G. Heileman Brewing] decision was a final determination that "LITE" is generic and therefore not entitled to trademark protection. That determination is an insuperable obstacle to Miller's claims based on its ownership of trademark rights in "LITE" in that case, and all other cases. ⁿ¹³³

The court was almost certainly right about the status, at the time, of the term "lite" - it would have been impossible for Miller Brewing to reclaim the generic term, which was in wide use, just two years after the same court had adjudged it to be generic.

What is important, though, is the court's "insuperable obstacle ... [in] all other cases" language. ⁿ¹³⁴ It casts genericism as a factual finding that cannot be changed no matter what evidence of usage is presented. ⁿ¹³⁵ However, the court was confronting essentially the same circumstances as the First Circuit had faced in *Falstaff* - the status of the term "lite" in the late 1970s. While both courts were likely right about the applicability of issue preclusion to the cases at hand, why is it that a determination of preclusion might be avoided in one circuit but not another? It appears that the Seventh Circuit's conception of issue preclusion, as applied to formerly generic trademarks, does not include an exception for changed factual circumstances. While it nominally applies preclusion, then, the Seventh Circuit might be relying on another legal doctrine.

The Fifth Circuit has also held that a mark, once generic, cannot shed that status and become protected. The court took this position - without even acknowledging the *Singer* cases - in *Texas Pig Stands, Inc v Hard Rock Cafe International, Inc*,ⁿ¹³⁶ which involved a dispute over the use of the words "pig sandwich." ⁿ¹³⁷ *Texas Pig Stands* was not the first time that those words had been the subject of trademark litigation. Approximately sixty years prior, the corporate predecessor of *Texas Pig Stands* brought suit in Texas state court against a competitor for using the term. ⁿ¹³⁸ In 1930, the Court of Civil Appeals of Texas issued a conflicted decision: it held that "the words 'pig [*494] sandwiches' are purely common English words, generic, denoting no fact of ownership or common source by which it can be identified by dealings or associations," ⁿ¹³⁹ but also that the term was unprotectable as "essentially descriptive" and without secondary meaning. ⁿ¹⁴⁰ This contradiction is important - unlike generic terms, it is clear that descriptive terms might later shift in meaning and take on trademark significance. ⁿ¹⁴¹

The Texas state court's confusing opinion in 1930 led the Fifth Circuit to decline to apply issue preclusion in *Texas Pig Stands*. ⁿ¹⁴² Reasoning backward from the facts before it, the Fifth Circuit recognized that a factual change in the meaning of "pig sandwich" might have occurred, and it therefore viewed the term as descriptive. ⁿ¹⁴³ Had the Court of Civil Appeals of Texas been clearer, though, the Fifth Circuit might have reached a different conclusion. Indeed, the Fifth Circuit wrote that a determination that the term "pig sandwiches" was generic in 1930, "if standing alone, would collaterally estop all litigation in [the] case." ⁿ¹⁴⁴ The court reached this conclusion because it understood a finding of genericness to be a factual determination that is impossible to change. ⁿ¹⁴⁵ Like the Seventh Circuit, then, the Fifth Circuit claims to rely on the doctrine of issue preclusion while drawing conclusions that are inconsistent with that doctrine. Therefore, it seems that some other legal principle does the actual work of barring reProtection. It is that

possible driver of these decisions to which this Section now turns.

4. The de facto secondary meaning doctrine as a barrier to reProtection.

Other courts bar reProtection without using issue preclusion. These courts apply the de facto secondary meaning doctrine as an absolute barrier.ⁿ¹⁴⁶ The name of the doctrine itself makes little sense - it is apparently a holdover from other areas [*495] of trademark law - but courts use it to justify the decision to "disregard [] evidence that a designation has some trademark significance."ⁿ¹⁴⁷

Generally, the de facto secondary meaning doctrine mandates that "the repeated use of ordinary words functioning within the heartland of their ordinary meaning, and not distinctively, cannot give [a producer] a proprietary right over those words."ⁿ¹⁴⁸ But, confusingly, not all courts mean the same thing when they invoke the de facto secondary meaning doctrine. Professor J. Thomas McCarthy recognizes two interpretations of the doctrine: a "regular strength" version and a "super strength" version.ⁿ¹⁴⁹

The regular-strength framing makes sense and is consistent with the fundamental principles of trademark law. Under this conception of the doctrine, "evidence that only a minority of persons use [a] term to identify and distinguish one source" does not create a trademark.ⁿ¹⁵⁰ Essentially, this branch of the doctrine holds that, if a term has not taken on primary significance through majority usage, it is not a trademark.ⁿ¹⁵¹

The super-strength version is both more problematic and more common. In this framing, once a mark has become generic, "then it must always thereafter remain a generic name, regardless of changes in customer perception."ⁿ¹⁵² Even total association between a mark and a producer in the public's view would not support trademark protection.ⁿ¹⁵³ This position has been adopted by the Second,ⁿ¹⁵⁴ Third,ⁿ¹⁵⁵ Fourth,ⁿ¹⁵⁶ Ninth,ⁿ¹⁵⁷ and DC Circuits.ⁿ¹⁵⁸ [*496] The First Circuit has also hinted at this understanding of the de facto secondary meaning doctrine, but in a way that is not entirely inconsistent with Falstaff.ⁿ¹⁵⁹

The super-strength version of the doctrine is problematic insofar as it does not recognize that a generic term that takes on producer-identifying primary significance no longer functions as a generic term. No one is being "deprived ... of the right to call an article by its name"ⁿ¹⁶⁰ - the word in question is no longer the name of the article but instead is the name of an article made by a particular producer.

While the Fifth and Seventh Circuits nominally apply preclusion, it is the impulse behind the super-strength version of the de facto secondary meaning doctrine that likely animates those circuits' opinions and truly poses the bar to reProtection. If the doctrine of issue preclusion includes an "out" for those cases in which relying on an outdated factual determination would simply be incorrect - that is, when circumstances have truly changed - it cannot be the case that a prior determination is "insuperable."ⁿ¹⁶¹ The Seventh Circuit's statement that the initial assessment of the fact is "insuperable,"ⁿ¹⁶² and the Fifth Circuit's statement that a formerly generic mark can "never attain trademark protection,"ⁿ¹⁶³ are effectively applications of the de facto secondary meaning doctrine. Once this point is assumed, the application of preclusion makes more sense: instead of being theoretically unavailable, the changed-circumstances exception is just practically impossible to take advantage of. As such, the end result is no different whether achieved under color of preclusion or the de facto secondary meaning doctrine, but the underlying logic of the de facto secondary meaning doctrine truly does the work.

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C. ReProtection at the PTO

While courts have not completely embraced reProtection, the PTO allows the registration of formerly generic marks.ⁿ¹⁶⁴ The PTO is the federal government's expert body on patent and trademark issues.ⁿ¹⁶⁵ The TTAB is the venue within the PTO that "acts as an administrative appellate body reviewing final decisions of a Trademark Examiner as to

registration,"ⁿ¹⁶⁶ though appeal may be taken from a TTAB decision to the Federal Circuit. Alternatively, a civil action may be filed in a US district court.ⁿ¹⁶⁷ As such, TTAB decisions provide a window into the way that the PTO approaches the doctrine of issue preclusion and the doctrine's application to marks previously adjudicated to be generic.

The Board takes a relatively permissive position toward the preclusion of subsequent applications for trademark protection:

There is nothing to preclude an applicant from attempting a second time in an ex parte proceeding to register a particular mark if conditions and circumstances have changed since the rendering of the adverse final decision in the first application. The question generally in the second proceeding is whether changes in facts and circumstances do exist and, if so, whether they can support the registration sought.ⁿ¹⁶⁸

The Board's approach is more than theoretical. In 2008, it considered a second application for a trademark in the term "hotels.com" (made, unsurprisingly, by the company Hotels.com). Even though much of the evidence in the second proceeding was the same as that presented in the first, Hotels.com brought forward a new public-understanding survey.ⁿ¹⁶⁹ This "constituted a [*498] change in facts sufficient to avoid application of the doctrine of res judicata."ⁿ¹⁷⁰ Ultimately, the Board again denied registration,ⁿ¹⁷¹ but its willingness to reexamine the issue evidences an understanding that words can shift in significance and that trademark law ought to account for this fact.

In other cases, the Board has applied the de facto secondary meaning doctrine to bar the registration of terms previously adjudicated as generic.ⁿ¹⁷² However, McCarthy suggests that the Board's approach to de facto secondary meaning is not the unthinking bar to re-protection that it is in some courts.ⁿ¹⁷³ McCarthy suggests that the Board uses the de facto secondary meaning doctrine not as an absolute barrier, but as shorthand to reject claims when only "a few customers view the designation as a trademark."ⁿ¹⁷⁴ Essentially, the Board has stated that de facto secondary meaning exists when a mark has not actually achieved the primary significance required for trademark protection. This application of the regular-strength de facto secondary meaning doctrine is not inconsistent with the principle that marks can shift in meaning over time.ⁿ¹⁷⁵ The Board understands that the significance of marks can change and that they might accordingly achieve protectable status upon a finding of sufficient factual change.

III. Issue Preclusion Should Not Bar the Protection of Formerly Generic Terms

Despite the muddled body of law surrounding formerly generic marks, courts should be receptive to the possibility of re-protection. While re-protection might not be appropriate very often, allowing for relitigation of generic status would be broadly beneficial. For example, it is possible that America Online ("AOL"), in an attempt to reboot its e-mail service, would begin [*499] an advertising campaign hoping to capitalize on nostalgia for its "You have mail" (or "You've got mail") slogan. While AOL would be within its rights to do that, so would every other firm - the phrase has been held to be generic.ⁿ¹⁷⁶ Forcing the term to stay generic has little value: it is unlikely that, after many years of this advertising campaign, anyone would associate the phrase with any company other than AOL. Why should an adjudication from 2001 prevent the company from extracting the full value of a term that it popularized?

Courts should use the changed-circumstances exception to issue preclusion to allow - when appropriate - for reassessment of terms previously determined to be generic. Though this works against the finality rationale underpinning issue preclusion, courts can ameliorate this concern by using the fee-shifting provision in § 35(a) of the Lanham Act.

A. The Social Benefits of Reclamation

One commentator put the question bluntly: "What interest is served by such a rule denying trademark protection to words that are not generic now, but were generic in the distant past?"ⁿ¹⁷⁷ Whatever that interest may be, it is far

outweighed by the potential gains from permitting reProtection. Allowing for the possibility of reProtection yields substantial economic benefits and does not undermine the linguistic justifications for genericism.

1. The economic benefits of reProtection.

The fundamental economic rationale for the denial of trademark protection for generic marks is that allowing protection would grant one producer a de facto monopoly, imposing costs on all other market participants. While this is undoubtedly reason enough to deny protection to marks as they become generic, the rationale does not hold up in the context of marks that are no longer generic.ⁿ¹⁷⁸

[*500] Professor Landes and Judge Posner describe the problem: a producer able to trademark a currently generic term "would reduce the amount of [words in common with other producers that describe features of the product generally] available to competitors," allowing the producer to "earn rents because of the added costs to his rivals of periphrasis" and imposing deadweight loss on the market.ⁿ¹⁷⁹ The added costs to competitors arise because, if "competitors cannot legally designate their product by the term that most consumers call it, other strategies must be developed to overcome this impediment and to convince customers that these competing brands are also the "real thing." "ⁿ¹⁸⁰ For example, it would be far more difficult for Napoleon to compete if only Weber could call its product a "grill." The deadweight loss might be mitigated somewhat through licensing but, as Landes and Posner suggest, this would merely "transform a social cost into a transfer payment to the firm appropriating the generic term" and would not eliminate all loss - "there would be costs of negotiating and enforcing the trademark licenses and of obtaining generic trademarks ... in the first place."ⁿ¹⁸¹ Allowing protection of currently generic terms might also decrease innovation by incentivizing rent-seeking behavior.ⁿ¹⁸²

The economic rationale behind reducing marks to generic status does not hold when considering their reProtection in appropriate circumstances. The fact that the party asserting protection in a term is able to meet the requisite burden of proof - whatever that may be - demonstrates that the term is not generating value as a signifier of a whole class of goods for the consuming public. Instead, it is a signifier of a particular producer. Declining to protect a formerly generic term may even be affirmatively harmful, because "erroneously failing to protect [a] word when it ... serves as a source-identifying mark might be very costly if consumers end up confused about a competing [*501] firm's product."ⁿ¹⁸³ Consider the Singer cases: when the primary significance of the mark was the entire class of sewing machines, the public derived the greatest utility from denying protection. But years later, when the term had fallen into disuse, and alternate terms were used to signify a class of sewing machines, the public was able to benefit from the reProtection of the term. Singer reclaimed its term by investing in advertising, thereby demonstrating to the public that its name was a brand.ⁿ¹⁸⁴ ReProtection therefore decreased search costs, because consumers could rely on the brand name and quickly make an association between the term "Singer" and a set level of quality. Only de jure reProtection can fully achieve this goal - without it, other producers could call their machines "Singers" and appropriate some of the value of the mark. Singer might still choose to invest in advertising but would certainly invest less than if full reProtection were possible. The ability to bring a lawsuit against trademark infringement, then, is important in fully incentivizing search-cost-reducing conduct.

Keeping open the possibility of reProtection might also create better incentives for firms with trademarks by reducing the cost of genericide. Trademarks are valuable assets - for some firms, a trademark is the most valuable asset that the company owns.ⁿ¹⁸⁵ Landes and Posner note that "generic status is achieved gradually."ⁿ¹⁸⁶ Between the introduction of a fanciful mark, for example, and its ultimate - though by no means certain - slide into generic status, "there will be an interval duration during which some consumers will still think of the trademarked name as the name of a particular brand though others are already thinking of it as the name of the product."ⁿ¹⁸⁷ During this period, a firm might believe that the public understands its mark to refer to the firm itself but have well-founded concerns that a jury might conclude otherwise. This phenomenon is currently occurring with the word "google." It obviously refers to the [*502] name of a search engine but can also refer to the act of searching the Internet.ⁿ¹⁸⁸ Google is apparently already concerned that it might lose its mark to genericness,ⁿ¹⁸⁹ and it is possible that, at some point, the company will.

The incentive to pursue litigation in this circumstance might vary: a firm would likely sue for large-scale infringement, but a smaller-scale violation of a trademark right might be allowed to persist for fear of losing an asset forever.ⁿ¹⁹⁰ Consider the trade name litigation in *Closed Loop Marketing, Inc v Closed Loop Marketing, LLC*.ⁿ¹⁹¹ The plaintiff began to use the name "Closed Loop Marketing" in 2001, while the defendant entered the market and began to use the same name in 2003.ⁿ¹⁹² The plaintiff brought suit for infringement, and the name was adjudicated to be generic.ⁿ¹⁹³ Even if the plaintiff brought the suit expecting to lose the rights to the name, the wholesale appropriation of a firm's name is a major harm, and an attempt must be made to rectify it. However, in a less harmful case, in which the likelihood of confusion is lower - for example, involving the name "Closed Loop Jewelry" - the firm might not have brought the suit, as the risk that the name would be adjudicated to be generic might outweigh the expected gains from litigation. This disincentive to bring suit is costly. It robs marks of their ability to signify the source of a good, increasing search costs for consumers and necessitating a decrease in price to offset the increased search costs.ⁿ¹⁹⁴ The disincentive would be lessened if a determination that a mark was generic were reversible, as firms in the marginal case would see greater expected value in asserting their trademark rights in the first instance.

[*503] The reverse of this problem also exists: in *Microsoft Corp v Lindows.com, Inc*,ⁿ¹⁹⁵ Microsoft brought suit under the Lanham Act based on the apparent similarity between "Windows," which was a registered trademark, and "Lindows," the name of a Linux operating system.ⁿ¹⁹⁶ The court rejected Microsoft's application for a preliminary injunction on the ground that Microsoft failed to show that it was likely to succeed on the merits. The court saw "roughly equal bodies of evidentiary support" on both sides of the genericness issue.ⁿ¹⁹⁷ In the face of possible evidence that "Windows" had been generic in the 1980s, Microsoft also asked for a ruling as to whether it could attempt to prove that the term was no longer generic.ⁿ¹⁹⁸ The court applied the super-strength de facto secondary meaning doctrine to reject this possibility, stating that "if the WINDOWS trademark was generic in 1985, then it cannot be valid," even if it had since taken on primary significance.ⁿ¹⁹⁹ In the face of these rulings, Microsoft settled - by paying \$ 20 million in exchange for an agreement that Lindows would change its name - rather than face the possibility of a determination that "Windows" is generic.ⁿ²⁰⁰ While Microsoft may still have settled the suit in the absence of the ruling that genericness was permanent, it likely would have settled for less - the possibility of reprotection would have expanded the set of Microsoft's possible favorable outcomes and thus reduced the amount that it was willing to pay to avoid litigation.

Barring the protection of formerly generic trademarks that have achieved source-identifying significance also imposes the inverse of the problem that Landes and Posner identified concerning genericide - there may be a period in which the primary significance of the mark is, in fact, a producer, but the mark is still deemed generic.ⁿ²⁰¹ That producer will be disincentivized from further investment in the term because it would be limited in its ability to internalize the benefits. In the case of AOL and [*504] "You have mail," for example, the company might invest a suboptimal amount in the marketing opportunity for fear of being unable to exclude free riders. To be sure, firms already have incentives to invest in generic terms - the side benefits often outweigh the risks of nonprotection - but promoting further investment in the term encourages the use of a former mark that otherwise lies fallow.ⁿ²⁰²

2. Reprotection is consistent with the linguistic justification for trademark.

The creation of trademarks (and the subsequent slide of terms to generic classification) has linguistic benefits. As Professors Deven Desai and Sandra Rierson note:

We may find a trademarked word so pervasive and useful that we begin to use it in noncommercial contexts and indeed not as a trademark at all. We may incorporate a trademarked term into our everyday language ... as a way to convey more than the trademark meaning of the term.ⁿ²⁰³

Allowing reprotection is consistent with this linguistic justification. A firm that has committed its resources to pulling a mark back from generic status has, in effect, imbued meaning into a word that was otherwise not being used. However,

if the word were in common usage, only a herculean effort would make recapture even close to possible, and it is likely that any such effort would fail. As is true in a case of first protection, "the existence of an alternative generic signifier is necessary for a mark to become protectable" - without it, the primary significance of the term will still be the generic product-class identification.ⁿ²⁰⁴ Society will likely have already benefitted from this phenomenon once, through the popularization of another term: firms often (sometimes successfully) use alternative signifiers to stave off genericide.ⁿ²⁰⁵ For example, when Xerox used "copier" to save its trademark, society benefitted: it gained a word to describe a product and retained the cost-lowering benefits of the "Xerox" [*505] trademark.ⁿ²⁰⁶ Reprotection can allow a firm to add value to a term not in common usage without depriving society of a name to refer to a class of goods.

B. Changed Circumstances

Given the broad benefits of reprotection, courts ought to reduce the procedural hurdles that parties seeking reprotection face. If a litigant can present evidence demonstrating that the significance of a mark is not identifying a class of goods but instead a particular producer, a previous holding of genericness should not bar litigation.

1. Courts should be willing to consider changed circumstances.

As noted in Part II.B.1, a changed-circumstances exception to issue preclusion exists to allow for reassessment after major shifts in underlying facts. A showing that a mark once held to be generic no longer has generic meaning, but instead holds producer-identifying significance, is a change to the "controlling facts."ⁿ²⁰⁷ The denial of protection that stems from a finding of genericness is fundamentally a factual inquiry, and if a party is able to show that the answer to the question of primary significance (or any other evidentiary threshold)ⁿ²⁰⁸ has changed, the party must be given an opportunity to demonstrate the changed consumer association to a jury.ⁿ²⁰⁹ The Eleventh, First, and Federal Circuits have acknowledged as much when addressing the possibility that a mark might be reprotected. For example, the Eleventh Circuit's willingness to hear evidence on the status of the term "ale house" indicates that the governing fact - the status of the mark in the mind of the public - might change.ⁿ²¹⁰

Courts acknowledge that issue preclusion might be avoided in other areas of trademark law. In the context of descriptive terms, courts accept that secondary meaning might change over time. For example, in the Fifth Circuit case *Test Masters Educational Services, Inc v Singh*,ⁿ²¹¹ the court declined to set "precise [*506] time contours for the re-litigation of secondary meaning" but acknowledged that it might be relitigated upon sufficient factual change.ⁿ²¹² The Eighth Circuit has held that a factual change that occurs over a shorter time frame - the acquisition of incontestable statusⁿ²¹³ - is sufficient to render the "application of collateral estoppel [] ... inappropriate."ⁿ²¹⁴ If other shifts in factual determinations can be sufficient to avoid preclusion, courts should treat genericism the same way.

Finally, the fact that the PTO accepts the registration of marks previously denied as generic is strong evidence that preclusion ought to be avoided in appropriate situations.ⁿ²¹⁵ The PTO understands that words do not have constant meaning - they shift with consumer usage patterns, trends, and market developments.ⁿ²¹⁶ It makes little sense to maintain a hard-line rule against reprotection of a term when the PTO - a specialized body tasked with the assessment of marks - understands that the significance of terms can and does change over time.

The changed-circumstances exception need not apply to all cases; it can still function as a screen for the weakest attempts at demonstrating that a mark is no longer generic. For example, even though its decision ultimately relied on the de facto secondary meaning doctrine, the Seventh Circuit was likely correct in applying preclusion in *Miller Brewing Co v Joseph Schlitz Brewing Co*.ⁿ²¹⁷ It is hard to believe that, in the two years between the determination that "light" was generic and the Joseph Schlitz Brewing litigation, the term shifted in primary significance.ⁿ²¹⁸ Additionally, qualifying for the changed-circumstances exception does not necessarily mean that the term is no longer [*507] generic. Consider *In re Hotels.com LP*.ⁿ²¹⁹ The TTAB moved past the preclusion barrier, considered the evidence, and maintained its holding that the term in question was generic.ⁿ²²⁰ As such, simply allowing an issue to proceed to trial does not automatically mean that the mark has assumed trademark significance.

Still, courts should take a relatively liberal approach to avoiding the application of changed circumstances: new evidence that is directly probative of consumer understanding (like a survey) or shifts in market structure that might easily change how consumers understand a word should be a sufficient basis to find changed circumstances and avoid preclusion. For example, the District Court for the District of Rhode Island, in *Miller Brewing Co v Falstaff Brewing Corp*,ⁿ²²¹ took a functional approach: it saw dramatic changes in the structure of the market (the light-beer market was just starting to develop and was expanding rapidly) and concluded that earlier decisions were inapplicable.ⁿ²²² The evidence presented in response to the motion for summary judgment in *Gaylord Entertainment v Gilmore Entertainment Group*ⁿ²²³ is also a good guide to what is sufficient to find changed circumstances. The court did not explicitly rely on the evidence of primary significance, but it should have (and the evidence may have informed its finding of changed circumstances anyway).ⁿ²²⁴ The survey evidence presented should have been enough to show changed circumstances: the evidence indicated a 60 percent association between "1-800-THE-OPRY" and Gaylord's business among country music listeners, the relevant market.ⁿ²²⁵ The court should have taken a liberal approach by accepting this evidence without delving into the suitability of the survey methods.

The TTAB also takes a relatively permissive approach in allowing for the reexamination of an attempted registration previously denied as generic. In *In re Hotels.com*, the presence of new survey evidence, which qualified as changed circumstances, was enough to avoid issue preclusion.ⁿ²²⁶ But the TTAB did not look at the survey's methodology before finding changed circumstances; [*508] in fact, it noted "deficiencies" after it avoided issue preclusion.ⁿ²²⁷ Similarly, in *In re Johanna Farms, Inc.*,ⁿ²²⁸ the TTAB reexamined a mark previously adjudicated to be generic when it was presented with new survey evidence.ⁿ²²⁹

2. Courts should abandon inordinate proof barriers to reprotection.

Although the Eleventh and First Circuits have left open the possibility that formerly generic signifiers might regain protection, the standards of proof that they set are nearly insurmountable. The Eleventh Circuit requires "radical" change,ⁿ²³⁰ while the First Circuit reasons that a mark can regain protection only after it becomes obsolete.ⁿ²³¹ But because reprotection produces a number of benefits, courts should work to make it possible. As one commentator notes: "If it only takes 51% of the consuming public to make a company lose a trademark, why should it take more than 51% of the consuming public ... to get it back?"ⁿ²³² The Lanham Act includes the primary-significance test as the statutory line-drawing mechanism in determining whether a mark is generic.ⁿ²³³ It is consistent with the fundamental structure of trademark law, then, to use that test as the dividing line in all instances.

The super-strength de facto secondary meaning doctrine should also be discarded. The doctrine acknowledges that facts can change and that marks adjudicated to be generic can take on trademark significance - if they could not, courts would not need this doctrine to serve as a barrier. To even be subject to rejection because it has only de facto secondary meaning (under the super-strength version of the doctrine), a mark must undergo two steps: First, it must be - either by genericide or by virtue of never having been protected - generic. Second, the mark must take on primary significance; however, the super-strength version of the de facto secondary meaning doctrine still stands as a rote bar to registration of precisely those marks for which [*509] "exclusive use of a generic term [by a producer] causes customers to associate the term with that specific source."ⁿ²³⁴ While a descriptive term would be protectable, the doctrine provides that a formerly generic term is not.

The doctrine persists as a denial of protection, grounded in the idea that, regardless of "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."ⁿ²³⁵ But as one commentator correctly argues, the super-strength de facto secondary meaning doctrine "is unsound and at odds with fundamental principles of trademark law... . Once a mark has acquired sufficient secondary meaning such that its primary significance is to identify a producer, that mark is no longer generic. It has become a mark."ⁿ²³⁶ Courts should not rely on the automatic bar provided by the doctrine when facts have changed - rather, they should give full consideration to the factual circumstances that they face.

C. Protecting Defendants

It is true that issue preclusion serves to prevent litigants from relitigating in the hope of attaining a different result. Cutting away the doctrine's protection without providing a replacement would destabilize trademark law, because users of generic terms would more frequently be subject to challenge. Professor McCarthy, a supporter of allowing trademark status to return to "formerly generic names," suggests that courts "are fearful that opening the door even a crack will allow spurious claims of trademark status for generic names based on shaky and unreliable evidence of customer perception."ⁿ²³⁷ Weakening the bar provided by issue preclusion might also create a problem of offensive litigation: large firms might file suits asserting rights in marks that they no longer own against smaller market entrants, hoping to use the costs of litigation as a way of restraining [*510] competition.ⁿ²³⁸ However, through the fee-shifting provision of § 35(a) of the Lanham Act, these problems can be minimized.

1. Using fee-shifting to protect defendants.

Allowing litigants to escape issue preclusion would pose a finality issue: a business will never be able to completely rely on a prior determination of a trademark's generic status. It is valuable for firms to be able to look to past adjudications of the status of a term and rely on the court's determination - otherwise, a transaction cost is imposed on new entrants and on the judicial system, which must bear the expense of repeated litigation. But this potential problem can be limited by employing the one-way-fee-shifting provision of the Lanham Act, imposing the expense of a losing attempt to assert a right to a mark previously adjudicated as generic on the party bringing the suit. This would deter specious claims by increasing the expected cost of litigation and encourage defendants to fully litigate claims that they might otherwise settle (through the corresponding reduction in expected litigation costs).

Section 35(a) of the Lanham Act provides that "the court in exceptional cases may award reasonable attorney fees to the prevailing party."ⁿ²³⁹ Use of this provision would encourage parties to bring suit asserting protection in a generic mark only in meritorious cases. It is true that large firms would still have some incentive to bring litigation aimed at driving competitors from the market. But the prospect of paying double the normal cost of a lawsuit would decrease this incentive, even if it would not wholly eliminate it. The unpredictability of cost in the first place would also decrease the incentive to sue. Predictable legal costs are valuable from a decisionmaking perspective, so anything that increases risk - as one-way fee-shifting does - would decrease the incentive to bring a lawsuit.ⁿ²⁴⁰

[*511] Courts of appeals are hardly in agreement as to what actually constitutes an "exceptional case."ⁿ²⁴¹ But division between the circuits should not serve as a bar to the provision of attorneys' fees - under any interpretation, fees should be available against a plaintiff that loses in an attempt to claim a still-generic mark. For example, the circuits are split as to whether bad faith is a necessary condition to the award of fees.ⁿ²⁴² In the circuits that do not require bad faith, fees are generally awarded in accordance with broad equitable principles.ⁿ²⁴³ One consideration is whether a party has made a "groundless" or "unreasonable" claim.ⁿ²⁴⁴ In *Secalt S.A. v Wuxi Shenxi Construction Machinery Co.*,ⁿ²⁴⁵ the Ninth Circuit affirmed a holding that a suit was unreasonable because the plaintiffs could not provide "any evidence to support their assertion that the trade dress was not functional."ⁿ²⁴⁶ Given the parallels between functionality and genericness, this is akin to a plaintiff coming to court with no evidence that the mark at issue is not generic. As a determination that the mark was generic would already exist in a case for reProtection, courts could easily expand this principle to cover situations in which plaintiffs bring insufficient evidence - defined as any quantity that does not support a finding of protection. It is apparent that a losing attempt to reassert trademark protection in a term lacks merit, particularly because the party began the lawsuit in full view of a determination that it had no right to the mark to begin with.

[*512] Some courts require even less. In construing the Lanham Act's fee-shifting provision, the DC Circuit has treated those cases that are "uncommon [and] not run-of-the-mine" as "exceptional."ⁿ²⁴⁷ It is certainly the case that an attempt to reestablish the protected status of a trademark is not common, and it would not likely be attempted frequently. The DC Circuit, among other courts, has also recognized that "economic coercion" can support the discretionary award of fees.ⁿ²⁴⁸ While the DC Circuit considered abusive forum selection to be "economic coercion,"

the principle behind its decision holds in the spurious-reprotection context: if the plaintiff makes choices in litigation with the aim of compelling a result because its opponent cannot afford another outcome, an award of fees is warranted. ⁿ²⁴⁹ This principle applies with equal force in the context of reprotection, and fees should be available.

In circuits in which bad faith is required, ⁿ²⁵⁰ courts look at similar considerations but require "a high degree of culpability." ⁿ²⁵¹ Viewed against a baseline of no litigation, a meritless claim of right in a generic term needlessly increases attorneys' fees. If the plaintiff loses, the court effectively has determined that the plaintiff sued based on a right that it did not have. The existing adjudication that the mark at issue is generic is - unless the plaintiff can rebut it - ex ante evidence that the plaintiff has no cognizable right. ⁿ²⁵² On this basis, courts should use their discretion to find that the plaintiff proceeded in bad faith. This would have the effect of deterring competition-suppressing litigation.

Awarding fees against a plaintiff that pursues unsuccessful reprotection litigation is also consistent with the purpose of the Lanham Act's fee-shifting provision: "Awarding attorney's fees to a prevailing defendant is meant to "provide protection against unfounded suits brought by trademark owners for harassment [*513] and the like." ⁿ²⁵³ Courts should consider an unsuccessful attempt at reprotection to be unfounded even if the plaintiff has some evidence to support its claim, because such evidence was brought in the face of a prior judicial adjudication that the mark was not protected.

If the plaintiff wins, it is not necessary to use § 35(a) to shift fees in the opposite direction (onto defendants) - the second user of the mark will be subject to the remedies set out in § 35. The Lanham Act grants the power to award both damages and injunctions. ⁿ²⁵⁴ To avoid surprise, and in keeping with the equitable principles set out in the legislative history of the statute, ⁿ²⁵⁵ courts might allow damages only if the mark has been reregistered. A user who has reproprotected a mark but who has not reregistered it could be allowed injunctive relief, but not monetary recovery. ⁿ²⁵⁶ This would have two benefits. First, firms would be incentivized to initially reassert their mark to an examining attorney at the PTO. Second, firms using a term in commerce would be able to rely on the fact that potential losses would be limited. To be sure, firms will incur a cost if they are forced to stop using a particular term. But this cost is small and will be uniform throughout the market - all firms will have to use a new generic signifier (because the firm that reproprotects a mark will want to ensure that it does not lose the mark again). As such, any competitive harm will be minimal.

2. The remaining issue of weaponization.

While one-way fee-shifting will eliminate many of the issues raised by the circumvention of issue preclusion, it might not solve the problem of weaponization. The abuse of intellectual property rights is a problem in copyright ⁿ²⁵⁷ and patent law, ⁿ²⁵⁸ so [*514] it stands to reason that the clarification of a right creates a potential for offensive litigation in the trademark context as well. In this revised trademark regime, a large firm might make a claim of infringement, premised on reprotection, against a competitor in an attempt to financially burden that competitor's use of a generic term. But several factors - beyond the normal backstop of FRCP 11 ⁿ²⁵⁹ - combine to minimize this problem.

The incentive to bring abusive litigation will be decreased by the fact that only a formal adjudication that the mark is no longer generic can return the term to protected status. While a firm might be able to drive a smaller competitor into a settlement and a name change, a settlement will not create a property right that the large firm can enforce against all competitors. ⁿ²⁶⁰ And because the plaintiff will not begin the suit with a clearly defined property right, it is likely that, instead of the defendant paying the plaintiff (as would be expected in a typical patent, trademark, or copyright settlement), settlements will take the same form as the Lindows settlement: with the plaintiff paying the defendant. ⁿ²⁶¹ A series of lawsuits and settlements aimed at essentially buying back a trademark would be an inefficient way to clear the market of competition - it might work if one other firm were using the generic signifier that the large firm hopes to adopt, but in a multiproducer market, substantial effort and expense would be required. A firm that actually hopes to own the mark will likely wait until it has a meaningful chance of success.

As noted above, allowing for a changed-circumstances exception to issue preclusion does not mean that the

doctrine would never apply. ⁿ²⁶² Consider the term "ale house." When Miller's brought suit the second time, it was clear that the term [*515] was still generic - and it is hard to imagine that the term could ever escape generic status. ⁿ²⁶³ The court's application of preclusion was thus entirely appropriate. Future courts should take the same approach. When the evidence presented does not show that the significance of the mark has changed - as in Miller's Ale House, in which the plaintiff presented two customer statements and a few employee declarations ⁿ²⁶⁴ - courts should not hesitate to apply issue preclusion in response to a motion for summary judgment.

It is true that the cost of proceeding to summary judgment can be onerous. ⁿ²⁶⁵ While the costs would be recoverable through the fee-shifting provision discussed above, the out-of-pocket expense may be too great for a small party to bear. But when a party attempts to reclaim a generic mark, the burden at summary judgment falls on that party to bring competent evidence showing that the mark is not generic. ⁿ²⁶⁶ The party making purportedly generic use has no obligation to show that the mark remains generic, and the mere fact that a plaintiff has enough new evidence to avoid the changed-circumstances preclusion barrier does not guarantee victory at summary judgment. If the plaintiff cannot show change, the only costs that the party making generic use of the term will incur are the costs of discovery and of preparing and filing a summary judgment motion under Rule 56. ⁿ²⁶⁷ On the whole, then, the cost of litigating the case to summary judgment - when preclusion might be applied - will be minimal in the context of an abusive action. ⁿ²⁶⁸ If the party [*516] bringing suit can come up with competent survey evidence to support its point - which is likely not difficult - the defendant has the option to commission its own survey (a short-term expense that may be alleviated in part by fee-shifting). And if, viewing the evidence in the light most favorable to the nonmoving party, the plaintiff's survey does appear to show that the term is not generic, the possibility that the term has actually been reclaimed is worth the expense to the defendant of going to trial.

Only the truly contested cases, then, will require the full expense of trial. It is possible that, in some cases, a small firm with a meritorious defense will be forced to abandon litigation (or accept an unfavorable settlement) for want of financing. That a party might not be able to fully finance its litigation is a risk inherent in the American legal system - a system that forces even victorious parties to pay their own expenses necessarily burdens those with few resources. ⁿ²⁶⁹ But because of the nature of the evidentiary burdens at the summary judgment stage and the disincentive provided by the fee-shifting provisions, nonmeritorious cases are unlikely. Weighed against the broad social benefits that will accrue from allowing the possibility of reprotection, this is a cost worth bearing.

Conclusion

A finding of genericness ought not to be the final word in the life of a mark. If a generic term falls into disuse and primary significance can be reestablished, society benefits from the term's reprotection as a trademark. In such a case, issue preclusion ought not to be a bar to reprotection. Proper incentives and a reduction of abusive litigation can instead be achieved through the use of one-way fee-shifting. Through this mechanism, society can take advantage of the stock of disused formerly generic terms without risking anticompetitive behavior by dominant market players.

Legal Topics:

For related research and practice materials, see the following legal topics:

Civil Procedure Judgments Preclusion & Effect of Judgments Estoppel Collateral Estoppel Trademark Law Infringement Actions General Overview Trademark Law Subject Matter Names Generic Names General Overview

FOOTNOTES:

n1. See, for example, *The Murphy Door Bed Co v Interior Sleep Systems, Inc*, 874 F2d 95, 97 (2d Cir 1989) (holding that "'Murphy bed' is a generic term, having been appropriated by the public to designate generally a type of bed").

n2. See Part I.B.

n3. 817 F Supp 2d 846 (WD La 2011).

n4. Id at 852.

n5. Id at 853.

n6. See Lanham Act § 7(b), 15 USC § 1057(b). Generic marks cannot be registered. See J. Thomas McCarthy, 2 McCarthy on Trademarks and Unfair Competition § 12:57 at 12-220 to -221 (Thomson Reuters 4th ed 2014).

n7. Firefly Digital, 817 F Supp 2d at 854.

n8. Id at 859-60.

n9. Id at 867-68.

n10. For instance, iGoogle has since been deactivated. See What Happened to iGoogle? (Google, 2013), archived at <http://perma.cc/MEB4-DQAF>.

n11. See Part II.B.3.

n12. See Part II.A.

n13. See Part II.B. Issue preclusion is also frequently referred to as "collateral estoppel." See Charles Alan Wright, et al, 18 Federal Practice and Procedure: Jurisdiction and Related Matters § 4402 at 7-20 (West 2014 Supp).

n14. Lanham Act § 45, 15 USC § 1127.

n15. See William M. Landes and Richard A. Posner, The Economic Structure of Intellectual Property Law 179 (Harvard 2003). See also Union National Bank of Texas, Laredo, Texas v Union National Bank of Texas, Austin, Texas, 909 F2d 839, 842 (5th Cir 1990) ("Ownership of trademarks is established by use, not by registration.").

n16. Champions Golf Club, Inc v The Champions Golf Club, Inc, 78 F3d 1111, 1117 (6th Cir 1996).

n17. "A fanciful mark is a coined word or phrase, such as Kodak, invented solely to function as a trademark." Dreamwerks Production Group, Inc v SKG Studio, 142 F3d 1127, 1130 n 7 (9th Cir 1998).

n18. "An arbitrary mark, such as Dutch Boy on a can of paint, uses common words in a fictitious and arbitrary manner to create a distinctive mark which identifies the source of the product." *Id.*

n19. A suggestive mark is a sort of hybrid of arbitrary and descriptive marks. Suggestive marks "shed some light upon the characteristics of the goods, but so applied they involve an element of incongruity." *General Shoe Corp v Rosen*, 111 F2d 95, 98 (4th Cir 1940). "For example, the mark BRILLIANT may be 'descriptive' on diamonds, 'suggestive' on furniture polish, and 'arbitrary' on canned applesauce." McCarthy, 2 McCarthy on Trademarks and Unfair Competition § 11:64 at 11-201 (cited in note 6).

n20. *Park 'N Fly, Inc v Dollar Park and Fly, Inc*, 469 US 189, 194 (1985). For other examples of generic terms, see McCarthy, 2 McCarthy on Trademarks and Unfair Competition § 12:18 at 12-66 to -84 (cited in note 6).

n21. See *Dranoff-Perlstein Associates v Sklar*, 967 F2d 852, 862 (3d Cir 1992).

n22. *In re MBNA Bank, NA*, 340 F3d 1328, 1332 (Fed Cir 2003) (explaining the thin line between descriptive and suggestive marks).

n23. See, for example, *Peaceable Planet, Inc v Ty, Inc*, 362 F3d 986, 988 (7th Cir 2004).

n24. In *Peaceable Planet*, which concerned Beanie Babies, Judge Richard Posner provided another example that explains the rationale for the default nonprotection of descriptive marks: "Had Peaceable Planet named its camel 'Camel,' that would be a descriptive mark in a relevant sense, because it would make it very difficult for Ty to market its own camel - it wouldn't be satisfactory to have to call it 'Dromedary' or 'Bactrian.'" *Id.*

n25. *Id.*

n26. *Safeway Stores, Inc v Safeway Properties, Inc*, 307 F2d 495, 499 (2d Cir 1962). See also McCarthy, 2 McCarthy on Trademarks and Unfair Competition § 15:8 at 15-20 to -24 (cited in note 6).

n27. *Innovation Ventures, LLC v N2G Distributing, Inc*, 779 F Supp 2d 671, 675-78 (ED Mich 2011).

n28. See *In re Owens-Corning Fiberglas Corp*, 774 F2d 1116, 1127-28 (Fed Cir 1985).

n29. This Comment primarily concerns linguistic trademarks. However, trade dress, symbols, and even colors can also be protected as

marks and become generic. See McCarthy, 2 McCarthy on Trademarks and Unfair Competition § 12:36.50 at 12-140 n 2 (cited in note 6).

n30. See Lanham Act § 14, 15 USC § 1064 (providing that a mark's registration may be canceled if the mark becomes generic).

n31. See *Knights Armament Co v Optical Systems Technology, Inc*, 654 F3d 1179, 1187 (11th Cir 2011).

n32. *E.T. Browne Drug Co v Cococare Products, Inc*, 538 F3d 185, 192 (3d Cir 2008), quoting *Dranoff-Perlstein Associates*, 967 F2d at 859. This primary-significance test is also set out by statute. See Lanham Act § 14(3), 15 USC § 1064(3) ("The primary significance of the registered mark to the relevant public ... shall be the test for determining whether the registered mark has become the generic name of goods or services on or in connection with which it has been used.").

n33. *E.T. Browne Drug*, 538 F3d at 192.

n34. See Lanham Act §§1-22, 15 USC §§1051-72.

n35. Lanham Act § 32, 15 USC § 1114.

n36. Lanham Act § 14, 15 USC § 1064.

n37. Lanham Act § 43, 15 USC § 1125.

n38. Lanham Act § 43(a), 15 USC § 1125(a).

n39. See Landes and Posner, *The Economic Structure of Intellectual Property Law* at 186 (cited in note 15). See also 17 USC §§302-05 (setting the copyright term); 35 USC §§154, 156, 173 (setting the term for utility patents, conditions for an extension, and the term for design patents, respectively).

n40. *Kohler Co v Moen Inc*, 12 F3d 632, 637 (7th Cir 1993).

n41. Landes and Posner, *The Economic Structure of Intellectual Property Law* at 186 (cited in note 15).

n42. See *id.*

n43. William M. Landes and Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J L & Econ 265, 268-69 (1987). The conception of trademarks as indicating "the source and quality of products, thereby reducing the costs of searching for goods" has become the "dominant theoretical account" of trademark law. Mark P. McKenna, *A Consumer Decision-Making Theory of Trademark Law*, 98 Va L Rev 67, 73-81 (2012).

n44. Landes and Posner, *The Economic Structure of Intellectual Property Law* at 186 (cited in note 15).

n45. In this way, trademarks allow firms to charge higher nominal prices. For example, say Tide (a company with a strong trademark) can sell its detergent for \$ 5. Consumers know what they are getting when they buy Tide, so search costs are low - a look at the bottle and the name tells consumers what they need to know. A company with no trademark would have to provide more information about the product. This increases search costs. That company therefore cannot succeed in the market if it charges \$ 5: Tide's all-in price to the consumer is (\$ 5 + X), where X is the search cost, while the unbranded detergent costs (\$ 5 + some multiple of X). The company selling unbranded detergent must lower its nominal price to present the same all-in price to the consumer.

n46. Ariel Katz, *Beyond Search Costs: The Linguistic and Trust Functions of Trademarks*, 2010 BYU L Rev 1555, 1559 ("Consumers [] rely on [] trademarks as mental shortcuts when making purchasing decisions.").

n47. See Deven R. Desai and Sandra L. Rierison, *Confronting the Genericism Conundrum*, 28 *Cardozo L Rev* 1789, 1790 (2007). See also *id* at 1794 ("Trademarks are powerful tools in a company's economic arsenal. Indeed, much of a company's value and potential for long-term growth can be traced to its brand value.").

n48. See *id* at 1797 ("Genericide poses the ultimate threat, as it can reduce the value of [a] billion-dollar mark to zero.").

n49. *Southwestern Bell Telephone Co v Nationwide Independent Directory Service, Inc*, 371 F Supp 900, 909 (WD Ark 1974).

n50. See *AmCan Enterprises, Inc v Renzi*, 32 F3d 233, 234 (7th Cir 1994).

n51. *Kellogg Co v National Biscuit Co*, 305 US 111, 116-17 (1938).

n52. *Eastern Air Lines, Inc v New York Air Lines, Inc*, 559 F Supp 1270, 1274-76 (SDNY 1983).

n53. *Loctite Corp v National Starch and Chemical Corp*, 516 F Supp 190, 199-201 (SDNY 1981).

n54. *Donald F. Duncan, Inc v Royal Tops Manufacturing Co*, 343 F2d 655, 667 (7th Cir 1965).

n55. See, for example, Charles R. Taylor and Michael G. Walsh, *Legal Strategies for Protecting Brands from Genericide: Recent Trends in Evidence Weighted in Court Cases*, 21 *J Pub Pol & Mktg* 160, 161-62 (Spring 2002) (discussing advertising and consumer surveys as ways to avoid genericide).

n56. Timothy Denny Greene and Jeff Wilkerson, Understanding Trademark Strength, 16 Stan Tech L Rev 535, 575 (2013).

n57. See *Ty Inc v Softbelly's, Inc*, 353 F3d 528, 532 (7th Cir 2003).

n58. See, for example, *Bayer Co v United Drug Co*, 272 F 505, 510 (SDNY 1921) (reasoning that consumers had come to recognize "aspirin" as a compound, rather than a brand, and denying trademark protection).

n59. See Lanham Act § 45, 15 USC § 1127 (defining a mark as "abandoned" when it "loses its significance").

n60. See McCarthy, 2 McCarthy on Trademarks and Unfair Competition § 12:31 at 12-126 to -127 (cited in note 6). See also Marc C. Levy, From Genericism to Trademark Significance: Deconstructing the De Facto Secondary Meaning Doctrine, 95 Trademark Rptr 1197, 1206 (2005).

n61. *Singer Manufacturing Co v June Manufacturing Co*, 163 US 169, 173-74 (1896).

n62. *Id* at 170.

n63. *Id* at 180.

n64. *Singer Manufacturing Co v Briley*, 207 F2d 519, 520 (5th Cir 1953) ("Briley").

n65. 207 F2d 519 (5th Cir 1953).

n66. The Fifth Circuit agreed that Singer was entitled to relief, but the court was "not convinced" that the remedy granted by the district court would work. *Id.* at 522. The Fifth Circuit therefore amended the decree to allow for the possibility of later modifications. *Id.*

n67. *Id.* at 520 n.3.

n68. *Id.*

n69. The "Goodyear Rubber" mark may also have returned to trademark significance. See McCarthy, 2 McCarthy on Trademarks and Unfair Competition § 12:32 at 12-127 to -128 (cited in note 6). The term was adjudicated to be generic in 1888. See *Goodyear's India Rubber Glove Manufacturing Co v Goodyear Rubber Co*, 128 US 598, 602 (1888). But see McCarthy, 2 McCarthy on Trademarks and Unfair Competition § 12:32 at 12-128 (cited in note 6) (stating that it is not clear whether the Supreme Court held the term to be descriptive or whether it held the term to be generic). A Minnesota district court found that the term had returned to trademark significance, though its decision rejected the prior adjudication of the term as descriptive as irrelevant to the case at hand. See *Goodyear Tire & Rubber Co v H. Rosenthal Co*, 246 F Supp 724, 728 (D Minn 1965). The Second Circuit, however, last judged the term to be generic. See *Rettinger v Federal Trade Commission*, 392 F2d 454, 454 n.2 (2d Cir 1968).

n70. See *Dixiepig Corp v Pig Stand Co*, 31 SW2d 325, 326 (Tex Civ App 1930). See also text accompanying notes 138-47.

n71. See *Parklane Hosiery Co v Shore*, 439 US 322, 326 (1979) ("Collateral estoppel ... has the dual purpose of protecting litigants from the burden of relitigating an identical issue with the same party ... and of promoting judicial economy by preventing needless litigation.").

n72. *Montana v United States*, 440 US 147, 153 (1979).

n73. *Gelb v Royal Globe Insurance Co*, 798 F2d 38, 44 (2d Cir 1986).

n74. Wright, et al, 18A Federal Practice and Procedure: Jurisdiction and Related Matters § 4464 at 692-93 (cited in note 13).

n75. Commissioner of Internal Revenue v Sunnen, 333 US 591, 600 (1948).

n76. Scooper Dooper, Inc v Kraftco Corp, 494 F2d 840, 846 (3d Cir 1974).

n77. See Spradling v City of Tulsa, 198 F3d 1219, 1223 (10th Cir 2000).

n78. See, for example, United States Gypsum Co v Indiana Gas Co, 350 F3d 623, 630 (7th Cir 2003) (determining that a 1997 opinion that used "to date" could be reevaluated in 2003).

n79. Two other courts of appeals and a district court have hinted at this possibility but did not fully accept it. See Harley-Davidson, Inc v Grottanelli, 164 F3d 806, 811 (2d Cir 1999) (reasoning in dicta that "if a generic word could ever be infused with trademark significance, the word must have ceased to have current generic meaning"); New Kids on the Block v New America Publishing, Inc, 971 F2d 302, 306 n 4 (9th Cir 1992) ("An interesting question is whether a word, although once generic, may become protectable."); Microsoft Corp v Lindows.com, Inc, 2002 WL 31499324, 14 (WD Wash) (allowing for the possibility that, at trial, Microsoft might be able to "reclaim[] [Windows] from the public domain"). However, the district court in Microsoft later took a contrary position in that same litigation. See Microsoft Corporation v Lindows.com, Inc, 2004 WL 329250, 2 (WD Wash). See also Levy, 95 Trademark Rptr at 1218 (cited in note 60).

n80. See Opryland USA Inc v Great American Music Show, Inc, 970 F2d 847, 853 (Fed Cir 1992).

n81. WSM, Inc v Hilton, 545 F Supp 1212, 1215 (WD Mo 1982) ("Hilton").

n82. Id at 1213-14.

n83. *Id.* at 1218, quoting *Bayer Co v United Drug Co*, 272 F 505, 509 (SDNY 1921).

n84. *Hilton*, 545 F Supp at 1218.

n85. *Id.*

n86. *Id.* at 1219.

n87. *WSM, Inc v Hilton*, 724 F2d 1320, 1329 (8th Cir 1984).

n88. 970 F2d 847 (Fed Cir 1992).

n89. *Id.* at 849.

n90. See *id.* at 853.

n91. *Id.*

n92. *Opryland USA*, 970 F2d at 853.

n93. See Gaylord Entertainment Co v Gilmore Entertainment Group, 187 F Supp 2d 926, 937 (MD Tenn 2001).

n94. Id at 930.

n95. Gaylord Entertainment Co v Gilmore Entertainment Group, LLC, No 3-99-0629, slip op at 1 (MD Tenn Oct 21, 2002).

n96. Gaylord Entertainment Co, 187 F Supp 2d at 936.

n97. Id.

n98. 724 F2d 1320 (8th Cir 1984). See also text accompanying notes 81-87.

n99. 297 F Supp 870 (MD Tenn 1969) ("Bailey").

n100. Gaylord Entertainment Co, 187 F Supp 2d at 941.

n101. Id.

n102. Id at 942.

n103. Id at 939.

n104. Opryland USA, 970 F2d at 853.

n105. See Gaylord Entertainment Group, 187 F Supp 2d at 942, citing Opryland USA, 970 F2d at 853.

n106. Gaylord Entertainment Co, slip op at 1.

n107. Gaylord Entertainment Co, Trademark No 3,858,951 (registered Oct 12, 2010).

n108. 702 F3d 1312 (11th Cir 2012).

n109. Ale House Management, Inc v Raleigh Ale House, Inc, 205 F3d 137, 140-41 (4th Cir 2000).

n110. Id at 141.

n111. Miller's Ale House, 702 F3d at 1315.

n112. See id at 1317-21.

n113. *Id* at 1321.

n114. *Id* at 1319.

n115. *Miller's Ale House*, 702 F3d at 1320.

n116. *Miller Brewing Co v G. Heileman Brewing Co*, 561 F2d 75, 80-81 (7th Cir 1977). See also text accompanying notes 129-33.

n117. 655 F2d 5 (1st Cir 1981).

n118. *Id* at 7.

n119. *Id* at 8, quoting *Abercrombie & Fitch Co v Hunting World, Inc*, 537 F2d 4, 9 (2d Cir 1976).

n120. *Falstaff*, 655 F2d at 9.

n121. See *id*. That a term might cease to have generic meaning "in current usage" is confirmed by the court's consideration of *Miller Brewing's* evidence. Although *Miller Brewing* was able to demonstrate that "the public perception of *Miller* as the source of 'LITE' has increased and become dominant in the public mind," no reProtection was allowed. *Id*.

n122. See *Opryland USA*, 970 F2d at 853.

n123. See *Central Green Co v United States*, 531 US 425, 431 (2001) ("Dicta may be followed if sufficiently persuasive but are not binding.") (quotation marks omitted).

n124. See *Opryland USA*, 970 F2d at 853 (explaining that whether the mark remained generic was "not the subject" of the proceedings).

n125. *Miller's Ale House*, 702 F3d at 1320.

n126. *Falstaff*, 655 F2d at 8 n 2.

n127. See *Levy*, 95 Trademark Rptr at 1197-98 (cited in note 60) ("Such a capture of a trademark is not possible unless the mark at issue had started out as a trademark.").

n128. *Briley*, 207 F2d at 520 n 2.

n129. 561 F2d 75 (7th Cir 1977).

n130. *Id* at 77.

n131. *Id* at 80-81.

n132. *Miller Brewing Co v Joseph Schlitz Brewing Co*, 605 F2d 990, 991 (7th Cir 1979).

n133. Id at 996 (citations omitted).

n134. Id.

n135. Here, the court was comfortable enough in its application of issue preclusion that it disregarded a consumer survey. See id at 995.

n136. 951 F2d 684 (5th Cir 1992).

n137. Id at 687. Interestingly, the "pig sandwich" mark was registered. Id.

n138. Dixiepig Corp, 31 SW2d at 326.

n139. Id at 328.

n140. Id at 327-28.

n141. See text accompanying notes 22-28.

n142. See Hard Rock Cafe, 951 F2d at 691.

n143. See *id.* This reasoning highlights the practical impact of a finding that a term is descriptive rather than generic in addition to the fundamental problem with allowing descriptive, but not generic, terms to take on secondary meaning.

n144. *Id.*

n145. See *id.*

n146. For useful background on the doctrine, see Desai and Rierson, 28 *Cardozo L. Rev.* at 1844-46 (cited in note 47).

n147. McCarthy, 2 McCarthy on Trademarks and Unfair Competition § 12:47 at 12-186 (cited in note 6).

n148. *America Online, Inc v AT&T Corp*, 243 F3d 812, 822 (4th Cir 2001).

n149. McCarthy, 2 McCarthy on Trademarks and Unfair Competition § 12:47 at 12-187 (cited in note 6).

n150. *Id.*

n151. See *Roselux Chemical Co v Parsons Ammonia Co*, 299 F2d 855, 863 (CCPA 1962) ("To show that a common descriptive name has acquired a de facto secondary meaning, in the sense that some or even many people have come to associate it with a particular producer, is not in itself enough to show that it has become entitled to registration as a trademark.").

n152. McCarthy, 2 McCarthy on Trademarks and Unfair Competition § 12:47 at 12-190 (cited in note 6).

n153. See *Canfield Co v Honickman*, 808 F2d 291, 297 (3d Cir 1986) (explaining that even "complete success ... in securing public identification" will not make a mark protectable once it is declared generic).

n154. See *Abercrombie & Fitch*, 537 F2d at 9 (stating that no producer can "deprive competing manufacturers of the product of the right to call an article by its name").

n155. See, for example, *Canfield*, 808 F2d at 297.

n156. See, for example, *America Online*, 243 F3d at 822.

n157. See *Surgicenters of America, Inc v Medical Dental Surgeries, Co*, 601 F2d 1011, 1014 (9th Cir 1979) ("[A generic term] cannot become a trademark under any circumstances.").

n158. See *Blinded Veterans Association v Blinded American Veterans Foundation*, 872 F2d 1035, 1045 n 22 (DC Cir 1989).

n159. See note 121 and accompanying text.

n160. *Abercrombie & Fitch*, 537 F2d at 9.

n161. See *Scooper Dooper*, 494 F2d at 846 ("It is well settled that changed factual circumstances can operate to preclude the application of collateral estoppel."). See also text accompanying notes 79-87.

n162. Joseph Schlitz Brewing, 605 F2d at 996.

n163. Hard Rock Cafe, 951 F2d at 691.

n164. See Levy, 95 Trademark Rptr at 1208 (cited in note 60).

n165. See Material Supply International, Inc v Sunmatch Industrial Co, 146 F3d 983, 990 (DC Cir 1998) (noting that courts defer to TTAB findings of fact because of its "expertise in handling trademark cases").

n166. J. Thomas McCarthy, 3 McCarthy on Trademarks and Unfair Competition § 21:1 at 21-2 to -3 (Thomson Reuters 4th ed 2014). After a filing for registration is made, the application is considered by an examining attorney at the PTO; if that application is refused, the applicant may appeal to the TTAB. See Lanham Act § 20, 15 USC § 1070. See also Trademark Process (US Patent and Trademark Office), archived at <http://perma.cc/BXQ4-VYF9>. Applications may also be opposed at the PTO by those who believe that they will be harmed by registration. See Lanham Act § 13, 15 USC § 1063. Finally, parties may petition the PTO for the cancellation of a registered mark. See Lanham Act § 14, 15 USC § 1064. In these cases, the TTAB is directly responsible for determining "the respective rights of registration." Lanham Act § 17(a), 15 USC § 1067(a).

n167. See Lanham Act § 21, 15 USC § 1071.

n168. In re Honeywell Inc, 8 USPQ2d 1600, 1601-02 (TTAB 1988).

n169. In re Hotels.com, 87 USPQ2d 1100, 1102 (TTAB 2008).

n170. Id at 1103.

n171. *Id* at 1110.

n172. See, for example, *Continental Airlines, Inc v United Air Lines, Inc*, 53 USPQ2d 1385, 1395 (TTAB 1999) ("Even if one has achieved de facto acquired distinctiveness in a generic term through promotion and advertising, the generic term is still not entitled to protection.").

n173. See McCarthy, 2 McCarthy on Trademarks and Unfair Competition § 12:47 at 12-186 to -199 (cited in note 6) (comparing the Board's application of what is termed "the 'regular strength' version of de facto secondary meaning" with "the 'super-strength' version of de facto secondary meaning").

n174. *Id* at § 12:47 at 12-189.

n175. See text accompanying notes 148-51.

n176. See *America Online, Inc v AT&T Corp*, 243 F3d 812, 823 (4th Cir 2001) (holding that the term "You have mail" is generic because it "has been and continues to be used by AOL and by others to alert online subscribers that there is [] e-mail in their electronic mailboxes").

n177. Levy, 95 Trademark Rptr at 1213 (cited in note 60).

n178. See Vanessa Bowman Pierce, *If It Walks Like a Duck and Quacks Like a Duck, Shouldn't It Be a Duck? How a "Functional" Approach Ameliorates the Discontinuity between the "Primary Significance" Tests for Genericness and Secondary Meaning*, 37 NM L Rev 147, 178 (2007) ("If consumers recognize that a term from the public domain identifies and distinguishes goods and indicates source, then it is a trademark - period.").

n179. Landes and Posner, *The Economic Structure of Intellectual Property Law* at 191 (cited in note 15).

n180. Ralph H. Folsom and Larry L. Teply, Trademarked Generic Words, 89 Yale L J 1323, 1344 (1980). For an example, see William M. Landes, Posner on Beanie Babies, 74 U Chi L Rev 1761, 1763 (2007) (explaining that the resale market for Beanie Babies would be harmed if sellers could not use the term "Beanies" to describe what they are selling).

n181. Landes and Posner, The Economic Structure of Intellectual Property Law at 191 (cited in note 15).

n182. See *id.*

n183. Robert G. Bone, Enforcement Costs and Trademark Puzzles, 90 Va L Rev 2099, 2124 (2004).

n184. See Briley, 207 F2d at 520 n 3.

n185. See text accompanying notes 49-54. For an example, see Google Successfully Defends Its Most Valuable Asset in Court (Forbes, Sept 15, 2014), archived at <http://perma.cc/95GS-BNKZ> (stating that the "Google" trademark - valued at \$ 113 billion - is "almost certainly ... Google's single most valuable asset").

n186. Landes and Posner, The Economic Structure of Intellectual Property Law at 195 (cited in note 15).

n187. *Id.*

n188. See Collins English Dictionary at "google", archived at <http://perma.cc/8PYV-4AA2>.

n189. Google has already undertaken some of the steps that firms use to stave off genericide. For example, Google encourages the use of generic signifiers - like "Google search" - every time its name is used and asks people not to use the name as a verb. See Rules for Proper Usage (Google), archived at <http://perma.cc/9EHQ-4RKQ>.

n190. Professors Ralph Folsom and Larry Teply note the problem: "An individual competitor or the firm that controls the mark may be unwilling to expend substantial resources on litigation that, if successful, would make the trademarked word equally available to all competitors in the market." Folsom and Teply, 89 Yale L J at 1338 (cited in note 180).

n191. 589 F Supp 2d 1211 (ED Cal 2008).

n192. Id at 1214-15.

n193. Id at 1220.

n194. See Landes and Posner, The Economic Structure of Intellectual Property Law at 167-68 (cited in note 15). See also note 44 and accompanying text.

n195. 2002 WL 31499324 (WD Wash).

n196. Id at 5-7.

n197. Id at 16.

n198. Microsoft Corporation's Motion to Determine and Certify Controlling Question of Law Pursuant to 28 U.S.C. § 1929(B), Microsoft Corp v Lindows.com, Inc, No C01-2115C (WD Wash filed Jan 15, 2004) ("Microsoft Motion").

n199. Levy, 95 Trademark Rptr at 1218 (cited in note 60), citing Microsoft Corp v Lindows.com, Inc, 2004 WL 329250 (WD Wash).

n200. See Software: Lindows and Microsoft Settle Suit (NY Times, July 20, 2004), archived at <http://perma.cc/F7WG-56GT>.

n201. See Landes and Posner, The Economic Structure of Intellectual Property Law at 195 (cited in note 15).

n202. See Folsom and Teply, 89 Yale L J at 1337 (cited in note 180) (describing the incentives to "select a generic word as [a] trademark"). It is likely that only the former owner of a trademark will attempt to recapture it - any residual goodwill will be associated with the first producer, so it will be difficult for a second firm to create an association with the mark.

n203. Desai and Rierson, 28 Cardozo L Rev at 1802 (cited in note 47).

n204. Greene and Wilkerson, 16 Stan Tech L Rev at 575 (cited in note 56).

n205. See *id.*

n206. See *Ty Inc v Softbelly's, Inc*, 353 F3d 528, 532 (7th Cir 2003).

n207. Scooper Dooper, 494 F2d at 846.

n208. See text accompanying notes 230-33.

n209. For an example of insignificant factual variation, see Ramallo Brothers Printing, Inc v El Dia, Inc, 490 F3d 86, 90-91 (1st Cir 2007).

n210. See Boynton Carolina Ale House, 702 F3d at 1320-21.

n211. 428 F3d 559 (5th Cir 2005).

n212. Id at 573-75.

n213. Registered trademarks achieve incontestable status - which confers a number of benefits - after "continuous use for five consecutive years subsequent to the date of [] registration." Lanham Act § 15, 15 USC § 1065.

n214. B & B Hardware, Inc v Hargis Industries, Inc, 569 F3d 383, 388 (8th Cir 2009).

n215. See, for example, In re La Salsa Holding Co, 1998 WL 80130, 3 (TTAB) (denying a trademark in "Fresh Mexican Grill" as generic but allowing reapplication with a disclaimer).

n216. The federal trademark statute is premised on the notion that words may shift in meaning to become generic over time. See Lanham Act § 14(3), 15 USC § 1064(3) (providing that a registered mark may be canceled if it "becomes the generic name for the goods or services, or a portion thereof, for which it is registered"). As Judge Giles Rich put it: "Rights in this field do not stay put. They are like ocean beaches; they shift around. Public behavior may affect them." Giles Rich, Trademark Problems as I See Them - Judiciary, 52 Trademark Rptr 1183,

1185 (1962).

n217. 605 F2d 990, 991 (7th Cir 1979).

n218. See *id.*

n219. 87 USPQ2d 1100 (TTAB 2008).

n220. See *id.* at 1110.

n221. 503 F Supp 896 (D RI 1980), *revd.*, 655 F2d 5 (1st Cir 1981).

n222. See *Falstaff Brewing Corp.*, 503 F Supp at 909-12.

n223. 187 F Supp 2d 926 (MD Tenn 2001).

n224. See *id.* at 941.

n225. *Id.* at 943.

n226. See *In re Hotels.com*, 87 USPQ2d at 1102-03.

n227. *Id.* at 1100.

n228. 8 USPQ2d 1408 (TTAB 1988).

n229. See *id.* at 1412-13.

n230. *Boynton Carolina Ale House*, 702 F3d at 1320.

n231. *Falstaff*, 655 F2d at 7 n.2.

n232. *Levy*, 95 Trademark Rptr at 1215 (cited in note 60). For a detailed discussion of standards of proof in the reProtection context, see *id.* at 1212-16.

n233. See Lanham Act § 14(3), 15 USC § 1064(3).

n234. *Boston Duck Tours, LP v Super Duck Tours, LLC*, 531 F3d 1, 21 (1st Cir 2008).

n235. *Abercrombie & Fitch Co v Hunting World, Inc*, 537 F2d 4, 9 (2d Cir 1976).

n236. Levy, 95 Trademark Rptr at 1198 (cited in note 60).

n237. McCarthy, 2 McCarthy on Trademarks and Unfair Competition § 12:47 at 12-194 to -195 (cited in note 6).

n238. See *Nightingale Home Healthcare, Inc v Anodyne Therapy, LLC*, 626 F3d 958, 962-63 (7th Cir 2010) (discussing strategic trademark litigation).

n239. Lanham Act § 35(a), 15 USC § 1117(a). Fee-shifting is available to both prevailing plaintiffs and prevailing defendants. See *Nightingale Home Healthcare*, 626 F3d at 963-64 (setting out a fee-shifting standard for both plaintiffs and defendants as victors).

n240. See Mark Liang and Brian Berliner, *Fee Shifting in Patent Litigation*, 18 Va J L & Tech 59, 95-100 (2013) (modeling how "pro-defendant, one-way fee shifting discourages the filing of litigation versus the American [no fee shifting] and British [two-way fee shifting] Rules"). Mark Liang and Brian Berliner modeled litigation in the patent context, but their results are directly applicable to trademark litigation.

n241. See generally Richard J. Leighton, *Awarding Attorneys' Fees in "Exceptional" Lanham Act Cases: A "Jumble" of "Murky" Law*, 102 Trademark Rptr 849 (2012).

n242. See *id.* at 866-76 (surveying the circuit split).

n243. See *id.* at 872-75 (providing an overview of the courts that take this approach).

n244. *Ji v Bose Corp*, 626 F3d 116, 129 (1st Cir 2010) (approving the district court's reference to "groundless arguments" as a reason to award fees); *Retail Services Inc v Freebies Publishing*, 364 F3d 535, 550 (4th Cir 2004) (listing "groundless arguments" as among the "pertinent considerations for judging a plaintiff's ... conduct"); *Eagles, Ltd v American Eagle Foundation*, 356 F3d 724, 729 (6th Cir 2004) ("The test requires an objective inquiry into whether the suit was unfounded when it was brought and a subjective inquiry into the plaintiff's conduct during litigation."); *Earthquake Sound Corp v Bumper Industries*, 352 F3d 1210, 1218 (9th Cir 2003) ("The issue is not necessarily one of bad faith: willful or deliberate infringement will suffice."); *National Association of Professional Baseball Leagues, Inc v Very Minor*

Leagues, Inc, 223 F3d 1143, 1147 (10th Cir 2000) (describing its test as being "essentially consistent" with other circuits that look for groundless claims); Hartman v Hallmark Cards, Inc, 833 F2d 117, 123 (8th Cir 1987) ("Bad faith is not a prerequisite to a Lanham Act fee award.").

n245. 668 F3d 677 (9th Cir 2012).

n246. *Id* at 687.

n247. *Noxell Corp v Firehouse No 1 Bar-B-Que Restaurant*, 771 F2d 521, 526 (DC Cir 1985).

n248. *Id* at 526-27. See also, for example, *Ale House Management*, 205 F3d at 144.

n249. *Noxell*, 771 F2d at 526-27.

n250. See *Leighton*, 102 Trademark Rptr at 869-72 (cited in note 241) (surveying the circuits that require some showing of bad faith).

n251. *Texas Pig Stands*, 951 F2d at 697.

n252. See *Tire Kingdom, Inc v Morgan Tire & Auto, Inc*, 253 F3d 1332, 1336 (11th Cir 2001) (finding bad faith in part because the plaintiff was in possession of evidence that undermined its case yet did not turn over that evidence to the defendant until one month before trial).

n253. *Eagles, Ltd*, 356 F3d at 729, quoting S Rep No 93-1400 (1974), reprinted in 1974 USCCAN 7132, 7136.

n254. See Lanham Act §§42, 43(a), 15 USC §§1116, 1117(a).

n255. See *TE-TA-MA Truth Foundation-Family of URI, Inc v The World Church of the Creator*, 392 F3d 248, 260-61 (7th Cir 2004) (reviewing the legislative history of the Lanham Act).

n256. See Mark P. McKenna, *Back to the Future: Rediscovering Equitable Discretion in Trademark Cases*, 14 *Lewis & Clark L Rev* 537, 547-50 (2010) (arguing that courts can use tailored injunctions to account for the interests of the minority of consumers who do not understand the primary significance of a term and potentially "remedy any confusion suffered" by this minority).

n257. See generally, for example, Lydia Pallas Loren, *Deterring Abuse of the Copyright Takedown Regime by Taking Misrepresentation Claims Seriously*, 46 *Wake Forest L Rev* 745 (2011) (considering abusive use of the notice-and-takedown provisions of the Digital Millennium Copyright Act). See also Cattleya M. Concepcion, Note, *Beyond the Lens of Lenz: Looking to Protect Fair Use during the Safe Harbor Process under the DMCA*, 18 *Geo Mason L Rev* 219, 231-33 (2010) (detailing the problem of abusive takedown notices).

n258. See Linda P. Nussbaum and John D. Radice, *Where Do We Go Now? The Hatch-Waxman Act Twenty-Five Years Later: Successes, Failures, and Prescriptions for the Future*, 41 *Rutgers L J* 229, 237-39 (2009) (detailing abuses of the Hatch-Waxman Act). See also generally Emily H. Chen, *Making Abusers Pay: Deterring Patent Litigation by Shifting Attorneys' Fees*, 28 *Berkeley Tech L J* 351 (2013) (proposing a one-way-fee-shifting system for abusive patent suits); James Bessen, Jennifer Ford, and Michael J. Meurer, *The Private and Social Costs of Patent Trolls*, 34 *Reg* 26 (Winter 2011-2012).

n259. See FRCP 11(b)-(c) (authorizing sanctions against a party that files a groundless "pleading, written motion, or other paper").

n260. See *Software: Lindows and Microsoft Settle Suit* (cited in note 200).

n261. See *id.*

n262. See Part III.B.1.

n263. See text accompanying notes 111-15.

n264. *Miller's Ale House*, 702 F3d at 1320-22.

n265. See Martha Neil, *Litigation Too Costly, E-Discovery a 'Morass,' Trial Lawyers Say*, ABA J L News Now (ABA J, Sept 9, 2008), archived at <http://perma.cc/JW5P-FAXL>.

n266. See *Celotex Corp v Catrett*, 477 US 317, 331 (1986) (Brennan dissenting) ("The burden of production imposed by Rule 56 requires the moving party to make a prima facie showing that it is entitled to summary judgment.").

n267. See FRCP 56(c)(1)(B).

n268. It is true that if the costs of proceeding to summary judgment are small, the deterrent effect provided by fee-shifting will also be small. But in all cases, fee-shifting will increase the expected cost of a suit, diminishing the incentive to bring it. Without fee-shifting, the expected cost to the plaintiff would be: $(y \times \text{value of winning}) - ((1-y) \times \text{plaintiff's cost of losing})$, where y is the percentage chance of victory. With fee-shifting, the expected cost moves to $(y \times \text{value of winning}) - ((1-y) \times (\text{plaintiff's cost of losing} + \text{defendant's litigation expenses}))$. In any given case, the addition of the defendant's litigation expenses lowers the total expected value of the lawsuit. Attorneys Mark Liang and Brian Berliner present a more sophisticated model of litigation incentives in a one-way-fee-shifting system. See Liang and Berliner, 18 Va J L & Tech at 96-99 (cited in note 240).

n269. See, for example, Leah Chan Grinvald, *Shaming Trademark Bullies*, 2011 Wis L Rev 625, 642-53 (describing the problem of "trademark bullying" and its effects on small firms).

41 of 47 DOCUMENTS

**COACH, INC., a Maryland Corporation, and COACH SERVICES, INC., a
Maryland Corporation, Plaintiffs, v. SISKIYOU BUCKLE CO., INC., an Oregon
Corporation dba SISKIYOU GIFTS, Defendant.**

No. 03:11-CV-00486-HZ

**UNITED STATES DISTRICT COURT FOR THE DISTRICT OF OREGON,
PORTLAND DIVISION**

2012 U.S. Dist. LEXIS 153434

**October 25, 2012, Decided
October 25, 2012, Filed**

PRIOR HISTORY: Coach, Inc. v. Siskiyou Buckle Co., 2012 U.S. Dist. LEXIS 113665 (D. Or., Aug. 10, 2012)

CORE TERMS: new trial, matter of law, jury's award, infringement, equitable, renewed, renew, jury to find, jury instructions, legally sufficient, evidentiary basis, miscarriage of justice, notice requirement, actual damages, reconsideration, speculation, reputation, favorable, nonmoving, excessive, notice, chain, attorney's fees, trademark, catalog

COUNSEL: [*1] For Plaintiffs: Christopher E. Hawk, Gordon & Rees LLP, Portland, OR; Brent H. Blakely, Blakely Law Group, Hollywood, CA.

For Defendant: Donald A. Bick, Donald A. Bick, P.C., Eugene, OR.

JUDGES: MARCO A. HERNANDEZ, United States District Judge.

OPINION BY: MARCO A. HERNANDEZ

OPINION

OPINION & ORDER

HERNANDEZ, District Judge:

On June 7, 2012, after a two-day trial, the jury awarded \$75,000 to Plaintiffs Coach, Inc. and Coach Services, Inc. on its trademark infringement claim against Defendant Siskiyou Buckle Co., Inc. Defendant renewed his motion for judgment as a matter of law on Plaintiffs' third claim for false designation of origin and fifth claim for common law unfair competition. Dkt. #100, 101. I denied both motions. August 10, 2012 Op. & Order (Dkt. #109). Judgment was entered on August 10, 2012. Defendant now renews again his motion for judgment as a matter of law, or in the alternative, moves for a new trial. Dkt. #112. I deny the motion.

STANDARDS

I. Judgment as a Matter of Law

In analyzing a motion for judgment as a matter of law ("JMOL"), the evidence must be viewed in the light most favorable to the nonmoving party, and all reasonable inferences must be drawn in favor of that party. *Horphag Research, Ltd. v. Pellegrini*, 337 F.3d 1036, 1040 (9th Cir. 2003). [*2] To grant a motion for JMOL, the court must find "no legally sufficient evidentiary basis for a reasonable jury to find" in favor of the nonmoving party. Fed. R. Civ. P. 50(a)(1).

A JMOL is proper when the evidence permits only one reasonable conclusion and the conclusion is contrary to that reached by the jury. *Ostad v. Or. Health Scis. Univ.*, 327 F.3d 876, 881 (9th Cir. 2003). The court may not substitute its view of the evidence for that of the jury. *Costa v. Desert Palace, Inc.*, 299 F.3d 838, 859 (9th Cir. 2002), *aff'd*, 539 U.S. 90, 123 S. Ct. 2148, 156 L. Ed. 2d 84 (2003). The court is not permitted to make credibility determinations and it may not weigh the evidence. *Id.* Additionally, as the Supreme Court notes, the court must "disregard all evidence favorable to the moving party that the jury is not required to believe." *Reeves v. Sanderson Plumbing Prods., Inc.*, 530 U.S. 133, 151, 120 S. Ct. 2097, 147 L. Ed. 2d 105 (2000).

Under Rule 50(b), a party who has made a motion for JMOL at the close of all the evidence may renew the motion after entry of judgment. Fed. R. Civ. P. 50(b). However, "[a] party cannot raise arguments in its post-trial motion for judgment as a matter of law under Rule 50(b) that it did not raise in its pre-verdict Rule 50(a) [*3] motion." *Freund v. Nycomed Amersham*, 347 F.3d 752, 761 (9th Cir. 2003).

II. New Trial

The court may grant a new trial "on all or some of the issues-and to any party . . . after a jury trial, for any reason for which a new trial has heretofore been granted in an action at law in federal court[.]" Fed. R. Civ. P. 59(a)(1)(A).

Historically recognized grounds include, but are not limited to, claims that the verdict is against the weight of the evidence, that the damages are excessive, or that, for other reasons, the trial was not fair to the party moving. We have held that the trial court may grant a new trial only if the verdict is contrary to the clear weight of the evidence, is based upon false or perjurious evidence, or to prevent a miscarriage of justice.

Molski v. M.J. Cable, Inc., 481 F.3d 724, 729 (9th Cir. 2007) (citation and internal quotation marks omitted). Erroneous jury instructions, as well as the failure to give adequate instructions, may be the basis for a new trial under Rule 59(a). *Murphy v. City of Long Beach*, 914 F.2d 183, 187 (9th Cir. 1990). The trial court has discretion in deciding whether to grant a new trial. *Freund v. Nycomed Amersham*, 347 F.3d 752, 764 n.13 (9th Cir. 2003).

DISCUSSION

I. [*4] Judgment as a Matter of Law

Under Rule 50, Defendant previously renewed his motions for JMOL on July 2, 2012. The motions were denied and judgment was entered in favor of Plaintiff. Defendant now *renews for a second time* his motion for JMOL, also under Rule 50. Defendant raises several issues, including reconsideration of the court's ruling regarding the notice requirement under 15 U.S.C. § 1111, whether Defendant's profits may be considered when there is no willful infringement, the sufficiency of evidence regarding actual confusion, and reducing the jury's award of damages by using the court's discretion.

I have already ruled on the notice requirement issue that was raised in Defendant's previous renewed motion for JMOL. Aug. 10, 2012 Op. & Order, 4. I decline to reconsider my ruling, and moreover, Rule 50 is not the proper rule under which to request reconsideration.¹ As for the other issues that Defendant raises, Defendant did not move for JMOL on these issues before or after the verdict. Defendant has waived these arguments. *Freund*, 347 F.3d at 761.

¹ To the extent that Defendant argues that I mischaracterized his arguments, it does not change my conclusion that there was a legally [*5]

sufficient evidentiary basis for a reasonable jury to find in favor of Plaintiff on the notice issue.

II. New Trial

In the alternative, Defendant moves for a new trial or remittitur to reduce the jury's award of damages. Defendant argues that a new trial is warranted because "the verdict is contrary to the clear weight of the evidence, is based on evidence which is false, ... and is necessary to prevent a miscarriage of justice." Def.'s Memo. Supp. Mot. JMOL and New Tr. ("Def.'s Memo."), 26. I am not persuaded that the verdict is contrary to the clear weight of the evidence. Plaintiff introduced evidence of its product catalogs that showed products featuring the CC mark and the notice of registration towards the back of the catalog. See, e.g., Tr. Exs. 16, 17, 18, 20. Viewing the trial exhibits, I do not agree with Defendant's argument that Mr. Lau's testimony is false.

Defendant further argues that the jury award was based on "speculation or guesswork", that "the court must review the verdict given the equitable considerations" in determining damages, that "based on equitable principles the award must be either nothing, or at least reduced", and that Defendant has not had the opportunity [*6] to present evidence of "equitable matters." Def.'s Memo., 27-29. First, Defendant has not explained how the jury award is based on speculation. The jury was instructed to calculate damages based on actual damages and Defendant's profits. Jury Instructions (Dkt. #87), 9-10. For actual damages, the jury was allowed to consider

a) the injury to the Plaintiff's reputation; b) the injury to Plaintiff's goodwill, including injury to the Plaintiff's general business reputation; c) the lost profits that the Plaintiff would have earned but for the Defendant's infringement. Profit is determined by deducting all expenses from gross revenue; d) the expense of preventing customers from being deceived; and e) the cost of future corrective advertising reasonably required to correct any public confusion caused by the infringement.

Id. There was also evidence that Defendant sold approximately 85,000 key chains for 75 cents each and that each key chain cost 32 cents for Defendant. Tr. 1032-33. Considering all the evidence in the trial record, substantial evidence supports the jury's award in this case. I do not consider the \$75,000 jury award to be excessive and decline to exercise my discretion under [*7] 15 U.S.C. § 1117 to reduce the jury award.

Finally, Defendant accuses Plaintiff of "trademark bullying" and requests attorney's fees. Def.'s Memo., 30. Defendant does not cite to any persuasive authority in support of this argument, nor did he prevail in this case. The request for attorney's fees is denied.

CONCLUSION

Based on the foregoing, Defendant's motion for judgment as a matter of law or in the alternative, a new trial (#112) is denied.

IT IS SO ORDERED.

Dated this day 25 of October, 2012.

/s/ Marco A. Hernandez

MARCO A. HERNANDEZ

United States District Judge

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NOTE: The Anticybersquatting Consumer Protection Act and the Uniform Domain Name Dispute Resolution Policy:
The First Decade: Looking Back and Adapting Forward

NAME: Tenesa S. Scaturro*

BIO: * William S. Boyd School of Law, J.D. Candidate May 2011. My deepest thanks to John L. Krieger, Professor Mary LaFrance, Ian Ballon, and the Nevada Law Journal Editorial Board.

LEXISNEXIS SUMMARY:

... Ten years after the enactment of the ACPA and UDRP, these important statutory and regulatory frameworks no longer adequately protect consumers and trademark owners dealing with new issues such as social-squatting, private domain name registration services, registrar liability, international registrars, and reverse domain name hijacking and are ill-equipped to address future issues. ... The court reasoned that confusion was likely because the domain name contains Cardservice's exact mark, both parties use the Internet to provide services, and Cardservice's customers are likely to assume that the domain name belongs to Cardservice, especially upon seeing similar services at McGee's website. ... Specifically, Congress noted that the FTDA no longer adequately addressed cybersquatting: "While the FTDA has been useful in pursuing cybersquatters, cybersquatters have become increasingly sophisticated as the case law has developed and now take the necessary precautions to insulate themselves from liability." ... To help the courts determine what constitutes bad faith under the ACPA, Congress provided a non-exhaustive list of factors: (1) the registrant has no apparent trademark rights in the domain name, (2) the domain name does not contain any of the registrant's legal names, (3) the registrant has not made any (a) bona fide non-commercial or (b) fair use of the domain name, (4) the registrant has used the domain name in a commercial manner, (5) the trademark was distinctive or famous at the time the registrant registered the domain name, (6) the registrant has registered other domain names containing the trademarks of others, and (7) the registrant has offered the domain name for sale.

HIGHLIGHT: - Isaac Asimov ⁿ¹

"The only constant is change, continuing change, inevitable change, which is the dominant factor in society today. No sensible decision can be made any longer without taking into account not only the world as it is, but the world as it will be."

TEXT:

[*877]

I. Introduction

The telephone book has gone the way of the Betamaxⁿ² and the Walkman.ⁿ³ Technology forces an almost continuous evolution of products and services - the latest and greatest quickly becomes a relic. Today, instead of the telephone book, there is yellowpages.com; instead of the Betamax, we have Blu-ray;ⁿ⁴ instead of the Walkman, we have the iPod.ⁿ⁵ Technology, and more specifically, the Internet, has forever changed the way consumers live their lives. Indeed, consumers increasingly use technology to make their lives easier - using the convenience of the Internet to purchase items previously bought at brick-and-mortar stores. Undeniably, the Internet plays a huge role in our everyday [*878] lives: today, there are more than 1.5 billion web usersⁿ⁶ and more than 192 million domain names registered.ⁿ⁷

Most businesses rely on the Internet, too, to sell their products or services or as a method of advertising and providing information to consumers.ⁿ⁸ Businesses tend to use their corporate, product, or service trademarks in domain names to create a strong presence on the Internet and to help consumers find them more easily.ⁿ⁹ They have been successful: in 2009, online retail sales accounted for approximately \$ 155 billion and are projected to grow to \$ 250 billion dollars by 2014.ⁿ¹⁰ Perhaps even more staggering: it is estimated that Internet research influenced \$ 917 billion of overall retail sales.ⁿ¹¹ Globally, this revenue stream is so important that in 2010, businesses paid an estimated \$ 29.8 billion for paid search advertising.ⁿ¹²

This influx of consumer and business use of the Internet has led to some interesting legal issues, including copyright infringement, phishing, spam, cybersquatting, and much more. As the Internet and related technology constantly evolve and rapidly change, the law governing this area is slow to adapt.ⁿ¹³ In 1999, Congress took steps to protect online consumers from deceptive practices of cybersquatters by enacting the Anticybersquatting Consumer Protection Act (ACPA). Also in 1999, the Internet Corporation for Assigned Names and Numbers (ICANN) promulgated a regulatory structure for alternative dispute resolution for cybersquatting, known as the Uniform Domain Name Dispute Resolution Policy (UDRP).

Ten years after the enactment of the ACPA and UDRP, these important statutory and regulatory frameworks no longer adequately protect consumers and trademark owners dealing with new issues such as social-squatting, private domain name registration services, registrar liability, international registrars, and reverse domain name hijacking and are ill-equipped to address future issues.

Part II of this Note provides an overview and background information about domain names and cybersquatting. Part III discusses pre-ACPA and pre-UDRP cases and the reasons for enacting these new legal frameworks. Part IV [*879] discusses the enactment of ACPA and UDRP, the first cases decided under the new legal frameworks, and compares the ACPA and UDRP. Part V discusses new Internet-related issues and shows how the ACPA and UDRP are not equipped to handle these needs. Finally, Part VI offers suggestions for the future of cyberlaw.

II. Looking Back: The Basics of Domain Names and Cybersquatting

A. Domain Name Basics

The Internet Corporation for Assigned Names and Numbers (ICANN)ⁿ¹⁴ is a non-profit organization responsible for coordinating domain names and their associated identifiers.ⁿ¹⁵ It also coordinates related technological policy development, among other things.ⁿ¹⁶ Domain names are unique, similar to street addresses or telephone numbers,ⁿ¹⁷ and are available on a "first-come, first-served basis."ⁿ¹⁸ Domain names primarily identify the owner of the website,ⁿ¹⁹ and they primarily consist of two parts: the second-level domain and the top-level domain.ⁿ²⁰ The second-level domain is a term or series of termsⁿ²¹ - for example, "google," - and the generic top-level domain (also known as gTLDⁿ²² or TLD) is the enterprise identifier - for example, ".com" for commercial or ".gov" for government.ⁿ²³

Each TLD has a registry associated with it that is responsible for maintaining the TLD's database.ⁿ²⁴ In turn, each registry has numerous registrars that register domain names.ⁿ²⁵ A person seeking to register a domain name (known as

the registrant) visits the website of the domain name registrar, completes the domain-name registration information, pays a registration fee, and is the proud new owner of a domain name.ⁿ²⁶ The information provided by the registrant to [*880] the registrar is collected into a publically accessible database, known as the "WhoIs" record.ⁿ²⁷

ICANN requires each registrar to maintain eight pieces of information in the WhoIs record, including the registrant's name, postal address, e-mail addresses, telephone number, the creation date of registration, and the expiration date of registration, among other information.ⁿ²⁸ The WhoIs record allows the public to determine the contact information for the registrant in order to communicate about legal, business, or technical issues.ⁿ²⁹ Some domain name registrars, such as GoDaddy.com and eNom, also provide private registration services through affiliate companies, which shield the registrant's information from public display.ⁿ³⁰

B. Cybersquatter Basics

Cybersquatters are individuals or companies that register domain names containing the trademarks of others for the purpose of profiting from the goodwill associated with the trademark, or by selling the domain name to the trademark owner or its competitors.ⁿ³¹ Aside from this standard definition of cybersquatting, the practice has evolved to include at least three other categories: the "cyberpirate," the "typosquatter," and the "pseudo-cybersquatter."ⁿ³² The cyberpirate, rather than intending to resell a domain name to the trademark owner or highest bidder, uses the notoriety and goodwill of the trademark to drive traffic to the website.ⁿ³³ The cyberpirate earns revenue by either selling advertising space on the website or generates fees for diverting traffic to third-party websites.ⁿ³⁴

The typosquatter registers common misspellings of trademarks to route the web user who misspells their intended domain name to another website.ⁿ³⁵ For example, typosquatters looking to prey on web users seeking information on Hewlett-Packard, Harry Potter, Looney Tunes, and Scooby Doo have registered <hewlittpackard.com>,ⁿ³⁶ <harypotter.com>, <looneytoonies.com>, and <scobydoo.com>.ⁿ³⁷ Typosquatters will typically link these domain names to websites containing Google ads or other third-party sponsored ads, which web [*881] users will inadvertently click on and generate revenue for the typosquatter.ⁿ³⁸ Finally, the pseudo-cybersquatter merely registers the domain name without a website and does not offer the domain name for sale.ⁿ³⁹

III. Technology and Trademark Law Converge: Pre-ACPA Tools to Combat Cybersquatters

Prior to the enactment of the ACPA, courts and litigants relied on the Trademark Act of 1946 (the Lanham Act) and the Federal Trademark Dilution Act (FTDA) to deal with cybersquatters.ⁿ⁴⁰ Although both the Lanham Act and FTDA were useful tools in fighting cybersquatters, neither statute adequately addressed domain names.

A. Trademark Infringement under The Lanham Act

The Lanham Act provides a remedy for trademark infringement when a person uses, without permission, a registered trademark to advertise or sell goods and services in a way that is likely to cause consumer confusion.ⁿ⁴¹ To succeed on a trademark infringement claim under the Lanham Act, the trademark owner must prove that there is a likelihood of confusion between the trademark and the allegedly infringing trademark. To determine whether a likelihood of confusion exists, courts examine (1) the strength or distinctiveness of the mark, (2) the similarity of the marks, (3) the similarity of the goods [*882] and services the marks identify, (4) the similarity of the facilities the parties use in their businesses, (5) the similarity of advertising used by the parties, (6) the defendant's intent, and (7) whether there is actual confusion.ⁿ⁴²

Cardservice International v. McGeeⁿ⁴³ is an early example of the application of trademark infringement principles to domain name registration. There, plaintiff Cardservice International, a provider of credit-processing services, owned federal trademark registrations for "Cardservice International."ⁿ⁴⁴ McGee also provided credit-processing services through his sole proprietorship.ⁿ⁴⁵ McGee registered the <cardservice.com> domain name, which he used to advertise merchant credit-card-processing services.ⁿ⁴⁶ Cardservice filed suit against McGee, alleging trademark infringement,

unfair competition, common law unfair competition, misappropriation, and unjust enrichment.ⁿ⁴⁷ McGee made the preliminary argument that he was entitled to keep the domain name because domains are issued on a first come, first served basis.ⁿ⁴⁸ The court rejected his argument, stating that the registrar's policy is "subject to ... liability ... provided for by federal law."ⁿ⁴⁹

The court analyzed the likelihood-of-confusion factors and found that McGee's <cardservice.com> domain name was likely to confuse the consuming public.ⁿ⁵⁰ The court reasoned that confusion was likely because the domain name contains Cardservice's exact mark, both parties use the Internet to provide services, and Cardservice's customers are likely to assume that the <cardservice.com> domain name belongs to Cardservice, especially upon seeing similar services at McGee's website.ⁿ⁵¹

Courts have also found a likelihood of confusion in domains names such as <victoriassecrets.net> (confusingly similar to VICTORIA'S SECRET),ⁿ⁵² <playmatelive.com> (confusingly similar to PLAYMATE),ⁿ⁵³ and <audisport.com> (confusingly similar to AUDI).ⁿ⁵⁴

B. Trademark Dilution under the FTDA

Another tool in the trademark owner's pre-ACPA and pre-UDRP arsenal was a claim for dilution under the FTDA. Congress had domain names in mind when it enacted the FTDA.ⁿ⁵⁵ Trademark dilution begins with the idea that [*883] trademarks, in addition to identifying the source of goods, also provide consumers with information about the quality of those goods.ⁿ⁵⁶ For example, consumers purchasing products bearing the VICTORIA'S SECRET trademark understand the quality they will receive based upon their existing knowledge of the products and the extensive advertising by Victoria's Secret.

To succeed on a dilution claim under the FTDA, the trademark owner must prove: (1) the trademark at issue is famous, (2) the defendant is making commercial use of the trademark, (3) the defendant's use of the trademark began after the trademark became famous, and (4) the defendant's use dilutes the quality of the mark.ⁿ⁵⁷ Dilution "lessens the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of (1) competition between the owner of the famous mark and other parties, or (2) likelihood of confusion, mistake, or deception."ⁿ⁵⁸ Examples of trademarks that are famous for the purpose of trademark dilution under the FTDA include BUDWEISER,ⁿ⁵⁹ TOYS "R" US,ⁿ⁶⁰ and PORSCHE.ⁿ⁶¹

Prior to the enactment of the Anticybersquatting Consumer Protection Act, the FTDA was a favored vehicle for relief in domain name cases because it does not require the showing of likelihood of confusion that is required under the Lanham Act.ⁿ⁶² However, remedies under the Lanham Act and the FTDA were uncertain and often very expensive to prosecute.ⁿ⁶³ Although Congress had domain names in mind when it enacted the FTDA,ⁿ⁶⁴ cybersquatters became more sophisticated and tailored their behavior to find refuge in loopholes of the FTDA.ⁿ⁶⁵

Dennis Toeppen is one notorious cybersquatter who attempted to exploit a potential loophole in the FTDA. Toeppen registered more than one hundred domain names, which contained trademarks such as Delta, Neiman Marcus, Eddie Bauer, and Panavision.ⁿ⁶⁶ Toeppen then attempted to sell the domain names to the trademark owners at exorbitant prices.ⁿ⁶⁷ One such case was Panavision International, L.P. v. Toeppen.ⁿ⁶⁸ There, Toeppen registered <panavision.com> and linked the domain name to a website containing photos of the City of Pana, Illinois.ⁿ⁶⁹ When Panavision notified Toeppen that he was [*884] violating Panavision's trademark rights, Toeppen offered to sell the domain name for \$ 13,000 with an agreement that he would refrain from registering other domain names containing Panavision's trademarks.ⁿ⁷⁰ When Panavision declined Toeppen's offer, Toeppen registered another domain name containing one of Panavision's trademarks.ⁿ⁷¹ Panavision filed suit against Toeppen alleging dilution under the FTDA and related state law claims.ⁿ⁷² Toeppen argued that the mere registration of a domain name did not constitute "commercial use," as required under the FTDA.ⁿ⁷³ The court found that Toeppen's registration of a domain name, combined with offering the domain name for sale to the trademark owner, constituted "commercial use" under the FTDA.ⁿ⁷⁴ Some commentators argue that this holding stretched the idea of what constituted "commercial use" too far,

rendering the FTDA as the catch-all statute for misuse of trademarks. ⁿ⁷⁵

Panavision highlighted a major flaw with the FTDA. Absent "commercial use" of a domain name, a cybersquatter merely registers a domain name and sits on this "cyber realty," precluding the trademark owner from using domain names containing its trademarks. ⁿ⁷⁶ Stated another way, a cybersquatter could avoid liability under the FTDA by registering a domain name containing a famous trademark and waiting for the trademark owner to come calling with a purchase price. ⁿ⁷⁷ This square peg, round-hole application of the FTDA against cyberpirates eventually gave way to the enactment of the ACPA.

IV. Evolution of Technology and Cybersquatting

Congress recognized the flaws in the Federal Trademark Dilution Act highlighted in Panavision. Specifically, Congress noted that the FTDA no longer adequately addressed cybersquatting: "While the [FTDA] has been useful in pursuing cybersquatters, cybersquatters have become increasingly sophisticated as the case law has developed and now take the necessary precautions to insulate themselves from liability." ⁿ⁷⁸ Congress also noted that cyberpiracy, which was becoming very common, could negatively affect businesses in a number of ways. ⁿ⁷⁹ For example, a cybersquatter could register a domain name containing a trademark and link that domain name to a website offering illegal [*885] or offensive material, which would tend to tarnish the trademark. ⁿ⁸⁰ Further, a cybersquatter causes "lost business opportunities" ⁿ⁸¹ for the trademark owner from the registration of the domain name because the trademark holder is unable to use its trademarks that it has spent substantial resources advertising. Moreover, some cybersquatters registered domain names merely for the purpose of making a profit by selling the domain names to the trademark owners. ⁿ⁸² The culmination of these new issues gave way to Congress' enactment of the ACPA and ICANN's implementation of the UDRP as an alternative dispute resolution to address cybersquatting.

A. The ACPA

On November 29, 1999, President Clinton signed the ACPA into law, which provides liability for cybersquatting when a person who, with a bad faith intent to profit, registers, traffics in, or uses a famous or distinctive trademark as a domain name. ⁿ⁸³

Four elements must be met to prove cybersquatting under the ACPA: (1) the registrant has a bad faith intent to profit, (2) the registrant registers, traffics in, or uses a domain name, (3) the domain name is famous or distinctive, and (4) the domain name is identical or confusingly similar, or in the case of a famous mark, dilutive. ⁿ⁸⁴

1. Understanding the Elements

Under the first element of the ACPA, the domain name registrant must have a bad faith intent to profit to be liable for cybersquatting. To help the courts determine what constitutes bad faith under the ACPA, Congress provided a non-exhaustive list of factors: (1) the registrant has no apparent trademark rights in the domain name, (2) the domain name does not contain any of the registrant's legal names, (3) the registrant has not made any (a) bona fide non-commercial or (b) fair use of the domain name, (4) the registrant has used [*886] the domain name in a commercial manner, (5) the trademark was distinctive or famous at the time the registrant registered the domain name, (6) the registrant has registered other domain names containing the trademarks of others, and (7) the registrant has offered the domain name for sale. ⁿ⁸⁵

Although the rights of trademark owners were a significant concern in enacting the ACPA, Congress intended there to be a balance between the property interests of trademark owners and the rights of web users to lawfully use trademarks for "comparative advertising, comment, criticism, parody, news reporting, [and] fair use," among other things. ⁿ⁸⁶ Therefore, Congress provided a safe harbor exception for domain name registrants that "believe[] and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful." ⁿ⁸⁷ Courts have found that "otherwise lawful" uses of domain names include so-called "gripe sites" ⁿ⁸⁸ and parody. ⁿ⁸⁹ However,

because most domain name registrants could conjure up lawful reasons for their use of domain names, the registrant's reasonable belief requires more than just plausibility. ⁿ⁹⁰ As one court noted, "All but the most blatant cybersquatters will be able to put forth at least some lawful motives for their behavior. To hold that all such individuals may qualify for the safe harbor would frustrate Congress' purpose by artificially limiting the statute's reach." ⁿ⁹¹

Under the second ACPA element, a registrant must register, traffic in, or use a domain name. Although undefined by the ACPA, the registering of a domain name appears self-explanatory on its face. Similarly, use is undefined within the ACPA. However, traffics in has challenged courts interpreting this provision of the ACPA. ⁿ⁹² The ACPA provides an illustrative definition of what this entails: "'Traffics in' refers to transactions that include, but are not limited to, sales, purchases, loans, pledges, licenses, exchanges of currency, and any other transfer for consideration or receipt in exchange for consideration." ⁿ⁹³ One court has interpreted this language to mean "a direct transfer or receipt of ownership interest in a domain name." ⁿ⁹⁴

Under the third ACPA element, the trademark contained within the domain name must be famous or distinctive. A trademark is famous "if it is [*887] widely recognized by the general consuming public ... as a designation of source of the goods or services of the mark's owner." ⁿ⁹⁵ Among the factors that courts can consider to determine whether a trademark is famous are (1) the duration, extent, and geographic reach of advertising; (2) the amount, volume, and geographic extent of sales; and (3) the extent of actual recognition of the trademark. ⁿ⁹⁶ A trademark is distinctive if it is either inherently distinctive or has acquired secondary meaning, that is to say that the consuming public "associates the mark with a particular source." ⁿ⁹⁷

Under the fourth, and final, ACPA element, the domain name must contain a mark that is identical or confusingly similar to the trademark owner's mark or, in the case of a famous mark, dilutes the trademark owner's mark. This is a narrower test than the likelihood-of-confusion test for trademark infringement under the Lanham Act. ⁿ⁹⁸ To determine whether a domain name is confusingly similar, all that is required is a simple comparison to the trademark at issue. ⁿ⁹⁹ Courts will find a domain name is confusingly similar to a trademark if "consumers might think that [the domain name] is used, approved, or permitted by the mark holder." ⁿ¹⁰⁰

It is irrelevant that a consumer can resolve any confusion by visiting the website. ⁿ¹⁰¹ Minor differences, such as the inclusion or exclusion of a hyphen, the addition of minor or generic words, or typographical errors between the domain name and the trademark are also irrelevant. ⁿ¹⁰² Indeed, "unless words or letters added to the plaintiff's mark within the domain name clearly distinguish it from the plaintiff's usage, allegations that a domain name incorporates a protected mark generally will suffice to satisfy the 'identical or confusingly similar to' requirement." ⁿ¹⁰³ Examples of domain names that have been found to be confusingly similar to trademarks include <4fordparts.com> (confusingly similar to FORD), <jaguarcenter.com> (confusingly similar to JAGUAR), and <volvoguy.com> (confusingly similar to VOLVO). ⁿ¹⁰⁴

2. First Cases under the ACPA

Sporty's Farm, LLC v. Sportsman's Market, Inc. ⁿ¹⁰⁵ was the first appellate court decision interpreting the newly enacted ACPA and analyzing the illustrative statutory bad faith factors. ⁿ¹⁰⁶ Sportsman's is a well-known mail-order catalog [*888] company that caters to aviation enthusiasts and pilots. ⁿ¹⁰⁷ Sportsman's began using the logo "sporty" in the 1960s and registered the trademark with the United States Patent and Trademark Office. ⁿ¹⁰⁸ In 1995, Arthur Hollander, a pilot who received Sportsman's catalogs, registered the <sportys.com> domain name. ⁿ¹⁰⁹ In 1996, Hollander formed a Christmas tree company that he named Sporty's Farm and began advertising this business on the <sportys.com> website. ⁿ¹¹⁰ In March 1996, Sporty's Farm filed a declaratory relief action and Sportsman's countersued for trademark infringement, dilution, and unfair competition. ⁿ¹¹¹ Congress enacted the ACPA while the case was pending. ⁿ¹¹²

The Second Circuit noted that the "unique circumstances of the case ... do not fit neatly into the [ACPA] factors" ⁿ¹¹³ but that Congress allowed courts to consider other factors to determine bad faith. ⁿ¹¹⁴ The Second Circuit reasoned

that Sporty's Farm had a bad-faith intent to profit because Hollander was fully aware of the "sporty" mark because he received the Sportsman's catalog bearing that name and created another unrelated company to use the <sportys.com> domain name after the lawsuit was initiated to attempt to shield himself from liability.ⁿ¹¹⁵ Additionally, the court discredited Sporty Farms' assertion that the domain name (and thus the corporate name) was selected to pay tribute to a childhood dog, Spotty.ⁿ¹¹⁶ The court found that there was "overwhelming evidence" that Sporty's Farm had acted with a bad faith intent to profit from registration of the <sportys.com> domain name.ⁿ¹¹⁷

Shields v. Zuccariniⁿ¹¹⁸ was the first case that held typosquatting is a violation of the ACPA. There, Shields was a cartoon artist who drew "Joe Cartoon," which he licensed and marketed for use on mugs, t-shirts, and other items sold at gift stores nationwide for fifteen years.ⁿ¹¹⁹ Shields also owned the <joecartoon.com> domain name that received approximately seven hundred thousand visitors per month.ⁿ¹²⁰ Zuccarini, a wholesaler of domain names,ⁿ¹²¹ registered <joescartoon.com>, <joecarton.com>, <joescartons.com>, <joescartoons.com>, and <cartoonjoe.com>.ⁿ¹²² Zuccarini linked these domain names to websites advertising other websites and "mousetrapped"ⁿ¹²³ web users into clicking a succession of advertisements.ⁿ¹²⁴ Mousetrapping occurs when a [*889] web user reaches an unintended website and is inundated with a plethora of "pop up"ⁿ¹²⁵ or "pop under"ⁿ¹²⁶ ads. These "pop up" and "pop under" ads make it difficult for web users to browse away from the websites they were trying to access to stop the advertisements from appearing.ⁿ¹²⁷

Zuccarini generated revenue from each click on an advertiser's ad,ⁿ¹²⁸ resulting in average yearly revenue of almost \$ 1 million.ⁿ¹²⁹ Shortly after Shields filed suit, Zuccarini changed the websites to reflect a political commentary criticizing the violent nature of Shields's cartoon.ⁿ¹³⁰ Zuccarini claimed his post-service conduct fell under the safe harbor provision of the ACPAⁿ¹³¹ because he reasonably believed his political commentary was lawful.ⁿ¹³² The court rejected his safe harbor defense as "incredible" because Zuccarini changed the websites to reflect political commentary after being served with notice of the complaint.ⁿ¹³³ Zuccarini's argument was especially "incredible" in light of his owning thousands of domain names, including typographically misspelled domain names containing the names of celebrities such as Gwyneth Paltrow, Ricky Martin, and Britney Spears.ⁿ¹³⁴ The court enjoined Zuccarini from using the domain names pending litigation.ⁿ¹³⁵ Shields ultimately prevailed on a motion for summary judgment,ⁿ¹³⁶ which the court of appeals affirmed.ⁿ¹³⁷

Trademark holders are very concerned about typosquatters and engage in defensive domain name registration - registering domain names for the simple purpose of blocking typosquatters - to combat the problem.ⁿ¹³⁸ Overall, defensive domain name registrations cost businesses an estimated \$ 1.6 billion.ⁿ¹³⁹

[*890]

B. The UDRP

While Congress prepared to enact the ACPA, the U.S. government investigated the possibility of creating an alternative dispute resolution policy, the Uniform Domain Name Dispute Resolution Policy, to address cybersquatters. In 1999, the National Telecommunications and Information Administration (NTIA) requested that World Intellectual Property Organization (WIPO) conduct a study on domain name and trademark issues.ⁿ¹⁴⁰ WIPO completed the study, which included a suggestion of a uniform dispute resolution procedure for handling domain name issues.ⁿ¹⁴¹ The result was the Uniform Domain Name Dispute Resolution Policy (UDRP), which ICANN adopted on August 26, 1999, and implemented on October 24, 1999.ⁿ¹⁴² The UDRP is an alternative dispute resolution process and was created as an "effective, predictable alternative to court litigation for rights holders."ⁿ¹⁴³

One court explained that the UDRP "creates a contract-based scheme for addressing disputes between domain name registrants and third parties challenging the regulation and use of their domain names."ⁿ¹⁴⁴ Another court has described the UDRP as "an administrative alternative dispute resolution policy which creates a procedure specifically designed to provide a fast and cheap means for resolving domain name disputes."ⁿ¹⁴⁵ Indeed, the UDRP has become "the most important alternative dispute resolution procedure for domain names."ⁿ¹⁴⁶

ICANN, as the accreditation organization for domain name registrars, ⁿ¹⁴⁷ mandates that registrars, as a condition of accreditation, must require domain name registrants to adhere to the UDRP. ⁿ¹⁴⁸ Upon the registration or renewal of a domain name, the domain name registrant represents and warrants that

(a) the statements that [the registrant] made in [the] Registration Agreement are complete and accurate; (b) to [the registrant's] knowledge, the registration of the domain name will not infringe upon or otherwise violate the rights of any third party; (c) [the registrant is] not registering the domain name for an unlawful purpose; and (d) [the registrant] will not knowingly use the domain name in violation of any applicable [*891] laws or regulations. It is [the registrant's] responsibility to determine whether [the registrant's] domain name registration infringes or violates someone else's rights. ⁿ¹⁴⁹

1. Understanding the Elements

Under the UDRP, the complainant must prove three elements in order to warrant the transfer or cancellation of the domain name: ⁿ¹⁵⁰ (1) the domain name must be identical or confusingly similar to the complainant's trademark, (2) the domain name registrant has no legitimate interest in the domain name, and (3) the domain name has been registered and is being used in bad faith. ⁿ¹⁵¹ The UDRP provides an illustrative list of evidence of bad faith, including registration of a domain name for the purpose of selling it to the trademark owner or its competitor, having a pattern of registering domain names to prevent the trademark owner from doing so, registering domain names to disrupt the trademark owner's business, and intentionally attempting to cause consumer confusion. ⁿ¹⁵²

2. First Case under the UDRP

The first case decided under the newly enacted UDRP was *World Wrestling Federation Entertainment, Inc. v. Bosman*. ⁿ¹⁵³ There, Bosman registered the <worldwrestlingfederation.com> domain name, which incorporated World Wrestling Federation Entertainment's WORLD WRESTLING FEDERATION trademark. Three days after registering the domain name, Bosman e-mailed the World Wrestling Federation Entertainment (WWF) and offered to sell the domain name for \$ 1,000 dollars. In his e-mail, Bosman asserted that the payment was a fee for his time and money and that it would also serve as "consideration ... 'for the right of current ownership of the domain name.'" ⁿ¹⁵⁴ The WIPO panel did not hesitate to find that the domain name was identical or confusingly similar to WWF's trademark and that Bosman had no legitimate interest in the domain name. ⁿ¹⁵⁵ The panel instead focused its analysis on whether the domain name had been registered and used in bad faith. ⁿ¹⁵⁶

Although Bosman had registered the domain name and offered it for sale to WWF, Bosman did not develop a website for the domain name, and thus the panel questioned whether this would be enough to constitute bad faith use. The panel consulted the illustrative list of evidence of bad faith provided by WIPO, ⁿ¹⁵⁷ and determined that offering the domain name for sale constituted bad faith use. The panel concluded by stating that the WWF had no desire to engage in litigation with its fans and had "engaged in this proceeding ... to [*892] protect [WWF's] intellectual property interests while preserving the relationship between complainant and its fans at a minimal cost to all concerned." ⁿ¹⁵⁸ This alternative dispute resolution procedure is an important tool for trademark owners who wish to recover intellectual property rights while minimizing alienation of consumers and fans. ⁿ¹⁵⁹

C. Comparing the ACPA and the UDRP

Although not mutually exclusive, ⁿ¹⁶⁰ the ACPA and UDRP differ considerably in jurisdictional requirements, evidentiary requirements, availability and technical knowledge of the adjudicator, the cost and timing of proceedings,

and the remedies available.

1. Jurisdiction ⁿ¹⁶¹

Although generally quick and inexpensive, proceeding under the UDRP has a few drawbacks. First, a trademark owner must consent to jurisdiction in subsequent litigation where either the registrant or registrar of the domain name is located. ⁿ¹⁶² If the registrant files suit, jurisdiction may play a vital role in the proceedings where circuits are split on certain aspects of the law. ⁿ¹⁶³ This is especially problematic if the registrant or registry is located overseas, forcing the trademark owner to litigate in a foreign, and probably unfamiliar, court. ⁿ¹⁶⁴ Conversely, if the trademark owner files suit under the ACPA, as long as the registrant is subject to the court's jurisdiction, the trademark owner has its preference of jurisdiction. ⁿ¹⁶⁵

2. Evidentiary Requirements

As a practical matter, the type of cybersquatter and domain name infringement at issue is relevant to determine whether to proceed under the ACPA or the UDRP. Under the ACPA, a plaintiff must prove the registrant has a bad faith intent to profit from registering, using, or trafficking in a domain name. ⁿ¹⁶⁶ Under the UDRP, the claimant must prove bad faith registration and use of a domain name. Thus, if a plaintiff has difficulty proving bad faith intent to profit, but can easily prove bad faith, a UDRP action is preferable. ⁿ¹⁶⁷ The UDRP requires the registration and use of a domain name, whereas the ACPA requires use, registration or trafficking in a domain name. ⁿ¹⁶⁸ Both the UDRP [*893] and ACPA require a showing that the domain name is identical or confusingly similar. However, the ACPA has the added option of showing likelihood of dilution. ⁿ¹⁶⁹ Finally, the ACPA applies to famous or distinctive trademarks, whereas the UDRP applies to any trademark. ⁿ¹⁷⁰

3. Adjudicator

Currently, there are four ICANN-accredited arbitration organizations: the Asian Domain Name Dispute Resolution Centre, the National Arbitration Forum (NAF), WIPO, and the Czech Arbitration Court. ⁿ¹⁷¹ NAF and WIPO are the two main arbitration organizations for domain name disputes in the United States. Arbitrators, who are private attorneys that are typically experts in trademark law, oversee UDRP proceedings. ⁿ¹⁷² UDRP arbitrators generally have been favorable to trademark owners. ⁿ¹⁷³ In 2009, 1,759 domain name dispute cases were filed with NAF, ⁿ¹⁷⁴ while 2,107 were filed with WIPO. ⁿ¹⁷⁵ In 2009, 310 panelists from 46 countries handled the 2,107 domain name dispute cases filed with WIPO. ⁿ¹⁷⁶ Of those cases, 1,331 resulted in a transfer of the domain name to the complainant. ⁿ¹⁷⁷ A recent study reports that NAF has approximately 141 panelists and approximately 83 percent of cases conclude with the transfer of the domain name to the complainant. ⁿ¹⁷⁸

In contrast, ACPA suits are typically filed in federal court with a judge that might not have much, if any, knowledge of the specialized area of trademark law. ⁿ¹⁷⁹ Statistics on the success of ACPA lawsuits are difficult to locate but are likely have as little consistency and success as any other type of litigation.

4. Cost and Timing

There is a considerable disparity in the cost and timing of UDRP proceedings compared to an ACPA suit. UDRP proceedings, which include only a complaint and answer with no additional discovery or motion practice, typically resolve within six to twelve weeks of filing and typically are much less [*894] expensive than filing a federal lawsuit. ⁿ¹⁸⁰ The amount of time that a federal suit will take depends on whether the registrant appears and contests the complaint. As with other federal lawsuits, if the defendant does not respond at all, the plaintiff can seek entry of default judgment, which expedites the case and lessens the cost. ⁿ¹⁸¹ Default judgments are also common in UDRP proceedings, as one-third to one-half of domain name registrants simply do not respond to the complaint. ⁿ¹⁸²

5. Remedies

The ACPA and UDRP are not mutually exclusive.ⁿ¹⁸³ For example, the UDRP is non-binding, which means the parties involved can commence litigation under the ACPA either before or after the proceeding.ⁿ¹⁸⁴ As one court noted, "UDRP proceedings are structured specifically to permit the domain-name registrant two bites at the apple."ⁿ¹⁸⁵ The only remedy available under the UDRP is the cancellation or transfer of the domain name.ⁿ¹⁸⁶ By contrast, the remedies under the ACPA include injunctive relief;ⁿ¹⁸⁷ election of actual or statutory damages;ⁿ¹⁸⁸ the possibility of attorneys' fees;ⁿ¹⁸⁹ and forfeiture, cancellation, or transfer of the domain name.ⁿ¹⁹⁰ The ACPA also provides for in rem proceedings.ⁿ¹⁹¹

At first blush, the ACPA remedies seem very tantalizing, given the range of remedies and possibility of statutory damages and attorneys' fees, especially in comparison with the extremely limited remedy available under the UDRP. However, there are important caveats to most of the categories of remedies under the ACPA. First, most plaintiffs elect to receive statutory damages rather than actual damages. Statutory damages under the ACPA deter wrongful conduct and provide an adequate remedy for trademark owners.ⁿ¹⁹² The statutory damages provision of the ACPA provides:

In a case involving a violation of section 1125(d)(1) of this title, the plaintiff may elect, at any time before final judgment is rendered by the trial court, to recover, instead of actual damages and profits, an award of statutory damages in the amount of not less than \$ 1,000 and not more than \$ 100,000 per domain name, as the court considers just.ⁿ¹⁹³

[*895] In determining the amount of statutory damages, the court has wide discretion in the award amount and is restricted only by the statutory maximum and minimum.ⁿ¹⁹⁴ In assessing statutory damages, courts take into account the egregiousness of the cybersquatter, including whether the cybersquatter provided false or misleading registration information,ⁿ¹⁹⁵ whether the cybersquatter is a "serial cybersquatter" who has displayed a pattern of registering domain names containing the trademarks of others,ⁿ¹⁹⁶ and whether the cybersquatter's behavior demonstrates contempt for the court or judicial proceedings.ⁿ¹⁹⁷ A court of appeals will overturn a lower court's award of statutory damages only for an abuse of discretion.ⁿ¹⁹⁸ Moreover, because liability under the ACPA requires a finding of bad faith, damages are non-dischargeable in bankruptcy proceedings.ⁿ¹⁹⁹

Although permitted by statute, the court will award attorneys' fees only in exceptional cases.ⁿ²⁰⁰ However, a finding of "bad faith" does not necessarily mean that the defendant acted with the "malicious, fraudulent, willful or deliberate behavior necessary for an award of attorney fees" under the ACPA.ⁿ²⁰¹

V. New Issues ... or, the Times Are Still a Changin'

Some commentators argue that the ACPA has become a relic since the popularity of search engines such as Google gained widespread popularity.ⁿ²⁰² It is true that new issues have developed that the ACPA has been unable to answer. Among these new concerns are "social squatting," private domain name registration services, registrar liability for services that arguably fall outside of the registrar's duties, issues with international registrars, and reverse domain name hijacking.

A. Social Squatting

Trademark owners should be concerned about over the growing popularity of social networking websites and the increased opportunity for trademark misuse. In 2010, the average U.S.-based Internet user visited a social networking **[*896]** website, spending in excess of four hours per month on these websites.ⁿ²⁰³ February 2009 marked the first time social networking exceeded the use of web-based e-mail.ⁿ²⁰⁴ This rapid influx of social networking is generating heightened concern over "social squatting," sometimes known as "identity squatting" and username hijacking - essentially forms of online impersonation.ⁿ²⁰⁵ Social-squatters pose a variety of concerns for trademark owners. Once the squatter is comfortably in control of a Twitter or Facebook space using a trademark, he can then use the space to

provide false or misleading brand or product information or offer counterfeit goods and services, among other things. n206 As one commentator notes, "usernames" will become the new "domain names." n207

In June 2009, Facebook allowed its users to register vanity web addresses to allow for a more convenient method to locate users. n208 Facebook announced the availability of vanity web addresses a few short days before launching the program, forcing trademark owners to act very quickly to secure their products and brand names. n209 More than five million usernames were registered in twenty-four hours. n210 Among the vanity web addresses registered were <facebook.com/dellcomputers>, <facebook.com/iphones>, and <facebook.com/Nasa>. n211 Facebook, recognizing the likelihood of username-squatting, implemented a strict no-transfer policy as to usernames, which will prevent username-squatters from holding names for ransom. n212 Trademark owners are concerned about Facebook's trademark policies. For example, Facebook's trademark policy requires the trademark owner to provide trademark [*897] registration information, which suggests that common law trademark rights are not enough for enforcement under Facebook's policy. n213

In May 2009, Major League Baseball manager Tony LaRussa sued Twitter when someone created a Twitter account (<twitter.com/TonyLaRussa>) impersonating him. n214 LaRussa alleged seven causes of action, including trademark dilution and cybersquatting. n215 LaRussa's was apparently the first suit against Twitter. The case settled with undisclosed terms shortly after filing.

The question the court would have undoubtedly asked had the case gone to trial is whether the mere inclusion of a username would cause confusion. Interestingly, Twitter's trademark policy allows for clear parody uses, but will take down any Twitter page "if there is a clear intent to mislead others through the unauthorized use of a trademark." n216 Facebook and Twitter have the potential to be bigger problems than domain name abuse because it costs the user nothing to register usernames with Facebook and Twitter. n217

Social squatting is uncharted legal territory. n218 Although no courts have addressed application of the UDRP or ACPA to social squatters, it does not [*898] appear that either will apply. n219 Social networking sites such as Facebook and Twitter provide usernames and subdomains, n220 which do not appear to fall within the UDRP or ACPA, which apply only to domain names. n221

B. Private Registration Services

Many domain name registrars now offer private registration services. n222 Some of the domain name registrars that offer privacy registration services do so under a subsidiary or affiliated company, undoubtedly for the purpose of distancing themselves from liability. n223 For an additional fee, these services allow registrants to shield their identification from the WhoIs record. n224 A domain name registered using a private registration service will list the privacy service as the registrant and provide an e-mail address, such as domainname@ acmeprivacyservice.com, which will privately route to the correct e-mail address of the registrant. n225 Although there are undoubtedly legitimate purposes for the use of a domain name privacy registration service, n226 these services have become the calling card of cybersquatters. n227 Indeed, private registration services "stifle accountability" of registrants that are operating infringing websites. n228

In this situation, it is impossible to tell from the WhoIs record where the registrant is located to determine whether the trademark owner can bring an in personam or in rem suit. One possible solution to this issue is to contact the domain name registrar to let them know that the domain name is in dispute. This may be sufficient for the registrar to unmask the registrant's information. n229 [*899] If the registrar does not unmask the registrant's information, the trademark owner can file an in rem suit or file suit against the registrar. n230 Once the complaint is filed, the registrar will unmask the registrant's information and the trademark owner can file an amended complaint dismissing the registrar and adding the registrant as the proper defendant. n231

C. Registrar Liability

The ACPA provides a safe harbor to domain name registrars for registering domain names containing the trademarks of others.ⁿ²³² One commentator suggests that, by virtue of agency principles, a registrar's privacy service that is listed as the registrant in the WhoIs database would fall outside of the ACPA's safe harbor provision because the registrar is acting as the registrant.ⁿ²³³ At least one court has rejected this rationale.ⁿ²³⁴ However, registrars arguably exceed the boundaries of their typical role when they collect an additional fee for substituting registrant information for their own.ⁿ²³⁵ To date, the federal courts have not held that a registrar is liable for offering private registration services,ⁿ²³⁶ although at least one UDRP panel has indicated that the use of a privacy registration service, in addition to other evidence, may constitute bad faith.ⁿ²³⁷

Registrar liability becomes an even bigger question when a domain name registrar offers "parking" services for the domain names it registers. When a registrant registers a domain name, some registrars will offer to provide a "parking" page for a fee while the registrant is developing the website.ⁿ²³⁸ One court has explained that parking services "aggregate[] numerous domain names from individual domain registrants and contracts with an advertising service ... to license and monetize [the] domain names."ⁿ²³⁹ Domain name monetization [*900] is "the practice of using a domain name for commercial gain by generating revenue from Internet advertising located on a webpage."ⁿ²⁴⁰

Parking pages that utilize monetization rely on Internet users to click on advertising links listed on the website. Once the Internet user clicks on the link, the advertiser is charged a fee for the click and the parking service receives a portion of the fee,ⁿ²⁴¹ of which the parking service pays a percentage to the domain name registrant.ⁿ²⁴² In some cases, parking services "key" the advertising links to words found in a domain name.ⁿ²⁴³ For example, if a domain name contains the word "lasvegas," the advertising links will be "keyed" to goods and services located in or near Las Vegas, Nevada, such as attractions and entertainment in Las Vegas. Taking the example one step further, if the domain name contained a trademark, for example MGM GRAND, the advertising links would not only include advertising for goods and services in Las Vegas, but would likely also contain links to other Las Vegas resorts, such as the Venetian or the Wynn. If an Internet user attempts to reach a domain name containing MGM GRAND, and sees advertisements for other, similar services, perhaps at a better price or offering different amenities, that user might be diverted from its intended target, the MGM Grand. When the Internet user intends to reach the MGM GRAND website and reaches a cybersquatter's parking page instead, two critical events occur. First, the cybersquatter (and the parking service) generate income based on the improper use of the trademark. Second, the Internet user may elect another service provider found in the advertising links, thus depriving the trademark owner of the opportunity to provide services.

To date, no court has directly ruled on liability for registrars that provide parking services. However, one court stated in dicta that it was "troubled, to say the least" by a registrar's assertion that it is shielded from liability for cybersquatting under § 1114(2)(D)(iii), despite the registrar earning revenue from hits on the parking page.ⁿ²⁴⁴ That court did not reach a determination on liability because the trademark at issue was neither famous nor distinctive.ⁿ²⁴⁵

D. International Registrars

Sophisticated cybersquatters have found ways to exploit jurisdictional issues with cybersquatting.ⁿ²⁴⁶ To circumvent the system, U.S. registrants register domain names through registrars located in foreign countries that are not [*901] obligated to honor U.S. court orders.ⁿ²⁴⁷ Trademark owners in this situation have several options. First, they can file a lawsuit in the location of the registryⁿ²⁴⁸ (in the case of ".com," the Eastern District of Virginia, where VeriSign, the ".com" registry, is located) seeking preliminary and permanent injunctive relief. The preliminary and permanent injunctive orders should include language that the registry or current registrar shall transfer the domain name at issue to the trademark owner.ⁿ²⁴⁹ In this case, the registry is a "thin registry,"ⁿ²⁵⁰ meaning that VeriSign can only move the domain name to another registrar, which will then have to move the domain name into the trademark owner's domain name account.ⁿ²⁵¹ If a foreign registrar declines to follow the U.S. court order, the domain name will not be on registrar-hold, which would prohibit the moving of the domain and the registrant will have the ability to move or transfer the domain name to other registrars, requiring the trademark owner to chase the domain name from registrar to

registrar.ⁿ²⁵² The generic description of "current registrar" in the injunction orders is important to allow for the possibility of registrar changes during the pendency of litigation.ⁿ²⁵³ Alternatively, the trademark owner can file a UDRP proceeding or file an in rem lawsuit to recover the domain name.

E. Reverse Domain Name Hijacking

In reverse domain name hijacking cases, unlike other issues within cybersquatting, the lawful trademark owner is the "bad guy." Reverse domain name hijacking occurs when a trademark owner attempts to force a domain name registrant to transfer a lawfully obtained domain name.ⁿ²⁵⁴ One commentator calls reverse domain name hijacking a form of trademark bullying where "a trademark owner uses his trademark rights to harass and intimidate another beyond what the law might be reasonably interpreted to allow."ⁿ²⁵⁵ Former circuit judge and current Supreme Court Justice Sonia Sotomayor authored the opinion in *Storey v. Cello Holdings, LLC*, in which she described reverse domain name hijacking as "the overreaching use of the mechanisms established to remedy cybersquatting against a registrant with a legitimate interest in his domain name."ⁿ²⁵⁶ Court cases involving reverse domain name hijacking are limited.ⁿ²⁵⁷ However, a search of the National Arbitration Forum domain decisions [*902] reveals that reverse domain name hijacking is often alleged in those proceedings.ⁿ²⁵⁸ Under Rule 15(e) of the Rules for the UDRP,

if after considering the submissions the Panel finds that the complaint was brought in bad faith, for example in an attempt at Reverse Domain Name Hijacking or was brought primarily to harass the domain-name holder, the Panel shall declare in its decision that the complaint was brought in bad faith and constitutes an abuse of the administrative proceeding.ⁿ²⁵⁹

In order to sustain a claim of reverse domain name hijacking under the UDRP, the respondent must show that the claimant knew of the respondent's legitimate interest and brought the proceeding in bad faith.ⁿ²⁶⁰ Arbitrators presiding over UDRP proceedings rarely grant claims of reverse domain name hijacking.ⁿ²⁶¹ To be sure, a search of WIPO decisions where reverse domain name hijacking was found reveals only thirty-two cases as of early March 2011.ⁿ²⁶² However, this does not mean that reverse domain name hijacking is not an ongoing concern for domain name registrants. Rather, it is highly likely that instances of reverse domain name hijacking are merely unreported or underreported.ⁿ²⁶³ The ACPA does not explicitly address reverse domain name hijacking.

VI. Adapting Forward: Suggestions for the Future

Although it has been a short ten years since Congress enacted the ACPA and ICANN implemented the UDRP, in technology years, it has been an eternity. Technology moves fast - much faster than the law. Indeed, each release of a new top-level domain opens the door to another wave of cybersquatting for trademark owners.ⁿ²⁶⁴ Some commentators suggest that an online dispute resolution procedure, similar to the UDRP for domain names, is the wave of the [*903] future.ⁿ²⁶⁵ Although such a procedure may ultimately be the wave of the future, much can be done to address current issues by the enactment of state cybersquatting laws and amendments to the ACPA and UDRP.

A. Deterrents under State Law

States should enact some form of cybersquatting prevention statute that either mimics the ACPA or provides some minimum threshold of protection. A handful of jurisdictions have already enacted statutes to deal with cybersquatting,ⁿ²⁶⁶ but protection under these state statutes is often limited in scope compared to the ACPA. States could remedy this by carving out protection for state-registered trademarks to provide smaller trademark owners, which may not have a famous or distinctive trademark, with some level of protection.

Utah's legislation, passed in 2009, is an example of state legislation that is aggressive, but stops short by limiting protections to small businesses. The Utah E-Commerce Integrity Act (the Utah Act) ⁿ²⁶⁷ largely follows the language of the ACPA with a couple of notable exceptions. First, although the statute provides for the same statutory damages as provided under the ACPA (not less than \$ 1,000 and not more than \$ 100,000 per domain name) the legislation provides for presumed statutory damages in the amount of \$ 100,000 per domain name "if there is a pattern and practice of infringements committed willfully for commercial gain." ⁿ²⁶⁸ This provision will undoubtedly serve as an enormous deterrent for cybersquatters.

Another significant addition to the Utah Act is that it provides for liability that reaches beyond the domain name registrant. Liability under the Utah Act casts a wide net over anyone acting as the registrant's agent or representative and the domain name registrar and the domain name registry, provided that assistance was knowingly provided to the registrant. ⁿ²⁶⁹ Unsurprisingly, this legislation has the support of the Coalition Against Domain Name Abuse (CADNA), ⁿ²⁷⁰ whose membership is comprised of companies such as Dell, Verizon Communications, and Nike. ⁿ²⁷¹ CADNA anticipates that the Utah legislation will get the ball rolling for similar changes at the federal level. ⁿ²⁷²

[*904]

B. Amendments to the ACPA

The ACPA can stretch to reach the contours of new technological issues since its enactment in 1999. Congress intended the ACPA to provide a remedy for "a narrow class of wrongdoing." ⁿ²⁷³ However, courts have customarily treated the ACPA as a flexible statute. ⁿ²⁷⁴ Moreover, because of the availability of large statutory damages, trademark owners are incentivized to shape their claims to fit within the ACPA. ⁿ²⁷⁵ It is clear that the ACPA cannot adequately serve the future needs of consumers and trademark owners. Congress should amend the ACPA to address new technological advances and provide trademark owners and the courts with flexibility.

1. Damages

Congress should follow the lead of the Utah Act and provide presumed statutory damages for cybersquatters with a pattern and practice of infringement. Some cybersquatters are in the business of registering mass amounts of domain names and selling them for a profit. Amending the ACPA to include presumed statutory damages for the most brazen cybersquatters would act as a significant deterrent that will benefit all trademark owners. Moreover, the ACPA amendment should codify the common law rule that ACPA judgments are not dischargeable in bankruptcy. This amendment, too, will act as a significant cybersquatter deterrent.

2. Registrar Liability

Congress should amend the ACPA to provide a remedy against domain name registrars who knowingly offer pay-per-click services via parking pages that are keyed to trade off of the goodwill of trademarks. Specifically, the second element of the ACPA should provide a supplemental cause of action to include a registrar that uses a domain name to generate revenue. The amendment should be drafted in such a way that the registrar would maintain its safe harbor for registering a domain name, but would be liable for providing pay-per-click services utilizing the famous or distinct trademarks of others.

To protect registrars from broad liability for offering parking services, the statute should provide a five-day "claw back" provision. This provision would function similar to the "notice and take down" procedure found in the Digital Millennium Copyright Act. ⁿ²⁷⁶ A trademark owner would provide the registrar with notice that its trademarks are being used in the parking page, along with a copy of a federal trademark registration, or copy of a court order declaring the trademarks to be famous or distinctive in the absence of a registration. The registrar would then have five business days to remove the parking page. Failure to remove the parking page would expose the registrar to liability under the ACPA.

[*905] Moreover, the ACPA should require a domain name registrar to disable the website upon receiving a verified notice of cybersquatting dispute. Although registrars do not wish to be the arbiters of trademark rights, requiring them to take the website down, subject to the current safe harbor provisions, would be in the best interest of consumers. If the cybersquatter claims a legitimate use and provides evidence of the same (such as a business license or state trademark registration) the registrar would be permitted to reinstate the website pending resolution of the dispute by the courts.

With regard to private registration services, Congress should amend the ACPA to require the immediate cancellation of the registration service upon a verified notice of a cybersquatting dispute. Although many privacy registration services reserve the right to cancel the service upon notice of a dispute, many require the filing of a complaint before they will do so. This requirement adds an extra layer of complication for trademark owners. As such, the ACPA should provide that a verified notice of cybersquatting dispute is sufficient to cancel the privacy service.

3. Subdomains, Usernames, and E-mail Addresses

Congress should amend the ACPA to include bad faith use of subdomains, usernames, and e-mail addresses. The amendment should empower Internet service providers to take down or disable websites containing subdomains, usernames or e-mail addresses containing the famous or distinctive trademarks of others upon a verified notice of infringement. Often usernames and e-mail addresses are used in conjunction with phishing or pharming scams, as well as the sale of counterfeit goods. Although this category of Internet-related conduct does not fall squarely within the dominion of "cybersquatting," it is closely related and similarly stands to cause consumer confusion.

4. Reverse Domain Name Hijacking

To balance the protections afforded under the ACPA, Congress should amend the ACPA to include a prohibition on reverse domain name hijacking. Trademark owners with famous or distinctive trademarks are typically large companies with significant financial and legal resources. Indeed, these trademark owners are in a position to demand that a domain name be turned over to them, even in the case of a lawfully registered domain name (either registered before the trademark became famous or distinctive, or subject to a fair use defense) under the threat of litigation. Some trademark owners are no longer as concerned with consumer confusion and they merely feel entitled to own all domain names containing their trademarks. If taken to task, these reverse domain name hijacking trademark owners would likely lose a claim under the ACPA, with lawful domain name registrants incurring legal fees to defend themselves.

In order to discourage reverse domain name hijacking, Congress should amend the ACPA to include a statutory damage award, plus attorneys' fees, against any trademark owner that engages in reverse domain name hijacking. The amendment should provide that reverse domain name hijacking is available as an affirmative defense or as an affirmative cause of action. Including an [*906] award of attorneys' fees is appropriate for two reasons. First, reverse domain name hijacking is arguably bad faith conduct that fits into the overall purpose of the ACPA. Second, recovery of attorneys' fees would encourage attorneys to represent lawful domain name registrants on a contingency basis, thereby giving lawful domain name registrants a real chance to succeed on the merits.

5. International Registrars

The Internet and cybersquatters are worldwide in scope, yet laws and regulations have focused on and in the United States. Indeed, savvy U.S.-based cybersquatters will often choose foreign registrars specifically to evade liability under the ACPA. Although trademark owners can recover a domain name under the UDRP, they have to submit to the foreign registrar's jurisdiction for post-UDRP judicial review. Thus, it would be useful to have an international treaty, such as the Berne Convention that addresses copyrights, to deal with cybersquatters and to allow for the recovery of the domain name as well as damages. For example, it would be useful to have an international agreement regarding the transfer of domain names between foreign registrars and U.S. registrars and/or an agreement regarding honoring U.S. court orders regarding domain transfers. Full consideration of existing treaties and other international duties and obligations should

be evaluated to see whether similar obligations exist in other contexts.

6. Trademark Ombudsman

Although the amendments identified above should provide considerable deterrent and protection to trademark owners, Congress could amend the ACPA to provide for a "trademark ombudsman" within the United States Patent and Trademark Office to assist trademark owners in their fights against cybersquatters.

During the trademark application process, a trademark owner could elect to have their trademark added to the ombudsman program for an additional fee. Once a trademark is registered, the trademark ombudsman would notify ICANN of the trademark registration, which would then be added to a database that is accessible to domain name registrars. Whenever a domain name is registered that contains the trademark or comes close to the trademark (for instance, typosquatting), an e-mail notification would be generated and sent to the trademark owner. By participating in the trademark ombudsman program, the trademark owner would agree to exhaust administrative remedies under the UDRP prior to filing suit, unless extenuating circumstances existed. If there is a particularly egregious domain registration and use, the trademark owner could request an exemption from going through the UDRP prior to proceeding to litigation. This program would help keep down the costs associated with litigation for all the parties involved.

C. Amendments to the UDRP

The UDRP seems to have fulfilled its chief purpose, yet there is room for improvement with amendment of the UDRP. First, to have consistent rulings in UDRP cases, each case should be given precedential value. One complaint [*907] among commentators is that UDRP decisions have no value beyond the cases in which they are rendered, and decisions can be inconsistent. ⁿ²⁷⁷ Amending the UDRP to give these decisions precedential value would alleviate this concern.

Second, ICANN should amend the UDRP's rules regarding the number of respondents allowed per complaint. Currently, the UDRP requires that the complaint name only one respondent. ⁿ²⁷⁸ In order to make the UDRP more cost effective and efficient, ICANN should amend the UDRP to allow trademark owners to recover multiple domain names registered by multiple registrants in one proceeding. This amendment would provide trademark owners a more cost efficient and expeditious return of their domain names.

A recent UDRP panel has addressed the inverse situation: multiple complainants with one respondent. ⁿ²⁷⁹ That panel determined that allowing multiple complainants to file against one respondent is

consistent with the aim of the UDRP to combat cybersquatting in as efficient and cost effective a manner as is fairly possible. However the test must be applied judiciously and depending upon the circumstances of particular cases may require the exercise of a panel's discretion in adapting it as appropriate. ⁿ²⁸⁰

ICANN should amend the UDRP consistent with this panel's holding to allow for the multi-complainant situation.

VI. Conclusion

Cybersquatters are a serious threat to trademark owners and consumers. Cybersquatters exploit consumer confusion by using famous or distinctive trademarks of others in their domain names and damage the goodwill and reputation of those trademarks. The Anticybersquatting Consumer Protection Act and Uniform Domain Name Dispute Resolution Policy have provided a good framework for combating cybersquatters. In general, the ACPA is more favorable in

remedy with statutory damages and the possibility of attorneys' fees, but is costly and time-consuming to prosecute. By contrast, the UDRP is generally inexpensive and quick, but with very limited remedies. Both the ACPA and UDRP have different burden of proof requirements, which means the type of cybersquatting may determine the best route to proceed.

As technology advances and cybersquatters become more sophisticated and identify loopholes in current law, the current statutory and regulatory framework becomes inadequate. Congress enacted the ACPA to apply to a narrow class of conduct, which the courts continue to stretch beyond those [*908] narrow bounds. In light of new technological advances, Congress needs to revisit the ACPA to ensure strong consumer protection, protection of trademark owners, and the rights of lawful domain name registrants.

Legal Topics:

For related research and practice materials, see the following legal topics:

Computer & Internet Law Copyright Protection Civil Infringement Actions Owner Rights Adaptation Computer & Internet Law Trademark Protection Civil Infringement Actions General Overview Computer & Internet Law Trademark Protection Protection of Rights Internet Domain Names

FOOTNOTES:

n1. Peter Micheuz, Harmonization of Informatics Education - Science Fiction or Prospective Reality, in Informatics Education - Supporting Computational Thinking 317, 317 (Roland T. Mittermeir & Maciej M. Syslo eds., 2008).

n2. See Betamax, Total Rewind, <http://www.totalrewind.org/betamax.htm> (last visited Apr. 2, 2011).

n3. See Sony Walkman Personal Stereo Turns 20 Years Old, Mac.com (Apr. 5, 1999), <http://homepage.mac.com/oldtownman/recording/walkman2.html>.

n4. See History of Blu-ray Disc, Blu-ray Disc, <http://www.blu-raydisc.com/en/about/WhatIsBlu-rayDisc/HistoryofBlu-rayDisc.html> (last visited Apr. 2, 2011).

n5. Steven Levy, iPod Nation: In Just Three Years, Apple's Adorable Mini Music Player Has Gone from Gizmo to Life-Changing Cultural Icon, Newsweek, July 26, 2004, at 42, available at <http://www.newsweek.com/2004/07/25/ipod-nation.htm>.

n6. Internet Corp. for Assigned Names & Numbers, 2009 Annual Report Addressing the Global Internet 16 (2009), available at <http://www.icann.org/en/annualreport/annual-report-2009-en.pdf>.

n7. Internet Tops 192 Million Domain Name Registrations, Verisign (Feb. 22, 2010), <https://press.verisign.com/easyir/customrel.do?easyirid=AFC0FF0DB5C560D3&version=live&prid=589249&releasejsp=custom> 97.

n8. Dara B. Gilwit, Note, The Latest Cybersquatting Trend: Typosquatters, Their Changing Tactics, and How to Prevent Public Deception and Trademark Infringement, 11 Wash. U. J.L. & Pol'y 267, 267 (2003).

n9. Id. at 273.

n10. Erick Schonfeld, Forrester Forecast: Online Retail Sales Will Grow to \$ 250 Billion by 2014, TechCrunch (Mar. 8, 2010), <http://techcrunch.com/2010/03/08/forrester-forecast-online-retail-sales-will-grow-to-250-billion-by-2014/>.

n11. Id.

n12. Oliver T. Hellriegel, Global Online Advertising Lead by Paid Search, digi:Marketing (June 17, 2010), <http://www.hellriegel.net/2010/06/17/global-online-advertising-lead-by-paid-search/>. Paid search accounts for nearly half of global online advertising. Id.

n13. Ian C. Ballon, E-Commerce & Internet Law § 1.07 (2d ed. 2011); Jacqueline D. Lipton, Clickfarming: The New Cybersquatting?, J. Internet L., July 2008, at 1, 21 (2008).

n14. For a detailed discussion of the history of ICANN, see History, Caslon Analytics, <http://www.caslon.com.au/icannprofile1.htm> (last visited Apr. 2, 2011).

n15. What Does ICANN Do?, ICANN, <http://www.icann.org/en/participate/what-icann-do.html> (last visited Apr. 2, 2011).

n16. 1-1 McGrady on Domain Names § 1.14 (2010).

n17. Panavision Int'l, L.P. v. Toeppen, 141 F.3d 1316, 1318 (9th Cir. 1998).

n18. H.R. Rep. No. 106-412, at 5 (1999); Zohar Efroni, The Anticybersquatting Consumer Protection Act and the Uniform Dispute Resolution Policy: New Opportunities for International Forum Shopping?, 26 Colum. J.L. & Arts 335, 337 (2003).

n19. Panavision, 141 F.3d at 1327.

n20. Interactive Prods. Corp. v. A2Z Mobile Office Solutions, Inc., 326 F.3d 687, 691 (6th Cir. 2003).

n21. *Id.*

n22. Currently, there are twenty gTLDs: .com, .edu, .gov, .int, .mil, .net, .org, .biz, .info, .name, .pro, .aero, .coop, .museum, .asia, .cat, .jobs, .mobi, .tel, and .travel. See Top-Level Domains (gTLDs), ICANN, <http://www.icann.org/en/tlds/> (last visited Apr. 2, 2011).

n23. Interactive Prods. Corp., 326 F.3d at 691.

n24. Ballon, *supra* note 13, § 7.02[1]. For example, the .com registry is VeriSign, Inc. For a listing of all TLD registries, see Registry Listing, ICANN, <http://www.icann.org/en/registries/listing.html> (last visited Apr. 2, 2011).

n25. Ballon, *supra* note 13, § 7.02[1]. For example, GoDaddy.com is a registrar of domain names. See GoDaddy.com, www.godaddy.com (last visited Apr. 2, 2011).

n26. *Balsam v. Tucows, Inc.*, No. CV 09-03585 CRB, 2009 WL 3463923, at 1 (N.D. Cal. Oct. 23, 2009).

n27. *Dell Inc. v. BelgiumDomains, L.L.C.*, No. 07-22674-CIV, 2007 WL 6862342, at 3 (S.D. Fla. Nov. 21, 2007).

n28. See Registrar Accreditation Agreement, ICANN (May 21, 2009), <http://www.icann.org/en/registrars/ra-agreement-21may09-en.htm>.

n29. *Transamerica Corp. v. Moniker Online Servs., L.L.C.*, 672 F. Supp. 2d 1353, 1357 (S.D. Fla. 2009).

n30. See *infra* Part V.B.

n31. *Intermatic Inc. v. Toeppen*, 947 F. Supp. 1227, 1233 (N.D. Ill. 1996).

n32. Efroni, *supra* note 18, at 337.

n33. *Id.*

n34. Ballon, *supra* note 13, § 7.29[1].

n35. Efroni, *supra* note 18, at 337.

n36. Hewlett-Packard Co. v. Cupcake City, No. FA0002000093562 (Nat'l Arb. Forum Mar. 31, 2000), <http://domains.adrforum.com/domains/decisions/93562.htm>.

n37. Time Warner Entm't Co. v. Zuccarini, No. D2001-0184 (World Intellectual Property Organization (WIPO) Arb. & Med. Ctr. Apr. 11, 2001), <http://www.wipo.int/amc/en/domains/decisions/html/2001/d2001-0184.html>.

n38. Gilwit, *supra* note 8, at 268-69; David Hechler, Profiting from Your Mistakes: The Current Form of Cybersquatting Exploits the Human Tendency for Error, Corp. Couns., Aug. 1, 2008, at 20, 20, available at <http://www.law.com/jsp/cc/PubArticleCC.jsp?id=1202423278409>.

n39. Efroni, *supra* note 18, at 337.

n40. Gilwit, *supra* note 8, at 278; see also Lanham Act, 15 U.S.C. §§1051-1141 (2006); Federal Trademark Dilution Act of 1995, 15 U.S.C. § 1125(c).

n41. 15 U.S.C. § 1114(1) provides:

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 ...

Under 15 U.S.C § 1125, claims of trademark infringement apply to:

(a)(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

(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

n42. Cardservice Int'l, Inc. v. McGee, 950 F. Supp. 737, 740 (E.D. Va. 1997) (citations omitted).

n43. Id. at 737.

n44. Id. at 738.

n45. Id.

n46. Id.

n47. Id at 739.

n48. Id. at 740.

n49. *Id.*

n50. *Id.*

n51. *Id.* at 741.

n52. *Victoria's Secret Stores v. Artco Equip. Co.*, 194 F. Supp. 2d 704, 738 (S.D. Ohio 2002).

n53. *Playboy Enters., Inc. v. Calvin Designer Label*, 985 F. Supp. 1218, 1219 (N.D. Cal. 1997).

n54. *Audi AG v. D'Amato*, 469 F.3d 534, 545 (6th Cir. 2006).

n55. *Panavision Int'l, L.P. v. Toeppen*, 141 F.3d 1316, 1326 (9th Cir. 1998) (citations omitted).

n56. Andrew Baum & Mark Epstein, New Dilution Act Used to Evict 'Cybersquatters,' *Nat'l L.J.*, Jan. 27, 1997, at C3.

n57. *Panavision*, 141 F.3d at 1324.

n58. Federal Trademark Dilution Act of 1995, 15 U.S.C. § 1127 (2000) (repealed 2006).

n59. Anheuser-Busch, Inc. v. VIP Prods., L.L.C., 666 F. Supp. 2d 974, 987-88 (E.D. Mo. 2008) (allegedly infringing product was not dilutive of famous BUDWEISER trademark).

n60. Toys "R" Us, Inc. v. Akkaoui, No. C96-3381 CW, 1996 WL 772709, at 2-3 (N.D. Cal. Oct. 29, 1996) (ADULTS R US is dilutive of the famous "R Us" family of trademarks).

n61. Porsche Cars N. Am., Inc. v. Manny's Porshop, Inc., 972 F.2d 1128, 1129, 1132 (N.D. Ill. 1997) (MANNY'S PORSHOP likely to dilute famous PORSCHE trademark).

n62. Gilwit, *supra* note 8, at 278.

n63. H.R. Rep. No. 106-412, at 6 (1999); S. Rep. No. 106-140, at 7 (1999).

n64. Panavision Int'l, L.P. v. Toeppen, 141 F.3d 1316, 1326 (9th Cir. 1998) (citations omitted).

n65. S. Rep. No. 106-140, at 7.

n66. Panavision, 141 F.3d at 1319.

n67. *Id.*

n68. *Id.* at 1316.

n69. *Id.* at 1319.

n70. *Id.*

n71. *Id.*

n72. *Id.*

n73. *Id.* at 1324.

n74. *Id.* at 1325.

n75. Anne E. Kennedy, Note, From Delusion to Dilution: Proposals to Improve Problematic Aspects of the Federal Trademark Dilution Act, 9 N.Y.U. J. Legis. & Pub. Pol'y 399, 432-33 (2006).

n76. Christopher G. Clark, Note, The Truth in Domain Names Act of 2003 and a Preventative Measure to Combat Typosquatting, 89 Cornell L. Rev. 1476, 1496 (2004).

n77. See, e.g., HQM, Ltd. v. Hatfield, 71 F. Supp. 2d 500, 506 (D. Md. 1999); Acad. of Motion Picture Arts & Scis. v. Network Solutions, Inc., 989 F. Supp. 1276, 1278-79 (C.D. Cal. 1997).

n78. S. Rep. No. 106-140, at 7 (1999).

n79. H.R. Rep. No. 106-412, at 6 (1999).

n80. See S. Rep. No. 106-140, at 6 (discussing testimony from a parent whose child mistakenly typed "dosney.com" when trying to access the Disney website and was directed to a website containing pornographic images).

n81. H.R. Rep. No. 106-412, at 6; see also The Real Cost of Cybersquatting, CADNA, <http://www.cadna.org/en/issues/cadna-analysis/real-cost-of-cybersquatting> (last visited Apr. 2, 2011).

n82. See Coca-Cola Co. v. Purdy, 382 F.3d 774, 778 (8th Cir. 2004).

n83. 15 U.S.C. § 1125(d)(1)(A) (2006) provides:

(d)(1)(A) A person shall be liable in a civil action by the owner of a mark, including a personal name which is protected as a mark under this section, if, without regard to the goods or services of the parties, that person -

(i) has a bad faith intent to profit from that mark, including a personal name which is protected as a mark under this section; and

(ii) registers, traffics in, or uses a domain name that -

(I) in the case of a mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to that mark;

(II) in the case of a famous mark that is famous at the time of registration of the domain name, is identical or confusingly similar to or dilutive of that mark; or

(III) is a trademark, word, or name protected by reason of section 706 of Title 18, United States Code, or section 220506 of Title 36, United States Code.

n84. Id. § 1125(d)(1)(A).

n85. See id. § 1125(d)(1)(B); H.R. Rep. No. 106-412, at 10-14.

n86. H.R. Rep. No. 106-412, at 10.

n87. 15 U.S.C. § 1125(d)(1)(B)(ii).

n88. See, e.g., *Career Agents Network, Inc. v. Careeragentsnetwork.biz*, No. 09-CV-12269-DT, 2010 WL 743053, at 6, 10 (E.D. Mich. Feb. 26, 2010).

n89. See, e.g., *Utah Lighthouse Ministry v. Found. for Apologetic Info. & Research*, 527 F.3d 1045, 1055 (10th Cir. 2008).

n90. Ballon, *supra* note 13, § 7.06[2].

n91. *Virtual Works, Inc. v. Volkswagen of Am., Inc.*, 238 F.3d 264, 270 (4th Cir. 2001).

n92. See, e.g., *Ford Motor Co. v. Catalanotte*, 342 F.3d 543, 549 (6th Cir. 2003) (registering a famous mark in a domain name and offering it for sale, despite no "transaction" commencing, constitutes trafficking under the ACPA). But see *Vulcan Golf, L.L.C. v. Google, Inc.*, 552 F. Supp. 2d 752, 764 (N.D. Ill. 2008) (denying motion to dismiss on grounds that auctioning domain names and providing domain name monetization services could plausibly fall under the ACPA definition of "traffics in").

n93. 15 U.S.C. § 1125(d)(1)(E) (2006).

n94. *Ford Motor Co. v. Greatdomains.com, Inc.*, 177 F. Supp. 2d 635, 645 (E.D. Mich. 2001) (finding that an auction website does not "traffic in" the domain names it sells by merely providing a conduit for sale between parties).

n95. 15 U.S.C. § 1125(c)(2)(a).

n96. *Id.* § 1125(c)(2)(A)(i)-(iii).

n97. *Solid Host, NL v. Namecheap, Inc.*, 652 F. Supp. 2d 1092, 1106 (C.D. Cal. 2009); see also *id.* at 1106 n.43 (discussing the spectrum of distinctiveness and noting that "terms that are suggestive, or arbitrary and fanciful ... are inherently distinctive").

n98. See *Coca-Cola Co. v. Purdy*, 382 F.3d 774, 783 (8th Cir. 2004); *infra* Part III.A.

n99. *N. Light Tech., Inc. v. N. Lights Club*, 97 F. Supp. 2d 96, 117 (D. Mass. 2000).

n100. *Ford Motor Co. v. Greatdomains.com, Inc.*, 177 F. Supp. 2d 635, 641 (E.D. Mich. 2001) (alteration in original) (citations omitted).

n101. *Coca-Cola*, 382 F.3d at 783 (citations omitted).

n102. *Ford Motor Co.*, 177 F. Supp. 2d at 641.

n103. *Id.* at 642 (citations omitted).

n104. See id. at 641.

n105. *Sporty's Farm, L.L.C. v. Sportsman's Market, Inc.*, 202 F.3d 489 (2d Cir. 2000).

n106. Id. at 496.

n107. Id. at 493.

n108. Id. at 494.

n109. Id.

n110. Id.

n111. Id.

n112. Id. at 495.

n113. Id. at 499.

n114. Id.

n115. Id.

n116. Id. at 494, 499.

n117. Id. at 499.

n118. *Shields v. Zuccarini*, 89 F. Supp. 2d 634 (E.D. Penn. 2000).

n119. Id. at 635.

n120. Id.

n121. Id. at 635 n.1 ("Wholesaling' refers to the practice of acquiring multiple domain names with the intent to profit from them.").

n122. Id. at 635.

n123. Id.; see also Efroni, *supra* note 18, at 337 (describing "mousetrapping").

n124. Shields, 89 F. Supp. 2d at 635.

n125. 1-800 Contacts, Inc. v. WhenU.com, 309 F. Supp. 2d 467, 476 n.18 (S.D.N.Y. 2003) ("Pop-up' windows are windows containing notifications or advertisements that appear on the screen, usually without any triggering action by the computer user.").

n126. 2-7A Gilson on Trademarks § 7A.14 (2010).

n127. Shields, 89 F. Supp. 2d at 635; Gilwit, *supra* note 8, at 275.

n128. Shields, 89 F. Supp. 2d at 635.

n129. *Id.* at 640 n.7.

n130. *Id.* at 635.

n131. See 15 U.S.C. § 1125(d)(1)(B)(ii) (2006).

n132. Shields, 89 F. Supp. 2d at 640.

n133. *Id.*

n134. *Id.*

n135. *Id.* at 642-43.

n136. *Shields v. Zuccarini*, No. 00-494, 2000 WL 1056400, at 5 (E.D. Pa. June 5, 2000).

n137. *Shields v. Zuccarini*, 254 F.3d 476, 488 (3d Cir. 2001).

n138. Concerns Rising over Domain Name Dispute Procedures, Wash. Internet Daily (Warren Commc'ns News, Inc., Washington, D.C.), Oct. 16, 2009, available at 2009 WL 20749884 (noting that MarkMonitor, a brand protection company, reports that 90-99.99 percent of its clients' domain name registrations are defensive). Many trademark holders never utilize domain names registered for defensive purposes.

n139. Taylor Buley, Um.whatever, *Forbes*, Nov. 17, 2008, at 38, available at 2008 WL 21009929; see also Concerns Rising Over Domain Name Dispute Procedures, *supra* note 138 (noting that defensive registration is an "extremely expensive" way to protect these domain names from cyberquatters). As new gTLDs are added, the costs of defensive domain name registrations continue to grow. See ICANN's Predictions - The Hard Costs of New Generic TLDs, CADNA, <http://www.cadna.org/en/issues/cadna-analysis/icanns-predictions-hard-costs-new-generic-tlds> (last visited Apr. 2, 2011).

n140. Timeline for the Formulation and Implementation of the Uniform Domain-Name Dispute-Resolution Policy, ICANN, <http://www.icann.org/en/udrp/udrp-schedule.htm> (last visited Apr. 2, 2011).

n141. *Id.*

n142. *Id.*

n143. Memorandum from Erik Wibers, Dir., WIPO Arbitration & Mediation Ctr, to Rod Beckstrom, CEO & President, WIPO and Peter Dengate-Thrush, Chairman Bd. Dirs., WIPO (Mar. 26, 2010), available at <http://www.wipo.int/export/sites/www/amc/en/docs/icann260310rap.pdf>.

n144. *Parisi v. Netlearning, Inc.*, 139 F. Supp. 2d 745, 751 (E.D. Va. 2001).

n145. *Am. Girl, L.L.C. v. Nameview, Inc.*, 381 F. Supp. 2d 876, 883 (E.D. Wis. 2005).

n146. Torsten Bettinger, *Domain Name Law and Practice: An International Handbook* § IIIA.08 (2005).

n147. What Does ICANN Do?, *supra* note 15.

n148. Bettinger *supra* note 146, § IIIA.23; see also Jacqueline D. Lipton, *Beyond Cybersquatting: Taking Domain Name Disputes Past Trademark Policy*, 40 Wake Forest L. Rev. 1361, 1372 (2005) (noting that domain name registrants are required to submit to mandatory arbitration if a complaint is made under the UDRP).

n149. Uniform Domain Name Dispute Resolution Policy, ICANN (Oct. 24, 1999), <http://www.icann.org/en/dndr/udrp/policy.htm> [hereinafter Policy].

n150. *Id.*

n151. *Id.*

n152. *Id.*

n153. World Wrestling Fed'n Entm't, Inc. v. Bosman, No. D99-0001 (WIPO Arb. & Med. Ctr. Jan. 14, 2000), <http://www.wipo.int/amc/en/domains/decisions/html/1999/d1999-0001.html>.

n154. *Id.* (internal quotation marks omitted).

n155. *Id.*

n156. *Id.*

n157. See *supra* Part IV.B.1.

n158. World Wrestling Fed'n Entm't, Inc., No. D1999-0001.

n159. See *id.*

n160. 1-2 McGrady on Domain Names § 2.13 (2010); see also *id.* § 2.12 (discussing the fact that there is no claim preclusion when first filing a UDRP action because the ACPA "is not dependent upon the UDRP process in any way").

n161. A detailed discussion of jurisdictional issues related to cybersquatting is beyond the scope of this Note, but jurisdiction is discussed in other authorities. See, e.g., Efroni, *supra* note 18, at 338.

n162. Ballon, *supra* note 13, § 7.04[2].

n163. *Id.*

n164. *Id.*

n165. *Id.*

n166. *Id.*

n167. *Id.*

n168. *Id.* § 7.04[3].

n169. *Id.*

n170. David E. Sorkin, *Judicial Review of ICANN Domain Name Dispute Decisions*, 18 Santa Clara Computer & High Tech. L.J. 35, 50 (2001).

n171. List of Approved Providers for Uniform Domain-Name Dispute-Resolution Policy, ICANN, <http://www.icann.org/en/dndr/udrp/approved-providers.htm> (last visited Apr. 2, 2011).

n172. Ballon, *supra* note 13, § 7.04[3].

n173. *Id.* § 7.04[2].

n174. National Arbitration Forum Domain Name Dispute Filings Hold Steady in 2009, Nat'l Arb. F. (Apr. 5, 2010), <http://domains.adrforum.com/newsroom.aspx?itemID=1595>.

n175. Total Number of Cases Per Year, WIPO, <http://www.wipo.int/amc/en/domains/statistics/cases.jsp> (last visited Apr. 2, 2011).

n176. Brands Tackle Cybersquatters in 2009, UDRP Becomes Eco-Friendly, WIPO (Mar. 23, 2010), http://www.wipo.int/madrid/en/statistics/articles/2010/article_0007.html.

n177. Case Outcome by Year(s) (Breakdown), WIPO, <http://www.wipo.int/amc/en/domains/statistics/outcome.jsp> (last visited Apr. 2, 2011).

n178. Natalie Ledra, National Arbitration Forum ("N.A.F.") Domain Name Dispute Study (Mar. 2010), <http://www.dnattorney.com/study.shtml>.

n179. Ballon, *supra* note 13, § 7.04[2]-[3].

n180. See Ballon, *supra* note 13, § 7.04[2]; The Uniform Domain Name Dispute Resolution Procedure, WIPO, <http://www.wipo.int/export/sites/www/amc/en/docs/UDRPflowchart.doc> (last visited Apr. 2, 2011).

n181. Ballon, *supra* note 13, § 7.04[2].

n182. Sorkin, *supra* note 170, at 42.

n183. 1-2 McGrady on Domain Names, *supra* note 160, § 2.12.

n184. Efroni, *supra* note 18, at 353.

n185. *Storey v. Cello Holdings, L.L.C.*, 347 F.3d 370, 381 (2d Cir. 2003).

n186. Policy, *supra* note 149, at 4(i).

n187. 15 U.S.C. § 1116(a) (2006).

n188. *Id.* § 1117(d).

n189. *Id.* § 1117(a).

n190. *Id.* § 1125(d)(1)(C).

n191. *Id.* § 1125(d)(2)(A).

n192. *Pinehurst, Inc. v. Wick*, 256 F. Supp. 2d 424, 432 (M.D.N.C. 2003) (quoting S. Rep. No. 106-140, at 8 (1999)) (citations omitted).

n193. 15 U.S.C. § 1117(d) (2006).

n194. *Harris v. Emus Records Corp.*, 734 F.2d 1329, 1335 (9th Cir. 1984) (citing *L.A. Westermann Co. v. Dispatch Printing Co.*, 249 U.S. 100 (1919)).

n195. See *Biocryst Pharm., Inc. v. Namecheap.com*, No. CV 05-7615 JFW (RZx), 2006 U.S. Dist. LEXIS 98340, at 5 (C.D. Cal. Nov. 21, 2006).

n196. See, e.g., *Verizon Cal. Inc. v. OnlineNic, Inc.*, No. C 08-2832 JF (RS), 2009 WL 2706393, at 3 (N.D. Cal. Aug. 25, 2009); *Elecs. Boutique Holdings Corp. v. Zuccarini*, No. 00-4055, 2000 WL 1622760, at 7-8 (E.D. Pa. Oct. 30, 2000).

n197. *Verizon Cal. Inc.*, 2009 WL 2706393, at 3.

n198. See *Harris*, 734 F.2d at 1335.

n199. *Choice Hotels Int'l, Inc., v. Wright (In re Wright)*, 355 B.R. 192, 212-23 (Bankr. C.D. Cal. 2006). But see *PETA v. Doughney*, 263 F.3d 359, 370 (4th Cir. 2001).

n200. *Pinehurst, Inc. v. Wick*, 256 F. Supp. 2d 424, 433 (M.D.N.C. 2003) (citations omitted).

n201. *Doughney*, 263 F.3d at 370.

n202. Karen Jacobs Loudon, et al., *Legitimate Businesses Get Caught in the Web: Does the Anticybersquatting Protection Act Go Too Far?*, 10 Del L. Rev. 1, 3-4 (2008); Lipton, *supra* note 13, at 21.

n203. Press Release, comScore Releases "The 2010 U.S. Digital Year in Review" (Feb. 8, 2011), <http://www.comscore.com/PressEvents/PressReleases/2011/2/comScoreReleasesThe2010USDigitalYearinReview>.

n204. Press Release, Online Engagement Deepens as Social Media and Video Sites Reshape the Internet, Nielsen Reports (Apr. 22, 2009), <http://blog.nielsen.com/nielsenwire/wp-content/uploads/2009/04/nielsen-online-global-pr.pdf>.

n205. *Concerns Rising over Domain Name Dispute Procedures*, *supra* note 138.

n206. See, Brian J. Winterfeldt, *Protecting Marks in the Wild West of Web 2.0*, Nat'l L.J., Nov. 30, 2009, at S3, available at <http://www.law.com/jsp/cc/PubArticleCC.jsp?id=1202435924630>.

n207. Nicholas F. Ducoff & Michele Schwartz, *A New Kind of Cybersquatting Facebook, Twitter and Online Social Media Sites* (June 26, 2009), <http://www.martindale.com/advertising-marketing/article Andrews-Kurth-LLP 725518.htm>.

n208. Theodora Blanchfield, *Facebook Land Grab: Usernames Could Create Cybersquatting Issues*, L. Tech. News, July, 2009, at 6, 6; Aura Lichtenberg & Melissa Solomon, *What Social Squatting Means for Trademark Holders: How to Protect Your Brand on Social Networking Sites*, 22 DuPage County B. Ass'n 36, 36 (2009).

n209. Winterfeldt, *supra* note 206.

n210. Blanchfield, *supra* note 208, at 6.

n211. Lichtenberg & Solomon, *supra* note 208, at 36.

n212. See Help Center, Usernames: General Information, facebook, <http://www.facebook.com/help.php?page=897> (last visited Apr. 2, 2011); Blanchfield, *supra* note 208, at 45. Facebook provides a form for complaints of non-copyright infringement claims. Notice of Intellectual Property Infringement (Non-Copyright Claim), facebook, <http://www.facebook.com/legal/copyright.php?noncopyrightnotice=1&type=23&uid=0&cid=100907566536&cid2=0&h=4cdbcf2641> (last visited Apr. 2, 2011).

n213. Amy E. Bivens, Trademarks/Domain Names: Facebook Gives Mark Owners Option to Block Squatters Before June 13 Vanity URLs Launch, 78 BNA's Pat., Trademark & Copyright J. 223 (2009).

n214. See Notice of Removal of Civil Action at exhibit A, *La Russa v. Twitter, Inc.*, No. CGC-09-488101 (N.D. Cal. June 5, 2009), available at <http://docs.justia.com/cases/federal/district-courts/california/candce/3:2009cv02503/215692/1/>.

n215. *Id.*

n216. Twitter Support, Trademark Policy, Twitter (Jan. 14, 2009), <http://support.twitter.com/entries/18367-trademark-policy>. In June 2009, Twitter launched its "Verified Accounts" program. Pete Cashmore, Twitter Launches Verified Accounts, Mashable (June 11, 2009), <http://mashable.com/2009/06/11/twitter-verified-accounts-2/>. The goal of the Verified Accounts program "is to limit user confusion by making it easier to identify authentic accounts on Twitter." Twitter Help Center, About Verified Accounts, Twitter, <http://support.twitter.com/groups/31-twitter-basics/topics/111-features/articles/119135-about-verified-accounts> (last visited Apr. 2, 2011). In late 2010, Twitter suspended the program pending release of a more user-friendly system. Peter Kafka, Twitter Trusts, No Longer Verifies, MediaMemo (Nov. 30, 2010, 10:19 AM), <http://mediamemo.allthingsd.com/20101130/twitter-trusts-no-longer-verifies/>.

n217. Lichtenberg & Solomon, *supra* note 208, at 39.

n218. Steven Seidenberg, Names' Sake: Social Media Pose Trademark Threats for Companies, *Inside Couns.*, Sept. 1, 2009, at 24, 24, available at <http://www.insidecounsel.com/Issues/2009/September-2009/Pages/Names-Sake.aspx?k=names'+sake>. On January 1, 2011, California SB 1411 went in to effect, prohibiting "E-personation." One legislator noted that prior California law was insufficient to deal with current technology. See Fact Sheet: Senate Bill 1411 (Simitian) Criminal "E-personation," http://www.senatorsimitian.com/images/uploads/SB_1411_Fact_Sheet.pdf (last visited Apr. 2, 2011). Specifically, SB 1411 criminalizes anyone who "credibly impersonates another actual person through or on an Internet Web site or by other electronic means for purposes of harming, intimidating, threatening, or defrauding another person" Cal. Penal Code § 528.5(a) (West Supp. 2011). The law defines "electronic means" to include creating an e-mail or social networking account utilizing another person's name. Id. § 528.5(c). Such conduct is punishable by a fine not to exceed \$ 1,000 or imprisonment not to exceed one year, or both a fine and imprisonment. Id. § 528.5(d). The new law also explicitly permits victims to pursue other civil remedies. Id. § 528.5(e). In 2009, Texas enacted a similar law. See Tex. Penal Code Ann. § 33.07 (West Supp. 2010).

n219. Seidenberg, *supra* note 218, at 27.

n220. A subdomain is an unregistered portion of a domain name. For example, in the domain name "<www.store.apple.com>," the "store" portion is the subdomain. See also 1-1 McGrady on Domain Names, *supra* note 16, § 1.07[7][a][i].

n221. Id. § 1.07[7].

n222. Ian J. Block, Comment, Hidden Whois and Infringing Domain Names: Making the Case for Registrar Liability, 2008 U. Chi. Legal F. 431, 431.

n223. One such example is GoDaddy.com, which provides private domain registration services through affiliate Domains By Proxy. See About Us, Domains By Proxy, <http://domainsbyproxy.com/Aboutus.aspx> (last visited Apr. 2, 2011); see also Michael S. Guntersdorfer, Unmasking Private Domain Name Registrations, *L.A. Law.*, Apr. 2006, at 19.

n224. Block, *supra* note 222, at 431-32.

n225. See Public v. Private, Domains By Proxy, <http://www.domainsbyproxy.com/popup/whoisexample.aspx?app%5Fhdr=0&ci=5165> (last visited Apr. 2, 2010) (providing an example of the difference between a public domain name registration and a private domain name registration).

n226. See Career Agents Network, Inc. v. Careeragentsnetwork.biz, No. 09-CV-12269-DT, 2010 WL 743053, at 2 (E.D. Mich. Feb. 26, 2010) (identifying legitimate privacy registration uses, such as "limiting the amount of spam, junk mail, and unsolicited contact").

n227. DNS Developments Feed Growing Cybersquatting Concerns, WIPO (Mar. 27, 2008), http://www.wipo.int/pressroom/en/articles/2008/article_0015.html; see also Solid Host, NL v. Namecheap, Inc., 652 F. Supp. 2d 1092, 1096 (C.D. Cal. 2009) ("These services ... appeal to registrants who wish to conceal their identities for illegitimate purposes."); Guntersdorfer, *supra* note 223, at 19. But see Career Agents Network, Inc., 2010 WL 743053, at 5 (noting that the mere use of a privacy service "is not the same thing as providing false or misleading contact information").

n228. Block, *supra* note 222, at 441.

n229. Guntersdorfer, *supra* note 223, at 20.

n230. 15 U.S.C. § 1125(d)(2)(A) (2006).

n231. Personal experience of author while working at Lewis and Roca LLP.

n232. 15 U.S.C. § 1114(2)(D)(i)(I); see also Solid Host, NL, 625 F. Supp. 2d at 1104-05 (narrowly construing the safe harbor provision to apply only when the registrar "did nothing more than act as a registrar" (citing Lockheed Martin Corp. v. Network Solutions, Inc., 141 F. Supp. 2d 648 (N.D. Tex. 2001))).

n233. Block, *supra* note 222, at 443.

n234. Solid Host, NL, 625 F. Supp. 2d at 1111 n.53 (noting that in a principal-agent relationship, liability flows from principal to agent, not from agent to principal).

n235. Block, *supra* note 222, at 443-44.

n236. *Id.* at 443.

n237. HSBC Fin. Corp. v. Clear Blue Sky Inc., No. D2007-0062 (WIPO Arb. & Med. Ctr. June 4, 2007), <http://www.wipo.int/amc/en/domains/decisionsx/list.jsp?prefix=D&year=2007&seq min=1&seq max=199> ("The Panel does not consider the Respondent's use of a privacy service in and of itself to constitute bad faith under the Policy, but privacy services are subject to manipulation by a registrant seeking to evade enforcement of legitimate third-party rights or to obstruct proceedings commenced under the Policy or elsewhere.").

n238. See Cash Parking: Turn Your Parked Domain into Cash!, GoDaddy.com, <http://www.godaddy.com/gdshop/park/domain-name-parking.asp?ci=8997> (last visited Apr. 2, 2011).

n239. Vulcan Golf, L.L.C. v. Google Inc., 552 F. Supp. 2d 752, 759 n.2 (N.D. Ill. 2008) (quoting First Amended Complaint at para. 83(w), Vulcan Golf, 552 F. Supp. 752 (No. 07 C 3371)) (internal quotation marks omitted). For an example of a parking service, see Domain Optimization, Parked, <http://www.parked.com/tour/domainoptimization.php> (last visited Apr. 2, 2011).

n240. Vulcan Golf, 552 F. Supp. 2d at 759 n.2 (quoting First Amended Complaint, *supra* note 239, at para. 83(u)) (internal quotation marks omitted).

n241. This is also referred to as "pay per click" or "cost per click." See Pay Per Click, Wikipedia, http://en.wikipedia.org/wiki/Pay_per_click (last visited Apr. 2, 2011).

n242. Cash Parking: Turn Your Parked Domain into Cash!, *supra* note 238.

n243. See, e.g., *Gen. Media Commc'ns, Inc. v. Crazy Troll, L.L.C.*, No. 06 Civ. 40581 LAKFM, 2007 WL 102988, at 3 (S.D.N.Y. Jan. 16, 2007) (noting that penthousebotique.com "directed web users to a variety of internet websites almost totally unrelated to ... the Penthouse marks, or the Penthouse Boutique, including links to websites concerned with travel, entertainment, finance, business, and pornography").

n244. *Philbrick v. eNom, Inc.*, 593 F. Supp. 2d 352, 366 (D.N.H. 2009).

n245. *Id.*

n246. See *supra* note 161.

n247. See *Protecting Your Domains - Going Offshore to Canada*, Domain Bits (Nov. 4, 2008), <http://www.domainbits.com/protecting-domains-offshore/>.

n248. 15 U.S.C. § 1125(d)(2)(C) (2006).

n249. Personal experience of author while working at Lewis and Roca LLP.

n250. 1-1 McGrady on Domain Names, *supra* note 16, § 1.10[1][a] (2010).

n251. Personal experience of author while working at Lewis and Roca LLP.

n252. See Guide to Domain Name Status Codes, DomainTools, <http://whois.domaintools.com/domain-help/status-codes.php> (last visited Apr. 2, 2011).

n253. Personal experience of author while working at Lewis and Roca LLP.

n254. Darren Heitner, X6D Limited Found to Have Engaged in Reverse Domain Name Hijacking, ChangeLegal.com (Dec. 29, 2010), <http://changelegal.com/category/intellectual-property/trademarks/>.

n255. Id.

n256. Storey v. Cello Holdings, L.L.C., 347 F.3d 370, 373 (2d Cir. 2003).

n257. The ACPA provides limited recourse for reverse domain name hijacking:

A domain name registrant whose domain name has been suspended, disabled, or transferred under a policy described under clause (ii)(II) may, upon notice to the mark owner, file a civil action to establish that the registration or use of the domain name by such registrant is not unlawful under this chapter. The court may grant injunctive relief to the domain name registrant, including the reactivation of the domain name or transfer of the domain name to the domain name registrant.

15 U.S.C § 1114(2)(D)(v) (2006).

n258. See Doman Name Dispute Proceedings and Decisions, Nat'l Arb. F., <http://domains.adrforum.com/decision.aspx> (last visited Apr. 2, 2011).

n259. Rules for Uniform Domain Name Dispute Resolution Policy, ICANN, R. 15(e), <http://www.icann.org/en/dndr/udrp/uniform-rules.htm> (last visited Apr. 2, 2011).

n260. Ardyss Int'l Inc. v. Lauren Silva Grp., Inc., No. FA0912001296536, at 10 (Nat'l Arb. Forum Jan. 14, 2010), available at <http://domains.adrforum.com/domains/decisions/1296536.htm>.

n261. Id.

n262. See Index of WIPO UDRP Panel Decisions, WIPO, <http://www.wipo.int/amc/en/domains/search/legalindex.jsp> (last visited Apr. 2, 2011). Unfortunately, a similar detailed search method is not available for National Arbitration Forum proceedings.

n263. See Posting of Shari Steel, ssteel@eff.org, to comment-udrp@icann.org (Aug. 24, 1999), <http://www.icann.org/en/comments-mail/comment-udrp/current/msg00015.html>.

n264. Concerns Rising over Domain Name Dispute Procedures, *supra* note 138 (noting that when the hotel gTLD is released there will be "an entirely new marketplace for cybersquatters") (internal quotation marks omitted); Catherine Saez & William New, WIPO Sees Decrease in Cybersquatting Complaints, Warns of Domain Name Expansion, *Intell. Prop. Watch* (Mar. 23, 2010, 12:01 AM), <http://www.ip-watch.org/weblog/2010/03/23/wipo-sees-decrease-in-cybersquatting-complaints-warns-of-internet-domain-expansion/>.

n265. Concerns Rising over Domain Name Dispute Procedures, *supra* note 138 (noting that there is a "'screaming need' for more third-party dispute resolution").

n266. See, e.g., Cal. Bus. & Prof. Code § 17525 (West 2008); Haw. Rev. Stat. § 481B-22 (West 2008); N.Y. Gen. Bus. Law § 148 (McKinney Supp. 2011); Okla. Stat. Ann. tit. 15, § 776.10 (West Supp. 2011).

n267. Utah E-Commerce Integrity Act, S. 58-26, Gen. Sess. (Utah 2010), available at <http://le.utah.gov/2010/bills/sbillint/sb0026.htm>.

n268. Utah Code Ann. § 70-3a-402(4) (West Supp. 2010).

n269. Id. § 70-3a-309(1)(d)(i). Additionally, the Utah Act provides both civil and criminal penalties for other Internet-related conduct, including spyware, pharming, and phishing. Utah S. 58-26.

n270. CADNA Releases Letter of Support for the Utah E-Commerce Integrity Act, CADNA (Dec. 16, 2009), <http://www.cadna.org/en/newsroom/press-releases/utah-legislation-release>.

n271. See CADNA Member Organizations, CADNA, <http://www.cadna.org/en/members> (last visited Apr. 2, 2011).

n272. CADNA Releases Letter of Support for the Utah E-Commerce Integrity Act, *supra* note 270.

n273. Solid Host, NL v. Namecheap, Inc., 625 F. Supp. 2d 1092, 1102 (C.D. Cal. 2009).

n274. Jian Xiao, The First Wave of Cases Under the ACPA, 17 Berkeley Tech. L.J. 159, 171 (2002).

n275. See *id.* at 170.

n276. See 17 U.S.C. § 512(d)(1)(C) (2006).

n277. MHB, WIPO Takes 13 Year Old Domain Sporto.com: Saying "UDRP Does Not Operate on a Strict Doctrine of Precedent," Domains

(Mar. 5, 2010), <http://www.thedomains.com/2010/03/05/wipo-takes-13-year-old-domain-sporto-com-saying-udrp-does-not-operate-on-a-strict-doctrine-of-precedent/> (noting that the unpredictable decisions render UDRP proceedings a "crap shoot").

n278. See Rules for Uniform Domain Name Dispute Resolution Policy, *supra* note 259, R. 3(c) (allowing multiple domain names to be adjudicated, but only against a single name owner).

n279. Fulham Football Club (1987) Ltd. v. Domains by Proxy, Inc., No. D2009-0331 (WIPO Arb. & Med. Ctr. May 12, 2009), <http://www.wipo.int/amc/en/domains/decisions/html/2009/d2009-0331.html>.

n280. *Id.*

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ARTICLE: What's Mine is Mine but What's Yours is Ours: IP Imperialism, the Right of Publicity, and Intellectual Property Social Justice in the Digital Information Age

NAME: Lateef Mtima*

BIO: * Professor of Law, Howard University School of Law and Founder and Director of the Institute for Intellectual Property and Social Justices. I would like to thank Zalika Headley, HUSL ' 12, for her research assistance in the preparation of this article. Any errors are my own.

LEXISNEXIS SUMMARY:

... Not only do varying regional values make it difficult to discern what publicity interests will be recognized in a particular case, but even where the right of publicity interests are relatively concrete, courts appear eager to subjugate such interests in favor of competing social utilities, and consequently the outcomes of right-of-publicity disputes can be extremely difficult to predict. ... The misappropriation or other inequitable exploitation of the publicity rights of members of marginalized groups, which have fewer entrepreneurial/access to wealth opportunities presents an especially inviting opportunity for a social justice oriented application of the right of publicity, since such unfair exploitation undermines the enunciated social utility/ justice goals of the right of publicity as well as ecumenical principles of justice. ... Subsequent to Bell's death, Brooks discovered that The Topps Trading Company ("Topps"), a well-known purveyor of sports trading cards and memorabilia, had engaged in various unauthorized uses of her father's image, whereupon she undertook extensive efforts to determine the full scope of Topps' unauthorized activities: Topps' first contact with Brooks occurred in late 2004. ... In fact, under Rogers, the assessment of the relevance of the plaintiff's persona is dispositive in resolving First Amendment/publicity disputes because, unlike false endorsement claims, there is no secondary assessment as to whether the use is also prohibitively confusing. ... In balancing the defendant's asserted First Amendment claims against the plaintiffs' publicity rights, the court delineated the property interests and social utilities encompassed by the right of publicity: What the right of publicity holder possesses is not a right of censorship, but a right to prevent others from misappropriating the economic value generated by the celebrity's fame through the merchandising of the "name, voice, signature, photograph, or likeness" of the celebrity. Sony reasoned that, because it had used a copyrighted recording of Laws' voice, her state misappropriation rights were subsumed within the copyrights attendant to that recording. ... Unlike the courts in Brown and Laws, the Facenda court did not presume that the social utility interests that appeared to conflict with the plaintiff's publicity rights were superior to the social utility objectives which underlie the right of publicity, or, for that matter, that these competing interests were even socially significant.

HIGHLIGHT: "THAT the individual shall have full protection in person and in property is a principle as old as the common law; but it has been found necessary from time to time to define anew the exact nature and extent of such protection. Political, social, and economic changes entail the recognition of new rights, and the common law, in its

eternal youth, grows to meet the demands of society." ⁿ¹

TEXT:

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PART I: INTRODUCTION

The classic conflict over enforcement of intellectual property rights continues today as a struggle between the "IP haves" and the so-called "IP have-nots." ⁿ² Those nations that have canonized the products of their creative and innovative endeavors as forms of property insist that these boundaries be held sacrosanct by all others. ⁿ³ The societies and communities that have not applied such status to their cultural and inventive output, however, often regard such restrictions as incomprehensible, unreasonable, or simply unfair. ⁿ⁴ While there can be many reasons for hostility toward intellectual property protection, a frequent cause is that intellectual property characterization and [*324] rights enforcement seem to be promoted and respected only when it serves the interests of those invested in particular intellectual property regimes. ⁿ⁵

While some scholars and commentators attempt to analyze and pose solutions to these conflicts as problems of technological and cultural incompatibility (i.e., technologically and economically advanced societies naturally appreciate the need for strong intellectual property ("IP") rights; unsophisticated, developing societies do not get it, but with education they can be uplifted into the fold), ⁿ⁶ the issue is really not that complex. Many contemporary IP rights conflicts are simply the result of enduring attitudes of [*325] Western Imperialism. ⁿ⁷ Summarily put: that which I possess, and which incidentally provides me some measure of power, dominance, or other advantage, should be afforded protected, property-right status, and that status should be recognized and revered by universal law. On the other hand, that which you possess, should I desire it, should be ecumenically acknowledged as freely available to any and all who are capable of developing and applying it to "productive" use (such as the use that I intend to undertake). ⁿ⁸

In other words, what's mine is mine; what's yours is ours.

Today, such attitudes and policies of Western "IP Imperialism" not only account for many international clashes over intellectual property rights and protections, but also fuel many domestic IP controversies in the American digital information society. ⁿ⁹ Although the vested, corporate purveyors of intellectual property commodities consistently call for stronger IP protections whenever their property interests are at stake, when it comes to outsider inventive [*326] or expressive endeavors, they typically take the opposite position. ⁿ¹⁰ Public engagement in new technological uses for traditional, corporate-controlled intellectual properties should be restricted and curtailed; unauthorized commercial development and exploitation of newer and non-traditional intellectual properties should be unrestricted and encouraged. And, if intellectual property protection is to be extended into new areas, any attendant property rights and interests should be made subordinate to the IP rights and other interests that sustain and perpetuate the entrenched IP establishment. ⁿ¹¹

Some current conflicts in the still-developing field of publicity rights provide illustrative examples of the IP Imperialist viewpoint. As a relatively new and innately personal kind of intellectual property, publicity rights are usually beyond the immediate reach of corporate IP entities. Consequently, it is in the best interest of these entities for publicity rights to be narrowly construed. The more narrow the scope of the right of publicity, the more likely that many new and existing means for commercially misusing individual [*327] personas and images will be held outside the parameters of the right, and thus available for exploitation by anyone with the means to develop and commercialize these uses. ⁿ¹² When new technological uses are introduced in connection with intellectual property under corporate dominion, however, it is vehemently argued that these uses should be relegated to the province and control of the IP rights holder. ⁿ¹³

This article discusses how IP Imperialism is a socially and politically pernicious policy that contravenes the social utility and social justice objectives underlying American intellectual property law, ⁿ¹⁴ including those mores advanced

through the right of publicity. Part II briefly discusses the origins and evolution of IP Imperialism in the American intellectual property psyche and its historical role in the formation of American IP law and policy.ⁿ¹⁵ Part III focuses specifically on the right of publicity, its doctrinal facets and social [*328] utility/social justice functions, and its potential to be utilized as a counterweight to the IP Imperialist agenda.ⁿ¹⁶

In Part IV, four cases are analyzed as presenting important opportunities to further IP social justice through the right of publicity.ⁿ¹⁷ The first three cases demonstrate how such opportunities can be lost when courts fail to consider the IP social utility and social justice functions of publicity rights.ⁿ¹⁸ The fourth case, however, illustrates how IP social utility/social justice cognizance can lead to more socially balanced (and counter-imperialistic) outcomes.ⁿ¹⁹

Finally, Part V attempts to construct an IP social justice framework for evaluating and resolving right of publicity claims.ⁿ²⁰ This Part delineates a right of publicity social justice analytical spectrum, and identifies important IP social justice issues and opportunities that courts should be sensitive to in adjudicating right of publicity conflicts and disputes.ⁿ²¹

PART II: THE RISE OF AMERICAN IP IMPERIALISM

A. Early American IP Policies: What's Yours is Ours

In America's nascent years, quasi-imperialistic attitudesⁿ²² toward intellectual property rights were seen as serving the country's immediate interests as a developing nation. The colonial pioneers did not have much intellectual property of their own to protect,ⁿ²³ but there was a storehouse of pre-existing [*329] protected material that could be critical to the new nation's cultural advancement and technological development.ⁿ²⁴ The great works of literature and innovative technological achievements of the day were considered to emanate from Europe, and the colonists did not see anything wrong with appropriating these achievements in the cause of American national progress.ⁿ²⁵ Having fought a war to gain independence from British control, America's leaders and populace were not overly concerned with the trivialities of foreign rights in intangible property, especially if such rights stood in the way of nation building.ⁿ²⁶ And surely if it seemed reasonable to capture, enslave, and otherwise subjugate and degrade other people in the cause of American agricultural and industrial "progress," the misappropriation of a few stories and songs was hardly an affront to the national conscience.ⁿ²⁷

[*330] Thus, notwithstanding the fact that the Founding Fathers provided for the granting of intellectual property rights in the very first article of the Constitution,ⁿ²⁸ American disregard for the intellectual property rights of others prevailed throughout the nineteenth century.ⁿ²⁹ As American inventors and authors became increasingly prolific in their own inventive and creative output, however, the attitudes toward protection for domestic innovative and expressive works evolved and the social benefit of providing secular incentives and rewards to authors and inventors began to be appreciated. With the advent of revolutionary means of mass production and distribution of such creations, the commoditization perception of intellectual property began to take root in the American socio-economic psyche:

To bring the lively arts to an increasingly eager public, a new American arts system and new "arts industries" grew dramatically during the first three decades of the twentieth century... Music of all kinds made its way onto molded shellac 78 rpm discs, introduced by Columbia Records in 1904; by 1921 record sales totaled \$ 16 million, a figure that would increase tenfold over the next decade. In 1920 there were 20,000 silent movie theaters operating across the country, screens fed, in mid-decade, by fifteen film studios... [*331] But cultural change always exacts a price. The rise of vernacular art made possible by technology enriched America's expressive life, but the market-driven system producing films, records, and broadcasts evolved with little attention to the way the creation and distribution of art in America linked up to "Life, Liberty, and the Pursuit of Happiness." The problem lay not with these transforming technologies, and certainly not with the blues musicians, movie stars, and vaudevillians who provided early cultural "content." Instead, the public interest was subverted by the business practices that made up the rules and laid out the

playing field for producing and consuming our modern mainstream culture. ⁿ³⁰

Intellectual property protection became recognized as vital to American technological and cultural progress, ⁿ³¹ and, moreover, safeguarding the means of production and distribution of IP commodities would soon be regarded as equally important as stimulating the production of intellectual property output. ⁿ³² And thus the American IP Commoditization Precept was born. American intellectual property law and policy would become dominated by attitudes that regarded intellectual property works primarily as commodities to be invested in and commercially exploited for profit. ⁿ³³ The aspirations and innovations of human hearts and minds were reduced to mere chattel.

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B. America as IP Super-Power: What's Mine is Mine

Germinated in the latter years of the nineteenth century, the American IP Commoditization Precept flowered into full-blown IP Imperialism in the twentieth century. In the global market place, the United States not only took its place in the international IP community, ⁿ³⁴ but became a staunch advocate for the recognition of strong intellectual property rights, particularly as the nation shifted from a goods-based economy to an information-based one. ⁿ³⁵ **[*333]** Recognition of and respect for the expressive and innovative endeavors of others, however, especially those of non-Western cultures, did not keep pace. ⁿ³⁶ Most incendiary to many third world and other developing nations **[*334]** was the fact that the United States and the former Colonial Powers sought to define unilaterally what would qualify as protectable intellectual property. ⁿ³⁷ At the same time, they showed little respect for the sovereign and national rights in the properties the West desired, such as the natural and indigenous cultural resources they continued to pilfer from many non-Western countries without even the pretense of fair compensation. ⁿ³⁸

[*335] Domestically there was little challenge to the IP Commoditization aspects of American IP Imperialism. For one thing, the American public seemed to have access to as much IP products as it desired at affordable prices. ⁿ³⁹ Additionally, there were few options available for interacting with **[*336]** IP products other than as pre-packaged, static commodities. Books, movies, and music recordings were entertaining and often even inspiring; pharmaceuticals were inexpensive and cured most routine ills; even the public's favorite celebrities were "manufactured," managed, and marketed by entertainment conglomerates. ⁿ⁴⁰ As with most mass-produced commodities in the industrial age, the public had little say in how intellectual property products were manufactured or what products would be made available, nor could it "tweak" or customize that which was offered to suit their individual likings. Like children at the end of a hyperactive summer day, the public happily consumed what was put in front of it, so long as it was familiar, or at least superficially gratifying, unconcerned with either the ultimate cost or process involved in the preparation of the intellectual property repast. Nor did there seem to be any cause for alarm over growing corporate claims of absolute dominion over the IP to which they held legal rights. In possession of an ever-growing bundle of legal titles to IP works, what was theirs was theirs and the right of control over their property was to be respected by all. ⁿ⁴¹

C. Digital Information Technology: The Challenge to IP Imperialism and Commoditization

The advent of digital information technology presented the first major challenge to both American IP Imperialism policies and the American IP Commoditization Precept. Through the Internet and related technological advances, people in many non-Western and developing nations gained unprecedented access to American intellectual property and began utilizing this material as the building blocks for further expressive and innovative works. ⁿ⁴² **[*337]** Concededly, this new access was sometimes abused to undertake unauthorized commercial exploitation and other acts of IP piracy. ⁿ⁴³ For American and other Western IP stakeholders, the "what's mine is mine" imperialist bastion was no longer an unassailable rampart. ⁿ⁴⁴ Moreover, some non-Western **[*338]** nations and various marginalized groups and communities would seize upon Western "digital vulnerability" to gain bargaining leverage with which to redress the "what's yours is ours" part of the IP Imperialism equation, ⁿ⁴⁵ and to otherwise explore digital information technology

as a means for addressing other intellectual property social deficiencies and injustices.ⁿ⁴⁶

[*339] Just as the developing nations began to challenge American IP Imperialism, the American public began to question the IP Commoditization Precept: for the first time, private individuals gained the ability to interact with commercially produced IP product in non-passive ways.ⁿ⁴⁷ With digital information technology liberating many expressive works from static formats and offering new methods for using and re-using existing works to produce new works and even new forms of intellectual property, the American public became unwilling to forego these creative and pedagogical boons solely on the say-so of the IP Commoditization establishment.ⁿ⁴⁸ A national grassroots movement to restore the public interest to the core of American IP policy began to take hold, and a growing cross-section of IP stakeholders demanded that the IP Commoditization Precept give way to the Constitution's intellectual property mandates of cultural and innovative progress.ⁿ⁴⁹

[*340] Predictably, the American Digital Cultural Revolution has been met with demands for even greater IP protections from the entrenched IP corporate community; predictably, but not consistently.ⁿ⁵⁰ Because digital information technology not only provides new uses for traditional intellectual property product, but has also engendered new kinds and forms of intellectual property outside of IP conglomerate control, in the unwavering tradition of American IP Imperialism many members of that community would prefer that little or no "IP law and order" be extended to these new frontiers. Consequently, it is not unusual to find some of the most ardent corporate supporters of stronger IP rights as the means for incorporating digital information technology into the global IP framework actually arguing against strong IP protection when it comes to regulating digital information IP interests currently outside their control.ⁿ⁵¹

Some recent right-of-publicity disputes provide good examples of this IP Imperialist ambidexterity. As a relatively new form of intellectual property, the parameters and contours of these rights were still being charted as digital information technology disrupted a plethora of timeworn IP pretexts and assumptions.ⁿ⁵² Consequently, much of the right of publicity law terrain, both within and outside of the digital information context, is plainly unsettled, and like the robber barons of old, many IP Imperialists are eager to preserve this "Oklahoma land-grab" state of affairs until they can stake their claims to these new IP territories. However, as discussed in the next Part, the right of publicity offers much more than new opportunities for IP Imperialist expansion. Particularly in the digital information context, it can instead be utilized to achieve important IP social utility and social justice goals. A brief examination of the development of the right, and the application of IP social justice tenets in its interpretation and application, elucidates its full social utility/social justice potential.

PART III: THE RIGHT OF PUBLICITY: A DIGITAL AGE OPPORTUNITY FOR IP SOCIAL JUSTICE

A. The Origins of the Right of Publicity

In many ways, the right of publicity is something of the IP bastard child, the unplanned progeny of the intersection of tort right of privacy with trademark, [*341] which is itself the "black sheep" of federal intellectual property law.ⁿ⁵³ The genesis of publicity rights can be traced to the landmark law review article by two jurisprudential Young Turks, Samuel D. Warren and Louis D. Brandeis, who defied convention and called for judicial recognition of "a right to be let alone."ⁿ⁵⁴ Perturbed with the press's growing encroachment upon private matters and the consequential public fascination with sensationalism, Warren and Brandeis' observations could well have been made in the present day:

Of the desirability - indeed of the necessity - of some such protection, there can, it is believed, be no doubt. The press is overstepping in every direction the obvious bounds of propriety and of decency. Gossip is no longer the resource of the idle and of the vicious, but has become a trade, which is pursued with industry as well as effrontery. To satisfy a prurient taste the details of sexual relations are spread broadcast in the columns of the daily papers. To occupy the indolent, column upon column is filled with idle gossip, which can only be procured by intrusion upon the domestic circle. The intensity and complexity of life, attendant upon advancing civilization, have rendered necessary some retreat from the world, and man, under the refining influence of culture, has become more sensitive to publicity, so that

solitude and privacy have become more essential to the individual; but modern enterprise and invention have, through invasions upon his privacy, subjected him to mental pain and distress, far greater than could be inflicted by mere bodily injury. ⁿ⁵⁵

Although the right of privacy was not immediately welcomed by the courts, ⁿ⁵⁶ gradually courts began to accept the principle that individuals were entitled to some protection from intrusion upon their lives and personas, culminating in a pivotal decision by the Second Circuit Court of Appeals, wherein the right of publicity was recognized as a distinct species of the right of privacy. In *Haelan Laboratories, Inc. v. Topps Chewing Gum, Inc.*, the [*342] plaintiff entered into an exclusive contract with a professional baseball player to place his photograph on trading cards. ⁿ⁵⁷ The defendant, however, induced the baseball player to allow it to also use his photograph on trading cards and thereby breach his exclusive agreement. ⁿ⁵⁸ The defendant argued that the baseball player had no legally recognized property interest in his image that he could have assigned to the plaintiff, and consequently the plaintiff had no legal interest that the defendant could have invaded. ⁿ⁵⁹ The Court of Appeals disagreed:

We think that in addition to and independent of [a] right of privacy ... a man has a right in the publicity value of his photograph, i.e., the right to grant the exclusive privilege of publishing his picture... . This right might be called a 'right of publicity.' For it is common knowledge that many prominent persons (especially actors and ball-players), far from having their feelings bruised through public exposure of their likenesses, would feel sorely deprived if they no longer received money for authorizing advertisements, popularizing their countenances, displayed in newspapers, magazines, busses, trains and subways. This right of publicity would usually yield them no money unless it could be made the subject of an exclusive grant which barred any other advertiser from using their pictures. ⁿ⁶⁰

Finally, in 1960 Dean Prosser published a seminal article charting the various judicial conceptions of privacy rights in which he outlined four categories of judicially accepted privacy interests, ⁿ⁶¹ describing the latter-most interest as the right to protect one's image or likeness from misappropriation. ⁿ⁶² Thereafter, both the Restatement (Second) of Torts and the Restatement [*343] (Third) of Unfair Competition included the right of publicity, enumerating the elements of the cause of action. ⁿ⁶³

B. Enforcing the Right of Publicity

In general, the right of publicity assures individuals the right to determine when or if others may utilize or exploit their images or personas, as well as the right to participate in the commercial benefits that might be derived from such uses:

The right of publicity is an intellectual property right of recent origin which has been defined as the inherent right of every human being to control the commercial use of his or her identity. [It] is a creature of state law and its violation gives rise to a cause of action for the commercial tort of unfair competition. ⁿ⁶⁴

[*344] Although the right of publicity is now widely recognized, ⁿ⁶⁵ identifying its parameters continues to be difficult. This is partly due to varying regional privacy customs and values, but the fact that publicity rights often seem to conflict with some of society's most cherished and respected legal and social mores also causes difficulty. The most obvious of these conflicts is with the First Amendment. American society has a revered interest in promoting the accurate discourse of historic and public events, including the roles of public and private individuals in such events. If individuals were to possess an absolute right to determine when their images or personas could be used or referenced by others, they could effectively censor public discussion and even historical accounts of actual events. ⁿ⁶⁶

Consequently, the right of publicity is often said to end where the First Amendment begins:

The right of publicity cannot be used to prevent someone's name or picture in news reporting. It cannot be used to prevent the use of identity in an unauthorized biography. It cannot prevent use of identity in an entertainment parody or satire, such as that of Rich Little or Saturday Night Live.ⁿ⁶⁷

[*345] In addition to preserving public discourse and historical accuracy, First Amendment concerns also tend to prioritize freedom of artistic expression over publicity interests. For example in *Rogers v. Grimaldi*, the Second Circuit Court of Appeals affirmed dismissal of both the right of publicity and the false endorsement claims brought by film legend Ginger Rogers, as precluded by First Amendment interests.ⁿ⁶⁸ Rogers brought suit in connection with the use of her name in the title of a film, *Ginger and Fred*.ⁿ⁶⁹ The gist of Rogers's claims was that, even though the film was not about the famous Rogers and Astaire dance team, the phrase "Ginger and Fred" invoked her famous persona when used as the title of a film and therefore falsely traded upon her persona to market a work to which she had no connection.ⁿ⁷⁰

In dismissing Rogers' claims, the court ruled that any invocation of her persona in this instance was artistically relevant to the film because, while the movie was not about Rogers or her former co-star, the title did have some artistic, expressive relationship to the content of the film - a satiric social commentary on the Hollywood Glamour Age - and was not merely a disguised attempt by the defendant to trade upon Rogers's celebrity as a means to promote his product.ⁿ⁷¹ Consequently, the use was protected by the First Amendment:

In light of the [state's] concern for the protection of free expression, [the court] would not expect [the state] to permit the right of publicity to bar the use of a celebrity's name in a movie title unless the title was "wholly unrelated" to the movie or was "simply a disguised commercial advertisement for the sale of goods or services." Here ... the title "Ginger and Fred" is clearly related to the content of the movie and is not a disguised advertisement for the sale of goods or services or a collateral commercial product.ⁿ⁷²

[*346] If it seems that, in a "battle of social utilities," the First Amendment will always prevail over publicity rights, perhaps one reason for this impression is that whereas the social function of freedom of speech is obvious, the social utility underlying the right of publicity may seem comparatively obscure. The First Amendment promotes democratic discourse and liberty, as well as the unfettered expressive use of facts and ideas; in comparison, what lofty social goals does the right of publicity promote? Indeed, some scholars have found it difficult to find any social utility justification for the right of publicity.ⁿ⁷³ Thus, prescribing the right of the publicity can be challenging because courts seem to delineate the right by negative implication, often construing the right as only covering whatever is "left over" after the important social utilities underlying the First Amendment and higher pecking order social mores have been satisfied.

Unsurprisingly, this difficulty in definition leads to difficulty in enforcement. Not only do varying regional values make it difficult to discern what publicity interests will be recognized in a particular case, but even where the right of publicity interests are relatively concrete, courts appear eager to subjugate such interests in favor of competing social utilities, and consequently the outcomes of right-of-publicity disputes can be extremely difficult to predict.

The subjugation, and resulting obfuscation, of right-of-publicity interests, however, is not ineluctable. While at first blush the right of publicity may not seem an especially socially relevant form of intellectual property,ⁿ⁷⁴ **[*347]** upon closer analysis it becomes clear that the right of publicity can service important social functions. To identify these functions, however, one must adjust the analytical lens to account for a social justice perspective of the intellectual property law.

C. The Social Utility and Social Justice Objectives of the Right of Publicity

A social justice interpretation of intellectual property law begins with the identification of social injustices and inequities relevant to a particular area of intellectual property protection. For example, IP Imperialistic exploitation of the expressive output of a marginalized sub-community can be assessed for its impact on copyright law's objective to

"promote the progress of the arts and sciences." Such exploitation at best nullifies the economic incentive to create, and, at worst, affirmatively discourages such acts as fixation and dissemination by members of exploited groups who have cause to view such activities as rendering their works more vulnerable to misappropriation.ⁿ⁷⁵ Such instances illustrate intellectual property social utility/social justice interdependence,ⁿ⁷⁶ a concept that has been explored in various important intellectual property contexts.ⁿ⁷⁷ The social justice implications appurtenant [*348] to mass-digitization of copyrighted text and Internet file sharing have been explored by copyright scholars and in major copyright controversies.ⁿ⁷⁸ Similar issues have been analyzed in the context of global health crises and pandemics, and other problems relevant to the development of patentable inventions,ⁿ⁷⁹ and enforcement of patents and trademarks in connection with pharmaceutical drugs.ⁿ⁸⁰

[*349] As is the case with other intellectual property rights, the right of publicity can be and has been invoked in the cause of concrete social utility objectives. Even the right's harshest critics would acknowledge that the right has been invoked for the socially cognizant purpose of protecting individual privacy and personal dignity.ⁿ⁸¹ In this regard, practitioners and the courts have yet to mine the full social potential of the right of publicity. For example, the problem of negative racial, ethnic, and gender stereotypes implemented through the unauthorized use of individual images or personas could be brought within the ambit of the right. Uses that result in depictions or representations that are not negative per se, but may be culturally offensive or sacrilegious, might also be analytically accessible through right of publicity doctrine.

It is possible to redress, or at least curtail, these and similar social inequities through the right of publicity. The social utility objectives that undergird the right of publicity can be interpreted to encompass pertinent remedial social justice goals, such as eradicating negative stereotypes and depictions, and culturally offensive representations, at least where individually recognizable personas are involved. Thus, the right to control the use and exploitation of one's persona can be an instrument wielded to achieve a social as well as individual monetary benefit. In such cases, an analytical interdependence between right-of-publicity social utility and remedial social justice is identified, and the law can be responsively utilized and shaped to advance socially propitious goals.ⁿ⁸² In this way, socially progressive and equitable policies [*350] can be pursued and achieved through strategic invocation and application of right-of-publicity law and doctrine.

In fact, the United States Supreme Court has articulated an extremely important and time-honored social utility/justice function in connection with the right of publicity.ⁿ⁸³ As the Court has observed, the right of publicity provides an incentive to individuals to invest effort and resources in the development and stylization of personal attributes and innovations, and to pursue activities and accomplishments of public and popular interest, with the possibility of celebrity, public renown, and attendant commercial reward.ⁿ⁸⁴

Moreover, the Court observed that social objectives of the right of publicity are as important as those promoted by patent and copyright laws, and are not always outweighed by those underlying the First Amendment.ⁿ⁸⁵ This [*351] is especially true where an individual's publicity interest would be completely eviscerated by a purported First Amendment use:

Wherever the line in particular situations is to be drawn between media reports that are protected and those that are not, we are quite sure that the First and Fourteenth Amendments do not immunize the media when they broadcast a performer's entire act without his consent. The Constitution no more prevents a State from requiring respondent to compensate petitioner for broadcasting his act on television than it would privilege respondent to film and broadcast a copyrighted dramatic work without liability to the copyright owner.ⁿ⁸⁶

When considered in the context of IP social utility, the social justice function of publicity rights becomes even more significant. Consistent with the Supreme Court's observations, subsequent courts have recognized that in instances of a conflict between the First Amendment rights and the right of publicity, free speech interests are not the only social utilities to be protected:

Having recognized the high degree of First Amendment protection for noncommercial speech about celebrities, we need not conclude that all expression that trenches on the right of publicity receives such protection. The right of publicity, like copyright, protects a form of intellectual property that society deems to have some social utility. "Often considerable money, time and energy are needed to develop one's prominence in a particular field. Years of labor may be required before one's skill, reputation, notoriety or virtues are sufficiently developed to permit an economic return through some medium of commercial promotion. For some, the investment may eventually create considerable commercial value in one's identity."

[*352] The present case exemplifies this kind of creative labor. Moe and Jerome (Curly) Howard and Larry Fein fashioned personae collectively known as The Three Stooges, first in vaudeville and later in movie shorts, over a period extending from the 1920's to the 1940's. The three comic characters they created and whose names they shared - Larry, Moe, and Curly - possess a kind of mythic status in our culture. Their journey from ordinary vaudeville performers to the heights (or depths) of slapstick comic celebrity was long and arduous. Their brand of physical humor - the nimble, comically stylized violence, the "nyuk-nyuks" and "whoop-whoop-whoops," eye-pokes, slaps and head conks - created a distinct comedic trademark. Through their talent and labor, they joined the relatively small group of actors who constructed identifiable, recurrent comic personalities that they brought to the many parts they were scripted to play.ⁿ⁸⁷

Resourceful ingenuity and creativity exercised under challenging socio-economic conditions often spur the development, refinement, and stylization of personal attributes and individual innovations, which can in turn engender enormous popular culture interest and concomitant commercial potential.ⁿ⁸⁸ However, institutionalized barriers to information, financial capital, and legal support often preclude marginalized innovators from taking a full advantage of commercial exploitation while facilitating exploitation by majority enterprises and concerns.ⁿ⁸⁹ The misappropriation or other inequitable exploitation of the publicity rights of members of marginalized groups, which have fewer entrepreneurial/access to wealth opportunitiesⁿ⁹⁰ presents an especially inviting opportunity for a social justice oriented application of the right of publicity, since such unfair exploitation undermines the enunciated social utility/ **[*353]** justice goals of the right of publicity as well as ecumenical principles of justice.ⁿ⁹¹

To properly assess and balance right-of-publicity interests against other important societal goals, and thereby delineate socially productive parameters for publicity rights, it is necessary to identify important social utility functions underlying the right of publicity. Invocation of the overarching social utility goals of intellectual property law is a cogent mechanism for resolving IP disputes in the digital information age and balancing constituent interests and competing social objectives.ⁿ⁹² Moreover, when courts evaluate intellectual property disputes within the context of social productivity and efficacy, their reasoning typically illuminates a functional interdependence between IP social utility and IP social justice: socially propitious mechanisms **[*354]** also tend to be socially just ones (and vice versa). Accordingly, the proper adjudication of right-of-publicity claims can achieve a beneficial social utility/social justice balance - one that is disrupted where the assessment is "IP social justice insensitive" or outright IP Imperialist in perspective.ⁿ⁹³

Some courts have found it difficult to achieve proper social utility balance in publicity disputes because they fail to accord proper weight to the social justice attributes of the right of publicity or to otherwise assess the full range of social utility interests at issue.ⁿ⁹⁴ The failure to appreciate these social justice objectives and concerns has caused some courts to needlessly and unfairly restrict right-of-publicity interests and sometimes inadvertently service IP Imperialistic agendas.ⁿ⁹⁵

[*355] The next Part discusses four cases involving analyses relevant to creating a more socially cognizant application of publicity laws. In the first three cases, courts' uninformed perceptions of the social utility objectives of the right of publicity led to unduly narrow, and in some instances patently unjust, applications of the law. In the final case, however, the court's analysis demonstrates how these issues can be assessed in a more socially efficacious manner.

PART IV: THE RIGHT OF PUBLICITY AND JUDICIAL "SOCIAL JUSTICE MYOPIA"

As discussed in Part III, a significant challenge to proper enforcement of publicity rights is a persistent misperception that certain, hallowed social objectives, such as those promoting free and open discourse, in disputes over the unauthorized exploitation of publicity rights. While these social interests are obviously important, there can also be competing and equally important publicity-based social utility and social justice interests at stake. Society's interest in promoting notable achievements, social equity, and economic empowerment (particularly in connection with marginalized members of society) through innovative undertakings and/or the development and exploitation of individualized styles and personas can be just as important as society's interest in unbridled expression. Consequently, to preserve social utility objectives of the right of publicity, it is essential that right-of-publicity practitioners and commentators assist the courts in identifying the full range of social utility and social justice interests involved in right of publicity cases.

The four cases discussed in this Part explore the issue of heightening judicial awareness of social utility/social justice functions of the right of publicity. The first case explores the issue of judicial insensitivity to the right of publicity social utility and social justice as a threshold matter.ⁿ⁹⁶ Where a court all but fails to acknowledge the important social function of publicity rights, virtually any competing social interest will appear to outweigh the publicity right holder's interests and can lead to inequitable and unjust results. The remaining cases analyze the problem of balancing the acknowledged [*356] social utilities of the right of publicity against other social interests.ⁿ⁹⁷ In these cases, the issue is according proper weight to the social function of the right of publicity, so as to ensure an achievement of appropriate balance of all the pertinent social interests and objectives.

A. Identifying Opportunities for the Right of Publicity Social Justice: *Brooks v. Topps Co.*ⁿ⁹⁸

The dispute in *Brooks v. Topps Co.* presented a prime opportunity for a social justice application of the right of publicity.ⁿ⁹⁹ However, the decision is a paradigm of judicial insensitivity to the social utility function of the right of publicity. In *Brooks*, Connie Brooks, the daughter of deceased African-American Baseball Hall of Famer James Bell, brought right of publicity and false endorsement claims in connection with the unauthorized use of her father's image on baseball trading cards.ⁿ¹⁰⁰ Before his death, Bell had actively exploited his celebrity persona:

Bell granted the National Baseball Hall of Fame permission to use his name and likeness on various products. In 1989, he contracted with Gartlan USA, Inc., to autograph cards that the company would sell along with figurines in his likeness. Following Bell's death, [the plaintiff] granted commercial licenses to use Bell's name and images of him. In or around 1994 and 2001, Brooks licensed Bell's name to the Upper Deck Company ... for use on baseball cards... . From approximately September 17, 1993 through June 1, 1994, she licensed Bell's name and a particular image of him to Rodrigues Studio for use on clothing and prints. She also entered into a licensing agreement with General Mills to permit it to print Bell's name and likeness on Wheaties Boxes sold around February 1996. Around mid-1996, she licensed Bell's "name and likeness" to a company called Crown Crafts, for use on throw blankets.ⁿ¹⁰¹

Subsequent to Bell's death, Brooks discovered that The Topps Trading Company ("Topps"), a well-known purveyor of sports trading cards and memorabilia, had engaged in various unauthorized uses of her father's image, whereupon she undertook extensive efforts to determine the full scope of Topps' unauthorized activities:

[*357] Topps's first contact with Brooks occurred in late 2004. Brian Koeberle ("Koeberle"), acting on behalf of Topps, contacted Brooks by telephone to ask if she would license her father's name and likeness for baseball cards to be published in 2005. At this time Brooks did not know, and Koeberle did not mention, that Topps had previously published seven cards depicting Bell. After several telephone conversations, Koeberle sent Brooks an unsolicited proposed license agreement. Under this draft, dated December 17, 2004, Topps would have paid Brooks \$ 5,000 for the non-exclusive right to use Bell's name and image on its trading cards for the year 2005. Koeberle stated in the cover

letter that Brooks had agreed in the telephone call to this offer, but she had not done so. Brooks rejected this agreement.

In early 2005, a friend told Brooks that Topps might have sold a Bell card. Brooks asked Topps about this. On February 15, 2005, she received a letter from Philip J. Carter ("Carter"), Director of Sports/Player Licensing at Topps, enclosing the 2004 eTopps card and one of the 2004 Tribute Hall of Fame cards and saying that Carter was still looking for other cards Topps may have published depicting Bell. Brooks called Carter and told him she wanted Topps to stop engaging in any conduct relating to Bell, requested compensation for the two cards Topps had printed in 2004, and asked if Topps had printed any other Bell cards.

In mid-2005, a friend of Brooks showed her one of the 2001 Topps Bell cards. Brooks immediately contacted Carter, who asked questions about the card and said he knew nothing about it but would look into it. In response to further inquiries from Brooks, Carter said he was unable to find any information about the 2001 card or any other Bell card.

On June 26, 2005, Topps offered Brooks \$ 35,000 to sign a settlement agreement and release of liability ("Settlement Agreement"). She refused and asked again for an accounting of all of the Bell cards Topps had published.

On December 27, 2005, Brooks wrote a letter to Carter demanding a retraction of the erroneous Nickname Statement, a luncheon in her father's honor, and full information about all of the Bell cards Topps had published. Carter responded by offering to publish a correction of the Nickname Statement and to discuss publishing another Bell card on condition that Brooks sign the Settlement Agreement.

By letter dated January 31, 2006, Adam Zucker, Carter's successor, provided Brooks with a list of "all cards of Cool Papa Bell produced by Topps from 2001-2005." ⁿ¹⁰²

[*358] Although there was no dispute as to Topps' unauthorized conduct, Topps moved for summary judgment on the grounds that the statute of limitations had run. ⁿ¹⁰³ The motion was granted by the court:

The relevant New York cause of action, an action for right of publicity claims ... has a one-year statute of limitations... . Under the single publication rule, this limitations period runs from the date of an offending item's publication, and "the dissemination of that same offending item thereafter does not give rise to a new cause of action, nor does it refresh the running of the statute of limitations."

The first publication of the most recent baseball card at issue...occurred on November 1, 2004. Brooks filed her lawsuit more than one year later, on March 27, 2006. ⁿ¹⁰⁴

The court was unmoved by Brooks' arguments that the limitations period should be tolled in light of Topps' evasive actions:

[Brooks] argues that the discovery rule, under which the statute of limitations would run from the date on which she discovered or reasonably could have discovered the defendant's actions, should apply here. Brooks does not contend that New York courts have ever found that a right of publicity claim accrues upon discovery, but argues that it should be adopted here in order to avoid depriving her of "a reasonable chance to assert a valid claim."

... .

... Brooks' request for such an extension is rejected. Under New York law, statutes of limitations "cannot be deemed arbitrary or unreasonable solely on the basis of a harsh effect."

Brooks next argues that Topps should be estopped from asserting a statute of limitations defense because it concealed the existence of certain cards from her.

...

December 7, 2005 was at least arguably within the limitations period for the non-disclosed 2004 cards. There is no evidence, however, that Topps made affirmative misrepresentations to Brooks within one year of the date the cards were published.ⁿ¹⁰⁵

[*359] The court's latter finding seems not only cursory, but also social utility/justice blind. A reasonable fact-finder could have concluded that Topps had indeed engaged in a well-timed subterfuge, which conveniently came to a halt (and with a comprehensive listing of all unauthorized uses of Bell's image) just weeks after the limitations period ran. In addition, Bell's daughter had commenced the litigation as a pro se litigant. These facts would seem to indicate that a weighing of the relevant equities strongly supported the tolling of the statute.ⁿ¹⁰⁶

Unfortunately, the court seemed concerned only with the social utilities underlying the limitation rules, which is particularly unsatisfying because few, if any, of these utilities were actually implicated in the litigation. For example, the operative facts covered a relatively short and recent time period, and thus the typical concerns over stale evidence, faulty memories, or unavailable witnesses were not an issue.ⁿ¹⁰⁷ Moreover, not only does the court's **[*360]** decision fail to promote statute of limitations' objectives, it undermines the policies underlying the right of publicity, as well as general notions of social justice, and further promotes IP imperialist overreaching. Defendant Topps is a major purveyor of IP products that aggressively protects its own IP rightsⁿ¹⁰⁸ but apparently has no qualms about engaging in the brazenly illegal use of an African American baseball legend's image and persona. The result here is a paradigmatic reinforcement of the "what's mine is mine but what's your is ours" robber baron view of IP rights.

One explanation for the court's narrow approach may be insensitivity to the social utilities underlying Bell's publicity rights, of which the court seems to take no notice. There was little societal benefit in allowing the pirated use of Bell's image. However, there were important social utilities to be served in protecting the rights of a socially marginalized African-American sports figure, who achieved a successful baseball career and developed a celebrity persona despite being denied many social and legal rights and advantages.ⁿ¹⁰⁹ As the Supreme Court observed in *Zacchini*, providing encouragement for this kind of social productivity is one of the central purposes underlying publicity rights.ⁿ¹¹⁰

The Brooks decision demonstrates the need for threshold sensitivity to the social utility/justice bases of the right of publicity. In this case, where the countervailing social utilities were virtually non-existent, recognition of these important functions of publicity rights would almost certainly have resulted in the opposite outcome.

B. Balancing First Amendment and Right of Publicity Social Utility: *Brown v. Electronic Arts, Inc.*ⁿ¹¹¹

Even when courts acknowledge the social utility of the right of publicity, they often fail to afford it an appropriate weight, when measured against competing social objectives. Arguably, the most challenging balancing problems are those involving First Amendment rights. Despite the Supreme **[*361]** Court's admonitions in *Zacchini*, many courts demonstrate almost Pavlovian deference to free speech claims, when confronted with a First Amendment defense to a claim of misappropriation of publicity rights.ⁿ¹¹²

Brown v. Electronic Arts, Inc., provides a recent example.ⁿ¹¹³ In *Brown*, NFL Hall of Famer Jim Brown brought a suit claiming both Lanham Act false endorsement and state law invasion of privacy (publicity) in connection with the use of his likeness in the Madden NFL video game series.ⁿ¹¹⁴ Brown alleged that [the defendant] misappropriated his

name, identity, and likeness by including him in the games as a player on two 'historic' teams." ⁿ¹¹⁵ Although the company did not use Brown's name and jersey number in the games, Brown argued that the defendant had merely made superficial changes to the subject avatar to avoid liability:

In the games, virtual players on current NFL teams wear the names and numbers of real-life players, whereas players on historical teams are anonymous, represented by numbers and roster positions... .

... The character who purportedly represents Brown in the game is anonymous, and wears jersey number 37; Brown wore number 32... . Brown and his doppelganger have "nearly identical" statistics. ⁿ¹¹⁶

In its defense, the defendant argued, *inter alia*, that its unauthorized use constituted a literary expression protected by the First Amendment. ⁿ¹¹⁷ In resolving the dispute, the court predicated its analysis on *Rogers v. Grimaldi*. ⁿ¹¹⁸ [*362] The court began by noting that the defendant's use was a "literary expression" under the First Amendment. ⁿ¹¹⁹ "It is well established that 'video games are a form of expression protected by the First Amendment.'" ⁿ¹²⁰ Having found the use to be an expressive one, the court then applied the *Rogers* "relevance of the use to the work" standard, noting that, in its view, the level of relevance of the persona to the subject work need merely be "above zero" to sustain the unauthorized use. ⁿ¹²¹ Finally, the court observed that, in a game involving manipulation of virtual athletes and franchises, "use of a legendary NFL player's likeness in a game about NFL football is clearly relevant." ⁿ¹²² Consequently, having found the use of Brown's persona relevant to the video game (and not merely a contrived invocation of Brown's celebrity to market or advertise the game) the court (i) ruled for defendant on Brown's false endorsement claim ⁿ¹²³ and allowed the use, ⁿ¹²⁴ and (ii) declined [*363] jurisdiction over Brown's state law publicity claim and dismissed the complaint. ⁿ¹²⁵

Although the *Brown* court resolved only the false endorsement claim, its findings regarding the relevance of Jim Brown's persona to the subject work is also key to balancing First Amendment and publicity rights interests under the *Rogers* test. In fact, under *Rogers*, the assessment of the relevance of the plaintiff's persona is dispositive in resolving First Amendment/publicity disputes because, unlike false endorsement claims, there is no secondary assessment as to whether the use is also prohibitively confusing. ⁿ¹²⁶ In this regard, publicity rights are narrower than false endorsement rights, since if the unauthorized use is found expressively relevant, the right of publicity analysis is over and the use is allowed.

While the *Brown* court invokes established mechanisms ⁿ¹²⁷ in assessing the plaintiff's claims, its selection and application of these mechanisms reflects a misunderstanding of the social utility interests implicated in the dispute. To start, the *Brown* court misstates, and arguably misapplies, the *Rogers* test. Whereas the *Rogers* court sought to determine whether the use of Ginger Rogers' name in the title of a movie was "'wholly unrelated'" to the film, ⁿ¹²⁸ the *Brown* court rearticulates the *Rogers* test as calling for a level of relevance that is only "'above zero.'" ⁿ¹²⁹ Not only does such a standard essentially eliminate the relevance assessment, it all but guarantees that the unauthorized use of any notable individual's persona will always be permitted [*364] on First Amendment grounds. ⁿ¹³⁰ Under the *Brown* re-interpretation of *Rogers*, the use of Jim Brown's persona in any work concerning football, sports, movie stars, or even popular trends of the 1960s or 1970s would be permissible under the First Amendment because Jim Brown's personal accomplishments are "relevant" to each of those subjects (and many others). Even the personas of non-celebrities would be vulnerable to boundless unauthorized exploitation under *Brown*, as any notable achievement will have more than "zero relevance" to any work or product which involves the same subject matter. ⁿ¹³¹

The *Brown* court seems to miss the point of the *Rogers* test. In *Rogers*, the defendant's parody-like use of Ginger Rogers's name infused the defendant's use with the kind of relevance to the defendant's film that negated any inference that the invocation of Ginger Rogers's persona was merely a "disguised advertisement" to promote the movie. ⁿ¹³² Indeed, with only minimal investigation, Ginger Rogers's fans would quickly discover that the film had nothing to do with the iconic movie star, and thus the title "Ginger and Fred" is not likely to induce Ginger Rogers's fans to buy tickets to the film. By contrast, the key "relevance" of Jim Brown's persona to *Madden NFL* is that its inclusion fulfills the game's promise that players will have the opportunity to "compete" against Jim Brown. While this use is certainly

"relevant" to the work, it is principally "relevant" to generating consumer interest in purchasing and playing Madden NFL. Unlike Rogers, Brown does not appear to distinguish between expressive/artistic relevance and commercial/promotional relevance.

In reducing the Rogers relevance test to an "above zero" standard, the Brown court failed to account for the fact that, although Jim Brown's football exploits are indeed an important and "relevant" part of football history, not [*365] every invocation of Brown's accomplishments or attributes is undertaken for its historical value. The replication of Jim Brown's "statistical attributes" as an avatar in a commercially distributed video game or similar product might otherwise be undertaken primarily for its commercial marketing appeal, or perhaps even for a combination of promotional and expressive purposes.ⁿ¹³³ In such cases, an "above zero" relevance standard overlooks any exploitative purpose or effects arising from the use of the persona, and all but the most blatant misappropriations of an individual's publicity rights become permissible.ⁿ¹³⁴ [*366] Thus, the social utilities underlying the right of publicity are unduly diminished under Brown.

As troubling as the Brown court's misapplication of Rogers is, however, it is not the most problematic deficiency in the court's analysis. The court's most significant error is the fact that it relied upon the Rogers test in the first place. Rogers involved the use of a person's name in the title of a work; Brown concerns the use of aspects of an individual's persona in the expressive work itself. The appropriate test for assessing a purported First Amendment use of a persona within an expressive work is not Rogers, but rather is the transformative test first enunciated in *Comedy III Productions, Inc., v. Gary Saderup, Inc.*ⁿ¹³⁵

In *Comedy III*, the defendant reproduced the photographic likenesses of the Three Stooges onto t-shirts, which he sold commercially.ⁿ¹³⁶ In response to claims for infringement upon the Three Stooges' publicity rights, defendant argued that he had a First Amendment right to engage in his use - in essence, a right to "express himself" by reproducing and disseminating the Three Stooges' images.ⁿ¹³⁷ In balancing the defendant's asserted First Amendment claims against the plaintiffs' publicity rights, the court delineated the property interests and social utilities encompassed by the right of publicity:

What the right of publicity holder possesses is not a right of censorship, but a right to prevent others from misappropriating the economic value generated by the celebrity's fame through the merchandising of the "name, voice, signature, photograph, or likeness" of the celebrity.

... .

When artistic expression takes the form of a literal depiction or imitation of a celebrity for commercial gain, directly trespassing on the right of publicity without adding significant expression beyond that trespass, the state law interest in protecting the fruits of artistic labor outweighs the expressive interests of the imitative artist.

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We ask, in other words, whether a product containing a celebrity's likeness is so transformed that it has become primarily the defendant's own expression rather than the celebrity's likeness.ⁿ¹³⁸

Given that the defendant had reproduced exact replicas of the Three Stooges' likenesses, the court held that the images had been in no way "transformed" and that "the marketability and economic value of [the defendant's] work derives primarily from the fame of the celebrities depicted. While that fact alone does not necessarily mean the work receives no First Amendment protection, we can perceive no transformative elements in [the defendant's] works that would require such protection."ⁿ¹³⁹

Recently, in *No Doubt v. Activision Publishing, Inc.*, the court applied the Comedy III test to facts analogous to those at issue in *Brown*.ⁿ¹⁴⁰ In *No Doubt*, a computer-generated likeness of the rock band No Doubt was used in certain ways in a video game without the band's permission.ⁿ¹⁴¹ Since the use of No Doubt's persona was within the subject work, the court did not apply the Rogers test for evaluating titles, but instead applied the Comedy III transformative test.ⁿ¹⁴² The defendant argued that it satisfied the Comedy III test because it made various expressive contributions in creating the video game, but the court disagreed with that interpretation of the transformative test.ⁿ¹⁴³ Notwithstanding the defendant's expressive contributions to the game as a whole, the court found that the defendant had not altered or transformed No Doubt's image, and thus the video game simply depicted the band "doing what they do" (performing rock music):

In [the video game] *Band Hero* ... no matter what else occurs in the game during the depiction of the No Doubt avatars, the avatars perform rock songs, the same activity by which the band achieved and maintains its fame. Moreover, the avatars perform those songs as literal recreations of the band members. That the avatars can be manipulated to perform at fanciful venues including outer space or to sing songs the real band would object to singing, or that the avatars appear in the context of a videogame that contains many other creative elements, does not transform the avatars into anything other [*368] than exact depictions of No Doubt's members doing exactly what they do as celebrities.ⁿ¹⁴⁴

Comedy III and *No Doubt* therefore hold that where the use of an individual's persona in a work merely depicts the individual "as she is," the defendant has not undertaken any expressive transformation of the persona and is merely exploiting the individual's recognizable likeness, i.e., the marketability and commercial value derives from the fame of the depicted celebrity:ⁿ¹⁴⁵

[*369] Activision's use of life-like depictions of No Doubt performing songs is motivated by the commercial interest in using the band's fame to market *Band Hero*, because it encourages the band's sizeable fan base to purchase the game so as to perform as, or alongside, the members of No Doubt. Thus, insofar as the depiction of No Doubt is concerned, the graphics and other background content of the game are secondary, and the expressive elements of the game remain "manifestly subordinated to the overall goal of creating a conventional portrait of [No Doubt] so as to commercially exploit [its] fame."ⁿ¹⁴⁶

Such were also the circumstances *Brown*: the plaintiff was simply depicted "doing what he does"ⁿ¹⁴⁷ in order to generate consumer interest in the video game. As the Supreme Court noted in *Zacchini*, however, "no social purpose is served by having the defendant get free some aspect of the plaintiff that would have market value and for which he would normally pay."ⁿ¹⁴⁸

[*370] Finally, the *Brown* decision also demonstrates how a "knee-jerk" First Amendment categorization of a mixed promotional/expressive use of a persona in an unauthorized work can inadequately address the societal and constituent interests implicated in such a use.ⁿ¹⁴⁹ Moreover, the failure to employ a more socially nuanced approach tends to promote IP imperialist overreaching. Whereas the NFL and its licensees aggressively protect their copyright and trademark interests, but it seems publicity rights of others are fair game - or, at least, subject to narrow interpretation and application.ⁿ¹⁵⁰ Aiding and abetting such IP Imperialist stratagems may serve IP conglomerate interests, but contravenes right-of-publicity social utility and undermines pervasive respect for the IP regime.ⁿ¹⁵¹

C. Reconciling Competing Intellectual Property Social Utilities: *Laws v. Sony Music Entertainment, Inc.*ⁿ¹⁵²

Courts are increasingly confronted with another difficult social-utility balancing problem in resolving right-of-publicity disputes: preserving any authorized copyright interests that favor allowing the unauthorized use of publicity rights subsumed within the copyrighted work. A wholly unauthorized expressive work may require the invocation of the First Amendment to insulate the unauthorized publicity use. However, an authorized expressive [*371] work will implicate traditional copyright interests, such as the right to reproduce or distribute the work, which may conflict with any legitimate publicity rights also present in the work. Similar to the First-Amendment-versus-right-of-publicity cases,

courts seem to have difficulty placing publicity interests on par with copyright interests, often displaying a "knee-jerk" deference to copyright claims.

Laws v. Sony Music Entertainment, Inc., provides a particularly interesting example of the problem. The publicity interests involved in the case, although subtle, are extremely significant from an IP social justice perspective. The plaintiff, Debra Laws, was an Elektra recording artist and Elektra held the copyrights in Laws' sound recordings.ⁿ¹⁵³ When Laws initially signed with Elektra, however, the company expressly agreed that "'we or our licensees shall not, without your prior written consent, sell records embodying the Masters hereunder for use as premiums or in connection with the sale, advertising or promotion of any other product or service.'" ⁿ¹⁵⁴

Elektra subsequently granted Sony a license to sample a segment from one of Laws' recordings into a song by singer artist Jennifer Lopez, whereupon Laws brought suit against Sony for misappropriation of her name and voice.ⁿ¹⁵⁵ Sony ultimately moved for summary judgment on the grounds that Laws' suit was essentially one for unauthorized reproduction of her copyrighted sound performance, which Sony argued was preempted by copyright law.ⁿ¹⁵⁶ Laws argued, however, that her misappropriation claims were substantively different from claims for copyright infringement:

Laws ... contends that the subject matter of a copyright claim and a right of publicity claim are substantively different. She argues that a copyright claim protects ownership rights to a work of art, while a right of publicity claim concerns the right to protect one's persona and likeness. Sony, by contrast, contends that the subject matter of a right of publicity in one's voice is not different from a copyright claim when the voice is embodied within a copyrighted sound recording. Sony argues that once a voice becomes part of a sound recording in a fixed tangible medium it comes within the subject matter of copyright law.ⁿ¹⁵⁷

[*372] Sony reasoned that, because it had used a copyrighted recording of Laws' voice, her state misappropriation rights were subsumed within the copyrights attendant to that recording.ⁿ¹⁵⁸ The court agreed:

We think it is clear that federal copyright law preempts a claim alleging misappropriation of one's voice when the entirety of the allegedly misappropriated vocal performance is contained within a copyrighted medium... .

... .

... [Moreover] Sony did not use Laws's image, name, or the voice recording in any promotional materials. Her state tort action challenges control of the artistic work itself and could hardly be more closely related to the subject matter of the Copyright Act.ⁿ¹⁵⁹

The court further held that, to the extent that Laws' state law claims required an "extra element" beyond those that constitute a claim for copyright infringement, these elements were insufficiently distinctive to avoid copyright preemption:

Laws contends that her right of publicity claim under California Civil Code § 3344 requires proof of a use for a "commercial purpose," which is not an element of a copyright infringement claim. She concedes that a right which is the "equivalent to copyright" is one that is infringed by the mere act of reproduction; however, she argues that her claim is not based on Sony's mere act of reproduction, but "is for the use of ... Laws'[s] voice, the combination of her voice

with another artist, and the commercial exploitation of her voice and name in a different product without her consent."

... .

[However,] the mere presence of an additional element ([in this case] "commercial use") ... is not enough to qualitatively distinguish Laws's right of publicity claim from a claim in copyright. The extra element must transform the nature of the action. Although the elements of Laws's state law claims may not be identical to the elements in a copyright action, the underlying nature of Laws's state law claims is part and parcel of a copyright claim. ⁿ¹⁶⁰

[*373] While Laws is in some ways a close analytical case, the Laws court, much like the Brown court, seems unduly deferential to the copyright interests implicated in the case - almost to the point of ignoring settled federal intellectual property law preemption precedent. ⁿ¹⁶¹ Once again a court has failed to give proper weight to the full range of social utilities that support the plaintiff's right of publicity interests.

With respect to the defendant's copyright claims, the court's preemption analysis certainly leaves something to be desired. The court's reading of the additional-element test is unduly constrained. Moreover, the court seems to presume that the presence of a copyright in the original sound recording used by Sony completely negates the possibility of additional, alternative intellectual property rights and interests in, as well as non-copyright uses for, the work. Courts and commentators have long recognized the possibilities for co-existing intellectual property rights in a single work, and have afforded due consideration to each such interest. ⁿ¹⁶² In a reactionary effort to protect the sanctity of copyright, the court overlooks the fact that a copyrighted work can be used for a primarily promotional purpose unrelated to the work itself or its expressive message. ⁿ¹⁶³

While Sony's sampling use of Laws' recording certainly involved some expressive intentions and effects, it was also arguably a use undertaken to provide "street cred" to the Jennifer Lopez recording and thereby to promote it (and Lopez) to the "urban" and R&B commercial markets. As in No Doubt and Brown, the plaintiff's persona is incorporated in to the work depicting plaintiff "doing what she does" in order to enhance consumer interest in the work. From this perspective, the right of publicity social utilities seem at least as important as the copyright-expressive social utilities at issue. Moreover, when considering the issue of intellectual property social justice, the **[*374]** Lopez promotional impact becomes a critical factor in balancing the interests at stake in the dispute. Consistent with the tradition of American IP Imperialism, the recording industry has a long history of using the creative talents, innovations, and stylizations of African-American artists to promote the records and careers of white artists. ⁿ¹⁶⁴ This may well have been the reason **[*375]** Laws negotiated the "no promotional use in connection with other artists" clause of her contract. ⁿ¹⁶⁵ As a "cross-over" recording artist, Jennifer Lopez has been marketed to majority audiences and has enjoyed a multifaceted entertainment career in the recording, television, movie, and now fragrance industries. ⁿ¹⁶⁶ To the extent that Lopez's mega-celebrity is fueled by the vocal stylings of a lesser-known African-American R&B recording artist, the right of publicity social justice implications warrant serious consideration - certainly more consideration than that given by the Laws court.

While the problem of mixed "expressive/promotional" use of publicity rights is as challenging here as in the First Amendment context, once again it is not intractable. In the next case, the Third Circuit Court of Appeals also confronts the problem and demonstrates a right-of-publicity social utility/social justice sensitivity more highly attuned than that demonstrated in the cases discussed thus far.

D. Assessing the "Social Utility Authenticity" of Publicity Defenses: *Facenda v. N.F.L. Films, Inc.* ⁿ¹⁶⁷

In *Facenda v. N.F.L. Films, Inc.*, the court confronted the same intersection of copyright and right of publicity problem that was at issue in Laws. ⁿ¹⁶⁸ However, this court employed a more nuanced analysis and reached a very different outcome. ⁿ¹⁶⁹ In this case, the estate of well-known football commentator John Facenda brought suit when the NFL used portions of Facenda's voice-over work from previously authorized copyrighted programs in a new, unauthorized program concerning the football video game Madden NFL 06. ⁿ¹⁷⁰ In essence, the NFL "sampled" portions of Facenda's

voice-over recordings from one program into another. Facenda's Estate claimed that the "use of Facenda's voice falsely suggested that Facenda endorsed the video game" and also violated Facenda's right of publicity under Pennsylvania law. ⁿ¹⁷¹ Just as Sony argued in *Laws*, the NFL argued that the copyrights it [*376] held in the original NFL programs that Facenda narrated gave it the right to reuse portions of those works in subsequent expressive works. ⁿ¹⁷²

As did the court in *Brown*, the Facenda court began its false endorsement analysis by invoking the Rogers test. ⁿ¹⁷³ It first considered the threshold question as to whether the unauthorized use was in fact expressive, as opposed to merely promotional:

Before considering whether either prong of the Rogers test applies, however, we must decide whether the television production is a "work[] of artistic expression," as understood in the context of construing the [plaintiff's persona rights] narrowly to avoid a conflict with the First Amendment

... .

The Estate contends that the [new] program is commercial speech, and we agree. Our Court has "three factors to consider in deciding whether speech is commercial: (1) is the speech an advertisement; (2) does the speech refer to a specific product or service; and (3) does the speaker have an economic motivation for the speech." ⁿ¹⁷⁴

In short, the court did not presume that, because Facenda's voice was reproduced in an expressive work, the defendant's use of Facenda's voice was expressive. Instead, upon finding the NFL's subsequent use to be more promotional than expressive in nature, the court distinguished the facts from those in *Rogers* (which involved a parody-like use of the plaintiff's persona), and instead applied the traditional, trademark likelihood-of-confusion analysis (as tailored to false-endorsement claims). ⁿ¹⁷⁵ Finding it likely that consumers [*377] would believe that Facenda had endorsed Madden NFL 06, the court held in favor of Facenda's estate. ⁿ¹⁷⁶

With regard to plaintiff's right of publicity claim, the court acknowledged that:

By using the sound clips of Facenda's voice ... the NFL was exercising its exclusive right to make derivative works of those sound clips under § 106(2). In effect, it was "sampling" itself, making a collage, taking a small piece of an old work and using it in a new work - as when a hip-hop group samples the drum part from James Brown's "Funky Drummer." ⁿ¹⁷⁷

Nonetheless, if the right of publicity is qualitatively different from the derivative work right, it is not preempted. "In other words, for a state-law claim to be preempted by copyright law, it must protect (1) an exclusive right in (2) a work within copyright's subject matter." ⁿ¹⁷⁸

In direct contrast to the findings in *Laws*, the Facenda court concluded that Facenda's publicity rights were distinct from copyright because:

The requirement under the [state] statute that Facenda's voice have "commercial value," provides an additional element beyond what a copyright-infringement claim requires... .

... [In addition,] does Facenda's voice fall under the subject matter of copyright? The Court of Appeals for the Ninth Circuit has stated, in the context of vocal imitations, that "[a] voice is not copyrightable..." We hold that Facenda's voice is outside the subject matter of copyright. ⁿ¹⁷⁹

[*378] Finally, having distinguished Facenda's publicity rights from the NFL's copyright claims, the court directly addressed the apparent conflict between the competing rights:

In some situations ... the right of publicity clashes with the exploitation of a defendant's copyright. Unlike the plaintiffs in cases involving vocal imitations, Facenda collaborated with the NFL to create the copyrighted sound recordings at issue... this gives the NFL a stronger preemption defense than the vocal-imitation defendants... Where a defendant in a right-of-publicity claim obtained a copyright in a work featuring the plaintiff, courts must separate legitimate exploitations of what Congress intended to be a copyright holder's exclusive rights from particular uses that infringe the right of publicity. ⁿ¹⁸⁰

Thus, even where the right of publicity is qualitatively different from a copyright exclusive right (and therefore not automatically preempted), enforcement of the publicity right may interfere with the copyright holder's exploitation and use of one or more of her exclusive rights. In such a case, the right of publicity might be preempted on that basis. To determine whether Facenda's publicity rights conflicted with the NFL's exclusive copyrights in the original program, the court set forth an analytical road map:

First, we look to how the copyrighted work featuring the plaintiff's identity is used. Surveying the case law, [David] Nimmer finds that when defendants use the work "for the purposes of trade," such as in an advertisement, plaintiffs' right-of-publicity claims have not been held to be preempted.

... .

The second part of Nimmer's framework addresses the way that contracts affect the preemption analysis. Nimmer proposes that courts should examine the purpose of the use to which the plaintiff initially consented when signing over the copyright in a contract. He argues that the proper question in cases involving advertising and a contract between the plaintiff and the defendant - such as our case - is whether the plaintiff "collaborated in the creation of a copyrighted advertising product." If the plaintiff did collaborate in that fashion, then the party holding the copyright is in a very strong position to contend that allowing the plaintiff to assert a right of publicity against use of its likeness in advertising would interfere with the rights it acquired. If, on the other hand, the plaintiff did not collaborate specifically in the creation of advertising content, then the plaintiff is in a strong position to assert continuing control over the use of his image. ⁿ¹⁸¹

[*379] Just as was the case in *Laws*, (i) Facenda had not collaborated in the creation of the subsequent program, and (ii) he expressly reserved his publicity rights when he agreed to narrate the original NFL programs. ⁿ¹⁸² Moreover, the court had already determined, in connection with the disposition of Facenda's false endorsement claim, that the NFL's later use was more promotional than expressive in nature. ⁿ¹⁸³ Accordingly, the court concluded that the NFL did not have a legitimate copyright expectation that it would be able to use Facenda's voice work in the original program for subsequent promotional purposes unrelated to the original program. ⁿ¹⁸⁴ Consequently, the court held that Facenda's right of publicity was not preempted by the NFL's copyrights in the original programs. ⁿ¹⁸⁵

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PART V: PROMOTING SOCIAL JUSTICE THROUGH THE RIGHT OF PUBLICITY: A FRAMEWORK FOR ENFORCING THE RIGHT AND BALANCING COUNTERVAILING SOCIAL UTILITIES

Although the court in *Facenda* does not expressly rest its decision on a social justice interpretation and application of right-of-publicity law, its reasoning is consistent with intellectual property social justice mandates and illustrates the benefits of a socially balanced approach to right-of-publicity disputes. Unlike the courts in *Brown* and *Laws*, the *Facenda* court did not presume that the social utility interests that appeared to conflict with the plaintiff's publicity rights were superior to the social utility objectives which underlie the right of publicity, or, for that matter, that these competing interests were even socially significant. Instead the court endeavored to assess the social utility authenticity of the asserted copyright claims and then weighed it against the plaintiff's publicity interests. This careful approach restores the right of publicity to its proper place in the intellectual property pantheon:

[A] defendant's ownership of copyright or a license of copyright in a particular photograph, motion picture or phonorecord of plaintiff should not be a defense to assertion of infringement of plaintiff's right of publicity. A copyright, no more than any other property right, cannot be a license to trample on other people's rights. A copyrighted book or motion picture is certainly capable of defaming people, yet no one seriously argues that because the book or film is copyrighted, its contents are free from claims of libel under state law... .

All of these sorts of liability for violation of state law in one way or another "interfere" with the federal "rights" of a copyright owner. That an owner of property is not completely free to do as he or she wishes with the property should be no news to the owner of any property right.ⁿ¹⁸⁶

By pausing to determine the nature and extent of the copyright legal and social interests at issue and then carefully considering whether they are, in fact, directly in conflict with the plaintiff's publicity interests, the *Facenda* [*381] court uncovered the true tension between the parties' respective intellectual property rights. The defendant's desire to use its copyright to commercially exploit aspects of *Facenda*'s persona was at direct odds with the plaintiff's desire to obtain compensation for the promotional (non-copyright) use of that persona. Once the presumption of "copyright social superiority" was removed from the equation, a more accurate and equitable balancing of the parties' interests could be achieved - and the right of publicity's social justice objectives more properly served. Equity favors that plaintiffs benefit from the commercial exploitation of their personas:

The right of publicity is not restricted to superstar, nationally known athletes and entertainers. It applies to everyone. For example, it applies to the long distance runner who won an Olympic medal twenty years ago, is now selling insurance in Iowa and whose name and accomplishments are printed today on a box of breakfast cereal to help sell the cereal. Who is more entitled to that commercial value? The former Olympian or the breakfast cereal conglomerate?... .

Look at the recent cases involving well-known celebrities. How would you decide which party is most deserving and whether the award of damages distributed wealth "upwards"? Would you pick Samsung Electronics, a Korean electronics firm with \$ 10 billion in annual sales as more deserving than letter turner Vanna White? Would you pick Frito-Lay, with \$ 4.4 billion a year in sales and which is owned by Pepsi Cola, with \$ 25 billion of sales a year, as more deserving of the marketing value of Tom Waits' voice than Tom Waits himself? I would not.ⁿ¹⁸⁷

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A. A Right of Publicity Social Justice Framework

A social-justice sensitive-interpretation of the right of publicity not only promotes the IP social objectives of inclusion and empowerment, it also invigorates the doctrinal foundations of the right such that it stands on par with the other rights that comprise the American IP regime. As illustrated by *Facenda*, appreciation for publicity right social utility/social justice interdependence removes the stigma of "IP Illegitimacy" and grants publicity rights a status equal to that enjoyed by its IP forbears. Many right-of-publicity adjudications, however, often indicate a lack of effective social justice divination tools essential to achieving such results.

Right-of-publicity jurisprudence could benefit from the development of an analytical framework through which the social utilities that undergird publicity rights might be more concretely identified and assessed, particularly where competing social objectives are involved. Based upon the analyses of the litigation disputes discussed herein, as well as other publicity cases, courts should consider following four evaluative steps:

Identify and evaluate the specific publicity social utilities and social justice interests at issue;

Identify and evaluate any competing social utility/social justice interests;

Select and properly apply an appropriate social balancing test; and

Consider the equities and the rule of *eBay vs. Mercexchange, L.L.C.*ⁿ¹⁸⁸ in balancing the respective rights and social interests.

B. Identifying the Pertinent Right of Publicity Social Utility and Social Justice Concerns

While the identification and evaluation of publicity right social utilities may seem an obvious initial step in adjudicating publicity disputes, many courts seem to overlook it, especially when the publicity defendant raises the First Amendment banner. Courts routinely review the legal elements of the right of publicity cause of action and typically end their analysis of the plaintiff's interests there. Once potentially contrary social considerations are introduced, some courts seem to simply take for granted that any analogous publicity interests are comparatively inferior. This is one reason why the right of publicity fares so poorly when courts undertake to "balance" the competing social interests in these disputes. Given the at best perfunctory review of the publicity social function, especially as compared with the almost pious analysis generally afforded even nominal First Amendment arguments, it should come as no surprise that the publicity social interest weighs in as a bantam-class amateur facing off against a heavy-weight champion - the fight is over before the first bell rings.

Right-of-publicity advocates should assist courts in becoming more cognizant of any relevant publicity social utility and social justice interests that [*383] could affect publicity litigation outcomes. The court in *Parks* did not have to look far to find an important right of publicity social utility/social justice interest in the case before it: she was sitting in the plaintiff's chair.ⁿ¹⁸⁹ However, not all right-of-publicity plaintiffs have the status of a Civil Rights icon, and there is a need for greater social insight, intuition, and common sense in the adjudication of these disputes.ⁿ¹⁹⁰ Disregard for right of publicity social justice increases the likelihood of miscarriages of justice both as a matter of intellectual property rights enforcement and as a matter of general fairness, justice, and equality before the law. Proper appreciation for the social functions of publicity rights will better enable courts to avoid patently unjust outcomes such as that in *Brooks* and similar cases. Moreover, it will enhance judicial capability to fulfill the overarching policy objectives supporting the inclusion of publicity rights in the intellectual property positive law regime.ⁿ¹⁹¹

C. Identifying and Evaluating Competing Social Utilities and Interests

Unlike right of publicity social utilities, courts almost always afford serious weight to the First Amendment and non-publicity IP social utilities which arise in publicity disputes. The problem is that great deference is [*384] sometimes afforded to such interests with little assessment as to the extent of their actual presence or vulnerability in a

specific publicity conflict. All assertions of the First Amendment do not raise identical sets of policy questions and concerns. As demonstrated by the analyses undertaken in cases such as *Parks* and *Facenda*, it is important that courts resist the urge to react viscerally to invocations of free speech or "superior" intellectual property rights and policies, and instead strive to uncover the precise nature and extent of the non-publicity social utilities actually implicated by the specific facts and equities before them.

D. Applying an Appropriate Balancing Test

Even when a court has properly considered all of the pertinent social utilities and interests in a publicity dispute, it can still reach an erroneous decision if it fails to select and properly apply an appropriate balancing-of-the-interests test. As discussed in connection with the *Brown* case, the various judicial balancing tests are not interchangeable.ⁿ¹⁹²

While many of the leading balancing tests were conceived with First Amendment concerns in mind, courts must be mindful that these tests are also intended to protect legitimate publicity interests.ⁿ¹⁹³ The task is not limited to assessing the impact on free speech if the unauthorized use is precluded; it also entails assessing the impact on publicity rights if the unauthorized use is allowed.ⁿ¹⁹⁴

The importance of this point becomes evident in considering judicial interpretations and applications of the leading publicity-balancing test, the *Comedy III* transformative test.ⁿ¹⁹⁵ The purpose of the transformative test is just as its name implies: to assess the extent the plaintiff's image or persona is transformed in the defendant's work.ⁿ¹⁹⁶ Accordingly, the court's inquiry should focus on any expressive embellishments that the defendant has added to the plaintiff's image or persona to determine whether the result is more the defendant's expressive creation (permissible) than it is merely a depiction or replication of the plaintiff (impermissible). Some courts, however, employ the transformative test to evaluate and weigh the overall expressive quality of the defendant's work, which misconstrues the purpose of the test. While an overall assessment of the defendant's expressive contributions may be relevant to analyzing whether the work is copyrightable, it says little or nothing about the impact of those contributions on the plaintiff's image and concomitant publicity interests. For example, today it is possible to insert the image [*385] of Ginger Rogers and Fred Astaire dancing in to a variety of new settings and contexts, some of which may be highly creative. Unless these new settings transform Rogers and Astaire's individual images, however, it is their publicity interests that are being traded upon, notwithstanding the fact that defendant's work may be highly creative and artistic as a whole.ⁿ¹⁹⁷ The issue is particularly troublesome when courts are called upon to apply existing tests to unauthorized publicity persona uses that are mixed promotional/expressive uses. *Facenda* meets this challenge by applying the *Rogers* tests to expressive works that are advertisements. Where the work is not an advertisement, however, it seems appropriate to apply the *Comedy III* test to assess whether the defendant has so transformed the plaintiff's persona such that the commercial value or appeal of the result is not derived from plaintiff's persona. In this regard, *Comedy III*, *No Doubt*, and *Keller*, properly focus on changes to the plaintiff's image, as opposed to defendant's creative contributions to the work as a whole.

Courts misapply right-of-publicity balancing tests when they use them only to evaluate the First Amendment or other expressive merits of a defendant's unauthorized work. Again, it is an undue emphasis on these countervailing social utilities that is the source of the confusion. Regardless of how highly expressive a work is, the court must still consider the other side of the balance - the impact of defendant's use on the plaintiff's publicity interests - even if only to affirm that these interests are ultimately outweighed by the competing social concerns.ⁿ¹⁹⁸

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E. Balancing the Legal Rights and Social Equities

Finally, in balancing the competing interests, it is important that the relevant equities be included on the scales. Particularly where a weighing of the competing social utilities presents a close case, consideration of the relevant equities should tip the scales toward the side of social justice. Had the social equities been considered in *Brooks*, the

plaintiff's undeniably unclean hands in its willful violation of Brooks' publicity rights, and subsequent acts to conceal its misconduct, would have supported a tolling of the limitations period to allow the plaintiff to proceed with an indisputably valid claim.ⁿ¹⁹⁹

Courts must also become more vigilant toward disguised IP Imperialist maneuvers to annex individual publicity interests (as well as other intellectual property rights) into their IP empires. A thorough assessment of the social utility authenticity of a publicity defendant's claims is particularly critical when the defendant is a major purveyor of IP commodities and the plaintiff is a member of a marginalized group for whom right of publicity incentives and benefits can provide a vital avenue for economic empowerment and social advancement.ⁿ²⁰⁰

[*387] A weighing-of-the-equities approach not only promotes IP social justice by restraining IP Imperialist overreaching and supporting socially valuable encroachments upon publicity rights, it is also consistent the Supreme Court's directive in *eBay v. Mercexchange, L.L.C.*,ⁿ²⁰¹ that infringement upon intellectual property rights does not automatically mandate injunctive relief.ⁿ²⁰² This approach not only preserves an individual publicity plaintiff's interests, but also serves to protect society's social interests as a whole. Unless the weighing of the equities mandates injunctive relief, the fact that the equities in a particular case favor the right of the publicity plaintiff will not preclude the unauthorized use of her persona altogether. Instead, consistent with the Supreme Court's observations in *Zacchini*, it will merely assure her a portion of the revenues generated by the unauthorized use.ⁿ²⁰³

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PART VI: CONCLUSION

It is high time that the bench and bar revisit the social mandate of the Constitution that the intellectual property law promote the progress of the arts and sciences and thereby serve the greater societal good:

Intellectual property rights are not merely technical matters. They increasingly involve crucial questions not only of economic interest, competitiveness, and market power, but also of environmental sustainability, human development, ethics and international human rights. We need to start using intellectual property to reduce and eliminate hunger and poverty, to safeguard the environment, to halt the loss of biodiversity, to empower women, and to ensure food and social security.ⁿ²⁰⁴

Courts adjudicating right-of-publicity disputes should carefully consider the social utility goals underlying these rights, as they serve important social goals and promote social justice as an element of the intellectual property regime. Judicial recognition of the functional interdependence of right of publicity social utility and social justice not only restrains socially unproductive IP Imperialism, but also promotes inclusion and participation in the IP regime. The pursuit of such socially balanced applications of the intellectual property law will only enhance the social benefits to be obtained through the development of new intellectual properties and their exploitation in the digital information age.

Legal Topics:

For related research and practice materials, see the following legal topics:

Evidence
Demonstrative Evidence
Photographs
Governments
Courts
Judges
Torts
Intentional Torts
Invasion of Privacy
Appropriation
General Overview

FOOTNOTES:

n1. Samuel D. Warren & Louis D. Brandeis, *The Right to Privacy*, 4 Harv. L. Rev. 193, 193 (1890).

n2. Peter K. Yu, *The Copyright Divide*, 25 Cardozo L. Rev. 331, 403 (2003); See, e.g., Llewellyn Joseph Gibbons, *Do as I Say (Not as I Did): Putative Intellectual Property Lessons for Emerging Economies from the Not So Long Past of the Developed Nations*, 64 SMU L. Rev. 923, 924-25 (2011); Beryl R. Jones, Symposium, *An Introduction to the European Economic Community and Intellectual Properties*, 18 Brook. J. Int'l L. 665, 687 (1992); Geoffrey R. Scott, *A Comparative View of Copyright as Cultural Property in Japan and the United States*, 20 Temp. Int'l & Comp. L.J. 283, 357-58 (2006); Peter K. Yu, *Three Questions That Will Make You Rethink the U.S.-China Intellectual Property Debate*, 7 J. Marshall Rev. Intell. Prop. L. 412, 412 (2008).

n3. See Jones, *supra* note 2, at 665.

n4. See, e.g., Alexandra G. Watson, Note, *International Intellectual Property Rights: Do TRIPS' Flexibilities Permit Sufficient Access to Affordable HIV/AIDS Medicines in Developing Countries?*, 32 B.C. Int'l & Comp. L. Rev. 143 (2009).

n5. See Yu, *Three Questions That Will Make You Rethink the U.S.-China Intellectual Property Debate*, *supra* note 2, at 414 n.8.

n6. See Peter K. Yu, *Intellectual Property Rulemaking in the Global Capitalist Economy*, in *The Intellectual Property Right Domain in Contemporary Capitalism* 1, 3 (Birgitte Andersen ed., Routledge forthcoming 2012) (adapted from Peter K. Yu, *The International Enclosure Movement*, 82 Ind. L.J. 827 (2007).), available at www.peteryu.com/andersen.pdf; Cynthia M. Ho, *Biopiracy and Beyond: A Consideration of Socio-Cultural Conflicts with Global Patent Policies*, 39 U. Mich. J. L. Reform 433, 533 (2006) ("Because [non-Western] objections to patents sometimes stem from misunderstanding the underlying science, as well as a misunderstanding of patent rights, providing patent owners with the ability to clarify issues would be in the best interests of all."); Chidi Oguamanam, *Beyond Theories: Intellectual Property Dynamics in the Global Knowledge Economy*, 9 Wake Forest Intell. Prop. L.J. 104, 119 (2009); Mark Schultz & Alec van Gelder, *Creative Development: Helping Poor Countries by Building Creative Industries*, 97 Ky. L.J. 79, 81 (2009) ("Most discussions about intellectual property and development tend to center on high-level, somewhat abstract debates about technology transfer, relations between rich and poor countries, the fairness of the international intellectual property system, and concerns about distributive justice."); Yu, *The Copyright Divide*, *supra* note 2, at 402 ("Copyright law has always been about stakeholders. In the late nineteenth century, Anthony Trollope blamed American book piracy on 'the book-selling leviathans.' A century later, Professor Jessica Litman told us that 'the only way that copyright laws get passed in this country is for all of the lawyers who represent the current stakeholders to get together and hash out all of the details among themselves.' Since then, commentators have discussed at length the gaps between the 'copyright-rich' and 'copyright-poor' and between the haves and have-nots in the copyright system... Today, a copyright divide exists between those who have stakes in the existing copyright regime and those who do not. On one side of the divide are the stakeholders, who are eager to protect what they have under the existing regime... On the other side of the divide are the nonstakeholders. These nonstakeholders neither understand nor believe in the copyright system... Unless the nonstakeholders understand why copyright needs to be protected and until they become stakeholders or potential stakeholders, they will not be eager to abide by copyright laws or to consent to stronger copyright protection." (emphasis added)).

n7. See Doris Estelle Long, *Traditional Knowledge and the Fight for the Public Domain*, 5 J. Marshall Rev. Intell. Prop. L. 617, 620 (2006) ("One of the interesting things in talking to indigenous peoples about the public domain is the response they provide. The concept of the public domain does not currently exist in many indigenous communities except in the form of 'your public domain' versus 'my cultural heritage.' When asked, indigenous peoples often respond with the same question. 'How come "public domain" is my stuff? Yours is copyrightable and mine is in the public domain. How did that happen?' The answer, of course, is that we have developed a nice approach to protection. New works get protected. Their works have been around too long. Therefore, we all get to use them."); Imperialism Definition, Dictionary.com, <http://dictionary.reference.com/browse/imperialism> (last visited Oct. 8, 2012) ("The policy of extending the rule or authority of an empire or nation over foreign countries, or of acquiring and holding colonies and dependencies.").

n8. See Christopher May, *Commodifying the 'Information Age': Intellectual Property Rights, the State and the Internet*, 1 SCRIPT-ed, no. 3, 2004, at 408, 411 (U.K.), available at <http://www.law.ed.ac.uk/ahrc/script-ed/issue3/May.doc> ("While the [TRIPs] agreement imposes a complex and wide ranging set of requirements on signatories, at the core is a particular set of norms regarding the treatment of knowledge as property. These norms underpin the entire agreement and are based on the notion that the private ownership of knowledge as property is a major spur to continued economic development and social welfare. They further emphasise the development of knowledge as an individualised and proprietorial endeavour, and the legitimate reward of such individualised effort. Most obviously TRIPs includes a robust norm of commodification of knowledge and information, which in itself should alert us to the fact that the 'information age' is capitalist business-as-usual, utilising previously established legal structures to ensure that capitalists' ability to commodify important and profitable assets and resources continues into the so-called 'information age.'").

n9. Long, *Traditional Knowledge and the Fight for the Public Domain*, supra note 7, at 617-18.

n10. See Patrick Fogarty, *Major Record Labels and the RIAA: Dinosaurs in a Digital Age?*, 9 Hous. Bus. & Tax L.J. 140, 141 (2008); Neil Weinstock Netanel, *Impose a Noncommercial Use Levy to Allow Free Peer-to-Peer File Sharing*, 17 Harv. J.L. & Tech. 1, 26 (2003); Ankur Srivastava, *The Anti-Competitive Music Industry and the Case for Compulsory Licensing in the Digital Distribution of Music*, 22 Touro L. Rev. 375, 384-85 (2006); Sara M. Ford, Note & Comments, *Compulsory Licensing Provisions under the TRIPs Agreement: Balancing Pills and Patents*, 15 Am. U. Int'l L. Rev. 941, 946 (2000); Michael Cieply, *Support for Antipiracy Bill*, N.Y. Times (May 15, 2011, 8:23 PM), available at <http://mediadecoder.blogs.nytimes.com/2011/05/15/support-for-antipiracy-bill/>; David Leonhardt, *The Real Problem With China*, N.Y. Times, Jan. 11, 2011, at B1, available at <http://www.nytimes.com/2011/01/12/business/economy/12leonhardt.html>; Microsoft Calls for Stronger IP Protection, ThomasNet (May, 23 2011), <http://news.thomasnet.com/companystory/Microsoft-Calls-for-Stronger-IP-Protection-847229> (last visited Oct. 8, 2012). Many of these efforts have resulted in various amendments to American intellectual property laws. See, e.g., Anticybersquatting Consumer Protection Act (ACPA), 15 U.S.C. § 1125(d) (2006); Trademark Dilution Revision Act of 2006 (TDRA), Pub. L. No. 109-312, 120 Stat. 1730 (2006) (codified as amended in scattered sections of 15 U.S.C.); Digital Millennium Copyright Act (DMCA), Pub. L. No. 105-304, 112 Stat. 2860 (1998) (codified as amended in scattered sections of 5, 17, 28, & 35 U.S.C.); See also Preventing Real Online Threats to Economic Creativity and Theft of Intellectual Property (PROTECT IP) Act of 2011, S.968, 112th Cong. (2011) (as introduced in Senate, May 12, 2011); Patent Reform (America Invents) Act of 2011, S.23, 112th Cong. (2011) (as passed in Senate, Mar. 8, 2011).

n11. See, e.g., *Laws v. Sony Music Entm't, Inc.*, 448 F.3d 1134, 1140-41 (9th Cir. 2006); See also *Jules Jordan Video, Inc. v. 144942 Canada Inc.*, 617 F.3d 1146, 1154-55 (9th Cir. 2010); *Waits v. Frito-Lay, Inc.*, 978 F.2d 1093, 1100 (9th Cir. 1992); *Midler v. Ford Motor Co.*, 849 F.2d 460, 462-63 (9th Cir. 1988); *Sinatra v. Goodyear Tire & Rubber Co.*, 435 F.2d 711, 717-718 (9th Cir. 1970).

n12. Anastasios Kaburakis, et al., *NCAA Student-Athletes' Rights of Publicity, EA Sports, and the Video Game Industry: The Keller Forecast*, 27 *Ent. & Sports Law* no. 2, 2009, at 30, available at <http://www.kaburakis.com/wp-content/uploads/2009/09/kaburakis.pdf>; Pete Thames, *N.C.A.A. Fails to Stop Licensing Lawsuit*, N.Y. Times, Feb. 9, 2010, at B4, available at <http://www.nytimes.com/2010/02/09/sports/ncaabasketball/09ncaa.html>; Katie Thomas, *Ex-Players Join Suit vs. N.C.A.A.*, N.Y. Times, Mar. 11, 2010, at B15, available at <http://www.nytimes.com/2010/03/11/sports/ncaabasketball/11colleges.html>.

n13. Of course, this is not a new trend. See *Fortnightly Corp. v. United Artists TV, Inc.*, 392 U.S. 390, 395 (1968); *Teleprompter Corp. v. Columbia Broad. Sys., Inc.*, 415 U.S. 394, 402-03 (1974); *Panavision Int'l, L.P. v. Toeppen*, 141 F.3d 1316, 1318 (9th Cir. 1998), holding modified by *Yahoo! Inc. v. La Ligue Contre Le Racisme Et L'Antisemitisme*, 433 F.3d 1199, 1207 (9th Cir. 2006); *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 420 (1984); *Sony Computer Entm't Am., Inc. v. Gamemasters*, 87 F. Supp. 2d 976, 977 (N.D. Cal. 1999); *A&M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004, 1013 (9th Cir. 2001); *i4i Ltd. P'ship v. Microsoft Corp.*, 598 F.3d 831, 839 (Fed. Cir. 2010) cert. granted, 131 S. Ct. 647 (2010) and aff'd, 131 S. Ct. 2238 (2011).

n14. See, e.g., Netanel, *supra* note 10, at 77-78 ("Copyright industries have repeatedly exhibited a path-dependent resistance to licensing or engaging in new technological methods of exploitation that might endanger their traditional profit centers. Indeed, they have a long history of Seeking to reap monopoly rents through anticompetitive collusion, blocking new entrants, and paying off gatekeepers for consumer attention. In the multimedia and Internet contexts, copyright industries have also engaged in protracted cross-sectoral turf battles, leaving would-be licensees with the highly complex, costly task of Seeking multiple, overlapping permissions. This institutional conservatism and balkanization does not inspire confidence that, if only given control, the industries would make their full store of cultural expression readily available at reasonable prices.").

n15. See *infra* Part II.

n16. See *infra* Part III.

n17. See *infra* Part IV.

n18. See *Brown v. Elec. Arts, Inc.*, Case No. 2:09-cv-01598-FMC-RZx, 2009 U.S. Dist. LEXIS 131387 (C.D. Cal. Sept. 23, 2009) (citation to original unpublished order available from District Court; version available at 722 F. Supp. 2d 1148 not available at the time of authorship); *Brooks v. Topps Co.*, 86 U.S.P.Q.2d (BNA) 1361 (S.D.N.Y. 2007); *Laws v. Sony Music Entm't*, 448 F.3d 1134 (9th Cir. 2006).

n19. See *Facenda v. N.F.L. Films, Inc.*, 542 F.3d 1007 (3d Cir. 2008).

n20. See *infra* Part V.

n21. See *infra* Part V.

n22. While America's IP policies were certainly self-serving at this point, they were only "quasi-imperialistic" given that (i) there was no "what's mine is mine" element to those policies at this juncture, and (ii) the imperialistic element of conquest was absent. Given the historical relationship between America and her former colonial rulers, the misappropriation in this instance was more akin to underage teens taking the keys to the family car without permission.

n23. Bill Ivey, *Arts, Inc.: How Greed and Neglect Have Destroyed Our Cultural Rights* 3 (2008) ("Before 1900 the American extension of [its] cultural mainstream, when measured against its European antecedents, came up short - a thin trickle compared to its Old World headwaters. In the eighteenth and nineteenth centuries the artistic achievements dotted across our hardscrabble frontier didn't add up to anything approximating the scope and quality found in Europe. True, colonial artisans designed a few gracefully rendered utilitarian objects - well-crafted furniture and elegantly understated silverware and serving pieces; in addition, some notable buildings executed in the classical revival style were scattered through Washington, DC, and other big cities. A few master painters of landscapes and portraits had emerged but not a unique New World vision. America still measured itself against European leadership in the visual arts.").

n24. See, e.g., Gibbons, *supra* note 2, at 936-40 (discussing widespread American IP piracy during the nation's formative era.); Yu, *The Copyright Divide*, *supra* note 2, at 336-44 (same).

n25. Such misappropriation policies, however, were a double-edged sword. See Ivey, *supra* note 23, at 3 ("By the mid-1800s an indigenous American literary voice could be heard, but even writers who had been at work for decades had only begun to achieve recognition that approached that of their European and English counterparts. (This situation was abetted by the widespread piracy of English titles by U.S. publishers. By ignoring copyright and paying no royalties to European and British authors, prices of U.S. editions of foreign works were consistently lower than their homegrown counterparts.)"); Yu, *The Copyright Divide*, *supra* note 2, at 345.

n26. See Charles H. Norchi, Symposium, *The Legal Architecture of Nation-Building: An Introduction*, 60 Me. L. Rev. 281, 289 (2008) ("Nation-builders drafting constitutional texts and codified laws must sift through both the myth system and the operational code in order to determine which processes of community decisions are both authoritative and controlling. A newly drafted constitution may be a myth while what people actually do in informal settings is the accepted code of operation.").

n27. See, e.g., Kenneth M. Stampp, *The Peculiar Institution: Slavery in the Ante-Bellum South* 196-97 (1956) ("In the customary phraseology of the ante-bellum codes, South Carolina's slaves were 'deemed, held, taken, reputed and adjudged in law to be chattels personal, in the hands of their owners and possessors and their executors, administrators and assigns, to all intents, constructions and purposes whatsoever.' Slaves had the attributes of personal property everywhere, except in Louisiana (and Kentucky before 1852) where they had the attributes of real estate."). Indeed, even as America began to appreciate the need for protecting her own intellectual property, her domestic intellectual property policies reflected the nation's imperialistic ancestry. See also Keith Aoki, *Distributive and Syncretic Motives in Intellectual Property Law (With Special Reference to Coercion, Agency, and Development)*, 40 U.C. Davis L. Rev. 717, 740-41 (2007) ("The American patent system encouraged a more diverse composition of inventors through broadened access to opportunities for investing in, exploiting, and deriving income from inventive activity. However, because of the historical realities of race and slavery, the extent of this beneficial distributive impact on black inventors was illusory at best The early American patent system beckoned many poor white inventors to achieve wealth and recognition through a quasi-egalitarian patent system that facilitated investment in their lucrative ideas. The same opportunities did not await black inventors, whose contributions white society tended to ignore when the commercial value of a black invention was uncertain. In cases where commercial promise was more readily apparent, black inventions were subject to appropriation without attribution. State laws governing property and contract expressly precluded slaves from applying for or holding property. Presumably, this proscription included slaves being precluded from owning patents.").

n28. U.S. Const. art. I, § 8, cl. 8 (bestowing upon Congress the authority "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.").

n29. See, e.g., Steven Wilf, *Copyright and Social Movements in Late Nineteenth-Century America*, 12 *Theoretical Inquiries L.* 123, 125 (2011). Indeed the United States politely declined participation in the Berne Convention and similar international intellectual property treaties and agreements.

n30. Ivey, *supra* note 23, at 7, 9.

n31. Wilf, *supra* note 29, at 125-26.

n32. Ivey, *supra* note 23, at 11-12 ("Movies, records, and broadcasts became America's dominant expressive forms, but in most instances there was no single 'author' of these new arts products. So who would own the musical or dramatic content? The obvious answer was to place ownership and control of the finished product - the film, radio show, or disc - with the corporation that had assembled the creative team, financed the project, and distributed it to audiences... . The groundwork was firmly in place to permit corporations to, in effect, create and own the rights to new works of art... . Because corporations own or control some of the most representative and influential American art products of the past one hundred years, it should be no surprise that questions of ownership, access, gatekeeping, and price continually challenge any effort to understand and advance our cultural rights.").

n33. See, e.g., Doris Estelle Long, "Democratizing" Globalization: Practicing the Policies of Cultural Inclusion, 10 *Cardozo J. Int'l & Comp. L.* 217, 218 (2002) ("Culture and intellectual property appear to have gotten a divorce during the latter decades of the Twentieth Century."); Victoria F. Phillips, Symposium, Commodification, Intellectual Property and the Quilters of Gee's Bend, 15 *Am. U. J. Gender Soc. Pol'y & L.* 359, 370-75 (2007); May, *supra* note 8, at 411 ("The rights of capitalists to commodify information and knowledge as they see fit are ... regarded as the naturally 'just' rights of ownership. This attempts to raise commercial rights to exploit information and knowledge to the same level as human rights. Although this may be legitimate it is hardly uncontroversial, given that sometimes the exercise of these commercial rights is at the cost of the human rights of users."). These attitudes and policies directly contradict the express social utility mandates of the Constitutional Intellectual Property Clause. See, e.g., Lateef Mtimba & Steven D. Jamar, Fulfilling the Copyright Social Justice Promise: Digitizing Textual Information, 55 *N.Y.L. Sch. L. Rev.* 77, 80-86 (2010); David S. Olson, Taking the Utilitarian Basis for Patent Law Seriously: The Case for Restricting Patentable Subject Matter, 82 *Temp. L. Rev.* 181, 183 (2009); Edward T. Saadi, Sound Recordings Need Sound Protection, 5 *Tex. Intell. Prop. L.J.* 333, 335-36 (1997) ("The United States Constitution explicitly grants to Congress the power to pass laws governing copyright. The purpose behind this grant of authority is to encourage the creation of works of artistic and scientific value by providing the incentive of an exclusive monopoly over the benefits of that creation for a limited time. The congressional purpose in granting these exclusive rights was purely utilitarian; it was not based upon the natural rights of authors in their works."); Stacy F. Michelle Fowler, Note, To Protect and ... To Profit: The Trademarking of the LAPD as an Example of Expanding Intellectual Property Rights, 74 *S. Cal. L. Rev.* 1623, 1627, 1632 (2001); McDonald, Comment, Copyright for Sale: How the Commodification of Intellectual Property Distorts the Social Bargain Implicit in the Copyright Clause, 50 *How. L.J.* 541, 543 (2007).

n34. See, e.g., May, *supra* note 8, at 410.

n35. See, e.g., Shayerah Ilias & Ian F. Fergusson, Cong. Research Serv., RL 34292, Intellectual Property Rights and International Trade 10-12 (2011), available at <http://www.ieeeusa.org/policy/eyeonwashington/2011/documents/iptradeagreements.pdf>; Peter Drahos, Comm'n on Intell. Prop. Rights, Developing Countries and International Intellectual Property Standard-Setting, at 10, available at http://www.iprcommission.org/papers/pdfs/study_papers/sp8_drahos_study.pdf ("The disappointments of the 1970s in intellectual property standard-setting led the US in the 1980s to adopt a strategy of forum-shifting... In fora such as WIPO, UNCTAD and UNESCO, the US faced the problem that developing country blocs could defeat its proposals on intellectual property or advance their own. The US began to argue the issue of intellectual property protection should become the subject of a multilateral trade negotiation within the General Agreement on Tariffs and Trade (GATT). The GATT was a forum in which the US was the single most influential player. Largely due to the efforts of the US and the US big business community the Ministerial Declaration, which in 1986 launched the Uruguay Trade Round, listed the trade-related aspects of intellectual property rights as a subject for negotiation."); Anita B. Frohlich, Copyright Infringement in the Internet Age - Primetime for Harmonized Conflict-of-Laws Rules?, 24 *Berkeley Tech. L.J.* 851, 856 (2009) (noting that "the accession of the United States to the Berne Convention initiated a gradual reconsideration of international copyright law while contemporaneously creating new challenges when foreign copyright law was involved."); Marshall Leaffer, International Copyright from an American Perspective, 43 *Ark. L. Rev.* 373, 383 (1990); May, *supra* note 8, at 410 ("In addition to the advantages to be gained by having a tougher multilateral enforcement mechanism, the US government (alongside allies in the EU) wanted to move the international regulation of IPRs into the new WTO (from the WIPO) because their negotiators felt that they were more likely to gain agreements to their advantage by linking these issues to the international trade regime."); Peter S. Menell, Intellectual Property and the Property Rights Movement, 30 *Reg. Mag.*, no. 5, 2007, at 36, 37, available at <http://www.cato.org/pubs/regulation/regv30n3/v30n3-6.pdf>.

n36. See Ilias, *supra* note 35, at 28; Drahos, *supra* note 28, at 2 ("[With regard to] developing countries['] [ability to] influence outcomes in the international intellectual property standard-setting process ... [developing countries] have comparatively little influence. The main reason lies in the continued use of webs of coercion by the US and EU, both of which remain united on the need for strong global standards of intellectual property protection."); Marci A. Hamilton, The TRIPS Agreement: Imperialistic, Outdated, and Overprotective, 29 *Vand. J. Transnat'l L.* 613, 615-16 (1996); Long, Traditional Knowledge and the Fight for the Public Domain, *supra* note 7, at 617, 619 (2006) ("If you were to ask me what the role of the United States is in the protection of the traditional knowledge, I would essentially say 'not a whole lot.'"); J. H. Reichman, Intellectual Property in International Trade: Opportunities and Risks of a GATT Connection, 22 *Vand. J. Transnat'l*

L. 747, 813 (1989), available at http://scholarship.law.duke.edu/cgi/viewcontent.cgi?article=1400&context=faculty_scholarship; Steve Lohr, *New Economy: The Intellectual Property Debate Takes a Page from 19th-Century America*, N.Y. Times, Oct. 14, 2002, available at <http://www.nytimes.com/2002/10/14/business/new-economy-intellectual-property-debate-takes-page-19th-century-america.html>. Various commentators have explored this problem as one of "cultural imperialism," which is generally understood to denominate the externally imposed prioritization of Western cultural values over competing values held by non-Western cultures. See, e.g., Ho, *supra* note 6, 467-70 (employing the term "patent imperialism" to reference the issue in the biopiracy context). While cultural imperialism (and of course racism) provide the collective foundation for Western colonialism and Post-War political imperialism, IP imperialism is only partially derived from a false sense of racial and cultural superiority. IP imperialism stratagems are further "legitimized" by unabashed self-interest coupled with a deliberate cognizance of the concomitant power and resources to fuel those interests. See, e.g., Rosemary J. Coombe, Symposium, *The Recognition of Indigenous Peoples' and Community Traditional Knowledge in International Law*, 14 St. Thomas L. Rev. 275, 281 (2001) ("To the extent that patents on innovations derived from traditional knowledge may only be challenged after they have been granted, an enormous financial and administrative burden is put upon indigenous people and the NGOs that represent community interests. For example, it took organized international ecofeminists five years and hundreds of thousands of dollars to successfully challenge the Grace Company's neem-based patents and they were dealing with a very clear case of appropriation of widely known, published prior art. Although litigation serves an important symbolic role in helping to focus the public's attention on this issue, continuous monitoring and challenging of patents requires resources that are well beyond the capacities of all but the most well-funded NGOs."). From this perspective, IP imperialism is not "inherently evil," but rather a quasi-aristocratic principle of privilege and entitlement, perpetrated behind a facade of public interest and global uplift.

n37. See Long, "Democratizing" Globalization: Practicing the Policies of Cultural Inclusion, *supra* note 33, at 220-22, 224 ("Since at least the negotiation of the Agreement on Trade Related Aspects of Intellectual Property (TRIPS) as part of the Uruguay Round under GATT, a growing divide between the forces of 'traditional' copyright and those who seek broader protection for all cultural works has opened. Debates over the right to protect works of cultural patrimony or indigenous art or literature under 'traditional' copyright, or even its desirability continue with no clear indication of when a satisfactory conclusion might be expected. This division is merely one example of a much broader rift between developed and developing countries regarding the standards and scope of works which should be subject to protection under domestic intellectual property laws... The North-South debates are also more problematic because behind this division is a history of economic, political and cultural imperialism that makes the power imbalance seem not only unfair, but, more importantly, an unfortunate continuation of past practices, albeit in a different guise."); Jo Recht, *Intellectual Property in Indigenous Societies: Culture, Context, Politics, and Law*, 6 Dartmouth L.J. 277, 282-83 (2008), ("Western assumptions about ownership and authorship, and the assignment of most indigenous knowledge to the 'public domain,' allow non-indigenous actors to create their own protectible [sic], derivative subject matter from indigenous raw materials. IPR is double-edged, and both edges cut off indigenous protections and rights. Thus, a Western pharmaceutical company may appropriate indigenous knowledge about a medicinal plant that is deemed by Western intellectual property law to be in the 'public domain,' and then create commercial products to which it has exclusive rights. The royalties go to the Western company rather than to the indigenous keepers of the knowledge, and the exclusive rights that the company might apply for under Western patent law will make the end products inaccessible to the indigenous population.").

n38. See Recht, *supra* note 37, at 283 ("When non-technological products are considered, such as songs, images, paintings, or other forms of traditional cultural expression, outside actors, whether individual or corporate, can take indigenous products deemed by Western law to be free to the public, and establish exclusive rights in the derivative works created from them. This is not an accident: the intellectual property system was expanded and developed in the nineteenth century by the European imperial powers, who used it to preserve for themselves the resources of their colonies. In the contemporary context, one commentator has noted that 'WIPO and TRIPS have focused on teaching the poor how to protect the intellectual property of the West.' Conventional intellectual property law, therefore, provides neither a sword nor a shield to protect indigenous subject matter."); May, *supra* note 5, at 419 ("While the powerful states continue to ensure their capitalists' (intellectual) property is safe-guarded, others will be increasingly threatened by the information age's commodification of their remaining national resources by international Capital (through bio-piracy and the 'theft' of traditional knowledge, for instance). Thus, the 'information age' both enhances the power of states that can effectively control their jurisdiction, and contributes to the weakness of those that do not."); See also Drahos, *supra* note 35, at 8 ("The Berne system was run to suit the interests of copyright exporters. Each successive revision of the Berne brought with it a higher set of copyright standards. By the time many countries shed their colonial status, they were confronted by a Berne system that was run by an Old World club of former colonial powers to suit their economic interests. Former colonial powers continued to watch over their former colonies. When eleven Sub-Saharan states joined Berne they were 'so totally dependent economically and culturally upon France (and Belgium) and so inexperienced in copyright matters that their adherence was, in effect, politically dictated by the 'mother country' during the aftermath of reaching independence."); Ho, *supra* note 6, at 433, 505-06 ("Although there is technically no intellectual property infringement in a country that does not have intellectual property laws - for one cannot break a law that does not exist - industry advocates nonetheless successfully claimed that piracy of intellectual property rights was occurring and depriving the U.S. of

its just profits. In other words, the piracy argument underlying enactment of TRIPS ignored the strict legal parameters of intellectual property laws."); Penny Hess, All Diamonds are Blood Diamonds: The Truth About the Diamond Trade, African People's Solidarity Comm. at 1-2 (2006), available at [http://apscuhuru.org/analysis/diamonds/diamonds web. pdf](http://apscuhuru.org/analysis/diamonds/diamonds%20web.pdf); Moyiga Nduru, Avocados, Diamonds at Core of Anti-Israel Trade Campaign, Inter Press Serv. News Agency, Jan. 26, 2007, available at <http://ipsnews.net/africa/nota.asp?idnews=36331>.

n39. Ivey, *supra* note 23, at 7-9 ("New 'arts industries' grew dramatically during... the twentieth century... . Today, DVDs, movies-on-demand, satellite radio, the iPod, and ring-tones top off the transition begun a century ago: Americans can engage the performing arts on our own terms, on our own timetable, at home, in the car, or while strolling or jogging in the park... . And today DVDs are released mere weeks - sometimes only a few days - after a film has opened on the big screen. The cache of live theater and music on tour persists, but most citizens consume most performing arts through some form of technology - usually technology that delivers music, drama, and dance right into the living room or the family car.").

n40. The Hollywood Studio System in the Golden Age, HollywoodMovieMemories.com, <http://www.hollywoodmoviememories.com/articles/hollywood-history/hollywood-studio-system-golden.php> (last visited Oct. 8, 2012).

n41. In this regard, American IP Imperialism arguably grew to be even more socially pernicious than its European progenitor, in that, in addition to its one way nation state/cultural biases, the added feature of the IP Commoditization Precept further serves to stagnate American cultural and innovation developmental interests. See, e.g., Steven D. Jamar, Symposium, Crafting Copyright Law to Encourage and Protect User-Generated Content in the Internet Social Networking Context, 19 Widener L.J. 843, 845 (2010).

n42. See, e.g., Menell, Intellectual Property and the Property Rights Movement, *supra* note 35, at 36, 42; Ruth Okediji, Givers, Takers, and Other Kinds of Users: A Fair Use Doctrine For Cyberspace, 53 Fla. L. Rev. 107, 108 (2001) ("Information technology has empowered ordinary users to become part of the creative process both by its interactive nature and the very architecture of the pennon of the information society, the Internet.").

n43. Ilias, *supra* note 35, at 12-15; Long, "Democratizing" Globalization: Practicing the Policies of Cultural Inclusion, *supra* note 33, at 229 ("E-commerce, or at least the promise of electronic commerce, has become the new paradigm for globalization. While figures on Internet growth and its global penetration remain subject to dispute, the reality is that the growth of the Internet as a global communication and marketing medium is unprecedented. Moreover, such penetration is not limited to the so-called developed countries. To the contrary, of the ten fastest growing countries for Internet penetration for the year 2001, almost all of them are so-called developing countries."); Wendy M. Pollack, Note, Tuning In: The Future of Copyright Protection for Online Music in the Digital Millennium, 68 Fordham L. Rev. 2445, 2445-46 (2000) ("Digitization of copyrighted materials permits instantaneous, simplified copying methods that produce nearly perfect copies of originals. These copies can be digitally delivered to thousands of Internet users. Decentralization and anonymity in cyberspace have allowed for the widespread dissemination of copyrighted materials without permission from their owners."); China's Piracy Hurting Its Own Industries, NBCNews.com (July 7, 2006), <http://www.msnbc.msn.com/id/13617619/ns/business-world-business/t/chinas-piracy-hurting-its-own-industries/>.

n44. See, e.g., Stephen M. Pinkos, Piracy of Intellectual Property: Hearing Before the S. Comm. on the Judiciary Subcomm. on Intellectual Property, 112th Cong. (2012), available at <http://www.uspto.gov/smallbusiness/pdfs/USPTOTestimony-Judiciary Subcommittee on Intellectual Property.pdf>; Michael Wines, China to Begin Crackdown on Pirated Software in 2011, *Int'l Herald Trib.*, Jan. 8, 2011, available at <http://www.nytimes.com/2011/01/08/business/global/08piracy.html>; Editorial, Internet Piracy and How to Stop It, *N.Y. Times*, June 9, 2011, at A26, available at <http://www.nytimes.com/2011/06/09/opinion/09thu1.html>. Moreover, some commentators have argued that such developing-nation unauthorized uses are not only equitable but a more effective means of technology transfer when compared to policies of direct foreign aid. See Gibbons, *supra* note 2, at 952, 954 ("[A] free marketplace in unlicensed intellectual property is more likely to promote economic development in developing countries than either direct foreign aid or incentivized technology transfer. Further, one lesson that may be drawn from history is that those countries that have successfully transitioned from developing or agricultural economies to developed or industrial economies all did so during periods of lax or no transnational enforcement of intellectual property rights. In fact, the development norm in history was not the enforcement of intellectual property rights but, instead, the positive flouting of the intellectual property rights of non-citizens as an aid to national development... . The question to be asked may be whether unlicensed uses are more efficient in promoting developmental goals than direct foreign aid or incentives for technology transfer. A market-driven policy for intellectual property or technology transfer that permits access to and use of intellectual property in response to market demand for technology or information in a local developing country's markets will promote development more efficiently than either direct foreign aid or technology transfers. History teaches that uncompensated intellectual property transfers (piracy) as a developmental policy may have much to commend it because uncompensated transfers may mark an attempt to return to the well-worn paths that led to past successful economic development.").

n45. See K.J. Greene, "Copynorms," *Black Cultural Production, and the Debate Over African-American Reparations*, 25 *Cardozo Arts & Ent. L.J.* 1179, 1180-81 (2008) ("The institutional music industry has resorted to copyright infringement lawsuits to stem massive Internet piracy in recent years... . The 'copynorms' rhetoric the entertainment industry espouses shows particular irony in light of its long history of piracy of the works of African-American artists, such as blues artists and composers. For many generations, black artists as a class were denied the fruits of intellectual property protection - credit, copyright royalties and fair compensation. Institutional discrimination teamed with intellectual property and contract law resulted in the widespread under-protection of black artistic creativity. Similarly, black inventors created technical and scientific works that impacted early American industries. Evidence exists that black inventors also faced similar divestiture in the industrial marketplace. The mass appropriation of the work of black artists and inventors reflects the systemic subordination based on race that characterized most of U.S. history."). The full meaning of the adage "those who seek equity must do equity" is beginning to resonate within the Western IP Imperialist's regimes. See, e.g., Long, *Traditional Knowledge and the Fight for the Public Domain*, *supra* note 7, 617, 628 (2006) ("Explor[ing] the imperialism of the 19th century and the imperialism that is being applied to traditional knowledge today[,] the rhetoric of the two is frighteningly similar. We can avoid some of the pitfalls of those earlier years if we consider diverse approaches. Access to knowledge, human rights, intellectual property rights, etc. take the best of those approaches and devise a regime that makes sense for all parties.").

n46. See, e.g., Steven D. Jamar, Symposium, A Social Justice Perspective on the Role of Copyright in Realizing International Human Rights, 24 *Pac. McGeorge Global Bus. & Dev. L.J.* 289, 289 (2012); Mtima, Fulfilling the Copyright Social Justice Promise: Digitizing Textual Information, *supra* note 33, at 101-06; Lateef Mtima, Symposium, Copyright Social Utility and Social Justice Interdependence: A Paradigm for Intellectual Property Empowerment and Digital Entrepreneurship, 112 *W. Va. L. Rev.* 97, 141-47 (2009); Lateef Mtima, Symposium, Introduction, 48 *How. L.J.* 571, 572 (2005) ("The digital revolution and similar technological advances present unheralded opportunities through which to confront [intellectual property social inequity] from a socially redeeming vantage point... . The new technologies can provide the apparatus through which to achieve a more equitable distribution of the benefits of creative endeavor."); Robert Sullivan, *Indigenous Culture and Intellectual Property Rights*, 8 *D-Lib Mag.* no.5, 2002 (N.Z.), available at <http://www.dlib.org/dlib/may02/sullivan/05sullivan.html>.

n47. See, e.g., Peter S. Menell, Symposium, Envisioning Copyright Law's Digital Future, 46 *N.Y.L. Sch. L. Rev.* 63, 66 (2002); Lateef Mtima, The Changing Landscape of Internet Use and Dissemination of Copyrighted Works: New Tools, New Rules, or the Same Old Regime?, 24 *The Computer & Internet L.*, no. 10, 2007, at 4; Netanel, *supra* note 10, at 1, 3 ("P2P file sharing is not just downloading music and movies for free. It is a vehicle for finding works that are otherwise not available, discovering new genres, making personalized compilations, and posting creative remixes, sequels, and modifications of popular works. By engaging in such activities, people who might previously have been passive consumers now assert a more active, self-defining role in the enjoyment, use, and creation of cultural

expression.); Pamela Samuelson, Fair Use for Computer Programs and Other Copyrightable Works in Digital Form: The Implications of Sony, *Galoob and Sega*, 1 J. Intell. Prop. L. 49, 67-73 (1993).

n48. See, e.g., Samuelson, Fair Use for Computer Programs and Other Copyrightable Works in Digital Form: The Implications of Sony, *Galoob and Sega*, *supra* note 47, 102-03 ("[There is an] extraordinary array of electronic information tools now available ... that permit users to experiment with the plastic nature of works in digital form. By plasticity, I mean the ease with which such works can be manipulated, transformed, and/or inserted into other works. Although many authors might prefer for their works to remain as fixed as they have traditionally been in printed form, the genie of plasticity cannot be pushed back into the bottle. Digital manipulation is here to stay, for the manipulability of digital data is one of the key advantages of the digital medium.").

n49. See, e.g., Menell, Envisioning Copyright Law's Digital Future, *supra* note 47, at 133-38; Mtima, Copyright Social Utility and Social Justice Interdependence: A Paradigm for Intellectual Property Empowerment and Digital Entrepreneurship, *supra* note 46, at 119-36; Note, Spare the Mod: In Support of Total-Conversion Modified Video Games, 125 Harv. L. Rev. 789, 796 (2012) ("The social utility theory of intellectual property argues that lawmakers ought to craft property rights to maximize net social welfare. Ideally, lawmakers will grant enough exclusive rights to stimulate innovation but will not expand the scope of such rights to an extent that would prevent society's enjoyment of those innovations.").

n50. See, e.g., Stop Online Piracy Act, H.R. 3261, 112th Cong., (2011) (as introduced in House, Oct. 26, 2011); PROTECT IP Act, S 968; Graeme McMillan, Will 'PROTECT IP' Act Stop Piracy or Doom Online Innovation?, *Time*, June 24, 2011, available at <http://techland.time.com/2011/06/24/will-protect-ip-act-stop-piracy-or-doom-online-innovation/>.

n51. See, e.g., *Laws v. Sony Music Entm't, Inc.*, 448 F.3d 1134, 1139 (9th Cir. 2006).

n52. See *infra* Part III.

n53. Although trademark rights and interest have been recognized for centuries, American courts and legislators had great difficulty finding a comfortable place for trademark law in the federal IP regime. See, e.g., *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 37-38 (2003); See also Fowler, *supra* note 33, at 1638-39. As to its influence upon the right of privacy, the latter right is often said to manifest the propertization of tortious protections and interests. However, the kind of property interest involved is essentially that of a right to control the marketing of one's persona, particularly as a source identifier. *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 193 (1985); *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97-98 (1918); *Canal Co. v. Clark*, 80 U. S. 311, 320 (1871).

n54. See Warren, *supra* note 1, 193, 195.

n55. *Id.* at 196.

n56. See J. Thomas McCarthy, 1 *Rights of Publicity and Privacy* § 6.3 (2d ed. 2006); See, e.g., *Roberson v. Rochester Folding Box Co.*, 64 N.E. 442, 451 (N.Y. 1902).

n57. 202 F.2d 866, 867 (2d Cir. 1953).

n58. *Id.*

n59. *Id.* at 867.

n60. *Id.* at 868. See also Melville B. Nimmer, *The Right of Publicity*, 19 *Law & Contemp. Probs.* 203, 203-04 (1954), available at <http://scholarship.law.duke.edu/cgi/viewcontent.cgi?article=2596&context=lcp> ("Well known personalities...do not seek the 'solitude and privacy' which Brandeis and Warren sought to protect... . However, although the well known personality does not wish to hide his light under a bushel of privacy, neither does he wish to have his name, photograph, and likeness reproduced and publicized without his consent or without remuneration to him.").

n61. William L. Prosser, *Privacy*, 48 *Cal. L. Rev.* 383, 389 (1960), available at http://www.californialawreview.org/assets/pdfs/misc/prosser_privacy.pdf. Dean Prosser enumerated the following four categories of invasion of privacy: "intrusion upon the plaintiff's seclusion or solitude, or into his private affairs;" "public disclosure of embarrassing private facts about the plaintiff;" "publicity which places the plaintiff in a false light in the public eye;" and "appropriation, for the defendant's advantage, of the plaintiff's name or likeness." *Id.*

n62. *Id.* This is the interest the Haelan court denominated as the right of publicity. 202 F.2d at 868.

n63. Restatement (Third) of Unfair Competition § 46 (1995); Restatement (Second) of Torts § 652C (1977).

n64. *ETW Corp. v. Jireh Publ'g, Inc.* 332 F.3d 915, 928 (6th Cir. 2003) (citing *McCarthy, Rights of Publicity and Privacy*, supra note 56, § 1:3); See also *Memphis Dev. Found. v. Factors Etc., Inc.*, 616 F.2d 956, 957 (6th Cir. 1980) ("The famous have an exclusive legal right during life to control and profit from the commercial use of their name and personality."). Particularly insofar as celebrities are concerned, the right to control use and exploitation of one's image or persona can also be asserted under the Lanham Act, through the cause of false endorsement. False endorsement occurs where a person's image or persona is used in association with a product in a way that is likely to mislead the consuming public as to that person's sponsorship or approval of the product:

A false endorsement claim based on the unauthorized use of a celebrity's identity is a type of false association claim, for it alleges the misuse of a trademark, i.e., a symbol or device such as a visual likeness, vocal imitation, or other uniquely distinguishing characteristic, which is likely to confuse consumers as to the plaintiff's sponsorship or approval of the product.

Waits v. Frito-Lay, Inc., 978 F.2d 1093, 1110 (9th Cir. 1992). "When ... a celebrity brings a false endorsement suit under Section 43(a), his 'celebrity persona' functions as the 'mark.'" *Brown v. Elec. Arts, Inc.* Case No. 2:09-cv-01598-FMC-RZx, 2009 U.S. LEXIS 131387, at 7 (C.D. Cal. Sept. 23, 2009); See also *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395, 1400 (9th Cir. 1992). Likelihood of confusion is generally the controlling issue. See *Wynn Oil Co. v. Thomas*, 839 F.2d 1183, 1186 (6th Cir. 1988) (enumerating an eight factor false endorsement likelihood of confusion test: (1) the level of recognition that the plaintiff has among the segment of the society for whom the defendant's product is intended; (2) the relatedness of the fame or success of the plaintiff to the defendant's product; (3) the similarity of the likeness used by the defendant to the actual plaintiff; (4) evidence of actual confusion; (5) marketing channels used; (6) likely degree of purchaser care; (7) defendant's intent in selecting the mark; and (8) likelihood of expansion of the product lines (citing *AMF, Inc., v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979)). Because right of publicity and false endorsement claims are often raised simultaneously and substantively overlap, the disposition of the one is often difficult to segregate from the resolution of the other. Nonetheless, the principal distinctions between false endorsement and right of publicity claims are (i) "trademark status" for the plaintiff's persona, and (ii) the requirement of a likelihood of confusion of the public as to the plaintiff's endorsement of the defendant's product.

n65. See *McCarthy, Rights of Publicity and Privacy*, supra note 56, at § 6:3; See also Gregory L. Curtner et al. *Show and Tell: Misappropriation of the Right of Publicity, in Counseling Clients in the Entertainment Industry 2011*, at 263, 271 (PLI Intell. Prop. Course Handbook Ser. No. 1040, 2011).

n66. *Time, Inc. v. Hill*, 385 U.S. 374, 389 (1967); *Mason v. Jews for Jesus*, No. 06 Civ. 6433 (RMB), 2006 WL 3230279 (S.D.N.Y. Nov. 8, 2006); *Arrington v. New York Times Co.*, 434 N.E.2d 1319, 1322-23 (N.Y. 1982); *Nussenzweig v. diCorcia*, 832 N.Y.S.2d 510 (N.Y. App. Div.), aff'd, 878 N.E.2d 589 (N.Y. 2007).

n67. J. Thomas McCarthy, *The Spring 1995 Horace S. Manges Lecture - The Human Persona as Commercial Property: The Right of Publicity*, 19 Colum.-VLA J.L. & Arts 129, 130-31 (1995); *Cardtoons, L.C. v. Major League Baseball Players Ass'n*, 95 F.3d 959, 969 (10th Cir. 1996) ("Parody trading cards receive full protection under the First Amendment. The cards provide social commentary on public figures, major league baseball players, who are involved in a significant commercial enterprise, major league baseball. While not core political speech ... this type of commentary on an important social institution constitutes protected expression."); See also *Vinci v. Am. Can Co.*, 591 N.E.2d 793, 794 (Ohio Ct. App. 1990) (per curiam) (permitting unauthorized use of athletes' personas where "the mention of the athletes' names within the context of accurate, historical information was incidental to the promotion of the ... partnership ... [and] reference to the athletes and their accomplishments was purely informational."). First Amendment interests similarly curtail false endorsement claims

under the Lanham Act. Thus, where a plaintiff raises a false endorsement claim, the interposition of the First Amendment as a defense requires that concerns regarding public confusion be counterbalanced against society's interest in promoting free expression. See *ETW Corp.*, 332 F.3d at 928, 936-37.

n68. 875 F.2d 994, 1004-05 (2d Cir. 1989).

n69. *Id.* at 996.

n70. *Id.* at 1000-01.

n71. *Id.* at 1005.

n72. *Id.* at 1004-05. In addition to First Amendment issues, the use of a person in literary expression can also implicate, and potentially conflict with, the copyright exclusive rights. See, e.g., *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 31-33 (2003); *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 636 F.3d 1115, 1119 (9th Cir. 2011). The problem of copyright/right of publicity overlaps and conflicts is discussed in Part IV, *infra*.

n73. See, e.g., K.J. Greene, *The Right of Publicity: Is the Rent "Too Damn High"?*, in *Counseling Clients in the Entertainment Industry* 2011, at 279, 282 (PLI Intell. Prop. Ser. No. 1040, 2011); Stacey L. Dogan & Mark A. Lemley, *What the Right of Publicity Can Learn from Trademark Law*, 58 *Stan. L. Rev.* 1161, 1162 (2006); Michael Madow, *Private Ownership of Public Image: Popular Culture and Publicity Rights*, 81 *Cal. L. Rev.* 127, 178-215 (1993). One explanation for the less than charitable attitudes toward the right of publicity is of course the overreaching and often baseless suits brought by some celebrities Seeking to profit from even the most remote associations with their personas. See, e.g., *Lindsay Lohan & E-Trade Settle Milkaholic Baby Lawsuit*, *The Huffington Post*, Sept. 21, 2010, available at <http://www.huffingtonpost.com/2010/09/21/lindsay-lohan-ettrade-sett n 733657.html>. While the dissatisfaction with such abuses is understandable, in the present era of copyright and patent trolls, and the emerging issue of trademark bullying, the problem is by no means restricted to the right of publicity. Just as these abuses do not give rise to calls for the repeal of the copyright, patent, and trademark laws, however, right of publicity misuse is an insufficient basis upon which to do away with publicity rights altogether.

n74. See, e.g., Greene, *The Right of Publicity: Is the Rent "Too Damn High"?*, *supra* note 73, at 282 ("The right of publicity does not deliver the goods the way copyright and patent regimes do - copyright gives us movies, books, music, and patent gives us everything from BMW engine components to little blue pills for men of a certain age. Even trademark law's harshest detractors concede the efficacy of trademark law's prevention of consumer confusion in the marketplace of goods. In contrast ... publicity rights seem to do little more than to enrich

already rich artists and athletes, and to provide a lucrative platform for reality television stars such as Snooki and Paris Hilton.").

n75. See, e.g., Mtima, Copyright Social Utility and Social Justice Interdependence: A Paradigm for Intellectual Property Empowerment and Digital Entrepreneurship, *supra* note 46, at 126-27 ("The social engineering aspirations which underlie American copyright law were of sufficient importance to the Framers that they provided for their satisfaction in the very first Article of the Constitution. Included among those goals is a system for author incentives, intended to help fuel artistic output... . When the author incentive function is so widely corrupted that authors from significant segments of the population are systematically deprived of their copyright property rights and incentives, it is not only a problem of copyright social injustice, it also constitutes an assault upon the function of copyright social utility. Creative authors who do not benefit from the copyright regime have little incentive to participate in it. When marginalized groups and communities have no expectation of reward from copyright protection, their members lose the institutional incentive to produce artistic works.").

n76. *Id.*

n77. Indeed, the advent of digital information technology has sparked a general refocus of scholarly, policy, and professional attention toward social utility and social justice obligations of the intellectual property law as a whole. See, e.g., Rita Heimes, Trademarks, Identity, and Justice, 11 J. Marshall Rev. Intell. Prop. L. 133, 148 (2011) ("One measure of development and distributive justice, then, is in the mechanisms by which opportunities and access to capabilities are made available to all, means by which inequalities 'in the distribution of substantive freedoms and capabilities' are reduced. These freedoms and capabilities could well include property interests in intangibles such as intellectual property. Access to them could certainly assist with improved self-help, self-reliance, and self-confidence, the deprivation of which is a form of poverty." (quoting Amartya Sen, *Development as Freedom* 119 (Alfred A. Knopf, Inc. 1999))); Long, "Democratizing Globalization: Practicing the Policies of Cultural Inclusion, *supra* note 33, at 252 ("Just as human rights and the protection of culture have been raised to an area of international social justice, so too, the protection of the expressions of humankind's cultural creativity (intellectual property) is worthy of being protected as a matter of social justice, with all the requirements of access and fairness that such social justice requires.").

n78. See, e.g., *Authors Guild v. Google, Inc.*, 770 F. Supp. 2d 666, 679 n. 15 (S.D.N.Y. 2011) (discussing the social justice impact of the proposed Google Books settlement, stating that "supporters of the proposed settlement argue that it would 'serve[] copyright law's central purpose of advancing knowledge and culture by furthering copyright's social utility and social justice goals through inclusion of those who have been excluded. The Google Books Project furthers these goals by using an accepted copyright mechanism (i.e., a private, court-supervised settlement) to address the novel copyright problems presented by the new technologies, while still preserving the rights of copyright holders.'" (quoting Mtima, *Fulfilling the Copyright Social Justice Promise: Digitizing Textual Information*, *supra* note 33, at 79-80); See also James Grimmelman, *The Elephantine Google Books Settlement*, 58 J. Copyright Soc'y U.S.A. 497, 506-10 (2011) (discussing the terms of the Authors Guild settlement); Pamela Samuelson, *Symposium, Google Book Search and the Future Books in Cyberspace*, 94 Minn. L. Rev. 1308, 1319-51 (2010) (discussing potential effects of Authors Guild settlement on various aspects of society and economy).

n79. See, e.g., Madhavi Sunder, *From Goods to a Good Life: Intellectual Property and Global Justice* 175-78 (2012); *Bd. of Tr. of Leland Stanford Junior Univ. v. Roche Molecular Sys.*, 583 F.3d 832, 841 (Fed. Cir. 2009), *aff'd*, 131 S. Ct. 2188 (2011).

n80. See, e.g., Peter Maybarduk, Program on Information Justice and Intellectual Property, ACTA and Public Health, available at <http://digitalcommons.wcl.american.edu/cgi/viewcontent.cgi?article=1011&context=research>; Simone A. Rose, Symposium, On Purple Pills, Stem Cells, and Other Market Failures: A Case for a Limited Compulsory Licensing Scheme for Patent Property, 48 How. L.J. 579, 582 (2005). For an analysis of the social justice opportunities and obligations arising in connection with trademark rights See Heimes, *supra* note 77, at 148, 149, 152 ("The best arguments to support a social justice foundation in trademark and identity law rest on notions of preventing unfair competition and unjust enrichment. These policy goals for recognizing enforceable publicity rights in persona or identity protect the individual as effectively as the corporation. Few scholars have applied this analysis to trademark law, although as a feature of commercial activity trademarks are naturally connected to entrepreneurship and, logically, to personal empowerment. Because trademarks and publicity rights can serve as strong personal property interests, it bears considering, in examination of social and distributive justice principles, whether there is a justice-based argument to be made for helping individuals acquire and protect trademarks and publicity rights.").

n81. See *Parks v. LaFace Records*, 329 F.3d 437, 443 (6th Cir. 2003), wherein the civil rights icon brought an action Seeking to prevent the use of her name in a rap record using profanity and offensive language. Indeed, this was one of Warren and Brandeis's specific objectives in arguing for recognition of that right. See Warren, *supra* note 1, at 196.

n82. See, e.g., Jennifer L. Carpenter, Internet Publication: The Case for an Expanded Right of Publicity for Non-Celebrities, 6 Va. J.L. & Tech. 3, 11, 14 (2001) ("Scholars and courts have isolated four primary policy justifications for the right of publicity: providing incentives for creativity, allowing those who achieve notoriety to enjoy the fruits of their own labor, guarding against consumer deception, and preventing unjust enrichment... . The fourth ... rationale... for recognizing the right of publicity is that it prevents publishers from unfairly profiting from a celebrity's public reputation without sharing some of that profit with the celebrity who worked for that reputation. This moral argument reflects a basic societal belief that it is wrong for 'free-riders' or 'parasites' to appropriate (and profit from) another person's hard work."); Heimes, *supra* note 77, at 157 ("The philosophical reasons for promoting individual ownership of identity complement the economic ones, at least from a social justice perspective. One is morally entitled to self-define and even to commercialize one's own persona. At the same time, the opportunity to exploit identity for commercial gain ... by taking advantage of accidental fame - is one additional opportunity for empowerment through entrepreneurship... . In the social justice context, supporting these individual interests and values is warranted provided the broader societal interests in cultural development and freedom of expression are taken into consideration."); Roberta Rosenthal Kwall, The Right of Publicity vs. the First Amendment: A Property and Liability Rule Analysis, 70 Ind. L.J. 47, 55-56 (1994) ("The right of publicity has the potential for safeguarding from unauthorized use any marketable and publicly recognizable attribute of any individual, regardless of whether that person is a celebrity. Moreover, whatever the means through which an individual's persona comes to have value, that value should be attributable to the persona of the publicity plaintiff who has a right to participate in decisions about how her persona is utilized by others. This is the overall objective which the right of publicity tries to fulfill."); Spare the Mod: In Support of Total-Conversion Modified Video Games, *supra* note 49, at 801 ("The personality theory of intellectual property protection posits that the artist defines herself through art. The creation of artistic works binds the artist to her products. Accordingly, the artist ought to have moral rights over the use of her works.").

n83. *Zacchini v. Scripps-Howard Broad. Co.*, 433 U.S. 562, 573 (1977).

n84. *Id.* ("The State's interest in permitting a 'right of publicity' is in protecting the proprietary interest of the individual in his act in part to encourage such entertainment... . The State's interest is closely analogous to the goals of patent and copyright law, focusing on the right of the individual to reap the reward of his endeavors.").

n85. *Id.* at 576.

[A state's] decision to protect [a performer's] right of publicity ... rests on more than a desire to compensate the performer for the time and effort invested in his act; the protection provides an economic incentive for him to make the investment required to produce a performance of interest to the public. This same consideration underlies the patent and copyright laws long enforced by this Court.

Id.; See also Melissa B. Jacoby & Diane Leenheer Zimmerman, *Foreclosing on Fame: Exploring the Uncharted Boundaries of the Right of Publicity*, 77 N.Y.U. L. Rev. 1322, 1330 (2002) ("Celebrities 'create' their valuable personas in much the same way that a novelist creates a work of fiction or an inventor a new device. Thus, giving the famous individual a property right in this form of intellectual property has been explained as an incentive to promote future creativity, as a reward for a valuable service to the public, or as a means of preventing unjust enrichment."); Kwall, *supra* note 82, at 74 ("As a society, we can suffer two general types of harms from the toleration of unauthorized uses of an individual's persona. One type of harm focuses on the increased potential for consumer deception, and the other focuses on the increased potential for diminished incentives.").

n86. *Zacchini*, 433 U.S. at 574-74 (emphasis added).

n87. *Comedy III Prods., Inc. v. Gary Saderup, Inc.*, 21 P.3d 797, 804-05 (Cal. 2001). As discussed in Part IV, *infra*, the *Comedy III* court promulgated its own test for balancing right of publicity and First Amendment interests, the "transformative test". *Id.* at 808. Under the transformative test, a court examines the extent of the user's expressive transformation of the plaintiff's image or persona, to determine whether the user is trading upon the plaintiff's recognizable image or has transformed that image into a new expressive work. *Id.* Also in Part IV, the *Rogers* and *Comedy III* tests measure different social utilities, and selecting the appropriate test is critical to a proper balancing of right of publicity and First Amendment interests.

n88. See Heimes, *supra* note 77, at 151.

n89. *Id.* at 148-49.

n90. See Lateef Mtima, *Symposium, African-American Economic Empowerment Strategies for the New Millennium - Revisiting the Washington-Du Bois Dialectic*, 42 *How. L.J.* 391, 428-29 (1999); W. Sherman Rogers, *The Black Quest for Economic Liberty: Legal, Historical, and Related Considerations*, 48 *How. L.J.* 1, 59 (2004).

n91. See, e.g., K.J. Greene, Right of Publicity, Identify, and Performance, 28 Santa Clara Computer & High Tech. L.J. 865 (2011). The social utility goals that underlie the Lanham Act, including protection against unfair competition and consumer confusion, also resonate with the above-enumerated right of publicity social justice objectives. See Heimes, *supra* note 77, at 149. Not only should marginalized individuals derive the commercial benefits from the "persona properties" they develop, but the consuming public should not be misled into supporting products and business unaffiliated with individuals whom they admire and revere. Thus, right-of-publicity social justice can also be pursued and enforced through the companion federal false endorsement cause of action.

n92. See, e.g., *Id.* at 144 ("The relevance of protecting identity from misuse is heightened exponentially by technological advancements in digital communication. Images can be copied from one location, edited, and reposted to another in myriad new ways - some flattering but many not - by anonymous Internet users generally beyond the reach of the law."). Of course, advances in digital information technology also offer new and socially beneficial opportunities for the development, dissemination, and exploitation of information and ideas, innovative advances, and individual creative expression. The parameters of intellectual property protection must be continuously reassessed to ensure that they complement the immediate and potential boons of such advances, so that technological options and opportunities for social good are not impeded by legal sub-structures incompatible with unanticipated kinds and uses of intellectual property. See generally Jamar, *Crafting Copyright Law to Encourage and Protect User-Generated Content in the Internet Social Networking Context*, *supra* note 41, at 848-49 (advocating to modify the Copyright Act and codify current practice in the social media. Among other things, the author proposes to allow "noncommercial social network users to post links to and portions of copyrighted work without permission" and a "broad right to create and disseminate derivative works online for noncommercial purposes."); Lateef Mtima, *Tasini and its Progeny: The New Exclusive Right or Fair Use on the Electronic Publishing Frontier?* 14 *Fordham Intell. Prop. Media & Ent. L.J.* 369, 409-13 (2004); Rebecca Tushnet, *Worth a Thousand Words: The Images of Copyright*, 125 *Harv. L. Rev.* 683, 687-88 (2012) (discussing "ungovernability of images in copyright law" and advocating adopting the true "reproduction right" against the standard of exact or near-exact copying).

n93. IP Imperialist stratagems thus have the same deleterious effect in both the indigenous culture and marginalized communities contexts. See, e.g., Drahos, *supra* note 35, at 5 ("Does it matter if the capacity of [developing countries] to influence the [IP] standard-setting process remains weak? ... Since intellectual property rights are but one micro-tool of national policy it is difficult to isolate their importance as a variable in development. If, as the World Bank has suggested, development is about expanding the ability of people 'to shape their own futures' then we have a *prima facie* normative reason to be concerned about the loss of national sovereignty of developing countries over standards that impact on sectors such as agriculture, food, environment, health and education."); Recht, *supra* note 37, at 284, ("Protection of intellectual property in indigenous societies implicates issues of human rights, cultural survival, and physical subsistence of those societies. 'Primarily ... when we talk about protecting traditional knowledge we are talking about protecting the livelihoods of the poor.' In 1993, the UN Subcommittee on the Prevention of Discrimination and Protection of Minorities and its Working Group on Indigenous Populations produced 'The Study on the Protection of the Cultural and Intellectual Property of Indigenous Peoples,' which placed protection of indigenous knowledge into the context of human rights." (quoting Coombe, *supra* note 36, at 278)); See also Coombe, *supra* note 36, at 277-78 (discussing "international law-making efforts with respect to indigenous and traditional environmental knowledge").

n94. *Doe v. TCI Cablevision of Mo.*, No. ED 78785, 2002 WL 1610972, at 12 (E.D. Mo. 2002).

n95. For example some courts have observed that certain social utility objectives that underlie the right of publicity are less important where celebrity interests and incentives are involved. See, e.g., *Cardtoons, L.C. v. Major League Baseball Players Ass'n.*, 95 F.3d 959, 969 (10th Cir. 1996).

"Even without the right of publicity the rate of return of stardom in the entertainment and sports fields is probably high enough to bring forth a more than 'adequate' supply of creative effort and achievement." ... Celebrities would still be able to reap financial reward from authorized

appearances and endorsements. The extra income generated by licensing one's identity does not provide a necessary inducement to enter and achieve in the realm of sports and entertainment. Thus, while publicity rights may provide some incentive for creativity and achievement, the magnitude and importance of that incentive has been exaggerated.

Id. at 974 (quoting Madow, *supra* note 73, at 210). While this is true in some cases, it overlooks the realities faced by some members of marginalized communities. It is the prospect of attendant compensation that motivates an inner city youth to pursue a career as a professional athlete in the face of overwhelming statistics that she will likely not have a professional career. And even if she never makes it to the "majors" endorsement opportunities and other exploitation of personal celebrity can provide a path out of poverty, especially for those who also face institutionalized racial impediments.

n96. See *Brooks v. Topps Co.*, 86 U.S.P.Q.2d (BNA) 1361 (S.D.N.Y. 2007).

n97. See *Facenda v. N.F.L. Films, Inc.*, 542 F.3d 1007 (3d Cir. 2008); *Laws v. Sony Music Entm't, Inc.*, 448 F.3d 1134 (9th Cir. 2006); *Brown v. Elec. Arts, Inc.*, Case No. 2:09-cv-01598-FMC-RZx, 2009 U.S. Dist. LEXIS 131387 (C.D. Cal. Sept. 23, 2009).

n98. 86 U.S.P.Q.2d (BNA) 1361.

n99. Id.

n100. Id. at 1364.

n101. Id. at 1363.

n102. Id. at 1364 (emphasis added). In addition to producing the trading cards, Topps also affirmatively marketed that Bell endorsed the use of his name and image:

Topps issued promotional materials for both the 2001 and 2004 cards. The 2004 promotional materials contained two statements that Brooks notes in her opposition papers. One footnote in those materials stated in miniscule print that "although these players have agreed to provide these cards for Topps, we cannot guarantee that all autographs ... will be received in time for inclusion in this product.

Id.

n103. Id. at 1362.

n104. Brooks, 86 U.S.P.Q.2d (BNA) at 1365 (citations omitted).

n105. Id. at 1365, 1366 (citations omitted). The court also went out of its way to dismiss plaintiff's federal claims:

Personal names and photographs are not inherently distinctive, and therefore are "protected only if, thorough usage, they have acquired distinctiveness and secondary meaning."

"'Secondary meaning' is a term of art referencing a trademark's ability to identify the source of the product rather than the product itself." ... Factors that may be considered in determining whether a mark has developed secondary meaning include "(1) advertising expenditures, (2) consumer studies linking the mark to a source, (3) unsolicited media coverage of the product, (4) sales success, (5) attempts to plagiarize the mark, and (6) length and exclusivity of the mark's use."

Brooks has presented no evidence relating to four of these six factors. With respect to the fourth and sixth factors, she has described several commercial licensing arrangements, has offered documentary evidence corroborating the existence of one of them, but has provided no evidence of any sales made to the public by the licenses. While Brooks licensed Bell's name commercially on scattered occasions in 1993, 1994, 1996, and 2003, Brooks licensed the image of Bell at issue here on a single occasion. Given this record, no reasonable juror could find that "the public is moved in any degree to buy an article" displaying Bell's name or image based on the belief that it implies endorsement by his estate, Brooks, or by any unknown source.

Id. at 1367-68 (citations omitted). Id. it implies endorsement by his estate, Brooks, or by any unknown source.

n106. For an in-depth discussion of the court's disposition of Topps' limitations defense and an alternative analysis of the issue, see Ritu Narula, "Wait, I Didn't Even Know My Picture Was Taken!": Application of the Discovery Rule to a Right of Publicity Claim, 53 How. L.J. 859, 860-61 (2010).

n107. Id. at 879-81; see also *Christoff v. Nestle USA, Inc.*, 62 Cal. Rptr. 3d 122, 144 (Cal. Ct. App. 2007), *aff'd in part, rev'd in part*, 47 Cal. 4th 468 (2011) (wherein, in addressing the application of the statute of limitations, the court directed that on remand the trial court should instruct the jury to determine "whether a reasonable person in [the plaintiff's] position had a meaningful ability to discover the [unauthorized] use of his likeness."). A possible reason for the reluctance of the Brooks court to consider the tolling issue may be the lack of a framework through which to determine when publicity limitations periods should (or should not) be tolled. A proposal for such a framework is offered in Part V, *infra*.

n108. Indeed, the irony that the leading right of publicity case was brought by a trading card company seems to have escaped the court. See *Haelan Labs., Inc., v. Topps Chewing Gum, Inc.*, 202 F.3d 866 (2d Cir. 1953).

n109. William C. Rhoden, *Sports of the Times: Cool Papa's Stolen Moments*, N.Y. Times, Aug. 7, 1990, available at <http://www.nytimes.com/1990/08/07/sports/sports-of-the-times-cool-papa-s-stolen-moments.html>.

n110. *Zacchini v. Scripps-Howard Broad. Co.*, 433 U.S. 562, 576 (1977).

n111. Case No. 2:09-cv-01598-FMC-RZx, 2009 U.S. LEXIS 131387 (C.D. Cal. Sept. 23, 2009).

n112. *Rogers v. Grimaldi*, 875 F.2d 944, 1004 (2d Cir. 1989) (citations omitted). It has been observed that First Amendment concerns play a special role in the judicial curbing of publicity rights:

Because the right of publicity, unlike the Lanham Act, has no likelihood of confusion requirement, it is potentially more expansive than the Lanham Act. Perhaps for that reason, courts delineating the right of publicity, more frequently than in applying the Lanham Act, have recognized the need to limit the right to accommodate First Amendment concerns.

In particular, three courts, citing their concern for free expression, have refused to extend the right of publicity to bar the use of a celebrity's name in the title and text of a fictional or semi-fictional book or movie... .

... .

Commentators have also advocated limits on the right of publicity to accommodate First Amendment concerns.

Id. at 1004 & n.11 (citations omitted) (emphasis added). See also James M. Treece, *Commercial Exploitation of Names, Likenesses, and Personal Histories*, 51 Tex. L. Rev. 637, 671-72 (1973).

n113. See 2009 U.S. Dist. LEXIS 131387.

n114. Id. at 2, 4.

n115. Id. at 4.

n116. Id. at 3-4.

n117. Id. at 7.

n118. *Rogers v. Grimaldi*, 875 F.2d 994, 1004-05 (2d Cir. 1989).

n119. *Brown*, 2009 U.S. Dist. LEXIS 131387, at 11-12.

n120. Id. at 8. (quoting *Video Software Dealers Ass'n v. Schwarzenegger*, 556 F.3d 950, 958 (9th Cir. 2009)). Such automatic bestowal of literary expression status to video games, however, is not without criticism. See Ronald S. Katz, *Courts, Sports and Video Games: What's In A Game?*, Law360, Jan. 4, 2012, available at <http://www.manatt.com/uploadedFiles/News and Events/Newsletters/ManattSports/Courts,%20Sports%20and%20Videogames.pdf> ("[The Supreme Court's] sweeping references to character, plot and social messages [in connection with video games] are completely irrelevant to such videogames as Pong, which has as its only object getting a moving dot past a moving line. Pong expresses nothing. It's just a game and, as such, has no claim to First Amendment protection."). Video games run the gamut from Pong and Pac Man to World of Warcraft and involve differing degrees of expressive content. Moreover, as discussed below, focusing on the expressive value of the subject work misses the point in right of publicity disputes. The issue is not whether the work contains sufficient creative elements so as to be considered expressive, but rather to what extent has the defendant's expressive contributions transformed the plaintiff's image or persona. See *Comedy III Prods., Inc. v. Gary Saderup, Inc.*, 21 P.3d 797 (Cal. 2001).

n121. *Brown*, 2009 U.S. LEXIS 131387, at 10-11; *Rogers*, 875 F.2d 994.

n122. *Brown*, 2009 U.S. Dist. LEXIS 131387, at 8.

n123. *Id.* at 13-14. In connection with Brown's false endorsement claim, the court further found that, under *Rogers*, an unauthorized but relevant use of a persona could still be prohibited if the prospect of consumer confusion (as to whether Brown had in fact endorsed the video game) outweighed the public interest in free expression. *Id.* at 13. The court concluded that there was no such likelihood of confusion in the case before it. *Id.* at 14.

n124. *Id.* at 15.

The Madden NFL character that Brown alleges bears his likeness is one of thousands of virtual athletes in the games. Unlike most of the other characters, this virtual athlete is anonymous: he is identified only by a jersey number and his roster position as a running back. The character, and Brown's name, are not depicted on the games' packaging or in their advertising... Brown has not pointed to any Madden NFL promotional materials that feature his name or likeness.

Id. at 13.

n125. *Id.* at 15.

n126. *Rogers*, 875 F.2d at 999.

n127. *Brown*, 2009 U.S. Dist. LEXIS 131387, at 12. There is no shortage of tests for evaluating the parameters of the right of publicity as against the First Amendment. See *Hart v. Elec. Arts, Inc.*, 808 F. Supp. 2d 757, 775 (D.N.J. 2011) ("Courts throughout the United States have utilized up to eight 'balancing' tests that attempt to weigh the First Amendment rights of an author/creator against the right of publicity."). The variety of tests, their differing assessment emphases, and their derivation from other areas of intellectual property law suggest a compelling need for an overarching right of publicity social utility schema that retrofits the right into the intellectual property social utility regime.

n128. *Rogers*, 875 F.2d at 1004.

n129. *Brown*, 2009 U.S. LEXIS 131387, at 9-10 (quoting *E.S.S. Entm't 2000, Inc. v. Rock Star Videos, Inc.*, 547 F.3d 1095, 1100 (9th Cir. 2008)); c.f. *Grimaldi*, 875 F.2d at 1004 (quoting *Guglielmi v. Spelling-Goldberg Prods.*, 603 P.2d 454, 457 n.6 (Cal. 1979)).

n130. In *Rogers*, the relevance of Ginger Rogers' persona to the expressive work at issue was akin to that of parody: the film was about two fictional and unglamorous Italian dancer contemporaries of the Rogers and Astaire team, and was intended as a social commentary on Hollywood and television facades and hypocrisies. *Rogers*, 875 F.2d at 996-97. By comparison, a film on the history of dance throughout the world entitled *Ginger and Fred* should not satisfy the *Rogers* test merely because Rogers and Astaire's accomplishments are important in the field; such a result would conflate "historical" and "relevant" and render inert the *Rogers*' relevance requirement. See *id.* at 1001.

n131. See *Nature's Way Prods., Inc. v. Nature-Pharma, Inc.*, 736 F. Supp. 245, 253 (D. Utah 1990) (mem. op.) ("[Defendants] are using an historical fact to market a different product... . Defendants' historical exception argument, if granted, would work to cause essentially every right of publicity case to fail on the basis that every truthful reference to a famous person in connection with an advertised product could be considered to be 'historical information.' Because 'historical information' is being used in the instant case to market a product that is independent of the information itself, defendants' argument is without merit and is rejected."); *supra* text accompanying note 107.

n132. *Rogers*, 875 F.2d at 1004-05.

n133. The *Rogers* court made this observation in connection with the unauthorized use of a persona in the title of an artistic work. "Titles, like the artistic works they identify, are of a hybrid nature, combining artistic expression and commercial promotion. The title of a movie may be both an integral element of the film-maker's expression as well as a significant means of marketing the film to the public." *Rogers*, 875 F.2d at 998. Other courts have reached similar conclusions. See *Parks v. LaFace Records*, 329 F.3d 437, 447, 453-54, 561 (6th Cir. 2003) (discussing use of plaintiff's name as a song title and holding that "the First Amendment cannot permit anyone who cries 'artist' to have carte blanche when it comes to naming and advertising his or her works, art though it may be... . If the requirement of 'relevance' is to have any meaning at all, it would not be unreasonable to conclude that the title *Rosa Parks* is not relevant to the content of the song in question. The use of this woman's name unquestionably was a good marketing tool - *Rosa Parks* was likely to sell far more recordings than *Back of the Bus* - but its use could be found by a reasonable finder of fact to be a flagrant deception on the public regarding the actual content of this song and the creation of an impression that *Rosa Parks* ... had also approved or sponsored the use of her name on Defendants' composition... . We believe that Parks' right of publicity claim presents a genuine issue of material fact regarding the question of whether the title to the song is or is not 'wholly unrelated' to the content of the song. A reasonable finder of fact ... upon consideration of all the evidence, could find the title to be a 'disguised commercial advertisement' or adopted 'solely to attract attention' to the work." (citations omitted) (some emphasis added)). In sum, *Rogers* and *Parks* would not allow a promotional use of a publicity persona to provide the kind of connection to the defendant's work that would enable the unauthorized use to pass the "wholly unrelated" test. Moreover, these cases do not preclude the possibility of a mixed expressive/promotional use. There is no reason that aspects of a legendary football Hall of Famer persona could not be used in a similar hybrid manner in a football video game, thereby rendering the expression at least partially commercial speech in nature and diluting its First Amendment status. See McCarthy, *The Spring 1995 Horace S. Manges Lecture - The Human Persona as Commercial Property: The Right of Publicity*, *supra* note 67, at 137 ("Commercial speech ... is a form of free speech but is not given nearly as much protection as traditional political or entertainment speech."). In mixed expressive/promotional use situations, the issue may not be that of the plaintiff's publicity interests being at odds with a compelling societal interest in free speech, but rather simply one of deciding as between the plaintiff and the defendant how the fruits of the commercial exploitation of the plaintiff's persona should be allocated.

n134. See *Brown*, 2009 U.S. Dist. LEXIS 131387, at 12. "Zero relevant" commercial uses of an individual's persona, such as using Jim Brown's picture to sell cars or cookies would of course be actionable even under *Brown*. Limiting publicity claims to such infractions, however, improperly narrows the right and disregards its broader social benefits.

n135. *Comedy III Prods., Inc. v. Gary Saderup, Inc.*, 21 P.3d 797, 798 (Cal. 2001) (formulating "a balancing test between the First Amendment and the right of publicity based on whether the work in question adds significant creative elements so as to be transformed into something more than a mere celebrity likeness or imitation.").

n136. *Id.* at 800-01.

n137. *Id.* at 802.

n138. *Id.* at 807-09 (citations omitted) (footnotes omitted).

n139. *Id.* at 811.

n140. 122 Cal. Rptr. 3d 397, 400-01, 409 (Cal. Ct. App. 2011).

n141. *Id.* at 400, 402. No Doubt had agreed that their likenesses could be used in the game, but complained that Activision went beyond the parties' agreement and used their likenesses in ways they did not and would never consent to. *Id.*

n142. *Id.* at 406.

n143. *Id.* at 410.

n144. *Id.* at 410-11; accord *Keller v. Elec. Arts, Inc.*, 94 U.S.P.Q.2d (BNA) 1130, 113 (N.D. Cal. 2010) ("[Defendant's] depiction of Plaintiff in 'NCAA Football' is not sufficiently transformative to bar his California right of publicity claims as a matter of law. In the game, the quarterback for Arizona State University shares many of Plaintiff's characteristics. For example, the virtual player wears the same jersey number, is the same height and weight and hails from the same state. EA's depiction of Plaintiff is far from the transmogrification [in prior cases]. EA does not depict Plaintiff in a different form; he is represented as he what he was: the starting quarterback for Arizona State University. Further ... the game's setting is identical to where the public found Plaintiff during his collegiate career: on the football field.") (footnote omitted). In *Hart v. Elec. Arts, Inc.*, the New Jersey District Court applied the transformative test to another EA video game but reached a different result. 808 F. Supp. 2d 757, 787 (D.N.J. 2011). The court found a "transformation" despite the fact that the plaintiff's likeness was presented unaltered and in his professional/celebrity setting (the football field). *Id.* at 783. In arriving at this conclusion, the court focused on the defendant's contributions to the video game as a whole, including the fact that users can alter the plaintiff's image using "add-ons" designed by the defendant. *Id.* at 785. While the court acknowledged that "it Seemed ludicrous to question whether video game consumers enjoy and, as a result, purchase more EA-produced video games as a result of the heightened realism associated with actual players," it nonetheless concluded that the use was transformative and entitled to First Amendment protection. *Id.* at 783, 787. The problem with this analysis is that it seems to reach for some kind of "copyright gestalt," allowing the copyrightable elements of the game to color its ultimate characterization of the defendant's use of the plaintiff's image. However, the issue is not whether the game contains creative contributions. Nor is the issue whether the defendant provides users with the tools such that they might transform the plaintiff's image (whose image the court concedes is one of the reasons that users purchase the game in the first place). Rather, the issue is whether the defendant transformed the plaintiff's image in developing and marketing the game - which as the court expressly notes - the defendant did not do. *Id.* at 783. Therefore, under the *Hart* analysis, a celebrity-image coloring book would pass the transformative test, provided it included ancillary aesthetics and was sold complete with crayons.

n145. See *No Doubt*, 122 Cal. Rptr. 3d at 410-11, 415; *Comedy III Prods., Inc. v. Gary Saderup, Inc.*, 21 P.3d 797, 811 (Cal. 2001); see also *Keller*, 94 U.S.P.Q.2d (BNA) at 1135 (holding that the court's "focus must be on the depiction of Plaintiff in [the video game,] not the game's other elements.").

n146. *No Doubt*, 122 Cal. Rptr. 3d at 411 (quoting *Comedy III*, 21 P.3d at 810); see also *Comedy III*, 21 P.3d at 807 ("It is admittedly not a simple matter to develop a test that will unerringly distinguish between forms of artistic expression protected by the First Amendment and those that must give way to the right of publicity... . What the right of publicity holder possesses is not a right of censorship, but a right to prevent others from misappropriating the economic value generated by the celebrity's fame through the merchandising of the 'name, voice, signature, photograph, or likeness' of the celebrity."); Heimes, *supra* note 77, at 158 ("An individual's interests in identity protection should not be lesser than - or greater than - First Amendment interests or other social and cultural norms law seeks to foster and protect. They are central to the individual's rights to self-determination and freedom. Indeed, although courts are not as likely to recognize for non-celebrities the powerful publicity rights granted to [prominent individuals and celebrities], there is no justification under social justice theories to deprive other individuals of the right to prevent misappropriation of their identities or commercial exploitation by others. If we are to allow commodification of identity we should give universal access to such rights.").

n147. See *Brown v. Elec. Arts, Inc.*, Case No. 2:09-cv-01598-FMC-RZx, 2009 U.S. Dist. LEXIS 131387, 3 (C.D. Cal. 2010).

n148. *Zacchini v. Scripps-Howard Broad. Co.*, 433 U.S. 562, 576 (1977) (citing *Harry Kalven, Jr., Privacy in Tort Law - Were Warren and Brandeis Wrong?*, 31 *Law & Contemp. Probs.* 326, 331 (1966), available at <http://scholarship.law.duke.edu/cgi/viewcontent.cgi?article=3112&context=lcp>); See also *McCarthy*, *The Spring 1995 Horace S. Manges Lecture - The Human Person as Commercial Property: The Right of Publicity*, *supra* note 67, at 131 ("While some criticize the right of publicity as posing the danger of invading our free speech rights, in fact, for all practical purposes, the only kind of speech impacted by the right of publicity is commercial speech - advertising. Not news, not stories, not entertainment and not entertainment satire and parodys - only advertising and similar commercial uses.").

n149. See Keller, 94 U.S.P.Q.2d (BNA) at 1136 (holding that even where First Amendment protections are relevant to an unauthorized use, "it does not follow that these protections are absolute and always trump the right of publicity."). But cf. Hart, 808 F. Supp. 2d at 769-71 (wherein the court appears to offer a Hobson's choice of "either commercial speech or expressive use," overlooking the possibility a hybrid commercial motivation and result).

n150. Kaburakis, *supra* note 12; Thomas, *supra* note 12 (describing suit against the N.C.A.A. and its affiliates for allegedly "usurping the rights of former players to earn royalties when their likenesses and images are licensed by the N.C.A.A. for use in television advertisements, video games, apparel and other products"); see also Keller, 94 U.S.P.Q.2d (BNA) at 1132-33 (in which plaintiff alleges that the NCAA prohibits student athletes from commercially exploiting their personas, and, in turn, takes advantage of that prohibition to exploit their personas for its own pecuniary benefit).

n151. See, e.g., Comedy III, 21 P.3d at 811 (disallowing unauthorized use where "the marketability and economic value of [the resulting] work derives primarily from the fame of the celebrities depicted."); see also Spare the Mod: In Support of Total-Conversion Modified Video Games, *supra* note 49, at 800 ("A more fruitful approach within [the labor theory of intellectual property protections] may be to move away from traditional Lockean labor theory and toward an analysis based on equity theory. This approach focuses on distributive justice based on individual contributions to a joint venture. Equity theory essentially says that what is fair is what is proportional. When determining how to divide surpluses, individuals rely on a complex social index comprising empathetic preferences and a natural sense of fair play.") (footnotes omitted).

n152. 448 F.3d 1134 (9th Cir. 2006).

n153. *Id.* at 1136.

n154. *Id.* (emphasis added).

n155. *Id.* at 1137. Laws also commenced a breach of contract action against Elektra. *Id.* at 1143 n.5.

n156. *Id.* at 1136. Having assigned her copyrights to Elektra, Laws lacked standing to assert a copyright infringement claim against Sony.

Id. at 1147.

n157. Id. at 1139.

n158. Id.

n159. Laws, 448 F.3d at 1141-42.

n160. Id. at 1144 (citations omitted). For a similar copyright preemption analysis, see *Toney v. L'Oreal U.S.A., Inc.*, 384 F.3d 486, 491-92 (7th Cir. 2004) (holding that "because the exercise of the [defendant copyright holder's] rights to reproduce, adapt, publish, or display the photos would also infringe upon [the plaintiff's] right to publicity in her likeness in photographic form, her publicity right is equivalent to the rights encompassed by copyright listed in § 106.").

n161. See, e.g., *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 491 (1974) (holding that state trade secret law is not preempted by federal patent law); Leonard A. Wohl, Note, *Federal Preemption of the Right of Publicity in Sing-Alike Cases*, 1 *Fordham Intell. Prop. Media & Ent. L.J.*, 47, 50 (1990), available at <http://ir.lawnet.fordham.edu/cgi/viewcontent.cgi?article=1003&context=IPLj> (concluding that "federal copyright law does not preempt state law rights of publicity when such rights are infringed by imitation of a performer's voice within the context of a copyrighted musical work").

n162. *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 37 (2003) (suggesting that plaintiff's film footage could have been protected both by copyright and by trademark law); *Kewanee Oil*, 416 U.S. at 470; *Mazer v. Stein*, 347 U.S. 201, 217 (1954) (holding that patentability of statuettes for use as bases for table lamps did not bar simultaneous copyright of the statuettes as works of art).

n163. One common example is the use of vintage, classic, or "art house" cinema posters to promote a specific movie theater. The theater may have no plans to actually show the subject films, but rather is attempting to promote itself as a venerable purveyor of important, high-quality cinematic entertainment.

n164. See, e.g., John Collis, *The Story of Chess Records* 117 (1998); Nelson George, *The Death of Rhythm and Blues* 108 (1988) ("Blacks

create and then move on. Whites document and then recycle. In the history of popular music, these truths are self-evident."); James Lincoln Collier, *The Making of Jazz: A Comprehensive History* 106 (1978); see also Olufunmilayo B. Arewa, *Copyright on Catfish Row: Musical Borrowing, Porgy and Bess, and Unfair Use*, 37 Rutgers L.J. 277, 350-51 (2006); Leslie Espinoza & Angela P. Harris, *Symposium, Afterword: Embracing the Tar-Baby - LatCrit Theory and the Sticky Mess of Race*, 10 La Raza L.J. 499, 512-13 (1998); Greene, "Copynorms," *Black Cultural Production, and the Debate over African-American Reparations*, *supra* note 45, at 1184-85, 1188-89 ("In the context of cultural production, Ellisonian invisibility is concrete in all its bitter irony. In the face of prolific and innovative Black musical creativity, 'Whites [in the 1920s] often vehemently denied that AfricanAmericans [sic] had made any contribution to the creation of jazz. New Orleans 'Dixieland' musicians ... made it a point of honor never to mix with Black musicians or acknowledge their talents.' In later years, it was widely conceded that 'though African-Americans had certainly invented ragtime and jazz, these musical styles were being brought to their highest levels by [White] outsiders.'") (quoting Burton W. Peretti, *Jazz in American Culture* 42-43 (1993)); Evans C. Anyanwu, *Note & Comment, Let's Keep it on the Download: Why the Educational Use Factor of the Fair Use Exception Should Shield Rap Music from Infringement Claims*, 30 Rutgers Computer & Tech. L.J. 179, 181-82 (2004); Neela Kartha, *Comment, Digital Sampling and Copyright Law in the Social Context: No More Colorblindness!!*, 14 U. Miami Ent. & Sports L. Rev. 218, 219-23, 232-34 (1997) ("The compulsory license made it possible for white artists to shanghai the African-American songbook. Pat Boone was notorious for covering Little Richard's music, and eventually, songs 'by niggers for niggers' realized a catalog value as great as those of Tin Pan Alley tunesmiths. Another unfortunate reality was that the Black songwriters and performers did not always understand the value of publishing rights which ended up being owned by white record companies. A great deal of revenue was generated by white groups covering Black hits... . Eric Clapton is an excellent example of an artist who reached long term fame using a lot of unoriginal music and styles taken from Black artists... . When he was with John Mayall's Bluesbreakers he recorded (blues artist) Freddie King's 'Hideaway,' Otis Rush and Willie Dixon's 'All Your Love,' Robert Johnson's 'Ramblin' On My Mind,' and later, with the rock group Cream, he recorded 'Crossroads,' another Robert Johnson song. When he was with Derek and the Dominos he recorded Willie Dixon's 'Evil,' Elmore James's 'The Sky Is Crying,' and later in his solo career he imitated reggae music. He recorded some music in Jamaica (not including 'I Shot the Sheriff') where he recorded Peter Tosh's 'Whatcha Gonna Do.' How would Eric Clapton's career fare a 'total concept and feel' analysis like that set forth in *Roth Greeting Cards v. United Card Co.*?" (citing 429 F.2d 1106, 1110 (9th Cir. 1970)); Henry Self, *Comment, Digital Sampling: A Cultural Perspective*, 9 UCLA Ent. L. Rev. 347, 352-53 (2002).

n165. Laws, 448 F.3d at 1136.

n166. Nicole La Porte, J. Lo, *The Sequel*, N.Y. Times, May 15, 2011, at ST1, available at <http://www.nytimes.com/2011/05/15/fashion/jennifer-lopez-the-peoples-pop-star.html?pagewanted=all>.

n167. 542 F.3d 1007 (3d Cir. 2008).

n168. *Id.*

n169. *Id.* at 1032.

n170. *Id.* at 1012-13.

n171. *Id.* at 1011-13.

n172. *Id.* at 1011. Just as *Laws* had, *Facenda* had expressly preserved his publicity rights, notwithstanding his assignment of any copyrights in the original programs:

Facenda signed a "standard release" contract stating that NFL Films enjoys "the unequivocal rights to use the audio and visual film sequences recorded of me, or any part of them ... in perpetuity and by whatever media or manner NFL Films ... Sees fit, provided, however, such use does not constitute an endorsement of any product or service."

Id. at 1012.

n173. *Facenda*, 542 F.3d at 1016.

n174. *Id.* at 1016-17 (citation omitted). Thus, although the work at issue was a narrative video program, unlike the court in *Brown*, the court here acknowledged that an expressive work can have a promotional purpose. Not only did this permit the court to distinguish between promotional and expressive relevance in a manner consistent with *Rogers*, the *Facenda* approach further allows for the recognition of mixed promotional/expressive uses of publicity personas.

n175. *Id.* at 1018 (citing 15 U.S.C. § 1125(a)(1)(A)). The court weighed the following factors: the level of recognition that the plaintiff has among the segment of the society for whom the defendant's product is intended; the relatedness of the plaintiff's fame or success to the defendant's product; the similarity of the likeness used by the defendant to the actual plaintiff; evidence of actual confusion; marketing channels used; likely degree of purchaser care; defendant's intent in selecting the plaintiff; and likelihood of expansion of the product lines. *Id.* at 1019.

n176. *Id.* at 1024-25. While the fact that the plaintiff's persona was used in the work itself and not in its title suggests that the Comedy III test would be applied, here the court found that the work was an infomercial and thus as a primarily promotional work, the *Rogers* test seemed the most appropriate. To the extent that the sampling in *Laws* was undertaken for promotional (urban marketing) and not artistic purposes, the use is promotional as well as expressive. While not an easy hair to split in a music sampling case, the *Facenda* court, unlike the *Laws* court, at least considered this a possibility. *Id.* at 1030.

n177. *Id.* at 1026.

n178. *Id.*

n179. *Facenda*, 542 F.3d at 1027-28 (citations omitted).

n180. *Id.* at 1028 (citations omitted).

n181. *Id.* at 1028-30 (citations omitted).

n182. *Id.* at 1031.

n183. *Id.* at 1030.

n184. *Id.* at 1031-32. Under David Nimmer's analysis, the NFL would probably be able to use *Facenda*'s voice work to promote the original program itself, as an anticipated use of the NFL's exclusive rights to reproduce, distribute, and display the program.

n185. *Facenda*, 542 F.3d 1032; accord, *Alberghetti v. Corbis Corp.*, 713 F. Supp. 2d 971 (C.D. Cal. 2010), *aff'd in part, rev'd in part*, Nos. 10-56311, 10-56400, 2012 WL 3646341 (9th Cir. Aug. 27, 2012). Interestingly, the *Facenda* court nonetheless expressed agreement with the ultimate decision in *Laws*, despite the fact that it differed in its disposition of virtually every substantive issue. Compare *Laws v. Sony Music Entm't, Inc.*, 448 F.3d 1134, 1143 (9th Cir. 2006) (dismissing the plaintiff's intellectual property claims and holding that "to the extent that *Laws* has enforceable, contractual rights regarding the use of *Elektra*'s copyright, her remedy may lie in a breach of contract claim against *Elektra* for licensing 'Very Special' without her authorization."), with *Facenda*, 542 F.3d at 1031-32 ("The NFL argues that *Facenda*'s only remedy should lie in contract. While we agree that *Facenda* could state a claim for breach of contract, we believe that he also retained his tort-derived remedy for violation of Pennsylvania's right-of-publicity statute. Parties may waive tort remedies via contract. It follows that

they may also preserve them."). Indeed, the proffered basis for the court's approval of Laws presents a factual mismatch.

We believe that Laws was rightly decided - Debra Laws sought to enforce a right that she had contracted away. We do not intend to express any disagreement with the Ninth Circuit Court of Appeals by distinguishing the facts of our case from those of Laws. Our case simply presents a different scenario than Laws. Just as Facenda did not, in the standard release contract, waive the right to bring a false-endorsement claim ... he did not grant the NFL the right to use his voice in a promotional television program. This contrasts with the situation in Laws. Debra Laws' voice was not used in an endorsement, but in a work of artistic expression.

... .

[Moreover,] having one's voice used as a sample in someone else's song may implicate a musician's identity. But listeners are probably less likely to assume that the sampled musician vouches for or approves of a new creative work that samples her work than consumers are likely to assume that an individual's presence in an advertisement reflects an active choice to endorse a product.

Facenda, 542 F.3d at 1032 & n.16. While the court initially appears to compare the respective contracts in the different cases, it ultimately distinguishes Laws on an entirely different basis.

n186. McCarthy, The Spring 1995 Horace S. Manges Lecture - The Human Persona as Commercial Property: The Right of Publicity, *supra* note 67, at 143-44 (footnote omitted).

n187. *Id.* at 141 (footnote omitted). The choice is especially poignant where members of marginalized groups have developed highly valuable publicity personas. See, e.g., Jacoby, *supra* note 85, at 1330-31 ("Tiger Woods is primarily a professional golfer and clearly is well-compensated for his performance on the golf course. But he reportedly earned an additional fifty to sixty million dollars in 2000 alone by licensing out the use of his face and his name to companies that want to use them to promote products. He has a contract with Nike, for example, to license sports gear and merchandise, like posters of Woods, to his fans and admirers. Woods, in fact, has set up a corporation, ETW, for the sole purpose of managing his publicity rights. Michael Jordan, before his last 'retirement' from professional basketball, was reported to have earned forty million dollars in a single year by allowing his name to be used in connection with sneakers, underwear, and telephone service.") (footnote omitted). The corporations that utilize the personas of these athletes earn billions through these marketing mechanisms, and it is difficult to see why the athletes themselves should not share in this wealth.

n188. 547 U.S. 388 (2006).

n189. See 329 F.3d 437 (6th Cir. 2003).

n190. See Danielle M. Conway, Intellectual Property: Implicit Racial and Gender Bias in Right of Publicity Cases and Intellectual Property Law Generally, in *Implicit Racial Bias Across the Law* 179, 180 (Justin D. Levinson & Robert J. Smith eds., 2012) (arguing that, due to implicit racial biases, many courts devalue the right-of-publicity interests of minorities and women when compared with the interests of majority defendants who commercially exploited such interests without permission); Heimes, *supra* note 68, at 155 ("Some

economically-based objections [to unauthorized use of publicity rights] can be remedied through monetary payment and perhaps injunctive relief. But morally based objections arise when the plaintiff's image or persona is used in a context or manner that conflicts with the plaintiff's own values and interests.") (footnote omitted).

n191. Of course, consideration of social justice imperatives will sometimes militate in favor of sustaining an authorized use of publicity rights. See Heimes, *supra* note 77, at 162 ("By putting image and language control in the hands of celebrities, their estates or assignees ... critics of expanded publicity rights worry that the rest of society will be deprived of 'our collective cultural heritage and the ability to reflect upon the historical significance of the celebrity aura.' The valid social justice concerns identified here relate to the ability of members of American society, at least, to exercise rights in speech and expression that are embedded in our rich culture and expressly protected in our Constitution. To allow individual private property interests in words, designs, and names - especially ones that have acquired universal recognition and thus have inherent expressive meaning - to chill creativity disserves social and cultural enhancement in the aggregate.") (footnote omitted).

n192. See *infra* Part IV.

n193. See Gloria Franke, Notes, *The Right of Publicity v. the First Amendment: Will One Test Ever Capture the Starring Role?*, 79 S. Cal. L. Rev. 945, 946 (2006).

n194. *Id.*

n195. *Comedy III Prods., Inc. v. Gary Saderup, Inc.*, 21 P.3d 797, 797 (Cal. 2001); Franke, *supra* note 193, at 963.

n196. *Comedy III*, 21 P.3d at 808; Franke, *supra* note 193, at 970-71.

n197. Recently the New Jersey District Court made this error in *Hart v. Elec. Arts, Inc.*, 808 F. Supp. 2d 757 (D.N.J. 2011). In deciding whether the purveyor of a football video game had misappropriated the persona of a former college player, the court applied the transformative test to the game as whole, despite its conclusion that the plaintiff's image therein was readily recognizable and presented in his usual setting "doing what he does": playing football. *Id.* at 783, 787. The court thus confused the issue. The point of the transformative test is not to determine whether the defendant has made expressive, copyrightable contributions in general, but rather, whether the defendant's expressive contributions have so transformed the plaintiff's image so as to preclude a viable publicity claim.

n198. A notable weakness of the transformative test is that although it is derived from the copyright Fair Use test, which weighs four interdependent factors, the transformative test imports only one of its factors. Franke, *supra* note 193, at 968-69, 970. While the Comedy III court expressed skepticism towards reliance on the remaining three factors, they need not be imported verbatim. Borrowing further from the Fair Use test, those additional factors might be the nature of defendant's work (i.e., is it expressive or promotional), the extent that the plaintiff's image is used (whether the plaintiff is recognizable), and the impact on the market for the plaintiff's own use of her image.

n199. See *Brooks v. Topps Co.*, 86 U.S.P.Q.2d (BNA) 1361 (S.D.N.Y. 2007). The question of equitable tolling of limitations periods presents a prime example of the need to view publicity disputes through a socially equitable lens. Where the publicity interests of non-celebrities or members of marginalized groups are at stake, acts of misappropriation can be difficult to uncover. While the wealthy and influential celebrity may be well poised to police the exploitation of her persona, the law should not be fashioned or interpreted with only these kinds of publicity plaintiffs in mind. Many celebrities from marginalized groups, persons of historical significance, and the heirs and descendants of same simply lack the resources to monitor the media and commercial market place to protect their publicity interests - assuming that they are even fully aware that such interests exist. With respect to right of publicity limitations periods, the failure to consider the relevant equities can prove tantamount to a de facto license to misappropriate - steal now and pay later, but only if you get caught in time. In deciding whether to toll a publicity limitations period, a court could consider the ability of the plaintiff to police her publicity rights and/or uncover the specific misappropriation at issue; the extent of the defendant's efforts to obtain authorization for the unauthorized use or the basis for her belief that authorization was unnecessary; how open and notorious the unauthorized use was; and the amount of time that has passed since the unauthorized use was undertaken. These considerations could be weighed against evidence that the use was calculated to be undiscovered or that defendant took affirmative steps to prevent plaintiff's discovery of the unauthorized use.

n200. See Heimes, *supra* note 77, at 1 ("In 2010, Kevin Antoine Dodson, a resident of a housing project in Hunstville, Alabama, agreed to be interviewed by the local television news after an intruder entered the home he shared with his sister and her children. The news broadcasted quickly and went viral online, as Mr. Dodson's look, style, and unique manner of speaking attracted the attention of millions of people worldwide. Shortly thereafter, musicians and humorists calling themselves The Gregory Brothers created a song known as the "Bed Intruder Song" with an accompanying music video using clips from the television broadcast. The song was one of the most viewed videos on YouTube, quickly became a top iTunes download, and even rose to the Billboard magazine's top 100 list. According to The Gregory Brothers, they agreed to share some of the proceeds from their song's commercial success with Mr. Dodson. Mr. Dodson obviously acquired instant fame and notoriety. He set up his own website to receive donations and garner additional publicity, and as a result has purportedly raised enough money to move his family to a better house in a safer neighborhood.").

n201. 547 U.S. 388, 391-92 (2006).

n202. See e.g., Menell, *Intellectual Property and the Property Rights Movement*, *supra* note 35, at 42 ("Even the Supreme Court's most stalwart property rights defenders resisted the effort to pull intellectual property into the traditional property tent. In a unanimous decision ... the Court ruled that injunctions should not be presumed in patent cases; rather courts should exercise equitable discretion in determining relief."); see also Paul M. Janicke, *Implementing the "Adequate Remedy at Law" for Ongoing Patent Infringement After eBay v. MercExchange*, 51 IDEA 163 (2011).

n203. See Kwall, *supra* note 82, at 65 (arguing for a monetary damages-only remedy for certain right-of-publicity infringements).

In light of the substantial support for the imposition of a liability rule approach in other areas of the law, it is surprising that this approach has never been invoked in the context of adjudicating conflicts between the right of publicity and the First Amendment. Indeed, resolution of this conflict is particularly suited to the imposition of a liability rule system since many situations will arise in which the defendant's use is in the public interest, but the plaintiff and defendant will be unable to negotiate privately an agreement permitting such use. The failure of these negotiations may be attributable to factors such as the plaintiff's adamant refusal to sell her persona, or the ability of the plaintiff to extract economic rents from the buyer due to the relative uniqueness of the desired commodity. In such instances, the adoption of a liability rule approach yields the most economically efficient result.

Id.

n204. Coombe, *supra* note 36, at 284.

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LENGTH: 40904 words**ARTICLE:** THE MYTH AND REALITY OF DILUTION**NAME:** SANDRA L. RIERSON +**BIO:**

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LEXISNEXIS SUMMARY:

... THE INTENT AND REALITY OF DILUTION In the 1920s, Frank Schechter, a trademark practitioner and academic, proposed a cause of action to protect the uniqueness of a mark as a way to remedy what he perceived to be arbitrary and harmful limitations on the reach of trademark infringement law. ... Rogers, a leading trademark scholar who is credited as the author of the Lanham Act, observed the following:

The notion that there is 'property' in trademarks as a separate thing was once quite generally entertained and for a while it served well enough, but it was very soon perceived that a trader's customers might be diverted by the imitation of things which were not trademarks and in which property rights could not be maintained, such as . . . the misuse of personal names, descriptive words and the like. ... The trial court granted summary judgment on plaintiff's trademark infringement and unfair competition claims, finding that the Moseleys' use of the mark "Victor's Little Secret" created no likelihood of consumer confusion. ... In the tarnishment context, the potential impact of the TDRA in elevating the importance of "association" between the defendant's mark and the plaintiff's famous one is even starker, even though the TDRA lists no specific factors for courts to consider in the context of a dilution by tarnishment claim. ... Black Bear's parody defense, as noted above, was rejected in part because the reference that it made to the Starbucks trademark was too subtle and indirect. ... If economic harm were the only, or even a primary, rationale motivating these claims, we would expect the holders of famous trademarks to be considerably less enthused about dilution laws. ... Similarly, speech that allegedly dilutes a famous trademark can provide useful information to consumers about the defendant's goods and services and thereby allow the defendant to more effectively compete. ... Doing Away With Trademark Dilution Statutes Perhaps the most obvious, yet least politically feasible, solution to the problems addressed in this Article would be to repeal the trademark dilution statutes, particularly the TDRA. ... Allowing claims for trade dress dilution under the TDRA, particularly as it is currently construed, enables

dominant market players like Levi Strauss to discourage competition by threatening and filing dilution suits when trademark or copyright infringement claims would fail.

TEXT:

[*212] INTRODUCTION

The cause of action for dilution, which punishes those who purportedly dilute the selling power of famous trademarks by blurring or tarnishing them, is a relatively new and controversial one. ⁿ¹ Trademark litigation has traditionally turned on claims of infringement, which require proof of a likelihood of confusion between the plaintiff's mark and that of the defendant. ⁿ² The interests of consumers and trademark holders are at least theoretically aligned in such actions: when the court prohibits infringement, consumers are better off because they are no longer duped into buying products they do not want, and trademark owners benefit because they no longer lose sales and have their reputations damaged by inferior products masquerading as the real thing. Dilution, by contrast, manifests no such convergence. A plaintiff may state a claim for dilution even though no one is likely to be confused; plaintiff and defendant do not compete; and plaintiff has incurred no actual economic injury. ⁿ³

[*213] Statutory dilution claims are traditionally justified on the theory that even non-confusing uses of a famous trademark (or similar mark) can nonetheless minutely dilute the source-identifying power of the targeted trademark. ⁿ⁴ The alleged harm from dilution is cumulative: unchecked, the dilutive activity subjects the trademark to death by a thousand cuts. ⁿ⁵ Both the original federal dilution statute of 1995 and its substantial enlargement in 2006 assume that the source-identifying capacity of a trademark is akin to a glass of water: spill a drop here, spill a drop there and eventually your glass is empty. This Article advances three claims. First, dilution statutes incorrectly assume that the source-identifying function of a trademark is akin to a rivalrous good (a good that is dissipated by use). If marks are nonrivalrous and therefore function more like words than disposable goods, the economic justification for the dilution cause of action ceases to exist.

Second, even if diluting but noninfringing uses of famous trademarks do impair the source identifying capacity of some marks, the social and transaction costs imposed by dilution law still outweigh the harm that it is designed to avert. Dilution claims inflict anticompetitive burdens and, as a result, may entrench dominant (often oligopolist) firms at the expense of market entrants. Dilution laws have serious non-economic costs as well, as they infringe upon protected speech without sufficient justification. For these reasons and others, dilution law causes more harm than it prevents.

[*214] Finally, the true foundation for dilution law lies in the misplaced fiction of corporate personality, not in alleged economic harms. We do not require trademark holders to prove actual economic injury in the context of a dilution claim because, in truth, there probably is none. Instead, we have granted the holders of famous trademarks the equivalent of a moral right to these marks: an extension of the rights granted to a creator of an expressive work in the copyright context. Trademark holders are vested in their brands, many of which are deliberately anthropomorphized, and the dilution statute reifies and protects these rights as a matter of federal law.

When dilution is recognized for what it really is, it becomes even harder to justify its existence. Although the Pillsbury Doughboy and Barbie may well be trademarks that are imbued with personality traits in the minds of consumers (as well as in the minds of their respective corporate parents), they do not have the type of creative "soul" that normatively warrants this type of protection. Properly viewed, the federal dilution statute is a legislative precursor to the type of corporate personification underlying the Supreme Court's analogous treatment of corporate speech under the First Amendment in *Citizens United* ⁿ⁶ and is equally misplaced. Trademark holders do not have an abstract moral right to ownership of particular words. Absent anticompetitive effects, those words properly remain in the public domain. By granting near-monopoly protection to famous marks, notwithstanding the absence of actual economic injury, the federal dilution statute turns competition on its head and serves to entrench and further concentrate economic power in the hands of dominant corporate firms at the expense of consumers and competitors alike. Dilution law should be repealed or, at the very least, reformed.

I. THE INTENT AND REALITY OF DILUTION

In the 1920s, Frank Schechter, a trademark practitioner and academic, proposed a cause of action to protect the uniqueness of a mark as a way to remedy what he perceived to be arbitrary and harmful limitations on the reach of trademark infringement law. Although the claim for dilution he proposed was not initially a powerful one, it has since become so. The Trademark Dilution Revision Act (TDRA) has expanded the scope and practical impact of the dilution cause of action. However, the economic justification for the dilution cause of action, which requires no proof of actual harm or damages, remains as elusive as ever.

[*215] A. The Origins of the Dilution Doctrine

The concept of trademark dilution arose at a time when the "needs of modern business" demanded the expansion of trademark law.ⁿ⁷ The cause of action for trademark dilution was one proposal to accomplish that goal. The desire to expand trademark law was achieved by the 1946 Lanham Act and subsequent amendments to it, but the emphasis then and, until recently, now was on trademark infringement, not dilution. The historical genesis of dilution claims has substantial significance for its contemporary breadth.

1. *The Rational Basis for Trademark Protection*

The cause of action for trademark dilution traces its roots to Frank Schechter's 1927 article in the *Harvard Law Review*, *The Rational Basis of Trademark Protection*.ⁿ⁸ In this article, Schechter observed that many courts had grown impatient with "old theories of trademark protection," which he believed were insufficient to "serve the needs of modern business."ⁿ⁹ Although Schechter agreed that trademark law needed to expand to keep pace with the evolution of consumer culture in the United States, he rejected a subjective approach that relied on "good conscience" and "judicial sensibilities" to achieve that result.ⁿ¹⁰ Instead, he argued for a new paradigm in trademark law, planting a seed that went on to become the cause of action for trademark dilution. Schechter argued that a trademark, especially a strong one, was injured by "the gradual whittling away or dispersion of the identity and hold upon the public mind of the mark" when the mark was used on non-competing goods.ⁿ¹¹ Schechter concluded that "the preservation of the uniqueness of a trademark should constitute the only rational basis for its protection."ⁿ¹²

[*216] The bulk of Schechter's article derides what he perceived to be the cumbersome limitations of trademark law as it existed in 1927. His chief complaint was that trademark law failed to prohibit copying a trademark so long as the copier did not place the mark upon goods that were directly competing with those manufactured by the original trademark holder.ⁿ¹³ At the time, many courts held that if two users of the trademark (or substantially similar marks) were not directly competing with each other, there could be no unfair competition and hence no trademark infringement.ⁿ¹⁴ Although this rule was fading in 1927, as evidenced by a growing trend toward narrowing its interpretation, Schechter was nonetheless impatient with the pace of change and [*217] rejected even nominal adherence to what he considered to be outdated, ineffectual rules.ⁿ¹⁵

2. *The Historical Backdrop of Schechter's Idea*

Although Schechter's dilution proposition has been lately characterized as a radical, property-based theory inconsistent with the mainstream of trademark law,ⁿ¹⁶ it may not have been considered radical at the time it was written. Indeed, it was arguably the opposite: a throwback to the mid-to-late nineteenth century view of trademarks. During this era, *only* "technical trademarks" (primarily fanciful or [*218] arbitrary marks) were protected against trademark infringement.ⁿ¹⁷ Schechter similarly argued that "arbitrary, coined or fanciful marks or names," such as Aunt Jemima's and Kodak, should be given a significantly broader degree of protection than "words or phrases in common use," such as Gold Medal and Universal.ⁿ¹⁸ Although Schechter's reasons for supporting a dilution cause of action diverged sharply from the justifications for the old common law regime, the end result was arguably not that different.

During this era, a great deal of legal argument focused on whether a given name for a good or service qualified as a "technical trademark." Most early trademark cases were decided by courts of equity, because courts of law were not empowered to award equitable relief, the typical form of remedy in a trademark infringement case. Equity courts based their jurisdiction on the plaintiff's property interest in the trademark.ⁿ¹⁹ If the plaintiff did not have a technical trademark, there was no property to protect and hence no jurisdiction. Similarly, early trademark statutes allowed registration of only those names that qualified as technical trademarks.ⁿ²⁰ Trade names or "non-technical trademarks," such as marks based on personal names, geographic terms, [*219] or descriptive words or phrases, could not be registered or infringed.ⁿ²¹ At least in theory, the degree to which a word or phrase was entitled to legal protection depended on whether it was classified as a technical trademark.ⁿ²² If the mark or name fit into this category, its owner held what many courts characterized as an exclusive property right in that trademark, creating a virtual monopoly on the part of the trademark holder.ⁿ²³

The United States Supreme Court characterized technical trademarks as the exclusive property of their owners during this period. In *The Trade-Mark Cases*, decided in 1879, the Court set forth this proposition in no uncertain terms:

The right to adopt and use a symbol or a device to distinguish the goods or property made or sold by the person whose mark it is, *to the exclusion of use by all other persons*, has been long recognized by the common law. . . and by the statutes of some of the States. *It* [*220] *is a property right*. . . . This *exclusive right* was not created by . . . Congress, and does not now depend upon it for its enforcement.
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In fact, trademarks' status as property led to the demise of the first federal trademark statute. The Supreme Court held that the law was unconstitutional because trademarks, as a form of property, were regulated by state law, and Congress had no power to define or regulate that property.ⁿ²⁵

As a result of the judiciary's characterization of trademarks as exclusive property, certain limitations inherent in modern trademark law did not apply to technical trademarks at the turn of the century. For example, the owner of a technical trademark did not have to show "likelihood of [consumer] confusion" to prove that a trademark had been infringed.ⁿ²⁶ Nor was the technical trademark owner required to demonstrate bad intent on the part of the defendant, proof of which was initially required in cases involving non-technical trademarks.ⁿ²⁷ [*221] Similarly, the dilution cause of action, both in Schechter's inception and its modern-day application, does not require the plaintiff to prove either of these elements.

By the time Schechter wrote his *Rational Basis* article, the all-or-nothing approach to trademark law was largely extinct. Courts in the United States quickly abandoned the formalist doctrine that attempted to demarcate a bright line between technical trademarks, designated as the exclusive property of their owners, and trade names, to which substantially fewer rights would attach. This model was found to be simultaneously under-and over-inclusive: trade names were given too little protection, whereas trademarks received too much.

The old model, which granted almost unlimited protection to technical trademarks and precious little to descriptive terms or other types of trade names, was under-inclusive because it did not always reach deliberately deceitful conduct. Courts of equity were reluctant to allow outright deception to go undeterred and unpunished, regardless of whether the aggrieved business owner had chosen a technical trademark as the name for his business. Accordingly, courts began to extend protection to non-technical trademarks, or trade names, when (1) those names had acquired secondary meaning (*i.e.*, the consuming public associated the trade name with a particular business);ⁿ²⁸ and (2) the [*222] plaintiff could prove fraud by the defendant.ⁿ²⁹ To establish fraud, most courts required the plaintiff to show that the defendant had deliberately attempted to pass off his goods as those of the plaintiff.ⁿ³⁰ However, most [*223] courts eventually dropped the fraud requirement, so long as the plaintiff could prove actual or likely confusion on the part of the consumer.ⁿ³¹

Similarly, the old model was over-inclusive because it granted overly broad, exclusive rights to technical trademark

holders. The extent of these rights almost immediately raised fears that trademark law created anti-competitive monopolies. ⁿ³² As one federal court observed in 1923: "Patents, copyrights, and trade-marks excite two deeply seated feelings. One is the feeling of anyone who has originated anything of his right to claim an exclusive property in it and to the trade growing out of it. The other is a hatred of monopoly." ⁿ³³ This desire to avoid granting monopolies to trademark owners led courts to adopt the now-familiar maxim that trademark rights are not held "in gross." ⁿ³⁴ Less than forty [*224] years after characterizing trademarks as an "exclusive" form of property, the Supreme Court gave a considerably more qualified definition of trademarks as property interest:

Common-law trademarks, and the right to their exclusive use, are, of course, to be classed among property rights, but only in the sense that a man's right to the continued enjoyment of his trade reputation and the good will that flows from it, free from unwarranted interference by others, is a property right, for the protection of which a trademark is an instrumentality. [T]he right grows out of use, not mere adoption. ⁿ³⁵

This push and pull resulted in the gradual conflation of the two categories of marks, as courts both expanded the protection given to trade names and limited the scope of rights accorded to technical trademarks. ⁿ³⁶ The judiciary essentially pulled both doctrines to a middle ground that was equally inhabited by both types of marks, and courts began to treat the two classes of common law marks essentially the same. ⁿ³⁷ In 1916, the Supreme Court embraced the merger of doctrine with regard to technical trademarks and trade names under the general rubric of unfair competition law:

Courts afford redress or relief upon the ground that a party has a valuable interest in the good-will of his trade or business. . . . The essence of the wrong consists of the sale of the goods of one manufacturer for those of another. *This essential element is the same in trade-mark cases as in cases of unfair competition unaccompanied by trademark infringement.* In fact, the common [*225] law of trademarks is but a part of the broader law of unfair competition. ⁿ³⁸

Schechter was thus bucking the trend when he argued for a different form of trademark protection for inherently distinctive marks. Schechter's dilution cause of action (although he never referred to it by that name) was reserved for fanciful or arbitrary marks; he did not intend that it would apply to words or terms that were not inherently distinctive. His argument for distinguishing the two classes of marks was directly contrary to the definite trend in favor of conflating them.

3. *Schechter: Legal Formalist, Realist, or Both?*

To be properly understood, Schechter's ideas must be analyzed in the context of his era. When Schechter published his famous thesis that became the genesis of the dilution doctrine, trademark law and the law in general were in a state of transition. The once-ubiquitous doctrine of legal formalism was fading, and legal realism, or positivism, was dawning over the American legal landscape. Moreover, the nation as a whole was also in a state of transition. American business was booming in 1927 as the nation basked in economic prosperity in the aftermath of World War I. Although the Great Depression loomed on the not-too-distant horizon, few could have conceived, let alone anticipated, a worldwide economic collapse in 1927.

The supposedly bright-line distinction between technical trademarks and trade names was typical of legal formalism, which permeated American jurisprudence during the late nineteenth century. The legal formalists believed that "the law was objective, unchanging, extrinsic to the social climate, and, above all, different from and superior to politics." ⁿ³⁹ In the formalist period, typically defined as lasting from [*226] 1873 to 1937, ⁿ⁴⁰ "results in individual cases were accomplished not by an assessment of competing principles and policies, but rather an 'automatic' application of rules deduced logically from greater principles that supposedly dictated a single, correct result in every case." ⁿ⁴¹ In sum, legal formalists favored supposedly objective, bright-line rules over balancing tests. ⁿ⁴² To determine whether a plaintiff could recover in a trademark infringement suit, the formalist jurist would only need to

determine whether the name in question qualified as a technical trademark. If it did, plaintiff had an exclusive property right therein and could preclude defendant from using the mark, much the same as he could prevent the defendant from trespassing on his real property.

Schechter's dilution proposal may be viewed as a plea to return to the certainty of bright-line rules preferred by the legal formalists.ⁿ⁴³ In *The Rational Basis of Trademark Protection*, Schechter decried the unpredictability of then-current trademark law. Dilution is, in fact, not that different than the formalist conception of trademark law at the turn of the century. The extent of rights attendant to the trademark under the modern dilution doctrine turns on whether the mark is characterized as famous,ⁿ⁴⁴ analogous to the designation of a mark as a technical trademark. Once a mark is deemed famous, in practice few limitations are placed on the trademark holder's ability to prevent others from using the mark. Schechter's dilution theory, as articulated in 1927, can be [*227] characterized as a proposal to re-propertyize certain categories of marks.ⁿ⁴⁵ The modern dilution doctrine serves that same function.

However, as Professor Robert Bone has argued, portraying Schechter as a legal formalist, yearning for the days of bright-line rules and easy answers, oversimplifies Schechter's dilution proposal.ⁿ⁴⁶ Schechter's push for a new paradigm in trademark law was openly driven by a pragmatic desire to serve the needs of modern business, a distinctly realist approach that was the polar opposite of the stated goals (though perhaps not the results achieved by) the formalists. Schechter "believed that dilution was the real reason to protect marks because it was the reason that fit the way marks actually functioned in the marketplace, and he urged judges to acknowledge this fact openly because doing so would produce better decisions."ⁿ⁴⁷ Therefore, Schechter is perhaps best characterized as a transitional figure between the formalist and realist eras. His dilution proposal embodied aspects of both legal philosophies.

4. Dilution's Temporary Demise

The desire to merge legal doctrine with regard to trademarks and trade names -- as described above, a marked departure from the legal regime proposed by Schechter -- was also born of the realist movement. The legal realists observed that technical trademarks and trade names functioned much the same in practice. Therefore, it made little sense to protect one more or less than the other. Edward S. Rogers, a leading trademark scholar who is credited as the author of the Lanham Act,ⁿ⁴⁸ observed the following:

The notion that there is 'property' in trademarks as a separate thing was once quite generally entertained and for a while it served well enough, but it was very soon perceived that a trader's customers might be diverted by the imitation of things which were not [*228] trademarks and in which property rights could not be maintained, such as . . . the misuse of personal names, descriptive words and the like.ⁿ⁴⁹

Three years after Schechter published his *Rational Basis* article, another "epoch making article"ⁿ⁵⁰ on the subject of trademark law appeared, this time in the Columbia Law Review, entitled *Trade-Marks and Trade Names -- An Analysis and Synthesis*.ⁿ⁵¹ The authors of the article, Milton Handler and Charles Pickett, argued that there was no "rational basis"ⁿ⁵² for the legal distinctions then existing between technical trademarks and trade names.ⁿ⁵³ Handler and Pickett were consummate realists who argued that the tenets of trademark law should derive from a realistic depiction of the way marks functioned in practice, not the formal label that was attached to a particular mark:

Whether or not there is property in trademarks or trade names seems to us a fruitless and unhelpful inquiry. Both types of mark frequently are the most valuable assets of a business. [] It is enough that plaintiff has a material interest which is worthy of protection. It does not matter much what label is tagged to it. . . . The approach to the law of trade-marks would probably be more realistic if courts entirely abandoned the property notion.ⁿ⁵⁴

However, Handler and Pickett, unlike Schechter, did not argue that trademark law needed a new paradigm. Although Handler and Pickett cited Schechter numerous times, they never discussed his specific [*229] proposal that became the dilution cause of action.ⁿ⁵⁵ Handler and Pickett's idea that *all* types of marks should be entitled to

protection under the likelihood of confusion standard, unlike Schechter's dilution proposal, came to fruition when Congress enacted the 1946 Lanham Act.

B. Trademark Law in the Modern Era

The 1946 Lanham Act codified and unified the law of trademarks in the United States, which had become strictly a creature of state law after the Supreme Court's 1938 decision in *Erie*.ⁿ⁵⁶ Although Schechter most likely would have been pleased by many of the developments codified in the federal statute,ⁿ⁵⁷ Congress did not embrace his claim for dilution. Instead, the Act reflected the predominant trend, as convincingly advocated by Handler and Pickett, of treating all types of marks essentially the same. Moreover, the Act preserved the likelihood of confusion standard for trademark infringement of *all* types of marks (until it was amended in 1995 to include a dilution cause of action).

The Lanham Act represented a triumph of legal realism, as it swept away many of the rules that, in the minds of many practitioners [*230] and academics, had artificially limited the scope of trademark law and its ability to prevent unfair competition. Edward S. Rogers explained the impact of the Act as follows:

Under the modern law . . . , unfair competition includes any act, not necessarily fraudulent, which artificially interferes with the normal course of trade to the disadvantage of another. There need be no competition if the artificial interference is present. It is true, of course, that most of the cases have arisen between competitors in business, but the fact of competition or its absence ought not to be controlling. *It is the nature or the result of the act, not the occupation of the actor which should determine its character.*ⁿ⁵⁸

The Act codified the merger of doctrine as to technical trademarks and trade names. Since 1946, the Lanham Act has extended trademark registration rights and other types of protection to descriptive marks, geographic marks, and other types of marks that were not considered "trademarks" under the common law, so long as they have acquired secondary meaning, or distinctiveness.ⁿ⁵⁹ Although the 1946 Lanham Act addressed many of Schechter's concerns about trademark law,ⁿ⁶⁰ it did not create a separate cause of action for fanciful and [*231] arbitrary marks. Instead, the 1946 Lanham Act created a single cause of action, trademark infringement, for all classes of valid trademarks, judged under the likelihood of confusion standard. Even today, the inherent strength of the mark, *i.e.*, whether the mark is descriptive, suggestive, arbitrary, or fanciful,ⁿ⁶¹ remains relevant to a claim of trademark infringement, but only as a factor in the likelihood of confusion analysis.ⁿ⁶²

The Lanham Act also addressed Schechter's dissatisfaction with the judiciary's reluctance to find trademark infringement when the senior and junior users' goods or services were not identical. The 1905 Trademark Act prevented registration of a mark that was likely to cause confusion with a mark that was already registered, but only if the marks were placed on goods of the "same descriptive properties" as those of the senior user.ⁿ⁶³ The Lanham Act of 1946 eliminated this requirement. Under the revised version of the Act, a junior user could not register or use a mark "in connection with the sale, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods or services."ⁿ⁶⁴ As a result, the courts have relegated the similarity (or lack thereof) between the types of goods or [*232] services offered by the plaintiff and defendant to a single factor in the multi-factor litmus test for likelihood of confusion.ⁿ⁶⁵

The scope of the likelihood of confusion standard was broadened again in 1962, when Congress eliminated even more qualifying language from the statute by deleting the reference to "purchasers."ⁿ⁶⁶ Although some courts have interpreted this deletion more narrowly,ⁿ⁶⁷ many have held that its effect has been to prohibit uses of a mark that result in a likelihood of confusion by third parties, not the purchaser of the relevant good or service (post-sale confusion)ⁿ⁶⁸ and confusion by the purchaser prior to (but not at) the point of sale (initial interest confusion).ⁿ⁶⁹ At the [*233] same time, Congress eliminated language from the Act referring to confusion "as to the source of origin" of the plaintiff's goods or services.ⁿ⁷⁰ As a result, the Act has been interpreted to prohibit confusion as to sponsorship or endorsement of a good or service, rather than its source.ⁿ⁷¹ Suffice it to say, Schechter would scarcely recognize the likelihood of

confusion standard as it exists today.

Schechter's desire to expand trademark law was therefore emphatically achieved by the 1946 Lanham Act, but not exactly in the manner he had envisioned. The cause of action he had proposed, however, did not die. Dilution materialized in state statutes as early as 1947, and many states still recognize a dilution cause of action.ⁿ⁷² Congress federalized dilution when it enacted the Federal Trademark Dilution Act (FTDA) in 1995.ⁿ⁷³ Federal dilution law was substantially revised in 2006, when Congress passed the Trademark Dilution Revision Act (TDRA).ⁿ⁷⁴ The dilution cause of action has thus existed for over sixty years, not as a substitute for trademark infringement (as Schechter proposed), but coexistent with it. Remarkably, it has persisted--and [*234] thrived--despite the lack of a convincing or even coherent explanation for its existence.

C. The Failure of the Traditional Justification for Trademark Dilution Law

The claim for dilution, as embodied in the TDRA, the FTDA, and numerous state statutes, derives from the notion that an "association" between the junior and senior users' marks, even in the absence of a likelihood of confusion, will diminish the distinctiveness of the senior mark, thereby reducing its value.ⁿ⁷⁵ Although some have argued that the dilution cause of action is justified by the same law and economics theories that traditionally support trademark infringement claims, those arguments have been subjected to vigorous critique. The attempt to rationalize dilution on the same terms as trademark infringement is akin to fitting a square peg into a round hole, and just as futile.

1. Dilution by Blurring

The TDRA defines dilution by blurring as an "association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark."ⁿ⁷⁶ The mark's distinctiveness is impaired, at least in theory, because the consumer's ability to recall the famous trademark is compromised due to the consumer's exposure to the mark in unrelated contexts. The effect of each dilutive use is cumulative and eventually can even result in the demise of the mark.ⁿ⁷⁷ Whether this phenomenon actually occurs in practice is the subject of substantial debate.

To understand how dilution is supposed to work, it is helpful to start with the law and economics explanation for a different cause of action: trademark infringement.ⁿ⁷⁸ This theory rests on the notion that trademarks are economically efficient because they act as a form of commercial shorthand.ⁿ⁷⁹ By quickly and effectively communicating [*235] information about goods or services to consumers, they reduce consumer search costs in the marketplace.ⁿ⁸⁰ The efficiency of a trademark depends on its ability to act as a source identifier: when the consumer sees the mark, she has to know that the good or service to which it is attached derives from a particular source, with certain known and attendant attributes.ⁿ⁸¹ For example, few people in the United States (and in many other nations around the globe) are forced to wonder what they will get when they order a hamburger at McDonald's. (R) For better or worse, when they see the Golden Arches, consumers know what to expect. Trademark infringement--using another's trademark (or a similar mark) in a manner that is likely to confuse consumers--is prohibited, at least in part, because it makes trademarks less reliable and, hence, less efficient.ⁿ⁸²

[*236] Prohibiting trademark infringement furthers other policy goals as well. In the classic case of passing off, the infringer injures the consumer by tricking her into buying something that she did not want: the consumer wanted to purchase product A, but instead she was lured into buying product B.ⁿ⁸³ Trademark infringement also harms the trademark holder by putting the "goodwill" associated with the mark, loosely defined as the mark's reputation with consumers, in the hands of someone outside the mark holder's control.ⁿ⁸⁴

[*237] For example, if a consumer sees the Golden Arches and thinks she is in McDonald's but, in reality, the restaurant is a "McDowell's" and serves food that does not taste as good as McDonald's, then both the consumer and McDonald's will potentially suffer.ⁿ⁸⁵ The consumer is harmed because she thought she paid for a McDonald's hamburger, but in fact she bought something different and, in this example, something worse. McDonald's is similarly harmed because the goodwill associated with its trademark has suffered a blow, at least as to this consumer. The

customer's experience with the imposter McDowell's has lowered her expectations as to quality associated with the McDonald's brand, and therefore she may buy her fast food somewhere else in the future. Moreover, the next time she sees the Golden Arches, she is not quite as sure about what she is going to get when she places an order.

The law and economics theory for trademark infringement does not easily transfer to a cause of action for dilution, because dilution, by definition, does not require the plaintiff to prove that consumers are likely to be confused.ⁿ⁸⁶ If the consumer is not confused (or even likely to be confused) by the defendant's use of a mark, then she has not been tricked into buying something that she does not want. Moreover, the [*238] mark holder's goodwill has not suffered, because the consumer knows that the goods or services are coming from two distinct sources, and neither is owned or endorsed by the other.ⁿ⁸⁷

Therefore, a claim for dilution by blurring does not further the policy goals of either preventing consumer fraud or preserving the mark owner's goodwill. Rather, the traditional justification for dilution by blurring focuses on the source identifying function of the mark and its ability to bolster economic efficiency in the marketplace.ⁿ⁸⁸ Commentators have argued that trademarks function less efficiently in the marketplace if the consumer makes multiple associations with a given mark, rather than just one. At least in theory, what Schechter characterized as the "uniqueness" of the famous mark is imperiled by these noninfringing uses. Professors Stacey Dogan and Mark Lemley give the following example:

Blurring takes a formerly unique mark (say, Exxon), which consumers can associate with the mark owner *without any necessary context*, and applies it to unrelated products -- say, Exxon pianos or Exxon carpets. Even if the consumer understands that these different Exxons are unrelated, the proliferation of Exxon-marked products may make it more difficult for consumers to figure out which company is responsible for any particular product.ⁿ⁸⁹

[*239] Dogan and Lemley conclude that blurring "can make it somewhat more difficult for consumers to associate a famous mark with its owner."ⁿ⁹⁰

The cause of action for dilution by blurring thus rests upon two critical assumptions: 1) using the same (or similar) marks on different goods or services, in contexts that will not support a cause of action for trademark infringement (because consumers are not likely to be confused), decreases consumers' ability to "associate [the famous mark] with the mark owner without any necessary context"ⁿ⁹¹; and 2) preserving consumers' ability to identify the famous trademark with the holder of the mark, absent context, has value and should be protected. Both of these statements are properly subject to substantial empirical challenge.

The first conclusion--that imbuing a famous trademark with multiple meanings devalues or weakens the original definition of the mark--requires the belief that trademarks do not behave like other words. Language is not immutable.ⁿ⁹² Countless words in the English language have multiple meanings and, outside the trademark context, few would suggest that additional or even derivative meanings necessarily sap strength from the word's original definition.ⁿ⁹³ Deven Desai and I have made a similar argument in the context of the [*240] genericism doctrine, reasoning that "unorthodox" uses of a trademark in noncommercial contexts should not necessarily indicate that a mark has fallen victim to genericide. In that piece, we gave the following example:

[T]he word 'snow' is defined as (1) 'precipitation in the form of . . . white ice crystals'; (2) 'a dessert made of stiffly beaten whites of eggs, sugar, and fruit pulp'; (3) cocaine or heroin; or (4) 'to deceive, persuade, or charm glibly.'ⁿ⁹⁴ Even though definitions 2-4 are fairly clearly derived from the first definition of the word 'snow,' their existence does not undermine . . . the validity of the word 'snow' as it refers to fluffy, white, frozen precipitation. We determine the meaning of the word by the context in which it is used.ⁿ⁹⁵

If the word "snow" were a famous trademark used to sell frozen precipitation, dilution by blurring could prevent the use of the word "snow" in other contexts, *e.g.*, to refer to a dessert, on the grounds that doing so would impede the

word's ability to identify the fluffy white stuff that is a form of precipitation rather than food. Using the word to refer to cocaine or heroin would additionally support a cause of action for dilution by tarnishment. Dilution laws presume that, unlike other words, trademarks are not resilient to multiple uses.

Trademark law has traditionally tolerated multiple uses of the same word in unrelated contexts, so long as these uses are not likely to cause consumer confusion. For example, United Airlines and United Van Lines have peacefully co-existed for years, as have marks like Champion spark plugs and Champion sportswear, Ace retail hardware stores and Ace bandages, Tropicana orange juice and the Tropicana Las Vegas hotel, and numerous others.ⁿ⁹⁶ Consumers use context to attach the appropriate meaning to the word being used, in commercial as well as noncommercial settings. For example, if a person were instructed to [*241] "make a reservation at the Tropicana," that person would be highly unlikely to think about orange juice.

Some empirical research has attempted to prove that the use of a famous trademark on an unrelated product does, in fact, impede the mark's effectiveness as a source identifier for the original user of the mark.ⁿ⁹⁷ Maureen Morrin and Jacob Jacoby conducted a study in which consumers were exposed to allegedly dilutive ads that used famous trademarks in unfamiliar contexts, *e.g.*, Heineken popcorn and Hyatt legal services.ⁿ⁹⁸ The consumers were then asked to identify the senior user's mark, *e.g.*, Heineken beer and Hyatt hotels.ⁿ⁹⁹ The results of the study were inconsistent between these two brands. The study showed that exposure to dilutive ads, as compared to exposure to unrelated ads, increased the amount of time required to identify the proper mark by 125 milliseconds (increasing the response time from 645 milliseconds to 770 milliseconds), as to the Heineken brand.ⁿ¹⁰⁰ However, exposure to dilutive ads had no measurable negative impact on response rates with regard to the Hyatt brand. In fact, response rates of study participants who were exposed to dilutive ads were 130 milliseconds faster than those of participants exposed to unrelated ones (decreasing the response time from 810 milliseconds to 680 milliseconds).ⁿ¹⁰¹

Although these studies are frequently cited as empirical evidence of a dilutive effect, their findings are less than convincing. The impact identified by these studies, even taken at face value, is objectively minimal, literally measured in milliseconds.ⁿ¹⁰² As Professor Daniel Klerman has argued, an increase in response time of 125 milliseconds (approximately one-tenth of a second), as in the Heineken example, is not economically significant.ⁿ¹⁰³ Moreover, the study results also [*242] demonstrate that the dilutive effect, even measured in milliseconds, does not impact all marks equally and should not be presumed. In the Hyatt example, for instance, exposure to dilutive ads appeared to reinforce rather than undermine the brand's distinctiveness. These findings tend to suggest, and Morrin and Jacoby have concluded, that the strongest, or most "famous" trademarks are more resilient and therefore less likely to suffer a dilutive effect,ⁿ¹⁰⁴ which is somewhat ironic given that those marks are the only ones entitled to protection from dilution.ⁿ¹⁰⁵

Another limitation of the study derives from the examples of dilution by blurring that it utilized. The facts supporting a dilution claim are typically not as clear-cut as those shown to survey respondents in the Morrin and Jacoby study. The 2006 amendments to the federal dilution statute (the TDRA) have been interpreted by the circuit courts to de-emphasize mark similarity.ⁿ¹⁰⁶ Marks like "Heineken popcorn" and "Hyatt legal services," which employ direct copies of famous marks on unrelated goods or services, are simply not the typical dilution case.ⁿ¹⁰⁷

Another question not addressed by this study is whether the effect measured in the laboratory persists in real-life commercial settings. As discussed above, when determining the meaning and the effectiveness of language, the power of context is difficult to overstate.ⁿ¹⁰⁸ The law and [*243] economics explanation of trademark law is based on the notion that trademarks function as source identifiers *in the commercial marketplace*. A mark's ability to act as a source identifier for the consumer *outside* that context, or in no context at all (a situation which is more likely to exist, if at all, in a controlled study rather than any ordinary consumer experience), is of questionable value.ⁿ¹⁰⁹ The aim of trademark law is not (and should not be) to preserve a mark's ability to identify a particular source in the abstract, outside the realm of commerce and indeed devoid of any context at all.

Context is crucial because trademarks are words—even though they are words that simultaneously function as

valuable corporate assets--and therefore do not behave in the same manner as more tangible forms of "property." Dilution by blurring stems from the premise that a trademark is essentially a rivalrous good: one that is depleted by use. Any child will tell you (in so many words) that candy, for example, is a rivalrous good. If one child takes a bite of a chocolate bar, then there is less chocolate to go around for everyone else. If everyone helps themselves to the chocolate, even by small bites, eventually the chocolate is gone. Dilution assumes that the source identifying capacity of a trademark similarly functions as a rivalrous good. In theory, the famous mark has a finite amount of source identifying capacity, which is depleted by non-infringing (yet commercial) uses on unrelated goods and services.

Trademarks, by contrast, may well be nonrivalrous goods. ⁿ¹¹⁰ Nonrivalrous goods, like information or scientific research, can be [*244] "consumed" by multiple people at the same time, without depletion and at low cost per additional consumer. Outside the context of trademark law, words or language would almost certainly be characterized as nonrivalrous. Words are not depleted and do not lose their expressive meaning due to overuse. In fact, the opposite is true: if the population stops using a word, its meaning may be permanently lost. Entire languages have died or become extinct due to lack of use. ⁿ¹¹¹ Moreover, some evidence suggests that repetition of a word actually reinforces (rather than detracts from) its meaning. ⁿ¹¹² Nor does the existence of homonyms (as in the case of the word "snow" discussed above) necessarily indicate that the word's primary or original definition is weak. The question is whether famous trademarks, which are both language and valued assets, behave more like words or tangible property in terms of their rivalrous or nonrivalrous characteristics.

Because trademarks are words, there is a strong argument that trademarks largely function like other words and therefore can be used in multiple contexts simultaneously, without depletion. Trademarks are less likely to behave like real estate or some other form of tangible property that is necessarily dissipated through use. Moreover, even assuming that the source-identifying function of a trademark is "whittled away" by allegedly diluting uses, the resulting chips are infinitesimally small, which is why trademark holders are not required to prove damages to prevail on a dilution claim. ⁿ¹¹³ If proof of actual damages were required, the cause of action would almost certainly be practically meaningless. ⁿ¹¹⁴ Trademark holders may be unable to prove damages in these types of cases because they simply do not have any. ⁿ¹¹⁵

[*245] 2. *Dilution by Tarnishment*

The TDRA also prohibits use of a trademark that is "likely to cause dilution by tarnishment [of a famous mark]." ⁿ¹¹⁶ Dilution by tarnishment is further defined as a use that "harms the reputation of the famous mark." ⁿ¹¹⁷ The language of the statute itself provides no further guidance as to what constitutes an actionable claim for dilution by tarnishment. Dilution by blurring and dilution by tarnishment are similar in that, as to both causes of action, the plaintiff need not prove likelihood of consumer confusion, actual economic injury, or actual dilution. ⁿ¹¹⁸ Moreover, both causes of action stem from the consuming public's "association" of the junior user's mark with that of the senior user. However, in a claim for dilution by tarnishment, the association between the two marks is actionable not because it harms the mark's distinctiveness, but because, in theory, it harms the mark owner's goodwill. As stated by the Second Circuit, "[t]he sine qua non of tarnishment is a finding that plaintiff's mark will suffer negative associations through defendant's use." ⁿ¹¹⁹

Dilution via tarnishment arguably increases consumer search costs in the same manner as a claim for dilution by blurring: by [*246] diminishing the mark's capacity as a source identifier. ⁿ¹²⁰ However, tarnishment is more commonly associated with an alternative policy justification for trademark law, the preservation of the mark owner's goodwill. ⁿ¹²¹ Unlike the injury suffered by a mark holder in a case of trademark infringement, the alleged injury to goodwill targeted by a cause of action for dilution by tarnishment is indirect, due to the lack of consumer confusion. The tarnishment claim arises from the fear that the famous trademark holder will suffer guilt by (admittedly indirect) association. In other words, the theory is that even though the consumer is unlikely to think that the trademark holder is the source of the junior user's unsavory or inferior product or service, she will nonetheless no longer have uniformly positive associations with the original trademark as a result of her exposure to the tarnishing use. ⁿ¹²² In a case of tarnishment, the consumer's distaste for the unsavory or inferior product has "rubbed off" on the famous trademark,

thereby damaging it. ⁿ¹²³

The concept of dilution by tarnishment has more intuitive appeal than the claim of dilution by blurring and therefore has proved to be less controversial (although not without its critics). ⁿ¹²⁴ Even if we assume that the tarnishment phenomenon of guilt by association does in fact occur, however, we still must wrestle with the difficult question of how it [*247] should be proven. Like dilution by blurring, the theory behind the cause of action for dilution by tarnishment is that tarnishing uses of a trademark cause the trademark holder an economic harm, albeit such a minor one that it may not be measurable in an individual case. Proving that consumers' exposure to an allegedly tarnishing use of a famous trademark has negatively impacted their opinion of the mark, or the opposite (lack of tarnishing effect), can be difficult if not impossible, at least not without spending large sums of money for experts and survey consultants.

In most cases, of course, the plaintiff bears the burden of proving its case. However, in tarnishment cases involving uses of a mark related to sex or the illegal use of drugs, courts rarely require trademark holders to prove harm to sustain a claim of dilution by tarnishment. In fact, courts have adopted a virtual *per se* rule regarding uses of trademarks in contexts involving pornography, finding almost uniformly that such uses tarnish the image of the mark holder. ⁿ¹²⁵ On the other hand, when the allegedly tarnishing use is a non-vulgar parody or generally does not relate in any way to sex or the illegal use of drugs, the dilution plaintiff is less likely to prevail. ⁿ¹²⁶

[*248] Proof of dilution by tarnishment, like dilution by blurring, is perhaps elusive because, at least in the typical case, no dilution has occurred. In other words, the trademark holder probably cannot prove that he has been harmed because, in fact, he has not been harmed. Even if he has suffered some economic harm, it may well be minute. However, as noted above, the burden of proof in these cases seems to be shifting from the plaintiff to the defendant. Although the TDRA purports to prevent unauthorized uses of a famous mark that are likely to "cause dilution" of it, it has eliminated the plaintiff's duty to prove economic harm altogether. ⁿ¹²⁷

D. The Expansion of Dilution Protection

At least initially, state legislatures and the United States Congress adopted the dilution cause of action to combat the problem of "hypothetical anomalies" such as "Dupont shoes, Buick aspirin tablets, Schlitz varnish, Kodak pianos, [and] Bulova gowns." ⁿ¹²⁸ Schechter, in theorizing the need for a dilution cause of action, cited similar examples: "[i]f 'Kodak' may be used for bath tubs and cakes, 'Mazda' for cameras and shoes, or 'Ritz-Carlton' for coffee, these marks must inevitably be lost in the commonplace words of the language, despite the originality and ingenuity in their contrivance, and the vast expenditures in advertising them" ⁿ¹²⁹ In other words, the cause of action was considered necessary to combat the perceived harm caused by the use of well-known trademarks to sell unrelated goods by someone other than the owner of the well-known trademark. Trademark holders arguably needed the dilution cause of action to prevent such uses, because they fell outside the scope of trademark infringement law. Even today, courts consider the proximity of goods when determining whether consumers are likely to be confused by defendant's use of the plaintiff's trademark. ⁿ¹³⁰ Like the trademark infringement standard, the modern [*249] dilution doctrine has evolved far beyond its historical roots and the stated reasons for its existence.

The current version of the federal trademark dilution statute, the TDRA, prohibits the use of any "famous" mark that is "likely to cause dilution by blurring." ⁿ¹³¹ A "famous" mark is defined by statute as one which is "widely recognized by the general consuming public of the United States" as a designation of source. ⁿ¹³² The Act defines dilution by blurring as an "association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark." ⁿ¹³³ The TDRA does not require proof of "actual dilution," in contrast to the 1995 version of the Act (as interpreted by the Supreme Court). ⁿ¹³⁴ The Act lists six non-exclusive factors that courts may consider in determining whether dilution by blurring is likely to occur. ⁿ¹³⁵

The TDRA also includes a cause of action for "dilution by tarnishment," which is defined as an "association arising from the similarity between a mark or trade name and a famous mark that harms [*250] the reputation of the famous mark." ⁿ¹³⁶ The 1995 version of the statute, the FTDA, did not explicitly prohibit dilution by tarnishment, although it

was generally interpreted as having that effect.ⁿ¹³⁷ Unlike a cause of action for dilution by blurring, the TDRA suggests no specific factors for a court to consider when determining whether dilution by tarnishment has occurred.

The TDRA also identifies certain types of trademark use that are not actionable: 1) fair use, 2) news reporting, and 3) noncommercial use.ⁿ¹³⁸ Unlike the FTDA, the TDRA specifically includes parodies or criticism of a famous trademark within its definition of "fair use."ⁿ¹³⁹ However, the TDRA excludes from fair use protection any use of a mark that serves as a "designation of source" for the defendant's "own goods or services."ⁿ¹⁴⁰

Although commentators initially heralded the TDRA as a "sensible and progressive reform of American federal antidilution protection,"ⁿ¹⁴¹ it has expanded the dilution cause of action in some ways that were perhaps unanticipated by its drafters. Under the TDRA's likelihood of dilution standard, particularly as the courts have interpreted it, proof of association between plaintiff's and defendant's respective marks has become tantamount to proof of dilution. Even when the competing marks are not substantially similar, proof of association may be enough to avoid summary judgment on a dilution claim. The TDRA also allows claims for dilution of trade dress and lawsuits between [*251] competitors, which again draws dilution away from the narrowly prescribed paradigm that it was initially intended to address.

1. The Decline in Relevance of Mark Similarity and the Increase in Significance of Mark Association

The hypothetical case envisioned by the legislatures that enacted dilution statutes was one in which a defendant copied, essentially verbatim, a well-known trademark and used it to sell his own (unrelated) goods or services, thereby diluting the distinctiveness of the well-known trademark.ⁿ¹⁴² Although imagined cases of "Buick aspirin" and "Dupont shoes" may be the inspiration for dilution law,ⁿ¹⁴³ they bear little resemblance to most of the published cases in which a defendant's use of plaintiff's trademark has been found to dilute but not infringe, particularly under the TDRA. In the majority of cases, the mark used by the defendant is not identical to the plaintiff's famous trademark. Rather, defendant's use of the mark is better characterized as a play on words deriving from plaintiff's famous trademark. In far too many cases, evidence of "mental association" between plaintiff's and defendant's marks has become tantamount to proof of dilution itself.

When Congress amended the Act and passed the TDRA, it modified the statutory language in a manner that effectively decreased the importance of mark similarity and increased the relevance of mark association in dilution cases. It did so largely in response to the Supreme Court's decision in *Moseley*, which interpreted the former version of the federal dilution statute, the FTDA. In this case, the Supreme Court held that, when the competing marks were not identical, the plaintiff had to prove *more than* mere association between them to demonstrate that defendant had "impaired the distinctiveness" of and thereby diluted plaintiff's famous trademark.ⁿ¹⁴⁴ The "actual dilution" standard articulated in *Moseley* was roundly criticized by the holders of famous trademarks.ⁿ¹⁴⁵

In *Moseley*, the plaintiff, owner of the admittedly famous Victoria's Secret trademark, sued Victor and Cathy Moseley, proprietors [*252] of a business named "Victor's Little Secret," for trademark infringement and dilution.ⁿ¹⁴⁶ The trial court granted summary judgment on plaintiff's trademark infringement and unfair competition claims, finding that the Moseleys' use of the mark "Victor's Little Secret" created no likelihood of consumer confusion.ⁿ¹⁴⁷ However, the trial court granted summary judgment in favor of Victoria's Secret on the dilution claim, and the Sixth Circuit affirmed.ⁿ¹⁴⁸ The Supreme Court reversed and remanded, holding that evidence of "association" between the two marks was insufficient to prove dilution.

Plaintiff introduced only one piece of evidence that its famous trademark had been diluted and tarnished by the Moseleys' use of the name "Victor's Little Secret." An army colonel, who happened upon an advertisement for the grand opening of the Moseleys' store, "was offended by what he perceived to be an attempt to use a reputable company's trademark to promote the sale of 'unwholesome, tawdry merchandise,'" and therefore sent a copy of the ad to Victoria's Secret.ⁿ¹⁴⁹ The Supreme Court observed that the colonel's "mental association" between Victor's Little Secret and Victoria's Secret did not impair the distinctiveness of or tarnish the Victoria's Secret trademark:

There is a complete absence of evidence of any lessening of the capacity of the VICTORIA'S SECRET mark to identify and distinguish goods or services sold in Victoria's Secret stores or advertised in its catalogs. The officer was offended by the ad, but it did not change his conception of Victoria's Secret. His offense was directed entirely at petitioners, not at respondents. ⁿ¹⁵⁰

The Court in *Moseley* specifically rejected the notion that mere association between non-identical marks was sufficient to prove dilution. In reaching this conclusion, it commented upon an earlier Fourth Circuit opinion holding that a slogan adopted by the state of Utah, "The Greatest Snow on Earth," did not dilute the famous slogan of the Ringling [*253] Brothers Barnum & Bailey Circus, "The Greatest Show on Earth." ⁿ¹⁵¹ The Supreme Court endorsed the Fourth Circuit's conclusion that Ringling Brothers had not proved dilution merely because it had shown that Utah's slogan, which admittedly was not identical to "The Greatest Show on Earth," nonetheless invoked an association with it:

[M]ental 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. 'Blurring' is not a necessary consequence of mental association. (Nor, for that matter, is 'tarnishing'.) ⁿ¹⁵²

The FTDA, as interpreted by the Supreme Court, therefore made it difficult for a plaintiff to prove dilution of a famous trademark in cases where the marks in question were not identical, even if plaintiff could show that consumers "associated" the defendant's mark with that of the plaintiff. ⁿ¹⁵³ In the wake of *Moseley*, many courts held that "[a] plaintiff cannot prevail on a state or federal dilution claim unless the marks at issue are 'very' or 'substantially similar.'" ⁿ¹⁵⁴ Although *Moseley* may have temporarily sounded the death knell for dilution cases involving non-identical marks, the impact of the decision was decidedly short lived. Congress amended the federal trademark dilution statute, largely [*254] in response to the *Moseley* decision, and redefined the standard of proof in these cases. ⁿ¹⁵⁵

Under the TDRA, a plaintiff need only prove a likelihood of dilution to prevail on a claim seeking injunctive relief. ⁿ¹⁵⁶ The Act directs courts to consider "all relevant factors" in assessing likelihood of dilution. ⁿ¹⁵⁷ However, it identifies only six "relevant" factors, and in practice the vast majority of courts confine their analysis to these six factors. Three of the six factors relate to the overall strength of the plaintiff's mark, and, in that sense, overlie the factors considered relevant to determine whether the mark is famous. ⁿ¹⁵⁸ The remaining three factors relate to (1) the degree of similarity between the marks, (2) defendant's intent to create an association with the famous mark (or lack thereof), and (3) any evidence of "actual association" between the marks. ⁿ¹⁵⁹ The impact of these statutory amendments, at least in comparison to the Supreme Court's interpretation of the FTDA, has been to de-emphasize the importance of mark similarity ⁿ¹⁶⁰ and to increase the significance of evidence of "association" between the two marks.

Professor Thomas McCarthy has characterized the six TDRA factors as "both incomplete and misleading" because none of them "directs attention to the crucial issue: is there a likelihood that this defendant's mark is likely to be a use that 'impairs the distinctiveness of [*255] the famous mark?'" ⁿ¹⁶¹ He concludes that, "[l]ike a signpost pointing in the wrong direction, the list of factors directs attention away from the key issue of whether there is a likelihood of damage to the famous mark." ⁿ¹⁶² In the wake of the TDRA, few courts require dilution plaintiffs to prove much beyond the mere fact that consumers "associate" defendant's mark with that of the plaintiff, even when the marks in question are far from identical.

The Second Circuit's decision in *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.* ⁿ¹⁶³ illustrates many of the changes arising from the TDRA. In this case, the owner of another undeniably famous trademark, Starbucks, sued a small business, Black Bear Microroastery ("Black Bear"), for federal trademark infringement, dilution, and related state law claims. ⁿ¹⁶⁴ Black Bear was sued because it sold a dark roasted coffee under the name "Charbucks Blend" and "Mr. Charbucks" (the "Charbucks marks"). ⁿ¹⁶⁵ The trial court, after a bench trial, ruled in favor of Black Bear, finding no likelihood of confusion and no likelihood of dilution under federal or state law. ⁿ¹⁶⁶ The Second Circuit affirmed the

judgment as to the trademark infringement claim, but reversed and remanded on the claim asserted under the TDRA.ⁿ¹⁶⁷

In the *Starbucks* case, the district court determined that the two trademarks in question, Starbucks and Charbucks, were only "minimally similar" due to the differences in the context in which they were presented to the consumer (*e.g.*, packaging and logos).ⁿ¹⁶⁸ The court of appeals agreed.ⁿ¹⁶⁹ The Second Circuit nonetheless reversed the trial court's decision in part because the trial court had given too much weight to the similarity factor. The circuit court reasoned that if Congress had wanted to require "substantial similarity" between the competing marks to establish a dilution claim, it would have put those words in the TDRA, [*256] and it did not do so.ⁿ¹⁷⁰ In other words, because Congress did nothing to indicate that the "degree of mark similarity" was more important than the other listed factors, the trial court could not give it special weight. The Ninth Circuit has reached the same conclusion.ⁿ¹⁷¹

The Second Circuit in *Starbucks* also critiqued the district court for giving too little weight to the evidence presented regarding "association" between the plaintiff's and defendant's marks. Although the court found that Black Bear did have an "intent to associate" its coffee with Starbucks, it did not weigh that factor in favor of a likelihood of dilution finding because it determined that Black Bear did not act "in bad faith."ⁿ¹⁷² The Second Circuit noted that the TDRA does not require or even mention evidence of "bad faith" in the context of this factor, and it was therefore error to consider it.ⁿ¹⁷³ Similarly, it held that the district court erred in failing to take into account evidence of "actual association" between the two marks. That evidence was a survey finding that 30.5% of 600 consumers surveyed thought of "Starbucks" when they heard the name "Charbucks."ⁿ¹⁷⁴ That evidence of actual association, under the TDRA, was significant. In some district court cases, courts have issued injunctive relief when the only proof of dilution, other than some similarity between the marks, has been defendant's intent to associate with the famous mark of the plaintiff.ⁿ¹⁷⁵

[*257] In the tarnishment context, the potential impact of the TDRA in elevating the importance of "association" between the defendant's mark and the plaintiff's famous one is even starker, even though the TDRA lists no specific factors for courts to consider in the context of a dilution by tarnishment claim. In one of the few appellate cases that has considered the tarnishment provisions of the TDRA, the Sixth Circuit concluded that proof of association equates proof of tarnishment, citing the legislative history of the TDRA as well as Congress's specific concern that the "actual dilution" standard articulated by the Supreme Court in *Moseley* "creates an undue burden for trademark holders who contest diluting uses and should be revised."ⁿ¹⁷⁶

The Sixth Circuit case interpreting the TDRA's tarnishment provisions features none other than Victor and Carol Moseley.ⁿ¹⁷⁷ Although the Supreme Court held that summary judgment on plaintiff's dilution claim was inappropriate under the FTDA,ⁿ¹⁷⁸ on remand the FTDA did not apply. When the same facts were analyzed under the TDRA, the Sixth Circuit (and the district court) reached the opposite conclusion.ⁿ¹⁷⁹

In analyzing the Moseleys' case for the second time, the circuit court noted that "[t]here appears to be a clearly emerging consensus . . . that the creation of an 'association' between a famous mark and lewd or bawdy sexual activity disparages and defiles the famous mark and reduces the commercial value of its selling power."ⁿ¹⁸⁰ The court [*258] concluded that, when plaintiff can show a "clear semantic association" between a new mark that is used to sell "sex-related products" and the famous one, this association creates "a kind of rebuttable presumption, or at least a very strong inference" that the new mark is likely to tarnish the famous one.ⁿ¹⁸¹ If the presumption is established, the owner of the new mark has "the burden of coming forward with evidence that there is no likelihood or probability of tarnishment."ⁿ¹⁸² In effect, the court conflated the blurring factors of mark similarity and mark association, creating a rule that if the marks are similar enough to create a "semantic association" between them, the likelihood of dilution is presumed, even when, as in this case, the court finds that the tarnishing effect on plaintiff's famous trademark is "somewhat speculative."ⁿ¹⁸³ The opinion effectively shifts the burden of proof in a dilution by tarnishment case from the plaintiff to the defendant so long as the plaintiff can show an "association" between the two marks.ⁿ¹⁸⁴ Perhaps predictably, when the burden of proof was shifted in this case, the Moseleys could not produce evidence *disproving* that their use of the mark "Victor's Little Secret" had tarnished the image of the famous Victoria's Secret trademark.ⁿ¹⁸⁵

In sum, one effect of the TDRA has been to *decrease* the relevance of mark similarity in trademark dilution cases and to *increase* the significance of proof of mark association. Although dilution laws may have been conceived as necessary to prevent a defendant from using a mark identical to plaintiff's famous one (evading liability for trademark infringement by placing the mark on unrelated goods), this type of case does not appear to be common. Moreover, if such misuse of a mark does occur, it is rarely the case that dilution constitutes plaintiff's only viable claim. Rather, at least in recent cases decided under the TDRA, dilution seems to have relevance as a cause of action primarily when defendant's [*259] mark is *not* particularly similar to the plaintiff's, such that the *dissimilarity* between them precludes, at least in part, a finding of trademark infringement.ⁿ¹⁸⁶ In this type of case, proof of mental association between the two marks goes a long way towards proving a likelihood of dilution, and it may be dispositive in cases involving claims of tarnishment.

2. Dilution by Competitors

In addition to mark identity, the other hallmark of the traditional dilution claim—at least as articulated by those who enacted the dilution statutes—has been the use of a famous mark to sell unrelated goods or services. As discussed above, Schechter's original "rational basis" theory was largely born of frustration with the limitations of trademark infringement law of his era, particularly because it did not always offer relief when the defendant placed its mark on goods that were not of the "same descriptive properties" as those of the plaintiff.ⁿ¹⁸⁷ It is therefore not surprising that he cited Kodak bath tubs and Mazda shoes as examples of the harm that dilution was intended to prevent.ⁿ¹⁸⁸ Dilution claims are, however, often litigated under the TDRA in cases where plaintiff and defendant are not selling goods or services in radically different markets and, in fact, may be competitors.ⁿ¹⁸⁹

[*260] In these cases, the defendant typically chooses a trademark for his business that creates an association with the plaintiff's famous mark for the purpose of communicating information about his own business to the consuming public. In some of these cases, the defendant is a relatively small business owner who is attempting to tell consumers that, at some level, his business and that of the famous trademark holder are similar. The desire to create an association with the famous mark is not the same as a desire to "pass off" one's goods as those of the mark holder. In other words, the defendant does not intend to trick the public into buying his goods instead of the plaintiff's. If such facts were proven, the case would undoubtedly be one of trademark infringement, without the need to resort to a trademark dilution claim.ⁿ¹⁹⁰ However, as discussed above, evidence of an "intent to associate" alone currently constitutes powerful evidence of a likelihood of dilution. It is perhaps not surprising, then, that those with the most incentive to create this kind of association (competitors) may find themselves defending a trademark dilution lawsuit.

The trademark case filed by coffee behemoth Starbucks against Black Bear squarely illustrates this phenomenon. Starbucks and Black Bear both sell coffee, although not in comparable amounts. Black Bear is described as a "family-run business that 'manufactures and sells . . . roasted coffee beans and related goods via mail order, internet order, and at a limited number of New England supermarkets.'" ⁿ¹⁹¹ Black Bear operates one retail outlet and occasionally hires part-time workers.ⁿ¹⁹² The Starbucks trademark, on the other hand, is associated with "8,700 retail locations in the United States, Canada, and 34 foreign countries and territories."ⁿ¹⁹³ Moreover, Starbucks coffee is sold in "hundreds of [*261] restaurants, supermarkets, airlines, sport and entertainment venues, motion picture theaters, hotels, and cruise ship lines."ⁿ¹⁹⁴

The district court understandably found that Black Bear's choice of the names "Mr. Charbucks" and "Charbucks Blend" for its coffee product was intended to invoke an association with the famous Starbucks mark.ⁿ¹⁹⁵ In its appellate brief, Starbucks claimed that Black Bear adopted "Charbucks" as a mark "because there 'could not have been a more perfect way for [Black Bear] to grab the attention of consumers.'" ⁿ¹⁹⁶ In addition to invoking a general association with the famous coffee retailer, the name was apparently chosen to convey information about this particular blend of coffee. The owner of Black Bear testified that "[t]he inspiration for the term Charbucks comes directly from Starbucks' tendency to roast its products more darkly than that of other major roasters."ⁿ¹⁹⁷ The slogans accompanying the name emphasized that the blend was dark roasted, promising that the coffee was "[r]oasted to the Extreme . . . For those who like the extreme."ⁿ¹⁹⁸ The name and the slogan can be interpreted as suggesting that the

Black Bear coffee blend, like some Starbucks coffee, is dark roasted, but better than Starbucks. ⁿ¹⁹⁹ This is a form of comparative advertising, one in which a small competitor attempts to enter a market to challenge a dominant competitor.

The *Moseley* case similarly involved parties operating in related if not identical markets. The Moseleys, who had one store in [*262] Elizabethtown, Kentucky and no employees, sold adult videos and "adult novelties," including women's lingerie, which accounted for approximately five percent of total sales. ⁿ²⁰⁰ The plaintiff, which operated over 750 Victoria's Secret stores and reported annual sales in excess of \$ 1.5 billion at the time of the litigation, described its product as "moderately priced, high quality, attractively designed lingerie sold in a store setting designed to look like a wom[a]n's bedroom." ⁿ²⁰¹ Testimony in the case indicated that Victoria's Secret attempts to create and maintain a "sexy and playful" image. ⁿ²⁰²

Although Victoria's Secret and the Moseleys may not have shared the same business model, this case is hardly one of Kodak pianos or Dupont shoes. As the record in the case plainly illustrated, the Victoria's Secret trademark has deliberately cultivated sexual connotations, ⁿ²⁰³ which is most likely why the Moseleys initially chose the names "Victor's Secret" and "Victor's Little Secret" for their business. Although there was little evidence of any likelihood of confusion between the two businesses, which is why summary judgment was granted on the trademark infringement claim, both companies tried to cultivate a sex-related image. By using a name evoking an association with the famous Victoria's Secret trademark, the Moseleys attempted to convey precisely such an image to their potential customers.

It should not be surprising that dilution cases arise in contexts wherein the plaintiff's goods or services bear some resemblance to those of the defendant. A defendant who copies a mark like "Kodak" onto an unrelated item such as a piano receives a limited amount of benefit from doing so, given that the specific attributes of a Kodak camera have little significance in terms of assessing the attractiveness of a large musical instrument. Moreover, to the extent the Kodak piano appealed to the consumer because she was misled into believing that the owner of the Kodak trademark somehow endorsed the product, the defendant would be liable for trademark infringement, and a claim for dilution would be unnecessary.

[*263] However, a play on words that associates with a famous brand in a related market--like Victor's Little Secret or Mr. Charbucks-- may signal certain information to the consumer about the product, particularly given the almost universal recognition of famous brands. These types of names, when presented in contexts clarifying that the famous trademark holder is not the source of the relevant good or service, also have the benefit of avoiding the creation of a likelihood of confusion, *i.e.*, trademark infringement. If this type of word play is actionable, dilution is the most likely claim.

3. *Dilution of Trade Dress*

Dilution claims have also arisen outside the classic formulation of identical marks on unrelated goods in cases involving trade dress. Although the FTDA did not specifically refer to trade dress dilution, some courts did apply the Act in trade dress cases. ⁿ²⁰⁴ The TDRA explicitly applies to cases involving trade dress. ⁿ²⁰⁵ Although the number of trade dress dilution cases is relatively small, they deserve mention because, given the nature of the claim, they tend to arise in the context of disputes between competitors. Defendant's trade dress is unlikely to allegedly dilute that of plaintiff if the parties are in unrelated industries.

An early case involving a claim of trade dress dilution was brought by the maker of a product that is certainly "famous" to the parents of young children: the Goldfish cracker, a product of Pepperidge Farms. ⁿ²⁰⁶ The goldfish shape of the cracker, which Pepperidge Farms claimed as its trade dress, ⁿ²⁰⁷ was allegedly diluted by a new brand of cracker manufactured by Nabisco that included, among other shapes, a [*264] cracker in the shape of a fish. ⁿ²⁰⁸ In the ensuing lawsuit, Pepperidge Farms alleged that Nabisco's cracker mix both infringed and diluted its trade dress in the Goldfish cracker. Its infringement claim failed at the trial court level, but its dilution claim prevailed and was upheld on appeal.

The Second Circuit concluded that the Nabisco crackers were "likely to dilute" the distinctiveness of the Pepperidge Farms goldfish. The court explicitly considered and rejected the argument that dilution was not an appropriate cause of action in a case between two competitors, as snack food giants Pepperidge Farms and Nabisco undoubtedly are. First, it noted that the express language of the FTDA contained no such limitation; to the contrary, the statute provided that dilution could occur "*regardless of the presence or absence of . . . competition between the owner of the famous mark and other parties.*" ⁿ²⁰⁹ The TDRA contains essentially identical language. ⁿ²¹⁰ Moreover, the court reasoned that "the closer the products are to one another, the greater the likelihood of both confusion and dilution. The senior user has a right to the antidilution law's remedy in either case." ⁿ²¹¹

4. The Limitations of Fair Use

When it was enacted, the TDRA's definition of "fair use" was widely perceived to be more generous than that encompassed in the FTDA. Unlike the FTDA, the TDRA does contain an express affirmative defense for parodies. ⁿ²¹² However, the Act exempts from parody protection any mark used "as a designation of source for the [defendant's] own goods or services." ⁿ²¹³ As a result of that exemption and the constrictive interpretation of fair use by many courts, the fair use [*265] defense under the TDRA remains inadequate to insulate from liability many uses of a famous trademark that should not be actionable.

In the context of trademark law, courts have defined "parody" as "a simple form of entertainment conveyed by juxtaposing the irreverent representation of the trademark with the idealized image created by the mark's owner." ⁿ²¹⁴ Simply stated, parodies use trademarks (often famous ones) to make fun of the companies who "own" those marks and may profit from them to an enormous degree. Historically, trademark holders have not appreciated this type of humor and often consider it to constitute dilution, particularly dilution by tarnishment. ⁿ²¹⁵ At least to some degree, however, the First Amendment protects "successful" parodies. ⁿ²¹⁶

The predecessor to the TDRA, the FTDA, did not contain an explicit statutory exemption from liability for fair use in the form of parody. ⁿ²¹⁷ Rather, if parody was exempted from statutory liability at all, it was because it fell within the scope of the general "noncommercial use" exemption. ⁿ²¹⁸ This omission was heavily criticized for its potential [*266] negative impact on the right of free speech. ⁿ²¹⁹ In response to that criticism, the TDRA exempts from liability any "fair use" of a mark designed to identify and parody, criticize, or comment upon "the famous mark owner or the goods or services of the famous mark owner." ⁿ²²⁰ However, this statutory exemption does not apply when the defendant has used the plaintiff's mark "as a designation of source" for her "own goods or services." ⁿ²²¹

To be considered "successful" and hence not actionable as trademark infringement or dilution, a parody must copy the original trademark only so much as is necessary to communicate to the public that it is making fun of the trademark (and/or its owner) and is not a message originating from the trademark holder itself. "Thus, '[a] parody relies upon a difference from the original mark, presumably a humorous difference, in order to produce its desired effect.'" ⁿ²²² In a case that contains perhaps the most thorough judicial analysis of the TDRA's parody provisions to date, the Fourth Circuit held that Haute Diggity Dog's use of the mark "Chewy Vuitton" for its own brand of dog toys was a successful parody of the famous trademark held by Louis Vuitton, maker of luxury purses. ⁿ²²³ The court concluded that Haute Diggity Dog's parody of Louis Vuitton succeeded because it "undoubtedly and deliberately conjures up the famous [Louis Vuitton] marks and trade dress, but at the same time, it communicates that it is not the [Louis Vuitton] product." ⁿ²²⁴ Even though the parody was "successful," however, the statutory language designed to protect parodies did not apply.

The court in *Louis Vuitton* held that a finding of a successful parody does not guarantee immunity from liability under the TDRA's fair use exemption from liability, which by its plain language does not apply when defendant's mark is being used as a designation of source for [*267] its goods, as in this case. ⁿ²²⁵ Moreover, it did not discuss the First Amendment in its analysis of the defendant's parodic use of the Louis Vuitton trademark. Rather, the court considered the parodic nature of Haute Diggity Dog's use of the Louis Vuitton mark in balancing the statutory factors for dilution by blurring. ⁿ²²⁶ In affirming the trial court's grant of summary judgment in favor of Haute Diggity Dog on the dilution

by blurring claim, the court of appeal speculated that the Chewy Vuitton parody might actually increase, rather than decrease, the distinctiveness of the Louis Vuitton mark: "[B]y making the famous mark an object of the parody, a successful parody might actually enhance the famous mark's distinctiveness by making it an icon. The brunt of the joke becomes yet more famous." ⁿ²²⁷ The court also paid scant attention to Louis Vuitton's dilution by tarnishment claim, for which it had little to no evidentiary support. ⁿ²²⁸

The scope of the TDRA's parody exemption, at least as interpreted by the Fourth Circuit, appears to be quite narrow and still raises First Amendment concerns. ⁿ²²⁹ Because the statute's fair use defense categorically excludes all parodies that function as trademarks, ⁿ²³⁰ courts must engage in a fact-specific weighing of factors in these types of cases to determine whether the use will "impair the distinctiveness" of the famous trademark or harm its reputation. ⁿ²³¹ Although the court in [*268] *Louis Vuitton* ultimately concluded that the Chewy Vuitton parody would have neither effect, that result was not a foregone conclusion. ⁿ²³²

Moreover, subtle yet potentially humorous references to a famous trademark are not likely to be considered successful parodies. For example, in *Charbucks*, the Second Circuit found that Black Bear's reference to the Starbucks trademark was at best a "subtle satire" and therefore too indirect to be considered a parody. ⁿ²³³ Under the specific language of the Act, the business owner who wishes to choose a trademark that parodies but does not dilute is therefore faced with a difficult task. A parody, by its very nature, evidences an "intent to associate" with a famous trademark. ⁿ²³⁴ That intent to associate, however, is one of the factors that tends to show a likelihood of dilution by blurring. ⁿ²³⁵ If the parody is ultimately deemed unsuccessful--either because it is not considered humorous by the judge or jury, fails to sufficiently distinguish itself from the famous trademark, or any other reason--efforts to associate with the mark owner will almost certainly not be viewed in a favorable light. The would-be parodist must thus choose a name that invokes the original in a humorous way, directly enough so that the humor is apparent, but not so directly as to leave himself open to a claim of trademark infringement or dilution. If the reference is too *indirect* the parody defense will likewise fail, as it did in the *Starbucks* case.

The statute's fair use exemption for comparative advertising ⁿ²³⁶ likewise does not appreciate subtlety. Comparative advertising has long been considered a fair use defense to a claim alleging misuse of a trademark, both in the infringement and dilution contexts. ⁿ²³⁷ However, if the comparative advertising is not stated in an obvious way, the purveyor of the advertisement will not be insulated from liability. The *Starbucks* case illustrates this principle as well. Black Bear's parody defense, as [*269] noted above, was rejected in part because the reference that it made to the Starbucks trademark was too subtle and indirect. Somewhat ironically, the parody claim was also rejected because the court interpreted Black Bear's message, as communicated via the *Charbucks* marks, as one of comparative advertising (casting Starbucks in a positive rather than a negative light) rather than humor. The court described the *Charbucks* logo as a "beacon to identify *Charbucks* as a coffee that competes at the same level and quality as Starbucks in producing dark-roasted coffees." ⁿ²³⁸ If Black Bear had made this statement directly-- "this coffee competes at the same level and quality as Starbucks in producing dark-roasted coffees"--rather than using the *Charbucks* marks as a "beacon" to convey the same message, presumably its use would have been protected from a dilution claim as a matter of law.

In sum, the TDRA has led trademark dilution law far away from its *Rational Basis* roots. Because Congress has eliminated the requirement of proving "actual dilution," it is now difficult to determine what exactly the plaintiff is required to prove to sustain a claim of dilution. Proof of association (and intent to create the same) between the two marks clearly goes a long way. Fair use is often an ineffective safety valve. Proof of harm caused by dilution may be difficult to come by because, in fact, dilution causes no economic harm. These results are profoundly problematic.

II. THE MORAL PREDICATE OF DILUTION

As discussed above, the economic justification for the dilution cause of action is weak at best. However, despite the less than convincing evidence of the harm it is supposed to address, the cause of action has expanded rather than contracted in recent years. Given that the holders of famous trademarks are typically corporate entities with a duty to maximize shareholder value, it therefore may seem facially surprising that they would champion the dilution cause of

action and often spend vast sums of money litigating these claims. The economic harm caused by dilution, assuming it exists, is almost certainly dwarfed by the cost of enforcement. If economic harm were the only, or even a primary, rationale motivating these claims, we would expect the holders of famous trademarks to be considerably less enthused about dilution laws.

A better explanation for the existence of dilution law, as well as its practical utilization, is that it confers a moral right upon the corporations that create, nurture, and profit from famous trademarks. [*270] Like the authors of creative works, these corporate entities would like to control all uses of their marks, particularly those that are offensive to them, and not just those that cause them economic harm. For example, when testifying before Congress on the subject of the Federal Trademark Dilution Act, counsel for Warner Brothers Studios said, "[T]he trademark owner, who has spent the time and investment needed to create and maintain the property, should be the sole determinant of how that property is to be used in a commercial manner." ⁿ²³⁹ Dilution, at least as currently construed, comes close to granting this wish.

A. Moral Rights in the United States

A moral right is one that does not (unlike most intellectual property law in the United States) depend upon an economic or utilitarian framework to justify its existence. Moral rights are based on the personal rights of the creator, with the idea being that the creator of an artistic work should retain some amount of control over it, even if he does not "own" the work. Moral rights primarily encompass (1) the right of attribution (the right to be named as the author of the work) and (2) the right of integrity (the right to prevent others from mutilating the work or to present it in a manner not approved by the author). ⁿ²⁴⁰ The right of attribution broadly "gives the author the right to control the association of his name with the work," including the right "not to associate his name with the work," and the right to be anonymous. ⁿ²⁴¹ The right of integrity, sometimes referred to as the "right of respect," enables the author to prevent any modification or distortion of his work that misrepresents his "vision or concept." ⁿ²⁴² In sum, these rights "function [*271] to safeguard the author's meaning and message, and thus are designed to increase an author's ability to safeguard the integrity of her texts." ⁿ²⁴³

Perhaps as a result of the lack of economic or utilitarian justification for moral rights, moral rights have gained limited traction in the United States. Although other U.S. laws may be interpreted as indirectly supporting the moral rights of the author, the statute that most explicitly protects the rights of attribution and integrity is the Visual Artists Rights Act, or VARA, which was appended to the Copyright Act in 1990. ⁿ²⁴⁴ VARA was enacted in an effort to comply with the Berne Convention, which the United States had signed two years earlier. ⁿ²⁴⁵ The Berne Convention requires its signatories to provide authors with the moral rights of attribution and integrity:

Independently of the author's economic rights, and even after the transfer of the said rights, the author shall have the right to claim authorship of the work and to object to any distortion, mutilation or other modification of, or other derogatory action in relation to, the said work, which would be prejudicial to his honor or reputation. ⁿ²⁴⁶

VARA is largely regarded as insufficient to satisfy the United States' obligations under the Berne Convention. ⁿ²⁴⁷ Although VARA [*272] does provide for basic rights of attribution and integrity, ⁿ²⁴⁸ it does not apply to all types of authorial works. As its name implies, VARA's protections extend solely to authors of works of "visual art." ⁿ²⁴⁹ A work of visual art is defined as a "painting, drawing, print, or sculpture" and some photographs. ⁿ²⁵⁰ VARA's exclusion of entire categories of works, such as sound recordings and books, is probably the most obvious way in which it conflicts with the Berne Convention. ⁿ²⁵¹ VARA also allows an author to waive (but not transfer) her rights. ⁿ²⁵² VARA's waiver provisions are arguably inconsistent with Berne's definition of a moral right, which is said to exist "[i]ndependently of the author's economic rights, and even after the transfer of the said rights." ⁿ²⁵³ Traditionally, moral rights have been considered inalienable and nonwaivable, owing to their intrinsically personal nature. ⁿ²⁵⁴ As a result of these and other limitations, one commentator has characterized VARA as the "Mini Me" of moral rights laws. ⁿ²⁵⁵

The federal trademark statute (the Lanham Act) makes no specific reference to moral rights or the right of attribution or integrity. However, Section 43(a) of the Act, which prohibits "false designations of origin,"ⁿ²⁵⁶ has been cited as a source of moral rights protection.ⁿ²⁵⁷ At [*273] least in some cases, Section 43(a) has been successfully invoked to prevent a "mutilated" version of the author's work from being presented under the author's name.ⁿ²⁵⁸ In one such case, the Second Circuit reasoned that "[t]o deform [the author's] work is to present him to the public as the creator of a work not his own, and thus makes him subject to criticism for work he has not done."ⁿ²⁵⁹

However, the Supreme Court in *Dastar Corp. v. Twentieth Century Fox Film Corp.*ⁿ²⁶⁰ interpreted Section 43(a) narrowly, thereby thwarting its extension into the moral rights arena. The key question in this case was whether the defendant could edit and repackage footage from plaintiff's television series (the copyright for which had expired) and sell it under defendant's name, with no mention of plaintiff. In essence, plaintiff argued that Section 43(a) of the Lanham Act protected the moral right of attribution via a cause of action for "reverse passing off." The Supreme Court rejected the argument that the author of the original work (the television series) constituted the "origin" of the goods in that case, rather than the producer of the videotapes containing edited footage from the original work.ⁿ²⁶¹ The Court reasoned that extending the Lanham Act in this manner would "conflict with the law of copyright, which addresses [the right of attribution] specifically," in VARA.ⁿ²⁶² Absent Congressional intent explicitly to the contrary, the Court concluded that "[t]he right to copy, and to copy without attribution, once a copyright has expired . . . passes to the public."ⁿ²⁶³ *Dastar's* [*274] interpretation of Section 43(a) thus severely restricted its applicability in these types of cases.ⁿ²⁶⁴

Given the intensely personal nature of moral rights, it is hard to imagine why a corporation would want them. Moreover, as the Supreme Court's decision in *Dastar* illustrates, the Lanham Act itself does not guarantee moral rights, at least in literal terms. To understand the analogy between moral rights law and dilution, one first must consider the sometimes intensely personal relationship between corporate America and its brands.

B. Corporate America's Love Affair with the Brand

Corporate megabrands--the type of trademarks that are easily considered "famous" under the TDRA--are much more than source-identifiers for a particular product. These brands also derive a massive amount of value from their embodiment of expressive meanings, well beyond their concurrent roles as source identifiers and symbols of corporate goodwill.ⁿ²⁶⁵ The corporations that develop and promote these trademarks deliberately cultivate expressive meanings associated with a given mark. In doing so, the creators of the mark endeavor to generate a specific type of "emotional connection" with the consumer.ⁿ²⁶⁶ When the trademark is used in an unapproved manner that is inconsistent with the corporation's vision of its mark, the corporation's message becomes distorted. Corporations accordingly try to control the manner in which their marks are used to the full extent permitted by the dominant legal regime.

[*275] The famous trademarks that perhaps best illustrate this phenomenon are the anthropomorphized corporate children that have fictional personalities and "friends" on Facebook. For example, Mattel's iconic doll/trademark, Barbie, has over 2.5 million friends on the social media website Facebook and identifies herself as a Public Figure who is "[i]n a relationship" (presumably with Ken).ⁿ²⁶⁷ In one recent post, Barbie reported the following status: "Relaxing today with my tried and true solution . . . retail therapy!"ⁿ²⁶⁸ Sometimes her posts are more inspirational: "I've had over 130 careers and I don't plan on stopping! If you can dream it, you can be it!"ⁿ²⁶⁹ Barbie even comments on recent events.ⁿ²⁷⁰ She seems to think she is a real person.ⁿ²⁷¹ Mattel deliberately uses Barbie's online image to create a specific persona associated with the famous Barbie trademark.

Even corporate icon/trademarks less human-looking than Barbie, like the Pillsbury Doughboy and the Planters Peanut, similarly articulate scripted personalities that endeavor to create an emotional connection with the consumer. Pillsbury maintains a detailed set of official guidelines dictating the Doughboy's personality and what he can and cannot do.ⁿ²⁷² The Doughboy is described as "warm and sweet and enthusiastic and helpful."ⁿ²⁷³ Mr. Peanut is apparently more emotionally complex.ⁿ²⁷⁴ According to a Planters corporate officer, Mr. Peanut is "very classy and upscale" -- "someone you might meet at a celebrity [*276] party, or at a new club, or lounge or bar. And -- to your surprise -- he

talks to you! He engages you in conversation! So yes, he's got his top hat and monocle. But paradoxically, he's also quite approachable and down-to-earth." ⁿ²⁷⁵

Even brands that do not employ spokescharacters like the Planters peanut endeavor to cultivate "personality characteristics" to connect with the consumer. ⁿ²⁷⁶ For example, one marketing expert characterizes the Mercedes brand as "relatively 'assertive' and 'in control,' while BMW is more 'sexy' and desirable." ⁿ²⁷⁷ The Apple brand is considered "'creative'" and "'adventurous,'" while Red Bull (an energy drink) is "'adventurous' and 'brave,' if a bit 'arrogant.'" ⁿ²⁷⁸ These brand personalities enable the trademark holder to more effectively reach the target market for the products her brands are designed to sell.

One common feature of many brand guidelines is a keen concern for maintaining the "icon's moral hygiene." ⁿ²⁷⁹ Pillsbury's desire to keep the Doughboy morally flawless, for example, prevented him from appearing in a commercial sponsored by the California Milk Processor Board. As part of the Board's "Got Milk?" campaign, the planned ad featured an "all-American family" sitting down to enjoy a plate of freshly baked Pillsbury cookies. In the ad, the dad discovers, to his dismay, that someone has drunk the last of the milk. The culprit turns out to be a chagrined Doughboy, who promptly dashes off camera. Pillsbury would not, however, consent to the Doughboy being portrayed in this manner. Pillsbury's director of brand development explained why the company rejected the ad: "For some other character, taking the milk might be fine. . . . But not the Doughboy. He doesn't trick people. He doesn't take advantage. It's not in his character to do that." ⁿ²⁸⁰

[*277] Given Pillsbury's refusal to have the Doughboy portrayed as "mischievous" enough to drink the last of the milk, ⁿ²⁸¹ it is perhaps not surprising that the company filed a lawsuit when the Doughboy appeared in *Screw* magazine engaging in sexual intercourse and fellatio. ⁿ²⁸² In that case, Pillsbury prevailed on its state law dilution claim, ⁿ²⁸³ but the court declined to grant relief for "tarnishment of trade characters," which it characterized as a "theretofore unheard of cause of action." ⁿ²⁸⁴ In pleading this cause of action, Pillsbury claimed that the defendant had "altered the image" of the Doughboy, to whom it referred as its "corporate spokesman," in a way that made him "distasteful or even repulsive" to many Pillsbury customers. ⁿ²⁸⁵ Pillsbury's "tarnishment of trade character" cause of action clearly evinces a perceived entitlement to a type of moral right in its trademark Doughboy. Although the purported "trade character" cause of action was unsuccessful, Pillsbury got the same injunctive relief under a claim of dilution.

In a similar vein, toymaker Mattel sued artist Thomas Forsythe when he produced a series of photos that depicted "one or more nude Barbie dolls juxtaposed with vintage kitchen appliances" in "various absurd and often sexualized positions" ("Food Chain Barbie"). ⁿ²⁸⁶ The artist explained that the photos were intended to critique and lambaste the "objectification of women" and "conventional beauty myth" embodied by Barbie. ⁿ²⁸⁷ Forsythe earned less than \$3,700 in gross revenue from the Food Chain Barbie series of photographs, over half of which derived from sales to Mattel investigators. ⁿ²⁸⁸ The Ninth Circuit [*278] affirmed summary judgment for Forsythe on Mattel's trademark and trade dress dilution claims, holding that the works constituted a noncommercial fair use and were protected by the First Amendment. ⁿ²⁸⁹

Although Mattel and Pillsbury clearly have a tremendous economic stake in their brands, the amount of money and effort they invested in these lawsuits is disproportionate to the economic threat posed by these defendants. Particularly in the *Mattel* case, the artistic depictions of Barbie that offended the company received vastly greater circulation and publicity as a result of the lawsuit than ever would have been the case if the artist had been ignored. Moreover, the company spent more money litigating the claim than the economic harm caused by the artist, if any, could possibly justify. ⁿ²⁹⁰ Both lawsuits used claims for trademark dilution as a tool to preserve the perceived integrity of their famous trademarks, much like an artist who raises a claim of moral rights to prevent the mutilation or distortion of his work. In the United States, however, the corporate trademark holder is more likely to succeed on such a claim, under a theory of dilution, than would be the artist.

C. The Path to Moral Rights in Trademark

Given this country's hesitance to guarantee or enforce the moral rights of authors, even in the face of an international treaty compelling it to do so, it is difficult to imagine why the U.S. would be willing to extend such rights to corporations. ⁿ²⁹¹ If dilution is in fact a type of moral right, or at least analogous to one, then the immediate question becomes why it exists.

[*279] *1. Dilution as a "Moral" Right*

The cause of action for trademark dilution bears more than a passing resemblance to the author's moral right of integrity, the right to prevent others from mutilating or distorting the author's work. ⁿ²⁹² In a manner not unlike the author who has created a sculpture or work of literature, the companies who create and nurture famous trademarks have a genuine desire to maintain and enhance the image they have created for their brands. The author likewise has an intrinsically personal interest in ensuring that his vision for the work he created is not distorted by others, even those who may obtain a subsequent ownership interest in his work.

Dilution, at least in its modern conception, protects a corporation's right to preserve the "integrity" of a famous trademark by granting a broad power to restrict others' use of the mark, even when the trademark holder cannot show that it has been economically harmed by that use. As discussed above, if the trademark holder can prove that a consumer is likely to "associate" the famous trademark with that of the defendant, then that association is, in many cases, tantamount to proof of a likelihood of dilution. ⁿ²⁹³ Whether the cause of action for dilution is based on a theory of blurring or tarnishment, the effect is the same: the owner of the famous trademark obtains a considerable degree of control over the manner in which the mark can be used by others, even referentially, particularly in commercial settings.

2. Legislating Moral Rights in the Copyright and Trademark Arenas

One reason why trademark dilution has encountered less legislative resistance than moral rights in the copyright context is because dilution does not expressly bear the "moral rights" label. Dilution as a cause of action is instead justified under the same basic economic model that grounds claims for trademark infringement, *i.e.*, reduction of consumer search costs and preservation of goodwill. ⁿ²⁹⁴ Although some commentators have referred to dilution as a "moral right" in a trademark, ⁿ²⁹⁵ Congress and the courts have not. If the corporations **[*280]** who hold famous trademarks had directly asked Congress to pass legislation preserving their "moral rights" in those marks, they probably would have been considerably less successful.

The relative ease with which trademark dilution legislation was passed in the U.S. Congress, as compared to VARA, can also be explained, at least in part, through pure and simple politics. ⁿ²⁹⁶ The corporations that hold famous trademarks are some of the wealthiest and most influential companies in the United States. For example, in 2012, the three most valuable brands, Apple, IBM, and Google, ⁿ²⁹⁷ were all listed among the top 100 of the Fortune 500 companies. ⁿ²⁹⁸ These corporations are all members of the International Trademark Association (INTA), a group that describes itself as "a leading advocate for the interests of brand owners" ⁿ²⁹⁹ and "a powerful network of powerful brands." ⁿ³⁰⁰ Representatives of INTA and other advocacy groups that promote the interests of trademark holders, such as the American Intellectual Property Law Association (AIPLA), provided extensive testimony to Congress on the TDRA. ⁿ³⁰¹ By contrast, only a limited **[*281]** amount of opposing testimony was offered by free speech advocates such as the American Civil Liberties Union (ACLU). In passing the earlier version of the federal dilution law, the FTDA, Congress heard hardly any testimony, and all of it was in favor of the bill. ⁿ³⁰² Comparatively speaking, federal dilution legislation cut through Congress like a hot knife through butter.

By contrast, proponents of moral rights legislation in the copyright context faced a much stiffer opposition, in particular, the powerful entertainment and film industries. ⁿ³⁰³ Although, like the FTDA, VARA passed through Congress with little debate, that lack of debate did not evidence a lack of opposition. VARA passed on the last day of the Congressional session, and it was included in a bill that authorized eighty-five new federal judgeships. ⁿ³⁰⁴ Without that piece of legislative horse-trading (and the compromises that have weakened VARA's impact), ⁿ³⁰⁵ it is unclear whether and in what form VARA would have been passed.

3. *The Rhetoric of Moral Rights*

Substantive as well as political reasons help to explain the ease with which dilution has been accepted and implemented as a moral right, while those same types of rights have encountered so much hostility in the copyright context. First, dilution neatly fits into the rhetoric of the natural law of property rights and hostility to free riding on the efforts and property of others. These themes are pervasive in American jurisprudence, including intellectual property law. Moral rights in the copyright context, however, cut against that grain. Dilution is viewed as [*282] protecting property holders' rights against interlopers (*i.e.*, "pirates and cheats" ⁿ³⁰⁶). On the other hand, the moral rights of authors have been characterized as undermining property rights. Second, extensive moral rights protections in copyright law have been criticized for having a negative impact on the First Amendment rights of others, due to the restrictions moral rights may place on works that have otherwise entered the public sphere. ⁿ³⁰⁷ Although trademark dilution laws have also been criticized for their negative impact on that same public sphere and the First Amendment, that criticism has been more muted because these laws, by their nature and by statutory definition, typically impact commercial speech. At least until relatively recently, commercial speech has been entitled to limited First Amendment protection.

The rhetoric of property rights is prevalent in trademark law. ⁿ³⁰⁸ The Lockean notion that one should not reap where one has not sown has intuitive appeal, and has been cited as the true policy concern driving the development and expansion of trademark dilution law in the United States. ⁿ³⁰⁹ Although trademark law, at least in the modern era, has consistently warned that trademark rights are limited and do not exist "in gross," it is equally certain that the holders of famous trademarks view them as extremely valuable forms of property over which they should exercise considerable, if not complete, control. As explained by a spokesperson for Ralph Lauren, "We consider the Polo brands to be the [*283] essence of our company. They are our identity, our face, our worth -- in other words, our property. For Polo Ralph Lauren, and many other American companies, the most valuable piece of property that they own is their good name, or, as we say in the industry, their brand" ⁿ³¹⁰ Dilution law enables trademark holders to prevent others from free-riding on their "property," an idea that resonates in U.S. law, even though U.S. dilution law has never codified this policy goal, and it has been subject to vigorous critique. ⁿ³¹¹ In other nations' legal systems, such as the European Union and Japan, the desire to discourage and punish free-riders explicitly justifies and underlies trademark dilution statutes. ⁿ³¹²

[*284] In the copyright context, however, moral rights are controversial largely because they have been characterized as restricting the property rights of copyright owners, who often are *not* the original author(s) of the work. ⁿ³¹³ Under U.S. law, copyrights are alienable and transferrable. ⁿ³¹⁴ The notion that an author should be able to control the manner in which her work is used, even after she has sold her copyright in the work to someone else, contradicts the fundamental definition of what it means to "own" something in the United States. ⁿ³¹⁵ Some have argued that investment of moral rights in existing works might effect an unconstitutional taking of property (from the holder of the copyright). ⁿ³¹⁶ Therefore, moral rights law, in the copyright context, clashes with the rhetoric of property. Moreover, when legislation implementing the Berne Convention was debated in Congress, that clash generated considerable political opposition from powerful groups who purchase and hold large numbers of copyrights (*e.g.*, movie studios), who did not wish to have laws enacted that would constrain their ability to exploit their copyrights.

Moral rights in copyright law have also encountered resistance due to their perceived negative impact on the public domain. Unlike trademarks, which can continue to exist so long as they are being used, [*285] copyrights eventually expire. ⁿ³¹⁷ When they do, works of authorship pass into the public domain, for the public to use as they see fit, regardless of the desires of the author. ⁿ³¹⁸ Moreover, even during the life of the copyright, the statutory fair use doctrine and the First Amendment permit uses of copyrights that are arguably inconsistent with the concept of moral rights. ⁿ³¹⁹ For these reasons, not only copyright owners but also free speech advocates have opposed the adoption and vigorous enforcement of moral rights laws in the context of U.S. copyright law. ⁿ³²⁰

Free speech advocates have opposed the enactment and enforcement of dilution law as well, but their arguments have had less impact, in part for the political reasons discussed above. Moreover, as a substantive matter, free speech

arguments in the trademark context have had limited success because most trademark disputes arise in the commercial speech arena. When trademark holders have filed lawsuits to constrain noncommercial speech, specifically artistic speech that is more frequently the subject of copyright disputes, their arguments have met with limited success.ⁿ³²¹ Although dilution law undoubtedly imposes costs in terms of its impact on the right to free expression protected by the First Amendment, as discussed *infra*, those costs have often been downplayed (perhaps unjustifiably) because the speech constrained is commercial.ⁿ³²²

[*286] 4. *An Alternative Explanation: The Right of Publicity*

Trademark holders' rights under dilution law have also been analogized to the right of publicity.ⁿ³²³ The right of publicity (which exists under state law onlyⁿ³²⁴) gives an individual the ability to control others' use of his image or identity for commercial purposes.ⁿ³²⁵ The right of publicity has itself been characterized as a type of moral right, as it originated (at least in part) to protect the integrity of the individual.ⁿ³²⁶ Particularly in the case of anthropomorphized famous trademarks, like Barbie and the Pillsbury Doughboy, it is not difficult to see the parallels between an individual's right of publicity and a famous trademark holder's right to protection against dilution. If Vanna White has the right to enjoin Samsung's use of a wheel-spinning robot that evokes her image,ⁿ³²⁷ why shouldn't Barbie have the right to control others' commercial use of her image as well? Moreover, the right of publicity, like dilution lawsⁿ³²⁸ and unlike the *droit moral* in the copyright [*287] context,ⁿ³²⁹ arguably finds justification in the anti-free-riding impulse that permeates property law in the United States.ⁿ³³⁰

However, there are some key differences between the right of publicity and the dilution cause of action as well. At least in its modern conception and in the typical case, the right of publicity relates less to the individual's desire and ability to control her image and more to her ability to profit from it.ⁿ³³¹ Therefore, damages (in addition to injunctive relief) are routinely awarded as a form of relief in right of publicity cases.ⁿ³³² However, damages are the exception and not the rule in the context of dilution law. Under state dilution laws, an injunction was originally the *only* form of available relief. Even under the TDRA, damages are available only in cases of "willful" dilution, and injunctive relief remains the primary form of remedy.ⁿ³³³ Moreover, at least in most [*288] states, the right of publicity is freely alienable and transferable.ⁿ³³⁴ Trademarks generally are not. Under trademark law, at least in theory, the holder of a famous trademark cannot sell or even license it without also transferring the accompanying goodwill.ⁿ³³⁵ Transfers of interest without goodwill can lead to the invalidation of the trademark.

These doctrinal divergences derive from the variance in the theory and policy at the core of these respective doctrines. Although the right of publicity has origins in the right of privacy and other distinctly "moral" predicates, the doctrine in its current form is more about commodification than control. The basic theory behind most right-of-publicity cases is that the defendant has unjustly profited by using the plaintiff's image or likeness, without her consent. The right of publicity tort forces the defendant to pay plaintiff for the use of her image.

The desire to be compensated for economic harm (even under a theory of unjust enrichment) has never driven trademark holders' enthusiasm for the dilution claim. Although dilution laws are justified on [*289] the theory that dilution causes economic harm, that harm is acknowledged to be so inchoate and minute, at least in individual cases, as to be incapable of measure. Therefore, the cause of action exists "regardless of the presence or absence of . . . actual economic injury."ⁿ³³⁶ Famous trademark holders do not want alleged diluters to pay for the use of famous marks; they want such unauthorized uses to cease. As explained above, the most likely explanation for the trademark dilution claim -- one which is consistent with the elements of the cause of action and the typical forms of relief that it provides -- derives from the trademark holder's desire to *control* the manner in which others use (or evoke) the famous mark.

5. *Dilution and the Personification of Corporate America*

Despite their differences, the right of publicity and the copyright concept of moral rights do share one key trait: they are distinctly personal rights. Extending this type of right to the holders of famous trademarks, the vast majority (if not all) of which are corporations, continues the trend seen in other areas of the law, such as the First Amendment, in

which distinctions between the legal rights of natural persons and the corporate personality have faded. In *Citizens United*, the United States Supreme Court held that political speech, in the form of monetary campaign contributions made by corporate entities, was entitled to full First Amendment protection.ⁿ³³⁷ This opinion has been subject to vigorous critique, not just for its public policy implications in terms of campaign finance regulation, but also for its conclusion that corporations should enjoy the same First Amendment rights as individuals. Writing in dissent, Justice Stevens opined that "[t]he conceit that corporations must be treated identically to natural persons in the political sphere is not only inaccurate but also inadequate to justify the Court's disposition of this case."ⁿ³³⁸

[*290] The policy implications of extending moral rights to the corporate holders of famous trademarks--like the expansion of speech rights for corporate actors in *Citizens United*--are significant. If the point of dilution law is to allow the holders of famous trademarks to preserve the integrity of their marks and to prevent others from mutilating them, then logically they should not be required to prove actual harm, actual dilution of the mark's distinctiveness or goodwill, or actual damages. The harm caused by the violation of a moral right is inchoate and essentially incapable of economic proof. When the proper label is placed on the cause of action, however, a further, more fundamental question should be answered: Should we enforce a cause of action that enables corporations to protect their "moral rights" in a trademark? If so, should that cause of action look like the current version of the federal dilution law? The answer to those questions, as explained below, is "no."

III. DILUTION REFORM

Vindicating the moral rights of corporations may seem like a questionable legislative endeavor. However, if the dilution cause of action imposed no costs--in other words, if dilution laws were harmless, as some have perceived them to be--then the exact nature of the interest they are intended to protect would be largely academic. Dilution laws do, however, impose substantial costs that must be considered in assessing whether the cause of action should continue to exist, at least in its current form. Those costs, particularly the negative impact on speech and competition created by the enforcement of these laws, outweigh their benefits. Although the outright repeal of the TDRA is unlikely, the statute should be amended or at least narrowly construed to minimize the externalities that it imposes.

A. Why Dilution Laws Matter

The practical effect of a dilution cause of action is difficult to precisely identify. Few complaints solely assert a cause of action for trademark dilution. Moreover, famous trademarks are entitled to such a broad degree of protection in trademark infringement actions that the dilution claim is typically superfluous.ⁿ³³⁹ Perhaps as a result, empirical data from the ten-year period preceding enactment of the TDRA (1996-2006) [*291] indicated declining rates of enforcement of dilution claims in federal courts.ⁿ³⁴⁰ Based on this data, Professor Clarissa Long concluded that "[i]n the federal courts, . . . dilution cases are not exactly a juggernaut."ⁿ³⁴¹ An empirical study of cases decided in the year following the enactment of the TDRA yielded similar results, leading Professor Barton Beebe to opine that the dilution claim remained superfluous and that anti-dilution law had "no appreciable effect on the outcomes of federal trademark cases or the remedies issuing from those outcomes."ⁿ³⁴²

The characterization of dilution claims as superfluous hardly constitutes a ringing endorsement.ⁿ³⁴³ As Professor Beebe and others have argued, famous trademark holders may not "need" dilution protection in the vast majority of cases, given the scope of modern trademark infringement law. If dilution claims imposed no costs, their superfluous nature would at least potentially render them harmless if not helpful.

However, dilution claims tend to matter the most when their potential for negative impact on speech and competition hits its peak: cases in which the plaintiff cannot prove trademark infringement, even under today's broad standards. Conversely, in such cases the likelihood that the trademark holder has suffered any significant economic injury reaches its nadir. The manner in which courts have interpreted the TDRA (in addition to the language of the Act itself) has exacerbated this problem. Moreover, the mere threat of a dilution suit in federal court, with the possibility of being forced to pay plaintiff's attorney fees in addition to your own, is often more than enough to chill protected speech

and potentially suppress competition. As a result, the cost of superfluous or even frivolous dilution claims may be substantial.

B. The Externalities of Modern Dilution Law

Dilution laws come close to granting trademark rights "in gross." Traditionally, trademark law has not reached this far, primarily because (1) unlike copyrights and patents, trademarks are not constitutionally sanctioned monopolies; and (2) also unlike copyrights and patents, [*292] trademarks do not have an expiration date; they endure so long as they continue to be used to identify the mark holder's goods or services. ⁿ³⁴⁴ The expansive rights granted by trademark dilution laws have been justified or at least excused on the grounds that, in practical application, they impose little in terms of costs. ⁿ³⁴⁵ In other words, protecting trademark holders against dilution has been characterized as creating few significant externalities. This view of trademark dilution law, however, underestimates its capacity to harm.

1. *The Clash between Dilution Law and the Value of Speech*

The famous trademarks that are most likely to qualify for dilution protection, *e.g.*, Google and Coca-Cola, are ironically the marks that objectively need dilution protection the *least*. Empirically speaking, their fame insulates them from dilution, as the brand is so well established in the consumer's mind that it is difficult to budge. ⁿ³⁴⁶ Moreover, their sheer ubiquity makes it easy to argue, whatever the context, that another's use of the same or a similar mark will lead to a likelihood of consumer confusion.

These marks are also the ones that carry with them the *most* potential for expressive use. ⁿ³⁴⁷ The famous brands that are entitled to protection under the TDRA are not just "mega-valuable corporate assets"; they also are part of contemporary culture and, as such, embody a host of linguistic meanings. ⁿ³⁴⁸ As discussed above, the corporations [*293] that seek dilution protection for famous marks definitely comprehend these trademarks' significance beyond their commercial function and attempt to cultivate (and control) that aspect of their meaning. ⁿ³⁴⁹

The staggering value of these brands ⁿ³⁵⁰ derives in large part from their expressive function. "Brands can become symbols by which people define and express themselves, such that people spend money far beyond the cost of the utility of the good to reinforce that identity or have that means of expression." ⁿ³⁵¹ For example, a Louis Vuitton purse signals that the consumer who owns it is in the company of celebrities and others who can afford to pay \$ 1000 for a purse (and are willing to do so). ⁿ³⁵² Although the purse is hopefully well constructed, it is highly unlikely that the majority of the purchase price derives from the value of the labor and materials required to make it. Reduction in consumer search costs and goodwill does not account for billions of dollars in brand value.

Famous trademarks may also take on expressive meanings that are not deliberately created by their corporate handlers, and which may be neutral or even negative in terms of their impact on brand value. For example, the word "Barbie" not only signals a doll manufactured by Mattel, complete with the image Mattel would like her to represent, but also functions expressively when used to refer to a beautiful yet "empty-headed" woman. ⁿ³⁵³ The pop band Aqua undoubtedly intended to tap into the unofficial expressive meaning of Barbie when it produced the hit song *Barbie Girl*, as the lyrics demonstrate. ⁿ³⁵⁴ As is often the case, [*294] Mattel was not amused and filed suit for trademark infringement and dilution. Although the court ultimately held that the use of the Barbie mark in a song was not actionable because it was a constitutionally protected parody, the language of the FTDA (the governing statute at the time) by no means clearly embraced the "Barbie Girl" song as a fair use. ⁿ³⁵⁵ Moreover, the litigation was enormously contentious and hence expensive, prompting Judge Kozinski to end his opinion by advising the parties "to chill." ⁿ³⁵⁶

The federal dilution statute, both in its current version (the TDRA) and its previous incarnation (the FTDA), provides scant room for these types of expressive uses, particularly in commercial contexts. Although the TDRA more clearly exempts parodies from dilution liability than did the FTDA, the statutory exemption does not apply when the parody is embodied within a trademark. ⁿ³⁵⁷ As a result, at least one circuit court has held that parodies that are also trademarks are protected only if they do not dilute. ⁿ³⁵⁸ Although the court in that case found no dilution, it is far from

certain that every court will reach the same conclusion, given the fact-specific nature of the inquiry. For example, in the *Barbie Girl* case, the court concluded that the *Barbie Girl* song was in fact "dilutive" and insulated from liability only because it constituted a "noncommercial use" of Mattel's trademark.ⁿ³⁵⁹ The narrow scope of the fair use defense therefore raises serious First Amendment concerns.ⁿ³⁶⁰

Even outside noncommercial or obviously expressive uses of trademarks, *i.e.*, in the realm of purely commercial speech, the dilution cause of action still impacts First Amendment rights. Some [*295] commentators have convincingly argued that the dilution cause of action fails the Supreme Court's *Central Hudson* test for commercial speech and therefore violates the First Amendment.ⁿ³⁶¹ Commercial speech is protected under the First Amendment if it concerns lawful activity and it is not misleading.ⁿ³⁶² Speech that constitutes trademark infringement is not protected because the likelihood of consumer confusion that it creates renders it misleading.ⁿ³⁶³ Because a dilution claim does not require proof of likelihood of confusion, the speech it targets is not misleading and, therefore, should be entitled to constitutional protection.

Moreover, speech that allegedly dilutes may be affirmatively valuable to both consumers and competitors. In *Central Hudson*, the government claimed that the speech at issue (advertisements by a monopolistic electric company) was not entitled to constitutional protection because, even though the speech was non-misleading, it was not "of any worth," as it did not convey useful information to consumers.ⁿ³⁶⁴ The Court rejected that argument, reasoning that "[e]ven in monopoly markets, the suppression of advertising reduces the information available for consumer decisions and thereby defeats the purpose of the First Amendment."ⁿ³⁶⁵ Similarly, speech that allegedly dilutes a famous trademark can provide useful information to consumers about the defendant's goods and services and thereby allow the defendant to more effectively compete.

When a proprietor chooses a name for her business (*i.e.*, a trademark) that taps into the expressive meaning of a famous mark, without creating a likelihood of consumer confusion, both the proprietor and the consumer stand to benefit. By associating herself and her [*296] business with the famous trademark, the proprietor increases the efficiency of her new mark by conveying useful information about the good or service to which it is attached.ⁿ³⁶⁶ The consumer benefits because the mark more effectively reduces search costs. For example, a person who sees an ad for "Victor's Little Secret" has some idea of what is for sale, without knowing anything about the store other than its name. Yet an intent to associate with a famous mark weighs in favor of a finding that the proprietor of such a business has diluted the famous mark.ⁿ³⁶⁷ The TDRA thus undoubtedly (and intentionally) discourages such associative uses, thereby suppressing speech.

If commercial speech is protected, then the regulation restricting it must directly advance a "substantial government interest."ⁿ³⁶⁸ The Supreme Court has clarified that "[t]his burden is not satisfied by mere speculation or conjecture; rather, a governmental body seeking to sustain a restriction on commercial speech must demonstrate that the harms it recites are real and that its restriction will in fact alleviate them to a material degree."ⁿ³⁶⁹

Dilution laws do not appear to directly advance a substantial government interest. By their express terms, the TDRA and state dilution laws do not require a finding that the plaintiff has been economically harmed. They are not designed to protect consumers in any meaningful way. Although the TDRA prohibits uses of famous trademarks that "cause" dilution of those marks, the plaintiff need not prove that any such dilution or actual harm has occurred to prevail under this statute. The alternative, more realistic, explanation for dilution laws is that they exist to facilitate the preservation and control of corporate persona and image, as embodied in famous trademarks. While corporations may have a substantial interest in achieving this end, the government does not. For these reasons, the dilution cause of action raises significant First Amendment concerns.

The corporations that "own" famous trademarks cultivate and profit enormously from the expressive meanings that these marks convey. Much like an artist who has crafted a great sculpture, these trademark holders wish to control all uses of their creations, especially [*297] those they find offensive. However, in the absence of any real economic injury to the trademark holder (and certainly not any measurable one), the control granted via the dilution cause of

action should take into account the costs that go along with it. Prohibiting others from tapping into these expressive meanings, even in commercial settings, is a substantial externality of the dilution cause of action and arguably one of Constitutional proportion.

2. The Impact of Trademark Dilution Law on Competition

The expressive function of famous trademarks is enormously valuable, both for the holders of such marks and the public at large. Preventing proprietors from tapping into those expressive meanings in developing their own trademarks, when such uses do not cause a likelihood of confusion with the original mark holder, deprives the proprietor of an efficient trademark and negatively impacts his ability to compete. Current dilution doctrine, particularly under the TDRA and recent interpretations of that statute, poses more direct threats to competition as well. Although suits between direct competitors were not originally envisioned under the dilution cause of action, such lawsuits are in fact often the cases in which dilution claims matter the most. When a trademark infringement claim fails because the facts will not support it, dilution is a useful stand-in. In such cases, it may be difficult if not impossible to distinguish the kind of association between two marks that constitutes actionable dilution from the "injury" that a trademark holder suffers as a result of regular competition. The extent to which dilution laws suppress competition should be recognized as a cost and considered in examining the scope of the doctrine.

Lawsuits between competitors, based on the use of their respective trademarks, have traditionally been resolved under the rubric of the trademark infringement cause of action, specifically the likelihood of confusion standard. The interests of consumers and the plaintiff are largely aligned in such cases: both are harmed by trademark infringement. ⁿ³⁷⁰ At least in theory, the dilution claim should have no impact in these lawsuits. In such suits, one would expect that a dilution claim would be superfluous. ⁿ³⁷¹ However, the plain language of the TDRA (and its predecessor, the FTDA) does not bar its application in lawsuits between competitors and, in fact, says the opposite. ⁿ³⁷² Dilution [*298] claims are becoming increasingly relevant in such lawsuits, to the detriment of competition.

As discussed previously, some courts have interpreted the TDRA's six-factor test for dilution as eliminating the "substantial similarity" test from trademark dilution analysis. ⁿ³⁷³ As a result, in some cases a trademark dilution claim has survived summary judgment or other adjudication when a trademark infringement claim has not, often because the marks in question were not similar enough to support an infringement claim. In essence, the dilution claim picks up where infringement leaves off, resulting in potential liability, or at least the inability to win the case on a summary judgment motion, in a case where the plaintiff would otherwise be expected to lose. Such cases may do more to create "unfair competition" than eliminate it.

A recent case involving Levi Strauss and Abercrombie & Fitch illustrates how suits between direct competitors, particularly in the context of trade dress dilution, poses problems. ⁿ³⁷⁴ Both Strauss and Abercrombie sell blue jeans that are adorned with pocket stitching. ⁿ³⁷⁵ The pocket stitching by Strauss, the plaintiff, is considered famous, and in fact would be easily recognized by most American consumers. Strauss alleged that Abercrombie's pocket stitching infringed and diluted Strauss's famous design. Analyzing the infringement claim in this lawsuit would have required an answer to the following question: Would a person encountering Abercrombie's pocket stitching on the backside of a pair of jeans likely be confused into thinking that the jeans were in fact made by Strauss? The answer to that question was apparently "no."

The dilution claim, by contrast, poses a much more difficult question: After encountering Abercrombie's pocket stitching on the backside of a pair of jeans (which the consumer would not be likely to mistake for Levi's), would the consumer think of Strauss just as quickly the next time she saw Strauss pocket stitching, or would her response time be slower because her mind had been "polluted" by subconscious images of the Abercrombie design? As an empirical matter, that question is exceedingly difficult to answer, ⁿ³⁷⁶ but, more importantly, it is unclear how this kind of "mental pollution" differs from the desired [*299] effect generated by legitimate competition. ⁿ³⁷⁷ Of course Abercrombie wants to pollute the customer's mind with images of its own jeans in addition to the ones sold by Levis; that is the point of competition. If Abercrombie is prohibited from provoking these kinds of associations, its ability to

compete will be compromised. Although Strauss might like to prevent all other jeans makers from adorning the backsides of jeans, lest such adornments intrude upon the "uniqueness" of the Strauss trademark, it is unclear why this is a desirable result from anyone's perspective other than Strauss.

The trade dress utilized by a competitor may often bear some resemblance to the plaintiff's because the two parties are, in fact, competitors, *i.e.*, they produce goods or services in the same market. Particularly given that the "substantial similarity" test no longer acts as a robust gate-keeper in the dilution analysis, ⁿ³⁷⁸ the danger presented by trade dress cases like *Levi Strauss* is that courts and juries will have difficulty distinguishing between the type of "association" that tends to prove actionable dilution under the TDRA and the association between products that is deliberately and legitimately generated in the course of competition. ⁿ³⁷⁹

The existence of a trade dress dilution claim also implicates the doctrine of aesthetic functionality, an affirmative defense that exists to ensure that trade dress protection does not negatively impact free competition. ⁿ³⁸⁰ When trademark protection is extended beyond the [*300] "precise expression of a decorative style," there is a danger that competitors will lose access to "basic elements" of the style that are important to competition in the relevant market and hence should remain part of the public domain. ⁿ³⁸¹ Granting too wide a swath of trade dress protection risks depriving competitors of a sufficient range of alternative designs, thereby hindering their ability to compete. ⁿ³⁸² In such cases, it is not unusual for the market entrant to be aware of or "inspired by" the more famous trade dress, ⁿ³⁸³ but that type of awareness or intent should not suggest actionable infringement or dilution.

The same issue may arise in cases involving word marks, particularly when a small business owner desires to compete with the owner of a famous trademark. The small business owner may want, both understandably and legitimately, to draw upon the expressive meaning of the famous trademark to communicate a message about his own business. The proprietor may also wish to convey to consumers, through his own trademark, that he not only is competing with the famous trademark holder, but that his product is better than the famous one. If such claims were made directly--*e.g.*, my coffee is better than Starbucks--they would almost certainly be considered comparative advertising and hence a fair use of the Starbucks trademark. ⁿ³⁸⁴ However, when the proprietor attempts to convey the same message in a more subtle or humorous way--*e.g.*, by selling a blend called "Mr. [*301] Charbucks"--he may be subject to a claim of trademark dilution. ⁿ³⁸⁵ Both instances of comparative advertising threaten the uniqueness of the Starbucks mark in the same way. When the more subtle or humorous use of the mark does not cause a likelihood of confusion, it is unclear why it should be actionable.

In sum, dilution claims may negatively impact competition when they are raised in cases between competitors. The cost of allowing such claims is particularly evident when the trademark infringement claim that accompanies the dilution one is weak and perhaps does not survive, and only the dilution claim keeps the case in court. These costs should also be considered in construing the TDRA and contemplating its future.

3. The Cost of Trademark Bullying

The final dilution externality involves the phenomenon of trademark "bullying." ⁿ³⁸⁶ The true impact of dilution law cannot be measured by tallying the number of cases in which it appears as a standalone cause of action or by any alternative measure that focuses on complaints filed (or published decisions). ⁿ³⁸⁷ A more accurate account must consider the number of times the dilution claim is threatened and attempt to gauge the impact of those threats, a certain percentage of which are objectively meritless, on consumer behavior. Like the harm caused by dilution itself, this injury is difficult if not impossible to accurately measure. However, the phenomenon of trademark overreaching in the form of threatened lawsuits of questionable merit is real, and it is exacerbated by the existence of the federal dilution cause of action. This, too, is a cost to be considered in assessing the externalities of dilution.

[*302] As Deven Desai and I have elsewhere observed, "Typically, the threat of litigation alone (even when ever so lightly implied) by a corporate giant is sufficient to dissuade a person from making fair use of a trademark." ⁿ³⁸⁸ Frequently, when small businesses like Victor's Little Secret and Black Bear Coffee receive a cease-and-desist letter

from the likes of Victoria's Secret and Starbucks, threatening to sue them in federal court, they will do whatever is necessary to prevent such lawsuit from being filed. Cease-and-desist letters typically demand that the recipient change the name of her business and/or her website. Given the level of financial resources, time, and energy required to defend a federal lawsuit, even a "winnable" one, most people would rationally choose to change the name of their business. Moreover, given the inherent ambiguity of dilution law, discerning the winnable cases from the unwinnable ones poses a challenge for even the most competent of lawyers.

The website Chillingeffects.org, a joint project of the Electronic Frontier Foundation and various law school clinics, acts as a depository for a wide range of demand letters in all areas of intellectual property law.ⁿ³⁸⁹ A recent example taken from this website illustrates the type of over-reaching that often appears in such letters. The letter was sent by the National Pork Board, an agency representing purveyors of "The Other White Meat," a slogan that is a federally registered trademark. The recipient was The Lactivist Breastfeeding Blog, which was selling t-shirts and other merchandise bearing the slogan "The Other White Milk." The National Pork Board threatened suit for both trademark infringement and dilution, claiming that "even were this use of the slogan 'The Other White Milk' found to be not confusing, which we think is unlikely, this slogan nevertheless damages National Pork Board's rights in the famous mark THE OTHER WHITE MEAT, because the slogan significantly dilutes the distinctiveness of the mark."ⁿ³⁹⁰ The letter ends by demanding that the Breastfeeding Blog (1) destroy all of the t-shirts and promotional [*303] materials bearing the offending slogan; (2) cease use of the slogan on any website; and (3) agree to never again use the slogan "The Other White Milk."ⁿ³⁹¹

Even a person who knows little about trademark law can probably figure out that consumers who buy "The Other White Milk" t-shirts are not likely to be confused: the average consumer will not mistakenly believe that the shirts are sold or endorsed by the National Pork Board. Even though the law is far from crystal clear, the standard is at least intuitive. However, understanding what dilution is, let alone whether a t-shirt like the one referenced in this letter is "likely to dilute," is entirely another matter. The inchoate nature of dilution makes it difficult for anyone, particularly a layman, to separate the cases that have merit from those that do not.

The provisions in the TDRA that allow for recovery of damages and attorney's fees in cases involving "willful dilution" make it even more likely that a threat of suit will chill uses of a trademark that do not, in fact, dilute it. The TDRA permits recovery of profits and attorney's fees, in the case of dilution by blurring, whenever "the person against whom the injunction is sought willfully intended to trade on the recognition of the famous mark."ⁿ³⁹² It is unclear how a willful intent to "trade on the recognition of the famous mark" differs from an intent to "associate" with the famous mark, one of the factors courts consider in assessing a dilution claim. Whenever a person makes a referential use of a trademark, at least in a commercial context, that person is arguably attempting to "trade on the recognition of the famous mark." Even the purveyors of t-shirts bearing the slogan "The Other White Milk" were in some sense attempting to sell more t-shirts by trading off the recognition of the allegedly famousⁿ³⁹³ slogan, "The Other White Meat." If the pro-pork [*304] slogan were not recognizable to the average consumer, the pro-lactation slogan would not be funny. In fact, the cease-and-desist letter from the National Pork Board included a promise to "recover from you a judgment for all of your profits in connection with any infringing sale as well as all of [the National Pork Board's] reasonable attorney's fees and costs" in the event its demands were not met.ⁿ³⁹⁴ The average person, business proprietor, or non-profit organization simply cannot risk the possibility of being stuck with that kind of bill.ⁿ³⁹⁵

In assessing the externalities of dilution, therefore, we must assume that some fair uses of famous trademarks will be suppressed. Due to the inherently amorphous nature of the dilution claim, a potential defendant has a low ability to assess her real exposure and, given the potential penalties and costs, a high incentive to avoid the risk of litigation.

C. Proposals for Reforming Dilution Law in the United States

For these reasons and others, federal trademark dilution law is, at the very least, in need of reform. Dilution does not cause measurable economic harm to the holders of famous trademarks (hence the statute's explicit exemption from proving any such harm). Moreover, enforcing dilution law, at least in its current state, imposes costs by negatively

impacting speech and competition. Dilution laws essentially extend a form of moral right protection to the holders of famous trademarks, the vast majority of which are corporations. At the very least these laws need to be narrowly construed and statutorily reformed, and potentially abolished outright.

1. Doing Away With Trademark Dilution Statutes

Perhaps the most obvious, yet least politically feasible, solution to the problems addressed in this Article would be to repeal the trademark dilution statutes, particularly the TDRA. The moral rights theory may help to explain why famous mark holders *want* dilution protection, but it does not tell us why they should *get* it. In the copyright context, moral rights exist to preserve uniquely personal interests in artistic creation. In the words of Professor Kwall, moral rights protect the "honor, dignity, and artistic spirit of the author in a fundamentally [*305] personal way." ⁿ³⁹⁶ Works of art may embody "the author's intrinsic dimension of creativity," which emanates from "inner drives that exist in the human soul." ⁿ³⁹⁷ Although corporations may embrace their brands with fervor and take pride in their creation, neither corporations nor their trademarks possess the type of "human soul" that cries out for protection via a moral right.

If dilution law is forced to justify its own existence on traditional trademark (*i.e.*, economic) grounds, it almost certainly is a loser. The benefits gained by dilution enforcement, which are slim at best, are outweighed by the attendant costs, including those that are occasioned by the inevitable overreaching that it enables. If the holder of a famous trademark is injured by another's use of its mark, trademark infringement law, particularly in the breadth of its modern application, should be more than adequate to prevent real economic injury. Even in trademark infringement cases, the famous trademark holder can obtain injunctive relief without proving anything beyond a likelihood of confusion; harm is presumed. ⁿ³⁹⁸ Moreover, to the extent another has intentionally harmed the mark's reputation by making false statements about the famous trademark or the mark holder, tort law should provide a remedy. ⁿ³⁹⁹ From the plaintiff's perspective, dilution is an attractive cause of action, at least in part, because the evidentiary hurdle a plaintiff must clear to state a claim is low. Whether mark holders should be entitled to such broad [*306] protection, particularly given the impact of these claims on the First Amendment rights of others, is dubious.

The TDRA, then, is the legal equivalent of a sledgehammer levied against a gnat. When there are plenty of fly swatters lying about, perhaps it is time to put away the sledgehammer. Whether a proposal to do away with dilution statutes is feasible, from a political standpoint, however, is another matter. As discussed above, the corporate holders of famous trademarks feel deeply entitled to dilution protection, and they have lobbied hard (and successfully) to get it. For this reason, the dilution cause of action is unlikely to go away any time soon.

2. Amending the TDRA

Given that the TDRA is likely to be part of the legal landscape of trademarks for some time to come, it may be more productive to focus on minimizing its negative externalities. Although dilution law may continue to be superfluous and hence unnecessary, its attendant costs could be reduced by modifying the statute.

When Congress amended the federal dilution statute in 2006, it weighted the scales too heavily in favor of plaintiffs claiming trademark dilution. The TDRA is essentially flawed because it eliminated the plaintiff's burden of proving "actual dilution" without clearly establishing what plaintiffs do have to prove to prevail in these cases. By elevating the importance of evidence indicating "association" between the parties' marks and de-emphasizing the significance of mark similarity, the courts have extended dilution protection in cases that essentially state weak trademark infringement claims. Once the plaintiff has proven that his trademark is truly "famous" and that consumers may "associate" defendant's mark with his own, he has gone a long way toward proving a likelihood of dilution. That burden is too light.

The Act should be amended to codify the "identical or substantially similar" standard previously adopted by many courts in assessing claims under the FTDA. ⁿ⁴⁰⁰ This rule had the advantage of eliminating claims that were based on non-infringing but arguably referential uses of famous marks. ⁿ⁴⁰¹ Perhaps more importantly, a requirement that the defendant's mark be "identical or substantially similar" to the plaintiff's mark would provide at least the potential for

[*307] obtaining summary judgment in appropriate cases. This result is less likely to occur when the court must engage in the intensely factual process of weighing the statutory factors, of which mark similarity is just one.

Harmful dilution litigation under the TDRA could also be curtailed by restricting the availability of dilution claims in cases between competitors. This end could be achieved by deleting the language in the statute indicating that it applies "regardless of the presence or absence of . . . competition" ⁿ⁴⁰² and replacing it with a statutory factor targeting the level of competition between the parties. A high level of competition between the parties would tend to suggest that a likelihood of dilution did not exist. Addressing the competition issue by adding a factor rather than an outright prohibition of dilution claims between competitors would avoid the "coverage gap" problem posited by the Second Circuit in *Nabisco*; *i.e.*, that a plaintiff would have no remedy under either infringement or dilution due to an insufficient level of competition for one claim but too much for the other. ⁿ⁴⁰³ Whether this objection has any merit, particularly given the marginal relevance of competition under modern infringement law, is questionable. However, the factorial approach (as opposed to a ban) would allow the courts to weigh the degree of competition appropriately, according to the facts in a given case.

To further reduce the negative impact of dilution law on competition, the Act should be amended to eliminate dilution of trade dress as a cause of action. ⁿ⁴⁰⁴ As discussed above, trade dress dilution claims are likely to arise in cases involving competitors, such as the recent Ninth Circuit case involving two competitors in the blue jeans market, Levi Strauss and Abercrombie & Fitch. Non-competitors, because they do not offer the same types of products or services, are unlikely to use even vaguely similar trade dress. Allowing claims for trade dress dilution under the TDRA, particularly as it is currently construed, enables dominant market players like Levi Strauss to discourage competition by threatening and filing dilution suits when trademark or copyright infringement claims would fail. If the plaintiff is economically harmed in these types of cases, the alleged harm or loss of market share is more likely to flow from the effects of desirable [*308] competition, not the claimed dilution of the source-identifying capacity of the famous trade dress.

The Act should also be amended to eliminate the availability of damages and attorney's fees in cases of "willful" dilution. If the prospect of damages and attorney's fees is deemed necessary to prevent parties from acting in bad faith, then the statute should be amended to explicitly require a finding of bad faith in such cases. By contrast, the current statute is ambiguous, as almost any dilution claim may carry with it a credible threat of damages and attorney's fees in addition to injunctive relief. The attorney's fee provision significantly increases the likelihood that the threat of dilution will be used to suppress fair uses of famous trademarks.

Finally, the TDRA's fair use exemption needs to be strengthened. Specifically, the requirement that the fair use exemption be limited to uses "other than as a designation of source for the person's own goods or services" should be eliminated. A trademark, like the Chewy Vuiton dog toy, may simultaneously function as both a source identifier and a parody. A trademark may also communicate a subtle comparative advertising message, like Mr. Charbucks coffee. These uses should be protected as a matter of law. To the extent these marks are perceived as harmful to the more famous trademarks to which they refer, that injury, if any, is outweighed by the harms to both speech and competition that result from the suppression of their use.

3. *Re-interpreting the TDRA*

In the absence of Congressional action to modify or repeal the TDRA, the judiciary should interpret the Act differently. At a bare minimum, the TDRA should be read narrowly to minimize the negative impacts of over-enforcement on speech and competition.

The conflict between the TDRA and the First Amendment presents a strong justification for construing the Act narrowly (and its exemptions broadly). ⁿ⁴⁰⁵ Some courts have recognized that "where the unauthorized use of a trademark is part of an expressive work, such as a parody, the Lanham Act *must* be construed narrowly." ⁿ⁴⁰⁶ Although [*309] parodies and other forms of noncommercial speech reside closer to the heart of the First Amendment,

non-misleading commercial speech is also entitled to First Amendment protection. ⁿ⁴⁰⁷ Trademark injunctions necessarily suppress speech because they force the defendant to refrain from using certain language. ⁿ⁴⁰⁸ Moreover, a broad construction of the dilution cause of action can negatively impact competition. Therefore, courts should narrowly construe the TDRA.

This duty to narrowly construe dilution laws should inform the courts' interpretation of the factors-based approach to assessing likelihood of dilution. First, even if the TDRA is not amended to codify the "identical or substantially similar standard," courts should still heavily emphasize this factor when considering a likelihood of dilution claim. The Act specifies that courts may consider "all relevant factors," including the six that are listed. ⁿ⁴⁰⁹ In any given case, one or more of the listed factors may be more relevant than others, and some will routinely carry more weight. ⁿ⁴¹⁰ The mere fact that the statute suggests six nonexclusive factors, without more, does not compel the court to give each factor equal weight.

Second, even if the TDRA is not amended to include a factor referencing the level of competition between the parties, courts should [*310] consider such evidence regardless. As noted above, the statute instructs courts to consider "all" relevant factors in assessing likelihood of dilution; the six listed factors are not meant to be all-inclusive. The level of competition between the parties is relevant to determine whether the defendant's use of plaintiff's mark is likely to dilute it. This solution would admittedly face a potential hurdle, given that the statute specifies that a mark holder is entitled to an injunction against another who uses her mark in a way that is likely to dilute it, "regardless of the presence or absence of . . . competition." ⁿ⁴¹¹ However, that language could be read as precluding competition (or lack thereof) from acting as an absolute affirmative defense to a dilution claim. The statute should not preclude courts from considering the level of competition when determining whether a likelihood of dilution has occurred in the first place.

Third, the courts should not create presumptions or shift the burden of proof to the defendant merely because one of the factors listed in the statute weighs in favor of the plaintiff. For example, the Sixth Circuit's recent opinion in *Moseley II* reads into the TDRA a presumption or strong inference of dilution when plaintiff has shown a "semantic association" between its famous mark and a mark used by defendant to sell "sex-related" products. ⁿ⁴¹² In doing so, the court shifted the burden of proof to the defendant to *disprove* tarnishment when such association can be shown. ⁿ⁴¹³ This presumption or inference appears nowhere in the statute, and, particularly given the First Amendment issues discussed above, the courts should not place it there. The burden of proof should remain with the plaintiff.

Finally, courts should construe the damages and attorney's fee provisions of the statute narrowly as well. Even though the words "bad faith" do not appear in the statute, they should be read into it, as some circuits have done in the context of trademark infringement claims. ⁿ⁴¹⁴ Attorney's fee awards are "subject to the discretion of the court and the principles of equity," ⁿ⁴¹⁵ which gives the courts broad leeway in [*311] determining whether the case presents "exceptional circumstances" ⁿ⁴¹⁶ justifying such an award. Attorney's fee awards in particular should be reserved for cases in which one of the parties has truly acted in an abusive manner. ⁿ⁴¹⁷

CONCLUSION

This Article proposes a new way of looking at the cause of action for dilution. The dilution cause of action imbues corporations with a broad "moral" right to control and exclude others from the expressive sphere surrounding their famous trademarks. In enforcing this right, we impose costs on those who are excluded and controlled, both in terms of their right to speak freely and compete fairly. When the dilution doctrine is viewed for what it really is, or at least what it has become, it becomes apparent that the law causes more harm than good. It should either be abolished or substantially reformed.

[*312] ATTACHMENT A

(TO FOOTNOTE 375)

These photographs were copied from the appendix to the Ninth Circuit's decision in *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 633 F.3d 1158 (9th Cir. 2011).

The Abercrombie Pocket Stitching Design

The Levi Strauss Pocket Stitching Design

Legal Topics:

For related research and practice materials, see the following legal topics:

Trademark Law Federal Unfair Competition Law General Overview Trademark Law Infringement

Actions Remedies General Overview Trademark Law Subject Matter Descriptive & Laudatory Terms General Overview

FOOTNOTES:

n1 Although state anti-dilution laws started appearing in the 1940's, *see infra* note 72, the first federal dilution statute was passed in 1995. Federal Trademark Dilution Act (FTDA), 15 U.S.C. § 1125(c) (1995). The act was substantially revised and renamed in 2006. *See* Trademark Dilution Revision Act (TDRA), 15 U.S.C. § 1125(c) (2006).

n2 *See* 15 U.S.C. §§ 1114(1)(a) & 1125(a)(1)(A) (2006) (requiring proof of likelihood of confusion for an infringement claim).

n3 *See* 15 U.S.C. § 1125(c)(1) (permitting liability "regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury").

n4 This presumed damage may arise from either "dilution by blurring," which exists when similarity between two marks impairs the distinctiveness of the more famous one, 15 U.S.C. § 1125(c)(2)(B), or "dilution by tarnishment," which typically exists when the defendant uses a famous trademark in an unwholesome context. 15 U.S.C. § 1125(c)(2)(C).

n5 Numerous cases have embraced the idea that the harm caused by dilution is a gradual, cumulative one. *See, e.g.,* Acad. of Motion Picture Arts and Sciences v. Creative House Promotions, Inc., 944 F.2d 1446, 1457 (9th Cir. 1991) (describing dilution as the "gradual 'whittling away'" of a mark's value); Ameritech, Inc. v. Am. Info. Technologies Corp., 811 F.2d 960, 965 (6th Cir. 1987) (describing dilution as a "gradual diminution in the mark's distinctiveness," which "corrodes the senior user's interest in the trademark"); Allied Maint. Corp. v. Allied Mech. Trades, Inc., 369 N.E.2d 1162, 1164 (N.Y. 1977) (describing purpose of New York's anti-dilution statute as prevention of "the 'whittling away' of an established trade-mark's selling power and value"); Augusta Nat., Inc. v. Northwestern Mut. Life Ins. Co., 193 U.S.P.Q. 210, 222 (S.D. Ga. 1976) (reasoning that if defendant were allowed to use the term "Ladies' Masters" to describe a women's golf tournament, "there is reasonable certainty that the value of plaintiff's mark will be eroded; a little now, more later, until the 'magic' of the [original] Masters will be mortally dissipated if not completely dispelled").

n6 Citizens United v. FEC, 130 S. Ct. 876 (2010); *see infra* text accompanying notes 337-338.

n7 Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 813 (1927). In the introduction to his article, Schechter opined that judicial impatience with "old theories of trademark protection" were "indicative of a desire to keep abreast of and to serve the needs of modern business." *Id.*

n8 *Id.* For a thorough and compelling analysis of Schechter's article, see Robert G. Bone, *Schechter's Ideas in Historical Context and Dilution's Rocky Road*, 24 SANTA CLARA COMP. & HIGH TECH. L.J. 469 (2008).

n9 Schechter, *supra* note 7, at 813; *see also id.* at 824 (observing that "the proper expansion of trademark law has been hampered by obsolete conceptions both as to the function of a trademark and as to the need for its protection").

n10 *Id.* at 813.

n11 *Id.* at 825. Schechter further argued that, the stronger the mark, the greater the need for protection against this type of harm: "The more distinctive or unique the mark, the deeper its impress upon the public consciousness, and the greater its need for protection against vitiation or dissociation from the particular product in connection with which it has been used." *Id.*

n12 *Id.* at 831.

n13 *Id.* at 821-24. Schechter's second major critique focused on the territoriality principle of trademark law. Under the common law, a trademark holder had priority in its mark only in the geographic location in which the mark was being used. To Schechter's great dissatisfaction, many courts interpreted this territoriality principle quite narrowly, in one case holding that "a nationally known chain of theatres, with a branch in Boston, did not extent its market, or rather its audience, to [other cities in Massachusetts]." *Id.* at 824 (citing *Loew's Boston Theatres Co. v. Lowe*, 143 N.E. 496 (Mass. 1924)); *see also id.* (discussing similar cases). The Supreme Court recognized the

territoriality principle in trademark law in *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 101 (1918), and *Hanover Milling Co. v. Metcalf*, 240 U.S. 403, 415 (1916). Schechter argued that these decisions were based on "an antiquated neighborhood theory of trade" and that, even in 1927, consumers tended to shop "far from home" and therefore relied on trademarks "as symbols of quality and guarantees of satisfaction." Schechter, *supra* note 7, at 824.

n14 Schechter, *supra* note 7, at 824 n.52 (citing cases). In a case that classically illustrates this principle, the Seventh Circuit refused to enjoin the use of the mark "Borden" on ice cream, even though a different company had developed the trademark and had used it for years to sell condensed milk, because the original trademark holder had never used the mark to sell ice cream. *Borden Ice Cream Co. v. Borden's Condensed Milk Co.*, 201 F. 510, 514 (7th Cir. 1912). The court reasoned that, even if the public was deceived by this use of the "Borden" name, such use was not actionable unless it actually diverted sales from the original mark holder (which it could not, given that the company did not manufacture ice cream). *Id.* at 513-15; *see also, e.g.*, *Corning Glass Works v. Corning Cut Glass Co.*, 90 N.E. 449, 450 (N.Y. 1910) (refusing to enjoin defendant's use of the name "Corning Cut Glass Co." in part because plaintiff manufactured glass products, but did not cut glass and therefore did not compete with defendant).

n15 Schechter, *supra* note 7, at 813, 823-24 (comparing cases). The 1905 version of the federal trademark statute prohibited registration of marks that were so similar to currently registered marks "of the same descriptive properties" as to "be likely to cause confusion or mistake in the mind of the public or to deceive purchasers." Trade-Mark Act of 1905, 15 U.S.C. § 85 (1905) (repealed 1946). Many courts expressed frustration with the ambiguousness of this statutory language. *See, e.g.*, *Philco Corp. v. Phillips Mfg. Co.*, 133 F.2d 663, 672 (7th Cir. 1943) (observing that "[i]t would be difficult to choose words more ambiguous than this phrase"); *B.F. Goodrich Co. v. Hockmeyer*, 40 F.2d 99, 101 (C.C.P.A. 1930) (noting that the phrase "has given the courts considerable concern," leading to inconsistency and arbitrary decision-making). Some courts interpreted the phrase "descriptive properties" expansively; others did not. *See, e.g.*, *Rosenberg Bros. Co. v. Elliott*, 7 F.2d 962, 966 (3d Cir. 1925) (holding that men's suits and overcoats share the same descriptive properties as men's hats and caps, because they are worn together); *Philadelphia Inquirer Co. v. Coe*, 133 F.2d 385, 389 (D.C. Cir. 1942) (holding that magazine supplement section of Sunday newspaper shares the same descriptive properties as a stapled, tabloid weekly news magazine, reasoning that if "coffee can be classed with horse radish, fish with tea, [and] mouth washes with cold creams," then these publications clearly belong to the same class); *compare* *France Milling Co. v. Washburn-Crosby Co.*, 7 F.2d 304, 304, 306 (2d Cir. 1925) (concluding both parties were entitled to use the mark "Gold Medal," where one applied the mark to wheat, pancake and buckwheat flour, while the other applied the mark to pure or straight wheat flour) *with* *Arrow Distilleries v. Globe Brewing Co.*, 117 F.2d 347, 351 (4th Cir. 1941) (holding no infringement when defendant used the mark "Arrow" on cordials and liqueurs and plaintiff applied the mark to beer, because the manufacture of beer and ale and the manufacture of cordials and liqueurs are "separate industries").

n16 *See, e.g.*, Robert N. Klieger, *Trademark Dilution: The Whittling Away of the Rational Basis for Trademark Protection*, 58 U. PITT. L. REV. 789, 797 (1997) (characterizing dilution as a "radical alternative to the consumer protection model of trademark rights"); Kenneth L. Port, *The "Unnatural" Expansion of Trademark Rights: Is a Federal Dilution Statute Necessary?*, 85 TRADEMARK REP. 525, 552-59 (1995) (justifying trademark dilution as a claim based on tort, not trespass).

n17 *See* *Lawrence Mfg. Co. v. Tennessee Mfg. Co.*, 138 U.S. 537, 547 (1891) (holding that "a generic name, or a name merely descriptive of an article of trade, of its qualities, ingredients, or characteristics" cannot be employed as a trade-mark); *Canal Co. v. Clark*, 80 U.S. 311, 323 (1871) (holding that "a generic name, or a name merely descriptive of an article of trade, of its qualities, ingredients, or characteristics, [cannot] be employed as a trade-mark and the exclusive use of it be entitled to legal protection"); *see generally* Deven R. Desai & Sandra L. Rierson, *Confronting the Genericism Conundrum*, 28 CARDOZO L. REV. 1789, 1811-16 (2007) (discussing the distinctions between common law trademarks and trade names).

n18 Schechter, *supra* note 7, at 828-30.

n19 RUDOLF CALLMAN, 2 THE LAW OF UNFAIR COMPETITION AND TRADEMARKS § 663 (1945) (citing *Millington v. Fox*, 3 Myl. C. 338 (1838) and other cases); WALTER J. DERENBERG, TRADE-MARK PROTECTION AND UNFAIR TRADING 48 (1936).

n20 Only technical trademarks could be registered under the federal Trade-Mark Act of 1905, which specified that personal names, geographic terms and terms that were "descriptive of the goods with which they are used, or of the character or quality of such goods" could not be registered. Trade-Mark Act of 1905, 15 U.S.C. § 85 (1905) (repealed 1946). The 1905 Act was intended to codify, not alter, the common law of trademarks. Trade-Mark Act of 1905, 15 U.S.C. § 103 (1905) (repealed 1946) (clarifying that the Act did not "prevent, lessen, impeach, or avoid any remedy at law or in equity which any party aggrieved by any wrongful use of any trade-mark might have had if . . . this Act had not been passed").

n21 Trade-Mark Act of 1905, 15 U.S.C. § 85 (1905) (repealed 1946); *see also, e.g.*, *Candee, Swan & Co. v. Deere & Co.*, 54 Ill. 439, 466 (1870) (holding that plaintiff could not have a property interest in the name "Moline Plow" or the words "Moline, Ill.," despite evidence of secondary meaning, as others had a right to manufacture plows in Moline, Illinois, and similarly designate their origin).

n22 *See Church & Dwight Co. v. Russ*, 99 F. 276, 278-79 (C.C. Ind. 1900) (discussing differences between technical trademarks and trade names); Daniel M. McClure, *Trademarks and Unfair Competition: A Critical History of Legal Thought*, 69 TRADEMARK REP. 305, 316-17 (1979) (describing differences between technical trademarks and trade names in the context of late-nineteenth century legal formalism); Milton Handler & Charles Pickett, *Trade-Marks and Trade Names - An Analysis and Synthesis: I*, 30 COLUM. L. REV. 168, 168-70 (1930) (explaining the technical differences between trademarks and trade names) [hereinafter *Trade-Marks and Trade Names: Part I*]; Charles Grove Haines, *Efforts to Define Unfair Competition*, 29 YALE L. J. 1, 8 (1919) (observing that "[u]nfair competition is distinguishable from the infringement of trade-marks"); JAMES LOVE HOPKINS, THE LAW OF TRADEMARKS, TRADENAMES AND UNFAIR COMPETITION § 4 (4th ed. 1924) (opining that trademark rights are "broader and by far . . . more valuable" than rights to a trade name); RUDOLF CALLMAN, 2 THE LAW OF UNFAIR COMPETITION AND TRADEMARKS § 66.1 (1945) (quoting Handler & Pickett).

n23 *See, e.g.*, Kenneth J. Vandavelde, *The New Property of the Nineteenth Century: The Development of the Modern Concept of Property*, 29 BUFF. L. REV. 325, 343-44 (1980) (describing early treatment of trademarks as "absolute property"); McClure, *supra* note 22, at 317-19 (characterizing early treatment of technical trademarks as conferring monopolistic property rights); Grafton Dulany Cushing, *On Certain Cases Analogous to Trade-Marks*, 4 HARV. L. REV. 321, 322 (1890) (noting that "[a] trademark has become an absolute right").

n24 *The Trade-Mark Cases*, 100 U.S. 82, 92 (1879) (emphasis added). The Court concluded that "[t]hese propositions are so well

understood as to require neither the citation of authorities nor an elaborate argument to prove them." *Id.* See also *G. W. Cole Co. v. Am. Cement & Oil Co.*, 130 F. 703, 705 (7th Cir. 1904) (characterizing trademarks as "the exclusive property of [their] proprietor[s]"); *Derringer v. Plate*, 29 Cal. 292, 295 (1865) (observing that "[t]he trademark is property, and the owner's right of property in it is as complete as that which he possesses in the goods to which he attaches it, and the law protects him in the enjoyment of the one as fully as of the other. . . .").

n25 See *Trade-Mark Cases*, 100 U.S. at 93 (holding that "[a]s the property in trademarks and the right to their exclusive use rest on the laws of the States, and, like the great body of the rights of person and of property, depend on them for security and protection, the power of Congress to legislate on the subject . . . if such power exist at all, must be found in the Constitution of the United States. . . ."); see also *id.* at 96-97 (holding that the federal trademark statute, as written, was not authorized under the Commerce Clause of the United States Constitution).

n26 See *Milton Handler, Unfair Competition*, 21 IOWA L. REV. 175, 183-84 (1936) (observing that "[s]imulation of a tradename will be restrained only if there is a likelihood of confusion of the public," while "[c]ommercial usage of the identical trademark in the same business field is taboo, regardless of the element of confusion").

n27 See *Elgin Nat'l Watch Co. v. Illinois Watch Case Co.*, 179 U.S. 665, 674 (1901) (noting when "a plaintiff has the absolute right to the use of a particular word or words as a trademark, then, *if an infringement is shown, the wrongful or fraudulent intent is presumed*, and . . . the further violation of the right of property will. . . be restrained") (emphasis added); *Lawrence Mfg. Co. v. Tennessee Mfg. Co.*, 138 U.S. 537, 548 (1891) (noting that "fraudulent intent would be inferred" if plaintiff could prove infringement of a technical trademark); *Barton v. Rex-Oil Co.*, 2 F.2d 402, 404 (3d Cir. 1924) ("A technical trade-mark being treated as property, infringement thereof carries with it the presumption of fraud; but where no exclusive right to the use of a trade-mark exists, fraud -- unfair competition -- in the use of the mark by another must be proved. . . ."); see also *HOPKINS, supra* note 22, at § 118 (noting that, in technical trademark cases, defendant's good faith was relevant to the issue of punitive damages only, not liability); *McClure, supra* note 22, at 317-18 (noting that in contrast to trade name cases, trademark infringement does not require proof of fraudulent intent); *Milton Handler & Charles Pickett, Trade-Marks and Trade Names -- An Analysis and Synthesis: II*, 30 COLUM. L. REV. 759, 769-70 (1930) [hereinafter *Trade-Marks and Trade Names: Part II*]; *Handler, supra* note 26, at 184 ("A trademark will be protected even against innocent infringement; a tradename, only against fraudulent simulation.").

n28 See generally *RESTATEMENT (FIRST) OF TORTS: DEFINITION OF TRADE NAME* § 716 (b) cmt. b (1938) (stating that a trade name has acquired "secondary meaning" when "a substantial number of present or prospective purchasers understand the designation, when used in connection with goods, services, or a business, not in its primary lexicographical sense, but as referring to a particular place or association"); *HARRY D. NIMS, THE LAW OF UNFAIR COMPETITION AND TRADE-MARKS* § 50 (3d ed. 1929) ("In the absence of secondary meaning, the law of unfair competition does not protect a name which is based on or is truly descriptive of the construction common to, or characteristics of an article."); see also *Standard Oil Co. of Maine v. Standard Oil Co. of N.Y.*, 45 F.2d 309, 310 (1st Cir. 1930) (holding that appellee was entitled to protection against "unfair or fraudulent use" of the names "Standard Oil" and "Standard Oil Company" in competition, because the names had acquired secondary meaning.); *Computing Scale Co. v. Standard Computing Scale Co.*, 118 F. 965, 967 (6th Cir. 1902) (holding that when a word "is incapable of becoming a valid trade-mark. . . yet has by use come to stand for a particular maker or vendor, its use by another in this secondary sense will be restrained as unfair and fraudulent competition. . . ."); *Am. Waltham Watch Co. v. U.S. Watch Co.*, 53 N.E. 141, 142 (Mass. 1899) (holding that, although "Waltham" was not a valid trademark, it had acquired secondary meaning and hence was entitled to protection from unfair competition).

n29 For example, in a case decided at the turn of the century, the California Supreme Court affirmed an injunction in favor of plaintiff, whose business operated under the name "Mechanics' Store," because the name had acquired secondary meaning and defendant had chosen a similar name for the purpose of poaching plaintiff's customers. *Weinstock, Lubin & Co. v. Marks*, 42 P. 142, 145, 146 (Cal. 1895). Plaintiff's name, "Mechanics' Store," was admittedly descriptive and ineligible for protection as a technical trademark. *Id.* at 144. The court found that defendant had acted with fraudulent intent when he chose the name "Mechanical Store," by seeking to deceive "the public, and especially plaintiff's customers, and thereby secur[e] the advantages and benefits of the good will of plaintiff's business." *Id.* The court reasoned that "it is a fraud on a person who has established a business for his goods, and carries it on under a given name. . . , for some other person to assume the same name or mark, or the same with a slight alteration, in such a way as to induce persons to deal with him in the belief that they are dealing with a person who has given a reputation to that name or mark." *Id.* See also *Cushing*, *supra* note 23, at 332 (arguing that in "cases analogous to trade-marks," for example, cases involving common law trade names, "fraud is the gist of the action"); *HOPKINS*, *supra* note 22, at § 22 ("While fraud is presumed from the wrongful use of a trademark it must be proven, directly or by inference, in all cases of unfair competition which do not involve a technical trademark."); *Vandeveld*, *supra* note 23, at 345 (observing that trade names were not considered property and therefore would be protected only to prevent fraud).

n30 See, e.g., *Hilson Co. v. Foster*, 80 F. 896, 897 (C.C.N.Y. 1897) (holding that "[n]o man has a right to use names, symbols, signs or marks which are intended, or calculated, to represent that his business is that of another," and "[f]raud should be clearly proved"); *Drive It Yourself Co. v. North*, 130 A. 57, 59 (Md. App. 1925) (use of "merely generic or descriptive" words may be enjoined only if there is "actual fraud or intent to deceive"); *DERENBERG*, *supra* note 19, at 53 (noting that, "until about [1916], [the courts] always sought to discover and to stress in unfair competition cases -- as opposed to trade-mark infringement cases -- the elements of an intentional fraud as the basis of their jurisdiction"); *McClure*, *supra* note 22, at 317 (noting that in an unfair competition claim plaintiff "was required to prove . . . fraudulent intent by the defendant").

n31 See, e.g., *Boice v. Stevenson*, 187 P.2d 648, 653 (Ariz. 1947) (holding that "[t]he universal test [of unfair competition] is whether the public is likely to be deceived") (citation omitted); *New York World's Fair v. World's Fair News*, 256 A.D. 373, 374 (N.Y. App. 1939) (holding that "[t]he determining factor is not that people have actually been deceived but that there is a likelihood of that happening") (citation omitted); *Sartor v. Schaden*, 101 N.W. 511, 513 (Iowa 1904) (holding that, even if a word is not "capable of becoming an arbitrary trade-mark," if it has acquired secondary meaning its use will be restrained if "confusion [of the public] has been or is likely to be produced"); see also *Handler & Pickett, Trade-Marks and Trade Names: Part I*, *supra* note 22, at 169 (holding that a competitor's use of trade names will be restrained only when such use "render[s] it likely that the public will confuse the products bearing the marks"); Zechariah Chafee, *Unfair Competition*, 53 HARV. L. REV. 1289, 1296-97 (1940) (noting that "[f]raud has been squeezed out of" cases involving trade names and trademarks); RUDOLF CALLMAN, 2 THE LAW OF UNFAIR COMPETITION AND TRADEMARKS § 66.1 (1945) (observing that the distinction between technical trademarks and trade names is "gradually disappearing"); see generally E.H. Schloper, Annotation, *Doctrine of Secondary Meaning in the Law of Trademark and of Unfair Competition*, 150 A.L.R. 1067, 1133 (1944) (noting split of authorities as to whether "it is necessary for the plaintiff to show actual fraud on the part of the defendant" in cases where plaintiff's rights in a trade name are predicated on secondary meaning).

n32 See *McClure*, *supra* note 22, at 306-08 (discussing tension between trademark protection and its potential for anticompetitive effects).

n33 *Loughran v. Quaker City Chocolate & Confectionery Co.*, 286 F. 694, 697 (E.D. Pa. 1923). Professor Zechariah Chafee, a noted First Amendment scholar, similarly observed, "It may seem shabby for a defendant to appropriate valuable ideas from the plaintiff . . . but in the words of the song: 'The best things in life are free.'" Chafee, *supra* note 31, at 1317-18.

n34 See *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918) (holding that a trade-mark right is not "a right in gross or at large, like a statutory copyright or a patent for an invention").

n35 *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 413 (1916); see also *Loughran*, 286 F. at 697 (observing that "[m]ere dealers in commodities are prone to think themselves entitled to a . . . monopoly [like that extended to patents and copyrights] unlimited in time. This is a mistake. The only right they have is their right to sell their goods as such and to protection against the goods of another being palmed off upon their customers as theirs.").

n36 See, e.g., *Hanover*, 240 U.S. at 413; *Church & Dwight Co. v. Russ*, 99 F. 276, 278 (C.C. Ind. 1900) (observing that "[t]he tendency of the courts at the present time seems to be to restrict the scope of the law applicable to technical trademarks, and to extend its scope in cases of unfair competition") (citations omitted); Haines, *supra* note 22, at 21 (same).

n37 See RESTATEMENT OF TORTS, *supra* note 28, at § 717 cmt. a (stating that "there are no important differences between the protection given to the interest in trade-marks and that given to the interest in trade names"); Chafee, *supra* note 31, at 1298 (observing that, in 1940, the only important difference between trade names and technical trademarks related to federal registration, which was only allowed for technical trademarks under the 1905 Act).

n38 *Hanover*, 240 U.S. at 412-13 (emphasis added). Although trademark law is commonly referred to as a subset of the law of unfair competition, at least during the modern era, an argument can be made that the concept of unfair competition derived from trademark law rather than the other way around. Derenberg observed that "the law of unfair competition first developed at the beginning of the 20th century and was considered an outgrowth of trademark law." DERENBERG, *supra* note 19, at 39-40.

n39 WILLIAM M. WIECEK, *LIBERTY UNDER LAW: THE SUPREME COURT IN AMERICAN LIFE* 187 (1988); see also Morton J. Horwitz, *The Rise of Legal Formalism*, 19 AM. J. LEG. HIST. 251, 252 (1975) (characterizing legal formalism as "an intellectual system which gave common law rules the appearance of being self-contained, apolitical, and inexorable").

n40 Wiecek fixes the start date for the "judicial hegemony of the formalist era" as 1873, marked by two dissenting opinions in *The Slaughterhouse Cases*, 83 U.S. 36 (1872) (opinions of Justices Field and Bradley). WIECEK, *supra* note 39, at 115-16. The formalist era unofficially ended with a string of Supreme Court cases in 1937 that upheld the Constitutionality of President Franklin D. Roosevelt's New Deal legislation. *Id.* at 137-39.

n41 McClure, *supra* note 22, at 320.

n42 Although the formalist era supposedly ended in 1937, the philosophy has been reinvigorated to a certain extent by some modern-day conservatives. The Chief Justice of the United States Supreme Court, John Roberts, embraced formalism in colloquial terms when he famously told the United States Senate, "[I]t's my job to call balls and strikes and not to pitch or bat." *Roberts: 'My job is to call balls and strikes and not to pitch or bat,'* CNN POLITICS, (Sept. 12, 2005), http://articles.cnn.com/2005-09-12/politics/roberts.statement_1_judicial-role-judges-judicial-oath?_s=PM:POLITICS; *see generally* Frederick Shauer, *Formalism*, 97 YALE L. J. 509 (1988).

n43 *See* Barton Beebe, *The Semiotic Analysis of Trademark Law*, 51 UCLA L. REV. 621, 686 (2004) (arguing that Schechter "believed that antidilution protection would bring greater predictability to the law" by "returning it to formalism").

n44 15 U.S.C. § 1125(c)(2)(A) (2006) (restricting dilution protection to the owners of "famous" trademarks).

n45 *See, e.g.,* McClure, *supra* note 22, at 323-24 (characterizing Schechter's proposal as "[t]he furthest extension of the concept of 'protection of property' to expand protection of trademarks").

n46 Bone, *supra* note 8, at 483-85. Although Beebe ultimately characterizes Schechter's dilution proposal as a formalist one, he too observes that Schechter "had the critical instincts of a realist." Beebe, *supra* note 43, at 686.

n47 Bone, *supra* note 8, at 471.

n48 Edward S. Rogers, *The Lanham Act and the Social Function of Trademarks*, 14 LAW & CONTEMP. PROB. 173, 178-80 (1949) (describing Lanham Act history and Rogers' own role therein); *see generally* Walter J. Derenberg, *The Contribution of Edward S. Rogers to the Trademark Act of 1946 in Historical Perspective*, 62 TRADEMARK REP. 189 (1972).

n49 Edward S. Rogers, *New Concepts of Unfair Competition under the Lanham Act*, 38 TRADEMARK REP. 259, 260 (1948); *see also* Haines, *supra* note 22, at 21 (noting that cases affording relief to plaintiffs whose business names did not qualify as technical trademarks were based upon "principles of common honesty and sportsmanship").

n50 Chafee, *supra* note 31, at 1297; *see also* DERENBERG, *supra* note 19, at 42 (citing Handler & Pickett).

n51 The article was published in two parts, Handler & Pickett, *Trade-Marks and Trade Names: Part I*, *supra* note 22, and Handler & Pickett, *Trade-Marks and Trade Names: Part II*, *supra* note 27.

n52 Handler & Pickett, *Trade-Marks and Trade Names: Part I*, *supra* note 22, at 169

n53 Handler & Pickett, *Trade-Marks and Trade Names: Part II*, *supra* note 27, at 776

n54 *Id.* at 776 n.81. Handler and Pickett wrote that "[t]he and lawyer and business man, unlike the grammarian, is not primarily interested in etymology for its own sake." Handler & Pickett, *Trade-Marks and Trade Names: Part I*, *supra* note 22, at 180.

n55 *See, e.g.*, Handler & Pickett, *Trade-Marks and Trade Names: Part I*, *supra* note 22, at 176 n.24 (citing Schechter's critique of the rule limiting trademark protection in cases where marks were placed on dissimilar goods).

n56 Although the Supreme Court held the federal trademark *statute* unconstitutional in *The Trademark Cases*, 100 U.S. 82, 97 (1879), this decision did not eliminate the federal *common law* of trademarks. Until the Supreme Court famously overruled *Swift v. Tyson*, 41 U.S. 1 (1842), the federal courts were free to decide substantive issues of state law, unrestrained by the decisions of state courts, so long as those laws were not codified in a state statute. *See* *Erie R.R. Co. v. Tompkins*, 304 U.S. 64 (1938). Therefore, if a state had not adopted a trademark statute, a federal court hearing a trademark case in that state (under diversity jurisdiction) was free to interpret the applicable common law doctrines as it saw fit, even if its interpretation differed from that of the state courts. The *Erie* Doctrine -- which dictated that federal courts sitting in diversity were required to follow state law precedents, whether based on common law or statutes -- invalidated the federal common law of trademarks. *See* Rogers, *supra* note 48, at 263 (decrying the "chaos" created by *Erie's* invalidation of the "great body of Federal [common] Law dealing with trade-marks and unfair competition"); *accord* Chafee, *supra* note 31, at 1299, 1300 (predicting that the valuable and "great body of federal unfair competition law" would likely be "torn into pieces" as a result of *Erie*, rendering the United

States "a legal checkerboard" in this area of the law).

n57 Schechter died in 1937, ten years after publishing his famous article in the Harvard Law Review and approximately ten years before the Lanham Act was enacted. Therefore, his opinion of the evolution of trademark law, even in the relatively short term, will never be known.

n58 Rogers, *supra* note 48, at 262 (emphasis added).

n59 *Compare* Trade-Mark Act of 1905, 15 U.S.C. § 85 (1905) (repealed 1946) (stating "[t]hat no mark by which the goods of the owner of the mark may be distinguished from other goods of the same class shall be refused registration as a trade-mark on account of the nature of such mark unless such mark" was "descriptive of the goods with which they are used, or of the character or quality of such goods") *with* Lanham Act, 15 U.S.C. § 1052(f) (stating that, with certain exceptions, "nothing in this [statute] shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce" even if the mark is merely descriptive). However, the modern Lanham Act does not allow registration of generic words or phrases, regardless of whether they have acquired distinctiveness. 15 U.S.C. § 1064; *see also* Desai & Rierson, *supra* note 17, at 1809-10 (discussing the prohibition of registering generic names under the Lanham Act).

n60 For example, Schechter rejected the common law rule that trademark rights were limited to the mark holder's geographic area of use, i.e., those geographic areas in which the mark had acquired "goodwill." Schechter, *supra* note 7, at 824. The Lanham Act gave the holder of a registered mark nationwide priority in that mark, even if a junior user was the first to acquire goodwill in a given geographic area. Lanham Act, ch. 540, § 2(d), 60 Stat. 427, 428 (1946) (amended 1988). However, the Lanham Act does not automatically grant the senior user the right to enjoin others' use of its mark. To state a claim for infringement, the senior user must always prove likelihood of confusion between the two marks. *See, e.g.,* Dawn Donut Co. v. Hart's Food Stores, Inc., 267 F.2d 358, 361, 364 (2d Cir. 1959) (finding no likelihood of confusion and therefore no trademark infringement due to separate trading areas, where trading areas were only sixty miles apart).

n61 *See* Desai & Rierson, *supra* note 17, at 1805-10 (explaining the spectrum of marks).

n62 *See* Borinquen Biscuit Corp. v. M.V. Trading Corp., 443 F.3d 112, 121 (1st Cir. 2006); Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492, 495 (2d Cir. 1961); Interpace Corp. v. Lapp, Inc., 721 F.2d 460, 463 (3d Cir. 1983); Pizzeria Uno Corp. v. Temple, 747 F.2d 1522, 1527 (4th Cir. 1984); Exxon Corp. v. Texas Motor Exch. of Houston, Inc., 628 F.2d 500, 504 (5th Cir. 1980); Wynn Oil Co. v. Thomas, 839 F.2d 1183, 1186-87 (6th Cir. 1988); Barbecue Marx, Inc. v. 551 Ogden, Inc., 235 F.3d 1041, 1045 (7th Cir. 2000); Anheuser-Busch, Inc. v. Balducci Publ'n, 28 F.3d 769, 774 (8th Cir. 1994); AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 349 (9th Cir. 1979); Sally Beauty Co., Inc. v. Beautyco, Inc., 304 F.3d 964, 975-76 (10th Cir. 2002); Tana v. Dantanna's, 611 F.3d 767, 776 (11th Cir. 2010); *see also* Barton Beebe, *An Empirical Study of the Multifactor Tests for Trademark Infringement*, 94 CAL. L. REV. 1581, 1633-40 (2006) (discussing strength of the mark as a factor in likelihood of confusion analysis).

n63 Trade-Mark Act of 1905, 15 U.S.C. § 85 (1905) (repealed 1946).

n64 Trademark Act of 1946, ch. 540, § 43(a)(1)(A), 60 Stat. 444, 15 U.S.C. § 1125(a)(1)(A) (1946); *see also* Fleischmann Distilling Corp. v. Maier Brewing Co., 314 F.2d 149, 151 (9th Cir. 1963) (noting this distinction between the 1905 and 1946 versions of the statute); *id.* at 160-61 (finding likelihood of confusion between use of trademark "Black and White" for beer and Scotch whiskey).

n65 *See, e.g.*, Boston Duck Tours, LP v. Super Duck Tours, 531 F.3d 1, 35 (1st Cir. 2008); *Polaroid*, 287 F.2d at 495; Sabinsa Corp. v. Creative Compounds, LLC, 609 F.3d 175, 189 (3d Cir. 2010); *Pizzeria Uno*, 747 F.2d at 1535; Amstar Corp. v. Domino's Pizza, Inc., 615 F.2d 252, 261 (5th Cir. 1980); *Wynn Oil*, 839 F.2d at 1187; Ty, Inc. v. Jones Group, Inc. 237 F.3d 891, 899-900 (7th Cir. 2001); SquirtCo. v. Seven-Up Co., 628 F.2d 1086, 1091 (8th Cir. 1980); *Sleekcraft*, 599 F.2d at 350; Universal Money Ctrs., Inc. v. American Tel. & Tel. Co., 22 F.3d 1527, 1532-33 (10th Cir. 1994); Caliber Auto. Liquidators, Inc. v. Premier Chrysler, Jeep, Dodge, LLC, 605 F.3d 931, 939-40 (11th Cir. 2010); *see also* Beebe, *supra* note 62, at 1631-33 (discussing the competitive proximity factor in likelihood of confusion analysis).

n66 *See* S. Rep. No. 87-2107, at 4 (1962) *reprinted in* 1962 U.S.C.C.A.N. 2844, 2847 Under the current version of the statute, which has existed since 1962, the Lanham Act prohibits all uses of a trademark that are "likely to cause confusion, or to cause mistake, or to deceive." 25 U.S.C. § 1125(a)(1)(A) (2006).

n67 The legislative history of the 1962 amendments suggests that the word "purchasers" was deleted because "the provision actually relates to potential purchasers as well as to actual purchasers." S. Rep. No. 87-2107, at 4 (1962). As a result, some courts have held that, even under the current version of the Act, the focus remains on potential confusion on the part of actual or potential purchasers, not third parties. *See, e.g.*, Elec. Design & Sales, Inc. v. Elec. Data Sys. Corp., 954 F.2d 713, 716 (Fed. Cir. 1992) (construing the likelihood of confusion inquiry to generally turn on whether actual or potential purchasers are confused); Astra Pharmaceutical Prods. v. Beckman Instruments, 718 F.2d 1201, 1206 (1st Cir. 1983) (considering the classes of "prospective purchasers" in assessing the likelihood of confusion).

n68 *See, e.g.*, Ferrari S.P.A. *Esercizio* v. Roberts, 944 F.2d 1235, 1245 (6th Cir. 1991) ("the Act's protection is not limited to confusion at the point of sale"); A & H Sportswear, Inc. v. Victoria's Secret Stores, Inc., 237 F.3d 198, 216 (3d Cir. 2000); Lois Sportswear, USA v. Levi Strauss & Co., 799 F.2d 867, 872, 874 (2d Cir. 1986).

n69 *See, e.g.*, Network Automation, Inc. v. Advanced Sys. Concepts, Inc., 638 F.3d 1137, 1147-48 (9th Cir. 2011); Playboy Enters., Inc. v. Netscape Comm'n Corp., 354 F.3d 1020, 1024-26 (9th Cir. 2004); Gibson Guitar Corp. v. Paul Reed Smith Guitars, LP, 423 F.3d 539, 549 (6th Cir. 2005) (defining initial interest confusion as "when a manufacturer improperly uses a trademark to create initial customer interest in

a product"); *Perfumebay.com Inc. v. eBay, Inc.*, 506 F.3d 1165, 1176 (9th Cir. 2007); *Nissan Motor Co. v. Nissan Computer Corp.*, 378 F.3d 1002, 1018-20 (9th Cir. 2004).

n70 S. Rep. No. 87-2107, at 4 (1962).

n71 See, e.g., *Int'l Order of Job's Daughters v. Lindeburg and Co.*, 633 F.2d 912, 920 (9th Cir. 1980) (concluding that the name and emblem at issue were not trademarks partly due to lack of evidence showing customers being misled about sponsorship or endorsement); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 204 (2d Cir. 1979) (holding that the consumers' confusion about the mark owner's sponsorship or approval of use as sufficient for the confusion requirement).

n72 Massachusetts enacted the first dilution statute in 1947. Act of May 2, 1947, ch. 307, § 7a, 1947 Mass. Acts 300 (codified as amended at MASS. GEN. LAWS ANN. ch. 110H § 13 (West Supp. 2007)). New York, Illinois, and Georgia soon followed suit. See, e.g., N.Y. GEN. BUS. LAW § 368-d (1961 N.Y. Laws 1806, 1813) (recodified at N.Y. GEN. BUS. LAW § 360-1 (McKinney 1996 & Supp. 2008)); 140 ILL. COMP. STAT. ANN. P 22 (West 1986) (superseded by 765 ILL. COMP. STAT. ANN. §§ 1036/5, 1036/65 (West 2001)); GA. CODE ANN. § 10-1-451 (2000). See also Bone, *supra* note 8, at 497-504 (discussing evolution of state dilution law).

n73 Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, § 4, 109 Stat. 985, 986 (codified at 15 U.S.C. § 1127 (2000)), superseded in part by Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, § 2, 120 Stat. 1730 (codified at 15 U.S.C. § 1125(c) (2006)). Some commentators have argued that, even though dilution is now a federal claim, it remains a marginal cause of action that has little practical impact. See *infra* notes 339-342 and accompanying text.

n74 15 U.S.C. § 1125(c).

n75 See *infra* note 133.

n76 15 U.S.C. § 1125(c)(2)(B).

n77 See *infra* note 129 and accompanying text.

n78 See generally Desai & Rierison, *supra* note 17, at 1797-99 (discussing the traditional law and economics explanation of trademark law).

n79 See William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & ECON. 265, 269 (1987) (noting that "a trademark conveys information that allows the consumer to say to himself, 'I need not investigate the attributes of the brand I am about to purchase because the trademark is a shorthand way of telling me that the attributes are the same as that of the brand I enjoyed earlier.'").

n80 See *Qualitex Co. v. Jacobson Prods. Co., Inc.*, 514 U.S. 159, 163-64 (1995) (stating that "trademark law . . . reduces 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") (citations omitted); see also *Misawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co.*, 316 U.S. 203, 205 (1942) (observing that a trademark conveys to customers the "desirability of the commodity upon which it appears"); Ralph Folsom & Larry Teply, *Trademarked Generic Words*, 89 YALE L.J. 1323, 1336 (1980) (noting that trademarks help to reduce search costs and enhance distributional efficiency); Stephen L. Carter, Comment, *The Trouble with Trademark*, 99 YALE L.J. 759, 762 (1990) (arguing that "[t]he principal benefit of trademark protection is that it lowers consumer search costs").

n81 See 15 U.S.C. § 1127 (defining a trademark as a "word, name, symbol, or device" that is used to "identify and distinguish [the mark holder's] goods . . . from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown"); accord 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 3.1 (4th ed. 2005) ("[T]o become a 'trademark' is to identify the source of one seller's goods and distinguish that source from other sources[.]"); but see FRANK I. SCHECHTER, THE HISTORICAL FOUNDATIONS OF LAW RELATING TO TRADE-MARKS 150 (1925) (arguing that the consumer does not regard a trademark as an indication of origin "but rather as a guaranty that the goods purchased under the trade-mark will have the same meritorious qualities as those previously noted by him in his purchases of other goods bearing the same mark").

n82 Landes and Posner have observed that "[t]he benefits of trademarks in lowering search costs presuppose legal protection because the cost of duplicating someone else's trademark is small and the incentive to incur this cost in the absence of legal impediments will be greater the stronger the trademark." WILLIAM M. LANDES & RICHARD A. POSNER, THE ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY LAW 168 (2003).

n83 See *Amoskeag Mfg. Co. v. Spear*, 2 Sand. 599, 605-06 (N.Y. Sup. Ct. 1849) (observing that, when a trademark is infringed, "[t]he purchaser has imposed upon him an article that he never meant to buy"). Arguably, the consumer is not really injured if product B is equal to, or better than, product A in terms of quality, but this kind of consumer injury is not required to prove trademark infringement. See, e.g.,

Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co., 799 F.2d 867, 875 (2d Cir. 1986) (noting that defendant's manufacture of similar-quality goods (as opposed to goods of lesser quality) may actually increase the likelihood of confusion and therefore be more likely to infringe). Moreover, the trademark holder (here, the maker of product A) can decrease the quality of his own goods or services at will, without notice to the consumer, at any time. *See generally* Irene Calboli, *The Sunset of "Quality Control" in Modern Trademark Licensing*, 57 AM. U. L. REV. 341, 348 (2007) [hereinafter Calboli, *The Sunset of Quality Control*]; Elizabeth C. Bannon, *The Growing Risk of Self-Dilution*, 82 TRADEMARK REP. 570 (1992). For these reasons, several commentators have argued that the benefit to consumers provided by traditional trademark law has been overstated. *See, e.g.,* Ann Bartow, *Likelihood of Confusion*, 41 SAN DIEGO L. REV. 721, 730-32 (2004) (pointing out that, because a trademark imposes no "actual obligation" upon its holder, the mark's benefits to consumers are overstated, unless the consumers continually monitor the quality of the products bearing the trademark); *see also* Irene Calboli, *Trademark Assignment "with Goodwill": A Concept Whose Time Has Gone*, 57 FLA. L. REV. 771, 833-36 (2005) [hereinafter Calboli, *Trademark Assignment with Goodwill*] (arguing that trademarks should be transferable "with or without goodwill," in part because trademark owners have always had the ability to change the quality or nature of their products at will); Glynn S. Lunney, Jr., *Trademark Monopolies*, 48 EMORY L.J. 367 (1999) (further critiquing the traditional economic justification for trademark law).

n84 The "goodwill" associated with a trademark has been described by financier Warren Buffet (in the context of discussing the Sees Candies brand) as a "pervasive favorable reputation with consumers based on countless pleasant experiences that they have had with both product and personnel." Warren E. Buffet, *The Essays of Warren Buffet: Lessons for Corporate America*, 19 CARDOZO L. REV. 1, 173 (1997) (selected, arranged, and introduced by Lawrence E. Cunningham); *see also* Hanover Milling Co. v. Metcalf, 240 U.S. 403, 413 (1916) (reasoning that "a party has a valuable interest in the good will of his trade or business, and in the trademarks adopted to maintain and extend it"); *Hilson Co. v. Foster*, 80 F. 896, 897 (C.C.N.Y. 1897) ("Where the goods of a manufacturer have become popular not only because of their intrinsic worth, but also by reason of the ingenious, attractive and persistent manner in which they have been advertised, the good will thus created is entitled to protection."); SCHECHTER, *supra* note 81, at 144 (stating that, when a trademark is infringed, "the owner is robbed of the fruits of the reputation that he had successfully labored to earn"); Calboli, *Trademark Assignment with Goodwill*, *supra* note 83, at 785-95 (explaining the history and evolution of the concept of goodwill in trademark law); *see generally* Robert G. Bone, *Hunting Goodwill: A History of the Concept of Goodwill in Trademark Law*, 86 B.U.L. REV. 547 (2006).

n85 In the 1988 film *Coming to America*, comedian Eddie Murphy gets a job at a fast food restaurant called "McDowell's." *Coming to America* (Paramount Pictures 1988). The ongoing legal conflict between McDonald's and McDowell's is a humorous subplot in the movie. This conflict is summarized when the in-movie owner of McDowell's, Cleo McDowell, states: "Look . . . me and the McDonald's people got this little misunderstanding. See, they're McDonald's; I'm McDowell's. They got the Golden Arches; mine is the Golden Arcs. They got the Big Mac; I got the Big Mick. We both got two all-beef patties, special sauce, lettuce, cheese, pickles and onions, but their buns have sesame seeds. My buns have no seeds." *Id.*

n86 *See* 15 U.S.C. § 1125(c)(1) (specifying that dilution is actionable "regardless of the presence of absence of actual or likely confusion"); *see also* Starbucks Corp. v. Wolfe's Borough Coffee, Inc. 588 F.3d 97, 109 (2d Cir. 2009) (noting that "the absence of actual or even of a likelihood of confusion does not undermine evidence of trademark dilution"); *Franklin Mint Co. v. Manatt, Phelps & Phillips, LLP*, 109 Cal. Rptr. 3d 143, 170 (Cal. App. 2010) ("In the dilution context, likelihood of confusion is irrelevant.").

n87 As discussed *infra*, dilution by tarnishment proceeds on the theory that association with unsavory goods or services can damage a trademark holder's reputation or goodwill, even when consumers are not likely to be confused and therefore understand that the senior user is not the source of, and does not endorse, the offensive goods or services. *See infra* notes 116-127 and accompanying text.

n88 Judge Posner explained the consumer search cost rationale for dilution by blurring in *Ty Inc. v. Perryman*: "Suppose an upscale restaurant calls itself 'Tiffany.' 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. Consumers will have to think harder--incur as it were a higher imagination cost--to recognize the name as the name of the store." *Ty Inc. v. Perryman*, 306 F.3d 509, 511 (7th Cir. 2002).

n89 Stacey L. Dogan & Mark A. Lemley, *What the Right of Publicity Can Learn from Trademark Law*, 58 STAN. L. REV. 1161, 1198 (2006) (emphasis added); *see also* Jerre B. Swann, Sr., *Dilution Redefined for the Year 2000*, 37 HOUS. L. REV. 729, 759 (2000) (defining dilution as "the difference between a brand with a meaning substantially in the abstract, and a brand with a substantial meaning only in context or after cueing").

n90 Dogan & Lemley, *supra* note 89, at 1198; *see also* Rebecca Tushnet, *Gone in Sixty Milliseconds: Trademark Law and Cognitive Science*, 86 TEX. L. REV. 507, 516 (2008) (describing dilution theory, in cognitive terms, as a "tragedy of the mental commons, in which a consumer's mind is overpopulated with meaning and her understanding of a brand descends into incoherence"); Stacey L. Dogan & Mark A. Lemley, *Trademarks and Consumer Search Costs on the Internet*, 41 HOUS. L. REV. 777, 790 (2004) (noting that the Federal Trademark Dilution Act focuses on uses that "increase consumer search costs" by blurring); Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L. J. 1687, 1704 n.90 (1999) (arguing that "[t]he information consumers can obtain and process is in part a function of how clear the association between mark and product remains in their minds; 'clutter' therefore imposes real costs on consumers"); *see generally* Shahar J. Dilbary, *Famous Trademarks and the Rational Basis for Protecting "Irrational Beliefs"*, 14 GEO. MASON L. REV. 605 (2007).

n91 Dogan & Lemley, *supra* note 89, at 1198.

n92 *See* Shawn M. Clankie, *Brand Name Use in Creative Writing: Genericide or Language Right?*, in PERSPECTIVES ON PLAGIARISM AND INTELLECTUAL PROPERTY IN A POSTMODERN WORLD 253, 262 (Lide Buranen & Alice M. Roy eds., 1999) ("Language change and innovation are natural and, in general, unmanageable.").

n93 In the trademark context, multiple definitions of the same word are assumed to have dilutive effect. *See, e.g.*, Swann, *supra* note 89, at 759 (noting that "[d]ilution equals the diffusion of a singular definition in the dictionary of commercial terms").

n94 WEBSTER'S NINTH NEW COLLEGIATE DICTIONARY 1117 (1983).

n95 Desai & Rierson, *supra* note 17, at 1839.

n96 J. THOMAS MCCARTHY, 4 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 24:11 (4th ed. 2005) (listing "well-known examples" of marks that can "peacefully co-exist without confusion"). A recent empirical study has shown that, in part due to the expansion of trademark infringement doctrine and anti-dilution law, brand sharing has declined significantly over the past fifty years. Robert Brauneis & Paul Heald, *Trademark Infringement, Trademark Dilution, and the Decline in Sharing of Famous Brands: An Introduction and Empirical Study*, 59 BUFF. J. INT'L L. 141 (2011); Robert Brauneis & Paul Heald, *The Myth of Buick Aspirin: An Empirical Study of Trademark Dilution by Product and Trade Names*, 32 CARDOZO L. REV. 255 (2011).

n97 Maureen Morrin & Jacob Jacoby, *Trademark Dilution: Empirical Measures for an Elusive Concept*, 19 J. PUB. POL'Y & MARKETING 265 (2000).

n98 *Id.* at 268.

n99 *Id.* at 268-69.

n100 *Id.* at 269.

n101 *Id.*

n102 *Id.* at 269-70.

n103 Daniel Klerman, *Trademark Dilution, Search Costs, and Naked Licensing*, 74 *FORDHAM L. REV.* 1759, 1765 (2006). Klerman calculates that, at the rate of \$ 250 an hour, the increase in search costs shown in the Heineken example would amount to less than a cent. *Id.* Some dilution proponents argue that even milliseconds of delay in associating a mark with its proper product are substantial enough to affect consumer purchasing decisions and therefore such delays cause real economic harm to trademark holders. *See* Tushnet, *supra* note 90, at 522 n.68 (citing a study demonstrating that "dilution-generated delayed response" is correlated with decreased probability that subjects would later choose the diluted brand).

n104 Morrin & Jacoby, *supra* note 97, at 270-71. Morrin and Jacoby found that "very strong brands are immune to dilution because their memory connections are so strong that it is difficult for consumers to alter or create new ones with the same brand name." *Id.* at 274; *see also* Klerman, *supra* note 103, at 1765 (citing Morrin's study as indicating some strong brands may be more "resistant to harm").

n105 *See* Barton Beebe, *A Defense of the New Federal Trademark Antidilution Law*, 16 *FORDHAM INTELL. PROP. MEDIA & ENT. L. J.* 1143, 1162-63 (2006).

n106 *See infra* notes 142-186 and accompanying text.

n107 The Morrin and Jacoby study examined one mark (Dogiva Dog Biscuits) that was not identical to the famous mark that it theoretically diluted (Godiva Chocolates). The Dogiva ad was included in the study to provide an example of tarnishment. Morrin & Jacoby, *supra* note 97, at 268. The study suggested that exposure to Dogiva Dog Biscuits delayed the study participant's ability to identify Godiva Chocolates by 73 milliseconds, if the participant had not been previously exposed to ads for Godiva chocolate. Curiously, when survey participants were exposed to Godiva and Dogiva ads, the delay in their response times increased to 129 milliseconds. *Id.* at 269.

n108 Tushnet, *supra* note 90, at 529-32 (discussing the impact of context in terms of the source-identifying power of trademarks and words in general). As Tushnet succinctly concludes, "When context is king, dilution loses much of its theoretical appeal." *Id.* at 529.

n109 As linguist Roger Shuy has written, "[w]ords in isolation seldom occur in our lives, except in spelling bees and grocery lists. Since humans commonly use context to disambiguate and figure out what is meant, it is reasonable to expect them to keep on doing this with trademarks." Roger Shuy, *Linguistic Thoughts on Trademark Dilution*, 5-6 (2003) (unpublished manuscript, on file with the author). *See also* Klerman, *supra* note 103, at 1765-66 (observing that "[c]onsumers just do not confront trademarks in the abstract very often, and, when they do, context usually makes the product category obvious").

n110 As Professor Boyle explains, "Unlike the earthly commons, the commons of the mind is generally 'non-rival.' Many uses of land are mutually exclusive. If I am using the field for grazing, it may interfere with your plans to use it for growing crops. By contrast, a gene sequence, an MP3 file, or an image may be used by multiple parties; my use does not interfere with yours. To simplify a complicated analysis, this means that the threat of overuse of fields and fisheries is generally not a problem with the informational or innovational commons." James Boyle, *The Second Enclosure Movement and the Construction of the Public Domain*, 66 LAW & CONTEMP. PROBS. 33, 41 (2003); *see also* Sonia Katyal, *Trademark Intersectionality*, 57 UCLA L. REV. 1601, 1663, 1695 (2010); Brett M. Frischmann, *An Economic Theory of Infrastructure and Commons Management*, 89 MINN. L. REV. 917, 946 (2005).

n111 *See generally* K. DAVID HARRISON, WHEN LANGUAGES DIE: THE EXTINCTION OF THE WORLD'S LANGUAGES AND THE EROSION OF HUMAN KNOWLEDGE (2007).

n112 *See* Tushnet, *supra* note 90, at 536 (describing one study as suggesting that "dilution does not harm many famous trademarks because adding associations to low-frequency words does not interfere with retrieval or recognition - and may even help"); *see also id.* at 540 ("By adding branches to a trademark's mental tree, multiple associations make it bigger, which improves availability in a well-forested mind.")

n113 15 U.S.C. § 1125(c)(1) (2006) (cause of action for dilution does not depend on "the presence or absence of . . . actual economic injury"); *see also* Miss. Code Ann. § 75-25-1 (2011) (same).

n114 Although the Supreme Court initially interpreted the FTDA to require proof of "actual dilution," it specified that, under this standard, plaintiffs were not required to prove "the consequences of dilution, such as an actual loss of sales or profits." *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 433 (2003). The revised statute, the TDRA, changed the standard of proof to one of likelihood of dilution and specifies that plaintiffs are not required to prove any "actual economic injury." 15 U.S.C. § 1125 (c)(1) (2006). The Subcommittee on Courts, the Internet, and Intellectual Property, in 2004 and 2005, heard testimony from a representative of the International Trademark Association, who argued that the "actual dilution" standard established in *Moseley* was too burdensome for trademark holders: "By the time measurable, provable damage to the mark has occurred much time has passed, the damage has been done, and the remedy, which is injunctive relief, is far less effective." H.R. Rep. No. 109-23, at 5 (2006), *reprinted in* 2006 U.S.C.C.A.N. 1091, 1093-94.

n115 Professor Farley has also proffered this explanation: "Let me suggest that trademark owners desire a likelihood of dilution standard rather than an actual dilution standard because they cannot prove actual dilution. There is a good reason that trademark owners cannot prove actual dilution. My thesis is that there is no such harm; it does not exist The main problem with dilution law is that it provides a remedy without a supportable theorization of the harm." Christine Haight Farley, *Why We are Confused about the Trademark Dilution Law*, 16 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1175, 1184 (2006).

n116 15 U.S.C. § 1125 (c)(1).

n117 15 U.S.C. § 1125 (c)(2)(C).

n118 15 U.S.C. § 1125 (c)(1).

n119 Hormel Foods Corp. v. Jim Henson Prods., Inc., 73 F.3d 497, 507 (2d Cir. 1996).

n120 See Ty Inc. v. Perryman, 306 F.3d 509, 511 (7th Cir. 2002) (characterizing tarnishment as "a second form of dilution," reasoning that "[a]nalytically it is a subset of blurring, since it reduces the distinctness of the trademark as a signifier of the trademarked product or service"); see generally Layne T. Smith, Comment, *Tarnishment and the FTDA: Lessening the Capacity to Identify and Distinguish*, 2004 BYU L. REV. 825, 850-60 (2004).

n121 See *supra* notes 84-87 and accompanying text.

n122 Judge Posner explains the tarnishment phenomenon with the following example: Suppose a "striptease joint" adopts the name "Tiffany." "[C]onsumers will not think the striptease joint [is] under common ownership with the jewelry store. But 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 association of the word with the strip joint." *Ty Inc.*, 306 F.3d at 511.

n123 See Tushnet, *supra* note 90, at 522-23 (noting that "emotion drives cognition, meaning that negative associations may do real, even measurable harm" to a trademark holder, describing such associations as "poisoned fruit"); see also Stacey L. Dogan & Marc Lemley, *The Merchandising Right: Fragile Theory or Fait Accompli?*, 54 EMORY L.J. 461, 494 (2005) (describing dilution by tarnishment as a form of "subconscious pollution").

n124 See generally Jessica Taran, *Dilution by Tarnishment: A Case for Vulgar Humor*, 7 INTELL. PROP. L. BULL. 1 (2002); Regina Schaffer-Goldman, Note, *Cease-and-Desist: Tarnishment's Blunt Sword in its Battle against the Unseemly, the Unwholesome, and the Unsavory*, 20 FORDHAM INTELL. PROP. MEDIA & ENT. L. J. 1241 (2010).

n125 See, e.g., *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinemas, Ltd.*, 604 F.2d 200, 204 (2d Cir. 1979) (enjoining use of Dallas Cowboy cheerleader uniforms in a pornographic film); *Kraft Foods Holdings, Inc. v. Helm*, 205 F. Supp. 2d 942, 948-50 (N.D. Ill. 2002) (holding that pornographic website's use of the mark "VelVeeda" was likely to tarnish the Velveeta trademark); *Victoria's Cyber Secret Ltd. P'ship v. V Secret Catalogue, Inc.*, 161 F. Supp. 2d 1339, 1355 (S.D. Fla. 2001) (holding that defendants' use of domain names "victoriassxsecret.com" and "victoriassxysecret.com" to sell "entertainment of a lascivious nature suitable only for adults" was likely to tarnish the Victoria's Secret trademark). When a defendant uses sexual imagery, particularly pornography, to mock the trademark holder or the mark itself in a manner that might otherwise be considered a parody, courts are typically not amused. See, e.g., *Pillsbury Co. v. Milky Way Prods., Inc.*, 215 U.S.P.Q. 125, 126, 134 (N.D. Ga. 1981) (enjoining use of Pillsbury Doughboy character in magazine which featured the Doughboy in various sexual positions); but see *Burnett v. Twentieth Century Fox Film Corp.*, 491 F. Supp. 2d 962, 972 (C.D. Cal. 2007) (dismissing claim of dilution by tarnishment by actress Carol Burnett based on lewd portrayal of her "Charwoman" character in an episode of the cartoon *Family Guy*, on grounds that use of Burnett's character was noncommercial parody).

n126 See, e.g., *Hormel Foods Corp. v. Jim Henson Prods., Inc.*, 73 F.3d 497, 506, 508 (2d Cir. 1996) (finding defendant's use of wild boar puppet named "Spa'am" in the movie *Muppet Treasure Island* did not dilute or tarnish the SPAM trademark (for lunch meat)). See also *infra* notes 223-228 and accompanying text (discussing *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252 (4th Cir. 2007)).

n127 15 U.S.C. § 1125(c)(1) (2006).

n128 *Mead Data Cent., Inc. v. Toyota Motor Sales, U.S.A., Inc.*, 875 F.2d 1026, 1031 (2d Cir. 1989) (quoting the legislative history of New York's state dilution statute). The United States Congress similarly cited "DUPONT shoes, BUICK aspirin, and KODAK pianos" as hypothetical misuses of a trademark that a federal dilution cause of action would combat. H.R. Rep. 104-374, at 3 (1996), *reprinted in* 1996 U.S.C.C.A.N. 1029, 1030 (legislative history of Federal Trademark Dilution Act).

n129 Schechter, *supra* note 7, at 830. Schechter's statement here blurs the concepts of dilution and genericide, portraying the ultimate "death" of the trademark as the inevitable result of unchecked dilution. See Desai & Rierison, *supra* note 17, at 1842-44 (discussing the link between the dilution and genericide doctrines).

n130 See *supra* notes 63-65 and accompanying text.

n131 15 U.S.C. § 1125(c)(1).

n132 *Id.* at § 1125(c)(2)(A). The statute identifies four non-exclusive factors for courts to consider in determining whether a mark is "famous." *Id.* at § 1125(c)(2)(A)(i)-(iv). The TDRA narrowed the scope of famousness, as compared to the FTDA, by attempting to eliminate marks that had achieved only niche fame or regional fame from the scope of dilution protection. *See, e.g.,* Xuan-Thao Nguyen, *Fame Law: Requiring Proof of National Fame in Trademark Law*, 33 CARDOZO L. REV. 89, 94 (2011) (noting that the fame requirement "functions as a gatekeeper to prevent widespread treating of trademarks purely as property in trademark jurisprudence").

n133 15 U.S.C. § 1125(c)(2)(B). State dilution statutes have largely adopted the same definition of "dilution by blurring." *See, e.g.,* CAL. BUS. & PROF. CODE § 14202(l) (West 2008) (defining "dilution by blurring" as an "association arising from the similarity between a mark or a trade name and a famous mark that impairs the distinctiveness of the famous mark."); MISS. CODE ANN. § 75-25-1(l) (West 2011) (same); ALA. CODE 1975 § 8-12-6(3) (2012) (same).

n134 *See infra* notes 156-160 and accompanying text.

n135 The Act provides that courts may consider "all relevant factors" in "determining whether a mark or trade name is likely to cause dilution by blurring," including (but presumably not limited to) (1) "[t]he degree of similarity between the mark or trade name and the famous mark"; (2) "[t]he degree of inherent or acquired distinctiveness of the famous mark"; (3) "[t]he extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark"; (4) "[t]he degree of recognition of the famous mark"; (5) "[w]hether the user of the mark or trade name intended to create an association with the famous mark"; and (6) "[a]ny actual association between the mark or trade name and the famous mark." 15 U.S.C. § 1125(c)(2)(B)(i)-(vi).

n136 15 U.S.C. § 1125(c)(2)(C).

n137 *Compare* *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 432 (2003) (noting the absence of any direct reference to tarnishment in the FTDA and questioning whether the statute actually embraced this cause of action, despite references to tarnishment in the legislative history), *with* *Kraft Foods Holdings, Inc. v. Helm*, 205 F. Supp. 2d 942, 948-50 (N.D. Ill. 2002) (holding that pornographic website's use of the mark "VelVeeda" was likely to tarnish the Velveeta trademark, in violation of the FTDA); *Victoria's Cyber Secret Ltd. P'ship v. V Secret Catalogue, Inc.*, 161 F. Supp. 2d 1339, 1355 (S.D. Fla. 2001) (holding that defendants' use of domain names "victoriasexsecret.com" and "victoriasexsecret.com" to sell "entertainment of a lascivious nature suitable only for adults" was likely to tarnish the Victoria's Secret trademark, in violation of the FTDA).

n138 15 U.S.C. § 1125(c)(3).

n139 *Id.* at § 1125(c)(3)(A)(ii).

n140 *Id.* at § 1125(c)(3)(A).

n141 Beebe, *supra* note 105, at 1144; *see also* Jennifer Files Beerline, Note, *Anti-Dilution Law, New and Improved: The Trademark Dilution Revision Act of 2006*, 23 BERKELEY TECH. L. J. 511, 513 (concluding that, "while imperfect, the TDRA is a vast improvement over the FTDA").

n142 *See supra* note 128 and accompanying text.

n143 *See* Mead Data Cent., Inc. v. Toyota Motor Sales, U.S.A., Inc., 875 F.2d 1026, 1031 (2d Cir. 1989) (quoting the legislative history of New York's state dilution statute).

n144 *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 433 (2003).

n145 *Trademark Dilution Revision Act of 2006: Hearing Before the Subcomm. On Courts, the Internet and Intellectual Property of the Comm. on the Judiciary*, 109th Cong. 6 (2005) (statement of Anne Gundelfinger on behalf of the International Trademark Association (INTA)).

n146 *Moseley*, 537 U.S. at 422. The name of the store was originally "Victor's Secret," but the Moseleys changed the name after receiving a letter from plaintiff's lawyer indicating that plaintiff believed that the name both infringed and diluted its federally registered trademark. *Id.* at 423.

n147 *Id.* at 425. Plaintiff did not appeal the court's ruling on the trademark infringement and unfair competition claims. *Id.* at 428.

n148 *Id.* at 425.

n149 *Id.* at 423. The advertisement in question promoted the sale of "'Intimate Lingerie for *every woman*'; 'Romantic Lighting'; 'Lycra Dresses'; 'Pagers'; and 'Adult Novelties/Gifts.'" *Id.*

n150 *Id.* at 434.

n151 170 F.3d 449, 463 (4th Cir. 1999).

n152 *Moseley*, 537 U.S. at 433-34.

n153 *Id.* at 434 (noting that the customer "did not change his conception of Victoria's Secret," despite being "offended by the ad"). In dicta, the Court suggested that, if the junior and senior marks were "identical," the plaintiff would have "circumstantial evidence" of actual dilution. *Id.*

n154 *Playtex Prods., Inc. v. Georgia-Pacific Corp.* 390 F.3d 158, 167 (2d Cir. 2004); *see also* *Thane Int'l, Inc. v. Trek Bicycle Corp.*, 305 F.3d 894, 905 (9th Cir. 2002) (referring to the "recently-established requirement that for a dilution claim to succeed, the mark used by the alleged diluter must be identical, or nearly identical, to the protected mark"); *Fed. Express Corp. v. Fed. Espresso, Inc.*, 201 F.3d 168, 176 (2d Cir. 2000) (same); *Luigino's, Inc. v. Stouffer Corp.*, 170 F.3d 827, 832 (8th Cir. 1999) ("To support an action for dilution by blurring, the marks must at least be similar enough that a significant segment of the target group of customers sees the two marks as essentially the same.") (internal citations omitted).

n155 See, e.g., *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97, 104 (2d Cir. 2009) (noting that the TDRA was passed "in response to" the Supreme Court's decision in *Moseley*).

n156 15 U.S.C. § 1125(c)(1) (2006).

n157 *Id.* at § 1125(c)(2)(B).

n158 These factors include "[t]he degree of inherent or acquired distinctiveness of the famous mark"; "[t]he extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark"; and "[t]he degree of recognition of the famous mark." 15 U.S.C. § 1125(c)(2)(B)(ii)-(iv). These factors are essentially identical to three of the "famousness" factors listed in the former version of the statute, the FTDA. See 15 U.S.C. § 1125(c)(1)(A), (F)-(G) (superseded).

n159 15 U.S.C. § 1125(c)(2)(B)(v)-(vi).

n160 Some early post-TDRA cases suggested, and some commentators have argued, that the "identical mark presumption" should persist in the face of the TDRA's revised statutory language. See, e.g., Jeremy M. Roe, Note, *The Current State of Antidilution Law: The Trademark Dilution Revision Act and the Identical Mark Presumption*, 57 DEPAUL L. REV. 571, 590 (2008) (arguing that "courts should strictly enforce the use of the identical mark presumption"). However, post-TDRA case law appears to be trending in the opposite direction. See, e.g., *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 633 F.3d 1158, 1166-71 (9th Cir. 2011) (discussing and distinguishing earlier post-TDRA cases).

n161 J. THOMAS MCCARTHY, 4 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 24:119 (2011).

n162 *Id.*

n163 *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97 (2d Cir. 2009).

n164 Starbucks Corp. v. Wolfe's Borough Coffee, Inc., 559 F. Supp. 2d 472, 474 (S.D.N.Y. 2008).

n165 *Starbucks Corp.*, 588 F.3d at 103.

n166 *Id.* at 104.

n167 *Id.* at 109, 119. The original lawsuit against Black Bear was filed under the 1995 version of the Act, the FTDA. However, the revised Act (TDRA) went into effect after the bench trial in the case, and the case was reviewed under the TDRA by the Second Circuit on appeal. *Id.* at 104.

n168 *Id.* at 106-07 (describing differences between the two trademarks).

n169 *Id.*

n170 *See id.* at 108 (finding it significant that "the federal dilution statute does not use the words 'very' or 'substantial' in connection with the similarity factor").

n171 *See Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 633 F.3d 1158, 1172 (9th Cir. 2011) (concluding that "the plain language of 15 U.S.C. § 1125(c) does not require that a plaintiff establish that the junior mark is identical, nearly identical or substantially similar to the senior mark in order to obtain injunctive relief"). In this case, the district court dismissed the dilution claim because the advisory jury found that the two designs were not "identical or nearly identical." *Id.* at 1160. The Ninth Circuit reversed and remanded, holding that the court had misstated the degree of similarity necessary to support a dilution claim under the TDRA. *Id.* at 1159.

n172 588 F.3d at 109.

n173 *Id.*

n174 *Id.* Only about 3% of consumers who participated in the telephone survey thought Starbucks was the "possible source" of Charbucks. *Id.*

n175 *See, e.g.,* Hershey Co. v. Art Van Furniture Inc., 2008 WL 4724756 (E.D. Mich. 2008). In this case, the court issued a preliminary injunction to prevent defendant from advertising furniture with a picture of a brown couch emerging from a wrapper reminiscent of a Hershey candy bar (on the side of a furniture delivery van). *Id.* at *1. Although the court found no likelihood of confusion and therefore no likelihood of success on the merits of plaintiff's trademark infringement claim, it found defendant's mark was likely to dilute Hershey's famous trademark and trade dress, and therefore issued the injunction. *Id.* at *12, *14.

n176 V Secret Catalogue, Inc. v. Moseley, 605 F.3d 382, 387 (6th Cir. 2010) (citing U.S.C.C.A.N., 109th Cong. 2d Sess. 2006, Vol. 4, pp. 1091, 1092, 1097) [hereinafter *Moseley II*]. Of course, it is possible that the Sixth Circuit's decision in *Moseley II* will not be followed by other federal circuits, and that its expansive interpretation of dilution by tarnishment will ultimately die on the vine. At least one commentator has predicted that the tarnishment cause of action under the TDRA is actually "a much narrower cause of action than existed in pre-TDRA tarnishment case law." Sarah L. Burstein, *Dilution by Tarnishment: The New Cause of Action*, 98 TRADEMARK REP. 1189, 1189 (2008). However, given that the Sixth Circuit decision is the most comprehensive judicial interpretation of the TDRA tarnishment provision to date, particularly in the context of an allegedly tarnishing use with sexual connotations, its opinion should not be ignored and, at the very least, will constitute persuasive authority in other circuits.

n177 *Moseley II*, 605 F.3d at 382.

n178 *See supra* notes 144-150 and accompanying text.

n179 *Moseley II*, 605 F.3d at 387.

n180 *Id.* at 387-88 (6th Cir. 2010) (citing cases).

n181 *Id.* at 388. The "rebuttable presumption" language appears in the majority opinion, but it was rejected in the concurrence in favor of creating a "strong inference" of tarnishment. *Id.* at 390.

n182 *Id.* at 388. The court suggested that such proof could include "expert testimony or surveys or polls or customer testimony." *Id.*

n183 *Id.* at 389.

n184 One judge in the three-judge panel that decided *Moseley II* dissented and argued that the court had misinterpreted both the plain language and the legislative history of the TDRA in reaching this conclusion. *Id.* at 391-95 (Moore, J., dissenting).

n185 *Id.* at 388-89. The type of evidence cited by the court as helpful in disproving tarnishment -- expert testimony and consumer surveys -- is notoriously costly. *See, e.g.,* *Lon Tai Shing Co., Ltd. v. Koch & Lowy*, 19 U.S.P.Q.2d 1081, 1095 (S.D.N.Y. June 20, 1991) (estimating the cost of conducting consumer survey in the instant trademark case at approximately \$ 100,000).

n186 *See* Beebe, *supra* note 62, at 1623 (concluding, based on empirical data, that "the similarity of the marks factor is by far the most important factor in the multifactor test" for determining likelihood of confusion and trademark infringement).

n187 *See supra* notes 13-15 and accompanying text.

n188 Schechter, *supra* note 7, at 830.

n189 The application of the dilution doctrine in cases involving competitors is not without controversy. In his iconic trademark treatise, Professor McCarthy states, "[i]t is difficult to understand why an anti-dilution law is invoked when the parties operate in competitive or closely related product or service lines. The legal theory of anti-dilution was conceived to protect strong marks against a diluting use by a junior user in a product or service line far removed from that in which the famous mark appears. Thus, using the anti-dilution law when the parties are competitors in the same market sounds a dissonant and false note. Why the need to invoke the 'super weapon' of anti-dilution law to resolve what appears to be a garden variety infringement case." J. THOMAS MCCARTHY, 4 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 24:72, at 24-136 (Supp. 12/2003). The Second Circuit rejected this reasoning (without citing McCarthy), based on the plain language of the FTDA: "In the absence of contrary legislative command, the fact that other remedies [such as trademark infringement] may be available to prevent a perceived ill does not seem to be sufficient reason to construe a statute as not reaching circumstances that fall squarely within its words. The fact that injured senior users may thus be given a choice of remedies is not sufficient reason to read into the antidilution statute limitations that Congress did not write." *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208, 223 (2d Cir. 1999). Moreover, the court hypothesized that "failure to construe the antidilution statutes as reaching competing products may lead to a gap in coverage; the products might be found too far apart to support a finding of likelihood of confusion--(and therefore an infringement action)--yet too close together to permit a finding of dilution." *Id.*

n190 See Beebe, *supra* note 62, at 1628 (concluding, based on empirical data, "a finding of bad faith intent creates, if not in doctrine, then at least in practice, a nearly un-rebuttable presumption of a likelihood of confusion").

n191 *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97, 103 (2d Cir. 2009).

n192 *Id.*

n193 *Id.* at 102.

n194 *Id.*

n195 *Id.* at 109.

n196 Proof Brief for Plaintiff-Counter-Defendants-Appellants, *Starbucks Corp.*, 588 F.3d 97 (2006) (No. 06-0435-cv), 2006 WL 4846966 at *17. Black Bear did not admit that its choice of the Charbucks name was intended to invoke an association with Starbucks. In its appellate brief, Black Bear argued that it "chose the descriptor 'Charbucks Blend' as a humorous way to alert customers that the very dark roast was different from Black Bear's typical products." Brief for Defendant-Appellee, *Starbucks Corp.*, 588 F.3d 97 (2006) (No. 06-0435-cv), 2006 WL 4846967 at *3.

n197 *Starbucks Corp.*, 588 F.3d at 113.

n198 *Id.* at 103. Another slogan stated, "You wanted it dark . . . You've got it dark!" *Id.*

n199 The Second Circuit rejected Starbucks' claim that Black Bear's use of the name Charbucks resulted in tarnishment of the Starbucks trademark by evoking an image of "bitter, over-roasted coffee." *Id.* at 110. At least one pre-TDRA case did find dilution by tarnishment in a case between competitors, where the plaintiff's famous logo was used in defendant's comparative advertisement in a manner that mocked the plaintiff. *See Deere & Co. v. MTD Prods., Inc.*, 41 F.3d 39, 44-45 (2d Cir. 1994) (interpreting New York anti-dilution law).

n200 *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 424 (2003).

n201 *Id.* at 422-23.

n202 *Moseley II*, 605 F.3d 382, 394 (6th Cir. 2010) (Moore, J., dissenting).

n203 The dissent in *Moseley II* took note of Victoria's Secret advertisements for "'sexy little things' lingerie." *Moseley II*, 605 F.3d at 394. These ads urge customers to "'[b]e bad for goodness sake'" by wearing Victoria's Secret merchandise, specifically "'peek-a-boo's, bras and sexy Santa accessories.'" *Id.* The ads also encourage participation "in the store's 'panty fantasy,' which they describe as 'Very racy. Very lacy.'" *Id.*

n204 See, e.g., *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208 (2d Cir. 1999); *I.P. Lund Trading ApS v. Kohler Co.*, 163 F.3d 27 (1st Cir. 1998) (considering FTDA trademark dilution claim regarding trade dress of KOHLER faucet); but see *Syndicate Sales, Inc. v. Hampshire Paper Corp.*, 192 F.3d 633, 639 (7th Cir. 1999) (expressing doubt as to whether trade dress falls within the scope of the FTDA).

n205 15 U.S.C. § 1125(c)(4) (2006).

n206 *Nabisco, Inc.*, 191 F.3d at 208. This case held that, under the 1995 version of the federal trademark dilution law (the FTDA), only proof of a "likelihood of dilution," rather than "actual dilution" was required. *Id.* at 214. The Supreme Court overruled this holding in *Moseley*, requiring proof of "actual dilution," but, as discussed above, that holding was in turn abrogated by the 2006 amendments to the Act (the TDRA). The TDRA explicitly requires proof only of a "likelihood of dilution" rather than "actual dilution." See *supra* notes 156-160 and accompanying text.

n207 *Nabisco, Inc.*, 191 F.3d at 212-13.

n208 Nabisco did not randomly choose to manufacture a cracker in the shape of a fish. The Nabisco product was designed as a joint promotion with Nickelodeon Television Network, to promote the Nickelodeon CatDog cartoon. *Id.* The cartoon featured a two-headed creature (half cat, half dog) that liked to eat fish (for the cat) and bones (for the dog). *Id.* The CatDog cracker mix was to contain crackers in the shape of the CatDog cartoon character and its favorite foods, fish and bones. *Id.* at 213.

n209 *Id.* at 222 (citing 15 U.S.C. § 1127(c)).

n210 See 15 U.S.C. § 1125(c)(1).

n211 *Nabisco, Inc.*, 191 F.3d at 222; see also *supra* note 189.

n212 See 15 U.S.C. § 1125(c)(3)(A)(ii) (providing that "[a]ny fair use" is not actionable dilution, including use in connection with "identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner").

n213 15 U.S.C. § 1125(c)(3)(A).

n214 *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 260 (4th Cir. 2007); see also *People for the Ethical Treatment of Animals v. Doughney*, 263 F.3d 359, 366 (4th Cir. 2001) (same).

n215 See, e.g., *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 902-03 (9th Cir. 2002) (alleging that the song "Barbie Girl" by the band Aqua tarnished the Barbie trademark because the song was "inappropriate for young girls"); *Haute Diggity Dog*, 507 F.3d 252, 264 (alleging that "Chewy Vuiton" dog toys were likely to tarnish the Louis Vuitton mark because the toys "pose a choking hazard for some dogs"); *Deere & Co. v. MTD Products, Inc.*, 41 F.3d 39, 44-45 (2d Cir. 1994) (alleging that MTD's portrayal of the John Deere logo as a fleeing, frightened deer amounted to dilution by tarnishment); *Jordache Enterprises, Inc. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1486 (10th Cir. 1987) (alleging that the use of the name "Lardashe" on the seat of jeans "for larger women" amounted to tarnishment of the Jordache trademark).

n216 See *Mattel*, 296 F.3d at 902-07 (discussing tension between liability for dilution under the FTDA and the First Amendment in the context of parody).

n217 The FTDA definition of fair use was limited to "use of a famous mark by another person in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark." 15 U.S.C. § 1125(c)(4)(A). The FTDA also contained a general exemption for "noncommercial uses" of a mark, which is identical to the language in the current version of the statute. *Id.* at (c)(2)(C).

n218 Both the FTDA and the TDRA contain a general exemption from dilution liability for "[a]ny noncommercial use of a mark." See 15 U.S.C. § 1125(c)(3)(C).

n219 See, e.g., Sarah Mayhew Schlosser, Note, *The High Price of (Criticizing) Coffee: The Chilling Effect of the Federal Trademark Dilution Act on Corporate Parody*, 43 ARIZ. L. REV. 931, 962 (2001) (criticizing the fact that trademark laws "emphasize economic and commercial factors over free speech").

n220 15 U.S.C. § 1125(c)(3)(A)(ii).

n221 *Id.* at (c)(3)(A).

n222 *Haute Diggity Dog*, 507 F.3d at 260 (quoting *Jordache Enterprises, Inc. v. Hogg Wyld, Ltd.*, 828 F.2d, 1482, 1486 (10th Cir. 1987)).

n223 *Id.* In a case interpreting state anti-dilution law, the court held that the use of the mark "Lardashe" for jeans was a successful parody of the "Jordache" jeans trademark. *Hogg Wyld*, 828 F.2d at 1482.

n224 *Haute Diggity Dog*, 507 F.3d at 260.

n225 *Id.* at 266.

n226 *Id.* at 267.

n227 *Id.* at 267 (citing cases).

n228 *Id.* at 268-69. Although Haute Diggity Dog's goods, specifically the Chewy Vuiton dog toy, were clearly of inferior quality when compared to luxury Louis Vuitton handbags, the evidence cited in the summary judgment motions (and consequently on appeal) regarding dilution by tarnishment focused on the peculiarly narrow claim that Louis Vuitton's reputation could be harmed because a dog could choke on the Chewy Vuiton toy. *Id.* Based on this limited evidence and argument, the court affirmed summary judgment on this claim. *Id.* at 269.

n229 See, e.g., Jesse A. Hofrichter, Note, *Tool of the Trademark: Brand Criticism and Free Speech Problems with the Trademark Dilution Revision Act of 2006*, 28 CARDOZO L. REV. 1923, 1940 (2007) ("While the vast majority of dilution cases do not implicate First Amendment issues, there have been a number of cases under federal and state anti-dilution statutes that have broached the topic[.]"); see also *infra* notes 346-360 and accompanying text.

n230 15 U.S.C. § 1125(c)(3)(A).

n231 Other circuits may of course choose to reject the test adopted by the Fourth Circuit in the *Haute Diggity Dog* case, either on statutory or Constitutional (First Amendment) grounds. See, e.g., *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97, 113 (2d Cir. 2009) (declining to decide whether to adopt the Fourth Circuit's analysis of the statutory exemption from liability for parodies, when defendant's parody is also used as a trademark).

n232 In contrast to the court's decision in *Haute Diggity Dog*, see *Deere & Co. v. MTD Products, Inc.*, 41 F.3d 39, 44 -45 (2d Cir. 1994) (finding trademark dilution where defendant used plaintiff's famous logo in a comparative advertisement that mocked plaintiff).

n233 *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97, 113 (2d Cir. 2009).

n234 See *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 260 (4th Cir. 2007) ("A parody must convey two simultaneous--and contradictory--messages: that it is the original, but also that it is not the original and is instead a parody.") (citations omitted).

n235 15 U.S.C. § 1125(c)(2)(B)(v).

n236 See *id.* at (c)(3)(A)(i) (exempting from liability any "advertising or promotion that permits consumers to compare goods or services").

n237 *See, e.g.,* Smith v. Chanel, Inc., 402 F.2d 526, 565-66 (9th Cir. 1968).

n238 *Starbucks Corp.*, 588 F.3d at 113.

n239 *Federal Trademark Dilution Act of 1995: Hearing Before the Subcomm. On Courts and Intellectual Property of the H. Comm. on the Judiciary*, 104th Cong. 111 (1995) (statement of Nils Victor Montan, Vice President and Senior Intellectual Property Counsel, Warner Brothers).

n240 *See* ROBERTA ROSENTHAL KWALL, THE SOUL OF CREATIVITY: FORGING A MORAL RIGHTS LAW FOR THE UNITED STATES 6-7 (2010) (noting that "both the right of attribution and the right of integrity function to safeguard the author's meaning and message, and thus are designed to increase an author's ability to safeguard the integrity of her texts"); *see also* Edward J. Damich, *The Visual Artists Rights Act of 1990: Toward a Federal System of Moral Rights Protection for Visual Art*, 39 CATH. U. L. REV. 945, 958-64 (1990).

n241 Damich, *supra* note 240, at 949 (emphasis added); *see also* KWALL, *supra* note 240, at 5 ("The right of attribution safeguards the author's right to be recognized as the creator of the work."); *id.* at 87-110 (discussing the right to be anonymous or to use a pseudonym).

n242 Damich, *supra* note 240, at 949.

n243 KWALL, *supra* note 240, at 6.

n244 *See id.* at 25-35; Visual Artists Rights Act of 1990, Pub. L. No. 101-650 (tit. VI), 104 Stat. 5128 (codified in various sections of 17 U.S.C.).

n245 *See* KWALL, *supra* note 240, at 27-28 (discussing legislative history of VARA).

n246 Berne Convention for the Protection of Literary and Artistic Works art. 6bis(1), Sept. 9, 1886, 828 U.N.T.S. 221. Article 6bis further provides that "[t]he means of redress for safeguarding the rights granted by this Article shall be governed by the legislation of the country where protection is claimed." *Id.* at 6bis(3). The House Report on VARA observes that the United States joined the Berne Convention "[a]fter almost 100 years of debate," primarily due to "debate over the requirements of Article 6bis. The principal question was whether that article required the United States to enact new laws protecting moral rights." H.R. Rep. 101-514, 1990 U.S.C.C.A.N. 6915, 6917 (1990).

n247 See, e.g., KWALL, *supra* note 240, at 37 ("[T]here is a stark reality that we may not be in compliance with our obligations under the Berne Convention."); Damich, *supra* note 240, at 996 (characterizing VARA as "a step in the right direction," although it "does not meet the requirements of the Berne Convention"); Coree Thompson, Note, *Orphan Works, U.S. Copyright Law, and International Treaties: Reconciling Differences to Create a Brighter Future for Orphans Everywhere*, 23 ARIZ. J. INT'L & COMP. LAW 787, 805 (2006) ("VARA failed to . . . bring the United States into full compliance with the Berne Convention . . .").

n248 The House Report accompanying VARA states that the Act "provides . . . artists with the rights of 'attribution' and 'integrity.' The former ensures that artists are correctly identified with the works of art they create, and that they are not identified with works created by others. The latter allows artists to protect their works against modifications and destructions that are prejudicial to their honor or reputations." H.R. Rep. 101-514, 1990 U.S.C.C.A.N. 6915, 1990 WL 258818 (1990).

n249 17 U.S.C. § 106A (2006).

n250 17 U.S.C. § 101. Photos are covered only if produced "for exhibition purposes only," and then only if signed by the author. *Id.* Copies of the original, as to any type of work, are protected only if signed and consecutively numbered by the author; 200 is the maximum number of allowed copies. *Id.* The Act specifically excludes from the definition of a visual work of art, among other things, "applied art, motion picture or other audiovisual work, book, magazine, [and] newspaper." *Id.*

n251 See Damich, *supra* note 240, at 951-58 (discussing this aspect of VARA); KWALL, *supra* note 240, at 28 (describing this exclusion as problematic).

n252 17 U.S.C. § 106A(e).

n253 Berne Convention for the Protection of Literary and Artistic Works art. 6*bis*(1), Sept. 9, 1886, 828 U.N.T.S. 221.

n254 See Damich, *supra* note 240, at 966-67 (arguing that moral rights should not be waivable, due to their personal nature and the inequality of bargaining power likely to exist between artist and patron).

n255 See Dana L. Burton, *Artists' Moral Rights: Controversy and the Visual Artists Rights Act of 1990*, 13 VAND. J. ENT. & TECH. L. 463, 505 (2011).

n256 15 U.S.C. § 1125(a)(1).

n257 See KWALL, *supra* note 240, at 30-31 (describing Section 43(a) as a source of moral rights protection under US law).

n258 See, e.g., Gilliam v. American Broadcasting Co., Inc., 538 F.2d 14, 24-25 (2d Cir. 1976) (holding that re-broadcast of substantially edited or "mutilated" Monty Python scripts, attributed to Monty Python, constituted a false designation of origin and therefore violated Section 43(a)).

n259 *Id.* at 24 (internal citation omitted).

n260 Dastar Corp. v. Twentieth Century Fox Film Corp., 539 U.S. 23 (2003).

n261 *Id.* at 33-34.

n262 *Id.*

n263 *Id.* at 33. Similarly, in *Shakespeare Co. v. Silstar Corp. of America, Inc.*, 9 F.3d 1091, 1103 (4th Cir. 1993), the court observed that to preserve competition, "Congress . . . has therefore confined and limited the rewards of originality to those situations and circumstances comprehended by our patent, copyright, and trade-mark laws. When these statutory frameworks are inapplicable, originality per se remains unprotected and often unrewarded. For these reasons and with these limitations the bare imitation of another's product, without more, is permissible. And this is true regardless of the fact that the courts have little sympathy for a willful imitator." *Id.*

n264 *See generally* Justin Hughes, *American Moral Rights and Fixing the Dastar "Gap,"* 2007 UTAH L. REV. 659 (2007) (critiquing the Supreme Court's decision in *Dastar* and the lower courts' subsequent interpretation and application of it).

n265 *See infra* notes 346-355 and accompanying text.

n266 Ruth Shalit, *The inner Doughboy: How an army of admen battle to define and protect the true nature of the Jolly Green Giant, the Pillsbury Doughboy and other advertising spokescharacters*, SALON.COM (March 23, 2000, 12:00 PM), <http://www.salon.com/media/col/shal/2000/03/23/doughboy> (quoting David Altschul, president of the advertising division at Will Vinton Studios, as stating, "[w]e are focused on the emotional connection with the consumer"); *see also* Peter Walshe, *Brand Personality: Unlocking key traits for success and value*, in BRANDZ TOP 100 MOST VALUABLE GLOBAL BRANDS 45 (2012), http://www.millwardbrown.com/brandz/2012/Documents/2012_BrandZ_Top100_Report.pdf (concluding that "understanding a brand personality enables the brand owner to deliver a consistent brand experience that connects with consumers and leaves a deeper and more sustainable impression").

n267 *Barbie*, FACEBOOK, <https://www.facebook.com/#!/barbie> (last visited Aug. 15, 2012).

n268 *Id.* In the same vein, Barbie reports, "Woke up from a terrible nightmare that all of my shoes went missing! I was so happy to open my closet and see them safe and sound. Phew!" *Id.* (August 10, 2011).

n269 See *Barbie*, FACEBOOK, <https://www.facebook.com/#!/barbie> (last visited August 24, 2011).

n270 On August 23, Barbie commented on a rare East-coast earthquake: "O.M.D. Seems like my dolls on the East Coast and in Colorado experienced an LA-style quake! Hope everyone is safe and sound." *Id.*

n271 Studios have also established on-line identities for movie characters (e.g., Ricky Bobby, played by Will Ferrell in the film *Talladega Nights*). See Elizabeth Holmes, *On MySpace, Millions of Users Make 'Friends' with Ads*, WALL ST. J. Aug. 7, 2006 at B.1; see also *Ricky-Bobby*, FACEBOOK, <https://www.facebook.com/#!/pages/Ricky-Bobby/146097352118333> (last visited Aug. 15, 2012) (Facebook site for Ricky Bobby, self-identified "Athlete").

n272 Shalit, *supra* note 266.

n273 *Id.*

n274 Mr. Peanut also identifies himself as a Public Figure on Facebook. See *Mr. Peanut*, FACEBOOK, <https://www.facebook.com/mrpeanut> (last visited Aug. 15, 2012).

n275 Shalit, *supra* note 266. Other trademark icons are similarly invested with personalities. An advertising executive described the M&M characters as follows: "The red M&M - he's the calculating one. A little bit small-minded, a little ambitious and full of himself. Yellow is good hearted, but a bit slow on the uptake. Blue is closer to Woody Allen in terms of attitude. A little more wry, a little more understated. Occasionally a bit sarcastic." *Id.*

n276 Walshe, *supra* note 266, at 45.

n277 *Id.*

n278 *Id.* at 47.

n279 Ruth Shalit, *The Mr. Peanut Chronicles: Burned by past disasters, icon managers have learned the hard way that the suave mascot must never wear a wetsuit and that Ronald McDonald cannot hang out in bars*, SALON.COM (March 24, 2000), <http://www.salon.com/media/col/shal/2000/03/24/doughboy2>.

n280 Shalit, *supra* note 266.

n281 *Id.* According to the Milk Processor Board, one reason cited by Pillsbury for refusing the milk-and-cookies ad was the lack of the word "mischievous" in the Doughboy guidelines. "'Playful' is there. 'Mischievous' is not." *Id.*

n282 Pillsbury Co. v. Milky Way Prods., Inc., 215 U.S.P.Q. 125, 126 (N.D. Ga. 1981).

n283 *Pillsbury Co.*, 214 U.S.P.Q. at 135. The court reasoned that "[t]he basis for [the dilution] cause of action is the belief that the owner of these marks should not have to stand by and watch the diminution in their value as a result of unauthorized uses by others. All the plaintiff need show to prevail is that the contested use is likely to injure its commercial reputation or dilute the distinctive quality of its marks." *Id.*

n284 *Id.*

n285 *Id.*

n286 Mattel, Inc. v. Walking Mountain Prods., 353 F.3d 792, 796 (9th Cir. 2003). ("For example, 'Malted Barbie' features a nude Barbie

placed on a vintage Hamilton Beach malt machine. 'Fondue a la Barbie' depicts Barbie heads in a fondue pot. 'Barbie Enchiladas' depicts four Barbie dolls wrapped in tortillas and covered with salsa in a casserole dish in a lit oven.") *Id.*

n287 *Id.*

n288 *Id.* at 797 & n.3.

n289 *Id.* at 812.

n290 In addition to granting summary judgment in favor of the artist/defendant in this case, the district court also awarded defendant \$ 1.8 million in attorney fees and costs. *Id.* at 816. The court noted that "[p]laintiff had access to sophisticated counsel who could have determined that such a suit was objectively unreasonable and frivolous. Instead, it appears Plaintiff forced Defendant into costly litigation to discourage him from using Barbie's image in his artwork." *Mattel, Inc. v. Walking Mountain Prods.*, 2004 WL 1454100 (C.D. Cal. 2004).

n291 *See* Mark A. Lemley & Mark P. McKenna, *Owning Markets*, 109 MICH. L. REV. 137, 172 n.167 (2010) (noting that "the moral rights argument would be particularly unpersuasive in the trademark context, since moral rights are thought to derive from the intimate connection an author has with her work. The 'authors' of trademarks, which generally are corporate entities, have no human dignity at stake when others use their marks.")

n292 *See supra* notes 240-243 and accompanying text.

n293 *See supra* notes 142-186 and accompanying text.

n294 *See supra* notes 88-89 and accompanying text.

n295 See, e.g., Kenneth L. Port, *The Expansion Trajectory: Trademark Jurisprudence in the Modern Age*, 92 J. PAT. & TRADEMARK OFF. SOC'Y 474, 486 (2010) ("The trademark right in the United States has slowly come to be far more similar to the nature and extent of moral right protection, rather than the mere right to exclude."); see also Robert C. Bird, *Moral Rights: Diagnosis and Rehabilitation*, 46 AM. BUS. L. J. 407, 438-39 (2009) (comparing trademark dilution protection and moral rights); Kenneth L. Port, *Judging Dilution in the United States and Japan*, 17 TRANSNATIONAL LAW & CONTEMP. PROB. 667, 681 (2008) [hereinafter *Judging Dilution*] ("The only justification that makes sense [for U.S. dilution laws] is to say that the holders of famous marks obtain a personality right in and to that mark much like the notion of a moral right."); Roe, *supra* note 160, at 604 (characterizing dilution by tarnishment as "analogous to copyright law's moral rights doctrine").

n296 Professor Denicola has also observed that an imbalance of political power may at least be partially responsible for the expansion of trademark rights in recent years. See Robert C. Denicola, *Freedom to Copy*, 108 YALE L.J. 1661, 1683-84 (1999) (noting that, compared to copyright users, "[t]he users of others' trademarks. . . are less likely to be either influential or sympathetic").

n297 *BrandZ Top 100 Most Valuable Global Brands 2012*, MILLWARDBROWN, [HTTP://WWW.MILLWARDBROWN.COM/BRANDZ/2012/DOCUMENTS/2012_BRANDZ_TOP100_CHART.PDF](http://www.millwardbrown.com/brandz/2012/documents/2012_brandz_top100_chart.pdf) (last visited Aug. 31, 2012).

n298 On the Fortune 500 list for 2012, Apple ranked 17th; IBM was 19th; and Google was 73rd. *Fortune 500*, CNN MONEY, http://money.cnn.com/magazines/fortune/fortune500/2012/full_list/ (last visited Aug. 31, 2012).

n299 *Policy and Advocacy*, INTERNATIONAL TRADEMARK ASS'N, <http://www.inta.org/Advocacy/Pages/main.aspx> (last visited Aug. 15, 2012).

n300 *Overview*, INT'L TRADEMARK ASS'N, <http://www.inta.org/About/Pages/Overview.aspx> (last visited Aug. 15, 2012). INTA's members include "5,900 trademark owners, professionals and academics from more than 190 countries." *Id.*

n301 See, e.g., Federal Trademark Dilution Act Hearing of the Subcommittee on Courts, The Internet, and Intellectual Property of the Committee on the Judiciary, 107th Cong., 2d Sess., Serial No. 53 (Feb. 14, 2003) (statement of Kathryn Barrett Park, Executive Vice President, International Trademark Association, arguing in favor of a likelihood of dilution standard of proof); *id.* (statement of Michael K. Kirk, Executive Director of the American Intellectual Property Law Association).

n302 The Supreme Court summarized the legislative history of the FTDA as follows: "On July 19, 1995, the Subcommittee on Courts and Intellectual Property of the House Judiciary Committee held a 1-day hearing on H.R. 1295. No opposition to the bill was voiced at the hearing and, with one minor amendment that extended protection to unregistered as well as registered marks, the subcommittee endorsed the bill and it passed the House unanimously. . . . In the Senate an identical bill, S. 1513, 104th Cong., 1st Sess., was introduced on December 29, 1995, and passed on the same day by voice vote without any hearings." *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 431 (2003).

n303 See KWALL, *supra* note 240, at 28; see also David Goldberg & Robert J. Bernstein, *Legislation by the 101st Congress*, N.Y.L.J., Jan. 18, 1991, at 3 (noting "intense and extensive opposition to extending specific moral rights protection to audiovisual and other works").

n304 See KWALL, *supra* note 240, at 28 (describing VARA legislative history).

n305 See *supra* notes 247-255 and accompanying text.

n306 The legislative history of the Lanham Act specifies that "where the owner of a trade-mark has spent energy, time, and money in presenting to the public the product, he is protected in his investment from its misappropriation by pirates and cheats." S.Rep. No. 1333, 79th Cong., 2d Sess., 3 (1946).

n307 See Ilhyung Lee, *Toward an American Moral Right in Copyright*, 58 WASH. & LEE L. REV. 795, 814 (2001) (observing that, when an author objects to the alteration or use of his work in a context that may be characterized as "fair use," "implementation of the traditional *droit moral* may result in prohibiting actions based on the First Amendment's right of free expression") (emphasis added).

n308 The Lockean notion that one is entitled to the fruits of one's labor -- and the converse, that one is not entitled to profit from the results of someone's else's labor -- was dominant in the nineteenth century and prevalent in early trademark law. Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 NOTRE DAME L. REV. 1839, 1847, 1876 (2007).

n309 See, e.g., David J. Franklyn, *Debunking Dilution Doctrine: Toward a Coherent Theory of the Anti-Free-Rider Principle in American Trademark Law*, 56 HASTINGS L. J. 117, 119 (2004) ("A strong case can be made that free-riding on a famous mark is unfair and economically undesirable. The judicial inclination to punish free-riding deserves respect and refinement, not dismissive condemnation."); see also S. Rep. No. 1333, 79th Cong., 2d Sess. 3 (1946) ("Where the owner of a trade-mark has spent energy, time and money in presenting

to the public the product, he is protected in his investment from its appropriation by pirates and cheats.") (legislative history of 1946 Lanham Act).

n310 Oral Statement of Sherry L. Jetter, Vice President, Intellectual Property, Polo Ralph Lauren Corporation, before the Hearing of the Subcommittee on Courts, The Internet, and Intellectual Property of the Committee on the Judiciary, 107th Cong., 2d Sess., Serial No. 53 (Feb. 14, 2003).

n311 The anti-free riding impulse in U.S. unfair competition law historically has been tempered by the law's concurrent resistance to monopoly and devotion to the value of competition, which is inevitably restrained when the ability to copy is impeded. In the words of an iconic First Amendment scholar, "Most of us get along by developing the ideas of others. That is how the world progresses. . . . 'A dwarf standing on the shoulders of a giant can see farther than the giant himself.' Columbus discovered America, but here we are." Zechariah Chafee, *Unfair Competition*, 53 HARV. L. REV. 1289, 1318 (1940). Many commentators have deplored the dangers of "over-propertizing" trademark law. *See, e.g.,* Lemley & McKenna, *supra* note 291, at 187 (concluding that "a trademark law that is distorted into a right to own markets--one that seeks out and tries to forbid all free riding on a mark--ends up interfering with rather than enabling competition"); Glynn S. Lunney, Jr., *Trademark Monopolies*, 48 EMORY L. J. 367, 455 (1999) (concluding that "property-based trademark is likely to have a more substantial anticompetitive impact than deception-based trademark"); Stacey L. Dogan, *What is Dilution, Anyway?*, 105 MICH. L. REV. FIRST IMPRESSIONS 103, 106 (2006) (arguing in favor of retaining a dilution standard focused on preventing harm to the plaintiff, rather than punishing free riding by the defendant).

n312 In the European Union, "marks with a reputation" are protected from uses that take "unfair advantage of" or are "detrimental to the distinctive character or the repute of the trade mark." First Council Directive to Approximate the Laws of the Member States Relating to Trade Marks 89/104/EEC, art. 5, 1989 O. J. (L 40) 5 (EC). *See* Thomas J. McCarthy, *Dilution of a Trademark: European and United States Law Compared*, 94 TRADEMARK RPTR. 1163, 1165 (2004) (arguing that the phrase in the European Union's Trademark Directive, "without due cause takes unfair advantage," invokes the notion of free riding); Marcus H. Luepke, *Taking Unfair Advantage or Dilution of a Famous Mark--A 20/20 Perspective on the Blurred Differences Between U.S. and E.U. Dilution Law*, 98 TRADEMARK RPTR. 789, 813 (2008) (noting the "unfair advantage" cases recognized by the European Union include "instances where there is clear exploitation and free-riding"); *see also* Port, *Judging Dilution*, *supra* note 295, at 681-82 ("The concern in Japan centers around . . . whether a defendant simply is riding on the goodwill of another.").

n313 Media mogul Ted Turner, who undertook to colorize certain films that had originally been shot on black-and-white film, encountered resistance from the original directors of those films. In response to the controversy, he stated, "The last time I checked, I own those films." William H. Honan, *Artists, Newly Militant, Fight for their Rights*, N.Y. TIMES, Mar. 3, 1988, at C29.

n314 *See* 17 U.S.C. § 101 (2006) (defining a "transfer of copyright ownership" as "an assignment, mortgage, exclusive license, or any other conveyance, alienation, or hypothecation of a copyright or of any of the exclusive rights comprised in a copyright, whether or not it is limited in time or place of effect, but not including a nonexclusive license"); *see also* 17 U.S.C. § 204(a) (transfer of copyright must be in writing).

n315 See Lee, *supra* note 307, at 814 ("The notion that an artist may, in the name of the *personal* interests in the work, prevent the purchaser and holder of title in the work from doing with it what she wishes may run contrary to the American socio-legal culture and border on the heretical."); see also Roberta Kwall, *Copyright and the Moral Right: Is an American Marriage Possible?*, 38 VAND. L. REV. 1, 2 (1985) (referring to the "tradition of safeguarding only the *pecuniary* rights of a copyright owner" in the United States).

n316 See, e.g., Lawrence Adam Beyer, *Intentionalism, Art, and the Suppression of Innovation: Film Colorization and the Philosophy of Moral Rights*, 82 NW. UNIV. L. REV. 1011, 1071 (1988).

n317 See 17 U.S.C. § 302(a) (listing duration of copyright for various types of work); Eldred v. Ashcroft, 537 U.S. 186, 219 (2003) (upholding constitutionality of Copyright Term Extension Act, which extended the duration of most copyrights to the life of the author plus seventy years).

n318 VARA does not conflict with this aspect of copyright law, as it provides that its rights do not extend beyond the life of the author. 17 U.S.C. § 106A(d)(1).

n319 See *supra* note 307.

n320 But see NEIL WEINSTOCK NETANEL, COPYRIGHT'S PARADOX 216 (2008) (arguing that limited moral rights protections in the United States would enhance rather than detract from First Amendment values).

n321 See, e.g., *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894 (9th Cir. 2002) (holding that the use of the Barbie trademark in a song lampooning Barbie qualified as a non-commercial use under FTDA and therefore did not dilute the Barbie mark); *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003) (holding that the use of the Barbie trademark in photographic works of parody did not dilute or infringe).

n322 See *infra* notes 361-369 and accompanying text (analyzing constitutionality of dilution as a restriction on commercial speech).

n323 See, e.g., Mary LaFrance & Gail H. Cline, *Identical Cousins?: On the Road with Dilution and the Right of Publicity*, 24 SANTA CLARA COMP. & HIGH TECH. L. J. 641, 642-645 (2008) (discussing the parallels between dilution law and the right of publicity); Dogan & Lemley, *supra* note 89, at 1197-1200 (same).

n324 Compared to state law claims for dilution, state laws regarding the right of publicity are much less uniform. Moreover, there is no federal cause of action for infringement of the right of publicity. Therefore, although generalizations can be made about this tort, based on the rules adopted in the majority of states that recognize the cause of action, its application varies widely, depending on the jurisdiction.

n325 See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 47 (1995) (defining such "purposes of trade" relevant for the right of publicity claim); *Zacchini v. Scripps-Howard Broad. Co.*, 433 U.S. 562, 575 (1977) (holding that news broadcast of plaintiff's performance as a "human cannonball" violated plaintiff's right of publicity); *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395, 1399 (9th Cir. 1992) (holding that use of a female-shaped robot in defendant's advertisement violated plaintiff's right of publicity); *Haelan Labs v. Topps Chewing Gum*, 202 F.2d 866, 868 (2d Cir. 1953) (recognizing a baseball player's right of publicity in his image); *Martin Luther King, Jr., Ctr for Social Change, Inc. v. Am. Heritage Prod., Inc.*, 296 S.E.2d 697, 702-03 (Ga. 1982) (holding that the manufacture and sale of plastic busts of Dr. Martin Luther King violated right of publicity held by Dr. King's heirs).

n326 See Dogan & Lemley, *supra* note 89, at 1180-84 (discussing moral rights theory underlying the right of publicity).

n327 See *White*, 971 F.2d at 1399 (holding that the defendant's advertisement, when viewed as a whole, violated Vanna White's right of publicity); see also Stacey L. Dogan, *An Exclusive Right To Evoke*, 44 B.C. L. REV. 291, 292 n.7 (2003) (discussing the *White* case).

n328 See *supra* notes 306-312 and accompanying text.

n329 See *supra* notes 313-316 and accompanying text.

n330 See, e.g., Sheldon Halpern, *The Right of Publicity: The Maturation of an Independent Right Protecting the Associative Value of Personality*, 46 HASTINGS L.J. 853, 873 (1995) ("There is, at bottom, recognition of the fact that there is something wrong, a manifest 'unfairness,' when one person seeks to trade on the personality of another. The right of publicity is the means to address and ameliorate that wrong."); but see Dogan & Lemley, *supra* note 89, at 1181-83 (critiquing "labor and unjust enrichment rationales" for the right of publicity).

n331 See Dogan & Lemley, *supra* note 89, at 1181-82 ("Even assuming that human dignity includes the right to prevent people from making true statements about you to sell a commercial product, it fits uneasily with a right of publicity that is only rarely about preventing such uses and almost always about maximizing the celebrity's profit from them.")

n332 Statutory damages are commonly available under right of publicity statutes. See, e.g., CAL. CIV. CODE § 3344(a) (West 2012) (providing for relief in the form of statutory damages of \$ 750 or actual damages, whichever is greater); WASH. REV. CODE. § 63.60.060(2) (2011) (providing for relief in the form of statutory damages of \$ 1500 or actual damages, whichever is greater); OHIO REV. CODE ANN. § 2741.07(A)(1)(a)&(b) (West 2011) (providing for relief in the form of statutory damages of \$ 2,500-\$ 10,000 or actual damages, at plaintiff's election). At least at common law, the right of publicity may also require proof of harm as an element of the cause of action. See, e.g., Slivinsky v. Watkins-Johnson Co., 270 Cal. Rptr. 585, 590 (Cal. App. 1990) ("Resulting injury is the *sine qua non* of a cause of action for misappropriation of name."); Cohen v. Facebook, Inc., 798 F. Supp. 2d 1090, 1097 (N.D. Cal. 2011) (same).

n333 See 15 U.S.C. § 1125(c)(1) (providing for injunctive relief when plaintiff proves likelihood of dilution); 15 U.S.C. § 1125(c)(5)(B)(i)&(ii) (providing for damages and potentially attorney fees when defendant's conduct is "willful"); see also CAL. BUS. & PROF. CODE §§ 14247(a) & (b) (West 2008) (providing for injunctive relief; damages available only when defendant's conduct is willful).

n334 See, e.g., OHIO REV. CODE ANN. § 2741.04 (West 2011) ("The right of publicity in an individual's persona is freely transferable and descendible. . ."); WASH. REV. CODE. § 63.60.030(1) (2011) (right of publicity "shall be freely transferable, assignable, and licensable, in whole or in part"); TENN. CODE ANN. § 47-25-1103(b) (2012) (right of publicity is "freely assignable and licensable"); NEV. REV. STAT. § 597.800(1) (2011) (right of publicity is "freely transferable"); IND. CODE § 32-36-1-16 (2012) (right of publicity is "freely transferrable and descendible, in whole or in part").

n335 Both naked licenses and assignments in gross (transfers of interest in a trademark without the accompanying goodwill) are considered forms of trademark abandonment. See 15 U.S.C. § 1060(a)(1) (allowing trademarks to be assigned "with goodwill"); *In re XMH Corp.*, 647 F.3d 690, 697 (7th Cir. 2011) ("A trademark owner . . . might delegate so much responsibility to the service provider as to lose the right or power to assure the quality of the trademarked brand, and then he would lose the trademark. . ."); *Twentieth Century Fox Film Corp. v. Marvel Enterprises, Inc.*, 277 F.3d 253, 259 (2d Cir. 2002) (noting that the licensor of a trademark must "maintain some control over the quality of the licensed property . . . or risk abandonment of its mark"); *Tumblebus, Inc. v. Cranmer*, 399 F.3d 754, 764-65 (6th Cir. 2005) (noting that one method for abandoning the trademark is through "naked licensing"); *Marshak v. Green*, 746 F.2d 927, 929-30 (2d Cir. 1984) (observing that courts have not allowed trade names or marks to be validly assigned in gross); but see Calboli, *The Sunset of Quality Control*, *supra* note 83, at 384 (arguing that recent practices involving assignments or licenses-back "profoundly deviate[] from the traditional view of trademark law"); Calboli, *Trademark Assignment with Goodwill*, *supra* note 83, at 774 (noting that "trademark practices have traditionally provided instruments to minimize, if not legally overcome, the effects" of the rule against assignment in gross).

n336 15 U.S.C. § 1125(c)(1) (2006).

n337 *Citizens United v. FEC*, 130 S. Ct. 876, 900 (2010) (holding that "political speech does not lose First Amendment protection 'simply because its source is a corporation'" (citation omitted)). The Court observed that "[c]orporations and other associations, like individuals, contribute to the 'discussion, debate, and the dissemination of information and ideas' that the First Amendment seeks to foster." *Id.* (internal quotations omitted); *see also id.* at 904 ("Political speech 'is indispensable to decisionmaking in a democracy, and this is no less true because the speech comes from a corporation rather than an individual.'" (internal quotations omitted)).

n338 *Id.* at 930 (Stevens, J., dissenting); *see generally* Randall P. Bezanson, *No Middle Ground? Reflections on the Citizens United Decision*, 96 IOWA L. REV. 649 (2011) (critiquing the *Citizens United* decision).

n339 Beebe, *supra* note 105, at 1161; *see also* Robert N. Klieger, *Trademark Dilution: The Whittling Away of the Rational Basis for Trademark Protection*, 58 U. PITT. L. REV. 789, 846-47 (1997) (noting that trademark dilution law "simply relieves the senior users of such marks from having to make a confusion showing").

n340 Clarissa Long, *Dilution*, 106 COLUMBIA L. REV. 1029, 1031 (2006) (observing that the relief rate for dilution claims has been on a "downward trajectory" since the first year of the FTDA's existence).

n341 *Id.*

n342 Barton Beebe, *The Continuing Debacle of U.S. Antidilution Law: Evidence from the First Year of Trademark Dilution Revision Act Case Law*, 24 SANTA CLARA COMP. & HIGH TECH. L.J. 449, 450 (2007-2008).

n343 The phrase "damning with faint praise" comes to mind.

n344 *See* Desai & Rierson, *supra* note 17, at 1800-01 (discussing distinctions between trademarks and copyrights and patents, and the

policies underlying the prohibition of trademark rights "in gross").

n345 See *supra* notes 339-342 and accompanying text; *but see* Carter, *supra* note 80, at 784-86 (arguing that trademark law insufficiently accounts for the externalities that it creates).

n346 See *supra* notes 104-105 and accompanying text.

n347 See Desai & Rierson, *supra* note 17, at 1801-05 (discussing trademarks' capacity for expressive use); *see also* Beebe, *supra* note 42, at 624 (arguing that trademarks are "a semiotic doctrine elaborating the principles of . . . language. If there is a 'language of commodities,' then trademark doctrine is its grammar, and this grammar must be understood not simply in economic, but also in linguistic terms."); Rochelle C. Dreyfuss, *Expressive Genericity: Trademarks as Language in the Pepsi Generation*, 65 NOTRE DAME L. REV. 397, 401 (1990) (discussing trademarks' ability to exhibit both "their signaling and expressive functions").

n348 Desai & Rierson, *supra* note 17, at 1804; *but see* Landes & Posner, *supra* note 82, at 168-69 (examining economics of language and noting, "[t]he importance of trademarks to language is only modest, however, because the contribution they make to the language is mainly a byproduct of the contribution that the products they designate make to the world of things.").

n349 See *supra* text accompanying notes 265-290.

n350 According to the BrandZ report published by Millward Brown, the top three brands in 2012 were Apple, IBM, and Google, each of which was valued at over \$ 100 billion. See *BrandZ Top 100 Most Valuable Global Brands 2012*, MILLWARD BROWN http://www.millwardbrown.com/brandz/2012/Documents/2012_BrandZ_Top100_Chart.pdf (last visited August 24, 2012).

n351 Desai & Rierson, *supra* note 17, at 1796; *see also* Beebe, *supra* note 43, at 624 (noting that "firms produce trademarks as status goods"); *see generally* MICHAEL J. SILVERSTEIN & NEIL FISKE, *TRADING UP: WHY CONSUMERS WANT NEW LUXURY GOODS--AND HOW COMPANIES CREATE THEM* (2005).

n352 See Dilbary, *supra* note 90, at 647-63 (explaining the economic rationale behind the willingness to pay more for branded products).

n353 Dreyfuss, *supra* note 347, at 400. To illustrate the expressive meaning of "Barbie," Dreyfuss quotes Joan Kennedy, who once said the following about her experiences on the campaign trail with her husband, Senator Ted Kennedy: "When I campaign alone I'm approachable. Women talk to me. . . . but when I'm with Ted I'm a Barbie doll." *Id.* at 397 (citation omitted).

n354 See *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 901 (9th Cir. 2002) (noting that the singer, who identifies herself as "Barbie," describes herself as "a blond bimbo girl, in a fantasy world," who commands, "Dress me up, make it tight, I'm your dolly.") *Id.* at 901.

n355 See *id.* at 904-07 (interpreting statutory language re "noncommercial use" and discussing First Amendment limitations); see generally Patrick D. Curran, Comment, *Diluting the Commercial Speech Doctrine: 'Noncommercial Use' and the Federal Trademark Dilution Act*, 71 UNIV. CHI. L. REV. 1077 (2004).

n356 *Mattel*, 296 F.3d at 908. Somewhat ironically, Mattel later licensed the Barbie Girl song and used it (with modified lyrics) to promote sales of the Barbie doll. Stuart Elliott, *Years Later, Mattel Embraces 'Barbie Girl,'* THE NEW YORK TIMES (Aug. 26, 2009, 4:30 PM), available at <http://mediadecoder.blogs.nytimes.com/2009/08/26/years-later-mattel-embraces-barbie-girl/?pagemode=print>.

n357 15 U.S.C. § 1125(c)(3)(A) (2006); see also *supra* notes 217-221 and accompanying text.

n358 See *supra* notes 223-232 and accompanying text.

n359 *Mattel*, 296 F.3d at 903, 904-07.

n360 See Lisa P. Ramsey, *Increasing First Amendment Scrutiny of Trademark Law*, 61 S.M.U. L. Rev. 381, 438-47 (2008); see also Jesse A. Hofrichter, Note, *Tool of the Trademark: Brand Criticism and Free Speech Problems with the Trademark Dilution Act of 2006*, 28

CARDOZO L. REV. 1923 (2007).

n361 See Mary LaFrance, *No Reason to Live: Dilution Laws as Unconstitutional Restrictions on Commercial Speech*, 58 S.C.L. REV. 709 (2007); see also Ramsey, *supra* note 360, at 438-39 (arguing that dilution laws constitute content-based restrictions on speech); Paul Alan Levy, *The Trademark Dilution Revision Act--A Consumer Perspective*, 16 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1189, 1193 (2006) ("[D]ilution law's limits on truthful commercial speech raise serious questions of public policy as well as constitutionality.").

n362 Cent. Hudson Gas & Elec. Corp. v. Pub. Serv. Comm'n of New York, 447 U.S. 557, 564 (1980).

n363 See *Castrol v. Pennzoil*, 987 F.2d 939, 949 (3d Cir. 1993) ("[I]t is well settled that false commercial speech is not protected by the First Amendment and may be banned entirely."); *FTC v. Brown & Williamson Tobacco Corp.*, 778 F.2d 35, 43 (D.C. Cir. 1985) (holding that "the subcategory of commercial speech consisting of false and deceptive advertising 'remains subject to restraint.' In fact, '[m]isleading advertising may be prohibited entirely.'" (citations omitted)).

n364 *Central Hudson*, 447 U.S. at 566-67.

n365 *Id.* at 567.

n366 See Dogan, *supra* note 327, at 321 (concluding that "courts should be mindful of the positive reasons for allowing parties to evoke others' products or services in pro-competitive ways").

n367 15 U.S.C. § 1125(c)(2)(v) (2006).

n368 *Central Hudson*, 447 U.S. at 564.

n369 *Greater New Orleans Broadcasting Ass'n v. United States*, 527 U.S. 173, 188 (1999).

n370 *See supra* notes 78-85 and accompanying text.

n371 *See supra* notes 321-342 and accompanying text.

n372 15 U.S.C. § 1025(c)(1) (providing injunctive relief against any use of a famous trademark that causes dilution, "regardless of the presence or absence of. . . competition").

n373 *See supra* text accompanying notes 168-171.

n374 *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 633 F.3d 1158 (9th Cir. 2011).

n375 Attachment A, appended to the end of this article, reproduces a photo of the parties' respective designs that was attached to the court's opinion in this case.

n376 *See supra* notes 97-105 and accompanying text (discussing empirical evidence of dilution and the limitations of that evidence).

n377 *See Am. Home Prods. Corp. v. Barr Labs., Inc.*, 834 F.2d 368, 371 (3d Cir. 1987) ("A response that one 'associates' a given product with the name of a competitive product may simply reflect the recognition that the two products are competitive and serve the same purpose.").

n378 *See supra* text accompanying notes 168-171 (describing evolution of substantial similarity standard under the TDRA).

n379 Professor Stacey Dogan has made this point as well: "[T]he public frequently benefits when a new market entrant uses product trade dress to evoke the strong trade dress of an entrenched market participant. So long as there is no confusion, however, the evocation serves an important public policy goal of market competition. With dilution protection for trade dress, some of this desirable activity might subside." Dogan, *supra* note 327, at 317; *see also* Robert G. Bone, *A Skeptical View of the Trademark Dilution Revision Act*, 11 INTELL. PROP. L. BULL. 187, 196-98 (2007) (criticizing TDRA for extending dilution protection to trade dress); Paul Heald, *Sunbeam Products, Inc. v. The West Bend Co.: Exposing the Malign Application of the Federal Dilution Statute to Protect Product Configuration*, 5 J. INTELL. PROP. L. 415, 423-24 (1998) (arguing that the FTDA should not be construed to apply to trade dress).

n380 For example, when Wallace Silversmiths claimed trade dress infringement of its Grand Baroque silverware pattern, it was not allowed to enjoin a competitor from producing similar-looking (although not identical) silverware, because the design was deemed aesthetically functional. The court reasoned that Wallace could not "exclude competitors from using those baroque design elements necessary to compete in the market for baroque silverware. It is a first principle of trademark law that an owner may not use the mark as a means of excluding competitors from a substantial market." *Wallace Int'l Silversmiths, Inc. v. Godinger Silver Art Co., Inc.*, 916 F.2d 76, 81 (2d Cir. 1990).

n381 *Id.*

n382 *Id.* at 81; *see also* *TraFFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 33 (2001) (noting that "[i]t is proper to inquire into a 'significant non-reputation-related disadvantage' in cases of esthetic functionality"); *Qualitex Co. v. Jacobson Prods. Co., Inc.*, 514 U.S. 159, 170 (1995) ("The 'ultimate test of aesthetic functionality' . . . 'is whether the recognition of trademark rights would significantly hinder competition.'"); *Christian Louboutin S.A. v. Yves Saint Laurent Am. Holdings, Inc.*, 2012 WL 3832285 at *9 (2d Cir. 2012) (noting that "Lanham Act protection does not extend to configurations of ornamental features which would *significantly* limit the range of competitive designs available") (citation omitted).

n383 *See Wallace*, 916 F.2d at 77 (noting that defendant admitted its designers were "inspired by and aware of" plaintiff's design).

n384 *See supra* text accompanying notes 236-238 (discussing comparative advertising fair use defense to claims of trademark infringement and dilution).

n385 The record in the *Starbucks* case demonstrated that defendant's intent in choosing the Charbucks mark was at least in part a desire to convey a message of comparative advertising. The Second Circuit characterized the Charbucks logo as a "beacon to identify Charbucks as a coffee that competes at the same level and quality as Starbucks in producing dark-roasted coffees." *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97, 113 (2d Cir. 2009).

n386 See generally Leah Chan Grinvald, *Shaming Trademark Bullies*, 2011 WISC. L. REV. 625 (2011); Kenneth L. Port, *Trademark Extortion: The End of Trademark Law*, 65 WASH. & LEE L. REV. 585 (2008); Kevin Greene, *Abusive Trademark Litigation and the Incredible Shrinking Confusion Doctrine -- Trademark Abuse in the Context of Entertainment Media and Cyberspace*, 27 HARV. J. L. & PUB. POL'Y 609 (2004); see also Desai & Rierison, *supra* note 17, at 1834-42 (discussing problems caused by over-policing of trademarks).

n387 See Long, *supra* note 340, at 1031 (acknowledging that "[i]t could well be the case that dilution law is a powerful bargaining chip in cease-and-desist letters and in negotiations outside the legislative arena").

n388 Desai & Rierison, *supra* note 17, at 1839-40.

n389 CHILLING EFFECTS, <http://chillingeffects.org/>.

n390 *Pork Board has a Cow Over Slogan Parody*, CHILLING EFFECTS, <http://chillingeffects.org/trademark/notice.cgi?NoticeID=6418> (letter from National Pork Board attorneys Faegre & Benson to The Lactivist Breastfeeding Blog, dated January 30, 2007). The letter also contains a somewhat humorous claim of dilution by tarnishment: "[Y]our use of this slogan also tarnishes the good reputation of National Pork Board's mark in light of your apparent attempt to promote the use of breastmilk beyond merely for infant consumption, such as with the following slogans on your website in close proximity to the slogan 'The Other White Milk': 'Dairy Diva,' 'Nursing, Nature's Own Breast Enhancement,' 'Eat at Mom's, fast-fresh-from the breast,' and 'My Milk is the Breast.'" *Id.*

n391 *Id.*

n392 15 U.S.C. § 1125(c)(5)(B)(i) (2006).

n393 The ambiguousness of the term "famous" itself makes it difficult to predict when a plaintiff may be entitled to sue under the TDRA, and hence even the holders of marks that are unlikely to qualify as famous may credibly threaten suit under the Act. Although the TDRA was supposed to codify a fame standard solely for marks that qualify as "household names," *see, e.g.*, Nissan Motor Co. v. Nissan Computer Corp., 378 F.3d 1002, 1011 (9th Cir. 2004), some of the trademarks that have been deemed "famous" under this Act objectively do not seem to meet this standard. *See, e.g.*, New York City Triathlon, LLC v. NYC Triathlon Club, Inc., 2010 WL 808885, *10 (S.D.N.Y. 2010); Dallas Cowboys Football Club, Ltd. v. America's Team Props., Inc., 616 F. Supp. 2d 622, 643 (N.D. Tex. 2009); Univ. of Kansas v. Sinks, 644 F. Supp. 2d 1287, 1307 (D. Kan. 2008); Harris Research, Inc. v. Lydon, 505 F. Supp. 2d 1161, 1166 (D. Utah 2007).

n394 *Pork Board has a cow over slogan parody*, CHILLING EFFECTS, <http://chillingeffects.org/trademark/notice.cgi?NoticeID=6418>.

n395 *See, e.g.*, Super Duper, Inc. v. Mattel, Inc., 2010 WL 2340250, *5-6 (4th Cir. 2010) (affirming district court's award of \$ 2,643,844.15 in attorney fees in case of "willful dilution").

n396 KWALL, *supra* note 240, at xiii.

n397 *Id.*

n398 Whether an automatic presumption of irreparable harm should persist in trademark infringement cases, in light of the Supreme Court's decision in eBay v. MercExchange, LLC, 547 U.S. 388 (2006), doing away with such presumptions in the patent infringement context is an interesting question which is beyond the scope of this article. *See* Sandra L. Rierison, *IP Remedies After eBay: Assessing the Impact on Trademark Law*, 2 AKRON INTELL. PROP. J. 163 (2008) (questioning the justification for a presumption of irreparable harm after *Ebay*).

n399 Although various names have been given to this type of tort (for example, "disparagement of property, slander of goods, commercial disparagement, and trade libel") it is "now generally referred to as injurious falsehood." *Bacchus Indus., Inc. v. Arvin Indus., Inc.*, 939 F.2d 887, 892 (10th Cir. 1991) (internal quotations omitted). A person is liable for the tort of injurious falsehood (and plaintiff's resulting damages) if she (1) "publishes a false statement harmful to the interests of another"; (2) "intends for publication of the statement to result in harm to interests of the other having a pecuniary value, or either recognizes or should recognize that it is likely to do so"; and (3) "knows that the statement is false or acts in reckless disregard of its truth or falsity." RESTATEMENT (SECOND) OF TORTS § 623A; *see also* W. KEETON, D. DOBBS, R. KEETON & D. OWEN, PROSSER AND KEETON ON THE LAW OF TORTS 963-64 (5th ed. 1984).

n400 See *supra* text accompanying notes 168-171 (describing evolution of substantial similarity standard under the TDRA).

n401 See Dogan, *supra* note 327, at 319 (arguing that "[e]xtending dilution rights to all marks bearing any associational relationship to famous ones exceeds the narrow objectives of the [FTDA], at a significant societal cost").

n402 15 U.S.C. § 1125(c)(1) (2006).

n403 See *supra* note 189 and accompanying text.

n404 Technically, this change to the Act would require deleting § 1125(c)(4), discussing the burden of proof in trade dress dilution cases, and adding trade dress claims to the list of exclusions in § 1125(c)(3).

n405 See *Cent. Hudson Gas & Elec. Corp. v. Pub. Serv. Comm'n of New York*, 447 U.S. 557, 565 (1980) ("[T]he First Amendment mandates that speech restrictions be 'narrowly drawn.'") (citations omitted).

n406 *Tommy Hilfiger Licensing, Inc. v. Nature Labs*, 221 F. Supp. 2d 410, 414 (S.D.N.Y. 2002) (emphasis added); see also *Harley Davidson, Inc. v. Grottanelli*, 164 F.3d 806, 813 (2d Cir. 1999) (noting that parodies "often lie within the substantial constitutional protection accorded noncommercial speech and may thus be the subject of liability only in the most narrow circumstances" (quoting RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25, cmt. i (1995))). Professor Lisa Ramsey has also argued that courts have a duty to "attempt to resolve any conflict between trademark law and the First Amendment by interpreting trademark claims narrowly and trademark defenses broadly in ways that protect expression." Ramsey, *supra* note 360, at 448; see also *id.* at 447-50 (discussing "contextual, speech-protective interpretations of trademark law").

n407 See *Cent. Hudson Gas & Elec. Corp. v. Pub. Serv. Comm'n of New York*, 447 U.S. 557, 561 (1980) ("The First Amendment, as applied to the States through the Fourteenth Amendment, protects commercial speech from unwarranted governmental regulation."); *New York State Rest. Ass'n v. New York City Bd. of Health*, 556 F.3d 114, 131 (2d Cir. 2009) ("[C]ommercial speech is entitled to the protection of the First Amendment."); *El Dia, Inc. v. Puerto Rico Dept. of Consumer Affairs*, 413 F.3d 110, 115-17 (1st Cir. 2005) (analyzing government regulation of commercial speech under *Central Hudson* test). See also *supra* notes 346-369 and accompanying text.

n408 *See* L.L. Bean, Inc. v. Drake Publishers, Inc., 811 F.2d 26, 30 n.2 (1st Cir. 1987) (noting that "[w]hen judicial enforcement of private personal rights touching forms of communication restricts freedom of speech, state action is implicated," in the context of analyzing trademark dilution claim); *see also* New York Times v. Sullivan, 376 U.S. 254, 265 (1964).

n409 15 U.S.C. § 1125(c)(2)(b) (2006).

n410 *See generally* Beebe, *supra* note 62 (discussing multi-factor balancing test for likelihood of confusion).

n411 15 U.S.C. § 1125(c)(1).

n412 V Secret Catalogue, Inc. v. Moseley, 605 F.3d 382, 388 (6th Cir. 2010).

n413 *Id.*; *see supra* notes 180-185 and accompanying text.

n414 *See, e.g.,* Conopco, Inc. v. Campbell Soup Co., 95 F.3d 187, 194-95 (2d Cir. 1996) (holding that any party must provide "evidence of fraud or bad faith" to recover attorney's fees under the Lanham Act); *but see* Scotch Whisky Ass'n v. Majestic Drilling Co., Inc., 958 F.2d 594, 599-600 (4th Cir. 1992) (holding that prevailing plaintiff must prove bad faith to recover attorney's fees in trademark infringement action, but prevailing defendant need not prove bad faith to demonstrate entitlement to fees).

n415 15 U.S.C. § 1125(c)(5) (2006).

n416 15 U.S.C. § 1117(a).

n417 What would constitute "bad faith" in the context of a trademark dilution suit is itself somewhat unclear. In the trademark infringement context, courts have defined bad faith as conduct that is "malicious, wanton, oppressive, or opprobrious." *Stephen W. Boney, Inc. v. Boney Servs., Inc.*, 127 F.3d 821, 825 (9th Cir. 1997). The key distinction between the current standard, which allows for enhanced penalties in cases of willful attempts to "trade on the recognition of the famous mark," 15 U.S.C. § 1125(c)(5)(B)(i), and "bad faith," would be the nature of the targeted intent. As discussed above, many if not most dilution defendants attempt to profit by making referential use of a famous mark, often by tapping into its expressive meaning. Bad faith should require proof of much more. Presumably, bad faith would entail a deliberate effort to undermine the famous mark's ability to identify the mark holder's goods or services. How a defendant could accomplish such a goal, without creating a likelihood of consumer confusion, is unclear. The possibility of bad faith is perhaps more evident in the context of a claim for dilution by tarnishment. The current statute targets the willful intent to "harm the reputation of the famous mark." 15 U.S.C. § 1125(c)(5)(B)(ii). Requiring a showing of bad faith would target defendants who deliberately attempt to injure the mark holder by implying association with offensive matter that has no connection to them or their goods and services, without the intent to criticize the famous trademark or the mark holder. By contrast, a defendant could attempt to harm the mark holder's reputation because the defendant could in fact believe that the reputation was unearned or undeservedly positive.

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NAME: Gideon Parchomovsky* and Alex Stein**

BIO: * Robert G. Fuller, Jr. Professor of Law, University of Pennsylvania Law School & Professor of Law, Bar Ilan University Faculty of Law, Israel.

** Professor of Law, Benjamin N. Cardozo School of Law, Yeshiva University. We thank Jade Allamby, Ian Ayres, Shyam Balganesh, Avi Bell, Yitzhak Benbaji, Rick Bierschbach, Guyora Binder, Miriam Bitton, Deborah Cantrell, Howard Chang, Bob Cooter, Joe Curran, Hadar Dancig-Rosenberg, Ben Depoorter, Michael Diamond, Miranda Fleischer, Erik Gerding, Mark Gergen, Myriam Gilles, Lisa Kern Griffin, Deb Gruen, Alon Harel, Erica Hashimoto, Adam Hirsch, Peter Huang, Osnat Jacobi, Jay Kesten, Derek Kiernan-Johnson, Greg Klass, Alexandra Lahav, Lisa Laplante, Adi Libson, Shahar Lifshitz, Jake Linford, Scott Moss, Jacob Nussim, Paul Ohm, Oren Perez, David Rosenberg, Barak Richman, Dan Rubinfeld, Maisie Rubinstein, Karen Sandrik, Gidi Sapir, Suzanne Scotchmer, Mark Seidenfeld, Benny Shmueli, Lawrence Solum, Girardeau Spann, Mark Spottswood, David Super, Josh Teitelbaum, Tom Ulen, Manuel Utset, Phil Weiser, Steven Wilf, Hannah Wiseman, and participants in workshops and seminars at the Twenty-Second American Law & Economics Association Annual Meeting, Bar-Ilan University School of Law, University of California, Berkeley, School of Law, University of Colorado Law School, University of Connecticut School of Law, Florida State University Law School, Georgetown University Law Center, and University of Pennsylvania Law School for helpful comments and suggestions. We are especially indebted to Maggie Lemos, Dan Markel, and Peter Siegelman for their invaluable contributions to previous drafts. Finally, we are grateful to Mario Lucero for outstanding research assistance.

LEXISNEXIS SUMMARY:

... Several leading scholars of Law and Economics have devised stylized models that analyze asymmetric litigation costs and their effect on settlements. ... As a consequence, certain entitlement holders will find themselves helpless in the face of meritless, and oftentimes downright extortionary, claims. ... The wellbeing theories of rights maintain that the state's allocation of freedoms and property-related entitlements across individuals determines what those individuals can and cannot enjoy as they go about their lives. ... Society's need to subsidize rights thus unravels the classic distinction between the so-called "negative rights" that fend off interference with the rights' holders and the so-called "positive rights" to welfare. ... According to widely held intuition, such entitlements are tantamount to a dead letter of the law unless they are sufficiently similar to each other to be consolidated into a class action - a proceeding that utilizes economies of scale and transforms many negative-value suits into a single action with a positive net value. ... First, they have to incur search and verification costs to ensure adequate representation. ... Absent proactive mechanisms that level the playfield between insurance companies and insured, the companies will use their cost advantage to force the insured

to forego the vindication of their rights in court and accept instead a cheap out-of-court settlement. ... Specifically, we will consider the options of increased court fees, fee-shifting rules, subsidization of disadvantaged litigants, and the intensified use of punitive damages, "bad faith," "unclean hands" and other equitable doctrines. ... As we explained, strategic litigants take advantage of differential cost structures to extort unmeritorious payments from entitlement holders.

TEXT:

[*1314]

Introduction

CONTRARY to conventional wisdom, in this Article we contend that all rights are relationally contingent. As we demonstrate, whether a right - indeed, any legal entitlement - is realizable will always critically depend on the relationship between two variables: (1) the cost a rightsholder would need to incur to vindicate the right; and (2) the cost faced by a challenger who wishes to attack and ultimately eliminate the right. In the real world, rights are meaningful only when the cost of protecting them is lower than the cost of attacking them. When the converse is true, the right becomes ineffective: it ceases to protect the rightsholder's underlying interest. The cost of challenging a right is not uniform for all potential challengers, but rather varies dramatically across the population. The rightsholder's cost of defending a right, on the other hand, remains constant. Consequently, rights will avail against certain challengers, but not against others. Or, succinctly put: rights are always relationally contingent. Furthermore, we show that the relational contingency of rights dominates all other factors that determine whether a rightsholder will realize her entitlement. When an entitlement is cheaper to attack than to vindicate, its holder will not be able to realize it.

To illustrate, consider the following examples. Assume that Brutus Inc., the owner of a large residential building, violates Anne's right of quiet enjoyment. Anne places a value of \$ 3000 on that right. However, it will cost her \$ 5000 to hire a lawyer and take legal action against the owner. Brutus Inc., by contrast, has a retainer agreement with a law firm. The firm is well versed in landlord-and-tenant law and can handle suits expeditiously. Consequently, Brutus Inc.'s expected cost of defense is only \$ 1000. Under these circumstances, Anne will choose to refrain from commencing legal action against Brutus Inc.

Diane suffers from ongoing discrimination by her employer. Unfortunately for Diane, employment discrimination suits are notoriously expensive to prosecute. The cost of the average suit is \$ 40,000. Diane's harm exceeds that amount. Diane estimates the harm at \$ 50,000, which means that her claim has a net value of [*1315] \$ 10,000. Her employer, on account of various economies of scale and scope, can litigate the case at \$ 30,000. Taking advantage of Diane's much higher litigation expenditures, the employer can offer her to settle her claim for \$ 20,000. If Diane is rational, she will agree; settling the case will guarantee her a net payoff of \$ 20,000, as opposed to the \$ 10,000 she will get from litigation.

Finally, consider the case of Ian, who has just received an ominous letter from Proprietary Images Inc., accusing him of a copyright infringement. Proprietary Images further informs Ian that the Copyright Act entitles successful plaintiffs to statutory damages of up to \$ 150,000 ⁿ¹ and then proceeds to offer him to settle the case out-of-court for the modest amount of \$ 3000. Ian is outraged by what he believes to be a baseless accusation, as he has a valid fair-use defense that he can prove in court. To do so, however, Ian would have to expend \$ 10,000 on legal representation. Hence, acting rationally, he will elect to accept Proprietary Images's settlement offer and forego litigation. ⁿ²

We can now formulate the conditions that allow a challenger who enjoys a litigation-cost advantage over the rightsholder to force the rightsholder into a settlement agreement that will surrender her entitlement or part thereof. The challenger will succeed at forcing out this surrender when the entitlement, net of the enforcement cost, yields the rightsholder a positive amount that exceeds the challenger's cost of attacking the entitlement. To illustrate, when Rita values her legal entitlement at \$ 10,000 and it costs her \$ 6000 to protect the entitlement in court, Carl will be able to challenge the entitlement and force Rita to give it up so long as he keeps his litigation expenses below \$ 4000. Notably,

Carl would not [*1316] be able to extort a similar settlement if Rita were to expend \$ 12,000 on vindicating her entitlement in court, which would make the net value of the entitlement \$ 2000 (a negative sum). However, Carl would be able to violate Rita's entitlement with impunity, a much worse outcome for those who believe that rights are an important legal and social institution.

An interesting and counter-intuitive result that emerges from our core claim is that sometimes negative value entitlements - that is, entitlements that cost more to defend than the value they yield to their holder - will nonetheless afford effective protection to their holders. Consider a person who values a certain right at \$ 5000. Assume that it would cost her \$ 7000 to vindicate the right in court. The right thus has a value of \$ 2000, which may lead one to conclude that this right is meaningless in the real world since it is not cost-effective for the entitlement holder to defend it in court.ⁿ³ Surprisingly, this cost structure on its own does not make the entitlement worthless or meaningless. The entitlement may prove both valuable and effective if the cost of challenging it is, say, \$ 10,000 and the expected return to the challenger is only \$ 6000. The net return from challenging the entitlement (\$ 4000) would fend off the challenger. Importantly, this negative sum also does not allow the challenger to pose a credible threat of litigation to the rightsholder.ⁿ⁴ The reason is simple: although the entitlement is costly to [*1317] defend, it is even costlier to attack, and the challenger therefore cannot rationally deliver on his threat to litigate. Under such circumstances, the entitlement will stay unchallenged and its holder will be able to realize it.

At this point, it is important to emphasize that our thesis about the relational contingency of rights addresses a completely different set of issues than Wesley Newcomb Hohfeld's famous scheme of "jural relations."ⁿ⁵ Both schemes allude to relationality, but each of them addresses a jurisprudentially distinct phenomenon. Hohfeld's scheme lays out the analytics of jural relations with a view to achieve conceptual clarity of diverse entitlements, generically identified as "rights."ⁿ⁶ Elaborating on the distinction between rights in personam - those that avail against a specific person - and rights in rem - those that avail against the rest of the world - Hohfeld suggested that rights in rem can be understood as aggregations of the underlying in personam rights. This characterization suggests that all rights - whether in personam or in rem - define people's jural relations as individual units.ⁿ⁷

Our core insight is very different. Unlike Hohfeld, we are not interested in rights as abstract legal concepts. Rather, we are interested in the way they operate in practice. Furthermore, Hohfeld's analysis was formal in nature in that it was confined to the legal specification of rights. We, by contrast, are not interested in the formal recognition of rights by the lawmaker, but rather in the ways rights and entitlements operate in real-world settings. For us, the act of formal recognition is a mere starting point. In fact, we show that formal legal recognition often falls short of affording meaningful protection to entitlement holders.

Our thesis also markedly differs from Marc Galanter's classic examination of how wealth disparities affect court decisions and, in particular, the formation of legal precedent. Galanter famously [*1318] showed that well-to-do litigants are able to achieve favorable outcomes in court and take the law in their desired direction due to the fact that they can afford superior legal representation.ⁿ⁸ The focal point of our inquiry is different. We focus on vindication and loss of entitlements that occur outside the courtroom.

This pivotal difference is best illustrated by cases in which the entitlement's vindication requires no assistance from courts. In any such case, the entitlement holder will realize her entitlement unilaterally: when the entitlement allows her to build a house, she will go ahead and build the house; when the entitlement permits her to rescind her contractual obligation, she will go ahead and rescind the obligation; and when the entitlement authorizes her to use another person's copyrighted work, she will go ahead and use the work. The entitlement's potential challenger will not be able to counter the holder's unilateral action by taking the case to court when the cost of doing so exceeds his expected return.

Oftentimes, an entitlement will be cheap to attack but costly to vindicate. This cost asymmetry will turn the entitlement into a dead letter of the law, viable in theory but unrealizable in practice. Asymmetric litigation costs that make entitlements unrealizable will be present whenever one of the litigants benefits from economies of scale or scope. For any such litigant, the marginal expenditure on every lawsuit drops as the number of cases increases. This condition

obtains for many large corporations, for the government, and for other repeat litigants. These litigants retain legal representation for a fixed amount that reflects the declining cost. When any of them confronts an opponent with no parallel ability to economize on the litigation costs, it will usually be able to eradicate the opponent's entitlement. The three examples with which we opened our discussion show how this deleterious dynamic unfolds. In each of those examples, a wealthy firm utilizes economies of scale and scope to destroy the legal entitlement of its weaker opponent.

In this Article, we seek to make four novel contributions to the theory of entitlements. Our first and least ambitious goal is to bring together two important threads in entitlement literature: economic analysis of entitlements and deontological accounts of rights. These [*1319] two threads coexist alongside one another without meaningful interaction. Several leading scholars of Law and Economics have devised stylized models that analyze asymmetric litigation costs and their effect on settlements.ⁿ⁹ These models demonstrated that a party with lower litigation costs can extort a favorable settlement from his opponent - a consequence that sometimes does and sometimes does not erode society's welfare.ⁿ¹⁰ This economic analysis has been highly abstract, insular and divorced from the broader jurisprudential context of legal rights. Critically, it paid no attention to the special role that rights play in our society as protectors of individuals' worth and wellbeing.

Deontological accounts of rights likewise suffer from isolationism. These accounts examine the nature, content, and justifications of rights from different philosophical perspectives.ⁿ¹¹ Collectively, they develop a broad and illuminating vision of rights as an important social institution.ⁿ¹² This vision underscores rights' role as constraining society's utilitarian pursuits, trumpeting rights as trumps.ⁿ¹³ Yet, deontological accounts pay virtually no attention to the economics of rights' enforcementⁿ¹⁴ and overlook the destructive effect of asymmetric litigation costs on entitlements. This oversight undermines these accounts' practical viability.

The holistic approach we adopt in this Article enables us to draw on the powerful insights of each of these bodies of literature and develop a more complete understanding of rights and their ability to promote social goals and values.

Our second contribution is conceptual. We demonstrate that, contrary to the conventional wisdom among rights theorists, all rights and entitlements are contingent in nature. Rights provide effective [*1320] protection to their holders only when they are cheaper to defend than to attack. When a right's challenge costs less than its vindication, the right's promised protection fades away up to the point of non-existence. Consequently, legal recognition of rights and other entitlements will result in no protection in some extreme cases and in full protection against all potential takers in other rare cases, while in the majority of cases its effect will be an effective protection against some takers and no protection against others. This critical insight is analytically robust and independent of the way in which legislatures and courts define and construe rights and entitlements.

Third, and relatedly, we show that in certain types of cases, the effects of asymmetric litigation costs are not randomly distributed across the population. Rather, they are systemic, favoring certain categories of litigants and disfavoring others. In such cases, asymmetric litigation costs often result in unrealizable entitlements: entitlements that are recognized de jure, but cannot be vindicated de facto. As a consequence, certain entitlement holders will find themselves helpless in the face of meritless, and oftentimes downright extortionary, claims. Or, if one prefers to look at it from the point of view of potential takers, it can be said that certain entitlements can be expropriated without their holders' consent and for an under-compensatory price. Worse yet, this phenomenon has regressive distributional effects because wealth and litigation expenditures are negatively correlated.ⁿ¹⁵ In addition to uncovering this systemic bias, we identify certain legal areas, both civil and criminal, in which it is prevalent.

Our fourth and final contribution is normative in nature. We propose several potential remedies that will protect entitlements against unmeritorious attacks by parties who enjoy a litigation cost [*1321] advantage. These remedies include fee shifting, punitive damages and special procedural safeguards. We explain each remedy's potential to level the litigation playfield and thereby afford better protection to entitlements. We also evaluate the relative strengths and weaknesses of each remedy, both in terms of its efficacy and in terms of its potential to be implemented. We conclude that the most promising solution resides in the revival and widespread use of equitable doctrines - misuse of rights,

unclean hands, and abuse of process - in combination with punitive damages. This set of remedies has the potential to deter strategic abuse of lower litigation costs and will go a long way toward restoring the integrity of rights.

Structurally, the Article unfolds as follows. In Part I, we review the economic and deontological accounts of rights and show how they both overlooked rights' intrinsic dependency on the cost of vindication as compared to the cost of challenge. In Part II, we present our core thesis that rights are relationally contingent and consequently prone to be taken over by expedient challengers. In Part III, we identify categories of cases in which this dynamic is pervasive as challengers with lower litigation costs can systematically force the weaker rightsholders into undeserved surrender of entitlements. In Part IV, we present several proposals for reform that aim at restoring the integrity of rights by weakening the power of parties with lower litigation costs. A short Conclusion follows.

I. Economic and Deontological Theories of Rights: A Critical Review

The principal difference between economic and deontological theories of rights can be summed in one sentence: deontological theories allocate entitlements to persons to protect intrinsic values of importance to the person, whereas economic theories match persons to entitlements in a way that maximizes aggregate wealth at any given time. Deontological theories are morality-driven endowers,ⁿ¹⁶ [*1322] while economic theories are welfare-oriented matchmakers.ⁿ¹⁷

For deontological theories, the key question is whether an individual deserves the entitlement in question. For economic theories, the key question is who is the entitlement's best user from a social welfare perspective. Deontological theories use moral desert as a sole criterion for determining entitlements and granting them to people. For economic theories, the sole criterion for identifying an entitlement's best user - an individual whose use of the entitlement will improve society's welfare - is utility.

As we will show, each theoretical approach, albeit for a different reason, overlooks the core insight that we identify in this Article as the relational contingency of rights. Deontological theories miss this insight because they end at the point at which the law recognizes legal entitlements. Deontologists do not look beyond this point and, consequently, do not consider the operation of entitlement-enforcing mechanisms. As a result, they fail to appreciate that a rightsholder will not be able to realize her entitlement against a challenger whose litigation costs are lower than hers.

Economic theories, by contrast, have no pre-set endpoint: for them, any entitlement is a fair game and a tradable unit in society's continual pursuit of welfare. For these theories, entitlements play no special role in cost-benefit tradeoffs carried out by policymakers and courts.ⁿ¹⁸ These theories consequently do not necessarily see special harm in the dissipation of legal entitlements whose owners cannot afford the cost of litigation against thrift challengers. We [*1323] posit, however, that dissipation of entitlements should not be a readily acceptable outcome even to efficiency scholars, as it brings about socially deleterious consequences. Economically minded scholars and policymakers should care about the relational contingency of rights.

In the following analysis, we develop these arguments in more detail. We first examine the relevant Law and Economics literature and then move to discuss the jurisprudential theories of rights.

A. Economic Literature

Economic theory, being amoral,ⁿ¹⁹ attributes no independent importance to rights as such. Economic literature uses the terms "rights" and "entitlements" interchangeably and does not define them with any particular degree of precision. For writers in the Law and Economics school of thought, legal entitlements are no more than bargaining "chips": legal commodities that can be bought or sold in the marketplace. The entitlements' content and meaning are of no consequence either. The only thing that matters is for entitlements to be clearly defined so as to make them fit for voluntary exchange.ⁿ²⁰ Indeed, voluntary exchange is the paramount value from an economic perspective, as it promotes allocative efficiency. More precisely, voluntary exchange ensures that entitlements gravitate to their

highest-value users in a process that is welfare enhancing. ⁿ²¹

With voluntary exchange being the norm, Law and Economics scholars view usurpations or takings of others' entitlements with disfavor. The reason is obvious: nonconsensual transfers can move entitlements to highest-value users only accidentally, rather than by design. More often than not, such transfers erode society's welfare [*1324] by benefiting encroachers who bypass the market. Thus, when X forcibly appropriates one of Y's rights, we cannot assume that the right is worth more to X than it is to Y. The only inference one can draw from these facts is that the net value of the right to X is positive, since otherwise he would not have appropriated it. But it is impossible to know whether X values the right more than Y, or vice versa. Voluntary transfers reveal information about the value the transacting parties ascribe to legal entitlements; involuntary transfers do not. ⁿ²²

Nonconsensual transfers not only suppress information about the value of entitlements; they also inflict substantive harm: the deprivation suffered by the rightsholder. Such deprivations would occur even in a world with perfect information about the entitlement's valuation by relevant actors. Self-interest maximizers will not hesitate to violate other peoples' entitlements when doing so improves their own utility. The rightsholders' deprivation would not affect the encroachers' decisions so long as they do not have to redress the loss or face criminal liability. Economically minded scholars consequently favor a legal regime that fends off nonconsensual transfers.

That said, legal entitlements make little difference for Law and Economics scholars. Consider the Coase Theorem, the progenitor of economic analysis of the law. ⁿ²³ In its strong form, this theorem stands for the proposition that entitlements do not matter. Under a more nuanced interpretation, it shows that in a world with perfect information and zero transaction costs, the efficient outcome will be reached irrespectively of the law's initial allocation of entitlements. ⁿ²⁴ Voluntary exchange will navigate entitlements to their most efficient users. ⁿ²⁵

[*1325] The mechanism envisioned by Coase en route to this economically happy end is voluntary exchange. Involuntary transfers, however, are capable of producing the same result. If there were a way to ensure that all involuntary transfers enhance welfare, Law and Economics champions would see no reason to oppose them. This worldview underlies the economic theory of efficient breach. ⁿ²⁶ Adherents of this theory see no harm in a breach of contract when it improves social welfare. ⁿ²⁷ As Professor Daniel Friedman astutely observed, it is but a small step from supporting efficient breaches to advocating efficient theft. ⁿ²⁸

Efficiency-minded scholars did not overlook the litigation cost asymmetry. Lucian Bebchuk, Steven Shavell, and other Law and Economics scholars have analyzed this phenomenon. ⁿ²⁹ Their analyses [*1326] demonstrated with rigor and precision that a party with lower litigation costs can secure a settlement more favorable than the one he would obtain under symmetrical costs. ⁿ³⁰ If that party is the plaintiff, the settlement amount he will recover from the opponent will exceed the expected value of the suit. If that party is the defendant, his settlement payment to the opponent will fall below the suit's expected value. ⁿ³¹ This outcome, however, is not inefficient in and of itself, as the savings in the trial costs may offset the overpayments and underpayments occasioned by extortionary settlements. ⁿ³²

Unfortunately, these important works have stopped short of analyzing the broader economic consequences of this phenomenon. An actor with a litigation cost advantage may abridge or altogether obliterate other people's entitlements when doing so is detrimental to welfare. Self-interest maximizers will tend to take advantage of rightsholders who cannot protect their entitlements in court at a comparable cost. Ex ante, therefore, asymmetrical litigation costs have a profoundly undesirable effect on society: they prompt actors with low litigation costs to bypass voluntary exchange, encroach on, or otherwise violate other people's entitlements and subsequently force these people - who must expend [*1327] more on litigation - into a full or partial surrender of their rights. This effect is far more severe than extortionary settlements.

Failure to attend to this broader issue is not the only shortcoming of the asymmetric-cost literature. This literature is highly abstract, insular and divorced from the broader jurisprudential context of legal rights. As a result, it pays no attention to the special role that rights play in our society as protectors of individuals' worth and wellbeing. This neglect

is not surprising: rights and other rudiments of analytical jurisprudence carry no weight in the Law and Economics literature. The economists' declination to take rights seriouslyⁿ³³ may well be the logical consequence of their all-encompassing cost-benefit tradeoffs.ⁿ³⁴ Yet, it puts the Law and Economics literature in tension with prevalent understanding of rights among jurists, courts, and laypeople as well.

The tension, or even disconnect, between the Law and Economics approach to rights and the prevalent conception thereof makes the former vastly incomplete, if not socially irrelevant. Our legal system is entitlement-based, and not accidentally so.ⁿ³⁵ The law grants people entitlements to protect their personhood,ⁿ³⁶ to secure their freedom to choose among different courses of action,ⁿ³⁷ to improve [*1328] their wellbeing,ⁿ³⁸ and to motivate their engagement in activities that benefit our society as a whole.ⁿ³⁹ Hence, when a person's entitlement cannot be actualized on account of high litigation costs, the underlying purpose of the entitlement is defeated as well. When an entitlement protects personhood and free choice, its unenforceability will make the person less autonomous, force her into insecurity, and might even cause her to experience unworthiness as a human being. When an entitlement protects its holders' wellbeing, its unavailability will erode the quality of the person's life. Finally, when an entitlement is designed to reward individuals who engage in a particular socially beneficial activity, its unavailability will deny individuals the benefit they labored to obtain and thereby compromise society's interest in encouraging individuals to pursue that activity. Furthermore, society's failure to redress the plight of the entitlement holder will incentivize encroachers who can litigate at a low cost to misappropriate others' entitlements instead of pursuing more productive activities.

B. Jurisprudential Literature

Theories of rights provide a useful vantage point for analyzing the effects of unrealizable entitlements. Theoretical writings on rights illuminate the importance of legal entitlements and the social benefits arising from their existence.ⁿ⁴⁰ Naturally, once an entitlement becomes unrealizable, the benefit it was supposed to generate is lost. Entitlements bring about diverse benefits, but the methodology [*1329] by which entitlements are identified stays invariant across different theories of rights and the ideologies they represent. Rights theorists compare a regime that recognizes and respects individuals' entitlements with one that does not. Theories associating entitlements with personhood, for example, emphasize the perniciousness of a rightless regime that exposes every individual to the omnipresent prospect of being used as a tool for promoting other people's goals.ⁿ⁴¹ Any such instrumentalization violates personhood by eroding the individual's intrinsic value as a human being. To forestall this erosion, the state must set up entitlements that will protect personhood.ⁿ⁴²

From another angle, autonomy-based theories of rights underscore the effect of entitlements on actors' freedom to choose the right course of action for themselves.ⁿ⁴³ In a world without legal rights, an actor's ability to form and act upon autonomous choices will crucially depend on the balance of power between her and other people whose interests clash with her endeavors. Other people may attempt to thwart the actor's endeavors or even coerce her into acting according to their will. Whether they will succeed in doing so will depend on how much power they have relative to the actor. The dependency on others and their decisions undermines the actor's self-governance and ability to live as a free individual. To free individuals of this dependency and grant them true freedom of choice, the state must grant individuals entitlements that will protect their autonomy.ⁿ⁴⁴

Another influential thread in the rights literature associates entitlements with their holders' wellbeing.ⁿ⁴⁵ The wellbeing theories of rights maintain that the state's allocation of freedoms and property-related [*1330] entitlements across individuals determines what those individuals can and cannot enjoy as they go about their lives. When rights are not recognized, an individual's ability to enjoy her freedoms and possessions will be severely compromised by the continual threat of their violation. Other individuals, and the state itself, may harbor interests and desires that conflict with the individual's freedoms and possessions and hence jeopardize her enjoyment of her freedom and property. If the threat is carried out, it will be damaging - sometimes even devastating - to the individual's wellbeing. To fend off this threat to the individual, the state must grant her entitlements that she can use as a shield against encroachments.

Finally, instrumental or consequentialist theories of rights emphasize the benefit of the rights' correlatives - namely,

the duties they impose on other people to act or avoid acting in a particular way.ⁿ⁴⁶ Under these theories, the state sets up entitlements to force or motivate the entitlements' subordinates (or duty bearers) to behave in a socially beneficial way.ⁿ⁴⁷ To this end, the state grants entitlements to its agencies and to private individuals. Those individuals are not the entitlements' ultimate beneficiaries. Rather, they receive their entitlements and the underlying proprietary and monetary rewards as an inducement to enforce the correlative duties of other people.ⁿ⁴⁸ Those individuals thus function as the state's agents and get their rewards in return.ⁿ⁴⁹ They are granted entitlements when private enforcement of the law is more cost-effective than public enforcement.ⁿ⁵⁰

[*1331] To illustrate the differences between these theories, consider a person who owns a house in which she lives. Assume that a trespasser takes over her house, drives her away and denies her the ability to use it. Under personhood-based theories of rights, when the state does not prevent the trespasser from encroaching and fails to remedy the wrong after its occurrence, it allows the trespasser to devalue the homeowner as a human being.

Autonomy-based theories highlight a different aspect of the homeowner's harm. By acting against the homeowner's will, the trespasser deprived her of the ability to make autonomous choices with regard to her property. The state's failure to redress the wrong further undermines the homeowner's self-governance.

Rights theories that put the premium on individual wellbeing will be concerned about the value the homeowner lost as a result of the deprivation she suffered. The state's failure to make her whole and reinstate her former status condones the erosion of her wellbeing.

Finally, consequentialist theories of rights would denounce the state's failure to intervene on the ground that it creates perverse economic incentives. The state's failure to protect property rights encourages intrusions of private property and induces excessive investment in private protection of property as well as suboptimal development of assets. This failure also dilutes the value of individuals' productive efforts and may even breed violence.ⁿ⁵¹

Our goal in this Article is not to determine which of the theories is normatively or descriptively superior.ⁿ⁵² Nor do we need to decide **[*1332]** which theory does a better job of capturing the harm occasioned by the denial of rights and entitlements. The only thing that is important for our purposes is the recognition that some distinct harm is inflicted whenever a person is denied her entitlement. Whether the main harm from the entitlement's denial comes from the erosion of the holder's personhood, autonomy, or wellbeing, or from the loss to society at large, is a question that need not be resolved here. All rights theorists agree that denial of rights invariably leads to harm, and we proceed from this premise as well.

The case of denial of a right, however, is not identical to the case of unrealizable entitlements. In the latter case, a person's entitlement is not denied. In fact, the legal system is ready to enforce it, but the person cannot afford to vindicate it in court. One might argue that although this result is unquestionably regrettable, it is morally and economically different from a deliberate denial or suppression of a person's right. Both analytically and as a matter of substance, unrealizability of entitlements presents a distinct problem that calls for independent analysis. In the case of unrealizable entitlements, the core problem is not the state's refusal to recognize a certain entitlement but rather the cost of enforcement. Yet from the vantage point of the entitlement holder, inability to enforce the entitlement will in many cases have the same effect as not having the entitlement to begin with.

Unrealizability of entitlements may not present a problem that calls for legal intervention when it happens accidentally in a small number of cases. Such cases, while unfortunate, do not threaten to unravel our entitlements-based system. However, when an entitlement is systematically turned into a dead letter of the law, policymakers have serious cause for concern. Accepting this state of affairs may bring about socially devastating consequences. This can be most readily seen in the case of criminal prosecutions. Consider the case of an unscrupulous prosecutor who files misdemeanor **[*1333]** charges against multiple defendants to induce guilty pleas.ⁿ⁵³ While the charges are baseless, defending oneself against them is expensive - indeed, costlier than pleading guilty to and getting punished for a relatively minor misdemeanor charge. Under these circumstances, all rational defendants - both guilty

and innocent - will likely plead guilty.

The same might happen in other areas of the law. Individuals and corporations may systematically use their relative cost advantages to erode entitlements that arise out of property and contractual arrangements, and even constitutional rights. In Part III, we illustrate this deleterious potential by providing examples that involved the entitlements of insurance holders, intellectual property users, and criminal defendants. But, of course, systematic asymmetries in litigation costs pervade other areas of the law as well. Taxpayers often face a similar problem in their dealings with the tax authorities.

Loss of entitlements on account of high enforcement costs should alarm policymakers for several reasons. First, and most obviously, it harms the entitlement holder. Rights theorists may disagree whether the harm is to her personhood, autonomy, or wellbeing, but none will contest the fact that she suffered some serious harm. Second, entitlement erosion undermines the goals of society at large since it upsets the balance of powers and freedoms within society. After all, entitlements are granted for a reason and their systematic non-enforcement therefore impairs policymaking. Third, the possibility of entitlements' erosion creates a perverse incentive for third parties to deliberately intrude on others' entitlements. Correspondingly, it induces inefficient changes in the behavior of entitlement holders who foresee the possibility that they will not be able to enforce their legal rights and privileges.

With one important exception, existing theories of rights have overlooked the cost of enforcing rights almost completely and have paid no heed to the social cost of enforcing rights. The exception is Professors Stephen Holmes and Cass Sunstein's analysis of rights that centers on the cost of enforcement.ⁿ⁵⁴ Specifically, Holmes and Sunstein demonstrated how the social cost of enforcing rights alters [*1334] our conventional understanding of rights. Their account begins with a simple observation that rights cannot vindicate themselves: they always require enforcement and are often contested. Society, therefore, needs to set up adjudicative procedures and other costly mechanisms for enforcing rights, and it will have to pay for those mechanisms with its taxpayers' money. Society's need to subsidize rights thus unravels the classic distinction between the so-called "negative rights" that fend off interference with the rights' holders and the so-called "positive rights" to welfare.ⁿ⁵⁵ Because society must (and does) subsidize the protection of negative rights, the enforcement of which is often costly,ⁿ⁵⁶ negative rights too are grounded in welfare.ⁿ⁵⁷ If society were to remove its welfare protection from negative rights, it would doom many of them to extinction.ⁿ⁵⁸

Holmes and Sunstein's account of rights is important both analytically and practically. It provides guidance as to real-world policies. However, it fails to notice a crucial dynamic that determines the effect of entitlements' enforcement cost on their holders' ability to realize them. Whether an entitlement holder will choose to protect an entitlement does not only depend on how much it costs her to vindicate it in court but also - indeed, primarily - on an attacker's cost of challenging the entitlement. When the cost of challenging an entitlement is prohibitive, the entitlement will not be challenged and its holder will be able to enjoy it for free. Hence, the fact that an entitlement is costly to enforce does not by itself imply that it will not be realized in the absence of a subsidy from the government. A state subsidy is required only when a third party is willing to expend money and effort to challenge the entitlement. As we showed, this will often happen when the challenger enjoys a significant cost advantage over the entitlement holder.

Contrariwise, when the cost of challenging (or taking over) an entitlement is systematically lower than the cost of defending it, the entitlement may become unrealizable. The entitlement holders will choose to forego its enforcement, effectively relinquishing it. This [*1335] insight has profound implications for law enforcement. The government must not rush to expend taxpayers' money on subsidizing the defense of entitlements. Instead, it can tax attacks on entitlements by imposing special procedural and evidentiary burdens upon anyone who deliberately seeks to deprive others of their entitlements by utilizing economies of scale or scope. In Part IV below, we make a number of proposals that follow this approach.

II. The Relational Contingency Thesis

In this Part, we present the core thesis of the Article, which holds that all entitlements are relationally contingent.

Accordingly, legal formalization of rights and entitlements does not guarantee their effectiveness against all intended duty holders. In the real world, rights will oftentimes fail to protect the underlying value they were enacted to defend, and, worse yet, may expose the rightsholder to predation by others. As we will show, this insight has far-reaching implications for the way policymakers and scholars think about rights and entitlements. However, before proceeding to analyze these implications, we will first position our core thesis within the larger framework of the rights literature and explain what causes rights and entitlements to be relationally contingent in the real world.

The conceptual literature on rights and entitlements is too vast to be summarized in a single article. At a risk of a mild overgeneralization, the literature may be divided into two categories. The first may be termed as "rights idealism."ⁿ⁵⁹ It consists of analytical examination of rights and entitlements as ideal legal concepts operating in a constraint-free world. The main contributions to this genre were made by legal philosophers seeking to understand and illuminate the concept of rights. This body of scholarship is largely divorced from real-world constraints and pragmatic concerns, such as cost and how rights and entitlements operate in reality. Scholars who work in this tradition see their mission as elucidating the essential characteristics of legal entitlements, offering typologies of entitlements, and positioning entitlements within the greater framework of legal concepts. These scholars are by and large [*1336] avowed deontologists, who proceed on the assumption that entitlements, once formalized, are readily capable of performing the tasks assigned to them by lawmakers.

Ronald Dworkin's highly influential workⁿ⁶⁰ provides a useful illustration. Characterizing rights as "trumps," Dworkin advances a powerful argument for why rights should prevail over utilitarian considerations. This argument develops a purist and highly abstracted conception of rights, unaffected by institutional constraints and real-world interactions. Dworkin postulates that rights have independent existence and viability and are also equipped with the special power to fend off utilitarian challenges.ⁿ⁶¹ Understandably, he does not even consider the possibility that the same utilitarian factors he dismisses may render rights ineffective on the ground in such a way that courts will not be able to salvage them. The cost of enforcing legal rights is the most significant of those factors. In other words, Dworkin and other rights idealists have ignored the basic fact that rights are not self-enforcing and hence inherently vulnerable to cost constraints.

The second thread in the rights literature is best described as "court-centered theories of entitlements." By contrast to "rights idealism," this body of scholarship focuses exclusively on how entitlements are implemented by courts. Contributors to this scholarship are predominantly pragmatists, who take an avowedly practical approach that seeks to explain how rights affect litigation outcomes. This approach to entitlements is taken by virtually all Law and Economics specialists and by a smaller number of Law and Society scholars. The celebrated "Cathedral" article by Guido Calabresi and Douglas Melamedⁿ⁶² vividly illustrates the Law and Economics scholars' approach. This article offers a fascinating account of how courts should protect legal entitlements - the Law and Economics equivalent of rights. Alas, as Carol Rose correctly observes, "Cathedral" at its core is an article about remedies rather than about entitlements as such.ⁿ⁶³ The article enumerates three remedial [*1337] modes of entitlements' protection - property rules, liability rules, and inalienability - and then moves on to tell readers how to choose the right mode of protection in order to maximize social welfare.ⁿ⁶⁴

Law and Society scholars, for their part, focus on the legal process more broadly. Specifically, they explore how inequalities in wealth distribution might distort legal processes and lead to socially inequitable results irrespective of the initial allocation of rights. This line of scholarly work builds on Marc Galanter's seminal essay "Why the 'Haves' Come Out Ahead," which demonstrates how affluent litigants can obtain more favorable outcomes in courts on account of superior legal representation.ⁿ⁶⁵

Surprisingly, scant attention has been paid to the role of entitlements outside the courts. Neither trend has consistently examined this important aspect of legal entitlements. Our analysis seeks to redress this omission. We would like to emphasize at this point that we do not intend to challenge any of the existing accounts of legal entitlements. Rather, our aspiration is to complement these accounts. We readily acknowledge the importance of legal formalization of entitlements. Formalization of entitlements lowers information costs for holders and duty bearers, economizes on

individuals' compliance costs, facilitates adjudication and dispute resolution expenses, and enables voluntary exchange. It also makes entitlements more valuable to their holders by giving them effect vis-a-vis the largest possible number of individuals and by putting the coercive powers of the state at the rightsholders' disposal.ⁿ⁶⁶ We likewise recognize the important role of courts and legal processes in protecting rights. Indeed, the fact that entitlements must be vindicated via legal process is what makes them relationally contingent.

Our account differs from the previous accounts of rights in that it focuses on the role that legal entitlements play in real-world interactions between actors. Accordingly, the discussion in the pages ahead aims to bridge the gap between rights idealism and the court-centered theories of entitlements. Temporally, we are interested in the period after an entitlement's formalization but before [*1338] it becomes the subject of litigation. To paraphrase a famous legal metaphor,ⁿ⁶⁷ we focus primarily on the unmaking of entitlements in the shadow of the litigation costs and on how to prevent this.

To illustrate, consider the famous jurisprudential distinction between rights in rem and rights in personam. As any person trained in the law knows, rights in rem avail against the rest of the world, while rights in personam are effective vis-a-vis a certain individual or a specified group of individuals. The accepted lore holds that an entitlement's formal recognition as a right in rem or a right in personam determines the group of individuals against whom the entitlement is effective. Rights and entitlements are not self-enforcing, however. Most of the time, their subordinates - the duty holders - will respect them. But there will be cases in which duty holders will fail to respect entitlements and may even violate them deliberately. In such cases, the entitlement holder will have to rely on the legal process to protect her entitlement. The legal process is not cost free. Litigation requires investment of resources - in many cases, a substantial investment. When an entitlement holder does not have the financial wherewithal to vindicate the entitlement in court, the entitlement will fail to protect her regardless of its classification as a right in personam or a right in rem. In reality, the group against which the right avails may be a null set.

This observation about the effectiveness of rights and legal entitlements is not confined to extreme cases. On the contrary, it can be generalized. Rightsholders who have the financial means to protect their entitlements may rationally choose not to do so as well when the cost of vindicating the entitlement in court exceeds the benefit thereof. One might think that this is not too troubling; after all, the owner should decide whether to vindicate her right and at what cost. However, this narrow view ignores the incentive effect of the cost-driven desertion of entitlements on their subordinates. Opportunists with low litigation costs can violate others' entitlements, thereby compromising the values that the entitlements are set to protect.

In reality, therefore, the effectiveness of a legal entitlement depends on two factors: (1) the cost of defending the entitlement in [*1339] court; and (2) the cost of challenging it. Consequently, actors with low litigation costs are able to force rightsholders to forfeit their entitlements. They can achieve this result by violating or misappropriating those entitlements and then offering the rightsholders an unconscionable settlement that the rightsholders have no choice but to accept.

Condoning misappropriation of others' entitlements on account of asymmetric litigation costs is neither fair nor efficient. From a moral standpoint, such misappropriations are akin to extortion or, at best, to unconscionable transactions. From an economic standpoint, they represent opportunistic transfers that are welfare diminishing. The existing state of affairs creates an incentive for actors to forego productive activities and search, instead, for entitlements that are prone for the taking. Social resources will systematically be wasted in this way. Worse yet, when any such wasteful predation endeavor compromises an entitlement originating from a productive endeavor of its holder (or the holder's predecessor), it breeds opportunism and extortion. By forcing transfers of wealth from the productive sector to opportunists, such endeavors will bring about a socially perverse regrouping of occupations and talent.ⁿ⁶⁸

Importantly, the relational contingency of entitlements cuts across wealth lines. The phenomenon is not confined to poor rightsholders, and can also strike the rich. The wealthy, too, may rationally elect to forfeit their rights in order to avoid litigation. To see one such scenario, consider again the fair-use dispute between Ian and Proprietary Images.ⁿ⁶⁹

Assume now that Ian is incredibly wealthy, indeed, wealthier than Proprietary Images. Proprietary Images, however, can litigate the dispute at a much lower cost owing to economies of scale that Ian does not enjoy. These economies accrue to Proprietary Images by dint of the fact that it has litigated multiple similar cases in the past and has ready access to all the legal resources - physical and human - necessary to litigate the case against Ian at a negligible cost. The law firm representing Proprietary Images has developed a standard method of prosecuting the [*1340] client's copyright suits against alleged infringers like Ian. Ian, by contrast, will incur a much greater expense if he decides to defend against Proprietary Images's claim. He will have to retain an attorney solely for the purpose of dealing with the infringement allegation. His attorney will then have to educate herself about the facts of the case and applicable legal rules without being able to reuse this knowledge in future cases and spread the cost of its acquisition across multiple clients. Ian's bill for attorney services therefore will not be discounted by economies of scale and scope. Importantly, the gap between the parties' expenses will only widen if the case goes to court, as the preparation time for Ian's attorney is likely to be more substantial than that for Proprietary Images's lawyers. Worse yet, Ian may be subject to hourly billing, which will further drive his cost up.

Being incredibly wealthy (by hypothesis), Ian can pay virtually any legal bill. Unlike most defendants in his position, he can afford sticking to his guns and fighting Proprietary Images in court even at the cost of \$ 10,000. This course of action, however, would only be rational if Ian valued his psychological satisfaction from the victory as worth \$ 7000 or more. Otherwise, it would still be most rational for him to surrender to Proprietary Images's demand and pay the company \$ 3000.

Our relational-contingency thesis has an interesting and counterintuitive implication that we mentioned in the Introduction. This implication concerns negative-value entitlements - ones that cost more to vindicate than the value they yield to their holders. According to widely held intuition, such entitlements are tantamount to a dead letter of the law unless they are sufficiently similar to each other to be consolidated into a class action - a proceeding that utilizes economies of scale and transforms many negative-value suits into a single action with a positive net value. However, this intuition is inaccurate as it ignores the relational contingency of entitlements. When the cost of an entitlement's vindication exceeds its value to the holder, she will not expend resources and effort on vindicating the entitlement in court. The entitlement, however, may nevertheless provide her with effective protection if the cost faced by potential challengers is higher still. To illustrate, assume that Anne values her entitlement to live in a nuisance-free environment at \$ 1000. However, Anne's expected cost of vindicating [*1341] this entitlement in court is \$ 1500. Thus, the entitlement has a net value of \$ 500. Nonetheless, it will afford Anne effective protection against her neighbor Ben if Ben's expected value from playing loud music is \$ 500 while his cost of defending himself, if sued, is \$ 3000. If Ben causes Anne a nuisance, she can credibly threaten litigation and offer Ben to settle for \$ 2000. Anticipating this result, Ben will abstain from violating Anne's entitlement ab initio.

This happy outcome, however, is far from typical. As we have shown, the relational contingency of rights will oftentimes lead to the opposite scenario: an individual or, more realistically, a large corporation will use its cost advantage in litigation to force out the surrender of a weaker opponent's entitlement. We now turn to identify and discuss the most recurrent of those scenarios.

III. The Destructive Consequence of Relational Contingency for Categories of Rights

Not all litigants are created equal - at least, not as far as litigation costs are concerned. While courts treat everyone equally in principle, some litigants enjoy a cost advantage over others. Two things need to be clarified at the outset in connection with this observation. First, cost advantage in litigation does not always positively correlate with wealth. Wealth allows people and firms to secure good legal representation for a price. But it does not, on its own, give a litigant a cost advantage. Cost advantage exists only when a party can litigate at a lower cost than her adversary. Second, cost advantage does not guarantee a victory in court. The actual outcome of a dispute depends on the merits of one's claims. The significance of lower litigation costs lies elsewhere: it enables a party who can litigate more cost-effectively to extract favorable settlements from its opponents. Or, to put it in contractual parlance, lower litigation costs improve a party's bargaining power. This is especially true under the American legal system under which each

litigant normally bears her own costs.

Asymmetry in litigation costs may arise by dint of the design of legal rules - substantive, procedural, or evidentiary. For example, the law can interpose heightened pleading and proof requirements in order to make it hard for plaintiffs to file and prosecute certain suits. Consider the legal rules governing securities fraud. Under the [*1342] Private Securities Litigation Reform Act of 1995 ("PSLRA"), ⁿ⁷⁰ a securities fraud action cannot survive motion to dismiss when the plaintiff does not provide a detailed account of the defendant's "scienter" or fails to substantiate his allegations of "scienter" by evidence. ⁿ⁷¹ This rule blocks potentially unmeritorious class actions that may unjustifiably erode the firm's stock value and reputation on the market. ⁿ⁷² At the same time, the rule makes it difficult for plaintiffs to commence securities fraud actions. ⁿ⁷³

Conversely, the law can make it easier for plaintiffs to prove their case. To this end, it may adopt various presumptions that favor plaintiffs (such as *res ipsa loquitur*) or employ procedural and evidentiary rules that economize on plaintiffs' costs. Similarly, the law can increase the relative cost of litigation for defendants by fashioning complex multifactor defenses that can only be proved at a significant cost. For example, Section 11(e) of the Securities Act of 1933 allows a defendant who made "any [false or misleading] statement [with respect to any material fact] in any application, report, or document filed pursuant to [the Act]" ⁿ⁷⁴ to avoid liability by proving that the alleged securities' drop in market price would have occurred anyway. ⁿ⁷⁵ This "negative causation" defense is complicated and very hard to establish. Courts have decided that "Congress' desire to allocate the risk of uncertainty to the defendants" ⁿ⁷⁶ calls for the imposition of stringent proof requirements upon defendants who invoke this defense. ⁿ⁷⁷ Specifically, any such defendant must prove by a preponderance of the evidence that the [*1343] decline in the stock's value "resulted 'solely' from factors other than the material omissions [or misstatements]." ⁿ⁷⁸ To establish the requisite disassociation, the defendant must furnish expert testimony that carries out an event study or other economic analysis of the affected stock's fluctuations. ⁿ⁷⁹ The cost of this testimony and the underlying expert work will usually be high. ⁿ⁸⁰ The prospect of [*1344] incurring this cost will exert deterrent effects on the primary behavior of affected parties. ⁿ⁸¹

A second source of the litigation-cost asymmetry concerns access to legal counsel and representation. Certain litigants have cheaper access to legal representation than others. Corporations and repeat litigants often pay retainer fees or employ in-house lawyers. Their adversaries, on the other hand, especially when they are private individuals, must expend considerably higher amounts of money and effort to secure adequate legal representation. First, they have to incur search and verification costs to ensure adequate representation. Second, they will be subject to hourly billing.

The cost advantage of repeat litigants is not based on volume alone, however. Such parties can often take advantage of economies of scale and scope that further lower their cost. A firm that faces multiple legal disputes can hire attorneys who will specialize in representing it after acquiring expertise in the relevant litigation areas. These attorneys will develop standard litigation methods that will maximize the firm's chances to prevail in court. Those methods may include repeated engagement of experts, document reviewers, and other specialists. These specialists, too, will set up working protocols that will apply in every case and help the firm achieve the best possible results. This litigation machinery will spread the firm's one-time investment in the dispute resolution across many cases. Consequently, the firm's expenditure on every individual case will steadily decline.

To illustrate, consider a company that holds a large portfolio of patents like IBM or an insurance company like AIG. Many of the legal disputes in which such companies are involved will share numerous common characteristics. Those commonalities allow such companies to rely on past cases in litigating new ones. The presence of recurring elements considerably lowers learning and drafting [*1345] costs, as well as the cost of legal research. First-time litigants and their representatives must, of course, do everything from scratch.

Asymmetry in the parties' litigation costs is not a rare spectacle in our legal system. In fact, such cases are ubiquitous. When asymmetrical litigation costs occur randomly in our legal system, they do not present a serious cause for concern. However, when they systematically favor one group of litigants over another, they can result in erosion of entitlements. The reason is simple and disturbing at once: the party who holds a cost advantage can always induce her

adversary to forego litigation and succumb to a settlement offer even when the law is on her side. A simple numerical example can demonstrate this point. Take a firm whose litigation cost is \$ 1000 per case and pit it against an individual entitlement holder whose parallel expenditure is \$ 5000. Under this recurrent scenario, the entitlement holder will be willing to avoid litigation - no matter how successful it promises to be, as far as merits are concerned - by paying the firm any sum up to \$ 5000. And if the entitlement holder values her entitlement below \$ 5000, she will surrender to the firm's pressure and forfeit her entitlement altogether, as did Anne in our introductory example. ⁿ⁸²

This decision of the entitlement holder is rational. Indeed, it is the only rational decision she can make. The firm's threat of going to court, given its low litigation cost, is credible. As a consequence of this threat, the entitlement holder stands to lose \$ 5000. Hence, it is only rational for her to remove the threat by paying the firm any ransom amount below \$ 5000. ⁿ⁸³

In the remainder of this Part, we discuss three representative cases. We extract those cases from three diverse areas: intellectual property, insurance, and criminal law.

A. Intellectual Property

The field of intellectual property is rife with examples of how asymmetrical litigation costs can lead to the erosion of entitlements. [*1346] Begin with copyright law. Many creative industries are highly centralized. The rights to the vast majority of musical works and films are held by a relatively small number of corporations. Furthermore, the field is characterized by central enforcement agencies - such as the American Society of Composers, Authors and Publishers ("ASCAP"), the Recording Industry Association of America ("RIAA"), and the Motion Picture Association of America ("MPAA") - that represent all relevant rightsholders and carry out their litigation initiatives. ⁿ⁸⁴

Although copyright law is supposed to balance the interests of copyright holders against those of users, numerous scholars have noted that the design of copyright law is slanted in favor of copyright holders. ⁿ⁸⁵ The Copyright Act bestows very broad rights and powers on copyright holders, while making painstaking efforts to define privileges very narrowly and carefully. ⁿ⁸⁶ The most important privilege, or defense, the Act grants to users is fair use. Fair use is supposed to be the bastion of users' rights and the most important counterweight to the broad powers of copyright owners. Unfortunately, fair use, on account of its complex design, has won itself the [*1347] dubious distinction of being the "most troublesome [doctrine] in the whole law of copyright." ⁿ⁸⁷ As one of us, together with Professor Philip Weiser, observed, fair use's ability to shield unauthorized users of works is greatly undermined by the uncertainty that has become the hallmark of the doctrine. ⁿ⁸⁸ Furthermore, as Professor James Gibson pointed out, the design of our copyright system allows copyright holders to expand their dominion at users' expense. ⁿ⁸⁹ Specifically, the vagueness and consequent uncertainty of fair use and other defenses prompt users to pay copyright owners license fees rather than risk litigation. ⁿ⁹⁰ This dynamic leads to accretion of rights by copyright owners. ⁿ⁹¹

But the vagueness of the fair use doctrine is only the beginning of the story. All copyright infringement actions share many basic characteristics. To succeed in an infringement suit, a copyright holder essentially needs to show ownership of a valid copyright and infringement by the alleged defendant. She then has to specify the remedies she requests. This is a common pattern in most copyright infringement suits. As a result, plaintiffs' attorneys who represent clients with large copyright portfolios face a downward sloping cost curve. This means that up to a certain number of cases, the cost of instituting each additional infringement suit will be lower than the cost of bringing the previous suit. Ultimately, the cost curve will flatten out, but even then the relative cost of litigation for plaintiffs' attorneys will be much lower than it is for defendants' attorneys.

[*1348] The use of central enforcement organizations not only lowers the infringement-detection cost for copyright owners; ⁿ⁹² it also guarantees them an inherent advantage in court. Enforcement organizations are repeat players in the copyright arena. As such, they can produce "cease and desist" letters and court briefs at a much lower cost than their adversaries, and then leverage this advantage into a favorable settlement. These settlements economize on litigation costs, but they also stunt the development of fair-use, misuse, and other copyright defenses, as courts are

increasingly denied the opportunity to consider these defenses. A corollary cost of this dynamic is that it sweeps problems under the rug and thereby prevents policymakers from adopting corrective measures. After all, disputes that have been settled privately between the parties rarely make policymakers' "to do" list.

Importantly, the cost advantage enjoyed by owners of large copyright portfolios has a profound effect on their primary behavior. First, it induces owners to create and acquire large portfolios of copyrighted works. For instance, Getty Images, Inc. recently acquired Flickr's entire collection of images. Following this acquisition, Getty established an international network of enforcement agencies and started asserting its rights against users of digital photos all over the world.ⁿ⁹³ This strategic move is consistent with our analysis, but it is not necessarily disconcerting. Second and much more troubling, certain corporations and individual actors reportedly adopted a "business model" under which they wait for certain works to become "viral," or in ordinary parlance, enjoy wide distribution over the Internet. Works typically attain this status due to the fact that they are initially distributed freely, often under permission from the original creators. At this point, profit-driven actors, typically corporations, acquire the rights to the works and launch an aggressive enforcement attack against unsuspecting [*1349] Internet users.ⁿ⁹⁴ The companies' cost advantage in litigation secures the attack's success in virtually every case.ⁿ⁹⁵

Strategic abuse of intellectual property rights is by no means restricted to the area of copyright. Holders of large patent portfolios enjoy the same cost advantage in litigation, as do owners of sizable copyright pools. In the world of patents, the advantage may be even more pronounced. A patent portfolio will often contain multiple individual patents that cover different aspects of the given technology or product. Due to this fact, a portfolio holder will often be able to make several infringement claims against its rival. Each additional claim will widen the parties' litigation cost differential, thereby dramatically increasing the defendants' motivation to settle.

In the patent context, large portfolios can help their owners avoid costly litigation, "serving to dissuade litigation (and threats thereof) by others in the field, because of the threat (real or implied) of retaliatory litigation."ⁿ⁹⁶ As Professor Polk Wagner and one of us pointed out, "the scale-effects of a portfolio mean that the broader array of possible infringement claims (and the concomitant greater net likelihood of success) allow significant patent portfolios to serve as important defensive mechanisms in a highly litigious environment."ⁿ⁹⁷ This dynamic has an important implication: inventors whose patents are infringed by holders of large [*1350] portfolios will choose not to sue them at all in order not to expose themselves to the risk of a retaliatory counter-suit which they can ill-afford.ⁿ⁹⁸

The abuse of cost advantages is not confined to large corporations. Consider the phenomenon of "patent trolling," the practice of holding patents solely for the purpose of extracting payments from others, without ever intending to commercialize the underlying invention. Jerome Lemelson, whose name is often mentioned in this context, amassed about six hundred patents during his lifetime and frequently asserted them against various corporations. He became famous in part for suing Japanese and European corporations for infringing his machine-vision patents. The merits of these suits are subject to a heated debate to this day.ⁿ⁹⁹ Yet the foreign corporations chose to settle the suits for \$ 100 million. Their decision to settle was driven in part by the fear of an unfavorable outcome in court.ⁿ¹⁰⁰ But Lemelson also enjoyed a substantial cost advantage over his opponents, as he could litigate more cheaply, and this advantage also helped him to extract the settlements.

Strategic litigation threats also pervade the domain of trademark law. The relative advantage in litigation costs enjoyed by large corporations enables them continuously to expand the scope of trademark protection at the expense of small businesses that can ill-afford to protect their rights in lengthy court battles. For example, Adidas, who owns the famous three-stripe mark, can assert its rights against smaller competitors who produce shoes whose designs incorporate two or four stripes, demanding that they cease producing and marketing their shoes even when the shoes' overall design is different and consumer confusion is highly unlikely. Over [*1351] time, this strategy can yield Adidas a near monopoly over the incorporation of stripes into the design of shoes and apparel.ⁿ¹⁰¹

Strategic assertion of trademarks is a broad phenomenon that encompasses all industries. This strategy characterizes large corporations and its typical victims are smaller businesses that dare to compete with the corporation.

In a recent article, Professor Leah Chan Grinvald aptly called this practice "trademark bullying." ⁿ¹⁰² Based on empirical evidence, she reported that

Large corporations send out multitudes of letters demanding small businesses or individuals cease and desist in their use of a trademark that has some resemblance to a large corporation's trademark(s). On many occasions, these letters appear to be sent out without any analysis of the purported infringement. These letters seem intended to simply intimidate the small business or individual into forgoing the use and/or registration of their trademark. ⁿ¹⁰³

These letters are so effective that recipients often choose to surrender their trademark entitlements or alter their marks without legal battle. These surrenders are particularly troubling in view of the high costs of a business's rebranding and readvertising. Professor Grinvald suggests that the source of the problem is that "victims do not have the wherewithal to fight legal battles." ⁿ¹⁰⁴ While we do not mean to underestimate the effect of wealth constraints on actors' decisions, we posit that asymmetrical litigation costs are [*1352] equally responsible for the loss of the trademark rights of small businesses. As we explained in Part II, an entitlement's vitality does not depend solely on the cost of defending it in court, but also on how much it will cost the denier to attack it.

B. Insurance

Insurance companies enjoy substantial economies of scale and scope in litigation. These economies stem from the companies' business organization and litigation setup. As far as the former is concerned, the companies systematically assemble and pool together information concerning the probability and the magnitude of the damages they insure against. The companies also elicit relevant personal data from the insured and develop standardized ways of juxtaposing the two sets of information - statistical and personal - against each other. This juxtaposition enables the companies to formulate and price the different policies they offer to individuals and organizations seeking to buy insurance and, subsequently, to assess the validity of policyholders' indemnification claims. ⁿ¹⁰⁵

The companies' litigation setup is equally standardized. By and large, it features policyholders who sue the company in court for failure to indemnify. Each of those plaintiffs complains that the company refuses to pay her for the damage that the policy she bought from it is supposed to cover. Some of those suits have merit, while others are unmeritorious or downright fraudulent. To defend against these multiple suits that have a virtually identical pattern, the companies retain (or employ) attorneys specializing in insurance law. To provide insurance companies with proper representation, those attorneys need to make a one-time investment: they need to study the standard terms of the relevant insurance policies and the information already assembled by the company. The attorneys also need to set up routine methods and protocols [*1353] for working with actuaries, private investigators and other experts. ⁿ¹⁰⁶

The resulting economies of scale and scope are enormous. They allow the company not only to take advantage of being a coveted client on an intensely competitive market for attorney services, but also to spread the cost of its representation and all other legal expenses across a very large number of cases. This cost-saving capacity gives the company litigation power that their policyholders cannot match. Any such policyholder, either rich or poor, will have to pay her attorney considerably more than what the company will expend on defending against the suit. The cost differential separating the two parties is vast, and so is the company's opportunity to drive the policyholder into an unfavorable settlement that will effectively obliterate her entitlements under the policy and insurance law. By seizing upon this opportunity, the company will systematically underpay its insured and profit at their expense.

Insurance companies also have a potentially legitimate reason for underpaying policyholders' indemnification claims. Many policyholders falsely exaggerate their losses, and it is not always easy for the company to detect such frauds. The company will consequently do well to factor in the possibility of fraud into its claim decisions and subsequent settlement offers. Under this framework, any indemnification claim that fits into the company's "suspicious" profile will be marked out as potentially fraudulent in calculating the company's claim-resolution proposal. By doing so,

the company will reduce its payout to policyholders and deter fraudulent claims. Hence, systematic underpayment of claims might also be an economically optimal strategy for insurance companies. ⁿ¹⁰⁷

For good or bad reasons, insurance companies take advantage of their superior cost-differential by underpaying policyholders' [*1354] claims. This practice is well-documented in academic literature ⁿ¹⁰⁸ and has given rise to suits filed by the government and consumer protection groups. ⁿ¹⁰⁹ The New Mexico Supreme Court decision in *Truong v. Allstate Insurance Co.* ⁿ¹¹⁰ provides both a recent and a remarkable illustration of those suits. ⁿ¹¹¹ This decision examined Allstate's use of a claim-processing computer software, programmed to undervalue and underpay policyholders' claims below their true value, against the state's prohibition of "unfair or deceptive and unconscionable trade practices." ⁿ¹¹² The court rejected Allstate's claim that its software fell under the "market conduct examination" permitted by a supervising agency (the Public Regulation Commission's Superintendent of Insurance). The court reasoned that such permission can only be granted expressly and formally, rather than implicitly, and reinstated the policyholders' class action. ⁿ¹¹³

Another good example is Louisiana's *parens patriae* action against Allstate, its provider of statistical, actuarial, and underwriting information, and the manufacturers of computer programs manipulated to reduce the value of policyholders' claims. ⁿ¹¹⁴ The [*1355] United States Court of Appeals for the Fifth Circuit categorized this action as an equivalent of a "class" or "mass" action ⁿ¹¹⁵ for purposes of the Class Action Fairness Act of 2005. ⁿ¹¹⁶ Based on this categorization, the court found "minimal diversity" between Allstate and the individuals represented by Louisiana's Attorney General ⁿ¹¹⁷ and removed the action to federal court pursuant to the Act's provisions. ⁿ¹¹⁸

These decisions raise both important and interesting questions of law that merit an independent discussion. ⁿ¹¹⁹ However, they are discussed here for a different reason. These decisions show how prevalent the insurance companies' underpayment strategies are and how hard it is for an individual policyholder facing those strategies to stand her ground. ⁿ¹²⁰ Indeed, it is no coincidence that one of those decisions involved a class action and another a *parens patriae* suit. Absent proactive mechanisms that level the playfield between insurance companies and insured, ⁿ¹²¹ the companies will use their cost advantage to force the insured to forego the vindication of their rights in court and accept instead a cheap out-of-court settlement. The contractual rights of policyholders will consequently become mute.

C. Criminal Law

Asymmetrical litigation costs can foil criminal justice as well. Consider a prosecutor who accuses numerous defendants of unlicensed work as contractors - a misdemeanor punishable by a fine not exceeding \$ 5000. ⁿ¹²² The prosecutor is one of several attorneys [*1356] on the government's payroll who specialize in prosecuting licensing violations. To be able to perform her job properly, the prosecutor had acquired the requisite legal and technical knowledge, which she employs in all cases she handles. The state can, consequently, prosecute contractors suspected of doing unlicensed work at a relatively low cost. For reasons we already explained, the state's cost of prosecuting every additional contractor gets lower relative to the cost of previous prosecutions. Any addition to the prosecutors' caseload spreads their effort across greater numbers of cases. Up to a certain point, it also helps prosecutors acquire experience and improve their efficiency, thus driving the state's costs further down. ⁿ¹²³

These economies of scale are one-sided. The prosecutor, for example, does not have to put much effort into prosecuting a general contractor for doing unlicensed electrical work. She knows from her and her colleagues' experience what electrical work is included in the general contractors' license. The contractor's attorney, on the other hand, will normally have to investigate this issue anew. The attorney will also have to familiarize himself with the relevant statutory and regulatory provisions, some of which are complex and not easy to understand. Consequently, in this and many other criminal cases, the gap between the cost of defense and the cost of prosecution is substantial.

Assume that the state's cost of prosecuting a contractor for doing unlicensed work is \$ 2000, while the cost of defense is typically \$ 10,000 per case. The prosecutor offers each defendant to plead guilty and receive a \$ 3000 fine. Under these circumstances, all defendants, including those who are innocent, will do well to accept the prosecutor's

offer.

Why would an innocent defendant accept this offer? The reason is simple: the defendant's conviction and punishment are costly but still cheaper than the defense. Even when the defendant's trial is completely risk-free - so that his acquittal at the end of the trial is guaranteed - he is still better off paying the state a fine of \$ 3000 [*1357] than paying an attorney a \$ 10,000 fee.ⁿ¹²⁴ The innocent defendant will consequently choose to accept the plea bargain. Contrary to some scholars' belief,ⁿ¹²⁵ the defendant's gain from the plea bargain does not fully account for this decision. His additional - and, indeed, dominant - reason for accepting the bargain is the prosecutor's cost advantage that lends credibility to her threat to litigate the case.ⁿ¹²⁶ Had the prosecutor's litigation cost been equal to the [*1358] defendant's, it would be much harder for her to threaten the defendant that she would take the case to court.ⁿ¹²⁷

Another factor that widens the gap between prosecutors' and defendants' litigation costs is the parties' unequal access to expert assistance. As attested by Professor Paul Giannelli in his comprehensive study of this area, "prosecutors ... have an overwhelming advantage when compared to defense counsel."ⁿ¹²⁸ Prosecutors can obtain expert assistance in virtually every case from government crime laboratories, both state and federal, and by relying on experts working in coroner and medical examiner offices, as well as federal agencies such as the Drug Enforcement Administration, Food and Drug Administration, Internal Revenue Service, and Bureau of Alcohol, Tobacco and Firearms.ⁿ¹²⁹ The enormous pool of government-employed experts is a perfect combination of scale and scope economies. This pool allows prosecutors to obtain expert assistance both cheaply and easily. Defendants have no free access to this, or a comparable pool, of experts.ⁿ¹³⁰ Consequently, they have to shop for their own experts and pay full market prices for expert services - something that only wealthy defendants can afford.ⁿ¹³¹

In our illustration, the prosecutor's cost advantage enabled her to force an innocent defendant into a guilty plea followed by fine. Unscrupulous prosecutors, however, can go much further by abusing their cost advantage. They can put financial pressure on defendants to extort guilty pleas that will lead to a prison sentence. For example, a prosecutor can inflate the indictment by accusing the defendant of multiple crimes that include conspiracy and other inchoate offences.ⁿ¹³² The high cost of defending against multiple accusations [*1359] and the credibility of the prosecutor's threat to go to trial may force innocent defendants to plead guilty. To be sure, prosecutors' cost advantage is not the only factor that gives them the upper hand in plea bargain negotiations. Other factors contributing to this imbalance are defendants' aversion to risk and uncertainty,ⁿ¹³³ financial constraints,ⁿ¹³⁴ bounded rationality,ⁿ¹³⁵ and prosecutors and defense attorneys' self-seeking motivations.ⁿ¹³⁶ Yet, prosecutors' cost advantage is a key element in their ability to extract guilty pleas from defendants. Unlike other factors that drive plea bargaining, the prosecution's cost advantage may lead to the silencing of entire categories of defendants who are accused of relatively minor violations in the sense that their voices will not be heard in the courtroom and their defense claims will never be given full consideration.

IV. Potential Solutions

In this Part of the Article, we propose several approaches that can potentially ameliorate the deleterious effect of asymmetrical litigation costs on entitlement. In theory, the solution is quite simple: it is necessary to level the legal playfield. This can be achieved either by raising litigation costs for parties who currently enjoy a cost advantage or by lowering litigation costs for disadvantaged parties.ⁿ¹³⁷ However, this is easier said than done. As is often the case, the devil is in the detailsⁿ¹³⁸ and there are no simple prophylactic solutions.

[*1360] Not every case in which one of the parties enjoys a cost advantage calls for leveling the playfield.ⁿ¹³⁹ In almost all cases, one of the parties has this advantage and the adoption of broad policies that seek to negate it would be both wasteful and futile. The cost of the fix may far outweigh the benefit. What is more, the fact that one of the parties enjoys a cost advantage is not a real concern as long as she does not seek to use it strategically. This can be most easily seen in the context of criminal prosecution. When the government prosecutes a person who clearly committed a crime, making the process more costly for the government only for the sake of leveling the playfield would work to society's detriment without producing any offsetting benefits.

The main challenge, therefore, is to fashion legal mechanisms that are capable of distinguishing strategic litigants from non-strategic ones. In the following paragraphs, we will discuss a number [*1361] of mechanisms that may be used to accomplish this task. Specifically, we will consider the options of increased court fees, fee-shifting rules, subsidization of disadvantaged litigants, and the intensified use of punitive damages, "bad faith," "unclean hands" and other equitable doctrines. We will assess these mechanisms' strengths and weaknesses and will try to rank them on the basis of this assessment.

A. Increasing Court Fees

The first remedial option we wish to consider is stricter ex ante screens that would make it more difficult for strategic litigants to file suits against disadvantaged defendants. The most conventional mechanism that may be employed toward this end is differential court fees that correlate with the number of suits one files. Under this mechanism, court fees will increase progressively with every additional lawsuit filed by a litigant suspected of being strategic. Serial litigants consequently will have to pay an increasingly high fee for each additional suit they file.

Rising court fees will increase litigation costs for serial litigants (both strategic and honest). The fee increments will gradually eliminate the serial litigants' cost advantage, which, in turn, will take away their ability to threaten potential defendants with suits. Note that strategic plaintiffs' capacity to extort settlements critically depends on their ability to make a credible threat to sue the defendant. Properly calibrated fee increases will gradually erode the credibility of those threats. Over time, those threats will become non-credible and the litigation playfield will be leveled.

But herein lies the main problem with the proposed mechanism. It takes time for it to take effect. This may appear to be a fairly inconsequential problem at first blush. But, in fact, the opposite is true. The time problem dooms the mechanism. To illustrate, assume that a five percent increase in court fees allows a strategic plaintiff to enjoy her cost advantage in the first ten suits she files, but not thereafter. Under the assumed rate, the plaintiff's cost advantage disappears at the eleventh suit. Seemingly, after winning ten suits in a row, the plaintiff will no longer be able to destroy her opponents' entitlements, and the unrealizability problem will fade away.

[*1362] In fact, it will not. The reason is simple: defendants one through ten will not litigate their cases. No reasonable person will agree to be among the first ten defendants to go to court. Instead, a reasonable person will prefer to settle the case by giving up her entitlement (or part of it). The next defendants will follow suit, thereby completely exempting the plaintiff from the duty to pay court fees. The fee-increase mechanism is therefore unlikely to remedy the problem.

The increased fees solution also raises fairness and efficiency concerns. As we already noted, not all serial litigants are strategic. Some of them are honest rightsholders who suffered multiple infringements of their rights, as is often the case with owners of copyright in musical works. Raising court fees for those litigants up the point of unaffordability would block their access to courts and allow infringers to misappropriate their works. This outcome is neither fair nor efficient.

The increased fees solution is also partial by design. This solution only works with strategic plaintiffs, but not with strategic defendants, as defendants pay no court fees. Moreover, a strategic litigant can often choose between being a plaintiff and being a defendant. Consider a landowner who tries to void her neighbor's right-to-way easement. Instead of filing a suit to void the easement, the landowner can conveniently turn herself into a fee-exempted defendant by destroying and occupying the pathway in question. If this action triggers the neighbor's suit, the landowner will realize her cost-advantage and obliterate the neighbor's entitlement without paying court fees. If the neighbor decides not to sue, the landowner will prevail without a fight.

Finally, the increased-fee mechanism can only work in civil litigation. In the context of criminal prosecutions, this mechanism is inapplicable. Once it becomes effective, it will stop the criminal justice system dead in its tracks, as it will prevent the government from prosecuting offenders.

B. Fee Shifting

Fee shifting is a second option that policymakers may adopt in order to combat strategic litigants. Across the United States, each civil litigant pays her own court costs and attorney's fees. This general principle is widely known as the "American rule." Most other [*1363] countries follow the so-called "English rule" that empowers the prevailing party to collect her court costs and attorney's fees from the losing party. Critics of the American rule claim that it promotes "wasteful litigation expenditures, implausible claims, strike suits, onerous discovery demands, and spurious defenses." n140 Champions of the American rule respond to this accusation by underscoring access to justice. They argue in this connection that the English rule "deters risk-averse plaintiffs from pursuing meritorious claims, especially against rich defendants who can afford expensive counsel." n141 Law and Economics scholars who have weighed in on the debate tend to favor the American rule on the ground that it best promotes out-of-court settlements. n142

But not all settlements are equally desirable from a social perspective. n143 While we do not challenge the conventional wisdom among Law and Economics scholars as to the incentive effect of the American rule on settlements, our analysis casts doubt on the assumption that maximizing the number of out-of-court settlements is necessarily a laudable goal. If our analysis is correct, not all settlements are socially desirable: some settlements, as Bentham [*1364] put it, are "repugnant to justice." n144 As we have shown, out-of-court settlements lead to the effacement of entitlements in certain contexts. After all, it is precisely the ability of parties with a cost advantage to craft settlements in a way that induces their adversaries to forego trial that causes the problem. Hence, the English rule may be desirable in the present context.

Forcing the losing party to pay the winner her court expenses and attorney's fees has the same effect as increasing court fees: it raises total litigation costs for strategic litigants. The two remedial mechanisms, however, differ from each other in four important respects. First, unlike the increased court fees that acquire their remedial power over time, the English rule takes effect immediately as of the very first case. The English rule thus avoids the main shortcoming of the increased court fees solution. Second, while under the increased court fees regime the money goes to the courts system, the English fee-shifting rule channels the money to successful defendants. This difference increases the incentive of potential defendants to defend their entitlements in court. Third, a fee-shifting mechanism is a more precise measure than increased court fees, as it reimburses defendants for their actual - or under most legal systems, reasonable - expenses. Lastly, the increased court-fees mechanism, as we already noted, can only affect the strategic filing of suits. The fee-shifting mechanism is universal: its adoption will affect not only plaintiffs in civil cases, but also defendants and criminal prosecutors. For all these reasons, the English rule clearly outperforms increased court fees as a mechanism for combating strategic lawsuits.

That said, the English rule is not a foolproof solution. This rule works best when the plaintiff's case is completely without merit. When the plaintiff has absolutely no chance of winning the case, adoption of the English rule will take away the plaintiff's ability to utilize her cost advantage as a means for extorting a favorable settlement [*1365] from the defendant - at least when the defendant also evaluates the plaintiff's probability of winning the case at zero. Under this scenario, it does not matter how significant the plaintiff's cost advantage is since the defendant knows that at the end of the process she will be fully reimbursed for her expenses. And the plaintiff knows it too. The English rule thus takes away the plaintiff's threat point.

The analysis changes, however, when a strategic plaintiff's chance of winning the case is not zero, but rather a small positive, say, thirty percent. In any such case, a strategic plaintiff will still be able to utilize her cost advantage to extract favorable out-of-court settlements from defendants. Naturally, the pool of potential targets will be smaller and the plaintiff's settlement gains will correspondingly shrink. Yet, with respect to certain defendants who must pay a steep price for legal representation, the cost advantage will be substantial enough to extort ransom payments. n145

Importantly, we do not argue that the English rule should be applied across the board simply because it does a better job of deterring strategic litigation that threatens to erode entitlements. The position we take is far less ambitious. What we did in this Section is to identify a previously-unnoticed factor that weighs in favor of the [*1366] English

rule. This factor may not be weighty enough to warrant the English rule's adoption in all cases, but it certainly supports the rule's application under appropriate circumstances that courts can determine on a case-by-case basis. We therefore recommend that courts be given a broad discretion to apply the English rule to lawsuits that have little merit and were brought by plaintiffs with an inherent cost advantage over the defendant.

C. Subsidization

The first two solutions we discussed are analogous to a tax: their goal is to increase litigation costs for strategic litigants. Another way to level the playfield is subsidization. Specifically, lawmakers may lower litigation costs for strategic litigants' targets by subsidizing the latter's litigation efforts. This result can be achieved either directly or indirectly. Direct subsidization consists of giving money to the litigants themselves. Indirect subsidization involves setting up legal aid organizations to represent the targets of strategic litigants.

Real world examples of direct subsidization are hard to find. In fact, we are not aware of any. The reason is straightforward. Direct subsidization presents a formidable challenge for the state in two respects. First, subsidizing all litigants is both impractical and inefficient. Any mechanism of direct subsidization will consequently require the state to set up a screening mechanism for identifying litigants who are eligible for subsidization. The cost of operating such a mechanism will likely be enormous, which calls into question the cost-effectiveness of the entire enterprise. Second, and equally important, a system of direct subsidization will create an acute moral hazard problem.ⁿ¹⁴⁶ Litigants who know that their legal bills would be paid by the state - in part or in full - will invest excessively in legal representation. Ex ante screening, careful though it may be, will not eliminate this problem since it is impossible to estimate upfront the precise cost of legal processes.

In light of the inherent problems with direct subsidization, it is not surprising that most jurisdictions prefer the indirect subsidization [*1367] route. Instead of channeling public money directly to litigants, states by and large prefer to institute public agencies that represent eligible litigants. The most common agency of this sort is the public defender's office that provides legal representation to criminal defendants who cannot afford an attorney.ⁿ¹⁴⁷

The state may also set up legal aid agencies to help civil litigants. Importantly, numerous private organizations help litigants in civil cases. These organizations include the Legal Services Corporation, National Consumer Law Center, Electronic Frontier Foundation, law school clinics, and many other institutions and centers (including law firms providing pro bono services). Legal aid organizations - both private and public - screen out applicants and determine their appropriate level of involvement in each individual case. By doing so, they solve most of the problems that arise in the context of direct subsidization.

Alas, the current demand for services offered by legal aid organizations far exceeds supply. The state can bridge the gap between supply and demand by setting up additional legal aid agencies or by funneling more taxpayers' money into existing ones. However, provision of the optimal amount of legal aid is a tricky task for the state. First, the state will be hard-pressed to determine the aggregate demand for legal aid as well as the particular areas of need. This challenge will be compounded by the fact that any attempt at estimating the overall demand for legal services must factor in the price (or co-pay) at which they will be offered. For example, if legal aid were to be given for free, there will be much greater demand for it than if it were offered for a price. Second, the state will have to supervise the quality of the services provided by legal aid institutions. As the number of institutions and employees grows, the task will become more complex. Third, and finally, the level of funding for legal aid is a function of political priorities. In the current economic environment, it would be difficult to convince politicians to commit considerable amounts of money to litigation subsidies. Any fair-minded person would agree that there are far more pressing needs at this time.

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D. Equitable Measures and Punitive Damages

Another possible approach to the challenge posed by strategic litigants involves the use of various equitable doctrines, such as bad faith, misuse, and unclean hands. Equity constitutes a rich depository of various flexible doctrines that enabled judges to achieve just results in individual cases. Indeed, as Professor Henry Smith recently put it, the point and purpose of the law of equity was to combat opportunism.ⁿ¹⁴⁸ Strategic litigation falls squarely in this category. As we explained, strategic litigants take advantage of differential cost structures to extort unmeritorious payments from entitlement holders. This dynamic leads to results that are neither socially efficient nor equitable.

While the previous measures we discussed focus either on the litigants themselves or on their representatives (legal aid organizations), the current solution puts the premium on the courts - more precisely, on the courts and the legislature. We propose that courts be given broad discretion to rule in appropriate cases that litigants have acted in bad faith or misused their legal rights. In addition, courts will be empowered to order strategic litigants to pay their victims not just court and attorney's fees, but also punitive damages.ⁿ¹⁴⁹ We submit that courts should be able to exercise this power not only against private actors, but also against state and federal prosecutors and other governmental agents.

Giving judges broad discretion to counter strategic litigation with punitive damages will not only deter strategic litigants, but will also motivate the innocent party to take her case to court. The introduction of punitive damages will radically reshape the payoff structure faced by innocent entitlements' holders. Currently, they have no financial incentive to go to court. For the reasons we explained, from a pure financial standpoint, settling the case out-of-court always dominates litigation. However, once the possibility of [*1369] collecting punitive damages is introduced, it will make sense for many innocent litigants to defend their entitlements in court.

This measure should be applied with caution because an increase in the level of compensation normally triggers a parallel increase in the litigation's costs. As the stakes get higher, the parties' motivation to invest in litigation increases as well. Oftentimes, however, the parties' combined investment in litigation will fail to produce a matching social benefit. As Professors Mitchell Polinsky and Steven Shavell have recently demonstrated, the marginal improvement in deterrence (and other social benefits) brought about by increased compensation may fall way short of the increase in the parties' litigation costs.ⁿ¹⁵⁰ For that reason, courts should be sure to award punitive damages only in special cases. As Polinsky and Shavell have argued in their earlier work, these special cases include ones in which under-enforcement of the law creates a shortfall in deterrence.ⁿ¹⁵¹ Punitive damages can reduce, or even eliminate, this shortfall at a low social cost.ⁿ¹⁵² By the same token, punitive damages can also efficiently minimize the strategic abuse of rights when their use is limited to this goal.ⁿ¹⁵³

[*1370] Unlike the introduction of litigation subsidies, authorizing courts to award punitive damages is politically tenable. The concern that courts will award excessive punitive damages is not strong enough to block the introduction of this measure. This concern can only provide a reason for capping the amounts that courts will be authorized to award in punitive damages.ⁿ¹⁵⁴

That said, some might still criticize our proposal on the ground that it will lead to inconsistent court decisions. Some courts will routinely order strategic litigants to pay punitive damages, while others will not. Worse yet, some courts may overuse their power to penalize non-strategic litigants. We will deal with these objections in reverse order.

We believe that the second concern is greatly exaggerated. We are not aware of any empirical basis for raising it. In fact, we actually believe that courts will tend to be reluctant to rule that parties acted in bad faith and subject them to punitive damages. In an adversarial system, judges are generally predisposed to exercise restraint and hence are likely to use discretionary powers sparingly.

As for the first concern, while we agree that consistent application of the law is desirable, we do not share the view that fear of inconsistency should bar the introduction of discretionary powers. The issue at hand provides a useful illustration. Opportunism presents a challenge to lawmakers because it is largely impervious to broad generalizations and calls for the crafting of policies that rely on ad hoc determinations. Strategic litigation shares this characteristic. Judges are best positioned to identify opportunistic litigants. Their knowledge of the law and experience on the job

enables them to detect opportunism. No other institution is equally qualified to perform this task. Any legal doctrine that relies on case-by-case application will inevitably engender inconsistencies. But is there a viable alternative that will guarantee uniformity in the [*1371] courts' applications of legal rules without giving opportunism free reign and accepting the inequities it brings about? We believe there is no such alternative. Inconsistent application of the law is a small price to pay in order to preserve the integrity of legal entitlements.

At the end of the day, we posit that giving courts broader discretion and equipping them with the right doctrinal and remedial tools will go a long way toward remedying the problem of erosion of entitlements via strategic litigation. Admittedly, the judicial mechanism we propose is imperfect, but its virtues clearly outweigh its vices. Furthermore, based on our analysis, this mechanism outperforms all the other solutions we considered. Finally, it is the only solution that may be acceptable to judges, politicians, and the bar.

Conclusion

Theodore Roosevelt famously captured the fundamental tenet of our free society by saying that "no man is above the law and no man is below it" ⁿ¹⁵⁵ By making rights relationally contingent, asymmetrical litigation costs call into question our ability to attain this ideal. As we showed, a party who enjoys a cost advantage in litigation can effectively prevent her opponent from realizing her entitlement. When litigation costs favor one category of litigants over another, as we proved to be the case in multiple legal areas, it will gradually lead to erosion of entitlements. Existing accounts of legal rights largely overlooked the fact that entitlements are not self-enforcing. To actualize them in the real world, their holders must be able to enforce them cost-effectively. When this condition is not met, entitlements become dead letter of the law: they exist in theory, but not in practice. As a result, they may be ignored, taken, or compromised by strategic parties. The surrender of entitlements without legal battle impairs the legal equilibrium contemplated by policymakers. Our goal in this Article was to draw attention to the effect of asymmetrical litigation costs on legal entitlements. We also proposed several institutional responses to this problem. We [*1372] believe that of the various institutions that can effectively remedy the problem, courts are best suited for the task. Endowing courts with broad equitable discretion to penalize strategic litigants will go a long way toward alleviating the problem.

Legal Topics:

For related research and practice materials, see the following legal topics:

Commercial Law (UCC)Investment Securities (Article 8)Entitlement HoldersCommercial Law (UCC)Investment Securities (Article 8)Security EntitlementsCopyright LawCivil Infringement ActionsRemediesGeneral Overview

FOOTNOTES:

n1. See 17 U.S.C. § 504(c) (2006) (providing that a successful plaintiff in a copyright suit can elect to recover an award in any amount between \$ 750 and \$ 150,000 per infringed work in a case where the copyright owner sustains the burden of proof and the court finds willful infringement).

n2. This example also shows how a rightsholder's calculus changes when her entitlement is an affirmative defense against liability. Then, as in Ian's case, the defense's value equals the defender's expected liability. If Ian's defense fails, he might have to pay statutory damages in excess of Proprietary Images's actual harm. As a result, Ian will rationally choose to litigate even when his litigation cost is higher than the company's cost. As far as settlement is concerned, Ian will accept any offer that will require him to pay the company any sum below his litigation expenditure. By agreeing not to sue Ian if it pays it \$ 3000, Proprietary Images therefore does not make full use of its extortionary power.

n3. For definition of negative-value suits, see, e.g., Samuel Issacharoff, Preclusion, Due Process, and the Right To Opt Out of Class Actions, 77 Notre Dame L. Rev. 1057, 1059-60 (2002) (defining a negative-value suit as a "claim ... too small to justify the cost of prosecution.").

n4. This observation holds true in most cases, but there are exceptions. See Lucian Arye Bebchuk, A New Theory Concerning the Credibility and Success of Threats to Sue, 25 J. Legal Stud. 1, 5-9 (1996) (demonstrating that multistage litigation with divisible costs often allows a plaintiff with a negative-value suit to extract settlement from a defendant by expending - and thereby sinking - some of her costs and credibly threatening to go to trial that promises her a positive net return from the remaining expenditure); Lucian A. Bebchuk & Alon Klement, Negative-Expected-Value Suits, in 8 Encyclopedia of Law and Economics: Procedural Law and Economics 341, 341-44 (Chris William Sanchirico ed., 2d ed. 2012) (specifying circumstances in which divisibility of costs and informational advantage allow a plaintiff with a negative-value suit to extract settlement from defendant, and surveying relevant literature); Lucian Arye Bebchuk, Suing Solely To Extract a Settlement Offer, 17 J. Legal Stud. 437, 448 (1988) (showing that a plaintiff with a negative-value suit can sometimes exploit asymmetrical information to extract settlement from the less informed defendant); Joseph A. Grundfest & Peter H. Huang, The Unexpected Value of Litigation: A Real Options Perspective, 58 Stan. L. Rev. 1267, 1299-1315 (2006) (using option theory to demonstrate that negative-value suits can be viable in a regime that allows parties to make piecemeal investments in the litigation, gradually reveal information to each other, and negotiate a settlement at any given point in time).

n5. See Wesley Newcomb Hohfeld, Some Fundamental Legal Conceptions as Applied in Judicial Reasoning, 23 Yale L.J. 16, 19 (1913).

n6. *Id.* at 29-44.

n7. See Wesley Newcomb Hohfeld, Fundamental Legal Conceptions as Applied in Judicial Reasoning, 26 Yale L.J. 710, 718-20 (1917).

n8. See Marc Galanter, Why the "Haves" Come Out Ahead: Speculations on the Limits of Legal Change, 9 Law & Soc'y Rev. 95 (1974).

n9. See *infra* note 29.

n10. See *infra* notes 29-32 and accompanying text.

n11. See generally *Theories of Rights* (Jeremy Waldron ed., 1984).

n12. See *infra* Section I.B.

n13. See Ronald Dworkin, *Rights as Trumps*, in *Theories of Rights*, *supra* note 11, at 153, 153; see also Joseph Raz, *Rights and Individual Well-Being*, in *Ethics in the Public Domain: Essays in the Morality of Law and Politics* 29, 30 (1994) (arguing that rights afford individuals' interests special protection that is more stringent than a requirement that state officials account for those interests in making decisions).

n14. For one exception, see Stephen Holmes & Cass R. Sunstein, *The Cost of Rights: Why Liberty Depends on Taxes* (1999) (factoring costs of enforcing rights into philosophy of entitlements). For specifics and shortcomings of this account, see *infra* notes 54-58 and accompanying text.

n15. Marc Galanter identified this negative correlation in his classic article *Why the "Haves" Come Out Ahead*. See *supra* note 8, at 103-04. As we already mentioned, this article does not address the entitlement destruction that occurs out of court. Instead, it focuses on the rule-making process in which wealthy "repeat players" use their cost advantage to defeat the unwealthy "one shotters" and shape legal precedent the way they want. See also Patricia Munch, *An Economic Analysis of Eminent Domain*, 84 J. Pol. Econ. 473, 495 (1976) (demonstrating that owners of high-valued properties, who spend more on eminent domain proceedings, receive compensation that exceeds their properties' market value, while owners of low-valued properties are undercompensated).

n16. See Robert Nozick, *Anarchy, State, and Utopia*, at ix-xi, 28-30 (1974) (favoring a strong deontological format of rights as unbending endowments).

n17. See Richard A. Posner, *Economic Analysis of Law* 40 (8th ed. 2011) ("The proper incentives are created by parceling out mutually exclusive rights to the use of particular resources among the members of society. If every piece of land is owned by someone - if there is always someone who can exclude all others from access to any given area - then individuals will endeavor by cultivation or other improvements to maximize the value of land. Land is just an example. The principle applies to all valuable resources."); see also Joe Mintoff, *Can Utilitarianism Justify Legal Rights with Moral Force?*, 151 U. Pa. L. Rev. 887, 901, 905-09 (2003) (justifying a utilitarian theory under which individuals are given rights in order to maximize human welfare); cf. David Lyons, *Utility and Rights*, in *Theories of Rights*, *supra* note 11, at 110, 111, 113-20 (arguing that utilitarian justifications of rights have no moral force).

n18. See generally Matthew D. Adler & Eric A. Posner, *New Foundations of Cost-Benefit Analysis* (2006).

n19. This feature looms large in Kaplow and Shavell's seminal juxtaposition of fairness against social welfare. See Louis Kaplow & Steven Shavell, *Fairness Versus Welfare* 11-12 (2002) (attesting that for purposes of economic theory, individuals' "taste for fairness is no different ... from a taste for a tangible good or for anything else").

n20. Another purpose of entitlements' clear demarcation is strengthening of ownership that incentivizes owners of valuable assets to put those assets to their best use. See generally Henry E. Smith, *Exclusion Versus Governance: Two Strategies for Delineating Property Rights*, 31 *J. Legal Stud.* S453 (2002).

n21. See R.H. Coase, *The Problem of Social Cost*, 3 *J.L. & Econ.* 1 (1960) (famously demonstrating that law can unlock movement of assets and entitlements to their most efficient users by reducing transaction costs that impede voluntary exchange).

n22. See, e.g., Munch, *supra* note 15, at 477 (showing that under the voluntary exchange system "competition among buyers ... will lead to the development of techniques to discover true seller reservation prices.").

n23. See Coase, *supra* note 21. For an insightful analysis of the theorem, see Robert Cooter, *The Cost of Coase*, 11 *J. Legal Stud.* 1 (1982).

n24. As explained by Cooter, *supra* note 23, at 14, "The [theorem's] basic idea ... is that the structure of the law which assigns property rights and liability does not matter so long as transaction costs are nil; bargaining will result in an efficient outcome no matter who bears the burden of liability."

n25. See *id.*

n26. For a both critical and comprehensive review of existing efficient-breach theories, see Daniel Markovits & Alan Schwartz, *The Myth of Efficient Breach: New Defenses of the Expectation Interest*, 97 *Va. L. Rev.* 1939, 1977-2005 (2011).

n27. *Id.* at 1943-45 (summarizing Law and Economics scholars' justification for efficient breach).

n28. See Daniel Friedmann, *The Efficient Breach Fallacy*, 18 J. Legal Stud. 1, 4 (1989). Theft, of course, is never efficient. See Richard L. Hasen & Richard H. McAdams, *The Surprisingly Complex Case Against Theft*, 17 Int'l Rev. L. & Econ. 367, 370-74 (1997) (explaining that society's unnecessary costs from theft include owners' defensive measures and thieves' operational investments that include expenditures on transactions with stolen goods); Gil Lahav, *A Principle of Justified Promise-Breaking and Its Application to Contract Law*, 57 N.Y.U. Ann. Surv. Am. L. 163, 184-85 (2000) ("Theft undermines the tremendous utility of certain intangible benefits associated with a theft-free society, such as: the ability to rely on the future presence of one's possessions; the ability to trust strangers not to steal one's personal property; and the ability to enjoy the privacy of a domicile that will not be invaded by thieves.").

n29. See Janet Cooper Alexander, *Do the Merits Matter? A Study of Settlements in Securities Class Actions*, 43 Stan. L. Rev. 497, 548-50 (1991) (attesting that plaintiffs in securities class actions extort favorable settlements from defendants because defendants' costs are much higher than theirs); Lucian Arye Bebchuk & Howard F. Chang, *The Effect of Offer-of-Settlement Rules on the Terms of Settlement*, 28 J. Legal Stud. 489, 510-12 (1999) (noting that settlement terms as compared with expected judgment tend to favor the party with lower litigation costs and explaining how fee-shifting rules can ameliorate this problem); John C. Coffee, Jr., *New Myths and Old Realities: The American Law Institute Faces the Derivative Action*, 48 Bus. Law. 1407, 1415 n.39 (1993) ("The existence of asymmetric litigation costs could allow some plaintiffs to exploit this cost differential to obtain a settlement unrelated to the merits."); James D. Hurwitz, *Abuse of Governmental Processes, the First Amendment, and the Boundaries of Noerr*, 74 Geo. L.J. 65, 71 (1985) (noting that predatory litigation can be successful when it imposes disproportionate legal costs on a rival); D. Rosenberg & S. Shavell, *A Model in Which Suits Are Brought for Their Nuisance Value*, 5 Int'l Rev. L. & Econ. 3, 3 (1985) (demonstrating that strike suits with negative-expected value are possible when plaintiff can exploit asymmetric litigation costs to extort settlement); see also William H. Wagener, Note, *Modeling the Effect of One-Way Fee Shifting on Discovery Abuse in Private Antitrust Litigation*, 78 N.Y.U. L. Rev. 1887, 1902-04 (2003) (summarizing literature that analyzes the effects of litigation cost asymmetries).

n30. See, e.g., Bebchuk & Chang, *supra* note 29, at 510-11.

n31. See *id.*

n32. Consider again the conflict between Brutus Inc. and Anne, but assume this time that Anne has found an incredibly inexpensive and capable attorney who can vindicate her entitlement to quiet enjoyment for a \$ 1000 fee. Aware of this circumstance, Brutus makes a proposal to recognize the entitlement if Anne pays it \$ 1000 in return. The parties' conflict, of course, would be best resolved if Brutus were to recognize Anne's entitlement for free. The company's extortion of that payment, however, still leads to the economically second-best state of affairs, vastly superior to the otherwise probable scenario in which the parties go to court to litigate quiet enjoyment. Under that scenario, Anne's entitlement will be redeemed at a much steeper price. Brutus' extortion of \$ 1000 consequently can be viewed as an efficient transaction that saves the parties and society at large the expense of the trial and opens up the possibility for Anne's attorney to apply his talent elsewhere. As the famous adage goes, "A bad settlement is better than a good trial." See, e.g., *Strong v. BellSouth Telecomm., Inc.*, 173 F.R.D. 167, 172 (W.D. La. 1997) ("In this case, I could hold my nose and accept the [suspicious class-action] settlement, after all, it is said that a bad settlement is better than a good trial.").

n33. This declination separates mainstream economists from rights deontologists. See Ronald Dworkin, *Taking Rights Seriously* 92-97, 200 (1978) (asserting and justifying rights' immunity from utilitarian trade-offs).

n34. See generally Kaplow & Shavell, *supra* note 19, at 5 (underscoring normative superiority of cost-benefit analysis).

n35. See Jack N. Rakove & Elizabeth Beaumont, *Rights Talk in the Past Tense*, 52 *Stan. L. Rev.* 1865, 1865 (2000) (reviewing Richard A. Primus, *The American Language of Rights* (1999)) ("Rights have been a staple of Anglo-American law and politics since at least the seventeenth century."); see also J. Harvie Wilkinson III, *The Dual Lives of Rights: The Rhetoric and Practice of Rights in America*, 98 *Calif. L. Rev.* 277, 281 (2010) (observing that rights "help[] to shape our most important legal institutions," while arguing that rights are absolute only in speech, but defeasible in practice when special circumstances call for their removal, and describing this duality as an example of "our nation's most admirable qualities").

n36. See James Griffin, *On Human Rights* (2008) (unfolding a comprehensive personhood-based account of human rights); Margaret Jane Radin, *Property and Personhood*, 34 *Stan L. Rev.* 957, 957 (1982) (developing a personhood account of entitlements that includes protection of property rights upon recognition that a person cannot properly develop herself without having some control over resources in the external environment).

n37. See Gerald Dworkin, *The Theory and Practice of Autonomy* (1988) (laying out autonomy theory); H.L.A. Hart, *Legal Rights*, in *Essays on Bentham: Studies in Jurisprudence and Political Theory* 162, 183-84 (1982) (advancing an autonomy-based account of rights); see also Charles Fried, *Modern Liberty and the Limits of Government* (2007) (offering an account of rights that underscores the primacy of individuals' autonomy over the government's vision of the good); Matthew D. Adler, *Rights Against Rules: The Moral Structure of American Constitutional Law*, 97 *Mich. L. Rev.* 1, 2-3 (1998) (recommending "moral reading" of the Constitution that perceives rights as limitations on the government's power to set up rules regulating individuals' conduct).

n38. See, e.g., Neil MacCormick, *Legal Right and Social Democracy: Essays in Legal and Political Philosophy* 143 (1982) ("Rights always and necessarily concern human goods, that is, concern what it is, at least in normal circumstances, good for a person to have.").

n39. See, e.g., John H. Garvey, *What Are Freedoms For?* (1996) (offering an account of freedoms consisting of rights that serve societal good).

n40. For a superb exposition of existing theories of rights, see Alon Harel, Theories of Rights, in *The Blackwell Guide to the Philosophy of Law and Legal Theory* (Martin P. Golding & William A. Edmundson eds., 2005).

n41. For an early statement of this idea, see 2 John Stuart Mill, *Principles of Political Economy with Some of Their Applications to Social Philosophy* 560 (D. Appleton & Co. 1909) (1848) ("Whatever theory we adopt respecting the foundation of the social union, and under whatever political institutions we live, there is a circle around every individual human being, which no government, be it that of one, of a few, or of the many, ought to be permitted to overstep There is, or ought to be, some space in human existence thus entrenched around, and sacred from authoritative intrusion").

n42. See Griffin, *supra* note 36, at 33-37; Radin, *supra* note 36, at 1014-15.

n43. See Dworkin, *supra* note 37; Hart, *supra* note 37.

n44. See, e.g., Matthew H. Kramer, Rights Without Trimmings, in *A Debate Over Rights: Philosophical Enquiries* 7, 75 (Matthew H. Kramer et al. eds., 1998).

n45. See MacCormick, *supra* note 38, at 143.

n46. The correlativity concept originates from Hohfeld, *supra* note 5, at 30 (introducing the concept of "jural correlatives" and explaining duties as correlatives of rights).

n47. Not all consequentialist theories of rights are utilitarian. See, e.g., Garvey, *supra* note 39, at 2 (arguing that rights exist to enable individuals to make virtuous choices and to impose corresponding moral duties on government).

n48. See Harel, *supra* note 40, at 197 (underscoring that, in some cases, "it is utilitarian or quasi-utilitarian considerations that determine who controls a duty").

n49. See Gary S. Becker & George J. Stigler, Law Enforcement, Malfeasance, and Compensation of Enforcers, 3 J. Legal Stud. 1, 13-16 (1974) (identifying conditions under which private enforcement of the law economically dominates public enforcement).

n50. See William M. Landes & Richard A. Posner, The Private Enforcement of Law, 4 J. Legal Stud. 1, 14-15 (1975) (arguing that private enforcement is economically suboptimal when government can intensify deterrence by increasing penalties without making expensive enforcement efforts, while self-interested private enforcers will make efforts to realize their entitlements).

n51. See, e.g., Jonathan R. Hay et al., Privatization in Transition Economies: Toward a Theory of Legal Reform, 40 Eur. Econ. Rev. 559, 562-64 (1996) (demonstrating that efficient enforcement of entitlements crowds out enforcement by mafia and vice versa).

n52. The four groups of theories described in the preceding paragraphs track the analytical divide between the "will" or "choice" theory of rights and the "interest" theory of rights. See Harel, *supra* note 40, at 194-95. Another important aspect of rights theories is whether rights should function as "trumps" that defeat competing interests even when those interests outscore the rights on the utility scale. The rights-as-trumps approach characterizes the personhood-and the autonomy-based theories of rights. *Id.* at 197-98. Some of the wellbeing theories of entitlements adopt this approach as well. See Dworkin, *supra* note 33, at 91-93, 199, 204-05 (arguing that violating one's right means "treating a man as less than a man, or as less worthy of concern than other men" and that rights constitute "the majority's promise to the minorities that their dignity and equality will be respected."). Under the prevalent - welfare-oriented - consequentialist accounts, rights are defeasible in the sense that a cost-benefit analysis can justify their removal. See, e.g., Richard A. Posner, Overcoming Law 387-405 (1995). These differences do not affect our discussion of entitlements' unrealizability.

n53. See *infra* Section III.C.

n54. See Holmes & Sunstein, *supra* note 14, at 18-22.

n55. *Id.* at 218-22.

n56. *Id.* at 43-44.

n57. *Id.* at 222.

n58. *Id.* at 44 ("All rights presuppose taxpayer funding of effective supervisory machinery for monitoring and enforcement.").

n59. For an important critique of rights idealism in constitutional law, see Daryl J. Levinson, *Rights Essentialism and Remedial Equilibration*, 99 *Colum. L. Rev.* 857 (1999).

n60. Dworkin, *supra* note 33.

n61. *Id.*

n62. Guido Calabresi & A. Douglas Melamed, *Property Rules, Liability Rules, and Inalienability: One View of the Cathedral*, 85 *Harv. L. Rev.* 1089 (1972).

n63. See Carol M. Rose, *The Shadow of the Cathedral*, 106 *Yale L.J.* 2175, 2177-82 (1997).

n64. Calabresi & Melamed, *supra* note 62, at 1092-93, 1096-98.

n65. See Galanter, *supra* note 8, at 103-04, 114.

n66. See Abraham Bell & Gideon Parchomovsky, *Property Lost in Translation* (May 8, 2012) (unpublished manuscript, on file with the

Virginia Law Review Association).

n67. See Robert H. Mnookin & Lewis Kornhauser, *Bargaining in the Shadow of the Law: The Case of Divorce*, 88 Yale L.J. 950, 997 (1979).

n68. Cf. Daron Acemoglu, *Reward Structures and the Allocation of Talent*, 39 Eur. Econ. Rev. 17, 18, 20, 27, 32 (1995) (identifying similar dynamics in societies that tolerate corruption).

n69. See *supra* text accompanying note 1.

n70. Pub. L. No. 104-67, 109 Stat. 737 (codified as amended in scattered sections of 15 U.S.C.).

n71. For discussion of this rule and the relevant case law and literature, see Richard A. Bierschbach & Alex Stein, *Overenforcement*, 93 Geo. L.J. 1743, 1762-65 (2005).

n72. *Id.*

n73. See Stephen J. Choi, *Do the Merits Matter Less After the Private Securities Litigation Reform Act?*, 23 J.L. Econ. & Org. 598, 622-23 (2007) (demonstrating empirically that alongside their discouragement of frivolous suits, the PSLRA's heightened pleading and proof requirements have discouraged many meritorious suits by making them unprofitable).

n74. See 15 U.S.C. § 78r (2006) (codified version).

n75. Pub. L. No. 73-22, ch. 38, 48 Stat. 74, 83 (1933) (codified as amended at 15 U.S.C. § 77k(e) (2006)).

n76. *Akerman v. Oryx Commc'ns*, 810 F.2d 336, 341 (2d. Cir. 1987).

n77. *Alaska Elec. Pension Fund v. Flowserve Corp.*, 572 F.3d 221, 234 (5th Cir. 2009) (citing and quoting *Akerman*, 810 F.2d at 341).

n78. *Akerman v. Oryx Commc'ns*, 609 F. Supp. 363, 371 (S.D.N.Y. 1984) (quoting *Collins v. Signetics Corp.*, 605 F.2d 110, 115-16 (3d Cir. 1979) (emphasis added)). The *Akerman* trial court further observed that "the influence of general market factors ... entitles defendants only to an appropriate reduction of damages" and that "the legislative choice to impose the burden of proof on defendants under section 11(e) represents a judgment that the risk of any uncertainty as to causality must fall upon defendants in order to insure the full disclosure that is the primary goal of the Act." *Id.* at 371-72. The court referred in this connection to the Supreme Court's vision of burdens of proof as "[serving] to allocate the risk of error between the litigants and [indicating] the relative importance attached to the ultimate decision." *Id.* at 371 (quoting *Herman & MacLean v. Huddleston*, 459 U.S. 375, 389 (1983)). For similar interpretations of Section 11(e) of the Securities Act, see *In re Adams Golf, Inc., Sec. Litig.*, 618 F. Supp. 2d 343, 347 (D. Del. 2009) (requiring defendant asserting Section 11(e) defense to prove "negative causation" (citing *Akerman*, 810 F.2d at 340, and *Collins*, 605 F.2d at 114)); see also *In re DDI Corp. Sec. Litig.*, No. CV 03-7063 NM, 2005 WL 3090882, at 14 (C.D. Cal. July 21, 2005) (attesting that defendant's proof burden under Section 11(e) is "heavy" (citing *In re Dynegy, Inc. Sec. Litig.*, 339 F. Supp. 2d 804, 867-68 (S.D. Tex. 2004))).

n79. See *In re Enron Corp. Sec. Derivative & "ERISA" Litig.*, 529 F. Supp. 2d 644, 720 (S.D. Tex. 2006) (noting that "one method increasingly recognized by courts and mandated by some of them is an event study, a statistical method of measuring the effect of a particular event such as a press release ... or a prospectus, on the price of a company's stock" and citing court decisions (footnote omitted)); *In re N. Telecom Ltd. Sec. Litig.*, 116 F. Supp. 2d 446, 460, 468 (S.D.N.Y. 2000) (granting summary judgment for defendants where their expert's event study, uncontroverted by the plaintiffs, showed that none of the challenged statements caused increases in the stock price); see also Michael J. Kaufman & John M. Wunderlich, *Regressing: The Troubling Dispositive Role of Event Studies in Securities Fraud Litigation*, 15 *Stan. J.L. Bus. & Fin.* 183, 187-88, 260 (2009) (documenting and criticizing the prevalence of event studies in securities fraud litigation); Marc I. Steinberg & Brent A. Kirby, *The Assault on Section 11 of the Securities Act: A Study in Judicial Activism*, 63 *Rutgers L. Rev.* 1, 36-37 (2010) (documenting defendants' frequent resort to event studies in establishing "negative causation" under Section 11(e) of the Securities Act).

n80. See, e.g., *New Eng. Health Care Emp. Pension Fund v. Fruit of the Loom*, 234 F.R.D. 627, 634-35 (W.D. Ky. 2006) (finding that a "significant component" in plaintiffs' reimbursable expenses of more than two million dollars (not including attorneys' fees) "was the cost of experts and consultants"); Merritt B. Fox, *Why Civil Liability for Disclosure Violations When Issuers Do Not Trade?*, 2009 *Wis. L. Rev.* 297, 306-07 (including the high cost of experts among the factors that raise the social cost of securities fraud litigation).

n81. See generally Gideon Parchomovsky & Alex Stein, *The Distortionary Effect of Evidence on Primary Behavior*, 124 *Harv. L. Rev.* 518 (2010) (describing how the quest for favorable evidence affects - and oftentimes distorts - a party's primary behavior); see also Chris William Sanchirico, *A Primary-Activity Approach to Proof Burdens*, 37 *J. Legal Stud.* 273, 276-80 (2008) (showing how allocation of proof burdens can affect the cost and direction of underlying primary activity); Robert E. Scott & George G. Triantis, *Anticipating Litigation in Contract Design*, 115 *Yale L.J.* 814, 858-70 (2006) (showing how default and contractual allocations-of-proof burdens can improve

performance of contractual obligations).

n82. See *supra* note 32.

n83. From the entitlement holder's point of view, going to court will only be rational in a rather unusual scenario in which she values her satisfaction from vindicating her entitlement at more than \$ 5000.

n84. Recently, a private company made itself an assignee of multiple copyrights solely for the purpose of filing suits against alleged infringers and profiting from those suits by utilizing economies of scale. The company had no standing to file those suits, as only the legal or beneficial copyright owner can sue for infringement. See 17 U.S.C. §§106, 501(b) (2006); *Silvers v. Sony Pictures Entm't*, 402 F.3d 881, 884 (9th Cir. 2005) (en banc). For that reason, presumably, the company did not disclose its assignee status and the copyright owner's identity in two hundred actions for copyright infringement. The court dismissed the company from the case and ordered it to show cause why it should not be sanctioned for egregious litigation behavior. *Righthaven LLC v. Democratic Underground, LLC*, 791 F. Supp. 2d 968, 978-79 (D. Nev. 2011).

n85. See Gideon Parchomovsky & Alex Stein, *Originality*, 95 Va. L. Rev. 1505, 1509-16 (2009) and sources cited therein.

n86. See, e.g., Neil Weinstock Netanel, *Copyright's Paradox* 54-80 (2008) (criticizing "copyright's ungainly expansion"); Yochai Benkler, *Free as the Air to Common Use: First Amendment Constraints on Enclosure of the Public Domain*, 74 N.Y.U. L. Rev. 354, 354-60 (1999) (criticizing the "enclosure movement" in copyright law: the current tendency to outlaw uses of expressive works that were previously considered legitimate); Jessica Litman, *Billowing White Goo*, 31 Colum. J.L. & Arts 587, 587 (2008) (attesting that rights granted by copyright law underwent extraordinary expansion over the past fifty years); John Tehranian, *Infringement Nation: Copyright Reform and the Law/Norm Gap*, 3 Utah L. Rev. 537, 543-48 (2007) (observing that copyright protection and liability for copyright infringement are excessive); Pamela Samuelson, *The Copyright Grab*, *Wired*, Jan. 1996, at 134, 134 (describing the enclosure dynamic as "the copyright grab"). See generally Siva Vaidhyanathan, *Copyrights and Copywrongs: The Rise of Intellectual Property and How It Threatens Creativity* (2001).

n87. *Dellar v. Samuel Goldwyn, Inc.*, 104 F.2d 661, 662 (2d Cir. 1939).

n88. Gideon Parchomovsky & Philip J. Weiser, *Beyond Fair Use*, 96 Cornell L. Rev. 91, 100 (2010) ("The standard's vagueness prevents actors from discerning the optimal behavior that the law requires of them.").

n89. See James Gibson, Risk Aversion and Rights Accretion in Intellectual Property Law, 116 Yale L.J. 882, 884 (2007).

n90. *Id.* at 884, 887.

n91. *Id.* at 884. But see Steven J. Horowitz, Copyright's Asymmetric Uncertainty, 79 U. Chi. L. Rev. 333, 360-61 (2012) (arguing based on the prospect theory that uncertainty of users' liability stimulates use of copyrighted works as people generally prefer uncertain losses over certain ones).

n92. See Stanley M. Besen, Sheila N. Kirby & Steven C. Salop, An Economic Analysis of Copyright Collectives, 78 Va. L. Rev. 383, 390 (1992) (explaining how copyright collectives economize on monitoring and collection costs).

n93. See Wendy M. Grossman, Is a Picture Really Worth £ 1,000?, The Guardian, Nov. 27, 2008, at 1, available at <http://www.guardian.co.uk/technology/2008/nov/27/internet-photography> (same strategy used by a large picture company).

n94. See, e.g., Michelle Castillo, Law Firm Finds Success Targeting Those Who Post Copyrighted Images, Time Techland, Feb. 9, 2011, <http://techland.time.com/2011/02/09/law-firm-finds-success-targeting-those-who-post-copyrighted-images/> (describing a law firm whose strategy is to "buy out the copyrights for viral content and then sue bloggers and other people who violate copyright by reposting those images" and reporting that the firm's annual profits from these suits exceed \$ 300,000); Alison Frankel, Porn Copyright Troll Targets Strike Back in New Class Action, Reuters, July 6, 2012, <http://blogs.reuters.com/alison-frankel/2012/07/06/porn-copyright-troll-targets-strike-back-in-new-class-action/> (reporting that a company pressured thousands of users of the Internet into settlement payments after accusing them of unpermitted downloading of its copyrighted porn materials and that a class action was filed to fend off this practice and reimburse victims).

n95. Indeed, as Professor Jason Mazzone recently demonstrated, copyright owners oftentimes exploit their strategic advantage by filing suits for remedies they do not lawfully deserve. See Jason Mazzone, Copyfraud and Other Abuses of Intellectual Property Law (2011).

n96. Gideon Parchomovsky & R. Polk Wagner, Patent Portfolios, 154 U. Pa. L. Rev. 1, 36 (2005).

n97. *Id.*

n98. See Daniel L. Rubinfeld & Robert Maness, *The Strategic Use of Patents: Implications for Antitrust*, in *Antitrust, Patents and Copyright: EU and US Perspectives* 85, 90 (Francois Leveque & Howard Shelanski eds., 2005) (observing that large patent holders pay reduced legal fees, which allows them to use litigation warfare to their advantage).

n99. See Adam Goldman, *Some Claim Inventor Lemelson a Fraud*, *USA Today*, Aug. 21, 2005, available at http://www.usatoday.com/tech/science/discoveries/2005-08-21-lemelson-fraud_x.htm.

n100. *Id.*; see also Ashby Jones, *Patent "Troll" Tactics Spread*, *Wall St. J.*, July 8, 2012, <http://online.wsj.com/article/SB10001424052702303292204577514782932390996.html> (reporting proliferation of a business model that involves large corporations acquiring hefty patent portfolios and aggressively suing ostensible infringers in order to extort licensing fees).

n101. Professor Kevin Greene was the first to note this problem in the context of the entertainment industry. K.J. Greene, *Abusive Trademark Litigation and the Incredible Shrinking Confusion Doctrine - Trademark Abuse in the Context of Entertainment Media and Cyberspace*, 27 *Harv. J.L. & Pub. Pol'y* 609 (2004). He expressed concern about corporations' abusive litigation strategies, while underscoring that the "effectiveness of lawsuits to silence corporate critics derives in part from the disparity of resources between the plaintiff corporation and the defendant parody artist." *Id.* at 632-33 (quoting Sarah Mayhew Schlosser, Note, *The High Price of (Criticizing) Coffee: The Chilling Effect of the Federal Trademark Dilution Act on Corporate Parody*, 43 *Ariz. L. Rev.* 931, 948 (2001)).

n102. Leah Chan Grinvald, *Shaming Trademark Bullies*, 2011 *Wis. L. Rev.* 625, 625-26.

n103. *Id.* at 628. Professor Grinvald further reports that the threatening letters are extremely effective: their recipients are business owners who are not trained in the law; the letters are often "written in legalese" and cite "court cases that may or may not be relevant"; and they also give their recipients an "extremely short time-frame for a response." *Id.* at 628-29.

n104. *Id.* at 629.

n105. See Emmett J. Vaughan & Therese Vaughan, *Fundamentals of Risk and Insurance* 35-40, 87-90, 130-38 (10th ed. 2008) (explaining how insurance companies gather, pool, and evaluate information pertaining to risks they insure against).

n106. See, e.g., Stephen J. Choi, *Motions for Lead Plaintiff in Securities Class Actions*, 40 *J. Legal Stud.* 205, 221 (2011) (noting that "the very largest attorney firms ... enjoy the greatest expertise and economies of scale in bringing a securities class action"); Steven L. Schwarcz, *Explaining the Value of Transactional Lawyering*, 12 *Stan. J.L. Bus. & Fin.* 486, 494 (2007) (specifying economies of scale and scope of transactional lawyers).

n107. See Keith J. Crocker & Sharon Tennyson, *Insurance Fraud and Optimal Claims Settlement Strategies*, 45 *J.L. & Econ.* 469, 469 (2002) (identifying optimality conditions for insurers' underpayments and furnishing empirical proof of systematic underpayments of injury claims arising from car accidents).

n108. See Tom Baker, *Constructing the Insurance Relationship: Sales Stories, Claims Stories, and Insurance Contract Damages*, 72 *Tex. L. Rev.* 1395, 1430-31 (1994) (arguing on empirical grounds that "insurance companies ... engage in strategic behavior with claimants" and systematically underpay claims); Leon E. Trakman, *David Meets Goliath: Consumers Unite Against Big Business*, 25 *Seton Hall L. Rev.* 617, 623 (1994) ("Insurance companies consistently underpay valid insurance claims to horde the difference between the amount due to each insured and the amount actually paid.").

n109. This form of subsidized litigation is among our proposed solutions of the unrealizability problem. See *infra* Section IV.C.

n110. 227 P.3d 73 (N.M. 2010).

n111. For additional examples, see, e.g., Kelsey D. Dulin, *Comment, The Disaster After the Disaster: Insurance Companies' Post-Catastrophe Claims Handling Practices*, 61 *Okla. L. Rev.* 189, 191-92, 196-206 (2008) (explaining and illustrating how insurance companies take advantage of catastrophe victims and underpay claims); see also *Bradshaw v. State Farm Mut. Auto. Ins. Co.*, 758 P.2d 1313, 1322-23 (Ariz. 1988) (admitting into evidence an insurer's statements in settlement negotiations to show that it attempted to strong-arm the policyholder into a cheap settlement).

n112. See N.M. Stat. Ann. § 57-12-3 to -10 (2011) (prohibiting and making actionable "unfair or deceptive trade practices and unconscionable trade practices in the conduct of any trade or commerce").

n113. Truong, 227 P.3d at 84-89.

n114. Louisiana ex rel. Caldwell v. Allstate Ins. Co., 536 F.3d 418, 421-22 (5th Cir. 2008).

n115. Id. at 430.

n116. Pub. L. No. 109-2, 119 Stat. 4 (codified at 28 U.S.C. § 1332(d) (2006)).

n117. Caldwell, 536 F.3d at 430.

n118. Id. at 423, 430.

n119. See, e.g., Dwight R. Carswell, Comment, CAFA and Parens Patriae Actions, 78 U. Chi. L. Rev. 345, 353-57 (2011) (discussing the Caldwell decision).

n120. See, e.g., David Dietz & Darrell Preston, Home Insurers' Secret Tactics Cheat Fire Victims, Hike Profits, Bloomberg, Aug. 3, 2007, <http://www.bloomberg.com/apps/news?pid=21070001&sid=aIOpZROwhvNI> (observing that insurance companies systematically underpay claims and providing examples).

n121. We discuss these mechanisms in Part IV below.

n122. See, e.g., Cal. Bus. & Prof. Code § 7028(a), (b) (West 2012) (providing that unlicensed work as a contractor is a misdemeanor punishable upon first conviction "by a fine not exceeding five thousand dollars (\$ 5,000) or by imprisonment in a county jail not exceeding six months, or by both that fine and imprisonment").

n123. See, e.g., Brandon L. Garrett, *Aggregation in Criminal Law*, 95 Calif. L. Rev. 383, 393 (2007) (noting that prosecutors, as repeat players, "can achieve economies of scale ... by coordinating, channeling and settling cases ... in the shadow of strict sentencing rules that routinize outcomes").

n124. Cf. Gabriel J. Chin & Richard W. Holmes, Jr., *Effective Assistance of Counsel and the Consequences of Guilty Pleas*, 87 Cornell L. Rev. 697, 703 (2002) ("In some cases defendants who might be acquitted after trial plead guilty to relatively minor offenses because the cost of defense exceeds seemingly minimal penalties and consequences.").

n125. See, e.g., *id.*

n126. Importantly, the defendant in our example cannot obtain legal representation at the state's expense. Because he is not poor, he is not entitled to a state-funded attorney under *Gideon v. Wainwright*, 372 U.S. 335 (1963). More crucially, *Gideon* entitles an indigent defendant to be represented by counsel at the government's expense only when he stands to receive prison sentence upon conviction. Hence, even if our defendant were poor, he would still be ineligible for *Gideon*'s protection as in the event of conviction he will only be fined rather than go to jail. See *Scott v. Illinois*, 440 U.S. 367, 373-74 (1979) (holding that only actual imprisonment prospect makes an indigent defendant eligible for *Gideon* protection). Note that a defendant's eligibility for a state-funded counsel under *Gideon* does not level the playfield. Criminal defense requires expert assistance and testimony in a variety of areas ranging from DNA and forensics to corporate accounting. See Paul C. Giannelli, *Ake v. Oklahoma: The Right to Expert Assistance in a Post-Daubert, Post-DNA World*, 89 Cornell L. Rev. 1305, 1307-10 (2004). Under extant doctrine, an indigent defendant can receive expert assistance at the government's expense only upon showing of necessity. See Criminal Justice Act of 1964, 18 U.S.C. § 3006A(e)(1) (2006) (entitling an indigent defendant to government-funded expert assistance when "necessary for adequate representation"); *Medina v. California*, 505 U.S. 437, 444-45 (1992) (interpreting *Ake v. Oklahoma* as "an expansion of earlier due process cases holding that an indigent criminal defendant is entitled to the minimum assistance necessary to assure him 'a fair opportunity to present his defense' and 'to participate meaningfully in [the] judicial proceeding.'" (quoting *Ake v. Oklahoma*, 470 U.S. 68, 76 (1985)); *Ake*, 470 U.S. at 76, 79-85; see also Giannelli, *supra*, at 1336, 1380-81 (attesting that courts use "necessity" and "particularized need" as governing standards and that "it is not clear that these two formulations differ in result."); David Alan Sklansky, *Hearsay's Last Hurrah*, 2009 Sup. Ct. Rev. 1, 7, 75-77 (proposing to expand the Sixth Amendment confrontation right to enable defendants to challenge prosecution's forensic evidence with the help of court-appointed experts); cf. *Commonwealth v. Serge*, 896 A.2d 1170, 1185 (Pa. 2006) (noting, in relation to expensive computer-generated animation that prosecution adduced as evidence of guilt, that defendant's financial inability to acquire computer-generated animation for exculpatory purposes weighs against admissibility).

n127. The defendant's difficulty is compounded by an agency problem. If the prosecutor were to spend her own money on prosecuting the case, she would likely not prosecute the defendant. However, since she is an agent of the state that uses public money under imperfect oversight of her superiors, she can afford prosecuting cases even when doing so is not cost-efficient.

n128. See Giannelli, *supra* note 126, at 1331.

n129. *Id.* at 1327-31.

n130. *Id.* at 1332.

n131. *Id.*

n132. See Russell D. Covey, Fixed Justice: Reforming Plea Bargaining with Plea-Based Ceilings, 82 Tul. L. Rev. 1237, 1254 (2008) (discussing strategic "horizontal overcharging," the widespread prosecutorial practice of charging defendants with multiple counts of the same or similar offense(s) when a criminal can be properly penalized by a single count); see also Frank O. Bowman, III, Debacle: How the Supreme Court Has Mangled American Sentencing Law and How It Might Yet Be Mended, 77 U. Chi. L. Rev. 367, 464 (2010) (attesting that prosecutors file multiple-count charges to achieve higher sentences).

n133. See generally Uzi Segal & Alex Stein, Ambiguity Aversion and the Criminal Process, 81 Notre Dame L. Rev. 1495 (2006) (explaining and illustrating criminal defendants' aversion toward risk and ambiguity).

n134. See Chin & Holmes, *supra* note 124, at 703.

n135. See Stephanos Bibas, Plea Bargaining Outside the Shadow of Trial, 117 Harv. L. Rev. 2464, 2496-527 (2004).

n136. *Id.* at 2470-86.

n137. Cf. Alan Wertheimer, *The Equalization of Legal Resources*, 17 *Phil. & Pub. Aff.* 303, 306-07 (1988) (advocating imposition of limits on parties' ability to litigate as a means for achieving equal distribution of legal resources).

n138. Cf. Margaret H. Lemos, *Special Incentives to Sue*, 95 *Minn. L. Rev.* 782, 782-83 (2011) (analyzing one-way attorneys' fee shifts and damage multipliers that function as special incentives to file suits in federal courts and expressing doubts about their efficacy on the ground as judges react negatively to increased caseload).

n139. In appropriate cases, pooling rightsholders into a class action will allow them to realize their entitlements. This pooling, however, is only possible when the rightsholders' suits exhibit commonality. Fed. R. Civ. P. 23(a)(2). Even then, the class attorney's self-seeking conduct (e.g., a collusive settlement with the defendant) might lead to the entitlements' erosion. See generally John C. Coffee, Jr., *Class Action Accountability: Reconciling Exit, Voice, and Loyalty in Representative Litigation*, 100 *Colum. L. Rev.* 370 (2000) (analyzing agency costs in class actions and ways to reduce those costs). Under certain conditions, state attorneys general and federal regulatory agencies may decide to seek legal redress for aggrieved citizens. These conditions typically include commonality of suits and presence of a strong public interest in prosecuting those suits. See Myriam Gilles & Gary Friedman, *After Class: Aggregate Litigation in the Wake of AT&T Mobility v. Concepcion*, 79 *U. Chi. L. Rev.* 623 (2012); Adam S. Zimmerman, *Distributing Justice*, 86 *N.Y.U. L. Rev.* 500, 518-39 (2011). Even then, there will be no alignment between the agencies' and the attorneys' general goals and the interests of the citizens they represent. For a superb analysis of this misalignment and its policy implications, see Margaret H. Lemos, *Aggregate Litigation Goes Public: Representative Suits by State Attorneys General*, 126 *Harv. L. Rev.* (forthcoming 2012) (unpublished manuscript, on file with the Virginia Law Review Association); see also Zimmerman, *supra*, at 541-53 (identifying agencies' limitations as protectors of individual rights). A class action still appears to be an economically superior solution for common question suits. See David Rosenberg & Kathryn E. Spier, *On Structural Bias in the Litigation of Common Question Claims* (June 20, 2012) (unpublished manuscript, available at <http://ssrn.com/abstract=1950196>) (identifying a structural bias in non-unified common question litigation: while each plaintiff invests in the litigation to promote his own case, the defendant spends to defeat all plaintiffs); see also David Rosenberg, *Mandatory-Litigation Class Action: The Only Option for Mass Tort Cases*, 115 *Harv. L. Rev.* 831, 831-33 (2002) (arguing that mandatory class action enhances social welfare).

n140. Bradley L. Smith, *Note*, *Three Attorney Fee-Shifting Rules and Contingency Fees: Their Impact on Settlement Incentives*, 90 *Mich. L. Rev.* 2154, 2154 (1992).

n141. *Id.* at 2155.

n142. See Richard A. Posner, *Comment on Donohue*, 22 *Law & Soc'y Rev.* 927, 928 (1988) (claiming that "making the losing party pay the winning party's attorney's fees would reduce, not increase, the settlement rate"); Steven Shavell, *Suit, Settlement, and Trial: A Theoretical Analysis Under Alternative Methods for the Allocation of Legal Costs*, 11 *J. Legal Stud.* 55, 65-66 (1982) (arguing that there will be fewer settlements under a fee-shifting regime when parties' expected judgments are the same). But see John J. Donohue III, *Opting for the British Rule, or If Posner and Shavell Can't Remember the Coase Theorem, Who Will?*, 104 *Harv. L. Rev.* 1093 (1991). Full discussion of the "English Rule or American Rule?" debate is beyond the ken of this Article.

n143. See, e.g., Jules Coleman & Charles Silver, *Justice in Settlements*, 4 Soc. Phil. & Pol'y 102, 114-19 (1986) (arguing that the private and often secret character of settlements deprives society of the valuable information and public goods generated by adjudication); Ben Depoorter, *Law in the Shadow of Bargaining: The Feedback Effect of Civil Settlements*, 95 Cornell L. Rev. 957, 960 (2010) (demonstrating that some settlements create socially undesirable benchmarks for primary behavior); Owen M. Fiss, *Against Settlement*, 93 Yale L.J. 1073, 1075-76 (1984) (underscoring distortionary effects of settlements and describing settlement as a "capitulation to the conditions of mass society [that] should be neither encouraged nor praised").

n144. See Jeremy Bentham, *Scotch Reform; Considered, with Reference to the Plan, Proposed in the Late Parliament, for the Regulation of the Courts, and the Administration of Justice, in Scotland* 75-76 (London, R. Taylor & Co. 1808) (describing settlements as "repugnant to" and a "denial of" justice); see also Amalia D. Kessler, *Deciding Against Conciliation: The Nineteenth-Century Rejection of a European Transplant and the Rise of a Distinctively American Ideal of Adversarial Adjudication*, 10 Theoretical Inquiries L. 423, 438-41 (2009) (laying out an insightful historical account of Bentham's opposition to settlements).

n145. Allowing defendants to file early motions to dismiss the suit and requiring courts to decide those motions promptly may provide a partial solution to this problem. This approach is followed by the Anti-SLAPP (Strategic Lawsuit Against Public Participation) statutes, enacted by numerous states to protect citizens who petition the government against suits aiming to suppress their petitioning activities. Anti-SLAPP statutes allow aggrieved citizens to file an early motion to dismiss the suit. This motion will be granted and the plaintiff will be obligated to pay the citizen's legal fees if the court finds that the plaintiff sued the citizen because of her potentially meritorious petition to the government. See Paul D. Wilson & Noah C. Shaw, *Robber Barons, Back-Stabbers and Extortionists: How Far Does Anti-SLAPP Protection Go?*, 43 Urb. Law. 745, 745 (2011). Notably, courts recognize the cost advantage of SLAPP plaintiffs as one of the main reasons for granting early dismissal and cost-shifting remedies. See, e.g., *United States ex rel. Newsham v. Lockheed Missiles & Space Co.*, 190 F.3d 963, 970-71 (9th Cir. 1999) ("The hallmark of a SLAPP suit is that it lacks merit, and is brought with the goals of obtaining an economic advantage over a citizen party by increasing the cost of litigation to the point that the citizen party's case will be weakened or abandoned, and of deterring future litigation." (citing *Wilcox v. Superior Court*, 33 Cal. Rptr. 2d 446, 450 (Ct. App. 1994))); see also *Liberty Synergistics, Inc. v. Microflo Ltd.*, No. CV 11-0523, 2011 WL 4974832, at 10 (E.D.N.Y. Oct. 26, 2011) (acknowledging that "California has an interest in protecting its citizens from malicious [SLAPP], even when the only damage they suffer is the costs of litigating the underlying lawsuit").

n146. See generally Steven Shavell, *The Fundamental Divergence Between the Private and the Social Motive to Use the Legal System*, 26 J. Legal Stud. 575 (1997) (discussing misalignments between private and social incentives in litigation).

n147. See generally Barbara Allen Babcock, *Inventing the Public Defender*, 43 Am. Crim. L. Rev. 1267 (2006) (describing the history and the role of public defenders' offices across the United States).

n148. Henry E. Smith, *An Economic Analysis of Law Versus Equity* 17 (Oct. 22, 2010) (unpublished manuscript, available at http://www.law.yale.edu/documents/pdf/LEO/HSmith_LawVersusEquity7.pdf); see also Mark P. Gergen, John M. Golden & Henry E. Smith, *The Supreme Court's Accidental Revolution? The Test for Permanent Injunctions*, 112 Colum. L. Rev. 203, 242-49 (2012) (stating

and illustrating equity's rule in counteracting opportunistic behavior).

n149. For the goals and mechanics of punitive damages, see Dan Markel, *How Should Punitive Damages Work?*, 157 U. Pa. L. Rev. 1383 (2009).

n150. See A. Mitchell Polinsky & Steven Shavell, *Costly Litigation and Optimal Damages* (Jan. 24, 2012) (unpublished manuscript, available at <http://ssrn.com/abstract=1990786>). Tort litigation that consumes \$ 46 billion per year in litigation costs, *id.* at 2, vividly illustrates this point. Empirical evidence shows that for every dollar retained by the victim, the parties collectively expend one dollar on the litigation process. *Id.* Assume that litigation costs vary in proportion to damages and grant, for simplicity's sake, that plaintiffs and defendants expend on the litigation the same amount, $[\lambda]d$, that represents the relevant fraction ($[\lambda]$) of the plaintiff's damage (d). Because the parties' joint litigation expenditure, $2[\lambda]d$, equals the plaintiff's net recovery amount, $(1 - [\lambda])d$, then $[\lambda] = 1/3$. Hence, for every dollar retained by the plaintiff, the parties collectively expend on the litigation 67 cents (2/3). *Id.* at 10 & n.7. If so, every dollar that the torts system awards the victim must generate at least 67 cents in the marginal gain in deterrence. With every additional dollar that the system moves from defendants to plaintiffs, this condition becomes increasingly difficult to satisfy. *Id.*

n151. A. Mitchell Polinsky & Steven Shavell, *Punitive Damages: An Economic Analysis*, 111 Harv. L. Rev. 869, 896-97 (1998) (arguing that courts should take defendants' probability of escaping liability into account when calculating punitive damages).

n152. *Id.*

n153. *Cf. State Farm Mut. Auto. Ins. Co. v. Campbell*, 538 U.S. 408, 416-18, 425 (2003) (voiding on due process grounds award of \$ 145 million in punitive damages as an addition to \$ 1 million in compensatory damages against an insurance company that used strategic litigation to put unfair pressure on the insured, while indicating that a single-digit ratio between punitive and compensatory damages will pass constitutional muster).

n154. The Supreme Court has imposed constitutional limitations on state courts' power to award punitive damages. See *BMW of N. Am., Inc. v. Gore*, 517 U.S. 559 (1996). Specifically, the Court ruled that the Due Process Clause of the Fourteenth Amendment prohibits the imposition of punitive damages that are grossly excessive or arbitrary. *Id.* at 585-86. The Court explained that the amount of punitive damages must reflect the reprehensibility of the defendant's conduct. *Id.* at 575. The Court also set up a "single-digit ratio" benchmark for punitive damages: it held that due process normally prohibits any award of punitive damages that exceeds the plaintiff's compensatory damage award by ten times or more. *Id.* at 581-83.

n155. Theodore Roosevelt, President's Message at the Opening of the Second Session of the Fifty-Eight [sic] Congress, Dec. 7, 1903, in 1 The Roosevelt Policy: Speeches, Letters and State Papers, Relating to Corporate Wealth and Closely Allied Topics 191, 196 (William Griffith ed., 1919).

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LENGTH: 36079 words**ARTICLE:** THE CONFUSION TRAP: RETHINKING PARODY IN TRADEMARK LAW**NAME:** David A. Simon*

BIO: * Fellow, Project on Law and Mind Sciences, Harvard Law School. Thanks to Graeme Dinwoodie, William Fisher III, Laura Heymann, and Lisa Ramsey for insightful comments and advice. This Article benefitted greatly from the financial support provided by a 2011 Summer Academic Fellowship at Harvard Law School. Thanks also to the Washington Law Review for their diligent work.

LEXISNEXIS SUMMARY:

... By slightly adjusting trademark doctrine, presumptions (and the other approaches advocated in this Article) can simultaneously reduce the threat of frivolous lawsuits by trademark owners and ensure legitimate claims against an infringer proceeds without unnecessary hurdles. ... Infusion (Blurring Only) The previous Part demonstrated that courts analyzing traditional infringement actions let parody color the likelihood of confusion factors. ... Parody Cases Citing Campbell & Finding Trademark and/or Trademark Dilution Trademark No Trademark Infringement (%) Total (%) Infringement (%) * Trademark Dilution 0 (0) 1 (7) 1 (7) No Trademark Dilution 2 (100) 12 (93) 14 (93) Total 2 (100) 13 (100) 15 (100) *4*I excluded from this table one case that found no trademark *4*dilution, and then found both no trademark infringement and trademark *4*infringement as to two separate marks. ... "The Supreme Court's parody explication in Campbell as to expressive copyrightable works," the Grottanelli court stated, "is relevant to trademarks, especially a trademark parody that endeavors to promote primarily non-expressive products such as competing motorcycle repairs." ... We shall see that, due to a variety of differences between copyright and trademark, the protection afforded to parody and satire should be, as a matter of doctrine, broader in trademark law than in copyright. ... Courts should focus on the speech and not the harm to the trademark owner: hybrid speech will be noncommercial where noncommercial elements dominate or are inextricably intertwined with noncommercial expression. ... SEE FIGURE IN ORIGINAL SEE FIGURE IN ORIGINAL The Anheuser-Busch court concluded that tarnishment had occurred because consumers might think Michelob actually contained oil. ... Placing parodies under this rubric safeguards speech in the face of strong, non-traditional trademark rights - rights designed to protect only the trademark owners' interests, not the public's.

HIGHLIGHT:

Abstract: This Article suggests using existing doctrinal levers in trademark law to accommodate parodies in a more balanced fashion. To reach this conclusion, this Article examines the parody doctrine in U.S. trademark law using two lenses. The first lens is trademark doctrine itself. Here I explore the various approaches courts use to resolve trademark disputes involving parody. The other lens is copyright law. Through this lens I examine how courts deciding trademark parody disputes employ the Supreme Court's most recent decision on parody in copyright, *Campbell v. Acuff-Rose*

Music, Inc. (1994). I also use this decision to examine the relationship between copyright and trademark parody claims. In other words, I ask the following question: how, if at all, are copyright and trademark claims related in parody cases?

Each perspective reveals something different. The first perspective shows that most courts resolve infringement claims by evaluating parody within some form of the likelihood of confusion test. It also shows that most courts assess dilution claims by analyzing parody as a form of noncommercial speech. The second perspective shows that copyright and trademark claims are related in a positive direction: if a parody case involves both copyright and trademark claims, courts always find for the defendant (no infringement) on both claims. Filtering the analysis through these two lens, I seek to sketch two revised parody tests - one for infringement and one for dilution. Both tests attempt to differentiate parody analyses from the traditional likelihood of confusion and dilution tests. These new approaches - which strengthen speech protections but do not create absolute defenses - account for the legitimate interests of both trademark owners and parodists.

A parody [of a trademark] must convey two simultaneous - and contradictory - messages: that it is the original, but also that it is not the original and is instead a parody. ⁿ¹

- The United States Court of Appeals for the Second Circuit

For the purposes of copyright law, the nub of the definitions, and the heart of any parodist's claim to quote from existing material, is the use of some elements of a prior author's composition to create a new one that, at least in part, comments on that author's works. ⁿ²

- The Supreme Court of the United States

TEXT:

[*1023]

INTRODUCTION

This Article argues that the current parody doctrine in trademark law needs adjustment. Currently courts analyze parody claims, and often draw on copyright law to resolve trademark claims that involve parody. This has resulted in a distortion of trademark law when applied to parodies - in part because courts focus too much on an expanded notion of confusion, and in part because courts draw broadly, instead of narrowly, from copyright law's approach to parody. Nevertheless, the surgical procedure trademark law needs can be relatively painless. Some courts already use the tools to make the necessary nips and tucks.

Trademark law - indeed language itself - is responsible for at least part of the problem courts have confronted in the parody context. Comedian George Carlin recognized the force and confusion of language when he quipped, "I recently went to a new doctor and noticed he was located in something called the Professional Building. I felt better right away." ⁿ³ It is the underlying features of language that makes regulating trademark law difficult: words are powerful. They rouse emotions. They evoke memories. They move you. ⁿ⁴ With so much human potential, it is no wonder that people sue each other over them. "South Butt," ⁿ⁵ "Mutant of Omaha," ⁿ⁶ "Chewy Vuiton," ⁿ⁷ "Richard Grasso" ⁿ⁸: Each one of these phrases incited a lawsuit ⁿ⁹ - and in each one of these lawsuits the defendant claimed the use of the word(s) was **[*1024]** protected as a "parody." And so the nature of words and their meaning makes evaluating them difficult. Parodies are no exception.

The issue of what constitutes a parody in trademark law, and what legal effect that finding should have, has been confusing courts for decades. Before several recent attempts to tackle the issue of parody in trademark law, ⁿ¹⁰ the last

comprehensive attempt to do so occurred in a law review article nearly twenty years ago.ⁿ¹¹ Then, in 1994, there seemed to be hope for clarity: the United States Supreme Court decided *Campbell v. Acuff-Rose Music, Inc.*ⁿ¹² There, the Court held that a parodic use of a copyrighted work could qualify as a noninfringing fair use.ⁿ¹³ Parody, the Court stated, was a form of comment or criticism that ridicules the original work by, for example, mimicking its style.ⁿ¹⁴ It can be distinguished from satire, which does not target the original work but instead uses it as a vehicle to express some other (perhaps critical) message.ⁿ¹⁵ The Court reasoned that parody had a greater claim to fair use than satire.ⁿ¹⁶ Parodists require the original works to make their comment or criticism. Satirists, on the other hand, have a weaker claim because they are not commenting or criticizing directly the work they use. Immediately, lower courts and commentators sought to apply and criticize the Campbell decision both in copyright and trademark contexts.ⁿ¹⁷

[*1025] In a previous article, I explained how lower courts have applied Campbell's general holding - a parody is a use of the original work to ridicule, criticize, or comment on it - in the copyright context.ⁿ¹⁸ What I left out, however, was a discussion of parody in trademark law. This omission was intentional: Campbell was a decision about copyright law, and its implications for trademark law are uncertain.

This Article explores the gap left in my previous article, using Campbell as a guide to examine the parody doctrine in trademark. It argues that Campbell provides a few insights into parody that trademark law should consider incorporating. At the same time, the decision illustrates some pertinent differences between copyright and trademark that suggest trademark law might need to clarify and expand its current approach to parody. By collecting and analyzing all trademark cases that cite Campbell, this Article presents evidence that courts treat trademark and copyright parody claims similarly. It then questions whether this is a wise legal choice. In the process, this Article argues the existing dichotomy between likelihood of confusion and trademark defenses need not be so rigid. Such an inflexible division misses the valuable role that presumptions can play in analyzing trademark infringement claims involving parody. By slightly adjusting trademark doctrine, presumptions (and the other approaches advocated in this Article) can simultaneously reduce the threat of frivolous lawsuits by trademark owners and ensure legitimate claims against an infringer proceeds without unnecessary hurdles. Thus, this Article argues that presumptions and slight doctrinal adjustments can help adjust trademark law doctrine to accommodate the legitimate interests of both parodists and trademark owners.

The analysis, then, requires a comparison of parody and copyright and trademark law. And this begins, of course, with the meaning of the term "parody" itself. This starting point reveals, as the epigrams that begin this Article demonstrate, that copyright and trademark define parody similarly: both focus on how the parody both draws on and differentiates itself from the original.

The next obvious point of comparison is the legal analysis each regime uses to apply parody to its existing legal framework. Here [*1026] differences emerge. In copyright, the parody analysis occurs after the infringement analysis, as a defense. Parody in trademark law, by contrast, operates during the infringement analysis. It is not, as courts and commentators tell us, a real defense.ⁿ¹⁹ Because parody comes into play during the infringement analysis, the legal inquiry focuses on trademark infringement's staple concept: likelihood of confusion. Thus, it seems natural for courts to ask whether consumers are likely to be confused about the source of the parody's product,ⁿ²⁰ as infringement occurs when consumers are likely to be confused over a product's source.ⁿ²¹ The analysis of confusion is factor based, with courts looking to several factors, such as the similarity of the marks and marketing channels, the distinctiveness of the senior user's mark, and the user's intent.ⁿ²² Confusion, then, remains the watchword for parody analysis in trademark law.

Perhaps trademark law's focus on consumer confusion is unsurprising given that preventing confusion is one of its main functions. Yet it is [*1027] precisely this emphasis on confusion that raises questions about the parody doctrine itself. Parody is supposed to be a doctrine that insulates expressive speech from overzealous trademark owners. If instead it is merely a restated confusion test, then parody protects only so much speech as trademark law traditionally allows. That is odd for at least two reasons. First, it is superfluous for a legal doctrine to exist without having some effect. For this reason, the presence and recognition of the doctrine suggests that it is doing some extra work that

trademark law cannot alone handle. Second, parody is a recognized doctrine in copyright law. And here the effects of the doctrine are quite strong.ⁿ²³ Copyright and trademark law often cover - and claims are frequently brought regarding - the same objects. As a result, we have reason to think that parody may operate similarly in both legal regimes.

Yet on these facts, it is unclear whether parody is superfluous in trademark, or whether parody in practice operates similarly (in terms of outcome) in copyright and trademark. Using *Campbell* as a copyright lens, this Article analyzes this issue. First, this Article asks how courts citing *Campbell* have applied the parody doctrine in trademark law. If the commentators' conception of trademark parody is correct, we should find that courts merely restate the confusion tests in their parody analysis of trademark claims. The cases show that this is only partially true. Although most courts rely on the confusion test, few apply it without considering the parodic nature of the defendant's mark; parody, in other words, frequently influences how courts apply the confusion test. Yet, despite the diversity of methods used to analyze parody, not all are equally desirable. Some, however, provide valuable insights into what a better standard for parody might look like. The most promising approach appears in *Rogers v. Grimaldi*,ⁿ²⁴ in which the court held that titular parody of a trademark in an expressive work was entitled to a presumption of fairness.ⁿ²⁵

Although the lessons from *Rogers* and the other parody cases help describe the doctrinal tests, they do nothing to explain the relationship between copyright and trademark claims involving parody. To examine this relationship within the context of parody, *Campbell* again proves a useful way in. By focusing on cases that cite *Campbell*, this Article examines how courts have treated copyright and trademark claims when they appear in the same dispute. These cases show that trademark and [*1028] copyright claims are directly related. Of the fifteen cases involving copyright and trademark dilution claims, courts decided those claims identically 100% of the time. The same was true for all of the twenty-two cases involving copyright and trademark infringement claims. Put another way, in every case in which a court found copyright infringement, it also found trademark dilution and/or infringement. Likewise, in every case where the court found no copyright infringement existed, it also found that no trademark dilution or confusion existed. This provides evidence that copyright and trademark claims are related in parody cases.

Given this relationship, it seems likely that *Campbell*, its analysis, and its definition of parody are all shaping the way in which courts apply parody to trademark law. But should they be? *Campbell*, after all, was a copyright dispute - and copyright and trademark law are two different legal regimes calibrated to different sets of interests and goals. Their different features, both legal and normative, might make copyright and trademark law awkward bedfellows in the parody context. By analyzing some differences between copyright and trademark, we find the answer to the question above is both yes and no. The answer is yes because *Campbell* casts parody as a defense that protects expressive speech. The answer is no because *Campbell* is too narrow when applied to the infringement or dilution analyses in trademark law. This is particularly true in light of the expanding scope of trademark law and the noticeable dearth of trademark defenses. Thus, this Article proposes using *Campbell* to refine courts' approaches to parody in trademark law.

Drawing on all of the foregoing analysis, this Article proposes two new tests for parody in trademark law - one for infringement and one for dilution. For infringement, the proposed test presumes parodies are noninfringing. The plaintiff can rebut that presumption by showing that a direct competitor sells the parodic product, and the product competes directly with the plaintiff's goods or services. If the plaintiff succeeds, the court should evaluate the parody using a modified version of likelihood of confusion factors. In the dilution context, this Article proposes treating parody as "noncommercial," expanding the statutory exemption to dilution under the Lanham Act to cover uses that qualify as "as a mark." Each of these tests uses a definition of parody more expansive than the one laid out in *Campbell*. That is, "parody" includes satirical uses of trademarks.

This Article proceeds as follows. Part I sets the table for the subsequent discussion. It examines and evaluates how courts have [*1029] decided confusion and dilution questions when parody is involved. Although the discussion primarily focuses on published casesⁿ²⁶ that cite *Campbell*, it includes other cases as well. Next, Part II takes us in three interrelated directions. First, we evaluate how courts citing *Campbell* resolve trademark and copyright parody claims in the same case. Using *Campbell* as a lens, this Article then explores the differences between copyright and trademark law. Finally, we determine what aspects of *Campbell* should be incorporated into a parody trademark

doctrine. With a broad framework for trademark parody in view, Part III suggests two new defenses for parody - one for infringement and one for dilution.

I. THE CURRENT PARODY DOCTRINE IN TRADEMARK LAW

Parody analysis in trademark law has nuances that it lacks in copyright law. In copyright, parody shades the borders of the fair use defense, usually coloring the inquiry with a hue of fairness. In trademark, though, the story is complicated by courts' analytical techniques: although some courts use parody as a defense to infringement, most use parody to shade the infringement analysis. In this Part, I taxonomize each analytical approach courts take when resolving a traditional infringement (confusion) or dilution claim involving parody. Most - but not all - of these cases I analyze cite *Campbell*, for reasons I mentioned earlier. At the same time, I analyze these approaches, asking questions about their ability to adequately protect speech interests and trademark owners' rights. From this analysis I develop suggestions for how courts should address parody in trademark infringement and dilution claims.

A. Approaches to Trademark Infringement Actions Involving Parody

It turns out that, once courts find that a parody exists, they employ a variety of methods to determine whether and how that finding bears on the issue of confusion. Taking a certain approach can be determinative of infringement. Thus, it matters a great deal how courts approach the application of the parody finding. We start with the six approaches in cases citing *Campbell*.ⁿ²⁷ After this tour, we make two more stops, focusing on a few cases that did not cite *Campbell*.

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1. Parody Approaches in Infringement Cases Citing *Campbell v. Acuff-Rose*

Courts citing *Campbell* use six different approaches to analyzing infringement claims that involve parodies. One method is the Infusion Approach, which uses a parody finding to alter how courts apply the traditional likelihood of confusion factors. Parody, in this category, narrows the scope of the confusion analysis. Second, courts use a Balancing Test when parody is at issue. The third approach does not require courts to alter their analyses at all; rather, it requires courts to apply the standard likelihood of confusion analysis. Under the fourth approach, courts treat parody as a form of Nominative Fair Use. Fifth, courts use the Alternative Means Approach, which asks whether the defendant could have made her point without using the plaintiff's trademark. Finally, some courts use the Separate Digit Approach, which characterizes parody as separate factor in the likelihood of confusion analysis.

As Table 1 shows, the majority of courts (53%) use the Infusion Approach. The next most popular approach is a Balancing Test, with 23% of courts using this method. A standard Confusion Test came in third, with 8% of courts using it. The last 16% of cases used three methods: 8% use Nominative Fair Use; 4% use an Alternative Means Test; and another 4% use a test that analyzes parody as a Separate Digit in the confusion analysis.

Table 1. Approaches to Trademark
Parody in Infringement Cases Citing
Campbell v. Acuff-Rose

Parody Approach	Times Used	%
Infusion	14	53%
Balancing/Rogers	6	23%
Confusion	2	8%
Nominative Fair Use	2*	8%
Alternative Means	1	4%

Separate Digit	1	4%
Total	26	100%

* One case, *Mattel v. Walking*

Mountain Productions, also

used a nominative fair use analysis to evaluate a parody trade dress claim. This was counted in both categories, which explains the total number of uses at 26, even though there are only 25 cases in the sample.

Raw numbers, of course, do not explain the benefits of any particular approach. That information comes only from examining each one.

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a. The Infusion Approach

Some courts take the view that parody is not an affirmative defense, "but merely a way of phrasing the traditional response that customers are not likely to be confused as to the source, sponsorship or approval."ⁿ²⁸ This approach - the most dominant in the cases I examined - weaves a finding of parody into the analysis of the confusion factors.ⁿ²⁹ In some ways, it resembles how a parody finding in copyright affects the fair use inquiry.ⁿ³⁰ Typically, a finding of parody will swing in the parodist's favor certain traditional confusion factors: the strength of the mark,ⁿ³¹ the degree of similarity between the two marks,ⁿ³² the defendant's intent,ⁿ³³ product similarity,ⁿ³⁴ and, to a lesser extent, actual confusionⁿ³⁵ and [*1032] consumer sophistication.ⁿ³⁶

Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC (*Louis Vuitton II*),ⁿ³⁷ is a good illustration of how a finding of parody colors the confusion factors. At issue in that case were the defendant's dog toys called "Chewy Vuiton," which mimicked the plaintiff's mark, "Louis Vuitton," under which the plaintiff sold luxury clothing and accessories (including dog accessories).ⁿ³⁸ The court first made an initial inquiry into whether a parody existed,ⁿ³⁹ much like *Campbell* instructed lower courts to do in copyright parody cases.ⁿ⁴⁰ After finding a parody, the court evaluated the factors with this finding in mind.ⁿ⁴¹

The court expressly discussed parody in relation to four factors. First, it noted parody was important in weighing the strength of the marks.ⁿ⁴² While a strong mark will usually favor the plaintiff, "the opposite may be true when a legitimate claim of parody is involved."ⁿ⁴³ This is because the parody needs to use a strong mark to be recognized as a parody; a weak mark would not likely be recognized as a parody.ⁿ⁴⁴ Because a mark is strong, the court reasoned, consumers know that the parody is not the original.ⁿ⁴⁵ Applying this framework to the mark at issue, the court found this factor favored the defendant.

Second, the court then explained that parody influenced its analysis of the marks' similarity.ⁿ⁴⁶ Indeed, what makes a parody qua parody is its ability to be similar enough to the original to evoke it and comment on it.ⁿ⁴⁷ This factor also favored the defendant because "[the defendant] appropriately mimicked a part of the LVM marks, but at the same time sufficiently distinguished its own product to communicate the satire."ⁿ⁴⁸

[*1033] The court also examined, thirdly, the defendant's intent, finding that the intent to parody "neutralized" this factor.ⁿ⁴⁹ Rather than evidencing bad faith, "the intent [to parody] is to do just the opposite - to evoke a humorous, satirical association that distinguishes the products."ⁿ⁵⁰ Finally, the court found the dissimilarity in products - was

important in the parody analysis - weighed against a finding of confusion.ⁿ⁵¹ Overall, the court found that the factors favored the defendant, and that "Haute Diggity Dog's marketing, sale, and distribution of 'Chewy Vuiton' dog toys [were] [not] likely to cause confusion ...[because the toys were] an obvious parody."ⁿ⁵²

Louis Vuitton II is not alone in using this test. Indeed, the Infusion Approach dominates the Campbell cases. Aside from being popular, this approach has some benefits. To some extent, it accounts for First Amendment considerations by altering the infringement analysis. When the court examines the similarity of the marks, for example, a parody can neutralize a factor that would otherwise weigh in favor of the plaintiff. This is similar to how Campbell treated parody with respect to section 107(2),ⁿ⁵³ which asks what kind of work the defendant used.ⁿ⁵⁴ Although highly expressive works typically receive more protection than factual ones, Campbell held that parodies must use highly expressive works; therefore, the defendant's use of a highly expressive work would not weigh in the plaintiff's favor.ⁿ⁵⁵ In both cases, First Amendment concerns alter how courts apply infringement (for trademark) and fair use (for copyright) factors.

Because the parody finding just alters the application of the infringement factors, it provides the First Amendment less weight than it could; instead, it simply finds that the work is not confusing.ⁿ⁵⁶ This becomes even clearer when one considers that these "altered" factors still may not tip the balance of parody in favor of noninfringement.ⁿ⁵⁷ **[*1034]** Indeed, the Infusion Approach is not a defense at all, as commentators repeatedly acknowledge.ⁿ⁵⁸ Thus, speech interests get shorter shrift under this approach than they would under a defense to infringement.

b. Parody as First Amendment Balancing

First Amendment jurisprudence often resorts to ad hoc balancing, weighing various interests against each other.ⁿ⁵⁹ Because parody implicates First Amendment concerns, some courts have used a Balancing Approach to resolve trademark claims that involve parody. Although the first court to use this approach (Rogers v. Grimaldi) did so prior to Campbell, it is important to review because post-Campbell cases have also used variants of the Rogers test in their analysis. In Rogers, the court applied a Balancing Approach to resolve a trademark infringement claim involving the title of a movie.ⁿ⁶⁰ "In general," the court wrote, "the [Lanham] Act should be construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression."ⁿ⁶¹ When the titular use of a mark included a celebrity's name, free expression would win "unless the title has no artistic relevance to the underlying work whatsoever, or, if it has some artistic relevance, unless the title explicitly misleads as to the source or the content of the work."ⁿ⁶²

Subsequent cases citing Campbell have followed and modified this approach, making it less speech friendly.ⁿ⁶³ In *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group, Inc.*,ⁿ⁶⁴ for example, the court stated 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 **[*1035]** avoiding consumer confusion."ⁿ⁶⁵ But in applying the test,ⁿ⁶⁶ the court fell back into the confusion trap, concluding: "we do not believe that there is a likelihood that an ordinarily prudent purchaser would think that [the defendant's work,] *Spy Notes*[,] is actually a study guide produced by [the defendant], as opposed to a parody of [the plaintiff's work,] *Cliffs Notes*."ⁿ⁶⁷

Both cases illustrate the benefits and drawbacks of the Balancing Approach. Although balancing is often criticized as too vague to be protective,ⁿ⁶⁸ Rogers puts a free expression thumb on the infringement scale. Under Rogers, any expressive element will probably immunize a title from trademark infringement. Exceptions include titles that attempt to deceive - such as calling an unauthorized biography "an authorized biography."ⁿ⁶⁹

But balancing also has its drawbacks. Because the Rogers court had to hedge its bets, it allowed some infringement claims to go forward where the title was "explicitly misleading," an inquiry that could be resolved only through contextual analysis.ⁿ⁷⁰ But even more importantly, balancing often provides cover for old confusion memes to thrive. This is what happened in *Cliffs Notes*. There, the court found convincing the Rogers balancing approach but, in attempting to apply it, the court merely turned to an infusion-style likelihood of confusion assessment (without using the

factors).ⁿ⁷¹

So, if we are trying to learn from these approaches, the Balancing [*1036] Approach teaches us that presumptions are important, as are grounded, understandable standards and rules to apply should the presumption fail. Any First Amendment test must, therefore, incorporate some kind of strong presumption for speech interests, or else it risks fostering the growth of the confusion-centered memes.

c. Confusion

Although the Infusion and Balancing Approaches are popular, others exist. One such approach is not really a parody analysis at all. Instead, courts apply the likelihood of confusion in the standard way. As in *MasterCard International Inc. v. Nader* 2000,ⁿ⁷² courts never include a discussion of how parody alters the analysis.ⁿ⁷³ Although its copyright analysis included a discussion of parody, the court's trademark analysis did not mention parody. Ultimately, the court found no confusion based on the dissimilarities of the nature, purpose, and use of the mark by Ralph Nader's campaign for political purposes.ⁿ⁷⁴

As far as speech-protective tests go, this one is far from ideal. It does not expressly account for any speech-related interestsⁿ⁷⁵ (such as those of the speaker and the listener). Instead, it relies on the standard likelihood of confusion analysis. But the whole point of having a parody doctrine is to recognize that important interests besides confusion are at stake. When a use makes fun of or criticizes the mark (or some other issue), the First Amendment cautions against (private) censorship. Using a standard likelihood of confusion analysis does not account for these interests. Mark similarity, intent of the parties, and product similarity, for example, cut in favor of the mark owner in such cases. In parody cases, by contrast, they do not. Proposals to use a standard confusion analysis miss this very basic point.ⁿ⁷⁶ For this and other reasons discussed later, [*1037] the confusion test is inadequate.

d. Parody as Nominative Fair Use

Another approach - one taken by the court in *Mattel, Inc. v. Walking Mountain Productions*ⁿ⁷⁷ - analyzes parody under the judicially created doctrine of nominative fair use.ⁿ⁷⁸ This doctrine applies where the defendant uses the plaintiff's mark to refer to the plaintiff's mark, generally for comparison or criticism.ⁿ⁷⁹ So, for example, where an advertisement says, "Try our Product X. It has more ingredients than comparable Product Y(R)," nominative fair use would apply.

Nominative fair use, which replaces or supplements the factor-based confusion test, requires the plaintiff to show three elements.ⁿ⁸⁰ First, the plaintiff's product or service in question must be one not readily identifiable without use of the trademark. Second, only so much of the mark or marks may be used as is reasonably necessary to identify the plaintiff's product or service. And third, the user must not use the mark in a way that suggests sponsorship or endorsement by the trademark holder.

The *Walking Mountain* court applied this three-part test in the parody context as to trade dress.ⁿ⁸¹ In that case, the defendant had created a photography exhibit that used various Barbie dolls posing in sexually suggestive positions with food.ⁿ⁸² The court found that the defendant satisfied the first element of the nominative fair use doctrine, noting that it would have been "extremely difficult" to comment on the image of Barbie without using the image of Barbie.ⁿ⁸³ As to the second element, [*1038] the court found that the defendant satisfied this fact-intensiveⁿ⁸⁴ inquiry.ⁿ⁸⁵ Using Barbie's torso and body to comment on the sexuality of Barbie, the court found, was no more than reasonably necessary.ⁿ⁸⁶ Finally, the court found the last element was satisfied, dubbing it a "closer call" than the first two.ⁿ⁸⁷ This element, the court noted, does not require the defendant to use the mark to affirmatively endorse the product or service at issue. Nevertheless, the court focused on what the defendant did to reduce the risk that individuals would suspect endorsement. Important to the court were the promotional materials that the defendant distributed with his work, which included statements that the defendant's aim was to criticize the work.ⁿ⁸⁸ Critical commentaries, the court stated, were not likely to be sponsored by the trademark owner.ⁿ⁸⁹ For these reasons, this was nominative fair use.

Although seemingly a good candidate for a parody defense, nominative fair use faces at least two conceptual deficiencies. First, asking whether the defendant satisfied the third element - does the use suggest sponsorship or endorsement? - is a lot like asking whether consumers would be confused about the source of the product or service.ⁿ⁹⁰ In other words, the sponsorship/endorsement question is essentially the same question the confusion analysis seeks to answer, though framed in slightly different terms.ⁿ⁹¹

[*1039] Not all agree on this point. Stacey Dogan and Mark Lemley, for example, assert that nominative fair use contextualizes the inquiry in a way standard confusion analysis does not.ⁿ⁹² They argue it requires the court to "assess how the use measures up against" the purpose for which the mark is used.ⁿ⁹³ The confusion analysis, by contrast, is focused entirely on whether consumers are likely to be confused about the source or sponsorship of the mark.

It is not, however, entirely true that in the confusion analysis - at least as to parody - "the factfinder has no purpose against which to measure the nature of the use."ⁿ⁹⁴ As this Article demonstrates, courts repeatedly use parody as a way to shift the likelihood of confusion analysis. Under the Infusion Approach, for example, parody can alter the way courts apply the confusion factors. In such cases, courts apply those factors against the backdrop of parody and, consequently, its purpose. Additionally, it is not clear how merely having parody as a backdrop in the Nominative Fair Use Approach makes the inquiry into consumer perceptions any easier than it would be in another mode of analysis, such as the Infusion Approach. Indeed, the Infusion Approach achieves a similar goal with a more nuanced set of factors to apply.

Second, some courts have held that nominative fair use applies only when the defendant uses the plaintiff's mark exactly (or nearly exactly).ⁿ⁹⁵ This, of course, makes some sense, particularly if we import Campbell's requirement that a parody comment on the underlying mark. But even if we take that position, it seems odd to require near identity to avoid infringement. If the mark is not identical - or even closely similar - then consumers will not be confused about the source.ⁿ⁹⁶ All the more reason to allow parodies with non-identical marks - particularly if parody itself cannot overcome consumer confusion (or sponsorship/endorsement).

[*1040] The nominative fair use defense therefore seems particularly inadequate for parodic or satirical uses of trademarks. First Amendment interests are difficult to locate where the analysis resembles the traditional likelihood of confusion test. Instead of a real defense, the doctrine of nominative fair use is a recasting of the likelihood of confusion test; it is a confusion trap. For these reasons, nominative fair use does not adequately protect First Amendment interests.

e. Alternative Means Approach

Occasionally, a court will apply an Alternative Means Approach and hold that a defendant is liable for infringement where she could have made her statement without using the mark in a confusing manner. One mark user, for example, told the story of the O.J. Simpson murder trial using some of Dr. Seuss' trademarks.ⁿ⁹⁷ The court found the likelihood of confusion factors weighed in favor of infringement. As to what it called a "Possible First Amendment Defense," the court found none existed. Here, it adopted the Alternative Means Approach, which "dismisses First Amendment concerns where 'alternative avenues of communication' exist that might have been selected by the infringer to convey its message."ⁿ⁹⁸ The court found its fair use analysis of the copyright claim adequately captured the "alternative means" approach as applied to trademark claim: the defendant can take only so much as necessary for the use, and no more. For the court, the use of the trademarks was clearly satire, not parody. As such, the defendant could have used alternative means to comment on the O.J. Simpson trial, as the criticism and comment of it were not directed at Dr. Seuss' trademarks.ⁿ⁹⁹

Practically speaking, this approach is not different from the confusion analysis.ⁿ¹⁰⁰ But theoretically, it is actually much worse. Under this test, [*1041] the court purports to account for the First Amendment, but, in actuality, it subjugates that interest to the confusion doctrine. There will always be "alternative means of achieving a satirical or parodic ends"ⁿ¹⁰¹ that do not entail confusion. Much of the problem is rooted in a strict, but inapt, analogy to real propertyⁿ¹⁰²: trademarks are used to make speech that includes a statement about them; real property is used merely instrumentally to speak from some place. Yet courts treat trademarks as a location (i.e., as a parcel of real property)

rather than as speech itself. So they conclude that the defendant has no need to use the trademark when she can always say what she wants some other way. In other words, why stand on the plaintiff's mark to shout about the O.J. Simpson trial? Why not stand on some unowned parcel of land? Of course, this misses the important point that trademarks themselves are not merely owned "property," but also speech itself. This conclusion, however, coupled with the express rejection of First Amendment interests, makes the Alternative Means Approach inadequate. It, too, is a confusion trap.

f. Parody as a Separate Factor or Digit

Another way courts use parody is to weigh it as a separate "digit" in the confusion analysis.ⁿ¹⁰³ In other words, courts tack on the parody finding as something else to be weighed when determining likelihood of confusion.ⁿ¹⁰⁴ The problem with this approach is that it completely ignores how parody affects the likelihood of confusion factors.ⁿ¹⁰⁵ This is what happened in *Elvis Presley Enterprises, Inc. v. Capece* (*Elvis Presley II*).ⁿ¹⁰⁶ There, though, the court actually made a substantive finding about parody, rather than apply a parody test. It held that, although the defendant's mark was a parody, it was not a parody of the [*1042] plaintiff's mark.ⁿ¹⁰⁷ Therefore, the court said, the defendant did not need to use the plaintiff's mark for the parody.ⁿ¹⁰⁸ In this sense, the court's analysis resembled lessons from both *Campbell* (a need to target the mark itself) and from *Dr. Seuss Enterprises, L.P. v. Penguin Books USA, Inc.* (*Dr. Seuss I*)ⁿ¹⁰⁹ (a lack of alternative means of communicating the message). The court noted that "[the restaurant owner] himself conceded that the Defendants could have performed their parody without using Elvis's name. Without the necessity to use Elvis's name, parody does not weigh against a likelihood of confusion in relation to [the plaintiff's] marks."ⁿ¹¹⁰ Under this approach, the concept of parody not only fails to save the defendant, "it is simply irrelevant."ⁿ¹¹¹

This approach shares the same pitfalls as the Infusion and Alternative Means Approaches, but enjoys none of their benefits. As an initial matter, it seeks to divorce parody from the confusion analysis by making it a separate factor to be weighed. That, of course, neglects the nature of a parody and how it can influence the confusion analysis. But even worse, the Separate Digit Approach breaks down into an Alternative Means Approach that is not itself a defense. At least the Alternative Means Approach purported to be a defense to infringement (though it is not). And the standard could actually excuse the use in some cases: if "no alternative means" actually existed (though this is a tight standard), the parodist is not liable. Here, the test is merely a factor in the confusion analysis. Thus, even if a parody exists (and no alternative means exist), then theoretically infringement could still occur. Once again, we find ourselves in a confusion trap.

2. Other Approaches to Parody in Trademark Infringement Claims

Although there are twenty-three trademark cases citing *Campbell*, there are many more trademark cases involving parody. Within these cases two other parody tests exist. We explore those here. First, we [*1043] examine courts that characterized parody as a per se Affirmative Defense. Then we explore the initial interest confusion doctrine, focusing on parodic uniform resource locators (URLs).

a. Parody as a Per Se First Amendment Defense

The least traditional approach has been to use a finding of parody as determinative of First Amendment protection.ⁿ¹¹² In *GTSM, LLC v. Universal Studios, Inc.*,ⁿ¹¹³ the defendant had created a movie in which it showed a clothing line titled BUFU (By Us, Fuck You), which parodied the plaintiff's actual clothing line FUBU (For Us, By Us) designed for "multicultural youth."ⁿ¹¹⁴ The court analyzed only the parody issue, stating that parodies are "entitled to full protection under the First Amendment and pursuant to the substantial body of case law establishing 'safe harbors' for this form of comical expression."ⁿ¹¹⁵ The court then granted summary judgment "because [the defendant] used 'BUFU' as a parody."ⁿ¹¹⁶ The court cited a number of cases to support its legal holding - including *Yankee Publishing Inc. v. News America Publishing Inc.*,ⁿ¹¹⁷ *L.L. Bean, Inc. v. Drake Publishers, Inc.*,ⁿ¹¹⁸ and *Tommy Hilfiger Licensing, Inc. v. Nature Labs*ⁿ¹¹⁹ - but never explained the differences between these cases.ⁿ¹²⁰ The court also claimed to review the likelihood of confusion factors, but it was clear that the decisive issue was whether the defendant's work was a parody.

This approach seems deficient because it categorizes parody as protected without a thorough analysis of what a parody is. It also neglects to acknowledge or delineate what competing rights and interests are at stake. Thus, the conclusion is doubly bad. Not because it reached the wrong result (it did not) - but because it, first, fails to define parody [*1044] in any meaningful way, and, second, inappropriately applies First Amendment protection to any parody regardless of whether the speech is commercial or whether confusion exists.

b. Parodic URLs and Initial Interest Confusion

The last approach, ⁿ¹²² which sometimes involves trademark disputes over domain names, operates within the doctrine of initial interest confusion. This doctrine holds actionable confusion that occurs away from the point of sale - that is, when the consumer initially sees the product but prior to her buying it. ⁿ¹²³ The theory posits that some consumers' initial confusion, even if later dispelled, will cause them to buy the competing product. Why? Out of mere convenience. Notice no confusion exists at the point of sale; the confusion is actionable because it eventually could lead to lost sales. At least one court applying this doctrine in the context of domain names has found liability. On its view, initial interest confusion is tantamount to diverting future sales. ⁿ¹²⁴

Cases in the parody context are no different. The most prominent case in this area is *People for the Ethical Treatment of Animals (PETA) v. Doughney*. ⁿ¹²⁵ The plaintiff (PETA) was an organization that advocated [*1045] for animal rights. The defendant had registered the domain name "peta.org," which led the Internet surfer to a webpage containing a disclaimer that it was not the organization PETA, as well as information, and links to other pages, about eating meat and other carnivorous activities. ⁿ¹²⁶ The defendant also titled his webpage "People Eating Tasty Animals," which contained abundant commentary on eating meat. ⁿ¹²⁷

The defendant claimed his website was a parody and therefore not infringing under the Lanham Act. The Fourth Circuit disagreed. In finding infringement, the court relied on the doctrine of initial interest confusion. The court evaluated the domain name in isolation, focusing on how it conveyed only the message of affiliation with the plaintiff's organization. ⁿ¹²⁸ The court rejected the idea that the content of the website itself could negate confusion. ⁿ¹²⁹

At first glance, the court's decision seems understandable. Certain assumptions inherent in the court's analysis, though, are not fleshed out. And those assumptions show the court's conclusion is erroneous - that it fell into a variant of the confusion trap. First, the court assumes that the user is confused when she types in the URL. That could be true in some abstract sense. If I think that peta.org is the website for PETA, that is where I think I will be directed. But when I am not directed there - when I am sent to a parodic website, am I confused? Probably not. (The stronger argument is that consumers use domain names to verify that [*1046] they have reached the appropriate website.) This is important because the confusion question depends on how the consumer confronts the mark.

A consumer confronts the mark here in two ways. The first occurs in isolation as a URL that is typed in. In a basic way, however, the consumer is not confronting the mark at all here because the mark is not associated with anything - it is just a word or phrase. So if confusion occurs at this point, it is not really confusion as to any use of the mark; it just confusion that is taking place in the mind of the consumer as to where she might find the website she is looking for.

The actual confrontation, if it exists, takes place once the consumer gets to the website. It is at this point the prospective consumer wonders, is this website affiliated with the mark used in the URL? To use a products analogy: the consumer cannot be confused about the source of a product until she confronts the product. Just seeing the mark in isolation does not show confusion, and it is not part of the contextual confusion analysis. ⁿ¹³⁰

This kind of analysis is not foreign to traditional trademark law disputes. In *Cliffs Notes* - the case involving a potentially misleading cover page - the court noted that consumers do not merely see a product and make a monolithic decision about its source. As they confront marks and products, consumers' expectations shift - what seems like confusion at first is later dispelled. As to the potentially confusing cover page, the court noted that consumers would not merely accept ambiguity as the wrong source: "Even for those few readers who might be slightly confused by the cover,

the most likely reaction would be to open the book." ⁿ¹³¹

There are two other points worth mentioning. First, the court has assumed that people traditionally get to the websites they desire by typing in the URL. Many internet surfers, however, use search engines to search for sites. ⁿ¹³² People search for sites they do know, even those that they frequently visit. Additionally, many web browsers now save user history, so past websites visited "pop up" when particular letters are [*1047] entered into the URL bar by the user. ⁿ¹³³ Still other browsers and search engines use an "autocomplete" feature, which suggests websites the user may be looking for. ⁿ¹³⁴

Second, if this assumption is true - if users really try to get to websites (the content of which they know or are likely to know) by typing in a domain name (that they do not know) containing the defendant's mark - then many times there will not be confusion because the consumers have nothing to be confused about. They know what the likely content of the website will be, and, when they reach the "wrong" website, they know that it is not where they wanted to go. When, for example, I type "www.american.com," because I do not know the URL for American Airlines is "www.aa.com," I am not confused about the source. I just do not know the correct URL. What I do know is that the website I want is owned and operated by American Airlines. When I arrive at the American Enterprise Institute's online journal, The American, I am not confused; I know I have typed the wrong URL.

In such a case confusion cannot occur merely when I type in the URL; it can occur only once I have confronted the website. Websites - even with domain names - are experiential goods, though they do have some search good qualities. ⁿ¹³⁵ This leads to the corollary point: consumers who are looking for an American Airlines website will not be confused once they get to a website that is not American Airlines, despite the domain name "www.american.com."

Thus, the appropriate standard for assessing domain names - and claims of initial interest confusion - is to confront them as consumers do: in the context of the webpage to which they are linked. This, of course, is a statement about how the court should analyze confusion; that was the issue in the PETA case. But the reasoning applies aptly to any parody defense.

[*1048] Users confront parodic websites, not when they type in the URL, but rather when they visit the webpage displayed at a particular URL. Thus, initial interest confusion is a doctrine especially unsuited for parodies online. To resolve this problem, courts should evaluate initial parody claims over domain names by looking to the content of the website in conjunction with the URL. At least one older case has taken such an approach in a non-internet setting. ⁿ¹³⁶ Likewise, other parody claims of initial interest confusion must be particularly attuned to the way in which the consumer confronts the mark, not merely how the mark appears in isolation.

B. Approaches to Trademark Dilution Actions Involving Parody

Just as courts deciding infringement claims involving parody use a variety of approaches to resolve the claims, courts confronting dilution claims have their own methods for analyzing claims involving parody. The dilution cases citing Campbell ⁿ¹³⁷ use six approaches to analyzing parody in dilution. ⁿ¹³⁸ Because dilution can involve either actions for blurring (diminishing the distinctiveness of the mark) or tarnishment (causing associations to unsavory or inferior products or images), the approaches can vary by action. The most current dilution statute, ⁿ¹³⁹ for example, provides courts with six factors to analyze a dilution claim; ⁿ¹⁴⁰ [*1049] but no such factors exist to analyze a tarnishment claim. ⁿ¹⁴¹ For this reason, courts have used in blurring but not tarnishment cases the same kind of Infusion Approach they sometimes employ in the infringement-parody context. Other times, however, courts use identical analyses for both blurring and tarnishment claims. The current law governing dilution - the Trademark Dilution Revision Act (TDRA) ⁿ¹⁴² - for example, exempts from liability uses of marks in a "noncommercial" manner. ⁿ¹⁴³ Because this defense applies to dilution generally, courts have applied it to both blurring and tarnishment claims.

Table 2 shows how courts citing Campbell analyze dilution claims in parody cases. The most popular defense has been to rely on the TDRA defense of noncommercial use. Indeed, courts analyze 54% of all dilution claims using this

method. The approaches with the next highest usage rates are No Harm (15%) (for tarnishment only) and Per Se Non-Diluting findings (15%). The former occurs where the plaintiff fails to provide actual evidence that the defendant's use tarnished its mark. The latter occurs where the court simply finds that parodies, in and of themselves, are not capable of dilution. The other approaches - Infusion, No Confusion, and Standard Dilution - are used rather minimally. In what follows, I explain in more detail each of these approaches, as well as their desirability.

[*1050]

Table 2. Approaches to Trademark Parody in Dilution Cases Citing *Campbell v. Acuff-Rose*

Parody Approach	Blurring	Tarnishment	Times Used	%
Noncommercial	7*	7	14	54%
No Harm	0	4	4	15%
Per Se Non-Diluting	3	1	4	15%
Infusion	1	0	1	4%
No Confusion	1	1	2	8%
Standard Dilution	0	1	1	4%
Total	12	14	26	100%

*One case, *Mattel v. Walking Mountain Productions*, used the Noncommercial Approach for both the blurring and tarnishment claims. It is double counted, which explains the total of 26 total uses.

1. Noncommercial Use

As mentioned above, the Lanham Act provides three defenses to dilution - one of which is "noncommercial use of a mark."ⁿ¹⁴⁴ But just what constitutes a "noncommercial use"? Some courts have held that parody just is per se noncommercial use.ⁿ¹⁴⁵ Others have been more thorough in their explanation. The most complete explanation of why a parodic use is a noncommercial use comes from a trio of courts deciding the same case, which involved the use of the Barbie trademark in a song.ⁿ¹⁴⁶

To interpret the term "noncommercial use," these courts used the legislative history of the TDRA. In their view, the legislative history showed that the TDRA was not meant to "prohibit or threaten noncommercial expression, such as parody, satire, editorial and other forms of expression that are not a part of a commercial transaction."ⁿ¹⁴⁷ Taking cues from the committee reports, the cases found First Amendment jurisprudence - which defined "commercial speech" as [*1051] speech that "does no more than propose a commercial transaction"ⁿ¹⁴⁸ - to be the relevant interpretive tool.ⁿ¹⁴⁹ A parody, then, is usually expressive speech that is not encompassed within this definition. Even if a parody had a commercial purpose, that alone is not enough to make the use "commercial" where the commercial purpose is "inextricably entwined with ... expressive elements."ⁿ¹⁵⁰ In such a case, the speech "is not purely commercial."ⁿ¹⁵¹

These courts applied the noncommercial use exception to carry out Congress' intent in drafting the bill. The question is whether parody fits within the noncommercial exception. After all, there are other possible candidate defenses: the TDRA explicitly mentions parody as a defense to dilution (when the use is fair and is "other than as a designation of source").ⁿ¹⁵² To that end, some have argued that assessing parody under the noncommercial exemption would render the fair use provision superfluous because it expressly exempts parody.ⁿ¹⁵³ That is an overly narrow

reading of the statute. The fair use provision merely mentions parody as a type of fair use of a mark "other than as a designation of source." ⁿ¹⁵⁴ In other words, it exempts parody (and criticism and commentary) as fair use when the parodic use is not done as a mark; it says nothing about parodic uses that are source identifying. Parodies that act as source identifiers also have expressive value, as the committee report indicates. ⁿ¹⁵⁵

[*1052] The noncommercial use defense seems like a reasonably good place to situate parody for a few reasons. First, it is true to the legislative history of the TDRA. Second, rather than having to start from scratch, the noncommercial use exception capitalizes on existing First Amendment jurisprudence. Of course, there are still issues about what counts as "noncommercial," and how wide or narrow that definition is. Under the Ninth Circuit's approach, for example, expressive elements render commercial purpose effete. Other courts, as one commentator has noted, do the opposite, finding that any commercial purpose, despite its expressive elements, will render a use "commercial" for the purpose of dilution. ⁿ¹⁵⁶ Still, compared to the other analytical methods courts use, the noncommercial use exception is a suitable starting place for a parody analysis in the dilution context. The definition of "noncommercial" is something I take up in my proposal for a parody defense.

2. No Harm (Tarnishment Only)

Tarnishment claims are premised on two ideas. First, the owner of a famous mark has the right to decide what images, feelings, and notions people associate with it. Second, that right is violated by a use that creates an association with an inferior or unwholesome product or image. Even so, courts sometimes find under the No Harm Approach that no tarnishment occurs because the plaintiff has failed to produce evidence that the defendant's use caused harm. That is, the plaintiff usually fails to show that the defendant's use caused an association with an inferior or unsavory product.

In *Louis Vuitton II*, for example, the court dismissed the plaintiff's argument that the defendant's dog toys were potentially unsafe because "there [was] no record support ... that any dog has choked on a pet chew toy, such as a 'Chewy Vuiton' toy, or that there is any basis from which to conclude that a dog would likely choke on such a toy." ⁿ¹⁵⁷ Likewise, in *Elvis Presley Enterprises, Inc. v. Capece* (*Elvis Presley I*), ⁿ¹⁵⁸ "the court [found] [that] ... , without any evidence to the contrary, ... nude portraits hung in a bar for the purpose of mocking the tasteless decor of the sixties does not inspire negative or unsavory images of Elvis or Elvis related products or services in the minds of EPE **[*1053]** customers." ⁿ¹⁵⁹ Thus, dilution was not actionable in either case.

Although the No Harm Approach has worked in some cases, it lacks real speech protections. Proving harm is an element of a dilution claim, rather than a defense to one. Thus, requiring evidence of harm is an appropriate element of a dilution claim. But, by itself, the harm requirement does not protect parodies precisely because we expect (and at least one court found that) a parodic use to cause some kind of harm (tarnishment). ⁿ¹⁶⁰ If this is true, proving harm will be easy in many cases where the defendant uses the mark in a parodic fashion. So simply requiring a plaintiff to prove harm will provide no protection for parodic uses. For these reasons, the No Harm Approach is not suited to provide protective cover for parody.

3. Per Se Non-Diluting

In some cases, courts will find that a parodic use simply does not dilute a famous mark. In *World Wrestling Federation Entertainment, Inc. (WWE) v. Big Dog Holdings, Inc.*, ⁿ¹⁶¹ for example, the court was confronted with T-shirts that displayed caricatures (such as "Bone Cold Steve Pawstin") of World Wrestling Federation characters (such as Stone Cold Steve Austin). ⁿ¹⁶² Looking to other similar cases for guidance on the dilution claim, the court found that a parodic use was unlikely to erode the public's identification with the parodied (that is, the original) mark. ⁿ¹⁶³ To the contrary, the parodic use would likely increase such identification by reaffirming the original meaning to make a parody. ⁿ¹⁶⁴

This approach is similar to what I argued for in my previous article on parody in copyright: parody should be considered per se fair use. The Per Se Non-Diluting Approach proposes essentially the same thing: if the use is a

parody, it does not dilute the original. That is fine, as far as it goes. But a rigid parody defense might also have negative consequences. Because parody is often contrasted to satire (which is usually not protected), the defense may encourage courts to adopt a narrow definition of parody (as opposed to satire) to avoid the risk of allowing [*1054] or appearing to allow expansive uses of trademarks without the owner's permission. If that occurs, the defense could actually harm parodists, whose rights could decrease if the definition is cabined too much. (This scenario differs from copyright where a fair use defense is available even if the court finds the work is not a parody.)

Perhaps the biggest shortcoming of the per se defense, though, is also its strength: it immunizes all parodic uses from liability. Because the degree to which parody is immunized depends upon the term's definition, any balancing of interests occurs ex ante; that is, once we settle upon a definition, we cannot later reweigh the interests. That said, the per se defense has merit in recognizing a particular form of expressive speech that deserves protection from overzealous trademark owners. Below, I attempt to massage this virtue into a scheme that uses a presumption of fairness for parodies. To reduce the risk of speech suppression, I suggest we define parody in trademark more broadly than in copyright.

4. No Confusion

Other courts have decided that parody determinations should be the same for infringement and dilution. That was what the court did in *Kane v. Comedy Partners*,ⁿ¹⁶⁵ holding that the defendant's parodic use eliminated any potential confusion.ⁿ¹⁶⁶ After making that finding, the court held that no dilution existed (under state law) "for the same reasons identified in the discussion of plaintiff's federal trademark claim."ⁿ¹⁶⁷

This standard need not detour us long. Confusion is not an element of dilution under federal law (or state law). For this reason alone, we can discard the No Confusion Approach. Still, it is worth noting that the court was applying the same standard - whatever it was - to confusion and dilution parody defenses. Whether that is a good idea is an important question. Some have argued for identical standards.ⁿ¹⁶⁸ But like the differences between copyright law and trademark law, the differences between dilution and infringement are important.

Even a little digging shows that the two require different defenses, even if they define parody identically. In Part III.A, for example, I propose a parody presumption for the confusion analysis. The plaintiff [*1055] can rebut this presumption by showing that the defendant used the mark on closely related products sold by a direct competitor. That standard makes sense in the infringement context, where trademark law is worried about consumer confusion. But in the dilution context, trademark law is worried about the trademark's "image" - its distinctiveness - not confusion. Thus, the same kind of parody presumption makes little sense in dilution because dilution claims should not include parodic uses of marks on competing products. They will instead include claims where no consumer would be confused about who made the products or services on which the parodic mark appears. Thus, a new dilution test for parody should differ from the test used in the infringement analysis.

5. Infusion (Blurring Only)

The previous Part demonstrated that courts analyzing traditional infringement actions let parody color the likelihood of confusion factors. At least one court also has analyzed dilution by blurring in the same manner. In *Louis Vuitton II*, the court noted that "the fact that the defendant uses its marks as a parody is specifically relevant to several of the listed factors":

Factor (v) (whether the defendant intended to create an association with the famous mark) and factor (vi) (whether there exists an actual association between the defendant's mark and the famous mark) directly invite inquiries into the defendant's intent in using the parody, the defendant's actual use of the parody, and the effect that its use has on the famous mark. While a parody intentionally creates an association with the famous mark in order to be a parody, it also

intentionally communicates, if it is successful, that it is not the famous mark, but rather a satire of the famous mark. ⁿ¹⁶⁹

Parody similarly influenced the application of other factors, such as the similarity between the marks, the distinctiveness of the famous mark, and its famousness. ⁿ¹⁷⁰ "Indeed, by making the famous mark an object of the parody," the court reasoned, "a successful parody might actually enhance the famous mark's distinctiveness by making it an icon." ⁿ¹⁷¹

The Infusion Approach has some benefits as well as drawbacks. It [*1056] changes the dilution analysis to favor speech interests, just as the Infusion Approach does in the infringement analysis. The similarity of the two tests also means they share the same weakness: altering the factors is not a defense to dilution. Instead, it is a reframing of the dilution inquiry. For that reason, the test by itself is insufficient to protect speech interests.

6. Standard Dilution

Courts unconvinced by the merit of special treatment for parody will apply a standard dilution analysis. In other words, they will assess the dilution claim in parody cases as they would in any other case. The court in *Anheuser-Busch, Inc. v. Balducci Publications* ⁿ¹⁷² used this approach when deciding whether tarnishment existed from an ad depicting Michelob beer as containing oil, which appeared in a "humor magazine" called *Snicker*. ⁿ¹⁷³ The ad related to an oil spill affecting the water source that Anheuser-Busch used for its beer. ⁿ¹⁷⁴ Under Missouri state law dilution, the court held (based on "the majority of those surveyed") that the parodic advertisement "suggested that Michelob beer contains oil, [which] ... obviously tarnishes the marks' carefully-developed images." ⁿ¹⁷⁵

What is strange about this analysis is not that the court found tarnishment, but that it did so based expressly on the parodic nature of the use. That gets it wrong. One purpose of the First Amendment is to prevent others - in this case, trademark owners - from silencing speech that they do not like. ⁿ¹⁷⁶ Why that statement should be less true in a commercial setting, particularly when the use is "truthful" or non-misleading, is not clear. The fact that the ad was a parody and casted Michelob in a negative light is just the point. But the Balducci court did not assess the First Amendment interests at stake. In this way, it made a crucial analytical mistake.

[*1057] That mistake seems obvious when comparing other parody dilution cases. As Table 3 shows, no matter what method courts used, all of them found no dilution existed - all, that is, except the Balducci court.

Table 3. Parody Cases Citing Campbell & Finding Trademark and/or Trademark Dilution

	Trademark Infringe- ment (%)*	No Trademark Infringement (%)	Total (%)
Trademark Dilution	0 (0)	1 (7)	1 (7)
No Trademark Dilution	2 (100)	12 (93)	14 (93)
Total	2 (100)	13 (100)	15 (100)

*I excluded from this table one case ⁿ¹⁷⁷ that found no trademark dilution, and then found both no trademark infringement and trademark infringement as to two separate marks.

II. CAMPBELL AS A LENS: THE RELATIONSHIP BETWEEN PARODY CLAIMS IN COPYRIGHT AND

TRADEMARK LAW

A. Parody Cases Citing Campbell: Trademark Infringement and Dilution Cases

Part I examined a variety of approaches courts use to evaluate parody claims in trademark law. This Part examines how courts treat parody claims in trademark relative to parody claims in copyright. It does this first with a description of whether copyright and trademark parody claims relate to each other. Once that description is adumbrated, we can begin to examine how and why a relationship (if any) exists. To narrow our focus, we will again focus on cases citing Campbell.

Courts that cite or discuss Campbell's statements about parody use Campbell's pronouncements on parody differently. Of the twenty-five trademark cases that cite or discuss Campbell's statements about parody, ⁿ¹⁷⁸ only thirteen specifically cite Campbell in the trademark (or [*1058] First Amendment) analysis of parody. ⁿ¹⁷⁹ Some courts assert that Campbell is relevant to the parody determination in trademark. ⁿ¹⁸⁰ One court that mentioned Campbell expressly disclaimed reliance on it for trademark parody analysis, ⁿ¹⁸¹ another court distinguished Campbell in [*1059] passing, ⁿ¹⁸² and yet another implied that it was not relevant to trademark parody claims. ⁿ¹⁸³ No court cited Campbell in its dilution analysis.

Exactly how these courts analyze parody within each method is different. Some courts, for example, incorporate copyright case law by analyzing trademark parodies using Campbell. ⁿ¹⁸⁴ Other courts simply apply trademark case law to the parody question, ignoring Campbell altogether. ⁿ¹⁸⁵

More importantly, in cases with copyright and trademark infringement claims, some courts tend to decide the parody question (is the defendant's work a parody?) in the copyright context, and then apply that finding summarily to the remaining trademark-parody question (is the defendant's use of the plaintiff's mark confusing?). ⁿ¹⁸⁶ In these cases, courts will make a finding as to copyright parody, relying on Campbell, and then analyze the trademark parody claim as if the copyright analysis of whether a parody existed applied equally to the trademark parody claim, engaging in little or no analysis of the latter issue. Thus, the copyright parody question sometimes is determinative of the trademark parody question.

[*1060] Take, for example, the district court's decision in *Dr. Seuss I*. ⁿ¹⁸⁷ There the defendant had written a book about O.J. Simpson's trial and had used Dr. Seuss' style and trademarks - and similar images - to describe the story, which the defendant titled, *A Cat NOT in the Hat*. ⁿ¹⁸⁸ The plaintiff sued for copyright and trademark infringement.

Before reaching the trademark question, the court analyzed the parody issue in the copyright context. It found that one of the defendant's works was not a parody and two were. ⁿ¹⁸⁹ When analyzing the (various) trademarks at issue, the court seemed to assume that the defendant used the marks (but not the trade dress) in a parodic fashion, apparently letting the copyright finding flow into the trademark analysis. As a result, the copyright parody finding altered the trademark likelihood confusion factors - the strength of the marks, ⁿ¹⁹⁰ the marks' similarity, ⁿ¹⁹¹ and the defendant's intent ⁿ¹⁹² - in the defendant's favor. Of course, that did not save the defendant, ⁿ¹⁹³ as the district court granted a preliminary injunction, which the appeals court affirmed. ⁿ¹⁹⁴

Viewing all these approaches together, it becomes apparent that courts have developed three methods of parody analysis. Where the plaintiff alleges copyright and/or trademark infringement claims and the defendant asserts its work or mark is a parody, the courts:

(1) determine parody in its copyright analysis using Campbell and summarily applies that finding to its trademark (or First Amendment) analysis;

(2) determine parody in its trademark analysis, drawing on Campbell to define or articulate reasoning or conclusion; or

(3) determine parody using only trademark case law.

The question then becomes whether any of these approaches is more appropriate than the others. Answering that question requires us to determine to what extent copyright and trademark claims are linked.

The data show different relationships between copyright infringement [*1061] and trademark infringement and dilution. Table 4 shows the relationship between copyright and dilution infringement findings. There is only one case in which a court found dilution, and it occurred in a case where no copyright claim existed. In the seven cases where courts found copyright infringement, no court found dilution. Thus, it does not appear there is a relationship between dilution and copyright parody findings. It follows, then, that the data do not reveal a relationship between Campbell and dilution claims.

Table 4. Parody Cases Citing Campbell & Finding Copyright or Trademark Dilution

	Copyright Infringe- ment (%)	No Copyright Infringement (%)	No Copyright Claim (%)	Total (%)
Trademark Dilution	0 (0)	0 (0)	1 (12)	1 (6)
No Trademark Dilution	7 (100)	2 (100)	7 (88)	16 (94)
	7 (100)	2 (100)	8 (100)	17 (100)

*One case ⁿ¹⁹⁵ that found trademark infringement and no trademark infringement as to two separate marks. This decision was excluded from calculations

The story is different, however, for trademark infringement claims. As Table 5 shows, in every case where a plaintiff alleged both copyright and trademark infringement, courts made corresponding infringement findings: if a court found that no copyright infringement existed, it also found no trademark infringement - and vice versa.

[*1062]

Table 5. Parody Cases Citing Campbell Finding Copyright or Trademark Infringement

	Copyright Infringe- ment (%)	No Copyright Infringement (%)	No Copyright Claim (%)*	Total (%)
Trademark Infringement	2 (100)	0 (0)	3 (25)	5 (22)
No Trademark Infringement	0 (0)	9 (100)	9 (75)	18 (78)
Total	2 (100)	9 (100)	12 (100)	23 (100)

*I excluded from this table one case ⁿ¹⁹⁶ that found no copyright infringement then found both no trademark infringement and trademark infringement as to two separate marks.

More specifically, there were eight cases where courts found no copyright infringement. In all of these cases the courts also found no trademark infringement. By contrast, in the two cases where courts found copyright infringement, the courts also found trademark infringement. At least in trademark parody cases citing Campbell, some relationship exists between infringement findings in copyright and trademark - and between the use of Campbell and the parody doctrine in each.

What is occurring in the remaining twelve cases (citing Campbell) where only a trademark parody was at issue is less clear. Focusing on the three cases in which the defendant's parody defense failed might help clarify things. ⁿ¹⁹⁷ If these cases share similarities, they might tell us something about why, methodologically, the courts find parodies infringing. These cases also might give use clues as to how the incorporation or exclusion of Campbell influences courts' decisions.

These three cases teach two basic lessons. First, the outcomes in each case are a function of how extensively the court incorporates the parody into the likelihood of confusion analysis. Second, these courts have either expressly applied Campbell to trademark law, or disclaimed it. Just why they have done so raises important issues, as we will see in a moment.

[*1063] Let us start with *Schieffelin & Co. v. Jack Co. of Boca, Inc.* ⁿ¹⁹⁸ The product at issue was a Dom Poppingnon label, which the defendant had affixed to a plastic champagne bottle filled with popcorn seeds. ⁿ¹⁹⁹ When the owners of the Dom Perignon mark (used on Champagne) sued, the defendant claimed the use of the mark was to parody Dom Perignon. ⁿ²⁰⁰ The court held the Dom Poppingnon mark infringed. ⁿ²⁰¹ The question is, why?

The answer lies in the two lessons I mentioned above. First, the court minimally incorporated speech concerns. Although the court purported to use an "infusion" approach - weaving First Amendment/parody considerations into the likelihood of confusion analysis - it did so only with two of the eight Polaroid factors. ⁿ²⁰² As to the "good faith" Polaroid factor, the court analyzed it in light of the parody. ⁿ²⁰³ It found the defendant had an intent to parody, which meant that the factor did "not weigh against defendants." ⁿ²⁰⁴ As to the similarity of the marks, the court recognized that the defendant selected a well-known mark because "one would hardly make a spoof of an obscure or unknown product[.]" ⁿ²⁰⁵

Yet, in analyzing the other confusion factors, the court paid little attention to First Amendment (or parodic) considerations. So, for example, it did not apply any parody considerations to its analysis of the strength of the plaintiff's mark ⁿ²⁰⁶ - something other courts finding parody, such as *Louis Vuitton II* ⁿ²⁰⁷ (discussed in Part I) - have done. ⁿ²⁰⁸ The court also failed to discuss the issue of parody in its analysis of the similarity of the products, ⁿ²⁰⁹ the likelihood of bridging the gap, ⁿ²¹⁰ the [*1064] quality of the defendant's products, ⁿ²¹¹ or the sophistication of the purchasers. ⁿ²¹²

Second, the Schieffelin court explicitly held that Campbell did not apply to trademark law. "The [Campbell v.] Acuff-Rose decision," the court wrote, "does not impact the court's decision here" ⁿ²¹³ Why? Because "the interests protected under the Lanham Act are not identical to those of the copyright holder." ⁿ²¹⁴ But the court never went on to say how the interests of trademark users are different from copyright users. Nor, for that matter, did the court even mention the fact that the rights of a trademark owner may be different from the rights of a copyright owner. Finally, it didn't mention other possible interests, or how these rights and interests may interact or differ from those in copyright.

The two lessons from Schieffelin also can be seen in *Elvis Presley II* and *Harley-Davidson, Inc. v. Grottanelli*. ⁿ²¹⁵ *Elvis Presley II* involved defendants who owned a 1960s-themed nightclub called "The Velvet Elvis," which served

food, beer, and liquor, and which also featured live music.ⁿ²¹⁶ In *Grottanelli*, the defendant owned a motorcycle repair shop that used a bar-and-shield logo similar to Harley-Davidson's on his trademark/logo, which was used in advertisements.ⁿ²¹⁷

Recall the first lesson from *Schieffelin* was that the court tightly constrained the parody analysis to more easily find confusion. Likewise, in both *Elvis Presley II* and *Grottanelli*, we see similar kinds of analytical "constraining." In *Elvis Presley II*, for instance, the court - rather than focus on how the parody informed the confusion analysis (and restrict it tightly) - applied "parody" as "one ... other relevant factor that a court may consider in a likelihood-of-confusion analysis."ⁿ²¹⁸ This analytical maneuver allowed it to reverse both the lower court's finding of noninfringement and its "infusion" analysis.ⁿ²¹⁹

[*1065] Whereas *Elvis Presley II* limited the impact of parody by treating it as a separate factor, *Grottanelli* did so explicitly by explaining the competing product itself could not as readily function as a parody. It noted first that "the signage on [the defendant's] business is, in effect, trademark use for a competing service, since Harley-Davidson offers motorcycle repair services through its authorized dealers, and *Grottanelli*'s placement of his bar-and-shield logo on his newsletter and T-shirts promotes his repair and parts business."ⁿ²²⁰ Because the defendant offered a competing service, the court held that, "in this context, parodic use is sharply limited."ⁿ²²¹

In addition to narrowing their analyses, both courts, like *Schieffelin*, mentioned *Campbell*'s relevance to the trademark parody dispute before them. But unlike the *Schieffelin* court - which expressly disclaimed *Campbell* - the courts in *Grottanelli* and *Elvis Presley II* expressly endorsed and applied *Campbell*. "The Supreme Court's parody explication [in *Campbell*] as to [expressive] copyrightable works," the *Grottanelli* court stated, "is relevant to trademarks, especially a trademark parody that endeavors to promote primarily non-expressive products such as competing motorcycle repairs."ⁿ²²² In this context, the court found that that the defendant's parody was weak. It did not - as *Campbell* required - adequately target the original.ⁿ²²³

This same rationale was also used by the court in *Elvis Presley II*. Like in *Grottanelli*, the *Elvis Presley II* court first noted that, although it had "yet to consider parody in relation to trademark law[,] ... the Supreme Court [in *Campbell*] considered parody in the copyright context, which is relevant to the treatment of parody in the trademark context."ⁿ²²⁴ Then, unlike the *Schieffelin* court, the *Elvis Presley II* court explained what parts of *Campbell* applied. It claimed that, to render it noninfringing, parody in trademark - like parody in copyright - must target the original for comment or criticism.ⁿ²²⁵

What is interesting about *Elvis Presley II*, *Grottanelli*, and *Schieffelin* **[*1066]** is that they invoke similar analytical techniques, but disagree on the applicability of *Campbell*. This disagreement raises an important question for courts dealing with trademark parody: should *Campbell* apply and, if so, to what extent?

B. *Campbell*'s Lessons for Trademark Law

In this subpart I suggest that a trademark parody doctrine - while using a few basic lessons from *Campbell* - should be more expansive than the one announced by the Supreme Court. I suggest this because of several differences between copyright and trademark law.

In the first instance, it is helpful to say whether we should adopt a *Campbell*-like definition of parody. That is, should we provide a parody/satire-like framework from which to determine whether parody exists? The answer is both yes and no. The answer is "yes" because the parody/satire distinction can help define the relevant kind of uses the legal concept of parody covers - even if we decide, as I urge later, that the variety of uses covered by parody should expand. Part of this incorporation is also practical: for all the differences between copyright and trademark law, they both must account for similar speech interests - First Amendment interests.ⁿ²²⁶ Just how each regime accounts for each interest, however, will be different. And so here we can invoke the answer "no" to the previous question. We shall see that, due to a variety of differences between copyright and trademark, the protection afforded to parody and satire should be, as a

matter of doctrine, broader in trademark law than in copyright. Thus, although both copyright and trademark law ought to and do advance interests of expressive speech, their protection of each will look different legally.

The distinct purposes of copyright and trademark law suggest that the test - or at least the scope of the test - for each will be different. Trademark law, unlike copyright, is not designed to provide a monopoly right; it is designed to prevent, among other things, consumer deception. Indeed, trademark law has mechanisms that prevent monopoly control. Descriptive marks (with no secondary meaning),ⁿ²²⁷ or names that are,ⁿ²²⁸ or marks that become, genericⁿ²²⁹ are not given any rights whatsoever.ⁿ²³⁰ **[*1067]** Unlike copyrights, which are expressly designed to provide monopoly power for a limited time, trademarks serve the same purpose (preventing consumer fraud) throughout their entire existence. This is important because the key question for fair use is whether the parody causes market harm.ⁿ²³¹ If it does not, copyright excuses the use. That is, indeed, one of Campbell's lessons.ⁿ²³²

Although Campbell's specific focus on market harm to a monopoly right may not be appropriate for trademark, the idea of market harm itself is not foreign to trademark law. The difference between copyright and trademark is that each is concerned with a separate the kind of market harm, with trademark's harm being more narrowly cabined by the law's purpose. In copyright, the Campbell court worried about a substitution problem: will the work at issue provide an adequate alternative to the original? If so, then the copyright owner suffers harm and the work is not a parody. So, for example, the lyrics of 2-Live Crew's *Pretty Woman* did not risk substituting for those purchasing of Roy Orbison's *Oh Pretty Woman*.ⁿ²³³ Campbell's emphasis on substitution reflects copyright law's more general concern for the harm a potential work might cause to the entire market for the original. The concept of the entire market has grown to include markets for derivative works, and, indeed, markets for almost any potential use of the original.

Trademark, by contrast, is concerned with a different kind of harm than copyright, and it has two components: harm to the consumer (purchasing the wrong good) and harm to the markholder (lost or diverted sales). The consumer is harmed when she buys one product while intending to buy another. This means she may have bought goods of a quality other than she expected. As a result of such deception, she receives the "wrong" goods. Note this is different from the harm in copyright, which requires no likelihood of confusion; it requires only **[*1068]** that the good provide an adequate substitute for the original. Thus, the markholder is harmed not just because the competing product was an adequate substitute for the original. Rather, harm occurs because the consumer's confusion over the source of the product results in lost sales or reputation (particularly if the goods are of worse quality) of the markholder's product or service.

Lost sales and reputational harms do not necessarily occur when confusingly similar marks are used on products, services, or other objects not authorized by the mark owner.ⁿ²³⁴ The nature and context of the use in question is what makes the harm more or less likely to occur. So harm to sales and reputation based on confusion is most likely to occur when the plaintiff's and defendant's mark appear on similar goods sold to similar markets. Thus, a pair of moon boots bearing the mark Twizzies are less likely to cause consumer confusion with Twizzler's licorice than chewing gum bearing the same mark. So where consumers are most likely to be misled - on goods or services closely related to the ones on which the original mark appears - trademark harm occurs and the law seeks to prevent it.

But the market harm here is quite narrow, so that dissimilar goods or dissimilar purchasers make harm unlikely - even if there is a "potential" market for the mark. Thus, Campbell teaches that market harm can be a relevant component to any parody analysis of trademark law. It also demonstrates that "market harm" means something different - something narrower - in trademark than in copyright. Trademark "market harm" occurs only where goods are closely related, sold in similar markets, and using confusingly similar marks. Potential substitution - which copyright uses to determine infringement in the parody context - is not by itself the test for infringement in trademark law. Why? Because it is likely that for any given good, there are many competing goods, some or all of which may serve as adequate market substitutes. Trademark harm, then, occurs only when those similar products or services have affixed to them a confusingly similar mark, or when the use of a mark implies sponsorship or endorsement. This conclusion is also true for the concept of dilution, which is not concerned with market harm at all. Dilution is concerned, rather, with harm to the reputation of the mark, not the market in which it is sold. Thus, as Dogan and Lemley note, harm occurs when a

nearly identical mark appears on a good of lower quality (tarnishment) or on an [*1069] unrelated good (blurring).

Second, the constitutional basis for trademark law is weaker than the legal basis for copyright law. A specific Constitutional provision (Article I, Section 8, Clause 8) provides authors with legal rights (copyrights) to exploit their work for money.ⁿ²³⁵ But trademark law has no analogous provision. Instead, it grows from the Commerce Clauseⁿ²³⁶ - a clause that stands as the basis for numerous statutes and regulations, not just trademark law.ⁿ²³⁷ Indeed, it took the Supreme Court fifty-three years from the adoption of the U.S. Constitution (including the Bill of Rights) to grant relief on a trademark claim.ⁿ²³⁸

The Constitution empowers copyright law but gives no similar priority to trademark law. This suggests that trademark law should be weaker than copyright law with respect to how strongly it regulates speech. In many respects, this is true. But in other respects trademark rights are at least as strong as copyright rights. In the context of the First Amendment, in particular, this important difference has not attracted much judicial attention. Indeed, the idea that First Amendment safeguards exist in trademark law is usually deemed sufficient. The same is true in copyright, where a once-promising standard to ensure First Amendment limits on copyrightⁿ²³⁹ failed to materialize into anything [*1070] significant.ⁿ²⁴⁰ The point, however, is that trademark law's potential for overreaching isn't a function of a constitutional mandate. Given trademark's weaker Constitutional basis, additional speech safeguards are both legally less bothersome and more appropriate. In particular, it means that, for parody in trademark law, First Amendment interests should provide broader coverage than the standard articulated in *Campbell*.

One might counter that rights granted by the Copyright Act are stronger than those granted by the Lanham Act. Copyrights provide the owner with a wide range of tools to censor.ⁿ²⁴¹ Trademark law, by contrast, provides protection against only likely consumer confusion,ⁿ²⁴² sponsorship, and endorsement, and, in some cases, dilution of mark distinctiveness.ⁿ²⁴³ It follows, then, that trademark's speech protections would not be as robust as copyright's. But such comparisons are too simple. Copying a book or even a few minutes of a popular song is typically infringement. And the owner will be in a nice position to enforce her rights. But what about using a mark on a product in an advertisement, in a movie, or in a television or radio broadcast? The answer is not always clear - and, even when it is, the trademark owner likely can assert her rights because the costs of defending are so astronomically high.ⁿ²⁴⁴ Indeed, clearance rights are often required for the trademarks, just as for copyrighted works, used in movies and [*1071] television.ⁿ²⁴⁵ Thus, regardless of theory, trademarks can often be used like copyrights (that is, to censor), even though they are, in theory and historically, tools to control deceit.ⁿ²⁴⁶ Part of this may stem from dilution's rhetorical effect on trademark theory: the dilution right is premised on the theory the trademark owner must be able to protect and control the "property interest" in the mark.ⁿ²⁴⁷

Even assuming for the moment that there are significant and meaningful practical differences in the rights of copyright and trademark owners, there is still reason to think a parody doctrine needs to be broader in trademark than in copyright. Unlike copyright, trademark does not have the broad "fair use" provision that copyright law does. Instead, trademark's realⁿ²⁴⁸ fair use defense permits a use of a mark, "otherwise than as a mark, ... which is descriptive of and used fairly [*1072] and in good faith only to describe the goods or services of such party, or their geographic origin."ⁿ²⁴⁹ But beyond this provision and a few other specific defenses,ⁿ²⁵⁰ trademark safeguards consist largely as a patchwork designed to leave breathing space for speechⁿ²⁵¹ and, specifically, parody. (Copyright has these too.ⁿ²⁵²) Indeed, sometimes these "fair use defenses" are not defenses at all, but, as in the case of nominative fair use (for confusion), merely reformulations of the likelihood of confusion analysis trademark law already requires.

This lack of a catch-all, free-speech rule of reason is problematic, particularly in the parody space. In my previous article on parody in copyright, I proposed a narrow test that would immunize parodies from copyright infringement.ⁿ²⁵³ I argued this test given copyright law's free-speech safety-net: fair use. "Where the work fails the test," I wrote, "hand-wringers need not worry too much, as the fair use test still applies."ⁿ²⁵⁴ But with trademark law, no such fallback position exists. Where a defense of nominative fair use fails, a defendant infringes. [*1073] Worse still, this defense is not much different (if it all) from the likelihood of confusion inquiry.

Furthermore, the safeguards that do not wade into likelihood of confusion territory are often insufficient. Whether a mark is a "use in commerce," ⁿ²⁵⁵ for example, is a rather broad standard. ⁿ²⁵⁶ Even imposing a more demanding standard of whether the use is "commercial" or "as a mark" may not be strong enough. ⁿ²⁵⁷ Although this safeguard fares better than the "use in commerce" standard, it ultimately does not address the many cases where the use, although not advertising a product, is still used as a mark. Where, for example, a character in a movie plows a tree with a Caterpillar(R) tractor, does the Caterpillar trademark signify Caterpillar's sponsorship or endorsement of, or affiliation with, the movie? ⁿ²⁵⁸ Or, for a racier example, imagine a pornographic film where the star wears Dallas Cowboy cheerleader attire. ⁿ²⁵⁹ Depending on how Caterpillar or the Cowboys feel about such uses, they may decide to sue - and, depending on how the judge deciding the case feels, ⁿ²⁶⁰ they may win. ⁿ²⁶¹ It also fails as a safeguard because it has definitional problems that result in factual determinations similar to the likelihood of confusion analysis. ⁿ²⁶² These shortcomings work to discourage the [*1074] reworking and subsequent use of trademarks for expressive purposes.

ⁿ²⁶³

Growing trademark rights also counsel in favor of a broader parody defense. Since 1870, the potential trademark action has expanded from its original test of likelihood of confusion as to competing products. It now includes claims for initial interest confusion, ⁿ²⁶⁴ post-sale confusion, ⁿ²⁶⁵ likelihood of dilution for blurring ⁿ²⁶⁶ and for tarnishment, ⁿ²⁶⁷ trade dress infringement, ⁿ²⁶⁸ cybersquatting, ⁿ²⁶⁹ and infringement of merchandising rights. ⁿ²⁷⁰ And, although doctrines like dilution impose more requirements (like mark fame and identity), those requirements are spurious ⁿ²⁷¹ or ever expanding. ⁿ²⁷² Growing rights have become even more problematic as courts have found evidence of consumer confusion from surveys showing confusion rates as low as 6%, ⁿ²⁷³ 10%, ⁿ²⁷⁴ 11%, ⁿ²⁷⁵ [*1075] and 16%. ⁿ²⁷⁶ Dogan and Lemley point out that much of this evidence is founded on improperly crafted surveys ⁿ²⁷⁷ - but courts accepted it nonetheless.

This "rights expansion" has not gone unnoticed, at least by scholars. ⁿ²⁷⁸ Simultaneous with the growth of rights was the broadening of things subject to trademark protection, which grew to include colors, ⁿ²⁷⁹ notes or melodies, ⁿ²⁸⁰ buildings, ⁿ²⁸¹ facades, ⁿ²⁸² and the shape of golf courses. ⁿ²⁸³ Over-enforcement and licensing practices grew simultaneously - cease-and-desist letters are sent as a matter of course and licenses are generally sought for every use of a mark in movies. ⁿ²⁸⁴ [*1076] At the same time, a corresponding number of real defenses have remained noticeably absent from trademark law. Most of the defenses in trademark law are not defenses at all, ⁿ²⁸⁵ but safeguards (like "use as a mark") or merely reformulations of the confusion test (like nominative fair use). As a result, users have two options; pay or forgo the use. ⁿ²⁸⁶ For these reasons, some scholars argue that trademark law needs real defenses ⁿ²⁸⁷ - or even constitutional speech protections ⁿ²⁸⁸ or presumptive fair uses ⁿ²⁸⁹ - to rebalance the law. The parody doctrine provides an opportunity to craft such a real defense, and to make it broad enough to do more than protect against (low amounts of) consumer confusion.

Oddly enough, how courts have applied Campbell in trademark parody cases is instructive on how such a real defense should and should not be structured. Campbell, after all, was a decision about a kind of "real" copyright defense. Fair use applies after the court finds infringement rather than before, as KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc. ⁿ²⁹⁰ requires of fair use in trademark. Nevertheless, the guiding principle in both Campbell and KP Permanent is the same: a real defense immunizes conduct even if it is (or may be) infringing. Courts forget this important similarity when importing parody analyses from copyright to trademark. Consider how courts routinely note that Campbell merely altered the fair use analysis; the decision didn't even purport to address the copyright infringement analysis. In trademark law, however, courts have applied the Campbell decision to the trademark infringement analysis. ⁿ²⁹¹ In doing so, they have overlooked the important difference between a theory of liability and a defense to that theory. That oversight means that the parody doctrine in trademark law is not really a defense at all - but rather a way to avoid infringing the work. So, to the extent one wants a stronger trademark law parody defense, Campbell may actually show how to build one - by moving toward something resembling real defense.

For all of these reasons, the parody doctrine in trademark law should [*1077] be more robust than the one announced in Campbell and applied by lower courts. This means dispensing with the requirement that the parody must target the mark at issue. A broader parody defense, then, will include uses that do not merely target the mark, but use

the mark in some expressive way to ridicule or poke fun at any subject. That is, it will include what the Campbell court called "satire." To the extent that Campbell excused infringing conduct, trademark law could learn from that decision. I argue that we need a parody defense that can survive in spite of confusion in some cases. In the next Part, I explore what these defenses would look like.

III. CHANGING THE PARODY DOCTRINE IN TRADEMARK INFRINGEMENT ACTIONS

In the last Part, we saw that copyright and trademark law have different purposes, different sources of authority, different speech protections, and different strengths of rights. Real trademark defenses, I also argued, have not kept pace with expanding trademark rights. I argued that these differences and facts are relevant, and that parody in trademark law should be more attuned to them than it currently is. I briefly suggested some general approaches to broadening the trademark parody defense. What was missing, however, was a different, more directed normative discussion. Although Part I discussed the merits of various approaches, it didn't discuss which approach, if any, was best. In this Part, I engage in that normative discussion. In what follows, I propose two new parody defenses - one for infringement and one for dilution.

A. A Presumption-Based Defense for Parody

Recall that courts use around nine different analytical methods for evaluating parody in trademark law.ⁿ²⁹² Although each method purports to account for speech interests, all but two of these methods were merely restatements of the traditional confusion test. As scholars have pointed out, confusing speech does not necessarily equal (false or) misleading speech,ⁿ²⁹³ the latter being an important constitutional standard for regulation. But more importantly, I have already given a few reasons why we may not want to throw all our speech eggs in the confusion basket. Here is a recap:

[*1078]

Rights Expansion: The traditional concept of consumer confusion has grown to include initial interest confusion, post-sale confusion, merchandising rights, dilution (which no longer in practice requires fame or mark identity), and trademarks have expanded to include colors, melodies, golf courses, buildings, facades, etc.

Low Confusion Threshold: Although trademark law requires the plaintiff to show a likelihood of consumer confusion as to source, courts have accepted survey confusion rates as low as 6%, 10%, 11%, and 16%.ⁿ²⁹⁴

Quest to Stamp out All Confusion/Dilution: Courts have tried to eradicate all confusion or dilution, rather than appreciable confusion as to a particular source, or appreciable dilution as to famous and identical marks.

No Growth of Real Defenses: While trademark rights have expanded, real defenses (that don't depend on confusion) have not.

Confusion Approaches Are not Defenses: Courts altering the confusion factors - as Campbell has altered the fair use factors - fail to understand that fair use in copyright is a real defense, not a way of reframing the infringement issue.

Confusion is not Speech Friendly: The confusion test is unsympathetic to speech interests that also may be confusing.

Perhaps the most promising method of analyzing trademark parody was the Balancing Approach. As originally conceived, the Balancing Approach asked if the title of a work had any artistic relevance to the underlying work. If it did, then the use was presumptively noninfringing. This was a real defense. Its major advantage was placing a presumption in favor of speech. But it, too, had its own shortcomings. Namely, it was so broad and unruly that subsequent courts were able to hijack it, converting it into a standard likelihood of confusion analysis. In other words, it is a confusion trap.

1. The Presumption-Infusion Approach

The cases show that courts are attracted to the doctrine of confusion. It seems to easily account for all possible problems in one neat, little test. But we have seen that this is not true. So what to do? With a broader parody definition, we need to make some speech presumptively immune from trademark actions. That is, we should take the Court's [*1079] holding in *KP Permanent* and apply it to more than just "fair use," as defined by the Lanham Act. The Supreme Court in *KP Permanent* explained that "the common law of unfair competition also tolerated some degree of confusion from a descriptive use of words contained in another person's trademark." ⁿ²⁹⁵ And so, it held, does the Lanham Act's fair use defense.

This is what Graeme Dinwoodie means by a "real defense" - one that allows uses despite the potential infringement that may occur in its absence. ⁿ²⁹⁶ We should apply the lessons of *Campbell* and *KP Permanent* to parody in trademark law by making it more like a real defense. We should make parody and satire presumptively protected First Amendment speech. ⁿ²⁹⁷ Thus, if the court determines the defendant's use qualifies as a parody or satire, then a presumption of noninfringement applies. That view is generally in line with some First Amendment scholars, who presume all speech is protected unless shown otherwise. ⁿ²⁹⁸ Thus, it is incumbent on trademark owners to show that speech is not protected. ⁿ²⁹⁹ This approach avoids constitutional conflict: it erects a doctrine that accounts for first amendment interests, preventing a collision with a constitutional question. ⁿ³⁰⁰

But why treat parody as presumptively protected? Because parody is a type of speech that has value regardless of its potentially confusing nature. Without a robust parody doctrine, we risk incurring "a rather [*1080] significant [societal] cost Sometimes that cost takes the form of lost opportunities: important political and societal commentary and works of art may be suppressed entirely." ⁿ³⁰¹ The cost increases as judges use their discretion to deem infringing those parodies they find distasteful. ⁿ³⁰² That is doubly true given all of the aforementioned threats to social or political speech that threaten the interests of a trademark holder.

With courts continually trying to wipe out all confusion and dilution, the presumption reminds courts "that the Lanham Act is not a general anti-copying statute - and indeed that not all copying ... is bad." ⁿ³⁰³ Trademark law is not about preventing others from using trademarks; it is about preventing particularized harms (confusion and, to a lesser extent, dilution). ⁿ³⁰⁴ Something closer to a real parody defense will force courts to remind themselves that "free-riding" to make valuable social commentary is not the same thing as causing particularized harm to the public (or instrumentally to the trademark owner).

A presumption, though, is typically rebuttable, and I suggest that this also be true in a more limited way for trademark parody. Under my proposal, the plaintiff can rebut the parody presumption only by showing the following elements by a preponderance of evidence:

- [*1081] (1) the alleged parody of the mark appears on, or is, a closely related product or service; and
- (2) the product or service on which the mark appears is:

(i) offered for sale

(ii) by a direct competitor.

Once these elements are met the court should invoke an Infusion Approach, as stated in *Louis Vuitton II*. Put another way, if the plaintiff shows by a preponderance of evidence that the parodic mark appears on a direct competitor's closely related product, this partially rebuts the presumption of protection. The burden, however, remains on the plaintiff to show that there is a likelihood of confusion. In analyzing the claim, courts should adjust the confusion factors to account for parodic interests by taking the Infusion Approach. If they can show confusion in this context, the defendant will be liable for trademark infringement. Where the plaintiff cannot prove all of these elements exist, her infringement claim dies. I call this the Presumption-Infusion Approach, or PI.

Readers will quickly notice that I have used a variety of important terms without defining them. Any test that purports to achieve some goal must be properly defined, and this one is no exception. So in defining the important words - "parody," "closely related," and "direct competitor" - we must remember that the goal of the Presumption Approach is to carve out breathing space for speech where consumer fraud is unlikely to occur. The first task we undertook in Part I, where we noted that Campbell's definition was too narrow. Thus, parody here includes not only uses of a mark that comment on the original, but also those that use the mark as a vehicle to comment on society. In other words, it would include parody and satire as the Court defined those terms in *Campbell*. Thus, the court in *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc. (Dr. Seuss II)*ⁿ³⁰⁵ would have analyzed the trademark claim differently. Rather than assessing the likelihood of confusion (and ruling material issues of fact existed),ⁿ³⁰⁶ the court would have found the contested uses "Dr. Juice" and "A Cat NOT in the Hat" to be parodic and presumptively privileged.

Next we have to say what it means for a product or service to be "closely related." A defendant's product or service is "closely related" to the plaintiff's when it is intended to be used for the same purposes as the one to which the original mark is fixed. The divisions should be rather general, with uses being defined by traditional categories such as eating [*1082] and drinking, clothing, jewelry, furniture, etc., though the categories need not mirror those used by the USPTO. Where, for example, a company offers for sale Champagne in a bottle, a user's Champagne bottle filled with popcorn seeds would qualify. So would two books - such as the *Dr. Seuss* and *Dr. Juice* books - regardless of their content. Thus, a company that placed its trademark on motorcycles could reliably assert that a similar parodic mark placed on motorcycle parts was "closely related."ⁿ³⁰⁷

One caveat should be noted. Given the large-scale categories, some further divisions may be necessary. Two categories come to mind, though others may arise as the rule is implemented. One is the use of a mark on T-shirts and hats. Because markowners often leverage their brand to print T-shirts, hats, and the like, a more restrictive rule might be necessary in cases of these goods. Likewise, uses of marks on websites should not all be lumped together. Here, the websites themselves should be examined to determine whether the product or service they offer is closely related to the product or service offered by the markholder.

Even goods or services that are closely related, though, can be produced by entities that are not "direct competitors." And, although both concepts are linked to one another, the purpose of the "direct competitors" element is to further cabin the ability of large corporate interests to suppress speech. This tactic is neither revolutionary nor foreign to trademark law. In the past, some courts held that only direct competitors had standing to sue under the Lanham Act.
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Under this proposal, a "direct competitor" must be one who competes in the same market generally as the parodic user. That is, one asks whether the market the parodic user targets is the same as the market targeted by the mark owner, looking at all the goods on which both marks appear. Thus, in *Dr. Seuss II*, the plaintiff would not have been able to satisfy this element. While *Dr. Seuss* aimed his books primarily at children, the defendant used the trademarks in a book designed for adults. This disparity in consumer markets would prevent the plaintiff from rebutting the presumption. Contrast that scenario with *Grottanelli*, where the defendant sought to sell products to the same demographic - namely,

motorcycle enthusiasts.

[*1083] There is something peculiar about this proposal: it seems to use at least two of the likelihood of confusion factors. To ask whether products are "closely related," one might say, is merely to rephrase the confusion factor of "similarity of goods." Likewise, the "direct competitors" element may be merely a recasting of the "sophistication of consumers" factor in likelihood of confusion analysis. Although similarities between the two exist, pointing out these similarities misses a critical distinction between them. Whereas the "similarity of goods" and "sophistication of consumers" factors are part of the likelihood of confusion test, the elements used in PI operate as a trigger. If the plaintiff cannot satisfy them, then there is no likelihood of confusion analysis to undertake. A determination about the similarity of the goods on which the mark appears may in fact carry over into the confusion analysis. And even if the likelihood of confusion test does apply, the plaintiff's ability to rebut the presumption does not determine that confusion will exist. Indeed, the Infusion Approach may counsel against just such an outcome even where the goods are similar. It is an analysis the court will have to undertake during the infringement analysis.

2. Why Use This Presumption-Infusion Approach?

These definitions, combined with the Presumption-Infusion Approach, work to safeguard parodies and satire from overzealous or crotchety trademark owners (or irascible or humorless judges). This defense does not fall into the confusion trap; it carves out space for free speech even where some confusion may exist. At the same time, the Presumption-Infusion Approach does not neglect confusion or trademark rights either. What it does, instead, is apply an even-handed test to a limited situation where trademark harm is not likely to occur. So trademark owners do not have much trademark harm to worry about.

This approach provides several benefits. First, the Rogers-style presumption ensures that we err on the side of protecting speech, rather than trademark owners' interests. It cordons off a portion of speech that is likely to have social or political value (parody and satire). In this respect it resembles KP Permanent's non-confusion-based safeguard for speech. For even if some confusion is likely, it won't be recognized unless it has the potential to cause particularized harm to trademark owners.

Second, this test protects trademark owners' rights too: the presumption is not absolute; it extends only to speech not likely to cause trademark-style harms. Crafting the presumption this way ensure that simply calling a use a parody - or even a finding that a use is a parody - does not negate the rights of trademark owners. A presumption refocuses [*1084] trademark law on harms related to confusion about related products ⁿ³⁰⁹ - the narrower harm traditionally protected by trademark law. ⁿ³¹⁰ Where the parodic products are not related or in direct competition, the trademark law has no harm to protect against. The presumption has a built-in balance - the scale is tipped in favor of noncompetitive speech, even if it may be confusing.

As soon as we introduce direct competition, however, the scale automatically reweighs the interests at stake. Rebutting the presumption triggers an Infusion Approach (i.e., a modified confusion analysis), where the presence of a parodic or satirical use alters the court's analysis of whether confusion is likely. Thus, when a parodic or satirical use appears on a competing good or service, parody - though still given special treatment - may not be given as much leeway.

Using the Infusion Approach as a fallback has at least three benefits. First, it provides protection to speech interests and trademark owners at different places, and where both sets of interests are most important. Speech interests are weakest when the parodist seeks to confuse consumers into buying a closely related product sold by a competitor. Second, these circumstances are precisely the circumstances under which trademark rights are traditionally understood to operate - trademark law prevents confusion and consumer fraud. This approach accounts for this fact by narrowing protection for parody and satire when products compete directly. Finally, it achieves the objective without relying on the traditional confusion analysis. ⁿ³¹¹

The sum advantage of the Presumption-Infusion Approach is concomitantly to reduce trademark law's chilling effect on speech and to protect the markholder's legal interests. Creating presumptions - perhaps similar to those that exist in some aspects of libel law,ⁿ³¹² for [*1085] example - reduces the trademark owner's leverage to bully settlements for parodic or satirical uses. The plaintiff must be prepared to offer more than a theory of confusion. Indeed, she must show that there is even a threat that the parodic use will compete with the original product. These are demands trademark law typically makes, but often have been lost in the expansion of trademark rights and markowners' zeal for enforcement.

By now, it should be apparent how this could be applied to thwart claims against uses like Mutant of Omaha (Omaha Mutual), Michelob Oily (Michelob), and Barbie Girl (Barbie).ⁿ³¹³ The Mutant of Omaha mark, for example, would prevail without any inquiry into confusion. So would Michelob Oily and the use of Barbie Girl in the title of a song. The test can just as easily be applied to trade dress claims, such as using a Barbie Doll in photography (Food Chain Barbie).ⁿ³¹⁴

On the other hand, the Louis Vuitton II case - the one with the dog toy called Chewy Vuiton - would probably meet the PI test. The burden, of course, would be on Louis Vuitton to show that the parody appeared on a closely related product offered for sale by a direct competitor. A dog toy may be a "closely related product" vis-a-vis Louis Vuitton, which sells "pet accessories - collars, leashes, and dog carriers ...".ⁿ³¹⁵ There might be an argument that Chewy Vuiton would not qualify as a direct competitor, assuming Louis Vuitton made extremely high-end dog products. But even if Chewy Vuiton and Louis Vuitton were direct competitors and the PI elements were met, the court would fall back into the Infusion Approach. Here, as we say in the 4th Circuit's original decision, the factors cut in favor of Chewy Vuiton. These cases illustrate that the truly simple cases will be filtered out by the PI test, with the more debatable cases resolved in a reasonable manner with the Infusion Approach.

[*1086]

B. A Broad Noncommercial Defense for Parody in Dilution Actions

Although trademark infringement is the more traditional cause of action, trademark owners can use trademark dilution to quash parodic and satirical uses of their marks. If we break down dilution by kind (blurring and tarnishment), we can see that courts like to apply different tests where parodies are at issue. Yet, for both blurring and tarnishment claims, courts resolved 50% of all cases using section 1125(c)(3)(C), which exempts from dilution "any noncommercial use of a mark."ⁿ³¹⁶ For blurring and even tarnishment, this defense seems to be the best equipped to handle parody. I propose using this defense for noncommercial parodic uses of a mark in the dilution context. For commercial parodies, I argue that two separate standards should apply. For tarnishment, commercial parodies should be totally exempt from dilution actions. Blurring actions, however, need to evaluate commercial parodies using an infusion-style approach, altering the statutory factors used to evaluate dilution by blurring.

For noncommercial parodies, this means relatively broad protection. Unlike the Presumption-Infusion Approach I proposed for infringement, this test is not a presumption; it is a complete defense - a real defense. Noncommercial speech simply is not actionable dilution. This is probably better than the Presumption-Infusion Approach for at least two reasons. First, dilution imbues trademarks with more of a property-like quality than infringement actions.ⁿ³¹⁷ The action itself is premised on the idea that the trademark holder "owns" the image or brand of the mark. Thus, a stronger speech protection here - particularly one grounded in the First Amendment - is less threatening to the fundamental purpose of trademark law than it would be if it existed in the infringement context.

Second, a presumption that uses competition-criteria is misplaced in the dilution context. Dilution is aimed at uses of non-confusing marks on non-competing products. When a company uses Victoria's Secret on motor oil, or McDonald's on motorcycle parts, dilution is the appropriate remedy under current law. No one is confused by the use of the mark [*1087] because the products are so distant (everyone knows McDonald's does not make motorcycle parts and Victoria's Secret makes lingerie, not motor oil). At the same time, dilution protects McDonald's and Victoria's

Secret against just this kind of use because it is likely to "lessen [their marks'] distinctiveness." ⁿ³¹⁸

Yet mark owners often bring dilution claims for competing goods. Victoria's Secret, for example, brought a dilution claim against Victor's Secret, a small store selling lingerie and adult items. ⁿ³¹⁹ Starbucks sued a coffee company that marketed its charred roast coffee under the mark Charbucks, alleging dilution. ⁿ³²⁰ These are cases where dilution should not have a foothold; these are cases where plaintiffs use dilution to hedge confusion claims.

Theoretically, it should be impossible to win a dilution claim against a nearly identical mark on a competing product; that seems to be exactly the situation infringement (or counterfeiting ⁿ³²¹) was meant to cover. When no confusion exists, though, trademark owners seek to find liability any way they can, so they assert a dilution claim. Given dilution should not apply where competing products are at issue, the precise formulation of the Presumption-Infusion Approach I advocated for the parody defense in infringement doesn't apply to dilution.

So if my previous proposal doesn't translate to the dilution context, what approach should we take? Once we've settled on noncommercial use as the place for parody - and we've used the same definition for parody in both infringement and dilution actions - the next question is, what constitutes "noncommercial"?

Given the legislative history indicating the word "noncommercial" was meant to draw on First Amendment doctrine, that is the place we should look. ⁿ³²² As noted before, the Supreme Court has defined [*1088] commercial speech as speech that does "no more than propose a commercial transaction." This kind of speech is "expression related solely to the economic interests of the speaker and its audience." ⁿ³²³ To that end, commercial speech has a dual function: to make the speaker money but also to inform the consumer and society of a product by distributing information. ⁿ³²⁴ Thus, economic motivations alone are not the only question when it comes to deciding what is commercial speech. ⁿ³²⁵ An overwhelming discussion of important public issues may render speech noncommercial despite economic motivations. ⁿ³²⁶ A mere passing reference to social issues, however, will not. ⁿ³²⁷ Where commercial and noncommercial elements are "inextricably intertwined," the scale tips toward noncommercial. ⁿ³²⁸

Using this "framework," courts have taken different approaches to defining "noncommercial." One commentator has described two different types of analysis, which in a different setting some race theorists would call the rule of hypodescent: a drop of one "race" makes a mixed-race person from that race. ⁿ³²⁹ One set of courts (the "all is commercial" courts) take the view that any element of commerciality [*1089] renders speech commercial. ⁿ³³⁰ Another group of courts (the "all is protected" courts), by contrast, find that any drop of expression renders a use noncommercial. Criticizing this "all is commercial" approach, the commentator notes that courts frequently focus on economic harm to the mark holder, which although part of the dilution inquiry, is irrelevant to the First Amendment doctrine of commercial speech. ⁿ³³¹ At the same time, immunizing any speech with a hint of non-commerciality may go too far. ⁿ³³² So the commentator suggests courts pay more attention to the content of the speech and its benefits to the speaker, rather than its negative influence on the trademark holder. ⁿ³³³

Others have proposed various methods for discerning what constitutes commercial speech. Lisa Ramsey argues that trademarks are commercial speech when the reasonable consumer believes the "language partly or primarily identifies the source or licensor of the product." ⁿ³³⁴ On this view, where some speech is not purely commercial or noncommercial - that is, "hybrid" speech - courts should deem it noncommercial "where the noncommercial nature of the speech predominates, or the commercial and noncommercial components are inextricably intertwined." ⁿ³³⁵

Arlen Lanvardt has argued for a somewhat different standard. He proposes a framework for analyzing the commerciality of parodies based on three principles provided by the Supreme Court. First, "when the trademark parodist has used his version of a trademark to help market a good or service other than the parody itself, the parody is almost certainly commercial in nature." ⁿ³³⁶ Second, economic motive does not [*1090] render noncommercial speech commercial. ⁿ³³⁷ Third - similar to Lisa Ramsey's argument - courts should classify hybrid speech according to whether commercial or noncommercial aspects of the speech predominate. ⁿ³³⁸ In all cases, the law protects the speech of publishers and the press as noncommercial expression because of the social value (education, information, and

entertainment) of the speech.

Thus, when crafting a standard for non-commerciality, these commentators have some good advice. Courts should focus on the speech content, not the economic harm it may cause to the trademark holder. The question of harm, if it is taken up at all, is done so in the elements of dilution, not the exceptions to it. Additionally, courts should use First Amendment law to define commercial speech, as the Ninth Circuit did when it quoted *Central Hudson* to resolve a dilution claim under section 1125(c). That also means understanding that the definition of commercial speech is context-specific.ⁿ³³⁹

In light of these considerations, these scholars' approaches, when combined, seem quite palatable. Courts should focus on the speech and not the harm to the trademark owner: hybrid speech will be noncommercial where noncommercial elements dominate or are inextricably intertwined with noncommercial expression.

Under this definition the advertisement in *Anheuser-Busch, Inc. v. Balducci Publications*ⁿ³⁴⁰ would have qualified as a noncommercial parody. As I described above, the ads depicted Michelob beer as oily. To better inform the reader, I've displayed them here.

[*1091] Image 1

The *Anheuser-Busch* court concluded that tarnishment had occurred because consumers might think Michelob actually contained oil. But under this noncommercial test, we would ask not whether tarnishment occurred (that is a question of harm to the trademark owner). We would ask instead whether the use was noncommercial. The expression here **[*1092]** was for "mock advertisement."ⁿ³⁴¹ The point was to make a comment about a recent oil spill that may have contaminated Michelob beer's source water.ⁿ³⁴² There is not any evidence of economic motive of the speaker; indeed, the speech is primarily informative. Thus, it is noncommercial.

But what about a closer case - a case where the speech might seem commercial? Take the case *Langvardt* finds to be commercial speech and therefore unprotected: *Mutual of Omaha Insurance Co. v. Novak*.ⁿ³⁴³ There the defendant used the mark Mutual of Omaha (the name of an insurance company) to make t-shirts, mugs, and other paraphernalia with the mark "Mutant of Omaha" in a variety of phrases relating to nuclear war. The front of one T-shirt read, "Nuclear Holocaust Insurance" or "Sponsored by Mutant of Omaha Nuclear Holocaust Insurance Co."ⁿ³⁴⁴ The backside of the shirt read, "When the world's in ashes we'll have you covered."ⁿ³⁴⁵ *Langvardt* concludes the speech was commercial because the defendant produced a variety of goods, sold them in a variety of places, and used different designs on each shirt.ⁿ³⁴⁶ But the question here is not solely the economic benefit to the parodists. We also need to examine the expression itself, which makes a comment on important public issue: nuclear proliferation. Although the commercial gain may seem to make this commercial speech, it is not clear what element - commercial or noncommercial - predominates. Instead, it appears the two are mixed hybrid speech. In such a case, the use should be deemed noncommercial and, thus, nondiluting.

While seemingly broad, the definition of noncommercial I propose is appropriate in the dilution context. Because parodic marks are both expression and advertisement under my proposed definition, parodies may be less likely than other uses of marks to qualify as commercial **[*1093]** speech. As a result, parodies might enjoy more protection than other uses of marks. Although this brings parody close to a per se defense in dilution, there is reason to think that is just the appropriate standard: broad protection with some room for dilution claims. After all, dilution is not an attempt to regulate false or misleading commercial speech: even the weakest-but-successful dilution claims do not involve misleading speech - that is precisely why the dilution statute exists: to regulate nonconfusing (which courts have assumed is the same as misleadingⁿ³⁴⁷) "truthful" trademark uses that can dilute mark value. Dilution regulates nonmisleading commercial speech, which presents a fundamentally different proposition for First Amendment purposes.

Courts should not be making the same assumption for dilution that they make for infringement (i.e., confusion is

commensurate with misleading). No court analyzing dilution should fall into the lurking confusion traps: they should not analyze confusion, and they shouldn't use dilution as a way to circumvent a finding of no confusion. Thus, the regulation of diluting commercial speech is itself less than immune from constitutional challenge.

That argument has particular force in light of *44 Liquormart, Inc. v. Rhode Island*.ⁿ³⁴⁸ The Supreme Court's plurality opinionⁿ³⁴⁹ in *44 Liquormart* stated that a more rigorous review applies when laws regulate commercial speech "unrelated to consumer protection."ⁿ³⁵⁰ Although dilution laws might have some relevance to consumer protection (a stronger brand means consumers can find things more easily), they are not related to consumer protection in any strict sense. The purpose of dilution laws is brand-maintenance.

Further supporting a broad defense for commercial parody is its social value beyond mere consumer information; parody usually criticizes or comments on society or the trademark itself. For these reasons, even parodies designed to make a profit should have some protections - where, for example, the mark, or the product on which the mark appears, is the parody (or part of the parody),ⁿ³⁵¹ the commercial nature of the use should not affect the analysis. Additionally, parodies in the dilution context (with which we are concerned) will always be used as a mark [*1094] (otherwise they fall under the fair use defense). If a mark is used as a source identifier, courts will likely find the use to be commercial - because it is affixed to a good or service. There may be exceptions, such as nonprofits, but even those would be at risk. Consider again the *Anheuser-Bush* case. Imagine that instead of an advertisement in a magazine, the graphics had appeared on T-shirts, as in *Mutual of Omaha*. A court may find this use to be commercial. But, as noted before, dilution protection extends to truthful and nonmisleading commercial speech. Without it being tested constitutionally, at the very least expressive forms of communication like parody should be protected. To accomplish this task, we take a broad definition of noncommercial, including most parodic uses.

Even though the standard I propose would include more speech within the noncommercial parody heading, there is still a risk courts could narrow the scope of the defense. And, under my proposed framework, a commercial parody doesn't meet the TDRA exception - so at this point it would be considered diluting. But if our goal is to protect parodies in a systematic way, then we should limit courts' ability to curtail that protection. Indeed, even if courts abided by the interpretation I proposed, there's always a risk courts could narrow it at some later date.

In other words, I assume that, despite the broad definition I propose, some courts will inevitably narrow their conception of noncommercial speech. Imagine, for example, that *South Butt*, instead of selling clothes under the mark meant to parody *North Face*, sold toilet paper, diapers, or other hygienic products.ⁿ³⁵² Imagine further it coined a slogan, "never stop eating," "never stop sweating," or something to that effect. In this case, a court may be tempted to find the use "commercial" even under the broad definition I have proposed. That conclusion, I suggest, would be incorrect. Assuming this narrowing occurs, however, what would happen to the dilution claims?ⁿ³⁵³

For a tarnishment claim, it seems impossible to divorce the expression (the play on words and humor) from the harm (negative associations as a result of associating *North Face* with excretion). (Some argue that this is not the kind of harm at least tarnishment is designed to protect against.ⁿ³⁵⁴) That is just the point: any harm suffered by a parody will [*1095] result from the expressive component of the mark's use - either criticizing or commenting on the mark, or using it to comment on some other important social issue. It is impossible to sort out the harm from the expression. The mock advertisement in *Anheuser-Bush* claiming water source contamination was the harm - just as the message about nuclear warfare was the harm in *Mutual of Omaha*. Although one case targeted the mark owner and one did not, in both cases the harm derived from the expressive content. So too is it the case with my hypothetical: the *South Butt* mark is not just about toiletry products - it is about making fun of *North Face*, or being funny and using the *North Face* mark to do it.ⁿ³⁵⁵ The point is that expression and harm are tied together, and inseparable in the case of parody. Thus, to protect speech interests, I propose that parodies be totally exempt from liability in tarnishment actions.

Dilution by blurring, however, is a different story. Although commercial parodies could in theory dilute the mark, courts analyzing blurring claims involving parody have generally found this not to be the case.ⁿ³⁵⁶ In Part I.B, I explained the different approaches courts use to evaluate parody. While I have supported using the noncommercial use

exemption to protect parody, that method depends on courts correctly defining noncommercial speech broadly. Given the risk that they will do the opposite (i.e., courts may find parodies to be commercial when the parodies use the mark to sell a product commercial), another layer of protection is needed. Enter the Infusion Approach: in dilution cases, a parody finding colors the blurring factors, much as some courts do with the confusion factors. This adds another layer of protections for parodies that may have some commercial component.

While it is not a defense, the Infusion Approach should suffice as a further safeguard for expressive commercial parodies. The approach captures the reality that commercial parodies have expressive value - and that, even though commercial, this expressive value might actually enhance, rather than dilute, the famous mark's distinctiveness.ⁿ³⁵⁷ That might not be the case for every parody - but certainly for some. And it is much better for speech to allow courts to sort out whether that is the case [*1096] than it is to simply declare commercial parodies dilutive.

Thus, in the end, the test for dilution I propose is similar in form - and in some ways substance - to the Presumption-Infusion Approach I suggested for infringement. The main difference in my dilution approach - which I call the Defense-Infusion Approach - is that it includes, as the name implies, a defense to dilution claims. For tarnishment claims, the defense applies regardless of whether the parody is commercial. For blurring claims, however, the defense applies only to noncommercial parodies. Where a claim for blurring is based on a commercial parody, courts should, after finding by a preponderance of the evidence that the use is commercial, analyze the blurring factors in the TDRA colored by a finding of parody. This defense is quite strong - indeed, stronger than the Presumption-Infusion Approach. But a stronger defense makes sense in the context of dilution, where trademark owners are given more property-like interests and, thus, more ability to silence expressive speech.

CONCLUSION

When courts confront parody within trademark law, they typically use doctrine to accommodate the First Amendment interests it invokes. In traditional trademark infringement actions, courts sometimes alter their confusion analyses to account for parodic uses of trademarks. In dilution actions, courts sometimes find parodic uses to fall within the provision exempting from liability "noncommercial" uses of a trademark. In other cases, courts engage in ad hoc balancing, weighing quasi-property interests against the interests of the user (not necessarily even the interest in expression per se), or they may discuss the value of information.

Regardless of approach, courts typically characterize disputes as contests between a property right of the trademark holder and the user's ability to use (make speech with) that mark without infringing those rights. The question is set up to favor the trademark owner: does the use of the mark infringe on her rights, and to what extent? But surely users have rights too - rights apart from making nonconfusing uses of trademarks. Indeed, this characterization of trademark disputes as "property right" versus "privileged use" or "exceptions" can cloud the analysis, largely because the concept of a trademark right as property has galvanized courts to eliminate any and all confusion and dilution.ⁿ³⁵⁸ In [*1097] pursuit of that goal, trademark actions now include initial interest confusion, post-sale confusion, merchandizing rights, etc. Further narrowing the potential uses by non-mark-owners is courts' willingness to find liability for likelihood of confusion when surveys revealed confusion rates as low as 11%, 13%, and 16%, and dilution for less-than-famous marks. These facts mean that the burden of proof on the trademark owner is less than demanding.ⁿ³⁵⁹

Broadening trademark rights while free-speech defenses remain static poses real problems for expressive users, like parodists and satirists. Under this conception, a privileged "use" does not seem to carry much legal clout when compared to a "right" conferred by statute. After all, if you have a "right" to use a trademark, the other person has an affirmative obligation to refrain from violating your right.ⁿ³⁶⁰ With rightsholders constantly asserting those rights, and with the conceptual scale tilted in their favor, the law and the judiciary lose sight of the other interests at stake. Nearly sixty years ago, Thomas Emerson identified this problem eloquently:

The protection of property interests constitutes the day-to-day job of the government apparatus. Protection of freedom of expression is more abstract, more remote, less insistent. Furthermore, advancement of the competing social interest is more likely to be the direct concern of the groups which influence and control the government machinery. And the problem of self-control may be even more difficult in a government bureaucracy than in an individual. ⁿ³⁶¹

Although discussing express government regulation and enforcement, Emerson's point applies aptly to trademark law. Courts are in the business of resolving trademark disputes - and trademark holders are in the business of bringing those suits. As more trademark owners clamor for liability, courts (and Congress) have recognized new standards of [*1098] liability through legislation and judicial enforcement. In the courts, the trademark owner's influence is much more subtle. Indeed, the law itself sets up trademark disputes to favor owners. After all, it is much easier for courts to "enforce" the Lanham Act than to carefully consider any countervailing interests - interests that are not readily apparent simply by reading the Act's text in isolation.

But law - and courts - should be particularly attuned to First Amendment interests. The law plays a prominent role in protecting people's rights, not just trademark owners'. Expanding trademark rights marginalizes users in favor of large groups who exercise political control over the dimensions of trademark law and policy. ⁿ³⁶² Trademark owners - as evidenced by their lawsuits - attempt to censor others based on the content of their speech. Given the fact that confusion (or dilution) is the watchword even in parody cases, we should start to either move away from confusion or supplement the confusion analysis to provide more space for parodic uses.

To remedy this problem, I proposed we revise the parody doctrine in trademark law, both for traditional infringement and dilution. First, I explained how courts have taken a variety of approaches to analyzing infringement and dilution claims where the mark is used allegedly as a parody. Each approach had its deficiencies and benefits. The primary problem was that almost none of them fashioned a satisfactory safeguard for speech. Indeed, most approaches in the confusion analyses were merely confusion tests dressed up in different legal rhetoric.

To avoid the confusion trap, I proposed two new parody "safeguards," one for infringement and one for dilution. Both tests used the same definition of parody I suggested earlier in the article, encompassing both "parody" and "satire" as defined by Campbell. In the infringement analysis, I proposed avoiding the confusion trap by using a presumption. This defense would presume parody and satire are protected expression. The plaintiff, however, could rebut this presumption by showing that the parodic mark appears on closely related products or services sold by direct competitors. Once the plaintiff rebuts the presumption, a court should determine whether the parodic mark is likely to confuse, taking into account how the parodic nature of the use alters this analysis. For [*1099] dilution claims, I suggested courts analyze whether parodies qualify as "noncommercial uses" under the TDRA. For tarnishment claims, this meant parody was a per se defense. For blurring claims, parody altered the factors courts use to determine liability. Placing parodies under this rubric safeguards speech in the face of strong, non-traditional trademark rights - rights designed to protect only the trademark owners' interests, not the public's.

The aim of these alterations is to better protect expressive speech while simultaneously upholding the purposes of trademark law. And, because these modifications do not require any statutory alterations, courts can implement them immediately. If they do, the law will free up more expressive space within trademark law; users of those marks won't feel as chilled by the effects of expansive trademark rights. The result: More speech and fewer trademark lawsuits.

APPENDIX: METHODOLOGY: EXAMINING PARODY IN RECENT CASES

This Article focuses on the relationship between Campbell, parody, and trademark law. This Article studied trademark parody cases that cite or discuss *Campbell v. Acuff Rose, Inc.* ⁿ³⁶³ *Campbell* represented the Court's first major attempt to classify parody in over forty years. ⁿ³⁶⁴ To find all trademark parody cases citing *Campbell*, in March of 2010 I entered the citation into Westlaw and conducted a "Citing References" search. The search returned 4,254 documents citing *Campbell*. I narrowed these results by asking Westlaw to return only cases and administrative decisions citing *Campbell*. This returned 386 cases. I further narrowed the cases to those involving the words "parody & trademark,"

which returned seventy-three cases. On January 30, 2011, I re-performed this search for all cases after March 2010. The search revealed six new cases, only one of which was relevant and included in the results.ⁿ³⁶⁵

Next, I manually examined each case of the seventy-three cases to determine whether the trademark infringement claim - either traditional infringement or dilution claims - included a discussion of parody or an argument that involved parody.ⁿ³⁶⁶ This did not require the section [*1100] discussing trademark law and parody to directly cite Campbell. It was sufficient that Campbell was cited somewhere in the decision. The reason for this method was to include cases where Campbell may have been an underlying factor in the Court's decision, even if the case was not discussed in great detail. I completed this task moving circuit to circuit - that is, by examining manually all the cases starting with the United States Court of Appeals for the First Circuit and ending with the United States Court of Appeals for the Federal Circuit.

When examining these cases, I often encountered more than one decision from the same case: sometimes a district court would render a decision on trademark parody, which would then be appealed and decided by the appellate court. So, for example, a district court may grant summary judgment for the defendant, finding no trademark infringement on parody-related grounds. A party then appeals that decision, and the appellate court either reverses or affirms the decision below. In such situations, I included in my data multiple decisions by different courts in the same case. In other words, I included appeals and remanded decisions so long as they cited or discussed Campbell. If the district court cited Campbell but, on appeal, the appellate court did not, I included only the district court decision in my calculations.

After collecting and sorting cases in the manner described, twenty-three cases remained.

As far as content goes, I included only cases involving trademark or trade dress where parody was at issue. Thus, I excluded from discussion noninfringements based on nonparodic rationales, such as genericide. Excluding these cases avoided tapping into claims on which Campbell has no bearing. For an example, see *Harley-Davidson, Inc. v. Grottanelli*,ⁿ³⁶⁷ where the court found the word "Hog" had become generic as applied to motorcycles.ⁿ³⁶⁸ In that case, I focused only on the claim as to the valid trademark, which consisted of a bar and shield logo.

I used the same exclusionary practice for trade dress infringement claims: I did not count them in my tables if a court decided them on nonparodic grounds, such as when a court resolved the trade dress claim by a finding of no secondary meaning.ⁿ³⁶⁹ I excluded these because the [*1101] claims did not involve a discussion of parody and, therefore, were not relevant to this Article. Where a trade dress claim was resolved on the same grounds as the infringement claim, I counted them both as only one claim.ⁿ³⁷⁰

I also excluded from my calculations right of publicity claims because they do not bear on trademark law parody questions directly. Even in cases that involved trademark parody and some other claim such as right of publicity, I did not code for any part of the nontrademark claim.

I did, however, code for two variable trademark parody cases that involved copyright claims. I coded for (1) whether the case involved a copyright claim, and, if so, (2) whether that court found copyright infringement. I coded for copyright claims because they bore directly on whether trademark and copyright claims were related vis-a-vis Campbell. Claims were counted as "infringement" in both copyright and trademark cases where a court (1) granted summary judgment or (2) entered a preliminary injunction on the plaintiff's claim.

I also coded for how courts determined infringement, both for traditional infringement and dilution. For the sake of flow and argument, I explained these approaches when we confront them in Part III and IV. Here I'll briefly explain my general approach. First, I read all 23 decisions. I then found patterns in the courts' analyses. For traditional infringement claims, courts citing Campbell used six approaches when parody was present. I discovered three other approaches in cases not citing Campbell. For dilution claims, I again found six approaches to determining dilution in cases citing Campbell. Although I omitted from my survey all cases failing to cite Campbell, I did not find any other approaches in the cases I did examine. In Part II, I explain my findings and analysis as to each of these approaches. For the time being,

the particulars of the approaches are not relevant.

Legal Topics:

For related research and practice materials, see the following legal topics:

Trademark LawInfringement ActionsGeneral OverviewTrademark LawLikelihood of ConfusionNoncompeting ProductsDilutionTrademark LawLikelihood of ConfusionNoncompeting ProductsParodies & Satires

FOOTNOTES:

n1. Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ'g Grp., Inc., 886 F.2d 490, 494 (2d Cir. 1989).

n2. Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 580 (1994).

n3. George Carlin Quotes, Thinkexist.com, http://thinkexist.com/quotes/george_carlin/ (last visited Aug. 10, 2013).

n4. See, e.g., Jon Hanson & David Yosifon, The Situation: An Introduction to the Situational Character, Critical Realism, Power Economics, and Deep Capture, 152 U. Pa. L. Rev. 129 (2003).

n5. North Face Apparel Corp. v. Williams Pharmacy, Inc., No. 4:09-cv-02029, 2010 WL 546921 (E.D. Mo. Feb. 9, 2009) (order denying South Butt's motion to dismiss).

n6. Mutual of Omaha Ins. Co. v. Novak, 648 F. Supp. 905 (D. Neb. 1986), aff'd, 836 F.2d 397 (8th Cir. 1987).

n7. Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC (Louis Vuitton II), 507 F.3d 252 (4th Cir. 2007).

n8. New York Stock Exch., Inc. v. Gahary, 196 F. Supp. 2d 401 (S.D.N.Y. 2002).

n9. The trademarks over which the companies sued were (in the order listed above) "North Face," "Mutual of Omaha," "Louis Vuitton," and the "New York Stock Exchange."

n10. E.g., Stacey Dogan & Mark Lemley, Parody as Brand, __Stan. L. Rev. __ (forthcoming 2013) (arguing that trademark parodies that use a mark without adopting it as a brand are categorically not actionable, and then proposing using nominative fair use to evaluate parodies that adopt the parodied mark as a brand); see also Bruce P. Keller & Rebecca Tushnet, Even More Parodic than the Real Thing: Parody Lawsuits Revisited, 94 Trademark Rep. 979, 980 (2004).

n11. Arlen W. Langvardt, Protected Marks and Protected Speech: Establishing the First Amendment Boundaries in Trademark Parody Cases, 36 Vill. L. Rev. 1 (1991).

n12. 510 U.S. 569 (1994).

n13. Id. at 580-94. See, e.g., Keller & Tushnet, *supra* note 10, at 980 ("One of Campbell's most significant - and unsatisfying - effects has been to elevate parody as a favored form of literary or artistic comment and devalue satire."); id. at 983 (noting that Campbell elevated transformative uses to a special status and included parody, but not satire, in that category).

n14. Campbell, 510 U.S. at 580.

n15. Id. at 581.

n16. Id.

n17. See, e.g., *infra* Part II (detailing how courts have cited and incorporated Campbell into their trademark analyses); 6 J. Thomas

McCarthy, McCarthy on Trademarks and Unfair Competition § 31:156 (4th ed. 2012); Gary Meyers, Trademark Parody: Lessons from the Copyright Decision in *Campbell v. Acuff-Rose Music, Inc.*, 59 Law & Contemp. Probs. 181, 204-10 (1996) (arguing that Campbell's alteration of the fair use factors is instructive to trademark law, and parody should similarly alter the confusion factors in trademark law). See also Aaron F. Jaroff, Comment, Big Boi, Barbie, Dr. Seuss, and the King: Expanding the Constitutional Protections for the Satirical Use of Famous Trademarks, 57 Am. U. L. Rev. 641 (2008) (explaining how concepts from Campbell have been incorporated into trademark law). The analogy between copyright and trademark parody analyses had been made prior to Campbell. See, e.g., Robert J. Shaughnessy, Note, Trademark Parody: A Fair Use and First Amendment Analysis, 72 Va. L. Rev. 1079 (1986) (arguing that copyright fair uses and parody are relevant to parody analysis in trademark law).

n18. David A. Simon, Reasonable Perception and Parody in Copyright Law, 2010 Utah L. Rev. 779.

n19. 6 McCarthy, *supra* note 17, § 31:153 (noting that parody "is not an affirmative defense to an infringement charge" but "rather ... a way of arguing that there will be no trademark infringement because there will be no likelihood of confusion.").

n20. That said, the parody definition is not just a likelihood of confusion test. It has one further element that makes it similar to the definition of parody laid out in Campbell. The parodic mark must in some way associate itself with the original mark - it must use the original to show that it is not the original. Throughout this Article, I refer to the "likelihood of confusion" test as "confusion" or "infringement" for short hand. Thus, when I say "infringement" or "typical infringement" I do not mean to include dilution actions.

n21. 15 U.S.C. § 1125(a)(1)(A) (2006) (creating a cause of action for false designation of origin that is "likely to cause confusion ... mistake, or to deceive as to the affiliation, connection, or association ... as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person ..."); 4 McCarthy, *supra* note 17, § 23:1 ("'Likelihood of confusion' is the basic test of both common-law trademark infringement and federal statutory trade mark infringement." (footnotes omitted)); 1 McCarthy, *supra* note 17, §§3:8-3:9 (explaining that trademark law originally required products to emanate from a "physical source or origin," but has evolved to mean that "consumers [expect] all goods with the same mark to come from a single, but anonymous or indistinguishable source ...").

n22. 4 McCarthy, *supra* note 17, § 23:19 (explaining the factors listed by the Restatement (Third) of Unfair Competition §§20-23 (1995), which include "1. The degree of resemblance between the conflicting designations; 2. The similarity of the marketing methods and channels of distribution; 3. The characteristics of the prospective purchasers and the degree of care they exercise; 4. The degree of distinctiveness of the senior user's mark; 5. Where the goods or services are not competitive, the likelihood that prospective buyers would expect the senior user to expand into the field of the junior user; 6. Where the goods or services are sold in different territories, the extent to which the senior user's designation is known in the junior user's territory; 7. The intent of the junior user; and 8. Evidence of actual confusion."). See also Graeme B. Dinwoodie & Mark D. Janis, Trademarks and Unfair Competition: Law and Policy 470-71 fig. 7.1 (2004) (listing each circuit's approach to the factor analysis and showing courts use between six and thirteen factors to analyze likelihood of confusion).

n23. See generally Simon, *supra* note 18.

n24. 875 F.2d 994 (2d Cir. 1989).

n25. *Id.* at 1004-05.

n26. "Published" here means reported in Westlaw's database.

n27. The Appendix explains exactly how I obtained the trademark parody cases citing Campbell. For now it's sufficient to note that I included only decisions in the database Westlaw retrieved when retrieving cases "citing" Campbell. Thus, if Westlaw's database does not include all decisions citing Campbell, then my sample is not the entire universe of cases.

n28. *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1405 (9th Cir. 1997) (citing *Mutual of Omaha Ins. Co. v. Novak*, 648 F. Supp. 905, 910 (D. Neb. 1986), *aff'd*, 836 F.2d 397 (8th Cir. 1987)).

n29. E.g., *Utah Lighthouse Ministry v. Found. for Apologetic Info. & Research*, 527 F.3d 1045, 1057 (10th Cir. 2008); *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC* (Louis Vuitton II), 507 F.3d 252, 258-59 (4th Cir. 2007); *Hormel Foods Corp. v. Jim Henson Prods., Inc.*, 73 F.3d 497, 502 (2d Cir. 1996); *CCA & B, LLC v. F + W Media Inc.*, 819 F. Supp. 2d 1310, 1324 (N.D. Ga. 2011); *Smith v. Wal-Mart Stores, Inc.*, 537 F. Supp. 2d 1302, 1335-38 (N.D. Ga. 2008); *World Wrestling Fed'n Entm't Inc. (WWE) v. Big Dog Holdings, Inc.*, 280 F. Supp. 2d 413, 430-40 (W.D. Pa. 2003); *Charles Atlas, Ltd. v. DC Comics, Inc.*, 112 F. Supp. 2d 330, 337-40 (S.D.N.Y. 2000) (applying modified Rogers test from *Cliffs Notes* by assessing the expressive value of the defendant's work and then walking through the likelihood of confusion factors as colored by a finding of parody with expressive value). See also *New York Stock Exch., Inc. v. New York, New York Hotel LLC*, 293 F.3d 550, 555-56 (2d Cir. 2002) (holding that use of modified versions of New York Stock Exchange marks on a casino in Las Vegas that replicated parts of New York City was parodic and noninfringing, and using the nature of the parody to inform the analysis of the strength of the mark); *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ'g Grp., Inc.*, 886 F.2d 490, 493-94 (2d Cir. 1989) (applying a variation of the Rogers test to parody).

n30. See, e.g., Simon, *supra* note 18, at 821-37. There is an important difference here. Fair use is a doctrine that evaluates a use independent of the infringement analysis. That is, the court analyzes fair use only if the work infringes the plaintiff's copyright. Under the Infusion Approach, however, parody shapes the infringement analysis; it is not a defense to infringement. This is an important point, as we shall see, because it accentuates why the Infusion Approach alone is inadequate.

n31. Louis Vuitton II, 507 F.3d at 261-62; Hormel Foods, 73 F.3d at 503; WWE, 280 F. Supp. 2d at 435; Charles Atlas, 112 F. Supp. 2d at 340-41.

n32. Louis Vuitton II, 507 F.3d at 262; Hormel Foods, 73 F.3d at 503-04; WWE, 280 F. Supp. 2d at 432-35; Charles Atlas, 112 F. Supp. 2d at 340-41.

n33. Louis Vuitton II, 507 F.3d at 263; Hormel Foods, 73 F.3d at 505; WWE, 280 F. Supp. 2d at 438; Charles Atlas, 112 F. Supp. 2d at 340.

n34. Louis Vuitton II, 507 F.3d at 260-62 (describing how differences in products - the defendant's dog toys versus the plaintiff's luxury goods - illustrated parody).

n35. Charles Atlas, 112 F. Supp. 2d at 340 ("The fact that Atlas claims not to have noticed until seven years later "is a strong indicator that the [Flex Mentallo character] did not create a significant likelihood of confusion because [DC] was successful in conveying that the reference to [Atlas] was a [parody], and not a source identifier." (quoting *Yankee Publ'g Inc. v. News Am. Publ'g Inc.*, 809 F. Supp. 267, 274-75 (S.D.N.Y. 1992))).

n36. Hormel Foods, 73 F.3d at 505.

n37. 507 F.3d 252. This case did not discuss Campbell in the trademark section of the case. Nevertheless, its use of parody to alter the confusion analysis is illustrative of the Infusion Approach.

n38. *Id.* at 257-58.

n39. *Id.* at 260.

n40. Simon, *supra* note 18, at 782.

n41. Louis Vuitton II, 507 F.3d at 261-64.

n42. *Id.* at 261-62.

n43. *Id.* at 261.

n44. *Id.*

n45. *Id.* at 261-62. This is similar to the Campbell Court's statement that parodies need to use well-known, expressive works to be effective. See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994).

n46. Louis Vuitton II, 507 F.3d at 262.

n47. *Id.*

n48. *Id.*

n49. *Id.* at 263.

n50. *Id.* (emphasis in original).

n51. *Id.* at 260-62.

n52. *Id.* at 263.

n53. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 586 (1994).

n54. 17 U.S.C. § 107(2) (2006) (stating as the second fair use factor "the nature of the copyrighted work").

n55. *Campbell*, 510 U.S. at 586.

n56. McCarthy characterizes parody this way too. 6 McCarthy, *supra* note 17, § 31:153 ("A parody of a trademark is not an affirmative defense to an infringement charge in the sense that laches or the statute of limitations is an affirmative defense. Rather, 'parody' is a way of arguing that there will be no trademark infringement because there will be no likelihood of confusion.").

n57. *E.g., Anheuser-Busch, Inc. v. Balducci Publ'ns*, 28 F.3d 769 (8th Cir. 1994).

n58. See *supra* note 19.

n59. *E.g., Cartoons, L.C. v. Major League Baseball Players Ass'n*, 95 F.3d 959, 970 (10th Cir. 1996) ("Proof of trademark infringement under the Lanham Act requires proof of a likelihood of confusion, but, in the case of a good trademark parody, there is little likelihood of confusion, since the humor lies in the difference between the original and the parody."); *World Wrestling Fed'n Entm't Inc. (WWE) v. Big Dog Holdings, Inc.*, 280 F. Supp. 2d 413, 431 (W.D. Pa. 2003) ("Parody, therefore, is not an affirmative defense, but only another factor to

be considered in determining the likelihood of confusion. Whether a customer is confused is the ultimate question." (footnote omitted)).

n60. *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989).

n61. *Id.*

n62. *Id.*

n63. See, e.g., *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ'g Grp., Inc.*, 886 F.2d 490 (2d Cir. 1989).

n64. *Id.*

n65. *Id.* at 494.

n66. *Id.* at 495 ("Taking into account that somewhat more risk of confusion is to be tolerated when a trademark holder seeks to enjoin artistic expression such as a parody, the degree of risk of confusion between *Spy Notes* and *Cliffs Notes* does not outweigh the well-established public interest in parody.").

n67. *Id.*

n68. Rochelle Cooper Dreyfuss, *Reconciling Trademark Rights and Expressive Values: How to Stop Worrying and Learn to Love Ambiguity*, in *Trademark Law and Theory: A Handbook of Contemporary Research* 261, 282 (Graeme B. Dinwoodie & Mark D. Janis eds., 2008) ("Balancing tests are notoriously unpredictable, making it risky for anyone who is contemplating an investment in expressive use. Thus, although there are not many U.S. cases that reach the constitutional issue, the few cases decided on that ground are difficult to

reconcile."); William McGeeveran, Rethinking Trademark Fair Use, 94 Iowa L. Rev. 49, 100-01 (2008) (criticizing the Rogers test for, among other things, being an unclear and fact-intensive standard).

n69. Rogers v. Grimaldi, 875 F.2d 994, 999 (2d Cir. 1989) ("Other titles contain words explicitly signifying endorsement, such as the phrase in a subtitle 'an authorized biography.' If such explicit references were used in a title and were false as applied to the underlying work, the consumer's interest in avoiding deception would warrant application of the Lanham Act, even if the title had some relevance to the work.").

n70. Id.

n71. Cliffs Notes, 886 F.2d at 494-97.

n72. No. 00 Civ.6068(GBD), 2004 WL 434404 (S.D.N.Y. Mar. 8, 2004).

n73. Id.

n74. Id. The trademarks at issues were, "THERE ARE SOME THINGS MONEY CAN'T BUY. FOR EVERYTHING ELSE THERE'S MASTERCARD," and "PRICELESS." Id. at 2. Nader used the phrases, "finding out the truth: priceless. There are some things money can't buy." Id. at 1.

n75. See McGeeveran, *supra* note 68, at 71 (noting the confusion test fails "to address the normative value of free speech").

n76. See Eric Sonju, "Likelihood of Confusion" is Confusing Enough: Why the Concept of Parody has No Place in a Likelihood of Confusion Analysis, 38 AIPLA Q.J. 349, 361-62 (2010) (arguing without explaining that "parody should not be an additional factor in the likelihood of confusion test, ... affect the application of the existing factors ... [or] be used to justify greater risk of confusion out of concern for freedom of expression under the First Amendment."); Tammi A. Gauthier, Comment, Fun & Profit: When Commercial Parodies Constitute Copyright or Trademark Infringement, 21 Pepp. L. Rev. 165, 203-04 (1993) (arguing that courts should determine trademark infringement of commercial parodies by asking whether there is confusion in marketplace).

n77. 353 F.3d 792, 809 (9th Cir. 2003).

n78. E.g., *id.* (applying nominative fair use to the trade dress claim). Although the Mattel court applied the Rogers test to the confusion analysis of the trademark at issue, it did not do so for the trade dress at issue. *Id.* at 807-08. This way the court avoided deciding whether Rogers applied by applying the nominative fair use doctrine instead. *Id.* at 808.

n79. *Id.* at 809 ("In contrast, a defendant's use of a plaintiff's mark is nominative where he or she "used the plaintiff's mark to describe the plaintiff's product, even if the defendant's ultimate goal is to describe his own product.' The goal of a nominative use is generally for the "purposes of comparison, criticism [or] point of reference.'" (emphasis in original) (citations and footnote omitted)).

n80. *Id.* at 810 (describing the three elements of nominative fair use (quoting *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1151 (9th Cir. 2002))).

n81. *Id.*

n82. *Id.* at 796-97.

n83. *Id.* at 810-11.

n84. *Id.* at 811 ("As we recognized in *Cairns*, "what is "reasonably necessary to identify the plaintiff's product' differs from case to case." (quoting *Cairns*, 292 F.3d at 1151)).

n85. *Id.*

n86. *Id.* ("Given the photographic medium and Forsythe's goal of representing the social implications of Barbie, including issues of sexuality and body image, Forsythe's use of the Barbie torso and head is both reasonable and necessary.").

n87. *Id.*

n88. *Id.* at 811-12.

n89. *Id.* at 812.

n90. See Graeme B. Dinwoodie, Lewis & Clark Law School Ninth Distinguished IP Lecture: Developing Defenses in Trademark Law, 13 Lewis & Clark L. Rev. 99, 111 (2009) ("The third part of the test looks very much [like] a proxy for an assessment of likely confusion as to association, sponsorship or endorsement."); Samuel M. Duncan, Note, Protecting Nominative Fair Use, Parody, and Other Speech-Interests by Reforming the Inconsistent Exemptions from Trademark Liability, 44 U. Mich. J.L. Reform 219, 239 (2010) ("Further, as in nominative fair use, in infringement cases the doctrine is, at its base, not that parody is protected speech, but that, if understood correctly, parodic speech is not likely to cause confusion." (emphasis added)).

n91. See 4 McCarthy, *supra* note 17, § 23:11 ("'"Nominative fair use' was created to be an alternative method for analyzing if there is the kind of likelihood of confusion that constitutes trademark infringement."); *id.* ("The 'nominative fair use' analysis is a 'defense' only in the sense that an accused infringer in certain cases can use the analysis to argue that there will be no infringement because there will be no likelihood of confusion."). But see *id.* (arguing that, "in the Third Circuit, 'nominative fair use' is indeed an affirmative defense. In its Century 21 case, the Third Circuit took the thinking behind the Ninth Circuit analysis and turned it into a much more potent defensive tool.").

n92. Dogan & Lemley, *supra* note 10, at 37-38.

n93. *Id.* at 38.

n94. *Id.*

n95. *E.S.S. Entm't 2000, Inc. v. Rock Star Videos, Inc.*, 444 F. Supp. 2d 1012, 1032-34 (C.D. Cal. 2006) (holding that the nominative fair use defense was not available to the defendant's video game rendition of the plaintiff's strip club because the defendant did not design the strip club in the video game to resemble plaintiff's actual strip club, and stating that "because the [defendant's] Game does not specifically identify the [plaintiff's strip club] as such, the elements of the [nominative fair use defense] cannot readily be applied.").

n96. Marks that are not closely similar, and thus fall outside the scope of nominative fair use, may still refer to the plaintiff's mark. To the extent that nominative fair use would not cover such instances when they involve parody, it would be unhelpful.

n97. *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.* (Dr. Seuss I), 924 F. Supp. 1559 (S.D. Cal. 1996).

n98. *Id.* at 1571 (quoting *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 206 (2d Cir. 1979)); *id.* ("The Court feels that the weight of Supreme Court authority indicates that it would favor adoption of the first approach as adequately accommodating the narrow instances when trademark protection cannot be viewed as a reasonable time, place, or manner restriction.").

n99. *Id.* at 1569 (finding on the copyright claim that the nature, character, and purpose of the defendant's use of the central character illustration of *The Cat in the Hat* and the central rhyme in *Horton Hatches the Egg* weighed against fair use, but also that defendant could not justify taking the central character illustration from *The Cat in the Hat*, yet the defendant could justify its taking from *Horton Hatches the Egg* and *One Fish Two Fish Red Fish Blue Fish*); *id.* at 1571 (finding that a First Amendment defense for the trademark claim was unlikely to succeed based on the Court's copyright analysis).

n100. *Id.* at 1573. Indeed, the court itself suggested that the confusion analysis is the only relevant inquiry: "Where alternative means of achieving the satiric or parodic ends exist that would not entail consumer confusion, the First Amendment will not protect the parodist from being held to infringe." *Id.* (footnote omitted).

n101. *Id.*

n102. Michael K. Cantwell, Confusion, Dilution, and Speech: First Amendment Limitations on the Trademark State, 87 Trademark Rep. 547, 555-56 (1997).

n103. Elvis Presley Enters., Inc. v. Capece (Elvis Presley II), 141 F.3d 188, 200 n.5 (5th Cir. 1998) ("We have considered parody separately from the other digits of confusion and recommend this approach, but in no way do we suggest at this time that the district court's approach of considering parody within its analysis of the standard digits of confusion in itself constitutes reversible error.").

n104. *Id.* at 194 ("Parody is one such other relevant factor that a court may consider in a likelihood-of-confusion analysis.").

n105. See *infra* Part III.A.1.a.

n106. 141 F.3d 188 (5th Cir. 1998).

n107. *Id.* at 199-200.

n108. *Id.* at 200 ("The Defendants' parody of the faddish bars of the sixties does not require the use of EPE's marks because it does not target Elvis Presley; therefore, the necessity to use the marks significantly decreases and does not justify the use."). The Elvis court's approach was later abrogated by a subsequent Fifth Circuit opinion, Lyons P'ship v. Giannoulas (Giannoulas II), 179 F.3d 384, 389 (5th Cir. 1999). Although the Giannoulas II court rejected the narrow reading of the Elvis court's decision, it followed a similar analysis of the parody issue, requiring the defendant to reference the plaintiff's mark in some way. *Id.* at 388. It must do this, however, while simultaneously distinguishing itself as something other than the original. *Id.*

n109. 924 F. Supp. 1559 (S.D. Cal. 1996), *aff'd*, 109 F.3d 1394 (9th Cir. 1997).

n110. Elvis Presley II, 141 F.3d at 200.

n111. Id.

n112. GTFM, LLC v. Universal Studios, Inc., No. 02 CV. 0506(RO), 2006 WL 1377048 (S.D.N.Y. May 16, 2006).

n113. Id.

n114. Id. at 1.

n115. Id. at 2.

n116. Id.

n117. Id. n.4 (citing *Yankee Publ'g Inc. v. News Am. Publ'g Inc.*, 809 F. Supp. 267, 279 (S.D.N.Y. 1992)).

n118. Id. (citing *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 34 (1st Cir. 1987)).

n119. Id. (citing *Tommy Hilfiger Licensing, Inc. v. Nature Labs, LLC*, 221 F. Supp. 2d 410, 414 (S.D.N.Y. 2002)).

n120. Id. at 2.

n121. *Id.* at 3 ("An explicit consideration of each of the eight Polaroid factors tips the scales entirely in favor of the defendants, and need not be discussed here." (emphasis in original)).

n122. There is one other approach that appears in trademark disputes involving domain names, but it was rejected by the court that considered it. The approach was based on the requirement some courts impose that the defendant's use of a mark must be "commercial" to infringe. In one case, the court considered and rejected the argument that parody was a per se exception to the "commercial use" requirement, holding instead that it merely factored into the confusion test. *Utah Lighthouse Ministry, Inc. v. Discovery Computing, Inc.*, 506 F. Supp. 2d 889, 897-98 (D. Utah 2007) (stating that trademark law applies only to the use of a trademark in connection with a commercial transaction - i.e., a sale of a good or service (citing *Bosley Med. Inst., Inc. v. Kramer*, 403 F.3d 672, 674, 676-77 (9th Cir. 2005))), *aff'd*, 527 F.3d 1045, 1055, 1058 (10th Cir. 2008) (holding that "parody is another factor to consider in determining the likelihood of confusion, and casts several of the above-cited six factors in a different light," agreeing with the district court's noncommercial use conclusion in the context of the Anti-Cybersquatting Protection Act's (ACPA) fair use provision (citing 15 U.S.C. § 1125(d)(1)(B)(i)(IV) (2006))). A similar analysis has been applied to determining bad faith under the ACPA, where one factor in determining bad faith is whether the defendant's use is bona fide noncommercial or fair. See *id.*

n123. See 4 McCarthy, *supra* note 19, § 23:6.

n124. *Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1064 (9th Cir. 1999) ("Suppose West Coast's competitor (let's call it 'Blockbuster') puts up a billboard on a highway reading - 'West Coast Video: 2 miles ahead at Exit 7' - where West Coast is really located at Exit 8 but Blockbuster is located at Exit 7. Customers looking for West Coast's store will pull off at Exit 7 and drive around looking for it. Unable to locate West Coast, but seeing the Blockbuster store right by the highway entrance, they may simply rent there.").

n125. 263 F.3d 359 (4th Cir. 2001). The Ninth Circuit has rejected the PETA court's approach as to a finding of commercial use because it would too greatly silence speech. *Contra Bosley Med. Inst., Inc. v. Kremer*, 403 F.3d 672, 679 (9th Cir. 2005) ("To the extent that the PETA court held that the Lanham Act's commercial use requirement is satisfied because the defendant's use of the plaintiff's mark as the domain name may deter customers from reaching the plaintiff's site itself, we respectfully disagree with that rationale. While it is true that www.BosleyMedical.com is not sponsored by Bosley Medical, it is just as true that it is about Bosley Medical. The PETA approach would place most critical, otherwise protected consumer commentary under the restrictions of the Lanham Act. Other courts have also rejected this theory as over-expansive." (emphasis in original)).

n126. PETA, 263 F.3d at 363 ("A viewer accessing the website would see the title 'People Eating Tasty Animals' in large, bold type. Under the title, the viewer would see a statement that the website was a 'resource for those who enjoy eating meat, wearing fur and leather, hunting, and the fruits of scientific research.' The website contained links to various meat, fur, leather, hunting, animal research, and other organizations, all of which held views generally antithetical to PETA's views. Another statement on the website asked the viewer whether he/she was 'Feeling lost? Offended? Perhaps you should, like, exit immediately.' The phrase 'exit immediately' contained a hyperlink to PETA's official website." (emphasis in original)).

n127. *Id.* at 362-63.

n128. *Id.* at 366 ("Looking at [the defendant's] domain name alone, there is no suggestion of a parody. The domain name peta.org simply copies PETA's Mark, conveying the message that it is related to PETA. The domain name does not convey the second, contradictory message needed to establish a parody - a message that the domain name is not related to PETA, but that it is a parody of PETA.").

n129. *Id.* ("This second message [(that the mark is not the original)] is not conveyed simultaneously with the first message, as required to be considered a parody." (emphasis in original)).

n130. See, e.g., *Int'l Ass'n of Machinists & Aerospace Workers v. Winship Green Nursing Ctr.*, 103 F.3d 196, 201 (1st Cir. 1996) ("Because the listed factors must be evaluated in context, any meaningful inquiry into the likelihood of confusion necessarily must replicate the circumstances in which the ordinary consumer actually confronts (or probably will confront) the conflicting mark.").

n131. *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ'g Grp., Inc.*, 886 F.2d 490, 496 (2d Cir. 1989).

n132. What Internet Users Do Online, Pew Internet & American Life Project, [http://www.pewinternet.org/Trend-Data-\(Adults\)/Online-Activites-Total.aspx](http://www.pewinternet.org/Trend-Data-(Adults)/Online-Activites-Total.aspx) (last visited Sept. 12, 2011). Perhaps this was not the case when PETA was decided.

n133. See, e.g., Firefox Features, Browsing Made Easy, Awesome Bar, Mozilla.com, <http://www.mozilla.com/en-US/firefox/features/#> (last visited July 13, 2011) (explaining how Awesome Bar allows you to "get to your favorite sites quickly - even if you don't remember the URLs," as "the autocomplete function will include possible matches from your browsing history, bookmarked sites and open tabs").

n134. Autocomplete, Google.com, https://support.google.com/websearch/answer/106230?hl=en&ref_topic=3081616 (last visited Aug. 11, 2013) ("As you type within the search box on Google, Autocomplete helps you find information quickly by displaying searches that might be similar to the one you're typing. For example, as you start to type [new york], you may be able to pick searches for other New York-related search queries.").

n135. William M. Landes & Richard A. Posner, *The Economic Structure of Intellectual Property Law* 117 n.51 (2003) (defining "experience goods" as those that have features difficult to obtain in advance and must be experienced to be consumed, and "search goods" as products with features that can be evaluated easily before purchase).

n136. Cf. *Cliff's Notes*, 886 F.2d at 496 ("Moreover, even for those few readers who might be slightly confused by the cover, the most likely reaction would be to open the book.").

n137. *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC* (Louis Vuitton II), 507 F.3d 252 (4th Cir. 2007); *Mattel, Inc. v. MCA Records, Inc.* (Mattel III), 296 F.3d 894 (9th Cir. 2002); *Anheuser-Busch, Inc. v. Balducci Publ'ns*, 28 F.3d 769 (8th Cir. 1994); *Burnett v. Twentieth Century Fox Film Corp.*, 491 F. Supp. 2d 962 (C.D. Cal. 2007); *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC* (Louis Vuitton I), 464 F. Supp. 2d 495 (E.D. Va. 2006); *Mastercard Int'l Inc. v. Nader 2000 Primary Comm. Inc.*, No. 00 Civ.6068(GBD), 2004 WL 434404 (S.D.N.Y. Mar. 8, 2004); *World Wrestling Fed'n Entm't, Inc. (WWE) v. Big Dog Holdings, Inc.*, 280 F. Supp. 2d 413 (W.D. Pa. 2003); *Kane v. Comedy Partners*, No. 00 Civ. 158(GBD), 2003 WL 22383387 (S.D.N.Y. Oct. 16, 2003); *Charles Atlas, Ltd. v. DC Comics, Inc.*, 112 F. Supp. 2d 330 (S.D.N.Y. 2000); *Mattel, Inc. v. MCA Records, Inc.* (Mattel II), 28 F. Supp. 2d 1120 (C.D. Cal. 1998); *Mattel, Inc. v. MCA Records, Inc.* (Mattel I), No. CV 97-6791 WMB, 1998 WL 422641 (C.D. Cal. Feb. 18, 1998); *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.* (Dr. Seuss I), 924 F. Supp. 1559 (S.D. Cal. 1996); *Elvis Presley Enters., Inc. v. Capece* (Elvis Presley I), 950 F. Supp. 783 (S.D. Tex. 1996); *Schieffelin & Co. v. Jack Co. of Boca, Inc.*, 850 F. Supp. 232 (S.D.N.Y. 1994).

n138. Within my calculations I include all dilution claims, including state law claims and claims under the prior federal dilution law (the Federal Trademark Dilution Act).

n139. 15 U.S.C. § 1125(c) (2006).

n140. *Id.* § 1125(c)(2)(B)(i)-(vi) (listing the six factors as the degree of similarity between the marks, how distinctive the famous mark is, how much the famous mark is used exclusively by the mark owner, how recognized the famous mark is, the intent of the user, and any actual association between the marks).

n141. *Id.* § 1125(c)(2)(C) (defining "'dilution by tarnishment' [as] association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark").

n142. Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312 (codified as amended at 15 U.S.C. § 1125(c)).

n143. 15 U.S.C. § 1125(c)(3)(C).

n144. *Id.*

n145. See *Mattel Inc. v. Walking Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003); *Mattel, Inc. v. MCA Records, Inc. (Mattel III)*, 296 F.3d 894, 905 (9th Cir. 2002); *Burnett v. Twentieth Century Fox Film Corp.*, 491 F. Supp. 2d 962 (C.D. Cal. 2007); *Mastercard Int'l Inc. v. Nader 2000 Primary Comm. Inc.*, No. 00 Civ.6068(GBD), 2004 WL 434404 (S.D.N.Y. Mar. 8, 2004); *Mattel, Inc. v. MCA Records, Inc. (Mattel II)*, 28 F. Supp. 2d 1120 (C.D. Cal. 1998); *Mattel, Inc. v. MCA Records, Inc. (Mattel I)*, No. CV 97-6791 WMB, 1998 WL 422641 (C.D. Cal. Feb. 18, 1998); *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc. (Dr. Seuss I)*, 924 F. Supp. 1559 (S.D. Cal. 1996).

n146. *Mattel III*, 296 F.3d at 905; *Mattel II*, 28 F. Supp. 2d 1120; *Mattel I*, 1998 WL 422641.

n147. *Mattel III*, 296 F.3d at 905 (quoting 141 Cong. Rec. 38,559 (1995) (statement of Sen. Hatch)); *Mattel II*, 28 F. Supp. 2d at 1155 n.55 (quoting same).

n148. *Mattel III*, 296 F.3d at 906 (quoting *Hoffman v. Capital Cities/ABC, Inc.*, 255 F.3d 1180, 1184 (9th Cir. 2001) (quoting *Bolger v. Youngs Drug Prod's Corp.*, 463 U.S. 60, 66 (1983))).

n149. *Id.* ("To determine whether Barbie Girl falls within this exemption, we look to our definition of commercial speech under our First Amendment caselaw." (citing H.R. Rep. No. 104-374, at 8, reprinted in 1995 U.S.C.C.A.N. 1029, 1035 ("The exemption 'expressly incorporates the concept of 'commercial' speech from the 'commercial speech' doctrine'")); 141 Cong. Rec. 38,560 (1995) ("The exemption 'is consistent with existing [First Amendment] case law'" (alteration in original))); *Mattel II*, 28 F. Supp. 2d at 1155.

n150. *Mattel III*, 296 F.3d at 906 (quoting *Hoffman*, 255 F.3d at 1185).

n151. *Id.*

n152. 15 U.S.C. § 1125(c)(3)(A) (2006) ("Any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person's own goods or services, including use in connection with ... (ii) ... parodying ... the famous mark owner or the goods or services of the famous mark owner."); 152 Cong. Rec. 19,238 (2006) (statement of Rep. Smith) ("Finally, amendments developed by the subcommittee and the other body will more clearly protect traditional first amendment [sic] uses, such as parody and criticism. These amendments provide balance to the law by strengthening traditional fair-use defenses.").

n153. Duncan, *supra* note 90, at 240-41.

n154. 15 U.S.C. § 1125(c)(3)(A).

n155. Simply because a use of a mark as a source identifier is "in commerce" does not mean that the use is "commercial." See H.R. Rep. No. 104-374, at 8 (1995).

n156. Patrick D. Curran, Diluting the Commercial Speech Doctrine: "Noncommercial Use" and the Federal Trademark Dilution Act, 71 U. Chi. L. Rev. 1077, 1082-87 (2004).

n157. *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC* (Louis Vuitton II), 507 F.3d 252, 269 (4th Cir. 2007).

n158. 950 F. Supp. 783 (S.D. Tex. 1996).

n159. *Id.* at 799.

n160. *Anheuser-Busch, Inc. v. Balducci Publ'ns*, 28 F.3d 769, 777 (8th Cir. 1994) (noting that survey results showed people thought negatively of the plaintiff's mark as a result of the defendant's parodic use).

n161. 280 F. Supp. 2d 413 (W.D. Pa. 2003).

n162. *Id.* at 420.

n163. *Id.* at 441 (citing *Jordache Enters., Inc. v. Hogg Wyld, Ltd.*, 828 F.2d 1482 (10th Cir. 1987)).

n164. *Id.*

n165. No. 00 Civ. 158(GBD), 2003 WL 22383387 (S.D.N.Y. Oct. 16, 2003).

n166. *Id.* at 8.

n167. *Id.*

n168. *Duncan*, *supra* note 90, at 243.

n169. *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC* (Louis Vuitton II), 507 F.3d 252, 267 (4th Cir. 2007) (emphasis in original).

n170. *Id.*

n171. *Id.*

n172. 28 F.3d 769 (8th Cir. 1994).

n173. *Id.* at 772.

n174. *Id.*

n175. *Id.* at 777.

n176. See, e.g., *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 33 (1st Cir. 1987) ("If the anti-dilution statute were construed as permitting a trademark owner to enjoin the use of his mark in a noncommercial context found to be negative or offensive, then a corporation could shield itself from criticism by forbidding the use of its name in commentaries critical of its conduct."); see also Restatement (Third) of Unfair Competition § 25(2) cmt. i (1995) (explaining that expanding nontrademark dilution to cover nontrademark uses implicates free speech concerns and is better addressed by other causes of action).

n177. *Elvis Presley Enters., Inc. v. Capece* (Elvis Presley I), 950 F. Supp. 783 (S.D. Tex. 1996).

n178. *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC* (Louis Vuitton II), 507 F.3d 252 (4th Cir. 2007); *Mattel Inc. v. Walking Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003); *Mattel, Inc. v. MCA Records, Inc.* (Mattel III), 296 F.3d 894 (9th Cir. 2002);

Harley-Davidson, Inc. v. Grottanelli, 164 F.3d 806 (2d Cir. 1999); Lyons P'ship v. Giannoulas (Giannoulas II), 179 F.3d 384 (5th Cir. 1999); Elvis Presley Enters., Inc. v. Capece (Elvis Presley II), 141 F.3d 188 (5th Cir. 1998); Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc. (Dr. Seuss II), 109 F.3d 1394 (9th Cir. 1997); Cardtoons, L.C. v. Major League Baseball Players Ass'n, 95 F.3d 959 (10th Cir. 1996); Anheuser-Busch, Inc., 28 F.3d 769; CCA & B, LLC v. F + W Media Inc., 819 F. Supp. 2d 1310 (N.D. Ga. 2011); Protectmarriage.com v. Courage Campaign, 680 F. Supp. 2d 1225 (E.D. Cal. 2010); Burck v. Mars, Inc., 571 F. Supp. 2d 446 (S.D.N.Y. 2008); Burnett v. Twentieth Century Fox Film Corp., 491 F. Supp. 2d 962, 967-69 (C.D. Cal. 2007) (finding the work could be reasonably perceived as a parody and then holding use was fair); Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC (Louis Vuitton I), 464 F. Supp. 2d 495 (E.D. Va. 2006); Mastercard Int'l Inc. v. Nader 2000 Primary Comm., Inc., No. 00 Civ.6068(GBD), 2004 WL 434404 (S.D.N.Y. Mar. 8, 2004); World Wrestling Fed'n Entm't, Inc. (WWE) v. Big Dog Holdings, Inc., 280 F. Supp. 2d 413 (W.D. Pa. 2003); Kane v. Comedy Partners, No. 00 Civ. 158(GBD), 2003 WL 22383387 (S.D.N.Y. Oct. 16, 2003); N.Y. Stock Exch., Inc. v. Gahary, 196 F. Supp. 2d 401 (S.D.N.Y. 2002); Charles Atlas, Ltd. v. DC Comics, Inc., 112 F. Supp. 2d 330 (S.D.N.Y. 2000); Lyons P'ship v. Giannoulas (Giannoulas I), 14 F. Supp. 2d 947 (N.D. Tex. 1998); Mattel, Inc. v. MCA Records, Inc. (Mattel II), 28 F. Supp. 2d 1120 (C.D. Cal. 1998); Mattel, Inc. v. MCA Records, Inc. (Mattel I), No. CV 97-6791 WMB, 1998 WL 422641 (C.D. Cal. Feb. 18, 1998); Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc. (Dr. Seuss I), 924 F. Supp. 1559 (S.D. Cal. 1996); Elvis Presley I, 950 F. Supp. 783; Schieffelin & Co. v. Jack Co. of Boca, Inc., 850 F. Supp. 232 (S.D.N.Y. 1994).

n179. Mattel III, 296 F.3d at 901-02 (discussing parody and citing Campbell in its First Amendment analysis under the Rogers test, and not engaging in the confusion analysis); Grottanelli, 164 F.3d at 813; Giannoulas II, 179 F.3d at 388 (citing Campbell to define parody); Elvis Presley II, 141 F.3d at 199 (noting Campbell as relevant to the parody question in trademark law and using it to define parody); Balducci Publ'ns, 28 F.3d at 776 (citing Campbell in discussion of First Amendment principles explaining why it did not negate confusion); Protectmarriage.com, 680 F. Supp. 2d at 1228 n.3; Burck, 571 F. Supp. 2d at 455 (quoting Campbell for propositions that defendant's use must comment on the plaintiff's mark, and that a parody can shed new light on the original); N.Y. Stock Exch., 196 F. Supp. 2d at 411-12 (citing "reasonable perception" language and quoting Campbell for propositions as to First Amendment interests, and finding that a parody finding informs the trademark analysis); Charles Atlas, 112 F. Supp. 2d at 337-41 (defining parody using Campbell under the First Amendment analysis and having that inform its trademark analysis); Giannoulas I, 14 F. Supp. 2d at 953 (citing Campbell in good-faith intent portion of analysis); Mattel II, 28 F. Supp. 2d at 1134, 1142 (citing Campbell using "see also" signal for proposition that parody must focus on original, and also citing it in its discussion about how a parody can comment on associations people have with marks); Mattel I, 1998 WL 422641, at 12 (discussing Campbell and the definition of parody when analyzing the similarity of the marks in the confusion analysis); Elvis Presley I, 950 F. Supp. at 792 (quoting Campbell when defining parody when analyzing the strength of the mark).

n180. Elvis Presley II, 141 F.3d at 199 (noting that Campbell "is relevant to the treatment of parody in the trademark context"); Grottanelli, 164 F.3d at 813 ("Trademark parody must be informed by the Supreme Court's recent elucidation in the copyright context of parodies allegedly protected by the defense of fair use.").

n181. Schieffelin, 850 F. Supp. at 249 n.9 ("The Acuff-Rose decision does not impact the court's decision here, inasmuch as the interests protected under the Lanham Act are not identical to those of the copyright holder.").

n182. Protectmarriage.com, 680 F. Supp. 2d at 1228 n.3 ("In this regard, the Lanham Act is unlike the Copyright Act. The Copyright Act includes a specific statutory provision defining "fair use" as non-infringing, 17 U.S.C. § 107, and this statutory provision protects parody." (citing Campbell v. Acuff-Rose Music, 510 U.S. 569 (1994))).

n183. *Louis Vuitton II*, 507 F.3d at 269 ("Finally, LVM argues that the district court erred in finding that Haute Diggity Dog's use of the 'CV' and the background design was a fair use of LVM's copyrighted Multicolor design. Because LVM attempts to use a copyright claim to pursue what is at its core a trademark and trade dress infringement claim, application of the fair-use factors under the Copyright Act to these facts is awkward." (citing 17 U.S.C. § 107; *Campbell*, 510 U.S. at 577)).

n184. See, e.g., *Elvis Presley II*, 141 F.3d at 199; see also *supra* Tables 1 & 2 (including cases that cite *Campbell* but do not involve a copyright claim).

n185. E.g., *Schieffelin*, 850 F. Supp. at 249 n.9 (disclaiming reliance on *Campbell*).

n186. *World Wrestling Fed'n Entm't, Inc. (WWE) v. Big Dog Holdings, Inc.*, 280 F. Supp. 2d 413, 430 (W.D. Pa. 2003); *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc. (Dr. Seuss II)*, 109 F.3d 1394, 1400-01, 1405 (9th Cir. 1997) (finding a parody did not exist in the copyright realm, not examining parody in depth in the trademark analysis, and concluding the defendant infringed the plaintiff's mark); *Kane v. Comedy Partners*, No. 00 Civ. 158(GBD), 2003 WL 22383387, at 3-8 (S.D.N.Y. Oct. 16, 2003); *Lyons P'ship v. Giannoulas (Giannoulas I)*, 14 F. Supp. 2d 947, 952, 954-55 (N.D. Tex. 1998), *aff'd*, 179 F.3d 384, 388 (5th Cir. 1999). In *Kane*, the court spent a considerable amount of time analyzing whether the copyrighted work at issue parodied the underlying work - a clip from the plaintiff's show where she is dancing and singing the song, "I Love Dick." 2003 WL 22383387, at 2. Then, in its assessment of the Lanham Act claim for the mark "The Sandy Kane Comedy T.V. Show," which was displayed on the video, the court determined "clearly that someone else's work is being displayed and ridiculed." *Id.* at 8. At least one other court has analyzed parody using what it saw as different standards in copyright and trademark. *CCA & B, LLC v. F + W Media Inc.*, 819 F. Supp. 2d 1310 (N.D. Ga. 2011).

n187. 924 F. Supp. 1559 (S.D. Cal. 1996), *aff'd*, 109 F.3d 1394 (9th Cir. 1997).

n188. *Id.* at 1561.

n189. *Id.* at 1570.

n190. *Id.* ("The fact of copying, admitted in any parody case, is itself evidence of the strength of the marks.").

n191. *Id.* at 1570-71 (noting that the defendant's book had a subtitle of "A Parody" and the author's name as "Dr. Juice").

n192. *Id.* at 1571 (noting intent to parody does not weigh against the defendant and that "the prominent labeling of the work as 'A Parody,' and the disclaimer sticker on the back indicate that this factor should weigh in favor of Penguin").

n193. *Id.* at 1562.

n194. F.3d 1394 (9th Cir. 1997).

n195. *Elvis Presley Enters., Inc. v. Capece (Elvis Presley II)*, 950 F. Supp. 783 (S.D. Tex. 1996).

n196. *Id.*

n197. *Harley-Davidson, Inc. v. Grottanelli*, 164 F.3d 806, 812-13 (2d Cir. 1999); *Elvis Presley II*, 141 F.3d 188; *Schieffelin & Co. v. Jack Co. of Boca, Inc.*, 850 F. Supp. 232 (S.D.N.Y. 1994).

n198. 850 F. Supp. 232.

n199. *Id.* at 235.

n200. *Id.*

n201. *Id.* at 253.

n202. See *Polaroid Corp. v. Polaroid Elects. Corp.*, 287 F.2d 492 (2d Cir. 1961), cert. denied, 368 U.S. 820 (1961) (listing eight factors to help assess the likelihood of confusion).

n203. *Schieffelin*, 850 F. Supp. at 247-48 ("Although resolution of the issue of parody implicates other factors in the Polaroid test, most particularly the similarity of the marks and the existence of actual confusion, the court will address those issues here.").

n204. *Id.* at 248.

n205. *Id.*

n206. See *id.* at 243-44.

n207. 507 F.3d 252, 261 (4th Cir. 2007) ("While it is true that finding a mark to be strong and famous usually favors the plaintiff in a trademark infringement case, the opposite may be true when a legitimate claim of parody is involved.").

n208. *Schieffelin*, 850 F. Supp. at 242-44.

n209. *Id.* at 244-45.

n210. Id. at 245.

n211. Id. at 250. The court found this factor "neutral" because popcorn did not compete with champagne.

n212. Id. In this factor, the court still found it weighed in favor of the defendants.

n213. Id. at 249 n.9 (citing *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema*, 604 F.2d 200, 205-06, n.9 (2d Cir. 1979)).

n214. Id.

n215. 164 F.3d 806 (2d Cir. 1999).

n216. 141 F.3d 188, 192 (5th Cir. 1998).

n217. 164 F.3d at 809.

n218. 141 F.3d at 194.

n219. Id. at 200 (noting that "the district court made determinations on five of the seven digits of confusion which either ignored relevant advertising evidence or relied upon the Defendants' parody of the sixties lounge scene. These errors have permeated the district court's findings of fact on the likelihood of confusion and on each of those digits of confusion.").

n220. Grottanelli, 164 F.3d at 812-13.

n221. *Id.* at 813.

n222. *Id.* (citation omitted).

n223. *Id.* ("Grottanelli's mark makes no comment on Harley's mark; it simply uses it somewhat humorously to promote his own products and services, which is not a permitted trademark parody use.").

n224. *Elvis Presley II*, 141 F.3d at 199 (citing *Anheuser-Busch, Inc. v. Balducci Publ'ns*, 28 F.3d 769, 776 (8th Cir. 1994); 6 McCarthy, *supra* note 17, § 31:153; Myers, *supra* note 17, at 181).

n225. *Id.* at 199-200 ("[A] parody of a mark needs to mimic the original mark and from this necessity arises the justification for mimicry, but this necessity wanes when the original mark is not the target of parody.").

n226. Others have explored these differences too. See Jaroff, *supra* note 17, at 664-66.

n227. 15 U.S.C. § 1052(e)(1) (2006) (stating that one cannot register a mark that is "merely descriptive or deceptively misdescriptive" of the goods to which it is affixed).

n228. 2 McCarthy, *supra* note 17, § 12:1 ("[A] generic name of a product can never function as a trademark to indicate origin." (citing Restatement (Third) of Unfair Competition § 15, cmt. a (1995))).

n229. David A. Simon, Register Trademarks and Keep the Faith, 49 IDEA 233, 247 (2009) ("Trademarks can also become generic by losing their source-identification value if used too often in inconsistent ways, or in ways that rob them of their source-identifying function.").

n230. Other limitations include things like marks that are functional. 15 U.S.C. § 1115(b)(8) (listing functionality as a defense to an incontestable mark).

n231. See, e.g., Harper & Row Publishers, Inc. v. Nation Enters., 471 U.S. 539, 566 (1985) ("This last factor [effect on the market] is undoubtedly the single most important element of fair use.").

n232. Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 591 (1994) ("But when, on the contrary, the second use is transformative, market substitution is at least less certain, and market harm may not be so readily inferred. Indeed, as to parody pure and simple, it is more likely that the new work will not affect the market for the original in a way cognizable under this factor, that is, by acting as a substitute for it ('superseding [its] objects').").

n233. The Court remanded on the question of whether the defendant took more of the music than necessary. *Id.* at 589.

n234. For a recent exploration of confusion and its overgrowth in trademark law, see William McGeeveran & Mark McKenna, Confusion Isn't Everything, __Notre Dame L. Rev.__ (forthcoming 2013).

n235. U.S. Const. art. I, § 8, cl. 8 ("The Congress shall have 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 ...").

n236. See U.S. Const. art. I, § 8, cl. 3 ("The Congress shall have power ... to regulate commerce with foreign nations, and among the several states, and with the Indian tribes ..."); The Trade-Mark Cases, 100 U.S. 82, 93-94 (1879) (holding that Article I, Section 8, Clause 8 of the U.S. Constitution did not provide a basis for federal trademark law).

n237. See, e.g., Religious Land Use and Institutionalized Persons Act of 2000 (RLUIPA), 42 U.S.C. § 2000cc to -5 (2006); Federal Arbitration Act (FAA), 9 U.S.C. §§1-16 (2006).

n238. Hannibal Travis, *The Battle for Mindshare: The Emerging Consensus that the First Amendment Protects Corporate Criticism and Parody on the Internet*, 10 Va. J.L. & Tech. 3, 11 (2010). The Constitution was adopted on September 17, 1787. U.S. Const. And it wasn't until 1870 - eighty years after Congress enacted the first Copyright Act - that Congress enacted the first Federal Trademark Law. Compare Copyright Act of 1790, 1 Stat. 124, May 31, 1790, available at <http://www.copyright.gov/history/1790act.pdf>, with Trademark Act of 1870, ch. 230, 16 Stat. 198 (held unconstitutional by *The Trade-Mark Cases*, 100 U.S. 82). It's interesting to note that Congress enacted the first Copyright Act on May 30, 1790, and the Constitution was ratified by Rhode Island on May 29, 1790. Further still, the Bill of Rights was not ratified until December 15, 1791. U.S. Const. amend. I-X, pmbl.

n239. *Golan v. Gonzales*, 501 F.3d 1179, 1187-97 (10th Cir. 2007) (finding that Congressional action that alters the traditional contours of copyright protection should be analyzed under the First Amendment), remanded to 611 F. Supp. 2d 1165 (D. Colo. 2009) (holding that URAA violated the intermediate scrutiny standard to which content neutral regulations are subjected), rev'd sub nom. *Golan v. Holder*, 609 F.3d 1076 (10th Cir. 2010), aff'd, ___U.S.___, 132 S. Ct. 873 (2012).

n240. *Golan*, 132 S. Ct. at 885-91 (holding that the URAA's restoration to copyright works in the public domain did not alter the traditional contours of copyright protection because it left in place the idea/expression dichotomy and the fair use defense, and holding that Congress has the power to remove works from the public domain to comply with foreign obligations).

n241. Dilution occurs where the use weakens ("blurring") or makes unwholesome ("tarnishment") the consumer's association between the mark and goods to which it is affixed by the owner. Compare 15 U.S.C. § 1125(c)(2)(B) (2006) (describing dilution by blurring), with id. § 1125(c)(2)(C) (describing dilution by tarnishment); see also *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 419 (2003) (explaining dilution by blurring and by tarnishment).

n242. Copyrights provide the owner with six rights - reproduction, preparation of derivative works, distribution of copies, public performance, public display, public transmission (for sound recordings) - which essentially allow the owner to control where and how a work appears, and any adaptations of the work. 17 U.S.C. § 106 (2006).

n243. 15 U.S.C. § 1125(a); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 769 (1992) (stating that "liability under § 43(a) requires proof of the likelihood of confusion").

n244. Mark Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 Yale L.J. 1687, 1696 (1999) (noting that, as a result of trademark properization, we require more trademark licensing, which "is expensive. The more we properize, the more transaction costs we impose on everyone."); McGeveran, *supra* note 68, at 61-64 (explaining the risks for artists and small businesses in using trademarks and how they avoid using them altogether to avoid liability, and also noting the increased costs to using trademarks, such as rights clearances).

n245. E.g., McGeveran, *supra* note 68, at 62-64.

n246. See, e.g., *Menezes v. Holt*, 128 U.S. 514, 523 (1888) ("The intentional use of another's trade-mark is a fraud."); *Taylor v. Carpenter*, 23 F. Cas. 742, 744 (C.C.D. Mass. 1844) (Story, J.) (holding that the defendant violated the plaintiff's trademark rights on black spools "in imitating and using any of the labels and spools, with a view to deceive the public"); *Southern v. How*, Popham 143, 79 Eng. Rep. 1243 (K.B. 1618); see also Sidney A. Diamond, *The Historical Development of Trademarks*, 65 Trademark Rep. 265, 287-88 (1975) ("The beginning of legal protection for trademarks as such generally is traced to a 1783 dictum in an English case, [*Singleton v. Bolton*, 3 Doug 293 (1783),] stating that an action for damages would lie based upon fraud."); Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 Harv. L. Rev. 813, 819 (1927) ("The protection of trademarks originated as a police measure to prevent 'the grievous deceit of the people' by the sale of defective goods, and to safeguard the collective good will and monopoly of the guild."); Frank Schechter, *The Historical Foundations of Law Relating to Trade-Marks* 4-6 (1925) (quoting Pollock on Torts 312-13 (12 ed. 1923) and other sources, including courts, to illustrate that trademarks were used to prevent fraud, and that, although disagreement existed, court decisions "tended to insist upon deception of the public as not merely a test of a violation of a trade-mark right but as the basis of relief against such violation ..."). Others have argued, however, that deceit was not the only interest trademark law sought to protect. See generally Mark McKenna, *The Normative Foundations of Trademark Law*, 82 Notre Dame L. Rev. 1839 (2007) (arguing that trademark law originally grew out of a desire to protect producers' interests, such as diversions of trade). Currently, at least, trademark can be said to have roughly three interests it seeks to promote: those of consumers, trademark holders, and competition.

n247. Schechter, *supra* note 246, at 822-30 (arguing that trademark protection should be broad in scope, should protect her rights beyond merely confusion as to anonymous source, and should include protection for use of trademark on nonrelated goods); *id.* at 831 (arguing that the "uniqueness or singularity [of a mark] is vitiated or impaired by its use upon either related or non-related goods[,] and that its uniqueness and 'degree of [the marks] protection depends ... upon the extent to which, through the efforts or ingenuity of its owner, it is actually unique and different from other marks").

n248. The Supreme Court in *KP Permanent* held that the fair use defense did not require the defendant to disprove confusion, and that the defense applied even when some confusion exists. *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 121-22 (2004) ("Since the burden of proving likelihood of confusion rests with the plaintiff, and the fair use defendant has no free-standing need to show confusion unlikely, it follows (contrary to the Court of Appeals's view) that some possibility of consumer confusion must be compatible with fair use, and so it is.").

n249. 15 U.S.C. § 1115(b)(4) (2006).

n250. See *id.* § 1115(b)(1)-(9).

n251. Only certain kinds of words can be trademarked (arbitrary marks, fanciful marks, and descriptive marks that have acquired secondary meaning). *E.g.*, *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9-11 (2d Cir. 1975) (explaining the difference between arbitrary, fanciful, and descriptive marks). In fact, the Lanham Act bars some marks entirely from protection ("scandalous" or "disparaging" marks cannot be gain protection under U.S. law). 15 U.S.C. § 1052(a) (preventing registration of words or phrases on the principle register if they "consist[] of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute"). Beyond that, trademark law can regulate uses only insofar as the commerce clause allows (it protects only trademarks used "in commerce") - and sometimes requires a particular kind of use in commerce (use "as a trademark," *i.e.*, used to identify the source of a product). 1 McCarthy, *supra* note 17, § 3:3. Even regulatable uses are subject to limitations: traditional infringement claims rely on a showing of likelihood of confusion; dilution claims require famous mark, near identity between the marks at issue, and a similar standard (likelihood of dilution). 15 U.S.C. § 1125(c). Finally, trademark law also has its own set of speech-sensitive defenses, including fair use, *id.* § 1115(b)(4), abandonment, *id.* § 1115(b)(2), and some protection for news reporting, commentary, and parody. *E.g.*, *id.* § 1125(c)(3) (providing exclusions from dilution).

n252. For those well-versed in copyright, trotting these out is rote: the idea/expression dichotomy (ideas aren't copyrightable, only expressions of ideas are copyrightable), 17 U.S.C. § 102(a) (2006), the inability to copyright facts (facts about the world are free for all, *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 344 (1991), unless they are originally arranged, *id.*, or are facts about fictional works, *e.g.*, *Castle Rock Entm't, Inc. v. Carol Publ'g Group, Inc.*, 150 F.3d 132, 138-39 (2d Cir. 1998)); the originality requirement (a phonebook cannot be copyrighted, unless it's cleverly arranged, *Feist*, 499 U.S. at 345); and, of course, fair use (whatever is not covered by these other doctrines should fall within this catch-all defense). 17 U.S.C. § 107.

n253. See *Simon*, *supra* note 18, at 837-44.

n254. *Id.* at 848.

n255. 15 U.S.C. § 1125(a)(1) (providing a cause of action for infringement when "any person who, on or in connection with any goods or services, or any container for goods, uses in commerce" a mark in a way likely to cause confusion or deceive as to sponsorship or endorsement (emphasis added)); *id.* § 1125(c) (providing a cause of action for dilution when a person "commences use of a [famous] mark or trade name in commerce" that is likely to cause blurring or tarnishment).

n256. *Id.* § 1127 (defining "use in commerce" as "bona fide use of a mark in the ordinary course of trade, and not merely to reserve a right in a mark").

n257. 1 McCarthy, *supra* note 17, § 3:3.

n258. See Mark Lemley & Mark McKenna, Irrelevant Confusion, 62 Stan. L. Rev. 413, 416-22 (2010) (collecting cases of dubious claims of trademark infringement, including Caterpillar's claim that "use of Caterpillar tractors in the movie [Tarzan] to bulldoze the forest would cause consumers to think Caterpillar was actually anti-environment...."). See Caterpillar Inc. v. Walt Disney Co., 287 F. Supp. 2d 913 (C.D. Ill. 2003) (finding use of the Caterpillar trademark did not give rise to liability because it did not suggest Caterpillar sponsored or endorsed the movie or its message).

n259. Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 604 F.2d 200 (2d Cir. 1979).

n260. See, e.g., *id.* The Second Circuit at various points expressed disdain for the film, which colored its analysis of the infringement and dilution claims. The court, for example, described the film, ""Debbie Does Dallas," [as] a gross and revolting sex film whose plot, to the extent that there is one, involves a cheerleader at a fictional high school, Debbie, who has been selected to become a "Texas Cowgirl." *Id.* at 202. It goes on to state that "the movie consists largely of a series of scenes graphically depicting the sexual escapades of the "actors." *Id.* at 203.

n261. Indeed, the plaintiff won in Dallas Cowboys. *Id.* at 204-05 (upholding a preliminary injunction on the grounds that consumers would likely be confused as to the source of the Dallas Cowboys cheerleader uniform, which the court found to be a protectable mark).

n262. McGeveran, *supra* note 68, at 78-81 (explaining that "the ultimate question posed by the trademark use doctrine asks if a particular use invites an interpretation as a source identifier. The most straightforward basis to determine whether an expressive use carries source-identifying significance is to ask whether those who come into contact with it perceive it that way.").

n263. Cf. Peter Jaszi, On the Author Effect: Contemporary Copyright and Collective Creativity, in *The Construction of Authorship* 29, 47-48 (Martha Woodmansee & Peter Jaszi eds., 1994) (arguing that requiring parody to target the original work in copyright forces the law to "acknowledge[] [parody's] subordinate position in the hierarchy of works, and, by extension, the subordinate position of its creator in the hierarchy of "authors.' This ...operates to discourage artists whose methods entail reworking preexisting materials, while rewarding those whose dedication to "originality' qualifies them as true "authors' in the Romantic sense.").

n264. E.g., Checkpoint Sys., Inc. v. Check Point Software Tech., Inc., 269 F.3d 270, 294-95 (3d Cir. 2001) (recognizing initial interest confusion as "probative of a Lanham Act violation").

n265. E.g., *Gen. Motors Corp. v. Urban Gorilla, LLC*, 500 F.3d 1222, 1227 (10th Cir. 2007) (finding post-sale confusion "relevant to the trade dress infringement inquiry" where defendants sold "body kits," which were body-tops that could be affixed to the chassis of a truck to make it look like a Hummer).

n266. 15 U.S.C. § 1125(c)(2)(B) (2006).

n267. *Id.* § 1125(c)(2)(C).

n268. *Id.* § 1125(a)(3); *Wal-Mart Stores, Inc. v. Samara Bros. Inc.*, 529 U.S. 205, 209, 213-14 (2000) (noting that "marks registrable under § 2 [of the Lanham Act] ... has been held to embrace ... 'trade dress' - a category that originally included only the packaging, or 'dressing,' of a product, but in recent years has been expanded by many Courts of Appeals to encompass the design of a product," and holding trade dress protection for product designs that have acquired distinctiveness).

n269. 15 U.S.C. § 1125(d) (creating a cause of action for registering in bad faith or trafficking in domain names confusingly similar to existing trademarks).

n270. E.g., *Boston Prof'l Hockey Ass'n v. Dallas Cap & Emblem Mfg.*, 510 F.2d 1004, 1008, 1012 (5th Cir. 1975) (holding owner of Toronto Maple Leaves trademark could sustain a trademark infringement action based solely on the use of the mark on a product, regardless of confusion as to source).

n271. *Dinwoodie*, *supra* note 90, at 114 (noting that nonfamous marks may actually be more susceptible to dilution than famous marks).

n272. *Lemley*, *supra* note 244, at 1698-99 (observing that dilution now seemingly includes nonfamous and nonidentical marks).

n273. *Anheuser-Busch, Inc. v. Balducci Publ'ns*, 28 F.3d 769, 772-73 (8th Cir. 1994).

n274. *Mutual of Omaha Ins. Co. v. Novak*, 836 F.2d 397, 400 (8th Cir. 1987) (finding evidence of confusion based on survey where 10% of those surveyed agreed that Mutual of Omaha "goes along" with Novak's product); *James Burrough, Ltd. v. Sign of Beefeater, Inc.*, 540 F.2d 266, 278-79 (7th Cir. 1976) (finding significant for confusion a survey showing 15% of those surveyed "referred to Beefeater liquor" when shown the defendant's restaurant sign with the word Beefeater).

n275. *Humble Oil & Ref. Co. v. Am. Oil Co.*, 405 F.2d 803, 817 (8th Cir. 1969) (finding 11% confusion "not an insignificant percentage").

n276. *Quality Inns Int'l v. McDonald's Corp.*, 695 F. Supp. 198, 219 (D. Md. 1988) (finding 16.3% confusion "is an appreciable number that cannot be dismissed").

n277. *Dogan & Lemley*, *supra* note 10, at 10-11.

n278. See Dreyfuss, *supra* note 68, at 274-76; Leah Chan Grinvald, *Shaming Trademark Bullies*, 2011 *Wis. L. Rev.* 625, 632-41 (explaining how trademark rights have expanded); Lemley & McKenna, *supra* note 258 (criticizing trademark's expansion, which made actionable uses that are likely to confuse as to sponsorship or affiliation); McGeeveran & McKenna, *supra* note 234 (describing how and why the concept of confusion has grown with somewhat distant regard for the underlying harm for which confusion is supposed to serve as a proxy). See generally Dinwoodie, *supra* note 271; Lemley, *supra* note 244.

n279. See *Qualitex Co. v. Jacobson Prods. Co., Inc.*, 514 U.S. 159, 166 (1995) (holding that color of dry-cleaning press pads could serve as a trademark).

n280. See, e.g., *Trademark Reg. No. 916522, Serial No. 72349496* (3-note NBC Chime sound mark).

n281. See *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 763 (1992) (holding that building's layout and theme could qualify as trade dress by showing inherent distinctiveness); *White Tower Sys. v. White Castle Sys. of Eating Houses Corp.*, 90 F.2d 67, 69 (6th Cir. 1937) (finding that unfair competition law provided protection to the plaintiff's style of building); Andrew T. Spence, Note, *When a Landmark*

Cannot Serve as a Trademark: Trademark Protection for Building Designs in Light of Rock and Roll Hall of Fame and Museum, Inc. v. Gentile Productions, 2 Wash. U. J.L. & Pol'y 517 (2000).

n282. E.g., N.Y. Exch. v. N.Y., N.Y. Hotel, LLC, 293 F.3d 550, 557 (2d Cir. 2002) (finding that "NYSE's mark consisting of its architectural facade and name is inherently distinctive").

n283. Lemley, *supra* note 244, at 1713.

n284. See Grinvald, *supra* note 278, at 643-51 (arguing that large corporations are engaged in trademark "bullying," where they use their size and power to prevent (often legal) uses of their marks by smaller businesses); Lemley & McKenna, *supra* note 258, at 420 ("Whatever fraction of the total universe of trademark cases these cases constitute, there are enough of them that recipients of cease and desist letters from mark owners have to take the objections seriously."); McGeeveran, *supra* note 68, at 62-64.

n285. But see 15 U.S.C. § 1115(b)(4) (2006) (fair use defense); KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc., 543 U.S. 111 (2004).

n286. Grinvald, *supra* note 278, at 654-57.

n287. Dinwoodie, *supra* note 271.

n288. Lisa P. Ramsey, Increasing First Amendment Scrutiny of Trademark Law (Univ. of San Diego Sch. of Law, Research Paper No. 08-075, 2008), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1273944.

n289. McGeeveran, *supra* note 68.

n290. 543 U.S. 111 (2004).

n291. See *supra* note 17; *infra* Part III.

n292. See *supra* Part I.

n293. See Ramsey, *supra* note 288.

n294. See *supra* notes 262-65.

n295. 543 U.S. 111, 119 (2004).

n296. Dinwoodie, *supra* note 271, at 134 (arguing that KP Permanent is important because "it shows that even where the harm that the *prima facie* cause of action seeks to prevent may be implicated, other concerns - for example, competition, or perhaps the protection of free speech - might warrant, on balance, that we live with some minor harm to the trademark owner in order to preserve those other values. That is a real defense.").

n297. Ramsey has argued that the burden of proof in First Amendment cases shouldn't be on the user but instead on the trademark owner, who must show that the speech is unprotected. Ramsey, *supra* note 288, at 421 ("Moreover, the burden of proof on the misleading or commercial nature of the speech should remain with the trademark holder or the government. In some cases, the court has erroneously stated that the burden of proof was on the defendant when it raised a First Amendment challenge, probably because the First Amendment was listed as an "affirmative defense."").

n298. See, e.g., Michael J. Perry, Freedom of Expression: An Essay on Theory and Doctrine, 78 Nw. U. L. Rev. 1137, 1146 (1983) (stating that "the principle of freedom of expression ... forbids presumptively, not absolutely... . If the principle is to be a strong one - and few would deny that it should be - only a strong justification for governmental interference can be acceptable. So, government may not interfere with information or ideas useful in evaluating public policy or performance unless it has a strong justification for doing so.").

n299. Ramsey, *supra* note 288, at 421.

n300. *Id.* at 448 ("Courts must first attempt to resolve any conflict between trademark law and the First Amendment by interpreting trademark claims narrowly and trademark defenses broadly in ways that protect expression.").

n301. Lemley, *supra* note 244, at 1696.

n302. Langvardt, *supra* note 11, at 93 ("Some courts in trademark parody cases have adopted a rather loose view of what constitutes likelihood of confusion, often because the courts' distaste for the defendant's parody."); see also Ann Bartow, *Likelihood of Confusion*, 41 *San Diego L. Rev.* 721, 812 (2004) ("When courts find parodies, satire, and other nonpermissive uses of trademarks objectionable for content-based reasons, they are very likely to find either trademark infringement, trademark dilution, or sometimes both. Courts have energetically enjoined unauthorized commercial uses or invocations of trademarks which include sex and drug references, and anything found to be 'unwholesome.'"); Dreyfuss, *supra* note 68, at 293 ("My examination of the current crop of cases disclosed another revealing factor. Judges who are attracted to arguments grounded in expressive concerns tend to be colorful writers. They characterize disputes as fights between Davids and Goliaths; they make reference to Umberto Eco, Samuel Johnson, Chaucer, Shakespeare, Pope, Voltaire, Fielding, Hemingway, and Faulkner. No one ever accused Alex Kozinski - the self-styled judge of the 'Court of Appeals for the Hollywood Circuit' - of writing turgid prose. In contrast, it is clear from the way certain judges write that they just don't get it - that they are not gripped by language and remain unworried by trademark holders' assault on the arsenal guarding 'the vibrancy of our culture.' I wonder, too, about their sense of humor."). A similar phenomenon has been documented in copyright. See, e.g., Rebecca Tushnet, *My Fair Ladies: Sex, Gender, and Fair Use in Copyright*, 15 *Am. U. J. Gender Soc. Pol'y & L.* 273 (2007).

n303. Lemley, *supra* note 244, at 1714.

n304. Dreyfuss, *supra* note 68, at 285 ("Intellectual property is not, however, about preventing free rides. If free riding were always actionable, we could not, for example, enjoy a neighbor's garden or learn from a colleague's teaching technique. One merchant could not benefit from the interest a rival generates for a product category. Intellectual property law is aimed at preventing more particularized kinds of harm. Thus, evidence that does no more than demonstrate that an economic benefit was derived from a use, such as a parodic use, of a mark should not suffice to establish trademark infringement.").

n305. 109 F.3d 1394 (9th Cir. 1997).

n306. *Id.* at 1403-05.

n307. *Harley-Davidson, Inc. v. Grottanelli*, 164 F.3d 806, 810-12 (2d Cir. 1999).

n308. See, e.g., *Shonac Corp. v. AMKO Int'l Inc.*, 763 F. Supp. 919, 933-34 (S.D. Ohio 1991). "Competition," though, could and was read more broadly than mere market competition, but also "competition for reputation and status." Randolph Stuart Sergeant, *Building Reputational Capital: The Right of Attribution Under Section 43 of the Lanham Act*, 19 Colum.-VLA J.L. & Arts 45, 53 (1995).

n309. See McGeeveran, *supra* note 68, at 71-72 ("The multifactor [likelihood of confusion] test was designed for use in the paradigmatic trademark dispute where the need to accommodate speech interests does not arise. If two merchants want to use similar identifiers for their products, both litigants' interests are primarily commercial rather than expressive, and neither one of them adds much additional speech to public discourse. Furthermore, both merchants' interests align with certain public interests in efficient markets: guarding against confusion and allowing the best or most informative brand names.").

n310. Lemley & McKenna, *supra* note 258, at 423.

n311. Other approaches have tried to make space for parody by increasing the plaintiff's burden of proof when the parody was of a commercial nature. See, e.g., Langvardt, *supra* note 11, at 93 (arguing that, in the case of commercial parody, courts should have a "disinclination to find confusion unless the evidence demonstrates a realistic probability of confusion, not merely some possibility of confusion" (emphasis in original)).

n312. See *N.Y. Times v. Sullivan*, 376 U.S. 254 (1964); 3 Rodney A. Smolla & David Nimmer, *Smolla & Nimmer on Freedom of Speech* § 23:1 (2011) ("It is worth noting that while the *New York Times* decision dealt largely with the fault standards that apply to defamation law, in its aftermath courts have frequently held that other common-law or statutory defamation doctrines may also reflect First Amendment values, and may indeed come to be understood as required by First Amendment principles."); David A. Elder, *Defamation: A Lawyer's Guide* § 1:9 (2011) ("At common law defamation per se (whether libel or slander) created a presumption of malice, a subterfuge for strict liability. This presumption has been displaced where First Amendment fault requirements for public persons or private persons as to matters of public concern apply but is probably still operational in the purely private-non public concern arena." (footnotes omitted)).

n313. *Mattel, Inc. v. MCA, Inc. (Mattel III)*, 296 F.3d 894 (9th Cir. 2002).

n314. *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003).

n315. *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC (Louis Vuitton II)*, 507 F.3d 252, 258 (4th Cir. 2007).

n316. 15 U.S.C. § 1125(c)(3)(C) (2006).

n317. Both opponents and supporters recognized dilution as a form of property interest. Compare 151 Cong. Rec. 6937 (2005) (statement of Rep. Wu) (arguing in opposition to the TDRA because "this bill will change trademark law to make it easier for large companies to sue individuals and businesses for trademark dilution, thus potentially creating rights in perpetuity for trademarks. This bill states that no actual harm will have to be proven; large companies will be able arbitrarily to file lawsuits against small businesses and private citizens."), with 152 Cong. Rec. 19,238 (2006) (statement of Rep. Smith) ("Diluting needs to be stopped at the outset. Once it occurs, the goodwill of a mark cannot be restored.").

n318. Actually, it may do just the opposite. See Dinwoodie, *supra* note 271, at 114 (noting famous marks may actually be less likely to be diluted than nonfamous ones). But, still, this seems like the prototypical case that dilution was meant to cover.

n319. *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003).

n320. *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97 (2d Cir. 2009).

n321. See, e.g., 15 U.S.C. § 1115(1)(b) (2006) (providing liability for use of counterfeit mark); 18 U.S.C. § 2320 (2006) (making it a crime to knowingly use "a counterfeit mark on or in connection with goods services"); *id.* § 2318 (making criminal trafficking in counterfeit labels, documentation, or packaging).

n322. Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, § 2, 120 Stat. 1730 (2006); H.R. Rep. No. 104-374, at 4 (1995), reprinted in 1995 U.S.C.C.A.N. 1029, 1031 ("The bill will not prohibit or threaten 'noncommercial' expression, as that term has been defined by the courts."); 151 Cong. Rec. 6936 (2005) (statement of Rep. Berman) ("While not universally supported, this bill has now garnered the support of the ACLU for accommodating its first amendment concerns. In section 2(c)(3), the bill addresses the balance between the rights of trademark holders and the first amendment by providing an exemption for purposes of identifying and parodying, criticizing or commenting on the famous mark. The trade groups representing intellectual property owners, AIPLA, INTA and IPO, have all endorsed this bill."); 152 Cong. Rec. 19,238 (2006) (statement of Rep. Sensenbrenner) (noting that the proposed amendment to the FTDA, among other things, "creates a free-speech exclusion for noncommercial use of a mark"); 152 Cong. Rec. 2942 (2006) (statement of Sen. Leahy) ("Furthermore, Senator Hatch and I were successful in including language that definitively shelters important constitutionally protected first amendment freedoms from being caught up in the liability net.").

n323. *Cent. Hudson Gas v. Pub. Serv. Comm'n of N.Y.*, 447 U.S. 557, 561 (1980).

n324. *Id.* at 561-62 ("Commercial expression not only serves the economic interest of the speaker, but also assists consumers and furthers the societal interest in the fullest possible dissemination of information.").

n325. *Bolger v. Youngs Drug Prods. Corp.*, 463 U.S. 60, 67 (1983) ("The fact that [the speaker] has an economic motivation for [the speech] ... would clearly be insufficient by itself to turn the materials into commercial speech." (citation omitted)).

n326. *Id.* at 67-68.

n327. *Cent. Hudson*, 447 U.S. at 562 n.5 (rejecting Justice Stevens's view, which "would grant broad constitutional protection to any advertising that links a product to a current public debate. But many, if not most, products may be tied to public concerns with environment, energy, economic policy, or individual health and safety.... There is no reason for providing similar constitutional protection [for statements on public issues] when such statements are made only in the context of commercial transactions.").

n328. *Bd. of Trs. of State Univ. of N.Y. v. Fox*, 492 U.S. 469, 474 (1989) (finding that the subjects included in advertisement - which included discussion of topics such as economics and home life - were not inextricably intertwined with the advertisement and therefore were commercial speech).

n329. Marvin Harris, *Patterns of Race in the Americas* (1964).

n330. Curran, *supra* note 146, at 1078, 1082-87.

n331. *Id.* at 1096-97.

n332. *Id.* at 1098-99 (noting that a previous case, *Bolger*, "recognized that messages may "constitute commercial speech notwithstanding the fact that they contain discussions of important public issues[,] [and] thus reaffirmed the notion that "advertisers should not be permitted to immunize [commercial speech] from government regulation simply by including references to public issues.'" (quoting *Bolger v. Youngs Drug Prods. Corp.*, 463 U.S. 60, 67-68 (1983) (footnote omitted)).

n333. *Id.* at 1097 ("The 'all is commercial' cases imply that commercial harm to a trademark owner is an important element in determining the scope of the FTDA's 'noncommercial use' exemption. But the Court has never taken such an approach in its commercial speech decisions. To the contrary, the Court's precedents focus on the commercial benefits accruing to the speaker, and not the commercial detriment befalling other parties, when classifying speech as 'commercial' or 'noncommercial.'" (footnotes omitted)).

n334. Ramsey, *supra* note 288, at 401.

n335. *Id.*

n336. Langvardt, *supra* note 11, at 84.

n337. *Id.* ("The second principle[] [is] that speech otherwise appearing to be noncommercial is not transformed into less protected commercial speech simply because the speaker has an economic motive ...").

n338. *Id.* at 85 ("Under the third guiding principle, if the trademark parody possesses both commercial and noncommercial characteristics, it

should be treated as a commercial parody when the commercial aspects predominate and as a noncommercial parody when the noncommercial aspects weight more heavily.").

n339. Indeed, cases like *Fox* suggest that the test for hybrid speech is functional and fact-specific: if you could make the commercial aspect of the speech without the noncommercial elements, the speech is commercial. *Bd. of Trs. of State Univ. of N.Y. v. Fox*, 492 U.S. 469, 474-75 (1989) ("Including these home economics elements no more converted AFS's presentations into educational speech, than opening sales presentations with a prayer or a Pledge of Allegiance would convert them into religious or political speech. As we said in *Bolger*, communications can "constitute commercial speech notwithstanding the fact that they contain discussions of important public issues We have made clear that advertising which 'links a product to a current public debate' is not thereby entitled to the constitutional protection afforded noncommercial speech." (quoting *Bolger v. Youngs Drug Prods. Corp.*, 463 U.S. 60, 67-68 (1983) (citation omitted)). I would counsel against such an approach as it resembles the Alternative Means Approach.

n340. 28 F.3d 769, 776 (8th Cir. 1994).

n341. *Id.* at 772.

n342. *Id.*

n343. 648 F. Supp. 905 (D. Neb. 1986).

n344. *Id.* at 907.

n345. *Id.*

n346. *Langvardt*, *supra* note 11, at 88-89 ("The defendant did not sell the shirts as a one-time endeavor. Instead, he sold reasonably large quantities of them at various locations that were typical outlets for miscellaneous goods. He also sold various other items bearing his *Mutant of Omaha* designs. The fact that the defendant had several different designs which he used on the shirts and other items is also significant: it gives the impression that, in a business sense, he had launched a whole *Mutant of Omaha* "line." Consideration of these facts leads to a

conclusion that the parody in *Mutual of Omaha* was predominantly commercial despite having a significant noncommercial component. Therefore, though the call was close, the *Mutual of Omaha* court was probably correct in finding a commercial use." (footnotes omitted)).

n347. Scholars contest whether this is actually so. Ramsey, *supra* note 288.

n348. 517 U.S. 484 (1996).

n349. Plurality opinions are those in which five or more justices agree on a particular result but not the rationale for that result. For more on plurality opinions, see James F. Spriggs II & David R. Stras, *Explaining Plurality Decisions*, 99 *Geo. L.J.* 515 (2010).

n350. 44 *Liquormart*, 517 U.S. at 485-86.

n351. The Chewy Vuiton products are just one example of this.

n352. *North Face Apparel Corp. v. Williams Pharmacy, Inc.*, No. 4:09 CV2029RWS, 2010 WL 546921 (E.D. Mo. Feb. 9, 2009) (order denying South Butt's motion to dismiss).

n353. For this example we can assume a court finds the mark famous and nearly identical.

n354. Dogan & Lemley, *supra* note 10, at 11 (arguing that tarnishment does not mean "'saying something bad about the trademark owner,' rather ... [it means] 'branding your own inferior or noxious good with the plaintiff's mark'").

n355. Although I've advocated a broad definition of parody, many dilution claims against commercial parodies will more closely resemble the *Campbell* rationale - that is, they will target the mark itself. That is not always true.

n356. See, e.g., *supra* Tables 2, 3, & 4.

n357. *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC* (Louis Vuitton II), 507 F.3d 252 (4th Cir. 2007).

n358. See Dreyfuss, *supra* note 68, at 293 (arguing that courts have rejected strict interpretations of constitutional approaches because they are trying to safeguard all confusion and dilution); *id.* at 277 ("At the normative level, it shifts the focus from the pure signaling capacity of the mark (its ability to denote source and quality) to other functions (such as instilling cachet in the brand). Because it suggests that all of the value in a mark belongs to the trademark holder, this shift reinforces the notion that every free ride is actionable.").

n359. Bartow, *supra* note 302, at 769 ("The implication that a mark holder only has to convince a court that consumers are likely to be confused momentarily suggests the burden of proof on this issue can be feather-light indeed. In addition, the proposition that fleeting confusion cannot be effectively cured at any point in a transaction is confusing in its own right.").

n360. See generally Wesley Newcomb Hohfeld, *Some Fundamental Legal Conceptions as Applied in Judicial Reasoning*, 23 *Yale L.J.* 16 (1913).

n361. Thomas I. Emerson, *Toward a General Theory of the First Amendment*, 72 *Yale L.J.* 877, 928 (1962).

n362. *Id.* at 901 ("The expansion of organization in our society has left the unorganized sectors peculiarly vulnerable to infringement of their rights. Freedom of expression within the organized group (including the government) by the nonbelonging individual, by the small group, and in connection with the organization of new groups, faces overwhelming hazards. In our highly conformist society it is from these sources that much of the social value in freedom of expression springs. Yet these deviant individuals and groups, lacking any other base, must find vindication of their rights primarily in resort to the judicial process.").

n363. [NO FOOTNOTE TEXT IN ORIGINAL]

n364. Simon, *supra* note 18, at 780.

n365. This case was *CCA & B, LLC v. F + W Media Inc.*, 819 F. Supp. 2d 1310 (N.D. Ga. 2011).

n366. The one exception to this was *Mastercard Int'l Inc. v. Nader 2000 Primary Comm., Inc.*, No. 00 Civ. 6068(GBD), 2004 WL 434404 (S.D.N.Y. Mar. 8, 2004). I included this case - despite it not discussing parody in its trademark analysis - because its copyright claim was so closely tied to its trademark claim. Even excluding this case, the data, and the relationships that it shows, remain unchanged.

n367. 164 F.3d 806 (2d Cir. 1999).

n368. *Id.* at 810-12.

n369. *Mattel, Inc. v. MCA Records, Inc. (Mattel II)*, 28 F. Supp. 2d 1120, 1152-54 (C.D. Cal. 1998); *Schieffelin & Co. v. Jack Co. of Boca, Inc.*, 850 F. Supp. 232, 251 (S.D.N.Y. 1994) (finding Dom Perignon champagne bottle had not acquired secondary meaning).

n370. See generally *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC (Louis Vuitton II)*, 507 F.3d 252 (4th Cir. 2007); *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC (Louis Vuitton I)*, 464 F. Supp. 2d 495 (E.D. Va. 2006); *World Wrestling Fed'n Entm't Inc. (WWE) v. Big Dog Holdings, Inc.*, 280 F. Supp. 2d 413 (W.D. Pa. 2003); *Mattel, Inc. v. MCA Records, Inc. (Mattel I)*, No. CV 97-6791 WMB, 1998 WL 422641 (C.D. Cal. Feb. 18, 1998).

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ARTICLE: THE ADVENTURE OF THE SHRINKING PUBLIC DOMAIN

NAME: Elizabeth L. Rosenblatt*

BIO: * Associate Professor and Director, Center for Intellectual Property Law, Whittier Law School. The author is Legal Chair of the Organization for Transformative Works, a lifelong Sherlock Holmes enthusiast, and a pro bono consultant on behalf of Leslie Klinger in litigation discussed in this Article. I would like to thank Leslie Klinger, Jonathan Kirsch, Hayley Hughes, Hon. Andrew Peck, and Albert and Julia Rosenblatt for their contributions to the historical research contained in this Article. In addition, I would like to thank Dan Burk, Irene Calboli, Bryan Choi, Andrew Gilden, Paul Heald, Justin Hughes, Sheldon Lyke, Mark McKenna, Tyler Ochoa, Lisa Ramsey, Mark Schultz, Zahr Said, Eva Subotnik, Rebecca Tushnet, David Welkowitz, the participants at the 2013 Intellectual Property Scholars' Conference, the participants at the 2014 Works in Progress in Intellectual Property Conference, and my research assistants Margaret Rafter and Maxwell Shoemaker for their insights and suggestions.

HIGHLIGHT:

Several scholars have explored the boundaries of intellectual property protection for literary characters. Using as a case study the history of intellectual property treatment of Arthur Conan Doyle's fictional character Sherlock Holmes, this Article builds on that scholarship, with special attention to characters that appear in multiple works over time, and to the influences of formal and informal law on the entry of literary characters into the public domain. While copyright protects works of authorship only for a limited time, copyright holders have sought to slow the entry of characters into the public domain, relying on trademark law, risk aversion, uncertainty aversion, legal ambiguity, and other formal and informal mechanisms to control the use of such characters long after copyright protection has arguably expired. This raises questions regarding the true boundaries of the public domain and the effects of non-copyright influences in restricting cultural expression. This Article addresses these questions and suggests an examination and reinterpretation of current copyright and trademark doctrine to protect the public domain from formal and informal encroachment.

TEXT:

[*562]

Introduction

Sir Arthur Conan Doyle famously relinquished narrative control of his creation, Sherlock Holmes, to stage performer and playwright William Gillette. Gillette was writing a stage dramatization based on Conan Doyle's work, and cabled Conan Doyle to ask whether the play could include a plot in which (the famously unromantic) Holmes got married. "You may marry him, murder him or do what you like with him," Conan Doyle cabled back.ⁿ¹

But relinquishing narrative control is a far cry from relinquishing legal control. Various parties have been fighting over the legal rights to Holmes for over a century.ⁿ² In fact, the [*563] story about Conan Doyle's cable comes from his own testimony in 1923 litigation.ⁿ³ Although copyright protection has expired for the entire Holmes canon worldwide except in the United States,ⁿ⁴ and although United States copyright protection has expired for all but ten of the Sherlock Holmes stories, the battle over Holmes rages on today.ⁿ⁵

The most recent of these disputes centers on an entity known as the Conan Doyle Estate Ltd. (CDE), which claims a combination of copyright and trademark rights in Holmes and describes its business as "managing the fully developed [Sherlock Holmes] character's further promotion and development through licensing agreements."ⁿ⁶ The CDE gained attention in early 2013 when Sherlock Holmes scholar Leslie Klinger responded to a cease and desist letter from the CDE by challenging the CDE in court.ⁿ⁷ Klinger sought a declaration that seemed self-evident: that the contents of the Sherlock Holmes stories and novels first published in the United States before 1923, like all works first published in the United States before 1923, fall into the copyright public domain.ⁿ⁸ The case [*564] captured the attention of the press and public,ⁿ⁹ and for a time, the #FreeSherlock hashtag trended on Twitter.ⁿ¹⁰ The case took over a year and half to resolve: after Klinger prevailed in the Northern District of Illinois and the Seventh Circuit Court of Appeals,ⁿ¹¹ the CDE sought review in the Supreme Court.ⁿ¹² The Court denied certiorari in November, 2014.ⁿ¹³ Despite Klinger's victory, the CDE maintains that it owns both copyright and trademark rights in the character of Holmes. It has issued press releases claiming that it retains copyright in the "complete" character of Sherlock Holmes and making clear that "the [CDE]'s trademark rights in the SHERLOCK HOLMES name and image were not at issue in Mr. Klinger's lawsuit and remain unaffected."ⁿ¹⁴

[*565] Moreover, the CDE is only one piece of the intellectual property puzzle surrounding Sherlock Holmes. Others claim to own both copyright and trademark rights in the character. One purported owner, a socialite named Andrea Plunket who claims rights through a complicated chain of purchases and bequests,ⁿ¹⁵ threatened in 2010 to "withdraw permission for more [Warner Brothers] films to be made" if those films contained gay subtext regarding Holmes.ⁿ¹⁶ More recently, Plunket expressed plans to assert trademark claims against both the BBC (for Sherlock) and CBS (for Elementary), explaining: "I have the rights, that is clear No one has asked permission to use my trademarks and I am confident that, if and when I go to court, I will be able to prevent the BBC making any more 'Sherlocks.'" ⁿ¹⁷

To some extent, these threats are grounded in law. Although copyright protection expires, it does so incrementally.ⁿ¹⁸ As a result, claimants can argue for continued protection of character elements even after copyright has expired for the stories that introduced and defined the characters. Trademark law, which protects source identifiers (that is, brand names, logos, and the like), is less likely than copyright law to protect literary characters, and even less likely to bar expressive uses of those characters,ⁿ¹⁹ but trademark law provides appealing ammunition for claimants because unlike copyright, trademark protection can last forever.ⁿ²⁰

[*566] But while copyright and trademark law may provide claimants with a patina of legitimacy, their threats draw power less from formal doctrine than from informal forces such as pragmatism and fear. Formal law often permits adapters to create new works featuring preexisting literary characters, either because those characters are unprotected by law or because the adapters' activities are protected by doctrinal defenses.ⁿ²¹ But informal mechanisms can do at least as much to constrain behavior as formal law can, and the law's fuzzy boundaries invite overreaching claims that increase the risk or cost of making adaptations. While it may be difficult for a claimant to win litigation against an adapter, it is still easy to threaten litigation, and even the most meritorious litigation defense is expensive and uncertain. Adapters therefore find themselves at the mercy of publishers, distributors, and insurance carriers who are unwilling to invest in projects that may face costly litigation and possible injunction.ⁿ²² Threatening litigation can be an effective business model for putative rights holders, because paying for a license is more predictable, and likely cheaper, than fighting about whether a license is necessary.ⁿ²³ And there is little incentive for adapters to challenge claimants' allegations, even those that rest on thin legal reeds. Adapters, publishers, and distributors generally have acquiesced to the CDE's licensing demands,ⁿ²⁴ even for [*567] projects that do not draw at all from the few remaining copyrighted stories.ⁿ²⁵ The remarkable thing about the Klinger v. CDE case is not its outcome - it's that Mr. Klinger was willing to

expend the time and energy to pursue the case rather than caving to the CDE's licensing demand as so many others have. ⁿ²⁶

Doctrinal encroachment and informal forces thus combine to shrink the public domain. The law encumbers some uses and permits rights holders to assert claims over even more, so that even legally permitted uses become functionally barred. The result stifles creative expression and facilitates rent-seeking behavior by questionable claimants over material that would otherwise reside in the public domain.

This Article uses the literary character of Sherlock Holmes as a case study to explore the true boundaries of the public domain and the effects of non-copyright influences in restricting expression. Holmes is an ideal subject because his extensive litigation history demonstrates the web of formal and informal constraints that adapters may face in deciding to base new work on an existing literary character. But while Holmes may provide an excellent example, his legal history is far from unique. The problems surrounding Holmes are endemic to popular literary characters and are particularly acute for characters that appear in, and develop through, multiple works. These are the characters most likely to be beloved by fans and commercial adapters, and about whom fans and adapters are most likely to want to create new works. At the same time, their popularity and potential profitability make them the most likely to tempt putative rights holders to overreach. The same characteristics that have made Holmes such a fertile subject of disputes have done the same for many [*568] other characters. For example, copyright protection has expired for Tarzan, ⁿ²⁷ Zorro, ⁿ²⁸ John Carter of Mars, ⁿ²⁹ Conan the Barbarian, ⁿ³⁰ Peter Rabbit, ⁿ³¹ "Fatso" from Casper the Friendly Ghost, ⁿ³² and Betty Boop ⁿ³³ - yet for each, putative rights holders have sought to rely on trademark theories to extend protection. ⁿ³⁴

Therefore, while this Article examines Holmes in depth, its implications are much broader. The Article begins by defining the public domain and exploring the doctrinal and conceptual value of having a public domain in literary characters. In Part I, the Article addresses the contours that formal law provides to the public domain, first in a copyright context and then in a trademark context. Part I concludes that although formal copyright and trademark law are designed to create a robust public domain in literary characters, both bodies of law suffer from uncertainties that blur the boundaries of the public [*569] domain and permit overreaching by putative rights holders. In Part II, the Article addresses the informal forces that exploit formal doctrine to constrict the public domain in literary characters: doctrinal uncertainty, uncertainty surrounding rights ownership, and an incentive for putative rights holders to assert dubious or nonexistent rights. Finally, Part III suggests that the public interest would benefit from brighter-line copyright and trademark rules regarding when literary characters reside in the public domain, and proceeds to propose solutions based on existing copyright and trademark doctrines.

I. Formal Contours of the Public Domain in Literary Characters

Literary characters are part of a shared cultural vocabulary. Although their lives begin on the page, literary characters take up residence in cultural discourse, gaining symbolic and cultural significance. ⁿ³⁵ This may be even truer for serialized characters like Sherlock Holmes, who must be beloved enough to support the success of multiple works. As time passes and their canons build, the characters become like old friends, living on as "fixed points in a changing age" even after their creators die. ⁿ³⁶ Certainly, Sherlock Holmes has become far more than a fictional detective. He has so infused the cultural consciousness that the term "Sherlock Holmes" has become a generic term for detective or clever person - "she's a real Sherlock Holmes" - in addition to identifying the detective himself. Naturally, new creators want to tell stories about these culturally significant characters - to re-tell or reimagine their stories, to comment on their meaning, or to create new episodes in the characters' imagined-yet-familiar lives. ⁿ³⁷ As a subject of adaptation, Sherlock Holmes is ubiquitous; in addition to the "canon" of fifty-six short stories and four novels written by Conan Doyle, Holmes has also appeared in thousands of film and television adaptations, plays, and pastiches, and tens of thousands of works of non-commercial [*570] fiction, art, commentaries, and other works created by fans of the detective. ⁿ³⁸ Holmes and scores of other characters whose identities transcend their original stories have become symbols with meanings created not only by the characters' original creators, but also by the public at large. This shared cultural vocabulary is a rich source of communicative and expressive meaning. ⁿ³⁹

Because intellectual property law gives owners exclusive rights over protected information, it inevitably limits the pool of resources available to creators.ⁿ⁴⁰ For example, Harry Potter and his friends are undoubtedly part of shared culture, but it would be a copyright infringement to make and sell exact copies of J.K. Rowling's Harry Potter books.ⁿ⁴¹ But while the law places some limits on what creators can do and use, it also constrains those limits, so as to leave room for cultural expression. The law creates a public domain of material available to creators by expressly excluding certain information from protection and permitting certain uses of protected information.

The public domain encompasses free-to-use material across doctrinal lines - i.e., material unencumbered by copyright, trademark, patent, or other intellectual property doctrine. Scholars disagree, however, on a precise definition or scope for the term "public domain."ⁿ⁴² The narrowest definition includes only information outside the scope of formal intellectual property protection: inventions and works of authorship too old to be patented or copyrighted; information too generic, functional, or descriptive to serve as trademarks for particular [*571] goods or services; and abstract ideas, physical phenomena, and products of nature excluded from patentability.ⁿ⁴³ Other definitions include unprotectable elements of a protectable creation, such as the ideas or facts underlying a copyrighted work.ⁿ⁴⁴ Still other definitions would add adjacent concepts, such as use-based carve-outs from protection, like the fair use exceptions to copyright and trademark infringement.ⁿ⁴⁵ In operation, these use-based carve-outs are weaker safeguards of the public domain because they act as defenses to infringement rather than providing unbridled permission, but they are as important in defining the public domain as protectability restrictions are. Use-based carve-outs create a public domain defined not only by what information creators have the freedom to use, but also by what creators have the freedom to do with the information they want to use.

My own definition of the public domain goes a step further because, as a practical matter, the realm of the free-to-use is defined not only by law, but also by creator perception.ⁿ⁴⁶ If creators believe that particular information is off-limits, then it is off-limits, whether or not the prohibition is a function of formal law. This Article therefore defines the public domain as including any information that a creator would reasonably believe to be free to use for their purposes. This definition is both broader and narrower than those discussed above. On one [*572] hand, it includes not only information beyond the reach of intellectual property law, but also information available for a creator's particular (fair) use. On the other hand, it takes into account that although some works may be reasonably free from formal legal constraint, they are encumbered by less formal, but no less effective, constraints, such as uncertainty aversion and risk aversion.ⁿ⁴⁷ Thus, the functional public domain is not simply the remainder that intellectual property protection leaves behind. It is an affirmative body of information upon which creators may rely.ⁿ⁴⁸ As David Lange poetically described it, the public domain is a "refuge for creative expression, a place of individual no less than collective entitlement, dimensioned both physically and conceptually, and sanctioned by law. In short, the public domain would be a place like home, where, when you go there, they have to take you in and let you dance."ⁿ⁴⁹

Commentators have identified a number of concrete benefits stemming from a robust public domain, including easy dissemination of information, availability of information to poorly-funded users, a broad pool of material upon which creators may draw, and psychological benefits for creators.ⁿ⁵⁰ The latter two benefits are particularly central to this Article's focus on creators' freedom to use and build upon characters [*573] that reside in the public domain.

A more robust public domain reduces the cost of creating additional works, which not only permits a greater number of works to flourish, but also invites creators to engage with existing works without having to consider the need to ask permission. As Edward Liu explains, "[a] robust public domain, as a permission-free zone, can play an important role in supporting and encouraging [creators'] intrinsic motivations, in freeing up the artistic imagination."ⁿ⁵¹ This not only democratizes creativity and invites a broader range of perspectives as new creators engage with existing works, but also removes the constraints that originators might place on the expressions of these diverse new creators.ⁿ⁵² Thus, a robust public domain in characters not only facilitates, but also fosters, creativity by making culturally familiar source materials available to creators and adapters at no cost (either monetary or in the form of creative control).ⁿ⁵³

Yet, despite these myriad benefits, the public domain is under constant threat. Because information enters the public domain when protection expires, the public domain should grow over time. But, as scholars have noted,

copyright and trademark law are gradually encroaching upon the public domain as Congress and the courts have expanded them to last longer, protect more information, and prohibit more uses.ⁿ⁵⁴ In addition, informal pressures - such as overreaching demands from putative rights holders and concerns about the high cost [*574] and uncertainty of litigation - constrict the public domain even more. Understanding the boundaries of the practical public domain is therefore important to understanding not only what creators can and cannot do, but also the relationship between overlapping formal and informal intellectual property protections.

The following sections will address the formal boundaries of the public domain for literary characters, first for copyright and then for trademark. Section III of this Article will address the influence of informal forces on the public domain for literary characters.

A. Copyright Law's Public Domain

Four doctrinal concepts define the copyright public domain for literary characters. First, some characters are simply not susceptible to copyright protection. Second, protectable characters enter the public domain as their copyrights expire. Third, creators of derivative works featuring copyrighted characters generally receive narrow rights in their creations. Finally, even to the extent that a particular character is protected by extant copyright, the Copyright Act permits fair uses of the character. The following sections discuss each of these concepts in turn.

1. Copyrightability

Literary characters are protected by copyright law as elements of the stories in which they appear, and characters that cross from "idea" to "expression" may themselves be copyrightable.ⁿ⁵⁵ As Judge Learned Hand explained in *Nichols v. Universal Pictures*, "If *Twelfth Night* were copyrighted, it is quite possible that a second comer might so closely imitate Sir [*575] Toby Belch or Malvolio as to infringe," but to do so, the second comer would have to copy Shakespeare's expressions.ⁿ⁵⁶ "It would not be enough that for one of his characters he cast a riotous knight who kept wassail to the discomfort of the house, or a vain and foppish steward who became amorous of his mistress. These would be no more than Shakespeare's ideas."ⁿ⁵⁷ Judge Hand thus established a standard: for literary characters to be protectable, they must be distinctively delineated - that is, they must be described in sufficient detail to be distinctive, and must have consistent identifiable traits.ⁿ⁵⁸ In Judge Hand's words, "the less developed the characters, the less they can be copyrighted; that is the penalty an author must bear for marking them too indistinctively."ⁿ⁵⁹ Applying this standard, courts have held that Mickey Mouse, Superman, Tarzan, Jonathan Livingston Seagull, the Batmobile, and Freddy Krueger (as well as his glove) were sufficiently delineated to merit copyright protection.ⁿ⁶⁰

The present Article focuses on literary, rather than visual, characters, but it is notable that much of the law regarding character protection developed through case law involving characters that are either purely visual or are a hybrid of visual and textual (such as film or comic book characters).ⁿ⁶¹ The paucity of authority regarding text-based characters gives adapters less guidance regarding whether those characters are likely to be protectable. Conventional wisdom holds that visually-depicted characters are more likely to be copyrightable than purely textual ones because visual characters are defined by copyrightable images, which makes them more distinctive and more easily copied than purely textual characters.ⁿ⁶² Thus, [*576] creators may labor under inflated assumptions regarding the protectability of text-based characters, since the cases regarding visual characters could create the (possibly false) impression that characters in all media are readily copyrightable.

In fact, although copyright protection is available for literary characters, it is not guaranteed, even for iconic ones: in *Warner Brothers Pictures v. CBS*,ⁿ⁶³ the Ninth Circuit Court of Appeals held that Dashiell Hammett's hard-boiled detective, Sam Spade,ⁿ⁶⁴ was not protectable because he did not constitute "the story being told."ⁿ⁶⁵ The court explained that "if the character is only the chessman in the game of telling the story he is not within the area of the protection afforded by the copyright."ⁿ⁶⁶ The "story being told" standard remains good law,ⁿ⁶⁷ but courts more commonly apply Judge Hand's less stringent "distinctive delineation" standard.ⁿ⁶⁸

Literary characters are therefore more likely to be protectable if their characteristics are easily summed up and their personalities remain relatively static or predictable.ⁿ⁶⁹ Serialized characters are likely to be distinctively delineated even when they first appear, because the serial format [*577] demands that characters be sufficiently distinctive to attract readers or viewers across multiple stories. Although they often gain nuance over time, these characters' basic traits are set from the start. Sherlock Holmes's defining traits, for example, were established in 1887 in Conan Doyle's novel *A Study in Scarlet*.ⁿ⁷⁰ Although Holmes and his world became more richly detailed over the course of additional novels and stories, he remained essentially the same Holmes as when he began.ⁿ⁷¹ For this reason, courts have presumed (albeit without analysis) that Holmes is copyrightable.ⁿ⁷²

The distinct delineation doctrine creates a meaningful public domain in characters, but one with ill-defined borders. Although one is free to copy "stock" characters and those without sufficient delineation to merit protection,ⁿ⁷³ the test leaves many questions unanswered: How much detail is enough for protection? How many details can change before one character becomes another? How important is a character's name to its level of delineation?ⁿ⁷⁴ Courts are, of course, experienced at drawing lines in ambiguous situations. For [*578] generations, they have applied the Nichols test to define the idea/expression boundary.ⁿ⁷⁵ But as discussed below, that line-drawing exercise may be more difficult for prospective adapters than for courts.

The distinctive delineation test places particular limitations on adapters not only because they may have difficulty interpreting it, but also because it places the most adaptable characters within the bounds of copyright protection. Much of the appeal of adaptation is placing a known character in a new situation.ⁿ⁷⁶ For a literary character to be amenable to adaptation, it must be recognizable - precisely the trait that makes the character copyrightable.ⁿ⁷⁷ Therefore, the public domain is least likely to include the characters most amenable to adaptation, and adapters may need to wait until a character's copyright has expired before it becomes safe to make an adaptation. This makes expiration of copyright a particularly important boundary on the public domain for literary characters.

2. Copyright Expiration

Copyright expiration also creates a public domain as formerly copyrighted works become unencumbered. Like copyrightability, however, copyright expiration for literary characters can be both complicated and uncertain. The United States Constitution requires that copyright must last only "for limited times,"ⁿ⁷⁸ but over time, copyright terms have lengthened and different works are governed by different lengths of copyright.ⁿ⁷⁹ Copyright expiration is particularly complicated for serialized characters because copyrights in their stories may not expire all at once.ⁿ⁸⁰

Sherlock Holmes demonstrates the uncertainty of incremental copyright expiration. Copyright has expired in [*579] most of Conan Doyle's Sherlock Holmes works, but ten post-1923 short stories remain protected in the United States until at least 2022.ⁿ⁸¹ Since Holmes was delineated amply in 1887's *A Study in Scarlet* (or at least certainly within the other forty-nine stories and novels on which copyright has expired),ⁿ⁸² Holmes should reside in the public domain. As Professor Nimmer has explained in his treatise, as soon as "the first work that contained the character enters the public domain, then it is not copyright infringement for others to copy the character in works that are otherwise original with the copier."ⁿ⁸³ This is because, in essence, all of the stories that follow the first are "derivative works" of the first. In Nimmer's words:

Just as the copyright in a derivative work will not protect public domain portions of an underlying work as incorporated in the derivative work, so copyright in a particular work in a series will not protect the character as contained in such series if the work in the series in which the character first appeared has entered the public domain.ⁿ⁸⁴

[*580] Publishing a sequel or other derivative work cannot elongate copyright protection for elements of the original work. Otherwise, an author (or the author's heirs) could unconstitutionally maintain eternal copyright control over a character simply by producing new works featuring that character.

Courts have adopted Nimmer's view.ⁿ⁸⁵ In *Silverman v. CBS*, the Second Circuit Court of Appeals held that the characters of Amos and Andy fell into the public domain once copyright expired on early episodes of the Amos 'n' Andy radio show, because "whatever rights [CBS] may have in the [later] programs ... provide protection only for the increments of expression beyond what is contained in the pre-1948 radio scripts."ⁿ⁸⁶ The same principle applied to Conan the Barbarian in *Conan Properties v. Mattel*, where the court allowed a toymaker to replicate Conan despite the fact that newer works featuring the character remained protected,ⁿ⁸⁷ and in *Siegel v. Warner Brothers*, where the court explained that "the copyrightable aspects of a character ... are protected only to the extent the work in which that particular aspect of the character was first delineated remains protected, but not in the subsequent sequels in which that attribute is later repeated or used."ⁿ⁸⁸

Cases addressing copyright in Sherlock Holmes have articulated this rule,ⁿ⁸⁹ but added the complicating wrinkle of incremental copyright expiration. In *Klinger v. CDE*, for [*581] example, the CDE argued that because Holmes and Watson continued to develop as characters throughout the post-1923 stories, they would not enter the public domain until their last story did.ⁿ⁹⁰ The Seventh Circuit rejected this argument, explaining that "from the outset of the series ... in 1887 Holmes and Watson were distinctive characters and therefore copyrightable," and that to the extent Conan Doyle made alterations to the characters, "the resulting somewhat altered characters were derivative works, the additional features of which that [sic] were added in the ten stories being protected by the copyrights on those stories."ⁿ⁹¹ Because "the alterations [did] not revive the expired copyrights on the original characters," adapters are free to "copy the Holmes and Watson of the early stores [sic]."ⁿ⁹² Adapters are not, however, free to copy the Holmes whose characteristics were originally introduced in the ten still-protected stories. As the *Pannonia Farms* court explained, "storylines, dialogue, characters and character traits newly introduced by the [post-1923 s]tories are examples of added contributions susceptible to copyright protection."ⁿ⁹³ The *Klinger* court elaborated that only "additional features [qualifying as] 'original' in the generous sense that the word bears in copyright law, are protected by the unexpired copyrights on the late stories."ⁿ⁹⁴

The trouble lies in identifying protectable "storylines, dialogue, characters and character traits" introduced in later works.ⁿ⁹⁵ How distinctive or original does a "new character [*582] trait" have to be to create a new, protectable version of a character that would otherwise reside in the public domain? The rulings in *Klinger* highlight this line-drawing problem. The district court stated that any addition to a character would be copyrightable if it constituted "original expression" sufficient to "enable the new work to be readily distinguished from its predecessors."ⁿ⁹⁶ This ruling suggested that once a character was delineated, any new fact or trait about that character - no matter how generic, predictable, or insignificant - could create a new, protectable version of that character.ⁿ⁹⁷ Based on this reasoning, the district court identified three protected character traits of the post-1923 Holmes and Watson: (1) Dr. Watson's second marriage; (2) Dr. Watson's background as an athlete; and (3) Sherlock Holmes's retirement from his detective agency.ⁿ⁹⁸ The Seventh Circuit limited its ruling to the [*583] question of whether any elements of the pre-1923 stories were protected by copyright (holding they were not), and explicitly ignored the district court's ruling regarding what character traits, if any, remained protected by virtue of continuing copyright in the post-1923 stories.ⁿ⁹⁹ Nevertheless, the Seventh Circuit stated in dicta that in the post-1923 stories "we learn that Holmes's attitude toward dogs has changed - he has grown to like them - and that Watson has been married twice. These additional features, being (we may assume) 'original' ... are protected by the unexpired copyrights on the late stories."ⁿ¹⁰⁰

Although the two rulings disagree somewhat regarding which character traits might remain protected, they highlight the same problem. Under both courts' reasoning, each new work featuring an old character had the potential to create a new version of the character with a different copyright expiration from the original - a Holmes 1.0, for whom copyright protection had expired, and a Holmes 2.0 who was still protected. Certainly, no court would protect the basic idea of a "detective who has grown to like dogs" or a "doctor with a second wife."ⁿ¹⁰¹ Yet, although Holmes and Watson themselves have fallen into the public domain, the version of Holmes who is fond of dogs and the version of Watson who has a second wife may not have. This result is consistent with the law about protecting original "increments of expression" in derivative works,ⁿ¹⁰² but is inconsistent with the idea/expression dichotomy articulated in *Nichols* and with the law governing protectability of literary characters,ⁿ¹⁰³ which require a much higher level of

originality - "distinctive delineation" - for copyright to attach. It would be more logical, and more consistent with the principles of copyright in characters, to require the same degree of distinctiveness to protect Holmes 2.0 as was required to protect Holmes 1.0 in the first [*584] instance.ⁿ¹⁰⁴

As a practical matter, nearly every meaningful trait about Holmes and Watson was established in the pre-1923 stories, and thus is free to use. But Klinger still leaves room for the CDE to threaten adapters of Holmes by arguing that the adapters' versions of Holmes veer too close to a later version - whatever that version may be. Following the district court's ruling and the Seventh Circuit's dicta, an adapter would be taking a risk by creating a work in which the public domain Watson remarries or plays rugby.ⁿ¹⁰⁵ Where would TV's House, M.D. stand under this analysis?ⁿ¹⁰⁶ Would House, M.D.'s version of Watson, Dr. Wilson, have been infringing if we had learned he had a background as an athlete? Would Dr. House have been infringing if he had demonstrated any fondness for dogs? And should the writers have had to consider avoiding those trivial details when writing their show? More broadly, the Klinger reasoning provides a podium from which rights holders can challenge adapters of public domain characters and retain control over how those characters are used. Rights holders can demand that adapters avoid character traits that might be characterized as protected, even if those traits would not be independently protectable. This undermines the public domain's purpose of providing a common pool of cultural sources by encumbering adapters' expressive freedom.

In addition, the Klinger ruling may provide a mechanism for original creators and their heirs to extend copyright in literary characters - not only to those who appeared in works by their original authors both before and after 1923, but also to more recent characters. Corporate copyright owners, whose copyright expiration is based on a work's publication date, may attempt to extend protection indefinitely by making incremental changes to their characters over time.ⁿ¹⁰⁷ And although copyright protection for new works of individual authorship is tied to the date of the author's death rather than the date of publication,ⁿ¹⁰⁸ the Klinger case's reasoning may [*585] provide a mechanism for authors' heirs to maintain eternal ownership of copyrighted characters by continuing to publish new works featuring slight alterations to old characters.ⁿ¹⁰⁹

Protection for "original" contributions to derivative works also means that new adapters must be mindful of rights established by previous adapters. New adapters of Holmes therefore must consider not only the rights of the CDE, but also the rights of the creators of House, M.D., and other adaptations such as Warner Brothers' Sherlock Holmes, the BBC's Sherlock, and CBS's Elementary. The following section explores the rights of derivative work creators and the formal legal limitations on those rights.

3. Narrow Rights for Adapters

Copyright law safeguards the public domain by giving only narrow rights to the creators of derivative works. These safeguards take the form of two limitations on adapters' rights. First, copyright law affords creators of derivative works rights only in their unique contributions; they gain no rights in the underlying work on which their adaptations are based.ⁿ¹¹⁰ Second, derivative work creators gain rights over their original contributions only to the extent that those contributions are themselves copyrightable.ⁿ¹¹¹

[*586] Two cases from the 1950s demonstrate the first limitation. In Warner Brothers v. CBS, the United States District Court for the Central District of California considered whether a Sam Spade radio series, authorized by Dashiell Hammett, infringed Warner Brothers' copyright in its adaptation of The Maltese Falcon.ⁿ¹¹² The court held that CBS was allowed to use "all that had gone before," but could not copy elements original to the Warner Brothers' film.ⁿ¹¹³ Around the same time, the Second Circuit Court of Appeals addressed a case regarding adaptations of the novel Madame Butterfly by John Luther Long.ⁿ¹¹⁴ David Belasco adapted the novel into a play, and opera composer Puccini obtained licenses from both Long and Belasco in order to write his opera of the same name.ⁿ¹¹⁵ After copyright on Belasco's play expired, Paramount obtained a license from Long and released a movie based on both the novel and the newly public-domain play.ⁿ¹¹⁶ Puccini sued for copyright infringement.ⁿ¹¹⁷ The court held that Paramount's movie could rely on public domain material from the play and licensed material from the novel, but could not incorporate any elements created or added to the story by Puccini.ⁿ¹¹⁸

Litigation regarding Sherlock Holmes demonstrates the second limitation, that adapters' original contributions must rise to the level of protectability in order to support a suit.ⁿ¹¹⁹ Like original creators, adapters' ideas are not protectable - only their expressions of those ideas. And like original creators, it [*587] may be difficult for adapters to prove that their original contributions to a character are sufficiently original to merit copyright protection.ⁿ¹²⁰ This "idea/expression dichotomy" was central to *Musto v. Meyer*, which dealt with the book *The Seven Per Cent Solution*.ⁿ¹²¹ Based on the fact that Conan Doyle's Holmes engaged in the recreational use of cocaine,ⁿ¹²² David F. Musto published an article in the *Journal of the American Medical Association* entitled *A Study in Cocaine: Sherlock Holmes and Sigmund Freud*.ⁿ¹²³ Musto postulated that Holmes might have received drug treatment from Sigmund Freud during Holmes's (canonical) mysterious disappearance between 1891 and 1894.ⁿ¹²⁴ Subsequently, fiction writer Nicolas Meyer wrote *The Seven Per Cent Solution*, whose plot also included Holmes's cocaine dependency and treatment by Freud.ⁿ¹²⁵ The book, which acknowledged Meyer's conceptual debt to Musto's article and to other writers who had analyzed the Holmes canon, became a bestseller and a motion picture.ⁿ¹²⁶ Musto then sued for copyright infringement.ⁿ¹²⁷ The United States District Court for the Southern District of New York rejected Musto's claim, holding that to the extent that Meyer copied from Musto, he had copied the "idea" of Musto's article, and not its "expression."ⁿ¹²⁸ The Tenth Circuit Court of Appeals reached a similar result in the unpublished case of *Fisher v. United Features Syndicate*, which concerned United Features' use of a costumed "detective" version of Snoopy.ⁿ¹²⁹ Fisher, an independent cartoonist, claimed that he had been the first to dress a cartoon dog "in the role of a detective clad in a Sherlock Holmes hat and cape with a large horn pipe and magnifying glass," but the court held that doing so was "an expression of [the] idea [of a detective dog] which is ... common in the public [*588] domain."ⁿ¹³⁰

These limitations promote the public domain by preventing adapters from claiming rights in characters they merely augmented or made trivial contributions to. But, while adapters' rights are limited, they still pose challenges for later adapters. For example, new adapters are welcome to copy at will from the portions of Conan Doyle's Holmes canon that reside in the copyright public domain, but they are not permitted to copy protectable elements that were introduced by later adapters.ⁿ¹³¹ One may copy Holmes, but not Fox's *Dr. House*, nor the BBC's smart-phone-wielding Holmes, nor CBS's tattooed one. As Justice Holmes put it: "Others are free to copy the original. They are not free to copy the copy."ⁿ¹³²

This poses a special challenge for oft-adapted characters, because adaptation can change the public's perception of a character. James Bond was always a womanizer, but it was not until Sean Connery's film portrayal that he was an extremely promiscuous one.ⁿ¹³³ Likewise, our conception of Sherlock Holmes is deeply informed by sources other than Conan Doyle's original works. The deerstalker hat and Inverness cloak have come to symbolize Sherlock Holmes, although the detective never wore such an outfit in Conan Doyle's canon.ⁿ¹³⁴ Holmes's "signature" curved calabash pipe was an invention of later stage and screen performers.ⁿ¹³⁵ The more a character's stories are told, re-told, reinvented, and transformed, the more the character's most familiar features may originate from non-original sources.ⁿ¹³⁶ When a derivative work redefines a [*589] character, the older version may become obsolete. If someone wants to tell a story about Cinderella, they are welcome to draw on the public-domain, fairy-tale version, but must steer clear of Disney's copyrighted version - which is the version many people know best.ⁿ¹³⁷

Thus, even after the originator's version of a character enters the copyright public domain, the public's best-known version of a character - the womanizing version of James Bond, for example - may be owned by an adapter. *Metro-Goldwyn-Mayer v. American Honda Motor Co.* demonstrates this rule.ⁿ¹³⁸ Honda created an advertisement featuring a James-Bond-like character, and MGM sued.ⁿ¹³⁹ Honda argued that MGM did not own a copyright in Bond, who was created by author Ian Fleming and licensed, rather than assigned, to MGM for film adaptation.ⁿ¹⁴⁰ The United States District Court for the Central District of California rejected this argument and enjoined the advertisement, holding that the ad embodied the "spy thriller with the genres of adventure, comedy (particularly, social satire and slapstick), and fantasy" that originated in MGM's movies, rather than Fleming's original character.ⁿ¹⁴¹

This principle may have more subtle influences on creativity as well, influencing the content of adapters' expressions. For example, the creators of a 1950s comic strip featuring Sherlock Holmes made a conscious decision to make their Holmes look different from Basil Rathbone.ⁿ¹⁴² At the time, Rathbone's face was the cultural embodiment

of Holmes and by far the most well-known visual reference for the character, but the comic creators avoided using it because they feared that Rathbone's production studio would sue for [*590] copyright infringement.ⁿ¹⁴³

The previous three sections demonstrate that the copyright public domain in literary characters is defined by law, but can still create risks for adapters. It is not always clear which characters are protected by copyright law, when that protection attaches, when that protection expires, and who owns the most familiar version of a given character. These uncertainties make the doctrine of fair use particularly important in creating and defining the public domain in literary characters. Unfortunately, the fair-use boundary is even blurrier than the previous three.

4. Copyright Fair Use

The doctrine of copyright fair use permits certain uses of copyrighted characters before their copyrights expire, including uses that copyright holders might not be prone to license or approve.ⁿ¹⁴⁴ The Copyright Act sets forth four factors for courts to use in determining whether a particular use is fair: (1) the "purpose and character of the use," including whether the use is commercial and/or transforms the original's meaning or purpose;ⁿ¹⁴⁵ (2) the "nature of the copyrighted work"; (3) the "amount and substantiality of the portion" copied from the original; and (4) the "effect of the use upon the potential market for or value of the copyrighted work."ⁿ¹⁴⁶

Because the fair use analysis requires balancing multiple factors and examining potentially subjective facts, its results may be difficult to predict. Moreover, because fair use requires copying copyrighted material, it carries the inherent risks that even a fair use will generate litigation. Even when fair use outcomes are relatively predictable,ⁿ¹⁴⁷ the analysis still [*591] provides no guarantees, and litigation defense is daunting and expensive. It is virtually impossible for adapters to reduce litigation risk and uncertainty through anything but settlement or ex ante licensing.ⁿ¹⁴⁸ Thus, while copyright fair use marks a boundary of the public domain as a matter of law, it may not do so for the purpose of adapters' practical decision-making.

Three fair use cases demonstrate the difficulty that adapters face when attempting to predict whether a certain adaptation will be a fair use. The first concerned *The Wind Done Gone*, a retelling of *Gone with the Wind* that "exploit[ed] *Gone With the Wind*'s] copyrighted characters, story lines, and settings as the palette for [a] new story" told from the perspective of that book's slave characters.ⁿ¹⁴⁹ The second concerned *60 Years Later: Coming Through the Rye*, a book that tells the story of a seventy-six-year-old Holden Caulfield confronting a fictionalized version of J.D. Salinger.ⁿ¹⁵⁰ The third concerned *Lo's Diary*, a retelling of Vladimir Nabokov's *Lolita* from the perspective of its teenage namesake.ⁿ¹⁵¹ In each of these adaptations, authors retold or augmented existing works of fiction by transposing the narrative point of view and adding meaning to the original work. Yet, the three cases came out differently. In the first, the court analyzed the Copyright Act's four-factor test and held that *The Wind Done Gone* was likely fair use, noting the importance of encouraging creation and maintaining a robust public domain.ⁿ¹⁵² Using the same four-factor test, the court in the second example held that *60 Years Later: Coming Through the Rye* infringed the copyright in Salinger's original work and enjoined distribution of the book.ⁿ¹⁵³ The case concerning *Lo's Diary* settled prior to any judicial resolution.ⁿ¹⁵⁴

[*592] These cases demonstrate that fair use is far from a panacea for adapters. Because it creates a public domain based on characteristics of the adapter's use, rather than characteristics of the protected work, the doctrine denies adapters the full range of expression by funneling them into particular kinds of uses (for example, transformative or noncommercial uses, or both), while keeping copyrighted characters "off-limits" for other sorts of uses. In addition, as discussed below,ⁿ¹⁵⁵ adapters' own risk aversion and uncertainty aversion may also constrict their expression beyond what fair use principles would require. As many scholars have observed, the fact-intensive nature of the fair use test means that litigating fair use is uncertain and likely to be expensive.ⁿ¹⁵⁶ Many adapters will therefore accede to cease and desist letters or licensing demands, even when licensing would be unnecessary as a matter of law.ⁿ¹⁵⁷

Moreover, even when particular material or a particular use falls squarely within copyright's public domain, adapters may face trademark challenges - allegations that using a particular literary character in a new work is likely to

confuse consumers into believing that the character's original creator, or some other rights holder, is actually the source or sponsor of the new work. Trademark law, like copyright law, carves out a public domain of material and uses from which adapters are free to draw. The following section discusses the formal contours of this trademark public domain.

B. Trademark Law's Public Domain

Trademark law is designed principally to prevent confusion over brands and other source identifiers, rather than to provide exclusivity for works of authorship.ⁿ¹⁵⁸ Protecting works of authorship is copyright law's job.ⁿ¹⁵⁹ Conceptually, [*593] therefore, the role of trademark law in governing literary characters is dubious. Trademark protection is also, in theory, narrower than copyright because it does not prevent all uses of a mark, only those that are likely to dilute the value of the mark or confuse consumers into believing that goods or services originate with, or are sponsored or approved by, the markholder.ⁿ¹⁶⁰ But because of the potentially infinite duration of trademark protection and the ease of obtaining and asserting trademark rights, rights holders have turned to trademark law to keep literary characters out of the public domain.ⁿ¹⁶¹ In fact, adapters may be as likely to face trademark-based challenges as copyright-based ones, a situation dire enough that some have called trademark law "a blunt instrument of cultural intimidation and censorship."ⁿ¹⁶²

Trademark claims about literary characters and their names are nothing new. In fact, the first two reported cases over rights in Sherlock Holmes concerned uses of the detective's name as a trademark.ⁿ¹⁶³ The first case concerned the stage play *Sherlock Holmes*, an original story that William Gillette wrote after obtaining a license from Conan Doyle.ⁿ¹⁶⁴ In 1903, Hopkins Theatre advertised and "threatened to produce" a different play entitled *Sherlock Holmes, Detective*.ⁿ¹⁶⁵ Gillette and his co-producer Charles Frohman sued, relying on a quasi-trademark theory to argue that Hopkins's choice of [*594] titles would deceive the public into believing that the Hopkins production was associated with the Gillette/Frohman play.ⁿ¹⁶⁶ The Illinois appellate court enjoined Hopkins, reasoning that a consumer seeing the title of the Hopkins play "would naturally suppose, unless particularly advised to the contrary, that it is the same play" as Gillette and Frohman's.ⁿ¹⁶⁷ The second case, *Gillette v. Stoll*, continued along the same lines.ⁿ¹⁶⁸ By 1922, Gillette and Frohman were preparing to release a feature-film version of their play, but they faced competition: Conan Doyle had granted a license to the Stoll Film Company to adapt the Sherlock Holmes short stories into cinematic short subjects.ⁿ¹⁶⁹ Some theaters advertised the Stoll films collectively as *The Adventures of Sherlock Holmes*.ⁿ¹⁷⁰ Gillette and Frohman sued Stoll, again relying on a quasi-trademark theory.ⁿ¹⁷¹ And although the case settled in 1923 before a final resolution, the court was at least willing to entertain the proposition that Gillette owned sufficient quasi-trademark rights in the name "Sherlock Holmes" to maintain a suit.ⁿ¹⁷²

These two cases demonstrate the potential power of trademark law to constrict the public domain in literary characters. Because the Gillette/Frohman play was entitled "*Sherlock Holmes*," it effectively provided a quasi-trademark argument against any United States production, in any medium, that included the name Sherlock Holmes in its title. Moreover, the unfair competition and quasi-trademark claims would not expire with the time-limited license that Conan [*595] Doyle granted Frohman and Gillette. Thus, these two suits effectively introduced two possibilities: first, that trademark law could threaten adapters as much as, or more than, copyright law; and second, that exclusive and eternal control over adaptations featuring the Sherlock Holmes character could belong to someone other than Arthur Conan Doyle.

Like copyright law, however, trademark law provides certain doctrinal safeguards that should provide robust boundaries to the public domain. First, trademark protection only applies to "source identifiers" - that is, words and symbols that designate a single source for particular goods or services (for example, an author or publisher), rather than simply describing a type of good or service. Second, like copyright law, trademark law provides a number of use-based defensive doctrines that may protect adapters. Both types of boundaries, however, may be difficult to pin down. Each is discussed below in turn.

1. Trademark Protectability

Can trademark law even apply to a literary character such as Sherlock Holmes? The answer, as it often is in trademark law, is "maybe." Trademark protection can extend to "any word, name, symbol, or device, or any combination thereof ... [used] to indicate the source" of goods or services.ⁿ¹⁷³ This statutory language means that trademark law unquestionably encompasses certain characters, which I call "spokescharacters": those designed for advertisement and marketing, who represent and are associated with specific products or services, such as Ronald McDonald (McDonald's), Trix the Rabbit (Trix Cereal), and Mr. Whipple (Charmin). These characters act as marks when they appear in advertisements. But while spokescharacters are designed as source identifiers in the first instance, literary characters originate as tools for narrative storytelling.ⁿ¹⁷⁴ So can literary [*596] characters serve the same source-identifying function as their spokescharacter cousins?ⁿ¹⁷⁵

For a character or its name to be protected as a trademark, the consuming public must recognize it as indicating not only a type of thing (such as the character itself, or a work featuring the character) but also the source of the thing (such as the author or publisher of the work).ⁿ¹⁷⁶ In trademark parlance, this means it must be a "distinctive" source identifier for particular goods or services, either inherently or through the acquisition of "secondary meaning."ⁿ¹⁷⁷ It is possible for literary characters' names, like any names, to acquire secondary meaning, and perhaps it is even possible for them to acquire secondary meaning as sources of expressive goods (such as fiction).ⁿ¹⁷⁸ Therefore, whether the name "Sherlock Holmes" could be asserted as a trademark against an expressive adapter turns predominantly on whether consumers recognize it as a source identifier for expressive goods or services. Put differently, when people encounter a work featuring a character called "Sherlock Holmes," do they believe that it necessarily comes from a [*597] specific source? Or do they simply think it is a work that features the familiar character of Sherlock Holmes?ⁿ¹⁷⁹

The requirement that a mark must designate a single source for particular goods or services has thwarted a number of trademark claims regarding characters.ⁿ¹⁸⁰ For example, in *Universal City Studios v. Nintendo*, Universal sued the creators of the game "Donkey Kong."ⁿ¹⁸¹ Universal claimed that because it had produced "King Kong" films, it had trademark rights to the name and character of "King Kong" and the image of an enormous ape holding a woman aloft atop a building.ⁿ¹⁸² The United States District Court for the Southern District of New York rejected this argument, finding that the asserted marks had been used by too many other entities to be associated with Universal.ⁿ¹⁸³ Two other film companies had also made King Kong movies, and they, as well as the estate of character creator Merian C. Cooper, each had continuing rights in some shred of the King Kong media empire.ⁿ¹⁸⁴ The existence of those rights holders, and a large number of third-party uses of King Kong marks, tended to undermine the idea that consumers would understand the name, character, or image as designating a single product source.ⁿ¹⁸⁵ Similarly, in *Frederick Warne & Co. v. Book Sales Inc.*, the publisher of the Peter Rabbit books asserted trademark infringement when the [*598] defendant copied several illustrations to create his own book about Peter Rabbit.ⁿ¹⁸⁶ The court found no trademark infringement because the illustrations - while undoubtedly associated with the Peter Rabbit books - could equally indicate either the book's author or its publisher as a source.ⁿ¹⁸⁷

For Sherlock Holmes and other oft-adapted characters, the situation is similar. Courts have not addressed the secondary meaning question directly with regard to Sherlock Holmes, but the very existence of the Pannonia Farms and Klinger cases demonstrates that many different entities have used, and will continue to use, the names and characters of Holmes and Watson without permission from anyone.ⁿ¹⁸⁸ Holmes has appeared in scores of adaptations, including several different wide-release versions of Holmes in the last few years alone. And over time, there have been far more unauthorized uses of Sherlock Holmes than there have been authorized ones. Readers started creating fan fiction and mock-scholarly commentary on the Holmes canon even before Arthur Conan Doyle finished writing Holmes stories, and Internet fan fiction archives alone contain over 100,000 fanworks relating to Sherlock Holmes.ⁿ¹⁸⁹ How would consumers know whether a new Holmes was associated with any of those sources as opposed to the CDE, Ms. Plunket, a publisher, a film producer, or some other entity? The term "Sherlock Holmes" surely describes a product - a work featuring the fictional detective - but it does not indicate any particular source for that product. Holmes is therefore more like King Kong and Peter Rabbit [*599] than like spokescharacters.

The single-source requirement thus protects the public domain by limiting rights holders' ability to claim that frequently-adapted characters act as marks. Nevertheless, some litigants have successfully argued that literary characters

- or at least their names - are capable of acting as brands that identify the literary author (or its estate) as the source of a particular work. For example, when filmmakers used an abbreviated version of the name "Tarzan" in the title of the (X-rated) movie *Tarz & Jane & Boy & Cheeta*, a court held it was both likely to confuse viewers into believing that the film was provided or authorized by Edgar Rice Burroughs's estate, and likely to dilute the estate's TARZAN mark.ⁿ¹⁹⁰ The court held that even a disclaimer would not sufficiently diminish the likelihood of confusion regarding whether the defendants' film was authored or sponsored by Burroughs.ⁿ¹⁹¹ Similarly, in *Danjaq LLC v. Sony Corp.*, a district court granted an injunction to halt Sony's plan to make a series of James Bond films, finding that Sony's use of the name "James Bond," in any capacity, would likely result in trademark dilution.ⁿ¹⁹²

Rights holders (or rights seekers) may also seek to circumvent the single-source requirement by demanding licenses and actively promoting themselves as the sole "authorizers" of works. The CDE has taken this approach, demanding licenses from adapters and compiling a list of [*600] licensees in an effort to establish that it possesses secondary meaning in the "Sherlock Holmes" mark.ⁿ¹⁹³ That strategy exploits a possible synergy between copyright and trademark law, whereby copyright holders' de jure temporary exclusivity over commercial adaptations of a character could perpetuate secondary meaning, and with it de facto permanent trademark rights in the character.ⁿ¹⁹⁴ Because consumers may mistakenly believe that the CDE owns broad copyrights in the character of Sherlock Holmes, they may also believe that any adaptation must be authorized by the CDE.ⁿ¹⁹⁵ Since every non-fair use of a copyrightable character would have to be approved during the copyright period, this would mean that every legally authorized appearance of the character was approved by a single source and that the character could therefore be understood as a source identifier. Taken to its logical extreme, this would mean that every copyrighted character would automatically be subject to potentially eternal trademark protection even after the expiration of copyright.

Courts have addressed this synergistic problem in the industrial design context, holding that as a general matter, rights holders should not be able to use one branch of intellectual property law to extend exclusivity when another branch has expired. For example, Nabisco could not rely on trademark law to maintain the exclusive rights over pillow-shaped shredded wheat when its patent expired, even though the patent had made Nabisco the only source of pillow-shaped shredded wheat, thus generating a certain sort of secondary meaning in the shape.ⁿ¹⁹⁶

The same principle should apply to secondary meaning borne of copyright exclusivity. Scholars have suggested that this is the inevitable conclusion of the Supreme Court's ruling in *Dastar Corp. v. Twentieth Century Fox Film Corp.* and the Ninth Circuit Court of Appeals' ruling in *Comedy III Productions, Inc. v. New Line Cinema*.ⁿ¹⁹⁷ Both cases imply that [*601] copyright holders cannot rely on trademark law to perpetuate protection after the expiration of copyright, and Comedy III articulates the principle quite clearly, explaining that trademark law "cannot be used to circumvent copyright law. If material covered by copyright law has passed into the public domain, it cannot then be protected by [trademark law] without rendering the Copyright Act a nullity."ⁿ¹⁹⁸

But although the cases clearly articulate a policy reason why a formerly copyrighted literary character or its name should not act as a mark,ⁿ¹⁹⁹ neither case rules directly on the question. *Dastar* held that one company could re-package formerly copyrighted content and sell it without crediting the original copyright owner, but the court did not directly address whether the formerly copyrighted videos could themselves act as marks.ⁿ²⁰⁰ Thus, while the case proceeded under a passing-off theory, it was really concerned with the distributor's representation of itself as the "producer" of its videos.ⁿ²⁰¹ In other words, the *Dastar* holding provides no direct answer to whether "Sherlock Holmes" could function as a mark; only whether someone could pass themselves off as the creator of the first fifty Sherlock Holmes stories. Comedy III also sidesteps the question of whether formerly copyrighted material can act as a mark.ⁿ²⁰² In that case, the court presumed that the motion picture clip in the case could not act as a mark because Comedy III could not prove that the clip had secondary meaning as a source identifier.ⁿ²⁰³ Thus, the court reasoned, trademark law did not bar the incorporation of the clip into a larger narrative.ⁿ²⁰⁴ The case therefore does not answer whether the formerly copyrighted character or name of Sherlock Holmes could act as a mark, only whether incorporating a phrase or storyline from the first fifty Sherlock Holmes stories into a narrative work would pose a trademark [*602] problem. The Comedy III court could logically have held that a formerly copyrighted character or its name cannot act as a mark in an expressive context - but it did not. In fact, the court distinguished *Burroughs*, in which the film *Tarz & Jane & Boy &*

Cheeta infringed Burroughs's TARZAN mark, rather than overturning it. ⁿ²⁰⁵

Therefore, while *Dastar* and *Comedy III* provide a convincing rationale for denying trademark protection to formerly copyrighted characters, neither case renders that result a foregone conclusion. Indeed, even in a post-*Dastar*/*Comedy III* world, a leading trademark treatise calls it "erroneous and a nonsequitur to state that merely because a picture is out of copyright, it is therefore 'in the public domain' and may be freely copied by anyone for any purpose. Such a picture may have achieved trademark significance by use as a symbol of origin by another." ⁿ²⁰⁶ Trademark law therefore remains a powerful tool for claimants who wish to compel adapters to pay for the use of formerly copyrighted characters - even if those claimants have to interpret *Dastar* narrowly in order to make their threats. Entities like Ms. Plunket and the CDE insist that they own trademark rights in the Sherlock Holmes character and name, ⁿ²⁰⁷ and the law leaves just enough breathing room for them to make their claims, [*603] forcing adapters to consider the risks of resisting licensing.

Even if characters or their names may be protected by trademark law, however, the use-based dimension of the public domain may permit adapters to use those characters or names in certain ways. The following section explores this use-based aspect of the trademark public domain.

2. Trademark Fair Use and Related Defenses

The remaining boundaries of the trademark public domain relate not to whether a mark is protected, but to whether the use of a protected (or protectable) mark constitutes trademark infringement. Trademark fair use analyses are quite different from the copyright fair use analysis, but they all act to preserve public domain space for certain uses of protected information. Like copyright fair use, trademark fair use doctrines make room for uses that might be impractical or impossible to license, either because the transaction costs of licensing would be too high or because the trademark owner would be unlikely to approve of the use. ⁿ²⁰⁸

As a general rule, trademark infringement occurs when someone uses a mark in a way that is likely to (1) confuse consumers into believing that the trademark holder is the source of the product or service or that the trademark holder sponsored or approved the use; or (2) dilute a famous mark by creating an association that harms the distinctiveness or reputation of the mark. ⁿ²⁰⁹ Trademark fair use doctrines create exceptions to these "likelihood of confusion" and "likelihood of dilution" principles: use of a trademark does not infringe if the use constitutes "classic" (descriptive) fair use, nominative fair use, or an artistically relevant and non-misleading exercise of the user's First Amendment right to free speech. ⁿ²¹⁰ Each of these defenses contains significant gaps and uncertainties, however, creating risk and uncertainty for adapters even if they eliminate liability.

First, the statutory doctrine of "classic" fair use permits the use of descriptive marks in a descriptive manner. ⁿ²¹¹ One might argue that the name "Sherlock Holmes" describes the [*604] character Sherlock Holmes just as shoes might be described as feeling "like a sneaker" despite Easy Spirit's "feels like a sneaker" motto. ⁿ²¹² But for the same reason, the descriptive fair use defense would apply more readily to a story's description of a particularly clever character as being "a real Sherlock Holmes" than it would to a story about Sherlock Holmes that identified the character by name. More problematically, the defense only applies to uses "otherwise than as a mark," which means that identifying the character in the title of the work - that is, branding the work according to the character it contains - could render this defense unavailable. ⁿ²¹³

The common-law doctrine of "nominative fair use" is more applicable to adaptations. It permits the commercial use of a mark to describe a markholder's good or service when three conditions are met: (1) the use refers to a product or service that is not readily identifiable without use of the trademark; (2) the user employs no more of the mark than is reasonably necessary to identify the product or service; and (3) the user does nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder. ⁿ²¹⁴ This doctrine permits, for example, stores to advertise what products they sell, and magazines to write news stories about branded products. ⁿ²¹⁵ Thus, the doctrine of nominative fair use should immunize many expressive uses of marks. To the extent that the term "Sherlock Holmes"

refers to a particular detective [*605] and an adapter wishes to refer to that particular detective, the adapter's use of the detective's name would qualify for nominative fair use analysis.

Thus, on its surface, the nominative fair use doctrine provides "heads I win, tails you lose" protection for adapters: if the term "Sherlock Holmes" is not a trademark representing the source of the fictional detective, then use of the name cannot constitute trademark infringement; but if it is, then referring to the detective by name constitutes nominative fair use. However, in practice, the nominative fair use doctrine may do little to mollify adapters' risk or uncertainty. One reason for this is ambiguity in the law. The third prong (i.e., that the user may do nothing beyond use of the mark to imply sponsorship or endorsement by the markholder) may force courts to analyze the context in which the mark is placed.ⁿ²¹⁶ Paradoxically, uses that portray the mark in a favorable light are less likely to qualify as fair uses than those that portray the mark in a negative light. This is because a positive use is one that the markholder would be more likely to endorse, while the markholder would be less likely to endorse a negative use.ⁿ²¹⁷ While this interpretation distorts the purpose of the nominative fair use doctrine (i.e., to give people the freedom to discuss branded products) it is relatively untested,ⁿ²¹⁸ and thus may chill expression. This uncertainty is particularly problematic since the nominative fair use analysis shifts the burden of proof from the markholder, who ordinarily must prove that a likelihood of confusion exists, to the content creator, who must prove that his or her use does not likely violate the third prong of the test.ⁿ²¹⁹ This makes it more [*606] difficult for adapters to escape litigation at an early stage and therefore presumably discourages adapters' and their publishers', distributors', and insurance carriers' willingness to bank on the doctrine when assessing the risk associated with investing in a new adaptation.

Finally, in the case of *Rogers v. Grimaldi*, the Second Circuit Court of Appeals considered the interplay between trademarks and the First Amendment, and held that the use of a mark in an expressive work, particularly in the title, triggers a First Amendment analysis if the use is (1) artistically relevant to the expression of the work and (2) not explicitly misleading as to the source of the work.ⁿ²²⁰ In such cases, courts balance the value of free expression against the likelihood of confusion.ⁿ²²¹ If the likelihood of confusion is not "particularly compelling," such uses will not infringe.ⁿ²²² Surely, there can be no question that the use of the character or words "Sherlock Holmes" to tell a story about the cultural icon Sherlock Holmes is artistically relevant. And barring a statement that the work originated with, or is sponsored or approved by, a particular markholder (such as the CDE), it is hard to imagine how such a use could be explicitly misleading. Rogers could therefore provide a sort of qualified immunity for adapters of characters in the copyright public domain, regardless of whether those characters or their names could be protected by trademark law. Thus, under current law, the Hopkins and Gillette cases discussed above, in which courts entertained quasi-trademark claims among producers of works titled "Sherlock Holmes," would likely come out differently.ⁿ²²³

But even this relatively liberal rule carries risk for adapters. First, Rogers is binding precedent only in the Second Circuit. Although most other circuits have adopted its balancing test, or one similar to it,ⁿ²²⁴ some circuit courts have [*607] refused to apply the test and others have interpreted it narrowly, holding that it may not apply to uses other than those in the titles of expressive works.ⁿ²²⁵ More problematically, the Rogers test does not create an automatic First Amendment defense to trademark infringement. Rather, Rogers provides only a balancing test that weighs likelihood of confusion against the First Amendment interest in free expression and provides that a "particularly compelling" likelihood of confusion may trump First Amendment interests even for uses that are artistically relevant and not explicitly misleading.ⁿ²²⁶ Thus, Rogers does not provide adapters with certainty or affordability, leading a number of scholars to criticize the test as unduly speech-chilling.ⁿ²²⁷ In fact, the test virtually [*608] guarantees that, if an adapter refuses to capitulate to a trademark demand, the adapter can expect fact-intensive, costly litigation.

As a matter of law, trademark defenses afford significant freedoms to adapters. As a practical matter, however, trademark defenses may do little to allay the chilling effect of risk aversion and uncertainty aversion on adapters and their publishers and distributors, and may even exacerbate it.ⁿ²²⁸ The following Part discusses these informal, yet powerful, influences on the public domain.

II. Uncertainty, Risk, and the Shrinking of the Public Domain

While the law explicitly carves out a public domain in literary characters through protectability limitations and infringement defenses, it remains fraught with risk and uncertainty for adapters. Adapters cannot easily know in advance whether a particular character is protected by copyright or trademark law, when any copyright protection expires, or whether a particular adaptive use of the character would constitute fair use or a noninfringing exercise of the adapter's First Amendment right of free expression. But they can know that they may face expensive litigation with potentially severe consequences. In addition, I contend, the law creates incentives for both rights holders and those without rights to assert claims, which further constricts the public domain. The risk aversion and uncertainty aversion of adapters' representatives, coupled with the consumer-driven nature of trademark protection, creates a "feedback loop" of rights assertion, capitulation, and rights accretion that promotes the gradual privatization of the public domain and threatens the scope of the cultural commons. I contend that this feedback loop is influenced by three forces working in tandem: doctrinal uncertainty, uncertain intellectual property ownership, and risk imbalances that create an incentive for rights holders to over assert their rights. The following sections discuss each in turn.

[*609]

A. Doctrinal Uncertainty and Risk Imbalance

Both risk and uncertainty influence decisions, and often people tend to try to avoid both. ⁿ²²⁹ Risk-averse people avoid behaviors that present known odds of a terrible loss, and uncertainty-averse people avoid behaviors for which the likelihoods of success or failure are unknown. ⁿ²³⁰ These operate independently of each other, although they may work synergistically: risk aversion may become more severe when odds are unknown, and uncertainty aversion may become more severe as possible consequences become more severe. ⁿ²³¹

There is a well-documented relationship between legal uncertainty, risk imbalance, and the privatization of the public domain. ⁿ²³² The blurry edges of copyright and trademark protectability doctrines and the flexibility of use-based exceptions not only open the door to fact-intensive and uncertain protection and infringement analyses, but also leave room for both rights holders and adapters to overestimate the scope of protection and underestimate the reach of fair use [*610] doctrines. Risk-averse and uncertainty-averse adapters, fearful of challenges from overreaching claimants, may seek permission to use "grey area" materials and uses for which the law would not require permission, or may simply refrain from such uses, believing permission to be too costly. These adapters' uncertainty and risk aversion thus effectively moves materials from the "legally safe to use" public domain into the "practically off-limits" zone. ⁿ²³³

Legal uncertainty need not automatically impinge upon the public domain. ⁿ²³⁴ It could, in theory, expand it: adapters might be tempted to push the boundaries of the public domain, electing to ask for forgiveness rather than permission. But when paired with aggressive enforcement, uncertainty permits risk aversion to creep in, and provides incentives for rights holders to overclaim. ⁿ²³⁵ Compounding the problem is the fact that people have varying responses to risk and uncertainty: brazen and/or privileged adapters may push the boundaries of what is permitted, while meek and/or poorly-funded adapters are more likely to refrain from creating as a result of fear, shame, or the belief that they are priced out of creating. ⁿ²³⁶ This means that uncertainty and risk aversion not only shrink the public domain, but also have a disproportionately harsh impact on those with the least power and fewest resources. This is inconsistent with the public domain's objective of permitting diversity in expression. ⁿ²³⁷

[*611] Constriction of the public domain is the nearly inevitable result of risk imbalance. ⁿ²³⁸ It is cheap and easy for putative rights holders to assert claims, but expensive and risky for adapters and their representatives to resist them. For an adapter-defendant, mounting even the most meritorious defense is costly, ⁿ²³⁹ there are no guarantees of success, and there is no way to end an ongoing lawsuit other than giving the putative rights holder what it wants. In addition, a finding of copyright infringement compels either statutory or compensatory damages, and may even result in an injunction. ⁿ²⁴⁰ In trademark law, where preliminary and permanent injunctions are common remedies for infringement, ⁿ²⁴¹ solid defenses that render a finding of infringement unlikely may not outweigh the existential threat to the adapter's work. The Digital Millennium Copyright Act (DMCA) can pose similarly existential risks for adaptations distributed online because putative rights holders can use its procedures to remove works from online distributors even without

having to establish the strength of their legal claims.ⁿ²⁴² In contrast, a claimant bears only the amount of risk it is willing to undertake: once it issues a nearly zero-cost threat or take-down notice, it can elect to walk away at any time, and if it pursues a claim further and loses, it has lost only its litigation expenses. Thus, rights holders have every incentive to overreach, and adapters and their representatives have every incentive to acquiesce.

This problem is compounded by the fact that adapters themselves are seldom the sole decision-makers regarding the [*612] feasibility and content of a commercial adaptation. Publishers, distributors, and insurance carriers often require adapters to warrant that they have all necessary rights and are unwilling to back works that lack such guarantees.ⁿ²⁴³ The *Klinger v. CDE* case demonstrates how both acquiescence and refusal to publish by these representatives can constrict the public domain.ⁿ²⁴⁴ *Klinger and King* edited a volume of original short stories by contemporary authors, inspired by the Holmes canon, entitled *A Study in Sherlock*.ⁿ²⁴⁵ As Random House prepared to publish the volume, the CDE demanded a license for it, even though its contents were based exclusively on the fifty public-domain Holmes stories.ⁿ²⁴⁶ Although *Klinger and King* believed the law did not require them to obtain a license, Random House obtained one - presumably, preferring to pay a fee rather than litigate or lose whatever costs it had already sunk into the volume.ⁿ²⁴⁷ Random House's decision to obtain a license for material that was legally unencumbered not only represented a straightforward constriction on the public domain, but also, as discussed below, has been used by the CDE as evidence of trademark secondary meaning.ⁿ²⁴⁸ When *Klinger and King* edited a second volume, their new publisher, Pegasus Books, received a similar threat from the CDE, but instead of acquiescing, Pegasus simply refused to publish the book.ⁿ²⁴⁹ Such refusals to publish represent a different, but equally expression-chilling, constriction of the public domain.

Thus, doctrinal uncertainty and risk imbalance conspire to constrict the public domain. But doctrinal uncertainty is not the only form of uncertainty adapters face: they also must consider the possibility of claims from multiple, sometimes [*613] conflicting, rights holders.

B. Uncertain Ownership

Even an adapter who believes he or she has obtained copyright and trademark permissions may be blind-sided by an unanticipated claimant. This compounds the challenge, discussed above, that adapters face in representing and warranting to publishers, distributors, and insurance carriers that they have obtained all necessary rights. Because of the irreducible risk that unidentifiable claimants may emerge from the woodwork, the risk of uncertain intellectual property ownership may be enough to scuttle adaptation projects.

Alternatively, adapters (or their representatives) may feel pressure to obtain licenses from multiple sources, even those with questionable ownership rights. As discussed above, paying for a license is surely less expensive, and likely less risky, than litigating a dispute. But the "just pay everyone" approach is no solution. First, it may not be possible to pay everyone since potential claimants may not be readily identifiable. And second, even if claimants are identifiable, paying everyone is only possible for adapters who have ample funds. Less well-funded adapters are left with a difficult choice: pay multiple entities what may be a prohibitively high price or face the risk and uncertainty of litigation.

Furthermore, obtaining a license also requires sacrificing a certain degree of creative control. Putative rights holders may want to influence the way "their" character is portrayed. Putative trademark holders may even feel they need to incorporate creative control into trademark licenses because permitting someone to use your trademark without exerting any quality control over that use - a practice known as "naked licensing" - undermines trademark validity.ⁿ²⁵⁰ Even the entertainment powerhouse Warner Brothers purportedly relinquished some creative control of their Sherlock Holmes [*614] character to Ms. Plunket,ⁿ²⁵¹ who in 2010 conspicuously threatened to "withdraw permission for more [Warner Brothers] films to be made" if those films contained gay subtext regarding Holmes.ⁿ²⁵² "Paying everyone," then, is only an option for those who are willing and able to bear whatever licensing conditions the rights holders may demand.

Finally, even if it were feasible and agreeable for all, the "pay everyone" approach would still constrict the public

domain by increasing transaction costs and encouraging rent-seeking behavior. The following sections discuss the causes and effects of uncertain rights ownership, first in the copyright context, and then for trademarks.

1. Copyright

Under the Copyright Act, only a "legal or beneficial owner of an exclusive right under a copyright is entitled ... to institute an action for any infringement of that particular right committed while he or she is the owner of it." ⁿ²⁵³ Courts have interpreted this to mean that standing to sue for copyright infringement is limited to two types of claimants: (1) copyright owners, and (2) exclusive copyright licensees. ⁿ²⁵⁴ It should be straightforward, therefore, to know whether or not a copyright demand is coming from a bona fide copyright claimant. Yet tracing the title of copyright ownership can be extremely difficult.

Indeed, the disputed history of copyright ownership in Sherlock Holmes demonstrates the extent of this difficulty. ⁿ²⁵⁵ This much is known: after Sir Arthur Conan Doyle's death, copyright in the Holmes canon transferred to Baskervilles Investments Ltd., an entity formed by the widow of Conan Doyle's son, Denis. ⁿ²⁵⁶ When Baskervilles Investments Ltd. fell [*615] into bankruptcy, Sheldon Reynolds purchased the rights from the receivership of the Royal Bank of Scotland. ⁿ²⁵⁷ From there, it gets complicated. The CDE traces its rights to a notice of termination of copyright transfer issued by Dame Jean Conan Doyle (the author's daughter) in 1981. ⁿ²⁵⁸ This termination (allegedly) reclaimed Dame Jean's interests in the copyright to the Holmes canon, and Dame Jean bequeathed these rights to the Royal National Institute of Blind People upon her death in 1997. ⁿ²⁵⁹ The Royal Institute then sold the rights to the CDE. ⁿ²⁶⁰

But the story told by Andrea Plunket is quite different: she claims that Dame Jean Conan Doyle issued her termination notice in 1979, and that the notice was ineffective because it was not served on Andre Milos (who, she argues, owned some portion of the rights as of 1979). ⁿ²⁶¹ Ms. Plunket alleges that she acquired the rights either by unrecorded assignment from an entity called Star Container Establishment, Ltd., or upon the intestate death of Sheldon Reynolds (after she and Mr. Reynolds were divorced). ⁿ²⁶² Neither of these scenarios seems legally plausible. Indeed, in 2004, a court held that if Ms. Plunket's rights had ever existed, she relinquished them as part of her divorce from Mr. Reynolds and that it was therefore "objectively unreasonable" for her to assert her alleged rights. ⁿ²⁶³ So who owns the remaining sliver of copyright in the [*616] Holmes canon? Andrea Plunket almost certainly does not. But it is not entirely clear that the CDE does either. A 1984 dispute that could have decided whether Dame Jean Conan Doyle's termination notice was effective ended instead in a finding that the court lacked personal jurisdiction over Dame Jean. ⁿ²⁶⁴ Considering Ms. Plunket's allegations that Dame Jean's termination was deficiently served, it is possible that the CDE owns no copyrights at all in the Holmes canon.

Notwithstanding this jumbled ownership situation, both the CDE and Ms. Plunket are vigorous in asserting their purported rights in Holmes. In fact, although the recent Warner Brothers Sherlock Holmes films have drawn almost entirely (if not entirely) on the fifty public domain stories, Warner Brothers reportedly paid both Ms. Plunket and the CDE to secure the "rights" for its films. Ms. Plunket reported that she was involved in making the film, ⁿ²⁶⁵ and Warner Brothers paid the CDE "the most lucrative single fee we've had to date on a project, with provisions for the same in the event of a sequel." ⁿ²⁶⁶

In addition to the difficulty of determining who owns the copyright in a character's original iteration, adapters also must consider the possibility of copyright claims from earlier adapters, as discussed above. ⁿ²⁶⁷ This risk is both irreducible and unpredictable unless one knows every adaptation that exists, which is almost certainly impossible for a frequently-adapted character like Holmes. Moreover, the array of possible claimants may also include entities that claim rights in characters and their names under trademark law. The following section discusses the uncertainty and plurality of [*617] possible trademark ownership.

2. Trademark

Unlike copyrights, there may be many legitimate "owners" of any given trademark. Because a trademark exists only in connection with particular goods or services, multiple users may exercise concurrent rights over the same mark, but for different purposes.ⁿ²⁶⁸ In addition, as with copyrights, competing entities may vie for rights in the same mark for the same types of goods or services.

At least three entities claim to own, manage, and license trademark rights in Sherlock Holmes, and many more claim "Sherlock"-related marks. The CDE claims common law rights to the word mark "Sherlock Holmes" for books and short stories in the field of detective fiction.ⁿ²⁶⁹ Andrea Plunket claims competing trademark rights in "the characters created by Sir Arthur Conan Doyle" including Holmes and Watson.ⁿ²⁷⁰ Another entity called The Sherlock Holmes Memorabilia Company owns the domain name www.sherlockholmes.com and describes itself as "managing the primary Sherlock Holmes brand."ⁿ²⁷¹ Adding to the complexity, the Memorabilia [*618] Company canceled a portion of its trademark registration after it was accused of being confusingly similar to marks owned by Hospitality USA, which owns Sherlock's Pub & Grill.ⁿ²⁷² Many more trademark registrations and applications include the word Sherlock or obvious homonyms.ⁿ²⁷³ And since registration is not required for trademark ownership,ⁿ²⁷⁴ there are likely scores of other harder-to-find entities using "Sherlock Holmes" and its variants as marks. In addition, just as adapters may gain copyright protection for their original contributions to derivative works, they also may claim trademark rights in any distinctive, source-identifying features of their new works, as happened in the Hopkins and Gillette cases.ⁿ²⁷⁵ This compounds the difficulty faced by potential adapters in predicting the sources of trademark risk.

Trademark law presumes - and I will not challenge here - that it is reasonable to require anyone who wishes to select a brand for use in commerce to conduct a thorough search to ensure that its chosen mark is not confusingly similar to someone else's existing mark.ⁿ²⁷⁶ But is it reasonable to demand the same search from someone who wishes to make a new expressive work adapting a public domain character? For the adapter, the question is not whether someone else has used the name "Sherlock Holmes" in a comparable way (e.g., as a character in an expressive work). It is a foregone conclusion [*619] that many have.ⁿ²⁷⁷ The question instead is who claims rights - and, more troublingly, what sorts of creative control those potential claimants might demand over an adaptation if they decided to assert their rights against the adapter.

In ordinary commerce, a competing markholder might demand that a competitor issue a disclaimer of non-association, or even change its mark. But in the expressive context, disclaimers are impractical,ⁿ²⁷⁸ and changing the mark would mean far more than changing the name or shape of a product - it would require not making an adaptation of Sherlock Holmes. Likewise, taking an "adapt first and ask questions later" approach requires sinking costs into a product that may later be enjoined - which, as discussed above, is unlikely to appeal to publishers, producers, distributors, and insurance companies.

One may argue that the sheer number of entities claiming rights in the character and his name, not to mention the name's use in common parlance to mean "detective" or "clever person," may make the term too widely used to act as a distinctive mark for anything. At the very least, the proliferation of claimants would narrow the potential scope of each markholder's rights - a video game maker would have rights only as against competing video games, and a pub would have rights only as against competing pubs. But, although that is likely true as a legal matter, as a practical matter, more potential claimants also mean more potential threats, however weak or narrow they may be. These potential threats, and the irreducible risk of challenges by multiple claimants, add an additional layer of risk and uncertainty for adapters and compound the public-domain shrinking impact of risk imbalance.

Moreover, the structure of the law encourages trademark assertions - even doubtful ones - not only as a mechanism for extracting payment, but also for attempting to strengthen or create a mark. The following section discusses how overreaching by putative trademark holders harms the public domain.

[*620]

C. Incentive to Assert and the Feedback Loop

Trademark over-assertion shrinks the public domain by triggering adapters' risk aversion, and putative trademark holders need not look far for excuses to over-assert their real or imagined rights. Because a mark's strength (and sometimes its very existence) depends partly on evidence of secondary meaning,ⁿ²⁷⁹ and because third-party acknowledgements of a putative markholder's rights can provide evidence of secondary meaning,ⁿ²⁸⁰ putative rights holders may seek to build their brands by granting third parties documented permission to use the claimant's "marks," whether or not such permission is actually required.

From a formal law standpoint, this is a dubious approach, at best. Courts recognize that third-party licenses do not necessarily constitute evidence of secondary meaning, particularly when the parties have entered into the license in order to resolve a dispute.ⁿ²⁸¹ Nevertheless, some courts have held that licenses to third parties tend to represent acknowledgement of an association between the mark and the licensor.ⁿ²⁸² This creates an incentive for putative markholders [***621**] to assert claims against adapters in an attempt to settle them and possibly create a mark where none existed before.

The CDE has taken precisely this approach with a licensing business that it claims constitutes evidence of secondary meaning in the word mark "Sherlock Holmes."ⁿ²⁸³ The CDE has submitted a declaration to the Trademark Trial and Appeal Board listing a series of licenses that, the CDE asserts, included a license for the use of the word mark "Sherlock Holmes."ⁿ²⁸⁴ The same declaration also describes the CDE's campaign to police the "Sherlock Holmes" mark.ⁿ²⁸⁵ The CDE no doubt hopes to create a "feedback loop" of rights accretion: by asserting and settling claims, the CDE obtains licenses that they hope will either strengthen their rights or create a public perception that such licenses are necessary, or both. Even if this strategy is ultimately ineffective in [***622**] establishing secondary meaning in a court of law,ⁿ²⁸⁶ it nevertheless shrinks the public domain by creating a perception of rights. The law lends just enough credibility to the putative rightsholders' claims to get the licensing ball rolling downhill, and once it starts rolling, it gains speed. Whether licensees acquiesce as a matter of legal requirement or risk aversion does not matter: either way, they pay. Thus, a character becomes trapped in a web of trademark law and risk aversion even though it could - and as a matter of copyright law, should - be in the public domain.

What is required to resolve this problem, therefore, is a doctrine that unequivocally forecloses claimants' ability to assert claims in the first place. The following section proposes such a doctrine.

III. Addressing the Problem

As the discussion above demonstrates, formal legal doctrine, at least in theory, provides a significant public domain in literary characters. Copyright protection reaches only some literary characters, and expiration and fair use doctrines create space for adapters to use even the protected characters. Trademark protection reaches only literary characters that serve as identifiers of a single source, and fair use doctrines similarly permit many uses of otherwise protected characters. But because these doctrines are riddled with ambiguities, uncertainty, and risk aversion, they create opportunities for claimants to overreach and shrink the public domain. I propose that the answer to this encroachment is brighter-line rules that are amenable to early adjudication.

Brighter-line rules would help alleviate uncertainty aversion. Current standards demand subjective judgments regarding whether a literary character is protected by copyright or trademark law and regarding when adapters are free to use the character in their works.ⁿ²⁸⁷ Although legal flexibility has virtue in some circumstances, the particular brand of flexibility here harms the public domain by fostering uncertainty about what creators are allowed to use as basic building blocks of expression.ⁿ²⁸⁸

[***623**] A rule permitting early adjudication of adaptation rights would help alleviate risk aversion by softening the risk imbalance between claimants and adapters.ⁿ²⁸⁹ Early adjudication would reduce the financial risks for accused infringers, for whom the cost of fact-intensive litigation is often far greater than the cost of a (possibly unnecessary) licensing fee.ⁿ²⁹⁰ If a case cannot be adjudicated early, adapters accused of infringement must either settle the case or

face potentially catastrophic loss in the form of high litigation costs, expensive or existential infringement remedies, and inevitable delay in releasing their works. My proposals therefore address protectability rather than infringement. Protectability is subject to ex ante assessment and, when litigation is necessary, can be decided as a threshold issue after minimum discovery. In contrast, while use-based defenses remain important to protecting expression, they do not necessarily clarify liability ex ante because they rest on multifactor tests (for copyright) and likely consumer perception (for trademark).ⁿ²⁹¹ Similarly, my proposals do not focus on procedural approaches that other scholars have suggested, such as judicial sanctions against claimants with weak or frivolous claims,ⁿ²⁹² more aggressive **[*624]** "loser pays" fee-shifting mechanisms,ⁿ²⁹³ and expanded availability of burden-shifting mechanisms such as anti-Strategic Lawsuit Against Public Participation (anti-SLAPP) remedies.ⁿ²⁹⁴ Each of these suggestions has advantages and disadvantages,ⁿ²⁹⁵ and each could help alleviate the public-domain shrinking impact of risk aversion, but even if implemented, these litigation-based mechanisms do little unless cases make it to court.ⁿ²⁹⁶ Thus, they still increase transaction costs for adapters, and they do little to address the legal uncertainties that make claimants' threats plausible.

By contrast, my proposals thus rely on existing copyright and trademark doctrines to create more predictable, protectability-based answers to the question of when a character enters the public domain. Since both proposals rely on existing law, both can be accomplished through judicial interpretation without legislative participation. I recognize that neither proposal is a panacea, and that adjusting protectability will not solve the problem that those who most need the public domain will have the least ability to defend it.ⁿ²⁹⁷ But these doctrinal adjustments provide legal tools that adapters can use to push back against overreaching claimants, and eliminate the uncertainties that make overreaching all too easy. I will address copyright and trademark in turn.

On the copyright side, adapters should be able to predict when a character will enter the copyright public domain, and rights holders should not be able to delay that entry. To accomplish this, I suggest that copyright in literary characters should expire simultaneously with the copyright in the first work in which the character was distinctively delineated. This will not eliminate uncertainty entirely - as discussed above, determining whether a character is copyrightable is not always **[*625]** easyⁿ²⁹⁸ - but it will eliminate nearly all uncertainty about copyright expiration. Once a character is known or presumed to be copyrightable, it should be a matter of simple arithmetic to determine when that copyright expires, but in the current incremental-expiration climate, it is not. Protecting "incremental expression," as the court did in *Klinger*, can have the same practical impact as extending copyright in characters, both by leaving room for claimants to overreach and by protecting versions of the character that are trivially different from, or predictable elaborations on, characters that have already entered the public domain.ⁿ²⁹⁹ I do not mean to suggest that derivative characters should never be protectable; rather, the threshold for protecting new "versions" of characters should be as demanding as the threshold for protecting original characters - echoing the rule that new material in derivative works must reach a threshold of originality and expression to be copyrightable.ⁿ³⁰⁰

On the trademark side, the existing doctrine of genericity should eliminate the ability to claim trademark rights in literary characters and character names that have entered the copyright public domain.ⁿ³⁰¹ Genericity embodies the basic principle that trademark law does not protect generic terms, which are defined as the "common descriptive name" for a type of product or service.ⁿ³⁰² As one court explained, "no 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 **[*626]** has achieved in securing public identification, it cannot deprive competing manufacturers ... of the right to call an article by its name."ⁿ³⁰³ Just as the term "apple juice" is the generic term for the juice of apples, the term "Sherlock Holmes" is the generic term for the detective Sherlock Holmes. Just as a bottle of apple juice can be marked with the term "apple juice" without fear of infringement, an adapter should be able to use the term "Sherlock Holmes" to identify the contents of expressive work featuring the character Sherlock Holmes without trademark repercussions.

I am not suggesting that literary characters or their names are or should be generic for all products or services. A sportswear company could adopt the trade name "apple juice" as a valid mark (although it might face allegations of confusing similarity from competitors Apple Bottoms and Juicy Couture). Along the same lines, characters' names would still be amenable to protection as marks for other goods and services - Sherlock Holmes pipe tobacco, Beowulf Pet Day Care, Samson & Delilah Hairdressers, and the like.ⁿ³⁰⁴ But for expressive goods and services, when characters

enter the copyright public domain, they and their names should be treated as generic for the fiction they represent. Indeed, they should be treated as generic during the period of copyright as well as after it. Regardless of whether copyright protection persists, characters and their names signal a type of goods (that is, expressive goods concerning that character) rather than a source of goods (such as a particular author, producer, or distributor of those expressive goods).

This proposal does not change the law, but it makes explicit the rules signaled by *Dastar* and *Comedy III* that trademark law should not perpetuate exclusive ownership of works of authorship after their copyright protection expires.ⁿ³⁰⁵ Moreover, it strengthens those cases by grounding their outcomes in the core trademark doctrine of genericity, rather than a vague "non-extension" principle.ⁿ³⁰⁶

Genericity also makes it immaterial whether or not consumers associate the name or character of Sherlock Holmes with a particular source such as the CDE, Ms. Plunket, the Sherlock Holmes Memorabilia Company, or anyone else, since a generic term is incapable of acquiring secondary meaning.ⁿ³⁰⁷ This principle is well-established at the intersection of trademark and patent law, where the generic names and shapes of patented objects cannot gain secondary meaning by virtue of their patent exclusivity even if consumers associate those names or shapes with the patentee or its product.ⁿ³⁰⁸ In 1896, the Supreme Court explained that when a patent expires the public gains an affirmative right to make the formerly patented product, and "it equally follows ... that along with the public ownership of the device there must also necessarily pass to the public the generic designation of the thing which has arisen during the monopoly" even if the public connects the name of the product with the patentee.ⁿ³⁰⁹ Thus, for example, the Supreme Court held that the formerly-patented pillow shape of shredded wheat cereal and the name "shredded wheat" to describe cereal made of shredded wheat were generic and could never serve as trademarks regardless of whether consumers ever associated them with Nabisco as a source.ⁿ³¹⁰ This was true even if consumers had come to associate the name with the source after the patent had expired.ⁿ³¹¹ The court explained that although Nabisco's predecessor "expended more than \$ 17,000,000 in making the name a household word and identifying the product with its manufacture" after the patent expired, that effort could not create a protectable mark, because "like every other member of the public, [Kellogg Company] was, and remained, free to make shredded wheat when it chose to do so; and to call the product by its generic name."ⁿ³¹² This holding reflects the principle that there is no amount of secondary meaning that can render a generic term protectable. No amount of licensing, nor public [*628] acknowledgement of rights, should be able to establish secondary meaning in formerly copyrighted characters like Sherlock Holmes for expressive goods or services.ⁿ³¹³

I recognize that applying the genericity doctrine to characters will create a certain degree of consumer confusion, because some consumers may mistakenly believe that a literary character's name is a source identifier. But courts have long recognized and deemed acceptable some degree of confusion.ⁿ³¹⁴ Indeed, even "total confusion" is irrelevant to protectability if an alleged mark is generic.ⁿ³¹⁵ In order to "permit the natural enrichment of the language and to prevent [putative markholders] from maintaining a monopoly" over the building blocks of expression,ⁿ³¹⁶ the genericity doctrine encompasses not only terms that began their lives as generic descriptors, but also former marks, such as "thermos," "aspirin," and "cellophane" that have lost their source-identifying function as consumers have come to understand them as identifying a type of good or service rather than a [*629] source.ⁿ³¹⁷ In this context, courts recognize that consumer understandings may shift at uneven rates, and some consumers will still carry a branded connotation in their minds even after a critical mass of consumers have adopted the generic understanding of a term.ⁿ³¹⁸ The same is surely true for literary characters: just as some consumers may believe that the terms "shredded wheat," "thermos," "aspirin," and "escalator" denote product sources, some people may believe that a formerly copyrighted literary character's name denotes a particular source. But to the extent confusion will occur, it is the sort of confusion that trademark law routinely tolerates in order to facilitate communication and expression.ⁿ³¹⁹ As the *Rogers* court explained, "in general the [Trademark] Act should be construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression."ⁿ³²⁰ The mere fact that some consumers may perceive characters or their names as source identifiers for literary goods does not outweigh their nature as generic identifiers of goods-types rather than goods-sources.

Conclusion

Literary characters are far from "generic" in the colloquial sense of the word. They are cherished by those who get to know them and may feel like "real," distinct people with real social impact. But it is precisely that cultural significance that makes the public domain in literary characters so important. Intellectual property incentives may encourage their creation, and moral intuition may demand that originators be rewarded for their efforts and recognized for their contributions. But [*630] those incentives and intuitions do not justify eternal or unlimited exclusivity at the expense of creation and expression. Like chicks leaving the nest, at some point, characters must be permitted to take on expressive lives of their own, to become part of a cultural vocabulary that is free to use for all purposes, without cost or content control.

In theory, copyright and trademark doctrines recognize that need, restricting which literary characters can be protected and providing wide fair-use latitude for adapters to incorporate those characters in new works even during the term of copyright exclusivity. But in practice, many forces conspire to shrink this public domain: ambiguity in the law regarding copyright and trademark protectability, irreducible uncertainty regarding who owns rights, and a potentially chilling synergy between copyright and trademark protection. Together, these provide an incentive for putative rights-holders to over-assert their rights and discourage adapters from fighting back. This risk imbalance makes literary characters "off-limits" to creators even when the law would almost certainly permit their use, moving the practical boundaries of the public domain and disproportionately harming the disempowered and poorly funded - those for whom the public domain is most crucial.

The answer, I suggest, is no mystery. Existing copyright expiration and trademark genericity doctrines provide tools for maintaining a robust public domain. But for these doctrines to work, courts must apply them to compel literary characters' public availability. This requires permitting characters' copyright to expire along with their underlying works and not allowing putative rights holders to perpetuate those copyrights by publishing derivative works. It requires treating literary characters and their names as they are: generic signals of a type of work - a work featuring those characters - rather than a particular source of the work, such as an author or publisher. And it requires applying these rules in a way that is reliable and predictable, and in such a way that overreaching is as risky for putative rights holders as it is for adapters. Creators should be able to draw on public domain characters with confidence - to marry them, murder them, or do what they like with them.

Legal Topics:

For related research and practice materials, see the following legal topics:

Copyright Law Civil Infringement Actions General Overview Copyright Law Duration & Renewal General Overview Copyright Law Restoration From Public Domain Duration

FOOTNOTES:

n1. Doyle Dep. 7:2-3, Apr. 12, 1923 (on file with author).

n2. See generally, e.g., Donald A. Redmond, *Sherlock Holmes Among the Pirates: Copyright and Conan Doyle in America 1890-1930* (1990); *Hopkins Amusement Co. v. Frohman*, 103 Ill. App. 613 (1902), *aff'd*, 67 N.E. 391 (1903) (adjudicating the first United States litigation concerning intellectual property rights in Sherlock Holmes); *Gillette v. Stoll Film Co.*, 200 N.Y.S. 787 (1922), *aff'd*, 198 N.Y.S. 916 (N.Y. App. Div. 1923) (adjudicating suit among adapters of Holmes stories); *Musto v. Meyer*, 434 F. Supp. 32, 36 (S.D.N.Y. 1977) (same); *Granada Television Int'l, Inc. v. Lorindy Pictures Int'l, Inc.*, 606 F. Supp. 68, 73 (S.D.N.Y. 1984) (same); *Plunket v. Doyle*, No. 99 Civ. 11006 (KMW), 2001 WL 175252 (S.D.N.Y. Feb. 22, 2001) (adjudicating dispute among entities claiming to own copyright in Holmes

stories); *Pannonia Farms, Inc. v. USA Cable*, 03 Civ. 7841 (NRB), 2004 U.S. Dist. LEXIS 23015 (S.D.N.Y. June 7, 2004) (adjudicating suit between claimant in Holmes copyright and adapter); *Klinger v. Conan Doyle Estate, Ltd.*, 988 F. Supp. 2d 879 (N.D. Ill. 2013) (same).

n3. See *supra* note 1.

n4. See Dave Itzkoff, *For the Heirs to Holmes, a Tangled Web*, N.Y. Times (Jan. 18, 2010), <http://www.nytimes.com/2010/01/19/books/19sherlock.html>, archived at <http://perma.cc/P5CE-2P7F>.

n5. See *Klinger v. Conan Doyle Estate Ltd.*, 755 F.3d 496 (7th Cir. 2014).

n6. Motion to Stay Mandate, *Klinger*, 755 F.3d 496 (No. 1:13-CV-14-1128), available at <https://freeshlock.files.wordpress.com/2014/07/cde-motion-for-stay.pdf>, archived at <http://perma.cc/6MSU-ZFKB> (denying the stay); see also *Who Are Conan Doyle Estate Ltd.*?, Conan Doyle Est., <http://www.conandoyle-estate.co.uk/index.php/who-are-conan-doyle-estate-ltd> (last visited Oct. 9, 2014), archived at <http://perma.cc/3EN3-R73N>.

n7. See Complaint for Declaratory Judgment, *Klinger*, 755 F.3d 496 (No. 1:13-CV-01226), 2013 WL 552848.

n8. See *id.*; see also Peter Hirtle, *Copyright Term and the Public Domain in the United States*, 1 January 2014, available at <http://copyright.cornell.edu/resources/docs/copyright2014.pdf>, archived at <http://perma.cc/UW5L-SUMW> (charting expiration dates of copyrighted works based on factors including publication date, registration, and renewal; concluding that copyright protection has expired for all works first published in the United States before 1923).

n9. See, e.g., *Opinions*, Free Sherlock, <http://free-sherlock.com/opinions> (last visited Sept. 6, 2014), archived at <http://perma.cc/9X4N-BVLJ>; Jennifer Schuessler, *Suit Says Sherlock Belongs to the Ages*, N.Y. Times (Mar. 6, 2013), <http://www.nytimes.com/2013/03/07/books/suit-says-sherlock-belongs-to-the-ages.html>, archived at <http://perma.cc/manage/vest/MM2C-267P>; Jenny Hendrix, *Free Sherlock? Holmes Scholar Challenges Conan Doyle Estate*, L.A. Times (Feb. 18, 2013), <http://articles.latimes.com/2013/feb/18/entertainment/la-et-jc-free-sherlock-holmes-scholar-challenges-conan-doyle-estate-20130218>, archived at <http://perma.cc/6SKM-CL2J>; Claire Suddath, *The Man Who's Trying to Free Sherlock Holmes*, Bloomberg Businessweek (Mar. 8, 2013), <http://www.businessweek.com/articles/2013-03-08/the-man-whos-trying-to-free-sherlock-holmes>, archived at <http://perma.cc/ES8Z-4Y2B>; G.F., *Who Owns Sherlock Holmes?*, Economist (Feb. 20, 2013), <http://www.economist.com/blogs/prospiero/2013/02/public-domain>, archived at <http://perma.cc/J483-RAEQ>; Cory Doctorow, *Holmes Scholar Files Suit to Put Sherlock Unambiguously Into the Public Domain*, Boing Boing (Feb. 15, 2013, 5:38 PM), <http://boingboing.net/>

2013/02/15/holmes-scholar-files-suit-to-p.html, archived at <http://perma.cc/3JLR-68UE>.

n10. See Results for #freesh Sherlock, Twitter, <https://twitter.com/search?q=%23freesh Sherlock&src=typd> (last visited Sept. 6, 2014), archived at <http://perma.cc/Z2CT-DGSL>. Even literary celebrities like Neil Gaiman and Stephen Fry voiced their support. See Tweet by @neilh himself (Neil Gaiman), Mar. 15, 2013 ("@LyndsayFaye @BakerStBabes @Iklinger is the man."); Tweet by @stephenfry (Stephen Fry), Mar. 26, 2013 ("The characters of Sherlock Holmes & Dr. Watson should belong to the world! Support the #FreeSherlock case! Bit.ly/YcSnGR").

n11. Klinger, 755 F.3d at 503.

n12. Petition for Writ of Certiorari, *Klinger v. Conan Doyle Estate, Ltd.*, 2014 WL 4639832 (Sept. 15, 2014) (No. 14-316).

n13. Klinger, 755 F.3d 496, cert. denied, 2014 WL 4647139 (Nov. 3, 2014) (No. 14-316).

n14. Press Release - *Klinger v. Conan Doyle Estate*, Conan Doyle Est. (June 16, 2014), <http://www.conandoyleestate.co.uk/index.php/press-release-klinger-v-conan-doyle-estate>, archived at <http://perma.cc/3EN3-R73N>; Benjamin Allison, *Ruling Protects Much of Sherlock Holmes's Character*, Sutin, Thayer & Browne (Dec. 29, 2013), <http://sutinfirm.com/news-awards/ruling-continues-to-protect-much-of-sherlock-holmes-character>, archived at <http://perma.cc/4KKY-FZQ3> (summarizing recent case and written by lead counsel for the Conan Doyle Estate).

n15. See *infra* notes 261-64 and accompanying text.

n16. Oli Simpson, "Sherlock Holmes 2' Plans in Jeopardy?", *Digital Spy* (Jan. 4, 2010, 3:12 PM), <http://www.digitalspy.com/movies/news/a193822/sherlock-holmes-2-plans-in-jeopardy.html>, archived at <http://perma.cc/785V-ZN6Y>.

n17. *The Game is Afoot in Sherlock Trademark Dispute*, *World Trademark R. Blog* (Jan. 16, 2014), <http://www.worldtrademarkreview.com/daily/detail.aspx?g=645b6180-c549-4a61-8945-2a4239865fb2>, archived at <http://perma.cc/8JRM-Y9EZ>.

n18. See Hirtle, *supra* note 8.

n19. See *infra* Part I.B.

n20. See 15 U.S.C. §§1059, 1064 (2012) (providing for permanently renewable registration so long as mark is not abandoned or rendered generic). A number of scholars have commented on trademark law's ability to simulate eternal copyright protection even after actual copyright protection has expired. See generally, e.g., J.C. Sander, The End of Arbitrary Findings of Secondary Meaning: A Call for the Expansion of Trademark Status of Literary Characters, 17 *Intell. Prop. L. Bull.* 1 (2012); Mark McKenna, Dastar's Next Stand, 19 *J. Intell. Prop. L.* 357 (2012) (describing impact of Dastar decision on overlap between trademark and copyright); Andrea Slane, Guarding a Cultural Icon: Concurrent Intellectual Property Regimes and the Perpetual Protection of Anne of Green Gables in Canada, 56 *McGill L.J.* 1011 (2011) (describing Canadian law); Kathryn M. Foley, Protecting Fictional Characters: Defining the Elusive Trademark-Copyright Divide, 41 *Conn. L. Rev.* 921 (2009); Viva Moffatt, Mutant Copyrights and Backdoor Patents: The Problem of Overlapping Intellectual Property Protection, 19 *Berkeley Tech. L.J.* 1473 (2004); Kristen Knudsen, Tomorrow Never Dies, 2 *Vand. J. Ent. L. & Prac.* 13 (2000); Christine Nickles, The Conflicts Between Intellectual Property Protections When A Character Enters The Public Domain, 7 *UCLA Ent. L. Rev.* 133 (1999); Leslie A. Kurtz, The Methuselah Factor: When Characters Outlive Their Copyrights, 11 *U. Miami Ent. & Sports L. Rev.* 437 (1994) [hereinafter Kurtz, *Methuselah*]; Michael Todd Helfand, When Mickey Mouse Is as Strong as Superman: The Convergence Of Intellectual Property Laws To Protect Fictional Literary and Pictorial Characters, 44 *Stan. L. Rev.* 623 (1992); Leslie A. Kurtz, The Independent Legal Lives of Fictional Characters, 1986 *Wis. L. Rev.* 429 (1986) [hereinafter Kurtz, *Independent Lives*].

n21. See *infra* Parts I.A.4, I.B.2.

n22. See *id.*

n23. *Id.*

n24. See *Klinger v. Conan Doyle Estate, Ltd.*, 761 F.3d 789, 791-92 (7th Cir. 2014) (granting attorneys' fees to Klinger, describing CDE's business model of seeking license fees from adapters, and stating "it's time the estate, in its own self-interest, changed its business model"). For a partial listing of the CDE's licenses, see Affidavit of Jon Lellenberg at 2, U.S. Trademark Application Serial No. 85,229,790 (filed Jan. 31, 2011), available at <https://tsdr.uspto.gov/document-viewer?caseId=sn85229790&docId=RSI20111217183505#docIndex=4&page=2>.

n25. For example, the iPad adventure book *Steampunk Holmes: Legacy of the Nautilus* is an adaptation of the public-domain story *The Adventure of the Bruce-Partington Plans*. See P.C. Martin, *Steampunk Holmes: Legacy of the Nautilus* (2d ed. 2012), available at <http://www.smashwords.com/extreader/read/134422/1/steampunk-holmes-legacy-of-the-nautilus>, archived at <http://perma.cc/8N3F-73LX> (containing prominent notice that the makers received a license from the CDE).

n26. See *Klinger*, 761 F.3d at 792 (granting attorneys' fees to *Klinger*, describing differential between cost of license and cost of litigation); Affidavit of Jon Lellenberg, *supra* note 24, at 2 (identifying some who have obtained licenses from the CDE).

n27. See *Edgar Rice Burroughs, Inc. v. Manns Theatres*, No. 76-3612, 1976 WL 20994, 195 U.S.P.Q. 159 at 3 (C.D. Cal. Dec. 20, 1976); Complaint, *Edgar Rice Burroughs, Inc. v. Dynamic Forces Entm't, Inc.*, 1:12-cv-01192-ER (S.D.N.Y. Feb. 12, 2012) (alleging infringement of various Tarzan and John Carter of Mars marks without alleging infringement of United States copyright).

n28. See generally *Sony Pictures Entm't v. Fireworks Entm't Grp.*, 137 F. Supp. 2d 1177 (C.D. Cal. 2001) (claiming trademark rights in Zorro character after copyright had expired); *Sony Pictures Entm't v. Fireworks Entm't Grp.*, 156 F. Supp. 2d 1148 (C.D. Cal. 2001) (same); *Queen of Swords to Zorro: Take That!*, 7 Andrews Intell. Prop. Litig. Rep., no. 21, 5 (2001) (describing case).

n29. See Charlie Jane Anders, *Can You Trademark a Character from a Public Domain Story?*, *Io9* (Feb. 27, 2012, 5:00 PM), <http://io9.com/5888791/can-you-trademark-a-character-whos-in-the-public-domain>, archived at <http://perma.cc/KH3H-WMUT>; John Carter of Mars Series, *Edgar Rice Burroughs*, http://www.edgarriceburroughs.com/?page_id=18 (last visited Oct. 13, 2014), archived at <http://perma.cc/29HF-2LXJ> (noting that John Carter books were published in 1911 but describing claim of trademark rights in, among other things, character names); Complaint, *Edgar Rice Burroughs, Inc. v. Dynamic Forces Entm't, Inc.*, 1:12-cv-01192-ER (S.D.N.Y. Feb. 12, 2012) (alleging infringement of various Tarzan and John Carter of Mars marks).

n30. See generally *Conan Properties, Inc. v. Mattel, Inc.*, 712 F. Supp. 353, 355 (S.D.N.Y. 1989) (asserting both copyright and trademark claims against Mattel's He-Man although copyright had lapsed in Robert Howard's Conan character).

n31. See generally *Frederick Warne & Co., Inc. v. Book Sales Inc.*, 481 F. Supp. 1191 (S.D.N.Y. 1979) (asserting trademark rights in Peter Rabbit after copyright had expired); Viva R. Moffat, *Mutant Copyrights and Backdoor Patents: The Problem of Overlapping Intellectual Property Protection*, 19 Berkeley Tech. L.J. 1473 (2004).

n32. See *Harvey Cartoons v. Columbia Pictures Indus., Inc.*, 645 F. Supp. 1564 (S.D.N.Y. 1986).

n33. See generally *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 654 F.3d 958 (9th Cir. 2011).

n34. See *infra* notes 35-41 and sources cited therein.

n35. See Kurtz, *Independent Lives*, *supra* note 20, at 432-36 (discussing and providing examples of characters' entry into cultural vocabulary).

n36. Arthur Conan Doyle, *His Last Bow* 8 (1917) ("Good old Watson! You are the one fixed point in a changing age.").

n37. See Jacqueline Lai Chung, *Drawing Idea from Expression: Creating a Legal Space for Culturally Appropriated Literary Characters*, 49 *Wm. & Mary L. Rev.* 903, 913-17 (2007) (discussing cultural appropriation of characters).

n38. Betsy Rosenblatt, *Sherlock Holmes Fan Fiction*, 62 *Baker Street J.* 33 (2012).

n39. See Chung, *supra* note 37, at 931-32 (discussing sources of meaning and communicative value of culturally appropriated characters); Kurtz, *Independent Lives*, *supra* note 20, at 433-36.

n40. I use the term "creators" here and throughout to refer both to so-called "original" creators and follow-on creators such as adapters, recognizing that even the most original creator must inevitably draw on material that came before.

n41. See *Warner Bros. Entm't Inc. v. RDR Books*, 575 F. Supp. 2d 513, 546-49 (S.D.N.Y. 2008) (holding that work containing substantial portions of Harry Potter books infringed copyright).

n42. See Tyler T. Ochoa, *Origins and Meanings of the Public Domain*, 28 U. Dayton L. Rev. 215, 217-222 (2002) (describing history of public domain scholarship and defining public domain by enumerating its contents); Pamela Samuelson, *Enriching Discourse on Public Domains*, 55 Duke L.J. 783, 783 (2006) (describing disagreement regarding definitions and positing several types of public domain).

n43. See 17 U.S.C. §§301-305 (2012) (copyright expiration); 35 U.S.C. § 154 (2012) (patent expiration); 15 U.S.C. § 1052 (2012) (identifying bars to trademark registration); 35 U.S.C. § 101 (defining patentable subject matter); 17 U.S.C. § 102 (defining copyrightable subject matter).

n44. See, e.g., Edward Lee, *The Public's Domain: The Evolution of Legal Restraints on the Government's Power to Control Public Access Through Secrecy or Intellectual Property*, 55 Hastings L.J. 91, 102-116 (2003) (tracking history of public domain as a concept of intellectual property law; tying concept to the limits of intellectual property's subject matter and duration); Jessica Litman, *The Public Domain*, 39 Emory L.J. 965, 1010-11 (1990) (defining public domain as "a commons that includes those aspects of copyrighted works which copyright does not protect").

n45. See, e.g., Yochai Benkler, *Free as the Air to Common Use: First Amendment Constraints on Enclosure of the Public Domain*, 74 N.Y.U. L. Rev. 354, 361, 424 (1999); David Lange, *Reimagining the Public Domain*, 66 Law & Contemp. Probs. 463, 478-79 (2003) ("Consider copyright's fair use doctrine. Under the proposal I have advanced here, that doctrine should now be seen as an affirmative aspect of the public domain at large, rather than as a mere affirmative defense to an allegation of copyright infringement."); Samuelson, *supra* note 42, at 783-85 (suggesting multiple public domains premised on (1) the legal status of the content; (2) the freedom to use content; and (3) the accessibility of content).

n46. See Samuelson, *supra* note 42, at 783-85.

n47. This resembles, but is not identical to, Yochai Benkler's definition of the public domain, which includes straightforward fair uses but excludes fair uses that can only be vindicated by litigating complicated and fact-intensive litigation. See Benkler, *supra* note 45, at 361-63. It may more closely resemble the version of the public domain that Pamela Samuelson describes as "conferring a presumptive right of creative appropriation," although that version, too, is grounded in formal law. See Samuelson, *supra* note 42, at 803-04; see also Pamela Samuelson, *Mapping the Digital Public Domain: Threats and Opportunities*, 66 Law & Contemp. Probs. 147, 148-49 (2003) (acknowledging that certain intellectual creations may be in the public domain as a matter of law, but not as a practical matter).

n48. See Litman, *supra* note 44, at 968 ("The public domain should be understood not as the realm of material that is undeserving of protection, but as a device that permits the rest of the system to work by leaving the raw material of authorship available for authors to

use.").

n49. Lange, *supra* note 45, at 470.

n50. See *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 730-31 (2002) ("The monopoly is a property right; and like any property right, its boundaries should be clear. This clarity is essential to promote progress, because it enables efficient investment in innovation."); Joseph P. Liu, *The New Public Domain*, 2013 U. Ill. L. Rev. 1395, 1417-18 (2013) (identifying literature on benefits of public domain and discussing benefits). But see Anupam Chander & Madhavi Sunder, *The Romance of the Public Domain*, 92 Cal. L. Rev. 1331, 1332, 1334-35 (2004) (identifying risks of over-romanticizing benefits of public domain).

n51. Liu, *supra* note 50, at 1417 (citing David Fagundes, *Crystals in the Public Domain*, 50 B.C. L. Rev. 139, 143-44 (2009)).

n52. Liu, *supra* note 50, at 1418-19.

n53. See Elizabeth L. Rosenblatt, *A Theory of IP's Negative Space*, 34 Colum. J.L. & Arts 317, 360 (2011) (discussing relationship between negative spaces and "productive infringement"). Note that this argument presumes the policy objective of production rather than complete originality. It also privileges the values of quantity, diversified speakers, and diversified perspectives, over the value of maintaining coherent and consistent originators' visions. See Justin Hughes, *"Recoding" Intellectual Property and Overlooked Audience Interests*, 77 Tex. L. Rev. 923, 924, 984-87 (1999) (noting that diversifying perspectives has the effect of diminishing the coherence of a unified originators' vision).

n54. See, e.g., Lange, *supra* note 45, at 465-66 ("Now I saw that the public domain demanded recognition as an affirmative entity, conferring its own protection (which I imagined as in the nature of rights) upon individual creators; this would be necessary if creativity itself was to survive the tendency toward expansionism that seemed to be burgeoning everywhere among the intellectual property doctrines."); James Boyle, *The Second Enclosure Movement and the Construction of the Public Domain*, 66 Law & Contemp. Probs. 33 (2003); Benkler, *supra* note 45, at 411-12.

n55. A number of scholars have explored the circumstances under which, and the degree to which, copyright law protects literary characters. See generally, e.g., Zahr K. Said, *Fixing Copyright in Characters: Literary Perspectives on a Legal Problem*, 35 Cardozo L. Rev. 769 (2013); Samuel J. Coe, *The Story of a Character: Establishing the Limits of Independent Copyright Protection for Literary Characters*, 86 Chi.-Kent L. Rev. 1305 (2011); Foley, *supra* note 20; Jasmina Zecevic, *Distinctly Delineated Fictional Characters that Constitute the Story Being Told: Who Are They and Do They Deserve Independent Copyright Protection?*, 8 Vand. J. Ent. & Tech. L. 365 (2006); Nickles, *supra* note 20; Kurtz, *Independent Lives*, *supra* note 20; Francis M. Nevins, Jr., *Copyright + Character = Catastrophe*, 39 J. Copyright Soc'y

USA 303 (1992).

n56. *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 121 (2d Cir. 1930).

n57. *Id.*

n58. *Id.*

n59. *Id.*

n60. *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 754 (9th Cir. 1978) (Mickey Mouse); *Detective Comics, Inc. v. Bruns Publ'ns, Inc.*, 111 F.2d 432 (2d Cir. 1940) (Superman); *Burroughs v. Metro-Goldwyn-Mayer, Inc.*, 519 F. Supp. 388, 391 (S.D.N.Y. 1981) (Tarzan); *Bach v. Forever Living Prods. U.S., Inc.*, 473 F. Supp. 2d 1127, 1136 (W.D. Wash. 2007) (Jonathan Livingston Seagull); *New Line Cinema Corp. v. Easter Unlimited, Inc.*, 1989 U.S. Dist. LEXIS 17340 (E.D.N.Y. July 19, 1989) (Freddy Krueger); *DC Comics v. Towle*, 989 F. Supp. 2d 948, 965 (C.D. Cal. 2013) (Batmobile).

n61. See *supra* note 55 and sources cited therein.

n62. See *Anderson v. Stallone*, No. 87-0592 WDKGX, 1989 WL 206431, at 7 (C.D. Cal. Apr. 25, 1989) (stating that "a graphically depicted character is much more likely than a literary character to be fleshed out in sufficient detail so as to warrant copyright protection," but also concluding that "this fact does not warrant the creation of separate analytical paradigms for protection of characters in the two mediums"); *Gaiman v. McFarlane*, 360 F.3d 644, 661 (7th Cir. 2004) (holding that without the description behind it, a picture of comic book character Cogliostro would have been only a drawing, not a character, but not suggesting that the drawing would be uncopyrightable). A full discussion of visual characters, and whether they are actually more readily copyrightable than text-based characters, is beyond the scope of this Article. For a more thorough discussion of the latter question, see Rebecca Tushnet, *Worth a Thousand Words: The Images of Copyright*, 125 Harv. L. Rev. 683, 741-51 (2012) (discussing copyright law's propensity to privilege text over image and its impact on law of character copyright).

n63. 216 F.2d 945 (9th Cir. 1954).

n64. In the 1941 motion picture version of the *The Maltese Falcon*, Humphrey Bogart played Sam Spade. See *Warner Brothers Pictures v. Columbia Broad. Sys., Inc.* 102 F. Supp. 141, 148-49 (S.D. Cal. 1951).

n65. 216 F.2d at 950.

n66. *Id.*

n67. See *Olson v. NBC, Inc.*, 855 F.2d 1446, 1452 (9th Cir. 1988).

n68. See Said, *supra* note 55, at 784 (noting that the distinctive delineation test "has become the de facto majority approach in copyright's character jurisprudence").

n69. In classic literary analysis terms, characters with these traits are known as "flat." See E.M. Forster, *Aspects of the Novel* 67-68 (1955) (coining the terms "flat" and "round" characters); Said, *supra* note 55, at 789 (discussing the relationship between copyright protection and flatness/roundness of characters).

n70. See Complaint at 5, *Klinger v. Conan Doyle Estate, Ltd.*, 988 F. Supp. 2d 879 (N.D. Ill. 2013) (No. 1:13CV01226).

n71. See Memorandum of Law in Support of Plaintiff's Motion for Summary Judgment Pursuant to FRCP 56, *Klinger v. Conan Doyle Estate, Ltd.* at 9, 988 F. Supp. 2d 879 (N.D. Ill. 2013) (No. 1:13CV01226).

n72. See *Klinger v. Conan Doyle Estate, Ltd.*, 988 F. Supp. 2d 879, 893 n.8 (N.D. Ill. 2013) (declining to decide "the copyright status of the

Sherlock Holmes character" as a whole but strongly implying copyrightability); *Klinger v. Conan Doyle Estate, Ltd.*, 755 F.3d 496, 497 (7th Cir. 2014) (presuming copyrightability); *Pannonia Farms, Inc. v. USA Cable*, No. 03 Civ. 7841 (NRB), 2004 U.S. Dist. LEXIS 23015, at 27 (S.D.N.Y. June 7, 2004) (same); see also *Nash v. CBS, Inc.*, 899 F.2d 1537, 1541 (7th Cir. 1990) (distinguishing copyright in fact versus fiction by explaining that "the inventor of Sherlock Holmes controls that character's fate while the copyright lasts; the first person to conclude that Dillinger survived does not get dibs on history"); *Metro-Goldwyn-Mayer, Inc. v. Am. Honda Motor Co.*, 900 F. Supp. 1287, 1296 (C.D. Cal. 1995) ("Like Rocky, Sherlock Holmes, Tarzan, and Superman, James Bond has certain character traits that have been developed over time through the sixteen films in which he appears.") (internal footnotes and citations omitted).

n73. *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 121 (2d Cir. 1930).

n74. For example, television's Gregory House is a hyper-analytical investigator with uncanny attention to detail and poor personal skills, who lives in apartment 221B, plays a string instrument, and has a chemical dependency. Considering that the same are also true of Sherlock Holmes, is House the same character as Holmes, albeit under a different name? See David Mermelstein, *Germes, Jerks Infiltrate Primetime*, *Variety* (June 15, 2005), <http://www.variety.com/article/VR1117924498?refCatId=1945>, archived at <http://perma.cc/BNV4-4X9B> (pointing out that the show's creators explicitly intended House to be a modern day Sherlock Holmes).

n75. *Nichols*, 45 F.2d at 121.

n76. See *Metro-Goldwyn-Mayer, Inc. v. Am. Honda Motor Co.*, 900 F. Supp. 1287, 1296 (C.D. Cal. 1995) ("Audiences do not watch Tarzan, Superman, Sherlock Holmes, or James Bond for the story, they watch these films to see their heroes at work.").

n77. *Nichols*, 45 F.2d at 121.

n78. U.S. Const. art. I, § 8.

n79. See Sonny Bono Copyright Term Extension Act, Pub. L. No. 105-298, 112 Stat. 2827 (1998); *Golan v. Holder*, 132 S. Ct. 873 (2012); *Eldred v. Ashcroft*, 537 U.S. 186 (2003).

n80. See Hirtle, *supra* note 8.

n81. See *id.* (charting expiration dates of copyrighted works based on factors including publication date, registration, and renewal; concluding that copyright protection has expired for all works first published before 1923). United States copyright in the last of the Sherlock Holmes stories will expire 95 years after its date of publication, which will occur in 2022 or 2023. See *Klinger v. Conan Doyle Estate, Ltd.*, 988 F. Supp. 2d 879, 888 n.5 (N.D. Ill. 2013) (discussing difference of opinion regarding expiration of copyright in Conan Doyle's last Sherlock Holmes story).; see also Sonny Bono Copyright Term Extension Act, Pub. L. No. 105-298, 112 Stat. 2827 (1998). The remaining protected stories were all contained in the last Holmes short-story collection that Conan Doyle published, *The Case-Book of Sherlock Holmes*. The book, itself published in June 1927, compiled twelve works that had previously published between October 1921 and April 1927. Of these, ten stories were first published in the United States in 1923 or later: *The Adventure of the Creeping Man* (1923); *The Adventure of the Sussex Vampire* (1924); *The Adventure of the Three Garridebs* (1924); *The Adventure of the Illustrious Client* (1924); *The Adventure of the Retired Colourman* (1926); *The Adventure of the Lion's Mane* (1926); *The Adventure of the Blanched Soldier* (1926); *The Adventure of the Three Gables* (1926); and *The Adventure of Shoscombe Old Place* (1927). Assuming all of their copyright registrations were properly renewed, these ten stories retain copyright protection in the United States. See Hirtle, *supra* note 8.

n82. See Complaint at 4, *Klinger v. Conan Doyle Estate, Ltd.*, 988 F. Supp. 2d 879 (N.D. Ill. 2013) (No. 1:13CV01226) (listing character elements delineated in pre-1923 works).

n83. 4 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 2.12 (2002).

n84. *Id.*

n85. See, e.g., *Harvey Cartoons v. Columbia Pictures Indus.*, 645 F. Supp. 1564, 1570 (S.D.N.Y. 1986) (citing copyright professor Melville Nimmer and holding that later issues of Casper comic books afforded no copyright protection to a character first delineated in works whose copyright had expired, and who had "not changed to any appreciable degree since" those works: "Harvey's existing copyrights are valid only with respect to the storylines or other original contributions of the works to which they pertain. These copyrights cannot 'affect or enlarge the scope [or] duration' of copyright protection for the artwork which has long since entered the public domain.").

n86. 870 F.2d 40, 49-50 (2d Cir. 1989).

n87. See *Conan Props. v. Mattel, Inc.*, 712 F. Supp. 353, 357-61 (S.D.N.Y. 1989).

n88. Siegel v. Warner Bros. Entm't, 690 F. Supp. 2d 1048, 1058-59 (C.D. Cal. 2009).

n89. See Pannonia Farms, Inc. v. USA Cable, No. 03 Civ. 7841 (NRB), 2004 U.S. Dist. LEXIS 23015, at 27 (S.D.N.Y. June 7, 2004) ("The Holmes and Watson characters have been delineated in over fifty stories that no longer possess copyright protection ... Just as these many stories have passed into the public domain, so too have their delineated constituent elements, such as the Holmes and Watson characters that are the subject of this suit.").

n90. See Klinger v. Conan Doyle Estate, Ltd., 988 F. Supp. 2d 879, 888 (N.D. Ill. 2013) (describing this argument as "novel"); Klinger v. Conan Doyle Estate, Ltd., 755 F.3d 496, 503 (7th Cir. 2014) (describing this argument as "bordering on the quixotic").

n91. Klinger, 755 F.3d at 503.

n92. Id. at 502-03.

n93. Pannonia Farms, 2004 U.S. Dist. LEXIS 23015, at 29.

n94. Klinger, 755 F.3d at 502. See also Warner Bros. Entm't v. X One X Prods., 644 F.3d 584, 596-97 (8th Cir. 2011) ("If material related to certain characters is in the public domain, but later works covered by copyright add new aspects to those characters, a work ... infringes the copyrights in the later works to the extent that it incorporates aspects of the characters developed solely in those later works.").

n95. Pannonia Farms, U.S. Dist. LEXIS 23015, at 29. Neither the Pannonia Farms nor the Klinger court had to conduct this exercise. In Pannonia Farms, the court held that the accused film did not contain any character elements unique to the post-1923 stories, so it did not need to render an opinion on what, if any, portion of the character remained protected. Id. In Klinger, Klinger sought a declaratory judgment only as to elements of the character set forth in the pre-1923 stories, so the court likewise did not need to rule regarding protection of the post-1923 version of the character. Klinger, 755 F.3d at 503. Nevertheless, both courts made clear that protection for the post-1923 version of the character may exist.

n96. *Klinger v. Conan Doyle Estate, Ltd.*, 988 F. Supp. 2d 879, 892-93 (N.D. Ill. 2013).

n97. See Betsy Rosenblatt, Guest Post: Betsy Rosenblatt on the Case of Sherlock Holmes' Two Lives, Rebecca Tushnet's 43(B)log (Jan. 6, 2014, 9:11 AM), <http://tushnet.blogspot.com/2014/01/guest-post-betsy-rosenblatt-on-case-of.html>, archived at <http://perma.cc/KED-2ZVV>.

n98. *Klinger*, 988 F. Supp. 2d at 890. In addition to being "ignored" by the Seventh Circuit, this holding is also factually disputable. It is likely the result of the case's procedural idiosyncrasy: the CDE defaulted in response to *Klinger*'s Complaint, but the court permitted *Klinger* to move for summary judgment and permitted the CDE to respond. As a result, the court ruled without reviewing the actual text of Conan Doyle's writings. If it had, it would have observed, for example, that Holmes's retirement was actually first described in detail in a public domain story, *His Last Bow*. Likewise, Watson's second marriage is factually far from the concrete event the court may have assumed it was - presumably, the court was referring to Holmes's observation in *The Blanched Soldier* that Watson had in 1903 "deserted me for a wife, the only selfish action which I can recall in our association." 2 Leslie *Klinger*, *The New Annotated Sherlock Holmes* 1483-84 and n.5 (W.W. Norton, 2005). But whether that was the product of a second marriage, or a continued first, or a third, or even a sixth, has long been a matter of spirited Sherlockian debate. See, e.g., *id.* (describing Watson's 1903 marriage as his second); H.W. Starr, *Some New Light on Watson*, 1 *Baker Street J.* 55 (1946) (arguing that Watson's 1903 marriage was a continuation of his first); Belden Wigglesworth, *Many Nations and Three Separate Continents*, 2 *Baker Street J.* 273 (1947) (identifying Watson's 1903 marriage as his third); Brad Keefauver, *Counting Watson's Wives*, *Sherlock Peoria* (Mar. 9, 2002), http://www.sherlockpeoria.net/Who_is_Sherlock/WatsonsWives.html, archived at <http://perma.cc/9T6V-ZSG6> (identifying Watson's 1903 marriage as his sixth); Ronald B. De Waal, *The World Bibliography of Sherlock Holmes & Dr. Watson*, 213-15 (1974) (addressing the topic of Watson's wife or wives in entries 3407-35).

n99. *Klinger*, 755 F.3d at 500 (ruling on procedural grounds that "the summary judgment ruling on the last ten stories was a mistake, and can be ignored").

n100. *Id.* at 502.

n101. See *id.* at 503 ("An author "could not copyright a character described merely as an unexpectedly knowledgeable old wino'") (quoting *Gaiman v. MacFarlane*, 360 F.3d 644, 660 (7th Cir. 2004)).

n102. See, e.g., *Schrock v. Learning Curve Int'l, Inc.*, 586 F.3d 513, 516 (7th Cir. 2009) (quoting *Bucklew v. Hawkins, Ash, Baptie & Co.*, 329 F.3d 923, 929 (7th Cir. 2003)).

n103. *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 121 (2d Cir. 1930).

n104. For more discussion of works' iterative entry into the public domain and the wisdom of requiring a higher threshold for originality for derivative works, see Liu, *supra* note 50, at 1443-46.

n105. *Klinger v. Conan Doyle Estate, Ltd.*, 988 F. Supp. 2d 879, 892 (N.D. Ill. 2013); *Klinger*, 755 F.3d at 502.

n106. See Mermelstein, *supra* note 74.

n107. See Hirtle, *supra* note 8.

n108. See *id.*

n109. This may be the strategy behind the publication of estate-authorized sequels to the classic *Gone with the Wind*. See Ellen F. Brown & John Wiley, Jr., *Margaret Mitchell's Gone With the Wind: A Bestseller's Odyssey from Atlanta to Hollywood* 322 (2011) ("Regardless of whether Congress extends copyright again ... the estate holds the copyright on the two authorized sequels, both of which will enjoy legal protection for decades beyond Mitchell's original.").

n110. See *Eden Toys v. Florelee Undergarment Co.*, 697 F.2d 27, 34 (2d Cir. 1982). Courts are split on the rights of unauthorized derivative work creators. See *Sobhani v. @Radical.Media, Inc.*, 257 F. Supp. 2d 1234, 1239-40 (C.D. Cal. 2003) (holding that a derivative work maker gains no rights if the pre-existing copyrighted work "tends to pervade the entire derivative work"); *Anderson v. Stallone*, No. 87-0592, 1989 WL 206431, at 6, 8-11 (C.D. Cal. Apr. 25, 1989) (holding that because unauthorized derivative work was "pervaded by the characters of the first three Rocky movies," the derivative work maker owned no part of it, not even his original contributions); *Dam Things from Denmark v. Russ Berrie & Co.*, 290 F.3d 548, 563 (3d Cir. 2002) (holding that maker of an unauthorized derivative work is entitled to no copyright protection in any elements of the derivative); *Pickett v. Prince*, 207 F.3d 402, 406 (7th Cir. 2000) (same); *Mulcahy v. Cheetah Learning LLC*, 386 F.3d 849, 852-53 (8th Cir. 2004) (same).

n111. See *Conan Props. v. Mattel, Inc.*, 712 F. Supp. 353, 359 (S.D.N.Y. 1989) (regarding the rights of a comic book adapter when original

literary source was in the public domain, "to warrant the protection of the Copyright Act, a derivative work must contain "non-trivial' original aspects distinct from both the underlying work in the public domain, and from the scenes a faire that inhere in its genre").

n112. 102 F. Supp. 141 (S.D. Cal. 1951).

n113. *Id.* at 148 (addressing whether the radio series "consciously sought to imitate the voices of the actors who performed in the 1941 motion picture version of 'Maltese Falcon,' namely Humphrey Bogart as Sam Spade, Sydney Greenstreet as Caspar Gutman, and Peter Lorre as Cairo," and holding that any imitation did not constitute unfair competition because there was no evidence that the public was confused by the broadcasts), *rev'd on other grounds sub nom, Warner Bros. Pictures v. Columbia Broad. Sys.*, 216 F.2d 945 (9th Cir. 1954).

n114. *G. Ricordi & Co. v. Paramount Pictures, Inc.*, 189 F.2d 469 (2d Cir. 1951).

n115. *Id.* at 470.

n116. *Id.*

n117. *Id.*

n118. *Id.* at 472.

n119. See *Durham Indus., Inc. v. Tomy Corp.*, 630 F.2d 905, 911 (2d Cir. 1980) (holding that maker of Disney-character figurines lacked "even a modest degree of originality" beyond Disney's original creations, and thus had no copyright claim against copier of figurines).

n120. *Id.*

n121. 434 F. Supp. 32 (S.D.N.Y. 1977).

n122. See, e.g., The Adventure of the Yellow Face, in The New Annotated Sherlock Holmes 450 ("Save for the occasional use of cocaine [Holmes] had no vices, and he only turned to the drug as a protest against the monotony of existence when cases were scanty and the papers uninteresting.").

n123. Musto, 434 F. Supp. at 33.

n124. Id.

n125. Id.

n126. Id. at 34.

n127. Id.

n128. Id. at 35.

n129. No. 99-1162, 2000 WL 135167 (10th Cir. Feb. 7, 2000).

n130. Id. at 2, 4.

n131. See Musto, 434 F. Supp. at 36 (explaining that "if, for instance, the underlying work is in the public domain, as is Sir Arthur Conan Doyle's *The Final Problem*, the copyright on the derivative work will not protect the underlying work").

n132. *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 249 (1903).

n133. See Ben Macintyre, *For Your Eyes Only* 202-04 (2008); Sinclair McKay, *The Man With the Golden Touch: How the Bond Films Conquered the World* 268 (2008) (noting that the 1950's Bond was shocking enough for its public acknowledgement of any sex outside of marriage and stating that Bond "could not bear commitment ... but the relationships in the novels are none the less serious").

n134. They were the inventions of illustrator Sidney Paget, who illustrated Conan Doyle's tales for the *Strand Magazine*. See Nigel Cawthorne, *A Brief History of Sherlock Holmes* 19 (2011).

n135. See Henry Zecher, *William Gillette, America's Sherlock Holmes* 343-44 (2011).

n136. See, e.g., Roland Barthes, *The Death of the Author*, in *Image Music & Text* 142, 146 (1977) ("We know now that a text is not a line of words releasing a single 'theological' meaning ... but a multi-dimensional space in which a variety of writings, none of them original, blend and clash."); Chung, *supra* note 37, at 915-17 (discussing the effect of postmodernism and semiotic democracy on intellectual property arguments and arguing in favor of broader rights to use culturally significant literary characters).

n137. See Jane Yolen, *America's Cinderella*, in *Cinderella: A Casebook* 294, 302 (Alan Dundes ed., 1988).

n138. See 900 F. Supp. 1287, 1293 (C.D. Cal. 1995).

n139. *Id.*

n140. *Id.*

n141. *Id.*

n142. The comics' creators could as easily have been concerned about violating the right of publicity of Rathbone, who had by that point made a career out of "being" Holmes. See Tom Alvarez, *Elementary, My Dear Glaciola*, 76 *Baker Street Miscellanea* 22 (1994).

n143. See *id.*

n144. Wendy Gordon, *Fair Use as Market Failure: A Structural and Economic Analysis of the Betamax Case and Its Predecessors*, 82 *Colum. L. Rev.* 1600, 1613-14 (1982).

n145. 17 U.S.C. § 107 (2012); see also *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579-80 (1994) (discussing the meaning and importance of transformativeness to the fair use analysis).

n146. 17 U.S.C. § 107.

n147. Cf. Barton Beebe, *An Empirical Study of U.S. Copyright Fair Use Opinions, 1978-2005*, 156 *U. Pa. L. Rev.* 549 (2008) (identifying predictable patterns in fair use jurisprudence); Matthew Sag, *Predicting Fair Use*, 73 *Ohio St. L.J.* 47 (2012) (assessing the predictability of fair use outcomes in litigation); Pamela Samuelson, *Unbundling Fair Uses*, 77 *Fordham L. Rev.* 2537 (2009) (identifying policy-based clusters in fair use jurisprudence).

n148. See *infra* Part II.A.

n149. *Suntrust Bank v. Houghton Mifflin Co.*, 268 F.3d 1257, 1267 (11th Cir. 2001) (quoting *Suntrust Bank v. Houghton Mifflin Co.*, 136 F. Supp. 2d 1357, 1367 (N.D. Ga. 2001)).

n150. *Salinger v. Colting*, 607 F.3d 68, 71-72 (2d Cir. 2010).

n151. Ralph Blumenthal, *Nabokov Son Files Suit to Block a Retold 'Lolita'*, N.Y. Times (Oct. 10, 1998), <http://www.nytimes.com/1998/10/10/books/nabokov-son-files-suit-to-block-a-retold-lolita.html>, archived at <http://perma.cc/NAG7-AAMC>.

n152. *Suntrust*, 268 F.3d at 1262, 1277.

n153. *Salinger*, 607 F.3d at 84.

n154. Martin Garbus, *Lolita and the Lawyers*, N.Y. Times (Sept. 26, 1999), <http://www.nytimes.com/books/99/09/26/bookend/bookend.html>, archived at <http://perma.cc/FX5A-BK8Z>.

n155. See *infra* Part II.

n156. Elizabeth L. Rosenblatt, *Rethinking the Parameters of Trademark Use in Entertainment*, 61 Fla. L. Rev. 1011, 1064-65 (2009); William McGeeveran, *Rethinking Trademark Fair Use*, 94 Iowa L. Rev. 49, 113 (2008).

n157. Leah Chan Grinvald, *Shaming Trademark Bullies*, 2011 Wis. L. Rev. 625, 628-29 (2011); John Tehranian, *Curbing Copyblight*, 14 Vand. J. Ent. & Tech. L. 993, 1003-05 (2012).

n158. Rosenblatt, *supra* note 155, at 1018-19.

n159. 17 U.S.C. § 102 (2012).

n160. 15 U.S.C. § 1125(a) (2012).

n161. See *supra* notes 27-33 and sources cited therein (identifying cases in which former copyright holders have relied on trademark theories to extend protection for works and characters).

n162. David Bollier, *Brand Name Bullies: The Quest to Own and Control Culture* 84 (2005).

n163. *Hopkins Amusement Co. v. Frohman*, 103 Ill. App. 613 (1902), *aff'd*, 67 N.E. 391 (Ill. 1903); see also *Recent Cases*, 13 Yale L.J. 48, 52 (1903) (summarizing case).

n164. *Hopkins Amusement*, 103 Ill. App. at 613. The opinion describes the Gillette play as the product of collaboration between Gillette and Conan Doyle, but as a matter of historical fact it appears to be almost entirely the work of Gillette. In a deposition relating to different litigation in 1923, Conan Doyle was asked whether he participated or collaborated with Mr. Gillette in creating the work, and Conan Doyle responded that he made no contribution "beyond the fact that [Gillette] drew some of his material from the stories. Apart from that, not." Doyle Dep. 6:15-16, Apr. 12, 1923 (on file with author).

n165. *Hopkins Amusement*, 103 Ill. App. at 614; see also *Hopkins Amusement Co. v. Frohman*, 67 N.E. 391, 392 (1903) (clarifying on appeal that regardless of whether or not Frohman had an "exclusive property right in the name 'Sherlock Holmes' as a trade-mark," the title of Hopkins's play was likely to result in consumer deception and confusion and harm to Frohman).

n166. Hopkins Amusement, 103 Ill. App. at 613; see also Recent Cases, *supra* note 163 (summarizing case).

n167. Hopkins Amusement, 103 Ill. App. at 617.

n168. 200 N.Y.S. 787 (N.Y. Sup. Ct. 1922), *aff'd*, 198 N.Y.S. 916 (N.Y. App. Div. 1923).

n169. *Id.* at 788.

n170. *Id.*

n171. *Id.* at 789.

n172. *Id.* at 790. In the intervening century, the law has changed somewhat. First, the federal enactment of trademark law into the Lanham Act would likely preempt a state-law unfair competition claim like Frohman's based on a quasi-trademark theory. Thus, a court would be forced to consider whether Frohman did, in fact, have a trademark right to the name "Sherlock Holmes" for performance entertainment, and would adjudicate any resulting claim based on likelihood of confusion or dilution. But this may be a semantic difference rather than a substantive one: The Gillette/Frohman production was the only one of its kind in 1903 (having been granted an exclusive license by Conan Doyle) and it is reasonable to assume that Frohman might have been able to prove that American consumers associated the title "Sherlock Holmes" with that particular play.

n173. 15 U.S.C. § 1127 (2012); see also 15 U.S.C. § 1125(a)(1) (defining false designation of origin).

n174. Some characters blur those boundaries. The Transformers, for example, began as spokescharacters (for Mattel's line of Transformer toys), narrative characters (as cartoon characters), and industrial designs (as toys) likely amenable to design patent or even utility patent protection. See BaCon, Hasbro Publishes Transformers Timeline to Movie, TFORMERS (Feb. 9, 2007), <http://tformers.com/Hasbro-Publishes-Transformers-Timeline-to-Movie/7132/news.html>, archived at <http://perma.cc/L9YS-CM3N>. The same is true of many other toy/cartoon crossover characters. But such characters are beyond the scope of this Article as their origins are visual rather than purely literary in nature.

n175. Here, as throughout the Article, I am focused on characters that are defined by text rather than images or the combination of text and images. Thus, I am not focused on cartoons or comic book characters, although many of the same arguments apply with equal force to them as to textual characters. An image of a visual character may or may not act as a logo, just as the name of a literary character may or may not act as a word mark. To the extent I draw a distinction between visual and literary characters, it is based on my presumption that visual characters are more readily usable as source identifiers in the merchandising context and thus are arguably more amenable to trademark treatment than textual characters. Whether that distinction is sound is a subject for further scholarly exploration.

n176. See *Frederick Warne & Co. v. Book Sales, Inc.*, 481 F. Supp. 1191, 1195 (S.D.N.Y. 1979) (holding that "it would not be enough that [illustrations of Peter Rabbit] have come to signify Beatrix Potter as author of the books; plaintiff must show that they have come to represent its goodwill and reputation as Publisher of those books").

n177. *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9-11 (2d Cir. 1976) (articulating rule that trademark protection requires that a mark not be generic and must be a distinctive source identifier, either inherently or through the acquisition of secondary meaning; defining taxonomy of marks requiring secondary meaning).

n178. In fact, although every court to consider the question of distinctiveness for a literary character has required a showing of secondary meaning, no court has expressly denied the possibility that a literary character may be inherently distinctive. See *Foley*, *supra* note 20, at 941.

n179. Cf. *Kurtz, Methuselah*, *supra* note 20, at 444 (noting "single source" problem, but also noting courts' lack of rigor on the matter: "There is a tendency to focus on the character itself, rather than on any information it provides about source or identification. When an easily identifiable character, or its elements, appears in unauthorized form, courts readily find infringement, with little inquiry, and assume the existence of likely confusion whenever a defendant exploits a market demand created by the plaintiff.").

n180. See, e.g., *Sony Pictures Entm't v. Fireworks Entm't Grp.*, 137 F. Supp. 2d 1177 (C.D. Cal. 2001) (denying preliminary injunction on ground that claimant had inadequately defined a protectable mark in the name or character of Zorro), vacated, No. 01-00723 (ABC) (JWJx), 2002 U.S. Dist. LEXIS 28457 (Nov. 5, 2002); *Sony Pictures Entm't v. Fireworks Entm't Grp.*, 156 F. Supp. 2d 1148 (C.D. Cal. 2001) (same), vacated, No. 01-00723 (ABC) (JWJx), 2002 U.S. Dist. LEXIS 28457 (Nov. 5, 2002); *Conan Props., Inc. v. Mattel, Inc.*, 712 F. Supp. 353 (S.D.N.Y. 1989) (noting that plaintiff had failed to establish secondary meaning in character of Conan the Barbarian); *Frederick Warne & Co. v. Book Sales, Inc.*, 481 F. Supp. 1191 (S.D.N.Y. 1979) (holding that genuine issue of material fact existed regarding whether character of Peter Rabbit had acquired secondary meaning as source identifier).

n181. 578 F. Supp. 911, 913-14 (S.D.N.Y. 1983).

n182. See *id.* at 923-26.

n183. *Id.*

n184. See *id.*

n185. See *id.*

n186. 481 F. Supp. 1191, 1193 (S.D.N.Y. 1979).

n187. *Id.* at 1195.

n188. See *supra* text accompanying notes 89-92. But see *Fleischer Studios Inc. v. A.V.E.L.A., Inc.*, 654 F.3d 958, 967 (9th Cir. 2011) ("The mere fact of fractured ownership is not, by itself, conclusive evidence of a lack of secondary meaning.").

n189. This number may represent some duplicates, but the number is growing steadily. See listings in Fandoms>Books & Literature, Archive Our Own, <http://archiveofourown.org/media/Books%20a%20Literature/fandoms> (last visited Nov. 11, 2014), archived at <http://perma.cc/C56W-VUQ2> (listing 2,453 works in the fandom "Sherlock Holmes - Arthur Conan Doyle" and 69,557 in the fandom "Sherlock Holmes & Related Fandoms"); listings under Fanfiction, Fan Fiction, <https://www.fanfiction.net> (last visited Nov. 11, 2014), archived at <http://perma.cc/385P-RAAD> (listing 3,700 works in the fandom "Books>Sherlock Holmes," 2,000 works in the fandom "Movies>Sherlock Holmes," and 50,100 works in the fandom "TV Shows>Sherlock"); Rosenblatt, *supra* note 38, at 36 (identifying only 40,000 works roughly a year earlier); Mollie E. Nolan, Search for Original Expression: Fan Fiction and the Fair Use Defense, 30 S. Ill. U. L.J. 533, 549 (2006) (noting that Holmes fans were early writers of fanworks).

n190. *Edgar Rice Burroughs, Inc. v. Manns Theatres*, No. 76-3612-RMT, 1976 WL 20994, at 3 (C.D. Cal. Dec. 20, 1976) (order granting preliminary injunction).

n191. *Id.* at 4.

n192. 49 U.S.P.Q.2d 1341, 1343-44, 1348 (C.D. Cal. 1998) (granting injunction to halt Sony's plan to make a series of James Bond movies brought on behalf of assignee of all United States film and television rights in the James Bond character, finding a likelihood that Sony's use of the mark in any capacity would result in dilution by blurring); see also *Prouty v. Nat'l Broad. Co.*, 26 F. Supp. 265, 265-66 (D. Mass. 1939) (enjoining the use of the character Stella Dallas in skits created by NBC on a theory of unfair competition); *Chaplin v. Amador*, 269 P. 544, 546 (Cal. Ct. App. 1928) (enjoining actor from imitating Charlie Chaplin's famous eponymous character in deceptive manner). Although the Lanham Act's anti-dilution provision, 28 U.S.C. § 43(c) (2012), expressly excludes claims of dilution based on parodic references to famous marks, the *Burroughs* and *Danjaq* cases demonstrate that dilution remains a risk for adapters wishing to use character names in promoting their adaptations. Based on these cases, although dilution law purports to create a safe harbor for expressive uses, adapters may fairly fear that any use of a famous character's name in an expressive work could be held to constitute trademark dilution - assuming, as adapters inevitably will, that they plan to make public (i.e., promote) the presence of the character in their expressive works.

n193. See Affidavit of Jon Lellenberg, *supra* note 24, at 2.

n194. See *infra* Part III.C.

n195. See Kurtz, *Methuselah*, *supra* note 20, at 443, 450-51 (noting possibility).

n196. *Kellogg Co. v. Nat'l Biscuit Co.*, 305 U.S. 111, 119-120 (1938).

n197. *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 38 (2003); *Comedy III Prods., Inc. v. New Line Cinema*, 200 F.3d 593 (9th Cir. 2000); see McKenna, *supra* note 20. *Dastar* and *Comedy III* hearken back to much earlier articulations of the principle that trademark should not tread in copyright's footsteps. See also *Atlas Mfg. Co. v. Street & Smith*, 204 F. 398, 402-03 (8th Cir. 1913) (holding that publisher could not rely on trademark theory to enjoin distribution of a film featuring formerly-copyrighted detective "Nick Carter"; explaining that "literary property in a book cannot be protected by trade-mark, nor otherwise than by copyright.") (citations omitted).

n198. Comedy III, 200 F.3d at 595.

n199. See McKenna, *supra* note 20.

n200. See Dastar, 539 U.S. at 38.

n201. See *id.*

n202. See Comedy III, 200 F.3d at 595-96. Of course, Comedy III is only binding in the Ninth Circuit.

n203. *Id.* at 595.

n204. See *id.* at 595-96.

n205. *Id.* at 596.

n206. J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 6:5 (4th ed. 2011).

n207. See, e.g., U.S. Trademark Application Serial No. 86,126,503 (filed Nov. 22, 2013) (pending use-based application by CDE for mark SHERLOCK HOLMES for class of goods: "Organisation of exhibitions for cultural, educational, and entertainment purposes"); U.S. Trademark Application Serial No. 77,937,845 (filed Feb. 17, 2010) (pending/suspended ITU application by CDE for mark SHERLOCK HOLMES for class of goods: "Motion picture and television films featuring musical, dramatic, comedic and theatrical performance; prerecorded goods, namely prerecorded audio and video cassettes, compact discs, and digital versatile discs all featuring audio books and stories in the field of detective fiction, motion picture and television films, animated cartoons, radio programs, music, and games;

downloadable electronic publications in the nature of e-zines and electronic books in the field of detective fiction"); U.S. Trademark Application Serial No. 77,937,813 (filed Feb. 17, 2010) (pending/suspended ITU application by CDE for mark SHERLOCK HOLMES for class of goods: "Printed matter, namely books, short stories, magazines, and newsletters in the field of detective fiction; photographs; story books"); John van der Luit-Drummond, United Kingdom - The Game is Afoot in Sherlock Trademark Dispute, *World Trademark Rev.* (Jan. 16, 2014), <http://www.worldtrademarkreview.com/Blog/detail.aspx?g=645b6180-c549-4a61-8945-2a4239865fb2>, archived at <http://perma.cc/6ACU-CNPB> (regarding Plunket claims).

n208. See Gordon, *supra* note 144, at 1613-14.

n209. See 15 U.S.C. § 1125(a), (c) (2012).

n210. *Id.* § 1115(b)(4).

n211. *Id.*

n212. *United States Shoe Corp. v. Brown Grp., Inc.*, 740 F. Supp. 196, 197, 199-200 (S.D.N.Y. 1990), *aff'd*, 923 F.2d 844 (2d Cir. 1990); see also *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 114-16, 124 (2004) (holding that "classic" fair use permits a permanent makeup company to describe its service as using "microcolor" despite a competitor's "Micro Colors" brand regardless of the potential that consumer confusion may result from the use).

n213. 15 U.S.C. § 1115(b)(4) (2012). The issues of descriptiveness and use "as a mark" could also be blended to eliminate this defense. To the extent that the name "Sherlock Holmes" acts as a character's brand rather than as a descriptor, use of the name anywhere in an adaptation (not just in the title) could be problematic. In *Films of Distinction, Inc. v. Allegro Film Prods., Inc.*, the court held that, by naming a fictional crime-focused television channel "the Crime Channel," the makers of the film *Relative Fear* infringed the plaintiff's "Crime Channel" mark. 12 F. Supp. 2d 1068 (C.D. Cal. 1998). The court rejected the defense of classic fair use on the ground that, by creating a fictitious brand, the creators of *Relative Fear* were not using the mark "otherwise than as a mark." *Id.* at 1076. The court rejected the nominative fair use defense for the same reason. *Id.* at 1076-77.

n214. *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992).

n215. *Id.* at 307-08.

n216. See *id.* at 308-09 (examining context of use in analyzing third factor and determining that uses that cast mark in negative light did not imply sponsorship or endorsement).

n217. See *id.*

n218. Cases that have applied the nominative fair use doctrine to expressive uses of marks have generally addressed situations in which the markholder's brand was depicted in an unfavorable light. In *Wham-O, Inc. v. Paramount Pictures, Corp.*, 286 F. Supp. 2d 1254, 1255-57, 1263-64 (N.D. Cal. 2003), the film *Dickie Roberts: Former Child Star* depicted the main character misusing the Slip-n-Slide and injuring himself; in *Mattel Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 796, 810-12 (9th Cir. 2003), the work at issue was critical of the ideal of vapid beauty the artist saw embodied by the Barbie doll; in *Mattel, Inc. v. MCA Records*, 296 F.3d 894, 901 (9th Cir. 2002), the song "Barbie Girl" depicted Barbie as flighty and promiscuous.

n219. See *E.S.S. Entm't 2000, Inc. v. Rock Star Videos, Inc.*, 444 F. Supp. 2d 1012, 1029 (C.D. Cal. 2006) (noting that nominative fair use concept of suggesting sponsorship can merge into likelihood of confusion, which shifts the burden to defendants) (citation omitted); see also *McGeveran*, *supra* note 155, at 90-92 (discussing burden-shifting effect and other flaws in nominative fair use test).

n220. 875 F.2d 994, 999, 1004-05 (2d Cir. 1989).

n221. See *id.* at 999.

n222. *Twin Peaks Prods. v. Publ'ns Int'l, Ltd.*, 996 F.2d 1366, 1379 (2d Cir. 1993).

n223. See *supra* notes 164-72 and accompanying text.

n224. The Second, Fifth, Sixth, and Ninth Circuits have adopted the Rogers test. See, e.g., *Parks v. LaFace Records*, 329 F.3d 437, 451-52 (6th Cir. 2003); *Mattel, Inc. v. MCA Records*, 296 F.3d 894, 902 (9th Cir. 2002); *Westchester Media v. PRL USA Holdings, Inc.*, 214 F.3d 658, 664-65 (5th Cir. 2000) (adopting Rogers standard with proviso that infringement will still be found if likelihood of confusion is "particularly compelling"); *Rogers*, 875 F.2d at 999.

n225. The Third Circuit has expressly declined to decide whether to adopt the Rogers test. See *Facenda v. N.F.L. Films, Inc.*, 542 F.3d 1007, 1018 (3d Cir. 2008). The question remains unsettled in other circuits. See, e.g., *American Dairy Queen Corp. v. New Line Prods.*, 35 F. Supp. 2d 727, 733-35 (D. Minn. 1998) (relying on "alternative avenues" test but referring to Rogers in discussion). Circuits that have adopted the test in some contexts have not uniformly applied the rule to all First Amendment claims. Compare *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1403-06 (9th Cir. 1997) (relying on pre-Rogers cases to reject a First Amendment defense to trademark infringement regarding a book about O.J. Simpson styled after *The Cat in the Hat*), and *Tri-Star Pictures, Inc. v. Leisure Time Prods., B.V.*, 749 F. Supp. 1243, 1252-53 (S.D.N.Y. 1990) (noting that Rogers does not apply to "confusingly similar titles" and holding that Rogers does not protect film *Return from the River Kwai* from claim by producers of *Bridge on the River Kwai*), with *Anheuser-Busch, Inc. v. Balducci Publ'ns*, 28 F.3d 769, 776 (8th Cir. 1994) (holding that First Amendment does not protect use of mark in parodic context when use was likely to confuse and the "confusion [as opposed to the use of the mark] is wholly unnecessary to [the alleged infringer's] stated purpose") (emphasis added), and *Cardtoons, L.C. v. Major League Baseball Players Ass'n*, 95 F.3d 959, 970, 976 (10th Cir. 1996) (suggesting the "likelihood of confusion" test "serves to avoid First Amendment concerns" for trademark parodies by holding that the First Amendment trumps likelihood of confusion regarding parody baseball cards without applying the Rogers standard).

n226. *Rogers*, 875 F.2d at 999 ("We believe that in general the Act should be construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression."). The Second Circuit adopted the "particularly compelling" formulation in *Twin Peaks*, 996 F.2d at 1379. The Fifth Circuit, and district courts in the Ninth, have followed suit. See, e.g., *Westchester Media*, 214 F.3d at 664-65 (5th Cir. 2000); *Toho Co. v. William Morrow & Co.*, 33 F. Supp. 2d 1206, 1212-13 (C.D. Cal. 1998) (rejecting First Amendment defense based in part on holding that likelihood of confusion regarding "Godzilla" title was particularly compelling); *No Fear, Inc. v. Imagine Films, Inc.*, 930 F. Supp. 1381, 1383-84 (C.D. Cal. 1995) (adopting Rogers test, including "particularly compelling" approach).

n227. See, e.g., *Rosenblatt*, supra note 155, at 1041-42; Mark A. Lemley & Mark McKenna, *Irrelevant Confusion*, 62 *Stan. L. Rev.* 413, 441-43 (2010).

n228. See *McGeeveran*, supra note 155, at 110-11 (arguing that overlapping and ill-defined trademark fair-use exceptions have made it difficult for attorneys to provide confident trademark fair-use advice, and have tended to exacerbate risk aversion).

n229. S.L. Hurley, *Natural Reasons: Personality and Polity* 374 (1989) (a "general preference to act on more information rather than less, on known risks rather than under uncertainty, is widespread and dependable").

n230. See Mark Moller, *Procedure's Ambiguity*, 86 *Ind. L.J.* 645, 708 (2011) (defining risk aversion and uncertainty aversion); Colin

Camerer & Martin Weber, Recent Developments in Modelling Preferences: Uncertainty and Ambiguity, 5 J. Risk & Uncertainty 325, 333-34 & tbl.3 (1992) (summarizing a number of studies); see also Ming Hsu et al., Neural Systems Responding to Degrees of Uncertainty in Human Decision-Making, *holding that g* (i.e., source). *ng it. T REACH SUBSTANTIVE ARGUMENTS FROM EITHER SIDE*], 310 Sci. *holding that g* (i.e., source). *ng it. T REACH SUBSTANTIVE ARGUMENTS FROM EITHER SIDE*] 1680, 1680 (2005) (finding neurological evidence of ambiguity aversion).

n231. See, e.g., Daniel A. Farber, Uncertainty, 99 Geo. L.J. 901, 901 (2011) ("Uncertainty is particularly pernicious in situations in which catastrophic outcomes are possible, but conventional decision tools are not equipped to cope with these potentially disastrous results.").

n232. See, e.g., Ben Depoorter & Robert Kirk Walker, Copyright False Positives, 89 Notre Dame L. Rev. 319, 341 (2013) (explaining that legal uncertainty promotes overzealous claims by putative rights holders, which "take on the appearance of legitimacy in a way roughly analogous to an unauthorized tenant accruing rights through adverse possession ... [and] reduce the amount of material that is per se available for use by others for expressive purposes. This chilling effect is especially strong for forms of creative expression, such as parody, which rely on imitation and copying for their efficacy."); David Fagundes, Crystals in the Public Domain, 50 B.C. L. Rev. 139, 195 (2009) (noting that a "property-like approach to constructing boundaries around information ... may provide the best bulwark against excessive privatization of ideas and inventions," and asserting that clearer boundaries would discourage line-testing threats and overreaching); Rosenblatt, *supra* note 155, at 1041-42; James Gibson, Risk Aversion and Rights Accretion in Intellectual Property Law, 116 Yale L.J. 882, 907 (2007).

n233. This, in turn, may move the boundaries of formal law. As Depoorter & Walker explain, the existence of unnecessary licensing markets not only burdens adapters who pay, but also shortens the reach of copyright fair use based on the fair use doctrine's "market harm" factor. Depoorter & Walker, *supra* note 231, at 341.

n234. See David Welkowitz, The Virtues and Vices of Clarity in Trademark Law, 81 Tenn. L. Rev. 145, 146-48, 178-80 (noting that trademark clarity is not always preferable to flexibility, but identifying expressive uses as an instance calling for greater legal predictability).

n235. For a more extensive discussion of the relationship between uncertainty and over enforcement of copyright, see generally Depoorter & Walker, *supra* note 231; Chris Guthrie, Framing Frivolous Litigation: A Psychological Theory, 67 U. Chi. L. Rev. 163 (2000) (developing a theory of frivolous litigation based on prospect theory's prediction that defendants will be risk averse with respect to low probability losses, while plaintiffs will be risk preferring in the same context).

n236. See Depoorter & Walker, *supra* note 231, at 340-44 (discussing the tendency of copyright "false positives" to obstruct creative expression and legitimate noninfringing uses); Elizabeth L. Rosenblatt, Fear and Loathing: Shame, Shaming, and Intellectual Property, 63 DePaul L. Rev. 1 (2014) (discussing relationship between shame and intellectual property compliance).

n237. See *supra* Part I.

n238. See Depoorter & Walker, *supra* note 231, at 338 (discussing relationship between litigation cost and rent-seeking behavior by rights holders).

n239. See William McGeeveran, Four Free Speech Goals for Trademark Law, 18 Fordham Intell. Prop. Media & Ent. L.J. 1205, 1220-22 (2008) (discussing expense of defending litigation).

n240. See 17 U.S.C. § 504 (2012); *Salinger v. Colting*, 607 F.3d 68, 71-72 (2d Cir. 2010) (remanding case and noting that plaintiff would likely be eligible for an injunction upon remand). *Salinger v. Colting* ultimately resulted in a permanent injunction by consent. See Docket, *Salinger v. John Doe et al.*, 1:09-CV-05095 (S.D.N.Y. Dec. 14, 2010).

n241. See *Century 21 Real Estate Corp. v. Sandlin*, 846 F.2d 1175, 1180 (9th Cir. 1988) (noting injunction is "the remedy of choice for trademark" cases).

n242. See 17 U.S.C. § 512 (providing a safe harbor for online service providers that remove allegedly infringing material upon notice of alleged infringement); see also Complaint for Declaratory Judgment at 12-13, *Klinger v. Conan Doyle Estate, Ltd.*, 988 F. Supp. 2d 879 (N.D. Ill. 2013) (No. 1:13-cv-01226) (describing CDE's threat to have works removed from online retailers under DMCA).

n243. See Marjorie Heins & Tricia Beckles, Will Fair Use Survive? Free Expression in the Age of Copyright Control, Brennan Ctr. for Just. 5 (2005), [http://www.fepproject.org/policyreports/WillFairUseSurvive.p df](http://www.fepproject.org/policyreports/WillFairUseSurvive.pdf), archived at [http:// perma.cc/PS3B-CLN3](http://perma.cc/PS3B-CLN3) (stating errors and omissions insurance carriers demand "permission for every snippet of film, photographs, music, or text that is used, in addition to shots of distinctive buildings or products," even when no cause of action would exist).

n244. See *Klinger v. Conan Doyle Estate, Ltd.*, 755 F.3d 496, 497-98 (7th Cir. 2014).

n245. *Id.*

n246. See *id.*

n247. See *Klinger v. Conan Doyle Estate, Ltd.*, 988 F. Supp. 2d 879, 883 (N.D. Ill. 2013).

n248. See *infra* Part II.C.

n249. *Klinger*, 755 F.3d at 498.

n250. J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 18:48, at 18-79 (4th ed. 2001) ("Uncontrolled or 'naked' licensing may result in the trademark ceasing to function as a symbol of quality and controlled source."); *Moore Bus. Forms, Inc. v. Ryu*, 960 F.2d 486, 489 (5th Cir. 1992) (stating that where a licensor fails to exercise adequate quality control over the licensee, "a court may find that the trademark owner has abandoned the trademark, in which case the owner would be estopped from asserting rights to the trademark.").

n251. See Itzkoff, *supra* note 4.

n252. *Simpson*, *supra* note 16.

n253. 17 U.S.C. § 501(b) (2012).

n254. See, e.g., *Eden Toys, Inc. v. Florelee Undergarment Co.*, 697 F.2d 27, 32 (2d Cir. 1982).

n255. Compare The Official Website of the Sir Arthur Conan Doyle Literary Estate, <http://www.sherlockholmesonline.org/TheEstate/index.htm> (last visited Sept. 6, 2014), archived at <http://perma.cc/A26S-CNZL> (Ms. Plunket's site) with Conan Doyle Estate Ltd., <http://www.conandoyleestate.co.uk/index.php/copyright> (last visited Sept. 6, 2014), archived at <http://perma.cc/3EN3-R73N> (the CDE's site).

n256. See *Pannonia Farms, Inc. v. USA Cable*, No. 03 Civ. 7841(NRB), 2004 WL 1276842, at 2 (S.D.N.Y. June 8, 2004); see also Itzkoff, *supra* note 4.

n257. See *Plunket v. Doyle*, No. 99 Civ. 11006(KMW), 2001 WL 175252, at 1 (S.D.N.Y. Feb. 22, 2001); see also Itzkoff, *supra* note 4.

n258. See Itzkoff, *supra* note 4.

n259. See *id.*

n260. See Affidavit of Jon Lellenberg, *supra* note 24, at 2; *Plunket*, 2001 WL 175252, at 3 (describing a contract by Dame Jean's representative granting worldwide licensing rights for use of certain Sherlock Holmes characters in a Star Trek movie).

n261. See *Plunket*, 2001 WL 175252, at 2; see also The Official Website of the Sir Arthur Conan Doyle Literary Estate, *supra* note 255.

n262. See *Pannonia Farms, Inc. v. USA Cable*, No. 03 Civ. 7841(NRB), 2004 WL 1276842, at 3 (S.D.N.Y. June 8, 2004).

n263. *Id.* at 7; see also *Pannonia Farms, Inc. v. USA Cable*, No. 03 Civ. 7841(NRB), 2004 WL 1794504, at 1, 4 (S.D.N.Y. Aug. 10, 2004); *Pannonia Farms, Inc. v. USA Cable*, 426 F.3d 650 (2d Cir. 2005) (affirming); *Pannonia Farms, Inc. v. Re/Max Int'l*, 407 F. Supp. 2d 41, 46 (D.D.C. 2005) (again sanctioning Plunket for making "objectively unreasonable" claims based on the S.D.N.Y. case). That Ms. Plunket lost

any rights as part of the 1990 settlement is consistent with a separate ruling by the Southern District of New York, which dismissed a 2001 suit directly between Ms. Plunket and the CDE for a variety of pleading deficiencies, including the fact that Ms. Plunket, as an administrator rather than owner of any rights, lacked standing to sue. See *Plunket*, 2001 WL 175252, at 5, 7.

n264. *Granada Television Int'l, Ltd. v. Lorindy Pictures Int'l, Inc.*, 606 F. Supp. 68, 73 (S.D.N.Y. 1984) (holding that New York court had no personal jurisdiction over Dame Jean Conan Doyle).

n265. See Itzkoff, *supra* note 4 (describing Ms. Plunket's claimed involvement in the movie).

n266. Applicant/Registrant's Sur-Reply in Response to Opposer/Petitioner's Motion for Oral Deposition of Justin Shulman, Conan Doyle Estate, Ltd. v. The Sherlock Holmes Memorabilia Co., U.S. Trademark Application Serial No. 77,237,410, exhibit 1 (T.T.A.B. 2009), available at <http://ttabvue.uspto.gov/ttabvue/v?qt=adv&procstatus=All&pno=91192738&pro> pno=&q=&propnameop=&propname=&pop=&pn= &pop2=&pn2=&cop=&cn=, archived at <http://perma.cc/9VUL-HA8Y> (showing a May 3, 2009 e-mail from Jon Lellenberg, agent for the CDE, describing Warner Brothers' payment for a film starring Robert Downey, Jr., and adding that Warner Brothers "just paid us some more for a Sherlock Holmes 'Tom & Jerry' cartoon they're also making").

n267. See *supra* Part I.A.3.

n268. Consider, for example, Delta for air transportation (DELTA, Registration No. 654,915) and Delta for faucets (DELTA, Registration No. 2583761) or Apple for computers (APPLE, Registration No. 1,078,312) and Apple for educational books (APPLE, Registration No. 1,221,667).

n269. See Affidavit of Jon Lellenberg, *supra* note 24, at 2. The CDE has also filed applications indicating its intent to use the word mark "Sherlock Holmes" for many classes of goods, including various types of detective fiction. See U.S. Trademark Application Serial No. 77,937,863 (filed Feb. 17, 2010) (entertainment services, including motion pictures; television dramas; stage plays; radio plays; and electronic, computer, and video games); U.S. Trademark Application Serial No. 77,937,852 (filed Feb. 17, 2010) (games, puzzles, and action figures); Application No. 77,937,845 (filed Feb. 17, 2010) (motion pictures, television films, prerecorded goods, e-books, etc. in the field of detective fiction); U.S. Trademark Application Serial No. 77,937,813 (filed Feb. 17, 2010) (printed matter in the field of detective fiction).

n270. See The Sir Arthur Conan Doyle Literary Estate - Licensing, Sherlock Holmes Online, <http://www.sherlockholmesonline.org/LicensingInfo/index.htm> (last visited Sept. 6, 2014), archived at <http://perma.cc/UA3T-KMK5> (describing Ms. Plunket as the administrator of the "Sir Arthur Conan Doyle Literary Estate," which claims trademark rights).

n271. The Memorabilia Company has filed intent-to-use applications for the word mark "Sherlock Holmes" for a number of classes of goods, including books about the character Sherlock Holmes, recordings and videos of Sherlock Holmes stories, streaming video, and entertainment services. U.S. Trademark Application Serial No. 78,461,204 (filed Aug. 3, 2004). The CDE has opposed this application in the Trademark Trial and Appeal Board. Response to Suspension Inquiry or Letter of Suspension, U.S. Trademark Application Serial No. 78,461,204.

n272. Response to Suspension Inquiry or Letter of Suspension, U.S. Trademark Application Serial No. 78,461,204. In addition, a company called Frogwares Ireland, Ltd. has successfully registered the word mark "Sherlock Holmes" for video games, although the registration has been suspended. See U.S. Trademark Application Serial No. 77,802,236 (filed Aug. 11, 2009).

n273. These include "Sherloq" (SHERLOQ, Registration No. 4,471,710; intent-to-use registration for background checks and debt recovery); "EnergySherlock" (ENERGYSHERLOCK, Registration No. 4,163,915; use-based registration for energy audits); "Sherlock's" (SHERLOCK'S, Registration No. 4,201,713; use-based registration for live music performance); "Verras Sherlock" (VERRAS SHERLOCK, Registration No. 4,376,940; intent-to-use registration for hospital management consulting); and "Sherlock Gnomes" (SHERLOCK GNOMES, Registration No. 4,545,955; 44E registration for various types of games and toys).

n274. Compare 15 U.S.C. § 1125(a) (2012) (articulating infringement standard for trademarks, whether registered or not), with 15 U.S.C. § 1114(1) (articulating infringement standard for registered trademarks).

n275. See *supra* notes 163-72 and accompanying text.

n276. See 15 U.S.C. §§ 1114(1), 1125(a) (providing for infringement liability regardless of intent or knowledge of mark).

n277. See notes 188-189 and accompanying text.

n278. See Rosenblatt, *supra* note 155, at 1042; see also *Gilliam v. Am. Broad. Co.*, 538 F.2d 14, 25 (2d Cir. 1976) ("We are doubtful that a few words could erase the indelible impression that is made by a television broadcast ... [and] a disclaimer ... would go unnoticed by viewers who tuned into the broadcast a few minutes after it began.").

n279. See *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9-11 (2d Cir. 1976).

n280. See, e.g., *GamerModz, LLC v. Golubev*, No. 8:10-cv-1466-T-27TGW, 2011 WL 4753535, at 4 (M.D. Fla. Oct. 7, 2011) ("Although each separate piece of evidence offered by GamerModz may, standing alone, be insufficient to establish secondary meaning, when the totality of the evidence [is examined] ... a genuine issue of material fact [existed as to secondary meaning].").

n281. See *Sony Pictures Entm't. v. Fireworks Entm't. Grp.*, 137 F. Supp. 2d 1177, 1196 (C.D.Cal. 2001) ("Plaintiffs' argument that they have a trademark in Zorro because they licensed others to use Zorro, however, is specious. It assumes that ZPI had the right to demand licenses to use Zorro at all."); *Conan Props., Inc. v. Mattel, Inc.*, 712 F. Supp. 353, 362 (S.D.N.Y. 1989) (holding that licensing that "explicitly" recognized the great value of the goodwill associated with CONAN, and acknowledged that ... the name and trademark CONAN has a substantial secondary meaning in the mind of the public" was insufficient to establish secondary meaning); *Mktg. Displays, Inc. v. Traffix Devices, Inc.*, 971 F. Supp. 262, 280 n.4 (E.D. Mich. 1997) ("This court, however, does not consider a license agreement with a third party, entered into in settlement of litigation, to be persuasive evidence of secondary meaning."); *In re Ennco Display Sys., Inc.*, 56 U.S.P.Q.2d (BNA) 1279 (T.T.A.B. 2000) (finding that the license was not evidence of secondary meaning because it was unclear "whether the parties entered into the license agreements in recognition of the acquired distinctiveness of applicant's product configurations, in view of applicant's patents on the configurations, or in order to settle litigation.").

n282. See *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71, 78 (2d Cir. 1985) (establishing rule that "requests from third parties to license" mark may be evidence of secondary meaning); *Bd. of Supervisors for La. State Univ. Agric. & Mech. Coll. v. Smack Apparel Co.*, 550 F.3d 465, 476-77 (5th Cir. 2008) (including licenses to third parties among considerations establishing secondary meaning for school colors); *Ricks v. BMEzine.com, LLC*, 727 F. Supp. 2d 936, 955 (D. Nev. 2010) (holding that the license to a third party constituted evidence of secondary meaning); *Maher & Maher, Inc. v. Unisonic Prods. Corp.*, 719 F. Supp. 161, 164 (S.D.N.Y. 1989) ("Agreements permitting other producers to market" products embodying claimed trade dress constituted evidence of secondary meaning in trade dress).

n283. Affidavit of Jon Lellenberg, *supra* note 24, at 2.

n284. *Id.* at 2-6 (including one that even purports to license Holmes's signature garb of deerstalker and Inverness overcoat, neither of which was created by Conan Doyle). Since some of the licenses incorporate rights to use copyrighted material, it is not clear how heavily these licenses actually rely on or reflect trademark acknowledgements of any sort, and it is equally unclear whether or not the licensees believed they needed to obtain trademark licenses. But considering the lack of copyright protection for much of the Holmes canon, one must assume that at least some of the recited licenses proceeded at least partly on a trademark theory.

n285. See *id.* According to the affidavit, one such letter went to Red Bull, which invoked Sherlock Holmes in an advertising campaign. In response to the letter Red Bull apparently suspended its campaign. *Id.* The Memorabilia Company has also recognized that it may be easier (or less expensive) to back down than to fight. It offered give the CDE a 2 percent share of its company if the CDE would permit the Memorabilia Company to operate as "the official "Sherlock Holmes' Licensor," and give up its objections to the Memorabilia Company's efforts to create and exploit "any work, film, character or merchandise" using the Sherlock Holmes characters "on the grounds of copyright, design right, trade marks, passing off, unfair competition, moral rights, rights of privacy or any similar or overlapping ground or right under the law of any other country, or on any other ground whatsoever." Reply in Further Support of Motion for Oral Deposition of Justin Shulman, Exhibit 1 at 2-3, U.S. Serial Application No. 77,237,410 (filed May 10, 2010), available at <http://ttabvue.uspto.gov/ttabvue/v?pno=91192738&pty=OPP&eno=13>, archived at <http://perma.cc/H9LB-XLBM>.

n286. See *supra* note 281.

n287. See *supra* Part II.

n288. See, e.g., Welkowitz, *supra* note 234 (identifying certain advantages to legal uncertainty, particularly in trademark context, but identifying expressive uses as an area in which greater certainty is a benefit).

n289. See McGeveran, *supra* note 239, at 1220-22 (espousing early adjudication rules to alleviate risk imbalance).

n290. See *id.*; see also *supra* Part II.

n291. For example, some scholars have asserted that trademark law does, or at least should, impose a requirement that only uses of a mark "as a trademark" may infringe. See Robert C. Denicola, Trademarks as Speech: Constitutional Implications of the Emerging Rationales for the Protection of Trade Symbols, 1982 Wis. L. Rev. 158, 178, 193-207 (2005). But see Graeme B. Dinwoodie & Mark D. Janis, Confusion Over Use: Contextualism in Trademark Law, 92 Iowa L. Rev. 1597, 1600 (2007). They suggest that expressive uses are not "trademark uses" because the mark is not being used to brand (i.e., sell) the expressive work. For several reasons, this approach is not ideal for characters in the copyright public domain. First, adapters likely do want to trade on (or at least benefit from) consumers' familiarity with the character. This sort of "free-riding" on a character's popularity may not be confusing or dilutive in a trademark sense, but it would likely lead courts toward, rather than away from, fact-intensive confusion and dilution analyses. Second, adapters likely do want to associate their work with the character as "product." That is, an adapter of Sherlock Holmes may not want readers to believe that the adaptation was created, sponsored, or approved by Sir Arthur Conan Doyle but would want readers to presume that the Holmes in the adaptation is, indeed, the same Holmes that Conan Doyle created. In that context, it is difficult to separate "use as a mark" from "use as an expressive tool."

n292. See, e.g., Irina D. Manta, *Bearing Down on Trademark Bullies*, 22 *Fordham Intell. Prop. Media & Ent. L.J.* 853, 858-62 (2012); Grinvald, *supra* note 157, at 628-29.

n293. See, e.g., McGeeveran, *supra* note 155, at 123 (discussing option of fee-shifting presumption).

n294. See Manta, *supra* note 291, at 862-65; Eric Goldman, *Why I Support HR 4364, the Proposed Federal Anti-SLAPP Bill*, *Tech. & Marketing L. Blog* (Mar. 3, 2010, 9:43 AM), http://blog.ericgoldman.org/archives/2010/03/hr_4364.htm, archived at <http://perma.cc/PE8P-VJDM>.

n295. See generally Manta, *supra* note 291, at 858-65 (discussing existing options against trademark bullying).

n296. See Grinvald, *supra* note 157, at 656-57 (discussing lack of monetary resources preventing cases from making it to court).

n297. See *supra* Part II.A.

n298. See *supra* Part I.A.1.

n299. See *supra* Part I.A.2.

n300. See *supra* Part I.A.2.

n301. See Chung, *supra* note 37, at 933-34 (noting analogy to genericity). This proposal is specifically directed at literary characters rather than visual or hybrid characters. I steer clear of visual or hybrid characters here, and in this Article more generally, not because I believe the proposal might not apply to them, but because questions of genericism and secondary meaning may be slightly more complicated for them.

Unlike a text-based character, an image of a visual character might be used as a narratively-hollow logo in addition to being used as a narrative tool, so reproducing an image of that visual character, even in the expressive context, may be slightly more likely to raise questions of source identification and consumer confusion. Thus, visual characters and hybrid characters are topics for further scholarly exploration. Also in need of further exploration are characters that begin as marks and are subsequently used in expressive ways, and characters initially introduced as marks and narrative tools simultaneously (like the Transformers or other toy/cartoon hybrids).

n302. See 15 U.S.C. § 1064(3) (2012); *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9-10 (2d Cir. 1976).

n303. *Abercrombie & Fitch*, 537 F.2d at 9 (citing *J. Kohnstam, Ltd. v. Louis Marx & Co.*, 280 F.2d 437, 440 (C.C.P.A. 1960)).

n304. For the same reason, this proposal has no impact on the ability of literary characters to become spokescharacters for particular brands, as the Peanuts characters have done for MetLife Insurance. See *Snoopy Usage*, MetLife, <https://www.metlife.com/brandcenter/visual/snoopy/usage.html#overview> (last visited Oct. 15, 2014) (articulating rules for using the Snoopy and PEANUTS characters in connection with MetLife products and services).

n305. See *supra* notes 201-06 and accompanying text.

n306. See *supra* notes 194-99 and accompanying text.

n307. See *Abercrombie & Fitch*, 537 F.2d at 9-10.

n308. See *Singer Mfg. Co. v. June Mfg. Co.*, 163 U.S. 169, 185 (1896); *Kellogg Co. v. Nat'l Biscuit Co.*, 305 U.S. 111, 119-20 (1938).

n309. *Singer*, 163 U.S. at 185.

n310. Kellogg, 305 U.S. at 119-20.

n311. Id.

n312. Id. at 119.

n313. The parallel doctrine of trademark functionality would accomplish the same objective of rendering secondary meaning irrelevant to protectability, and may in fact be a good match for the situation. I rely on genericity, however, not only because I believe it is a better fit, but also because it requires less doctrinal adjustment. Although courts have applied the functionality doctrine in analogous circumstances - by, for example, denying protection to packet colors as functional identifiers of sweeteners' chemical composition rather than their sources (see, e.g., *Cumberland Packing Corp. v. Monsanto Co.*, 32 F. Supp. 2d 561, 568 (E.D.N.Y. 1999)) - functionality is more commonly associated with the functional features of product configurations and industrial designs than with character or word marks. In fact, "signaling" is an odd type of "function" to characterize as functional, since all valid trademarks function as signals of something (i.e., source). For that reason, courts might have done better to characterize sweetener packet colors as generic rather than functional. But that is a discussion for another article.

n314. See, e.g., Kellogg, 305 U.S. at 121 ("It is urged that all possibility of deception or confusion would be removed if Kellogg Company should refrain from using the name 'Shredded Wheat' and adopt some form other than the pillow-shape. But the name and form are integral parts of the goodwill of the article" which all are entitled to share).

n315. *Soc'y of Fin. Exam'rs v. Nat'l Ass'n of Certified Fraud Exam'rs*, 41 F.3d 223, 225 (5th Cir. 1995); see also, e.g., *Boston Duck Tours, LP v. Super Duck Tours, LLC*, 531 F.3d 1, 21 (1st Cir. 2008) (holding that trademark law is "not intended to prevent" confusion regarding competitors' use of generic terms); *Miller Brewing Co. v. Joseph Schlitz Brewing Co.*, 605 F.2d 990, 997 (7th Cir. 1979) (holding that use of a generic term cannot give rise to an unfair competition claim, even if some confusion had resulted and/or people had come to associate the term with the plaintiff).

n316. *King-Seeley Thermos Co. v. Aladdin Indus., Inc.*, 418 F.2d 31, 36 (2d Cir. 1969) (citing *Am. Thermos Prods. Co. v. Aladdin Indus., Inc.*, 207 F. Supp. 9, 27 (D. Conn. 1962)).

n317. See id. (holding that the lower-case term "thermos" had become generic); *Bayer Co. v. United Drug Co.*, 272 F. 505, 515-16 (S.D.N.Y. 1921) (holding that the term "aspirin" had become generic); *DuPont Cellophane Co. v. Waxed Prods. Co.*, 85 F.2d 75, 82 (2d Cir. 1936) (holding that the term "cellophane" had become generic); 15 U.S.C. § 1064(3) (2012).

n318. See, e.g., *King-Seeley*, 418 F.2d at 36 (recognizing possibility of confusion among "minority of consumers who know, recognize and use 'thermos' as a trade-mark").

n319. See, e.g., *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 121-22 (2004) (explaining that "some possibility of consumer confusion is compatible with fair use" to avoid "the undesirability of allowing anyone to obtain a complete monopoly on use of a descriptive term simply by grabbing it first"); *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989).

n320. *Rogers*, 875 F.2d at 999.

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Opposition No. 91203884; In re Registration
Cancellation No. 92055374 No. 3,372,884
(COLORWORX), Registered
January 22, 2008

ENNIS INC.

v.

JOEL L. BELING d/b/a
SUPA CHARACTERS PTY LTD

TELEPHONIC ORAL DEPOSITION OF

STEVEN KENNETH OSTERLOH, JR.

JANUARY 13, 2014

VOLUME 1 OF 1

TELEPHONIC ORAL DEPOSITION OF STEVEN KENNETH
OSTERLOH, JR., produced as a witness duly sworn by me at
the instance of the Applicant, was taken in the above
styled and numbered cause on JANUARY 13, 2014, from 1:11
PM to 2:58 PM, before Beth Howard, CSR in and for the
State of Texas, reported by Machine Shorthand, at
Continental Court Reporters, Inc., 1412 Main Street,
Suite 900, Dallas, Texas, pursuant to the Federal Rules
of Civil Procedure, Notice of Deposition, Protective
Order, and the provisions stated on the record or
attached hereto.

CONTINENTAL COURT REPORTERS, INC.
(214) 742-4949

13:16:03 1 attempt to obtain a registration for a trademark?

13:16:05 2 A. Yes.

13:16:07 3 Q. Okay. Ennis has acted with complete honesty in
13:16:29 4 all its filings with the USPTO, including the Trademark
13:16:35 5 Trial and Appeal Board, correct?

13:16:38 6 MR. CHALKER: Object to the question as
13:16:39 7 leading. Go ahead and answer.

13:16:45 8 A. Yes.

13:16:46 9 Q. (BY MR. BELING) Okay. Would you agree that
13:16:54 10 Ennis claims express trademark rights to portions of its
13:16:59 11 COLORWORX mark?

13:17:01 12 MR. CHALKER: Object to the question as
13:17:02 13 leading. Go ahead and answer.

13:17:05 14 A. Yes.

13:17:05 15 Q. (BY MR. BELING) Okay. What -- what aspects of
13:17:11 16 Ennis's COLORWORX mark does Ennis claim rights to?

13:17:19 17 A. The printing services aspect.

13:17:22 18 Q. Okay. But in terms of the actual mark, that
13:17:26 19 is, the term "COLORWORX" and the design elements,
13:17:32 20 what -- what aspects of -- of those two portions does
13:17:37 21 Ennis claim rights to?

13:17:40 22 A. The words "COLORWORX" and the design mark that
13:17:45 23 we've submitted and use in commerce.

13:17:48 24 Q. Okay. And what, if any, rights or claims
13:17:55 25 regarding the two distinct portions of the mark? Do

13:18:01 1 you -- do you claim the rights to each portion
13:18:06 2 separately, or how -- how would you characterize your
13:18:09 3 claims to the rights in the mark?

13:18:12 4 MR. CHALKER: Object to the question as
13:18:13 5 it's irrelevant, in that the trademark is the mark in
13:18:19 6 its entirety. Go ahead and answer.

13:18:24 7 MR. BELING: Okay.

13:18:24 8 THE WITNESS: Could you repeat that,
13:18:25 9 please?

13:18:26 10 MR. BELING: Yes.

13:18:27 11 THE WITNESS: No, I apologize.

13:18:32 12 MR. BELING: Sorry. What was that,
13:18:32 13 Mr. Chalker?

13:18:35 14 THE WITNESS: I asked the court reporter to
13:18:35 15 repeat the question, please.

13:18:35 16 MR. BELING: Okay. Will she repeat it or
13:18:35 17 do you want me to say it?

13:18:59 18 THE REPORTER: Just a moment, please.

13:18:59 19 (RECORD READ BY THE REPORTER.)

13:18:59 20 A. I believe, if I'm -- I'd have to go back and
13:19:02 21 check, but I believe that we have the rights to the
13:19:05 22 word, as well as the design mark. So we claim them
13:19:09 23 independently, yes.

13:19:11 24 Q. (BY MR. BELING) Okay.

13:19:13 25 A. But that's my recollection.

13:19:16 1 Q. Okay. So you're not claiming -- like, you are
13:19:20 2 claiming, obviously, rights to the mark as a whole, but
13:19:23 3 you are also claiming rights to the two distinct
13:19:27 4 portions?

13:19:29 5 A. I -- We claim the rights to the word,
13:19:33 6 "COLORWORX," all one word, as well as to the design mark
13:19:39 7 itself. Separately, yes.

13:19:41 8 Q. Separately. Okay. Thank you. Did Ennis
13:19:44 9 create its COLORWORX mark from scratch?

14:15:27 1 the COLORWORX mark?

14:15:27 2 MR. CHALKER: I believe he -- Objection. I
14:15:30 3 believe he's already answered that.

14:15:47 4 MR. BELING: If you'll bear with me for
14:15:51 5 just a moment. We're on to Exhibit 6, which hasn't
14:15:55 6 arrived yet, so I'm just going to have to ad lib my
14:15:59 7 questions.

14:16:08 8 Q. (BY MR. BELING) Mr. Osterloh, have you been
14:16:10 9 shown any of my discovery production from the 8th or 9th
14:16:16 10 of January by Mr. Chalker?

14:16:20 11 A. I don't recall specifically seeing anything
14:16:23 12 from the 8th or 9th. Have my -- has my counsel
14:16:28 13 submitted everything to me over the period of this
14:16:33 14 process? Yes, they have. Do I recall that one
14:16:36 15 specifically? No, I do not.

14:16:39 16 Q. I'll put it to you in more detail, so it may
14:16:44 17 jog your memory. Exhibit 6 is a printout of the website
14:16:50 18 colorworksnyc.com, and Colorworks is spelled with a K-S
14:17:00 19 and it's one word. And it's a printing and retouching
14:17:04 20 business, run by Joe Barna, B-A-R-N-A.

14:17:12 21 Do you recall reading any documents
14:17:14 22 pertaining to that website?

14:17:16 23 MR. CHALKER: I object to the question, as
14:17:17 24 the exhibit is not before Mr. Osterloh, so he can't
14:17:20 25 testify as to what that document may or may not contain.

14:17:28 1 MR. BELING: I was asking about his
14:17:29 2 memory of whether he's seen it in the past, not whether
14:17:33 3 he has it now.

14:17:34 4 A. Again, my attorneys have sent all these
14:17:37 5 documents to me. So have I received it? I would say
14:17:40 6 yes. Do I recall that specific document? No, I do not.

14:17:44 7 Q. (BY MR. BELING) Okay. Do you have any evidence
14:17:52 8 to contradict or dispute the fact that Joe Barna has
14:17:59 9 over 30 years' experience in photography and printing
14:18:06 10 using the name Colorworks with a K-S?

14:18:10 11 MR. CHALKER: Object to the question, as
14:18:11 12 it's irrelevant, in that whoever that is has no relation
14:18:15 13 to the -- this proceeding.

14:18:20 14 A. No, I'm not familiar with Mr. Barna or his
14:18:25 15 history.

14:18:26 16 MR. BELING: It's -- it's relevant to the
14:18:27 17 creation of the COLORWORX mark.

14:18:32 18 MR. CHALKER: I disagree, in that
14:18:33 19 Mr. Osterloh has already testified as to the creation of
14:18:36 20 the -- the mark.

14:18:40 21 MR. BELING: And I'm putting contrasting
14:18:42 22 versions to the witness to ascertain his response.

14:18:51 23 Q. (BY MR. BELING) Mr. Osterloh, do you have any
14:18:53 24 evidence to dispute the fact that the Colorworks New
14:18:59 25 York City company offers for sale services, including

14:19:05 1 prints, postcards, and business cards?

14:19:07 2 MR. CHALKER: Object to the question, as
14:19:09 3 it's irrelevant and outside the scope of this proceeding
14:19:14 4 or the Notice of Deposition.

14:19:15 5 A. Again, without looking at those documents, I --
14:19:17 6 I can't say that that is fact. I'm not aware of it.
14:19:21 7 Don't recall.

14:19:22 8 Q. (BY MR. BELING) Okay. All these documents were
14:19:30 9 produced to Mr. Chalker, your legal counsel, so -- and
14:19:35 10 you've given evidence that he's provided you with those
14:19:39 11 documents. So I'm just asking about your memory because
14:19:42 12 of the -- the technical difficulties we have in
14:19:44 13 obtaining the exhibits.

14:19:46 14 MR. CHALKER: I believe that he's testified
14:19:47 15 that he does not remember specifics about those
14:19:50 16 documents.

14:19:57 17 Q. (BY MR. BELING) I'll move on to Exhibit 7,
14:20:00 18 which is printouts from the website colorworx.ca, and
14:20:06 19 the Colorworx is spelled W-O-R-X, which I've served on
14:20:11 20 Mr. Chalker, and the printouts are made on the 7th of
14:20:15 21 January, 2014.

14:20:17 22 Mr. Osterloh, do you have any knowledge
14:20:18 23 about a Canadian company called Colorworx selling
14:20:23 24 printing services, including business cards, flyers,
14:20:29 25 envelopes, and posters?

14:20:31 1 MR. CHALKER: Object to the question, as
14:20:33 2 the exhibit is not before Mr. Osterloh; and also object
14:20:36 3 that it's not relevant to this proceeding and that it
14:20:40 4 falls outside the scope of the discovery notice.

14:20:44 5 A. Was that previously supplied or just supplied
14:20:48 6 as an exhibit?

14:20:49 7 Q. (BY MR. BELING) It was -- the document was
14:20:51 8 served on Mr. Chalker on the 8th or 9th of January 2014,
14:20:57 9 and you have given evidence that you've received all
14:21:02 10 those documents.

14:21:03 11 A. Yes, that is correct. No, but I do not recall
14:21:06 12 reviewing or have recollection of that document.

14:21:09 13 Q. Okay. From your general knowledge as
14:21:15 14 Vice President of Marketing, are you aware that there is
14:21:19 15 a Canadian company called Colorworx, with Colorworx
14:21:24 16 spelled as a single word with R-X, also offering
14:21:28 17 printing services, including business cards, flyers,
14:21:32 18 envelopes and posters, on-line --

14:21:35 19 A. No.

14:21:36 20 Q. -- to other countries, including the
14:21:37 21 United States?

14:21:38 22 A. No, I was not.

14:21:42 23 Q. Okay. Are you aware that Mr. Shawn Barrett, a
14:21:49 24 Canadian citizen, is CEO of Colorworx and that he has
14:21:56 25 owned the COLORWORX brand for 13 years?

14:21:59 1 MR. CHALKER: I object to this line of
14:22:01 2 questioning, as that it's outside the Notice of
14:22:03 3 Deposition and irrelevant.

14:22:04 4 A. No, I have already stated I -- I don't know
14:22:06 5 this company and have no knowledge of it or this Mr.
14:22:10 6 Shawn -- I don't recall his last name. -- that's the CEO
14:22:13 7 of it.

14:22:14 8 Q. (BY MR. BELING) Shawn Barrett.

14:22:16 9 A. No, I have no knowledge of him.

14:22:18 10 Q. Okay. I'll move on to Exhibit 8. And
14:22:31 11 Exhibit 8, which I've served on Mr. Chalker, contains
14:22:36 12 printouts which are made from the website
14:22:39 13 colorworksinc -- That Colorworks is spelled
14:22:42 14 W-O-R-K-S. -- inc.com, and the printout was on the 7th
14:22:50 15 of January.

14:22:53 16 And my question to you, Mr. Osterloh, is:
14:22:57 17 Are you aware of a company called Colorworks, that's
14:23:00 18 R-K-S, Graphics Services, Inc., which offers offset
14:23:07 19 printing, digital printing, and large-format display
14:23:11 20 printing?

14:23:12 21 MR. CHALKER: Object to the question as the
14:23:14 22 exhibit is not before Mr. Osterloh, the line of
14:23:16 23 questioning is irrelevant and out of the scope of the
14:23:20 24 Notice of Deposition.

14:23:22 25 A. No, I do not.

14:23:30 1 Q. (BY MR. BELING) But you've --

14:23:30 2 A. Again -- I apologize. To the best of my
14:23:32 3 recollection, no, I do not.

14:23:34 4 Q. Okay. But you've stated previously you were
14:23:37 5 served with all those -- my discovery production by
14:23:41 6 Mr. Chalker, but you may not have perused it; is that
14:23:45 7 correct?

14:23:45 8 A. No, I didn't say I didn't peruse it. I have
14:23:50 9 been given all those documents. As you can understand,
14:23:54 10 over this couple of year period, there's been hundreds
14:23:57 11 of pages. I don't recall each and every page that I've
14:24:00 12 read, and some of them have been read multiple times. I
14:24:04 13 do not recall this, though. No, I do not.

14:24:07 14 Q. Okay. If I was to say to you that there are
14:24:10 15 some pages out of "The Colorworks Story," and that this
14:24:16 16 particular company created the term "Colorworks" in the
14:24:19 17 early 1990s, would that jog your memory?

14:24:23 18 MR. CHALKER: Object to --

14:24:24 19 A. No, it would not.

14:24:26 20 MR. CHALKER: I object to the question, as
14:24:28 21 it is irrelevant and outside the scope of the Deposition
14:24:32 22 Notice, and Mr. Osterloh has testified that he does not
14:24:38 23 have knowledge about -- or recall specific things about
14:24:41 24 the documents that you have produced.

14:24:47 25 Q. (By MR. BELING) Mr. Osterloh?

14:24:53 1 A. No, I have not.

14:25:01 2 Q. I'll move on to Exhibit 9, which I've also
14:25:06 3 served on Mr. Chalker around the 8th or 9th of January,
14:25:10 4 2014. And Exhibit 9 is printouts which I made from the
14:25:14 5 website ilovetocreate.com.

14:25:19 6 And Mr. Osterloh, do you have any knowledge
14:25:22 7 about a company called I Love to Create, which is
14:25:28 8 selling services related to printed lesson plans and
14:25:36 9 classroom art projects under the term "Colorworks,"
14:25:40 10 "Colorworks" being spelled with a W-O-R-K-S?

14:25:45 11 MR. CHALKER: Object to the question, as
14:25:46 12 the exhibit is not before Mr. Osterloh. Objection to
14:25:49 13 the line of questioning, as it's outside the Notice of
14:25:52 14 Deposition, and it is irrelevant to the proceedings.

14:25:55 15 A. No, I do not have any recollection of that
14:25:58 16 company.

14:26:00 17 Q. (BY MR. BELING) Okay. Moving on to Exhibit 10,
14:26:09 18 which is printouts from the website folders4success.com,
14:26:15 19 on the 7th of January, 2014, which I've served on
14:26:19 20 Mr. Chalker on the 8th or 9th of January, 2014. And
14:26:25 21 this printout shows the term "ColorWorks," with a
14:26:32 22 W-O-R-K-S, being sold by Debbie Carney, who runs a
14:26:42 23 business called New Order Organizers.

14:26:46 24 Mr. Osterloh, are you aware of that
14:26:49 25 business run by Ms. Carney, New Order Organizers?

14:26:53 1 MR. CHALKER: Object to the exhibit, as
14:26:55 2 it's not before Mr. Osterloh. Object to the question,
14:26:59 3 in that it's outside the Notice of Deposition, and also
14:27:03 4 irrelevant to this proceeding.

14:27:06 5 A. I am not.

14:27:15 6 Q. (BY MR. BELING) Mr. Osterloh, are you aware of
14:27:18 7 your -- any obligation or practice to read any exhibits
14:27:22 8 or documents in production relating to the topics listed
14:27:27 9 in the Notice of Deposition prior to arriving today?

14:27:32 10 THE WITNESS: Could you repeat that
14:27:33 11 question, please, ma'am?

14:27:50 12 (RECORD READ BY THE REPORTER.)

14:27:50 13 A. Was I given notice that I needed to read and
14:27:53 14 study? No, I was not. Did I review the documents?
14:27:58 15 Yes, I did. Did I review all hundreds and hundreds of
14:28:04 16 pages? No, I did not. I primarily reviewed the
14:28:07 17 documents that we've submitted over the last few days
14:28:10 18 and over the weekend that we supplied. That was my
14:28:14 19 understanding that the questions would be surrounding
14:28:16 20 those specific topics. You're asking me about topics
14:28:20 21 that I was not expecting to answer.

14:28:23 22 Q. (BY MR. BELING) I'm asking about topics in
14:28:25 23 relation to the creation of the COLORWORX mark.

14:28:28 24 A. Understood.

14:28:29 25 MR. CHALKER: But Mr. Beling, it's our

14:30:15 1 and services, such as business cards, brochures,
14:30:19 2 envelopes and calendars?

14:30:20 3 MR. CHALKER: Object to the question --
14:30:21 4 Well, first object to the exhibit, as it is not before
14:30:25 5 Mr. Osterloh. Object to the question, as it is outside
14:30:29 6 the scope of the Notice of Deposition and irrelevant.

14:30:33 7 A. No, I do not recall it.

14:30:44 8 Q. (BY MR. BELING) Mr. Osterloh, how would you
14:30:46 9 describe the design portion of Ennis's COLORWORX mark?

14:30:53 10 A. I would design (sic) it as the four primary
14:30:57 11 colors that are used to -- or that, I'm sorry, that are
14:31:00 12 used in the process known as four-color process
14:31:04 13 printing, and surrounded -- I'm sorry, surrounding a
14:31:10 14 cross hair. I believe it's in a circle.

1 IN THE UNITED STATES PATENT AND TRADEMARK OFFICE?
2 BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

3 Opposition No. 91203884; In re Registration
4 Cancellation No. 92055374 No. 3,372,884
 (COLORWORX), Registered
 January 22, 2008

5 ENNIS INC.

6 v.

7 JOEL L. BELING d/b/a
8 SUPA CHARACTERS PTY LTD

9 REPORTER'S CERTIFICATION OF
10 ORAL DEPOSITION OF STEVEN KENNETH OSTERLOH, JR.
 JANUARY 13, 2014

11 I, BETH HOWARD, a Certified Shorthand Reporter
12 in and for the State of Texas, hereby certify to the
13 following:

14 That the witness, STEVEN KENNETH OSTERLOH, JR., was
15 duly sworn and that the transcript of the oral
16 deposition is a true record of the testimony given by
17 the witness;

18 That the deposition transcript was duly submitted on
19 2/3/14 to MR. DANIEL CHALKER, Chalker Flores, LLP,
20 for examination, signature and return to Continental
21 Court Reporters, Inc. by 3/10/14;

22 That pursuant to information given to the deposition
23 officer at the time said testimony was taken, the
24 following includes all parties of record and the amount
25 of time used by each party at the time of the

CONTINENTAL COURT REPORTERS, INC.
(214) 742-4949

1 deposition:

2 MR. JOEL L. BELING (01 hour, 43 minutes)

Pro Se for Applicant

3 MR. DANIEL CHALKER (00 hours, 00 minutes)

Attorney for Opposer

4
5 That \$ N/A is the deposition officer's charges
6 to the Applicant for preparing the original deposition
7 and any copies of exhibits.

8 I further certify that I am neither counsel for,
9 related to, nor employed by any of the parties or
10 attorneys in the action in which this proceeding was
11 taken, and further that I am not financially or
12 otherwise interested in the outcome of the action.

13 Certified to by me on this 3rd day of February,
14 2014.

15
16
17 

BETH HOWARD, TEXAS CSR 529

EXPIRATION DATE: 12/31/14

CONTINENTAL COURT REPORTERS, INC.

Firm Number 349

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Dallas, Texas 75202-4026

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FURTHER CERTIFICATION

The original deposition ~~was/was not~~ returned to the deposition officer on February 27, 2014


If returned, the attached Changes and Signature page contains any changes and the reasons therefor;

If returned, the original deposition was delivered to Joel L. Beling, Custodial Attorney;

That \$ N/A is the deposition officer's charges to the Opposer for preparing the original deposition transcript and any copies of exhibits;

That the deposition was delivered in accordance with Rule 30(f), and that a copy of this certificate was served on all parties shown herein.

Certified to by me this 3 day of March, 2014.


 BETH HOWARD, TEXAS CSR 529
 EXPIRATION DATE: 12/31/14
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**NO CHANGES
MADE**

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This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper appears to be from a notebook or a standard sheet of stationery. There is no handwriting or other markings on the page.

17

Ennis vs. Beling - STEVEN KENNETH OSTERLOH, JR. - 3/10/14

I, STEVEN KENNETH OSTERLOH, JR., have read the foregoing deposition and hereby affix my signature that same is true and correct, except as noted above.

Steven Kenneth Osterloh Jr.
STEVEN KENNETH OSTERLOH, JR.

STATE OF TEXAS)
COUNTY OF ELLIS)

Before me, Sharlene Reagan, on this day personally appeared STEVEN KENNETH OSTERLOH, JR., known to me or proved to me on the oath of _____ or through _____ (description of identity card or other document) to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 24th day of February, 2014.

Sharlene Reagan
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS



MY COMMISSION EXPIRES: 09-08-2016

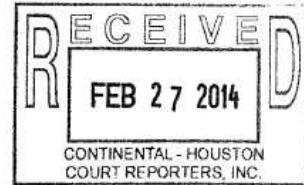
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CHALKER FLORES, LLP

February 25, 2014

Via U.S. First Class Mail

Diane Richer
Operations Manager
Continental Court Reporters, Inc.
8300 Memorial Drive, Suite 250
Houston, Texas 77007-8250



Re: Ennis, Inc. v. Joel L. Beling dba Supa Characters Pty Ltd
Deposition of Steven Kenneth Osterloh, Jr.

Dear Diane:

Enclosed please find the signed and notarized errata sheet of Steve Osterloh in the above-referenced matter. If you have any questions or concerns, please do not hesitate to contact us.

Sincerely,

Cynthia Minchillo
Paralegal to
Daniel J. Chalker

/cm
Enclosure

Daniel J. Chalker
14951 North Dallas Parkway, Suite 400
Dallas, Texas 75254

Tel: 214.866.0001
Fax: 214.866.0010
dchalker@chalkerflores.com

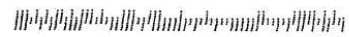
CHALKER FLORES, LLP
14951 N. Dallas Parkway
Suite 400
Dallas, Texas 75254



Diane Richer
Operations Manager
Continental Court Reporters, Inc.
8300 Memorial Drive, Suite 250
Houston, Texas 77007-8250



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DIANE RICHER
(713) 522-5080
CONTINENTAL COURT REPORTERS
5300 MEMORIAL DR
HOUSTON TX 77007-8250

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1 OF 1

DWT: 13,11,2

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DANIEL CHALKER
(214) 445-4030
CHALKER FLORES, LLP
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DALLAS TX 75254-6859



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ESTTA Tracking number: **ESTTA494603**

Filing date: **09/14/2012**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91203884
Party	Plaintiff Ennis, Inc.
Correspondence Address	SCOTT A MEYER CHALKER FLORES LLP 14951 N DALLAS PARKWAY, SUITE 400 DALLAS, TX 75254 UNITED STATES smeyer@chalkerflores.com,docket@chalkerflores.com,cminchillo@chalkerflores.com,tjacks@chalkerflores.com
Submission	Motion to Dismiss - Rule 12(b)
Filer's Name	Scott A. Meyer
Filer's e-mail	smeyer@chalkerflores.com,cminchillo@chalkerflores.com
Signature	/s/Scott A. Meyer
Date	09/14/2012
Attachments	Registrants Resp to Motion for Leave to Exceed Page Limit in Resp to Motion to Dismiss.pdf (5 pages)(30467 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In Re: Application Serial No. 85/324,443
For the Mark: COLOR WARS
Filed: May 18, 2011
Published in the Official Gazette: January 17, 2012

Ennis, Inc.

Opposer,

v.

Joel L. Beling d/b/a Supa Characters Pty. Ltd.

Applicant.

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)
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) Opposition No. 91203884
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)
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Joel L. Beling d/b/a Supa Characters Pty. Ltd.,

Petitioner,

v.

Ennis, Inc.

Registrant.

)
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)
)
) Cancellation No. 92055374
)
)
)
)
)
) Registration No. 3,372,884
) Mark: COLORWORX
)
)
)

**REGISTRANT'S RESPONSE TO PETITIONER'S MOTION FOR LEAVE TO EXCEED
THE PAGE LIMIT IN ITS RESPONSE TO MOTION TO DISMISS**

COMES NOW, Registrant, Ennis, Inc. (“Registrant”), by and through its undersigned counsel and hereby files this Response to Petitioner’s Motion for Leave to Exceed the Page Limit in its Response to Registrant’s Motion to Dismiss Petitioner’s Second Amended Petition to Cancel and would respectfully show the Board as follows:

1. Following the filing of Registrant’s Motion to Dismiss Petitioner’s Second Amended Petition to Cancel [Doc. #19], Petitioner filed his Response to Petitioner’s Motion to Dismiss [Doc. #12-Cancellation] (hereinafter, the “Response”) contemporaneously with his Motion for Leave to Exceed Page Limit for his Response [Doc #12-Cancellation] (hereinafter, the “Motion for Leave”). Notably, Registrant failed to adhere to proper TTAB and Board protocol which requires seeking prior leave of court and conferring with Registrant’s counsel prior to filing such Motion for Leave.

2. Notwithstanding the Board’s admonitions and directives in its Orders, Petitioner’s Motion for Leave should be denied because: (i) the Motion for Leave violates the Board’s Orders and applicable Trademark Rules, and (ii) no good cause exists to allow Petitioner to file his Response at more than **double** the length of Registrant’s Motion to Dismiss.

I. PETITIONER’S MOTION FOR LEAVE VIOLATES THIS BOARD’S ORDER AND APPLICABLE TRADEMARK RULES

A. Petitioner Did Not Conference with Registrant’s Counsel Prior to Filing his Motion for Leave

3. Registrant hereby incorporates the argument contained in paragraph 4 of Registrant’s Reply in Support of Motion to Dismiss. *See* [Doc. #21].

B. Petitioner Ignores the Board’s Order to File his Motion with the Parent Case

4. Registrant hereby incorporates the argument contained in paragraph 5 of Registrant’s Reply in Support of Motion to Dismiss. *See* [Doc. #21].

II. NO GOOD CAUSE EXISTS TO ALLOW LEAVE TO EXCEED THE PAGE LIMIT

5. Registrant hereby incorporates the argument contained in paragraphs 6 and 7 of Registrant's Reply in Support of Motion to Dismiss. *See* [Doc. #21].

6. Registrant further submits that by granting Petitioner's Motion for Leave, the Board would contravene the very reason why TTAB generally discourages such motions. *See* 37 C.F.R. § 2.128(b). As seen in Petitioner's 55-page Response to Ennis' Motion to Dismiss, rather than *respond* to the contents of Registrant's Motion to Dismiss, Petitioner incessantly expounds upon arguments previously asserted in Petitioner's Second Amended Petition to Cancel and proffers arguments completely outside the scope of Registrant's Motion to Dismiss.

7. Registrant further submits that with respect to all motions and briefs, Registrant has complied with TTAB page limits and the Board's Orders required the designated page limitations be maintained. Regardless of its claims, Registrant was able to draft its Motion to Dismiss in compliance with requirements contained within TTAB Rules and Board Orders. Registrant sees no valid reason why Petitioner should not be expected to do the same.

8. Furthermore, Petitioner's claim that it is necessary to "exceed the page limit by 20 [sic] pages by reason of the egregious nature of Registrant's and Registrant's legal counsel's fraudulent conduct as particularized in Petitioner's Second Amended Petition to Cancel" is without merit and completely unfounded. *See* [Doc. #12-Cancellation, ¶3]. Nothing contained within Fed.R.Civ.P. 9(b) permits the extension of page limits for responses to motions to dismiss, nor does the conclusory label that the claims are "particularized" warrant additional pages be granted in the Response. Petitioner had ample opportunity to place all of his "particularized" allegations in his Second Amended Petition to Cancel, which is obvious given its 145-page length.

9. Although TTAB Rules occasionally permit over-length responses on the basis of reasonableness of the request in light of relevant fact, circumstances, and complexity of the issues, *see* TTAB Rule 537, nothing asserted in Petitioner's Response or other pleadings or motions provides a reasonable justification for granting his Motion for Leave. Instead, Petitioner presumptuously assumes that the Board will grant his Motion for Leave, again leaving Registrant and its counsel with an over-length, verbose, and incoherent brief to which it must attempt to intelligibly and completely respond—all while doing so within its own strict 10-page limitation.

PRAYER

WHEREFORE, PREMISES CONSIDERED, Registrant prays that the Board deny Registrant's Motion for Leave to Exceed the Page Limit in its Response to Registrant's Motion to Dismiss, and that Registrant be awarded all other relief to which it is entitled, both at law and in equity

Dated: September 14, 2012

Respectfully submitted,

CHALKER FLORES, LLP

By: /s/Scott A. Meyer

Scott A. Meyer

State Bar No. 24013162

Thomas G. Jacks

State Bar No. 24067681

14951 N. Dallas Parkway, Suite 400

Dallas, Texas 75254

(214) 866-0001 (telephone)

(214) 866-0010 (telecopy)

smeyer@chalkerflores.com

tjacks@chalkerflores.com

ATTORNEYS FOR REGISTRANT

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing REGISTRANT'S RESPONSE TO PETITIONER'S MOTION FOR LEAVE TO EXCEED THE PAGE LIMIT IN ITS RESPONSE TO MOTION TO DISMISS was served on all counsel of record, this the 14th of September, 2012, by sending the same via electronically through the Electronic System for Trademark Trials and Appeal ("ESTTA") and electronic mail service.

/s/Scott A. Meyer

Scott A. Meyer

ESTTA Tracking number: **ESTTA544066**

Filing date: **06/20/2013**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91203884
Party	Defendant Joel L. Beling d/b/a Supa Characters Pty Ltd
Correspondence Address	JOEL L BELING 1 MIRBOO COURT DALLAS VICTORIA, 3047 AUSTRALIA joelbeling@hotmail.com
Submission	Motion to Compel Discovery
Filer's Name	Joel Beling
Filer's e-mail	joelbeling@hotmail.com
Signature	/Joel Beling/
Date	06/20/2013
Attachments	Motion to Compel COLORWORX.pdf(3399761 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In re Registration No. 3,372,884 (COLORWORX), Registered January 22, 2008

Opposition No. 91203884

Ennis Inc.

v.

Joel L. Beling d/b/a Supa Characters Pty Ltd

MOTION TO COMPEL

Cancellation No. 92055374

Joel L. Beling d/b/a Supa Characters Pty Ltd

v.

Ennis, Inc.

APPLICANT'S MOTION TO COMPEL DISCOVERY RESPONSES

To: Ennis Inc. ("Opposer"), 2441 Presidential Parkway, Midlothian, TX 76065, U.S.
Joel L. Beling d/b/a Supa Characters Pty Ltd ("applicant" or "petitioner") serves this Motion to Compel Discovery on Ennis Inc ("opposer" or "registrant") pursuant to Federal Rule of Civil Procedure 37 and Trademark Rule 2.120(e), 37 C.F.R. § 2.120(d).

On 10 May 2012, Applicant served Opposer with its First Request for Production and First Set of Interrogatories. Apart from some product samples featuring the COLORWORX mark, Opposer has flagrantly refused to comply with Applicant's Discovery requests (see Exhibits 1-29) and still refuses to comply. As at the date of this filing of this Motion to Compel, more than one year has elapsed, significantly prejudicing Applicant's right to a fair trial. In order to prepare for trial, applicant must have the cooperation of opposer as discovery is pursued. Opposer's cooperation is especially paramount to applicant because applicant is not a resident of the United States and, being a foreign resident residing in Australia, applicant has no access whatsoever, to any of the materials in the possession, custody and control of opposer. Applicant

has complied fully with his Discovery obligations whereas opposer has defiantly flaunted its Discovery obligations.

In general, opposer has offered the same identically-phrased, boilerplate objection for all of the Interrogatories and Requests it refused and failed to answer, that is, that “Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.” Applicant submits that this objection is in bad faith because it fails to particularize a single, relevant objection. Put simply, if Opposer had a bona fide objection to a particular Interrogatory or Request, it would have stated it in plain terms, without offering a blanket multi-faceted objection which in most cases has two or more of the four objections taken as irrelevant and inappropriate. Additionally, Applicant submits that Fed. R. Civ. P. 26(b)(1) provides for broad discovery. It is respectfully submitted that all of Applicant’s Discovery Requests and questions are relevant, proper, fair, probative and narrowly tailored. Finally, pursuant to TBMP §412.01 and the cases cited thereunder, opposer cannot object to complying with applicant’s discovery requests because it propounded the same requests on applicant. *See* Exhibits 28 and 29.

**MOTION TO COMPEL OPPOSER TO ANSWER INTERROGATORIES AND,
WHERE RELEVANT, PRODUCE DOCUMENTS**

For the following reasons, opposer has failed and indeed blatantly failed or refused to answer each and every one of the 19 interrogatories served on it and has provided satisfactory answers and/or produced documents to only eight of the 43 Requests for Production propounded by applicant. Fed. R. Civ. P. 37(a)(3) makes clear that an evasive or incomplete answer is to be considered, for purposes of subdivision (a), a failure to answer.

INTERROGATORY NO. 1: Specify the date and describe the details of Opposer’s first use of the “COLORWORX” mark on any works of color, including but not limited to business cards, letterhead, rack cards, postcards, brochures, and posters and identifying all persons involved and all materials referring or relating to the usage.

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer has continuously used the COLORWORX mark in

interstate commerce as a trademark for a variety of printing goods and printing services, including but not limited to, business cards, letterhead, sell sheets, rack cards, postcards, brochures and posters since August of 2002. Opposer refers Applicant to Opposer's document production produced on May 24, 2012 showing various other items Opposer uses its COLORWORX mark on including, but not limited to, various advertising tools and promotional items, financial tools and promotional items, financial tools, hospitality products, award products and business products.

In so answering, Opposer refuses to and fails to answer. INTERROGATORY NO. 1 is relevant to this proceeding because it pertains to Opposer's use of the COLORWORX registration in commerce and the time of that use. While Opposer has stated that the documents produced on May 24, 2012 were used since August 2002, there is absolutely no breakdown or itemization of the date of use for each particular sample. Theoretically, this means that Opposer could have produced one sample in August 2002 and produced the rest of the samples in January 2011, thereby sustaining a fraud allegation that the COLORWORX mark and design, contrary to opposer's declaration to the USPTO in order to procure its registration, was not used in commerce at the time it applied for its registration.

The temporality of each use of Opposer's mark is also critical in determining the reputation and popularity of the COLORWORX mark in commerce, since, as Opposer alleges in its *Notice of Opposition*, "Opposer has established an outstanding reputation as to the quality of its products sold under the COLORWORX Mark" and "[b]y virtue of its sales of high-quality products bearing Opposer's Mark in interstate commerce, its expenditures of considerable sums for promotional activities and the excellence of its products, Opposer has developed significant goodwill in its Mark and a valuable reputation." Doc. #1, at 6.

In addition, in applicant/petitioner's petition to cancel the COLORWORX registration, opposer/registrant offered the following alleged Affirmative Defenses (hereinafter "Ennis' Affirmative Defenses"):

AFFIRMATIVE DEFENSES

30. Petitioner has not and will not be damaged by the mark COLORWORX and therefore lacks standing to petition for the cancellation of the registration at issue in this action.

31. Petitioner's Petition to Cancel fails to state any claim upon which relief may be granted.

32. Petitioner is barred from seeking cancellation of Registrant's mark COLORWORX under the doctrines of laches, estoppel and waiver.

33. *Through Registrant's long, substantial and widespread use, advertising and promotion in support of its mark COLORWORX, said mark has acquired a strong secondary meaning identifying the services provided by Registrant.*

34. *Petitioner has failed to state specifically and cannot state specifically any actual damages by virtue of Registrant's continued registration of its mark COLORWORX.*

35. *Petitioner has unclean hands and proceeds in bad faith because Petitioner is attempting to appropriate the goodwill of Registrant's mark COLORWORX* (emphasis added). Doc. #20, at 11.

In this document, opposer refers to its "long, substantial and widespread use, advertising and promotion in support of its mark, and the mark's "strong secondary meaning" and "goodwill." Moreover, the Interrogatory asks Opposer to "identify all persons involved" in Opposer's first use of the "COLORWORX" mark in commerce. Opposer refused to identify *any* person involved in the first use of the COLORWORX mark in commerce. The question is not overbroad and harassing because the COLORWORX brand was first offered for sale by Admore, a small subsidiary of Opposer, in 2002. In its 2003 Annual Report, Opposer states that the COLORWORX brand was designed by Admore to "serve the short run color needs of [Opposer's] distributors." See Exhibit 1, of applicant's Declaration, *infra*. In this action opposer has blatantly refused and failed to disclose *any* information about its company save and except for product samples bearing the COLORWORX mark and the Interrogatory's focus on identifying all persons involved in the first use of the COLORWORX mark is narrowly tailored, highly relevant and very specific.

INTERROGATORY NO. 2: Describe in detail the process, procedure, facts, material and information you use for each of the works of color offered for sale by you, including but not limited to business cards, letterhead, rack cards, postcards, brochures, and posters, from the point at which a customer first contacts you to the point at which your customer is satisfied, including any system, process or procedure for satisfying dissatisfied customers.

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

In so answering, Opposer refuses to and fails to answer. INTERROGATORY NO. 2 is relevant to the proceeding because Opposer has based its entire Opposition on the continuous use in interstate commerce of the mark COLORWORX “as a trademark for a variety of printing goods and printing services including, but not limited to, business cards, letterhead, rack cards, postcards, brochures, and posters (‘Opposer’s Goods’).” Doc #1, at 6. In addition, in Ennis’ Affirmative Defenses, Ennis refers to its “long, substantial and widespread use, advertising and promotion in support of its mark, and the mark’s “strong secondary meaning” and “goodwill.”

Opposer’s objections that the interrogatory is overbroad and harassing are invalid because Opposer itself identifies these products as “Opposer’s Goods” and there are only *six* goods identified, not ten or more. The interrogatory refers to these goods as “works of color,” a central issue in petitioner’s genericness and descriptiveness cancellation claims because Opposer’s Goods are in fact works of color. Moreover, Opposer claims its COLORWORX mark is “highly distinctive” and is “closely identified with Opposer’s Goods”. Doc. #1, at 6. Information about how each of Opposer’s six goods is manufactured is critical to ascertaining the extent of customer involvement in the use and choice of color in the printing process, since opposer itself advertises its printed goods as “economical four color process printing” and its printing process as a “gang run” commercial printing style. *See* ColorWorx website, Exhibit 1 of applicant’s Declaration, *infra*. Ascertaining who chooses the color of the goods and services (the customer or Ennis Inc), which colors are available, and at which stage of the printing process is highly relevant to the question of whether color is a descriptive and/or generic part of opposer’s printing business. The question is not overbroad because it can be answered in five or ten bullet points for each of Opposer’s Goods (e.g. customers brings in sample, sample is uploaded to a central computer system, etc).

INTERROGATORY NO. 3: Identify and describe in detail each possible color

choice, including black and white, you currently offer or have offered to your customers for each work of color you sell, advertise, promote or distribute, including but not limited to business cards, letterhead, rack cards, postcards, brochures, and posters.

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

REQUEST TO PRODUCE NO. 27: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 3 of Applicant's First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

In so answering, Opposer refuses to and fails to answer. INTERROGATORY NO. 3 and REQUEST TO PRODUCE NO.27 are relevant to this proceeding because Opposer's very business is printing goods and printing services. Its very business is producing printed works of color such as business cards, letterhead, rack cards, postcards, brochures, and posters. It has filed a Notice of Opposition based on the reputation, sales, advertising expenditure and reputation connected to the COLORWORX Mark and design, and confirmed these claims in its affirmative defenses to the cancellation petition. Doc #1, at 6; Doc #20, at 11.

The very trademark registration allegedly being confused, mistaken, deceived and/or diluted in this action bears the name COLORWORX. Therefore, it is obvious to any reasonable observer that color and the use of color are fair, reasonable and open subjects for investigation. Indeed, opposer's own advertising material for the COLORWORX brand self-markets as "economical, four color process printing." It is highly relevant, therefore, to inquire as to which four colors are being used, whether there are more than four colors being used in Opposer's printing business, and, if so, of which colors these consist. It is respectfully submitted that Opposer simply refused to answer the question because it would lead to evidence that the term COLORWORX is generic and/or descriptive and therefore ought to be cancelled as a registered trademark.

INTERROGATORY NO. 4: Define in detail your understanding of the phrases "color works" and "works of color."

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

In so answering, Opposer refuses to and fails to answer. INTERROGATORY NO. 4 is relevant to this proceeding because, to state the strikingly obvious, Opposer's COLORWORX registration is the subject matter of the action and the name of Opposer's printing business. Answering questions about Opposer's understanding of the phrases "color works" and "works of color," which are the common understandings of the compound word COLORWORX, goes to the heart of the action. It simply defies logic to object to a question on the basis of ostensible irrelevancy, overbreadth, harassment and being not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer's refusal to answer questions about its understanding of the name of its own brand is simply ridiculous and the height of dishonesty.

INTERROGATORY NO. 5: Identify the media in or through which Opposer advertises or promotes its works of color, including but not limited to business cards, letterhead, rack cards, postcards, brochures, and posters, under or with the "COLORWORX" mark.

ANSWER: Opposer objects to this Interrogatory as it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer has continuously used the COLORWORX mark in interstate commerce as a trademark for a variety of printing goods and printing services, including but not limited to, business cards, letterhead, sell sheets, rack cards, postcards, brochures and posters since August of 2002. Opposer refers Applicant to Opposer's document production produced on May 24, 2012 showing various other items Opposer uses its COLORWORX mark on including, but not limited to, various advertising tools and promotional items, financial tools and promotional items, financial tools, hospitality products, award products and business products.

REQUEST TO PRODUCE NO. 28: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 5 of Applicant's First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Request as it is overbroad, harassing, and requires Opposer to marshal its evidence prior to trial. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to Opposer's Notice of Opposition and Opposer's document production produced on May 24, 2012.

In so answering, Opposer refuses to and fails to answer. INTERROGATORY NO. 5 and REQUEST TO PRODUCE NO. 28 are relevant to this proceeding because the media in or through which Opposer advertises or promotes its works of color will determine the nature and extent of the reputation and good will of the COLORWORX brand. Opposer filed a Notice of Opposition based on its use, sales, reputation, goodwill, and advertising expenditure under its

COLORWORX mark and design. Doc #1, at 6. Opposer's answer is evasive, non-responsive, and incomplete because it fails to identify the *media* in or through which Opposer advertises or promotes its goods. Rather, it simply lists the *date from which* Opposer's goods were sold and lists some *examples* of the type of goods sold. Furthermore, the interrogatory is not harassing because opposer propounded the same Interrogatory of applicant in Opposer's First Set of Interrogatories to Applicant. TBMP §412.01.

INTERROGATORY NO. 6: Identify each person or the entity whom distributed, circulated, sold, or advertised your works of color, including but not limited to business cards, letterhead, rack cards, postcards, brochures, and posters, in connection with the "COLORWORX" mark, including whether any contract exists for distribution, circulation, sale, or advertisement.

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

REQUEST TO PRODUCE NO. 29: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 6 of Applicant's First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

In so answering, Opposer refuses to and fails to answer. INTERROGATORY NO. 6 and REQUEST TO PRODUCE NO.29 are relevant to this proceeding because Opposer is a large corporation with over 5,000 employees across the United States and Mexico working through a number of subsidiaries. It has two segments: the Print Segment and Apparel Segment and ascertaining the precise distribution, advertising and/or promotional chain through which the COLORWORX brand is sold is central to its reputation, profitability and popularity in the marketplace. Applicant has subsequently learned through perusal of opposer's Annual Reports since this Interrogatory was served that the COLORWORX brand is sold, distributed and marketed through a subsidiary of Opposer called Admore. *See* Exhibit 1 of applicant's Declaration, *infra*. Admore is a small company specializing in presentation products and ascertaining which persons run the COLORWORX brand is highly relevant and necessary to discovering evidence admissible at trial. Opposer has simply refused to answer the question because its COLORWORX brand is a mere shadow of what it alleged in its pleadings.

Furthermore, the interrogatory is not harassing because opposer asked the same question of applicant in opposer's First Set of Interrogatories to Applicant. TBMP §412.01.

INTERROGATORY NO. 7: Identify all facts, laws, information, or materials that Opposer relies on to support the contention that all or part of the mark "COLOR WARS" is confusingly similar to the mark "COLORWORX[®]".

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, and requires Opposer to marshal its evidence prior to trial. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to Opposer's Notice of Opposition and Opposer's document production produced on May 24, 2012.

REQUEST TO PRODUCE NO. 30: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 7 of Applicant's First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Request as it is overbroad, harassing, and requires Opposer to marshal its evidence prior to trial. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to Opposer's Notice of Opposition and Opposer's document production produced on May 24, 2012.

INTERROGATORY NO. 8: Identify all facts, laws, information, or materials that Opposer relies on to support the contention that there is a likelihood of confusion and/or deception between any trademark, service mark, domain name, or other designation of Opposer and any trademark, service mark, domain name, or other designation of Applicant.

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, and requires Opposer to marshal its evidence prior to trial. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to Opposer's Notice of Opposition and Opposer's document production produced on May 24, 2012.

REQUEST TO PRODUCE NO. 31: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 8 of Applicant's First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Request as it is overbroad, harassing, and requires Opposer to marshal its evidence prior to trial. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to Opposer's Notice of Opposition and Opposer's document production produced on May 24, 2012.

In so answering, Opposer refuses to and fails to answer. INTERROGATORY NOS. 7 and 8 and REQUESTS TO PRODUCE NOS.30 and 31 are not overbroad, harassing or premature because Opposer possesses a great deal of evidence which is readily available and accessible to Opposer but which it simply refuses to disclose. Such evidence includes its internal memoranda, internal emails, Annual Reports, tax returns filed with the Internal Revenue Service, internal marketing analyses, customer opinion surveys, and customer demographic data related to the COLORWORX mark, none of which opposer has served on applicant. Opposer has been in

business for 103 years and to suggest that Opposer has no accessible filing system or computerized storage facility which can easily store, save and send electronic documents such as those mentioned above is simply preposterous. Opposer is again concealing evidence because it has realized it has filed a frivolous action with no good faith basis or factual foundation. Furthermore, these interrogatories are not harassing because opposer asked the same questions of applicant in opposer's First Set of Interrogatories to applicant. TBMP §412.01.

INTERROGATORY NO. 9: Describe in detail the similarities and/or points of confusion and/or deception between the word "wars" and the word "works."

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

REQUEST TO PRODUCE NO. 32: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 9 of Applicant's First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

In so answering, Opposer refuses to and fails to answer. INTERROGATORY NO. 9 and REQUEST TO PRODUCE NO. 32 are relevant to this proceeding because the words "wars" and "worx" are the dominant points of difference between the COLOR WARS and COLORWORX marks. Each mark shares the word "COLOR" and ascertaining Opposer's understanding of the similarities and/or points of confusion and/or deception between the word "wars" and the word "works" will assist Applicant in marshalling his evidence and understanding the basis of Opposer's case. Moreover, in Opposer's *Notice of Opposition*, Opposer states that "Applicant's Mark is the same as or substantially the same as, Opposer's Mark, including in visual appearance and in pronunciation" Doc #1, at 7. Ascertaining in greater detail the basis for such alleged similarities and/or sameness will assist Applicant in marshalling his evidence and understanding the basis of Opposer's case.

INTERROGATORY NO. 10: Identify all facts, laws, information, or materials that Opposer relies on to support the contention that Applicant's mark is the same as, or substantially the same as, Opposer's mark in visual appearance and in pronunciation.

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, and requires Opposer to marshal its evidence prior to trial. Subject to, and

without waiving, the foregoing objections, Opposer refers Applicant to Opposer's Notice of Opposition and Opposer's document production produced on May 24, 2012.

REQUEST TO PRODUCE NO. 33: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 10 of Applicant's First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Request as it is overbroad, harassing, and requires Opposer to marshal its evidence prior to trial. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to Opposer's Notice of Opposition and Opposer's document production produced on May 24, 2012.

In so answering, Opposer refuses to and fails to answer. INTERROGATORY NO. 10 and REQUEST TO PRODUCE NO. 33 are relevant to this proceeding for the same reasons identified in relation to INTERROGATORY NO. 9. Again, Opposer is being deliberately evasive in concealing evidence such as customer opinion surveys, customer geographical data, and customer demographic data which would shed light on Opposer's customers' knowledge, concerns and attitudes toward the COLORWORX brand. Furthermore, these interrogatories are not harassing because opposer asked the same questions of applicant in opposer's First Set of Interrogatories to applicant. TBMP §412.01.

INTERROGATORY NO. 11: Identify each officer of any company and/or business connected with the design, sale, marketing, advertising, promotion and distribution of works of color connected to the "COLORWORX" mark, including each officer's name, title, address, and job duties.

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

REQUEST TO PRODUCE NO. 34: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 11 of Applicant's First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

In so answering, Opposer refuses to and fails to answer. INTERROGATORY NO. 11 is relevant to this proceeding because the identification of officers connected to the "COLORWORX" mark will lead to the discovery of evidence admissible at trial. Such officers can provide evidence as to the creation of the COLORWORX concept, its commercialization in practice, sales figures, geographical areas, target markets, distribution practices, marketing and advertising strategies and

practices, and information about Opposer's competitors. In short, identification of the officers involved in managing and controlling the COLORWORX brand in commerce will shed a great deal of light on the brand's reputation and goodwill and whether applicant's COLOR WARS mark will be likely to cause confusion, mistake, deception and/or dilution in the marketplace. Furthermore, the interrogatory is not overbroad or harassing because Opposer asked a very similar question of Applicant in Opposer's First Set of Interrogatories to applicant. TBMP §412.01.

INTERROGATORY NO. 12: Identify each person who participated in the selection, design and adoption of the "COLORWORX" mark.

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

REQUEST TO PRODUCE NO. 9: Produce all documents and things relating to the creation, consideration, design, development, selection, adoption, and first use of the "COLORWORX" mark on any work of color (including black and white) or service.

RESPONSE: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

REQUEST TO PRODUCE NO. 35: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 12 of Applicant's First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

INTERROGATORY NO. 13: Describe in detail the role and contributions made that each person identified in Interrogatory number 12 played in the selection, design and adoption of the "COLORWORX" mark.

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

REQUEST TO PRODUCE NO. 36: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 13 of Applicant's First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

INTERROGATORY NO. 14: Describe in detail the rationale, philosophy and ideas behind the selection, design and adoption of each feature and/or part of the "COLORWORX" mark, including the logo, words, style of lettering, visual appearance, sound, compound/composite nature and misspelling.

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

REQUEST TO PRODUCE NO. 37: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 14 of Applicant's First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

INTERROGATORY NO. 15: Describe in detail your understanding of the connections between each aspect of your answer to Interrogatory No. 14 and the works of color you sell, promote, advertise and distribute, including but not limited to business cards, letterhead, rack cards, postcards, brochures, and posters.

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

REQUEST TO PRODUCE NO. 38: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 15 of Applicant's First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

In so answering, Opposer refuses to and fails to answer. INTERROGATORY NOS. 12, 13, 14 & 15 and REQUESTS TO PRODUCE NOS. 35, 36, 37 & 38 are relevant to this proceeding because, quite simply, they pertain to particulars of the creation of the COLORWORX mark and design, which Opposer alleges forms the basis of its Opposition proceeding. If the questions and requests are overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial, then opposer's entire opposition is misconceived, frivolous, vexatious and unmeritorious. On the contrary, the questions and requests are highly relevant, narrowly tailored, and reasonably calculated to lead to the discovery of highly probative evidence admissible at trial. They also bear on the question of Opposer's alleged commission of fraud on the USPTO as particularized in the claims which the Board did not strike out in petitioner's second amended petition to cancel. Doc. #27. Finally, the interrogatories and requests are not overbroad or harassing because Opposer asked the same questions of Applicant in Opposer's First Set of Interrogatories to Applicant and First Requests for Production. TBMP §412.01.

INTERROGATORY NO. 16: Identify every opinion, legal or otherwise, requested or received by you, regarding the right to use the marks "COLORWORX," "COLOR WORX," "COLORWORKS," or "COLOR WORKS," including the identity of the

persons requesting the opinion, the date and substance of the opinion, and the persons receiving the opinion.

RESPONSE: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial. Additionally, Opposer asserts the attorney-client and work-product privileges.

INTERROGATORY NO. 19: Identify and describe all facts, laws, information, or materials that Opposer found, discovered, became aware of and/or knew about before, during and after its registration of the COLORWORX mark involving use of the marks “COLORWORX,” “COLOR WORX,” “COLORWORKS,” and “COLOR WORKS.”

RESPONSE: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial. Additionally, Opposer asserts the attorney-client and work-product privileges.

REQUEST TO PRODUCE NO. 39: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 16 of Applicant’s First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Request as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial. Additionally, Opposer asserts the attorney-client and work-product privileges.

REQUEST TO PRODUCE NO. 42: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 19 of Applicant’s First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Request as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial. Additionally, Opposer asserts the attorney-client and work-product privileges.

In so answering, Opposer refuses to and fails to answer. INTERROGATORY NOS. 16 and 19 and REQUEST TO PRODUCE NOS. 39 and 42 are relevant to this proceeding because Opposer has received numerous sources of legal opinion and advice since it first commenced using the COLORWORX mark in commerce and especially during the time it applied for and obtained registration of the COLORWORX trademark. Opposer applied for and obtained registration of its mark with the law firm Pitts and Eckl, P.C., attorneys Conrad C. Pitts and Sean L. Collin the attorneys of record. Opposer then engaged Chalker Flores LLP, with attorney Edwin Flores the attorney of record, and, at least in this proceeding, attorneys Scott A. Myer and Thomas G. Jacks as lead counsel, which was followed by Daniel Chalker and Jesica Flores as lead counsel. Legal opinions relating to the COLORWORX mark are relevant to this proceeding because opposer rendered the validity of its COLORWORX registration a material fact in issue in its Notice of

Opposition pleadings, when it alleged that “Opposer is the owner of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX (‘Opposer’s Mark’). Opposer’s Mark is valid, subsisting, and in full force and effect.” Doc. #1, at 6. In addition, in Ennis’ Affirmative Defenses, Ennis refers to its “long, substantial and widespread use, advertising and promotion in support of its mark, and the mark’s “strong secondary meaning” and “goodwill.”

The interrogatories and requests also bear on the question of Opposer’s alleged commission of fraud on the USPTO as particularized in the claims which the Board did not strike out in petitioner’s second amended petition to cancel. Doc. #27. They are not overbroad or harassing because opposer asked the same questions of Applicant in Opposer’s First Set of Interrogatories to Applicant and First Requests for Production. TBMP §412.01.

As regards Opposer’s assertion of the attorney-client and work-product privileges, it is settled law that there is no blanket privilege covering all attorney-client communications. *Wesp v. Everson*, 33 P.3d 191, 197 (Colo. 2001). The privilege must be claimed with respect to each specific communication at issue, and the Board must examine each communication independently. Of course, the party asserting the privilege bears the burden of establishing its application to a particular communication. *Id.* at 198. Ennis has produced an incomplete and evasive privilege log dated August 27, 2012, which is now almost ten months old. *See* Exhibit 27. Applicant seeks a further and more definite statement of all documents in this privilege log as well as production of those documents. Further, under the control group test, the communication must be made by an employee of opposer who is in a position to control or take a substantial part in the determination of corporate action in response to legal advice for the privilege to attach. Only such employees qualify as the “client” for attorney-client privilege purposes. Under the subject matter test, a communication may be privileged if it is made for the purpose of securing legal advice for the corporation, the employee making the communication does so at a superior’s request or direction, and the employee’s responsibilities include the subject matter of the

communication with counsel. It is respectfully submitted that these matters must be addressed by opposer.

Additionally, it should be borne in mind that Courts narrowly construe the attorney-client privilege because it limits full disclosure of the truth. *PSE Consulting, Inc. v. Frank Mercede & Sons, Inc.*, 838 A.2d 135, 167 (Conn. 2004); *In re Bryan*, 61 P.3d 641, 656 (Kan. 2003); *E.I. du Pont de Nemours & Co. v. Forma-Pack, Inc.*, 718 A.2d 1129, 1138 (Md. 1998); *Whitehead v. Nev. Comm'n on Judicial Discipline*, 873 P.2d 946, 948 (Nev. 1994); *In re Grand Jury Subpoena Dated June 30, 2003*, 770 N.Y.S.2d 568, 572 (N.Y. Sup. Ct. 2003); *Callahan v. Nystedt*, 641 A.2d 58, 61 (R.I. 1994); *Lane*, 640 N.W.2d at 798 (quoting cases). Further, while the privilege protects the content of an attorney-client communication from disclosure, it does not protect from disclosure the facts communicated. *Mackey v. IBP, Inc.*, 167 F.R.D. 186, 200 (D. Kan. 1996). It is submitted that opposer ought to be compelled to reveal these facts.

Moreover, applicant relies on the crime-fraud exception to obviate both the attorney-client and work product privileges. While opinion work product receives almost absolute protection against discovery, in this case applicant has reasonable grounds for believing that Ennis has committed fraud on the USPTO as particularized in the portions of his second amended petition to cancel which were not struck out by the Board in its order of May 15, 2013; therefore, Ennis' attorneys' conclusions, mental impressions or opinions are at issue in the case and there is a compelling need for their discovery (see *Holmgren v. State Farm Mut. Auto. Ins. Co.*, 976 F.2d 573, 577 (9th Cir. 1992)). It is respectfully submitted that since, at the time of the lawyer-client communications the client, Ennis was participating in a fraud, the Board can find that there is no privilege protection. Through its refusal and failure to answer the overwhelming majority of applicant's Discovery requests, opposer has deliberately and egregiously attempted to evade and frustrate applicant's legitimate attempts to secure discovery. As demonstrated by Applicant's email correspondence to Opposer in the Exhibits, Opposer has been given numerous opportunities to disprove the allegation that it committed fraud on the USPTO in applying for and obtaining the

COLORWORX registration, yet it has steadfastly refused to produce any documents, thereby concealing relevant evidence.

As to the work product doctrine, Applicant relies on *Hickman v. Taylor*, 329 U.S. 495 (1947) and seeks an Order requiring Opposer to produce its tangible work product. The basis for the order is that applicant resides in Australia and has substantial need of the opinions, documents and things requested for the preparation of his case and that he is unable without undue hardship to obtain the substantial equivalent of the materials by other means. Moreover, as to the discoverability of trademark search reports, the Board has taken the position that while the contents of a search report are not privileged from discovery, an attorney's opinion as to the legal significance of the report is protected by the attorney-client privilege: *Fisons, Ltd v. Capability Brown, Ltd*, 209 U.S.P.Q. 167 (T.T.A.B 1980).

INTERROGATORY NO. 17: Describe in detail any instances in which you have been involved which have called into question, created conflict in respect of, or challenged the right to use the marks "COLORWORX," "COLOR WORX," "COLORWORKS," or "COLOR WORKS."

RESPONSE: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

REQUEST TO PRODUCE NO. 6: Produce copies of complaints or petitions in any action filed by or against You in which the allegations are similar to those of this suit.

RESPONSE: Opposer objects to this Request as Applicant has equal or greater access to the complaint or petition filed in *Joel L. Beling d/b/a Supa Characters Pty Ltd v. Ennis Inc.*; Cancellation No. 92055374.

REQUEST TO PRODUCE NO. 40: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 17 of Applicant's First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

In so answering, Opposer refuses to and fails to answer. INTERROGATORY NO. 17 and REQUESTS TO PRODUCE NOS. 6 & 40 are relevant to this proceeding because Opposer claims the exclusive right to use the mark COLORWORX in related to printing goods and services and has filed at least two Opposition proceedings with the USPTO against traders whose marks call into question, create conflict in respect of, or challenge Opposer's right to use the

COLORWORX mark. The two Opposition proceedings are the present one, Opposition No. 91203884, and Opposition No. 91203773, which Opposer filed against the "PSC COLOR WORKS" mark, which was applied for by the Pioneer Supply Company.

INTERROGATORY NO. 18: Describe in detail any plans for future expansion, including but not limited to, expansion of marketing lines, services, customer base or geographical areas served, and goods and services in international classes 16 and 41.

RESPONSE: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

REQUEST TO PRODUCE NO. 18: Produce all documents and things concerning Your past, present, and future plans to advertise, market, sell, or promote works of color (including black and white) or services relating to Opposer's "COLORWORX" mark.

RESPONSE: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

REQUEST TO PRODUCE NO. 21: Produce documents and things relating to Opposer's intended and/or proposed works of color (including black and white) or services utilizing the "ColorWorx" mark.

RESPONSE: Opposer objects to this Request as it is overbroad, harassing, and requires Opposer to marshal its evidence prior to trial. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to Opposer's Notice of Opposition and Opposer's document production produced on May 24, 2012, which shows representative specimens. Opposer is continuously updating the goods and services it offers under the mark COLORWORX and reserves the right to supplement its Response during the pendency of discovery in this matter.

REQUEST TO PRODUCE NO. 41: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 18 of Applicant's First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

In so answering, Opposer refuses to and fails to answer. INTERROGATORY NO. 18 and REQUESTS TO PRODUCE NOS. 18, 21 & 41 are relevant to this proceeding because nowhere in any Annual Report of Opposer for the previous 12 years is there even a single mention of expanding Opposer's goods and services to include goods and services listed in international class 41. See Applicant's Declaration, *infra*. Opposer has filed a Notice of Opposition opposing Applicant's use of the COLOR WARS mark in international classes 16 and 41 yet there is simply no basis, legal or factual, for Opposer

to have filed an Opposition to Applicant's class 41 trademark application. Opposer has filed a Notice of Opposition with respect to a large number of goods and services in which applicant has intended to trade in commerce in international classes 16 and 41. In addition, Applicant respectfully submits that opposer refuses to answer these Requests because Opposer has absolutely no intention to trade in commerce for the remaining goods and services in international class 16 which Opposer opposed, nor for any goods or service listed in international class 41. In addition, Applicant notes that Opposer's Notice of Opposition (Exhibit 38) and Opposer's document production produced on May 24, 2012 (Exhibit 36), which shows representative specimens, pertain to *past* goods produced under the COLORWORX mark. REQUEST TO PRODUCE NO. 21 seeks documents and things pertaining to Opposer's "intended and/or proposed" goods and services sold under the COLORWORX mark.

REQUEST TO PRODUCE NO. 5: Produce all photographs, videotapes, drawings, and other tangible things that pertain in any way to the subject matter of this suit.

RESPONSE: None at this time.

In so answering, Opposer refuses to and fails to answer. Request No. 5 is relevant to this proceeding because Opposer's COLORWORX mark contains a logo/design element which is clearly visible in all of Opposer's advertising and promotional material which bears the COLORWORX mark. In official correspondence with the USPTO, Opposer described its logo/design as a "crosshairs logo." Moreover, in Applicant's First Request for Admissions, Opposer answered that this logo/design, independent of the words COLORWORX, was "distinctive" and "highly distinctive" and capable of distinguishing Opposer's goods and services from the goods and services of other traders. Doc. #26. For Ennis to commence an opposition proceeding based on a trademark registration which involves a design and then to state that it has no drawings to produce, is the height of dishonesty.

REQUEST TO PRODUCE NO. 8: Produce all oral or written statements made by You or Your representatives concerning this suit.

RESPONSE: None.

In so answering, Opposer refuses to and fails to answer. Request to Produce No. 8 is relevant to this proceeding because Applicant is entitled to know the full case against him. Opposer's answer is patently false because, if true, it assumes there was never any written or email correspondence between Opposer's attorneys and between Opposer and Opposer's attorneys regarding any matter in this suit, especially when the fraud allegations were first raised. *See* applicant's Declaration, *infra*. A final reason the question is fair and relevant is because Opposer made the identical Request to Produce of Applicant in its First Request for Production to Applicant. Exhibit 28; TBMP §412.01.

REQUEST TO PRODUCE NO. 11: Produce all documents and things relating to the geographic areas where services or works of color (including black and white) relating to Opposer's "COLORWORX" mark are advertised, marketed, sold, or promoted and the length of time each work of color (including black and white) or service has been advertised, marketed, sold, or promoted in each area.

RESPONSE: Opposer is currently offering goods and services worldwide via the Internet and through qualified dealers. Opposer refers Applicant to Opposer's document production produced on May 24, 2012.

REQUEST TO PRODUCE NO. 12: Produce all documents and things relating to the distribution channels through which work of color (including black and white) or services relating to Opposer's "COLORWORX" mark are advertised, marketed, sold, or promoted.

RESPONSE: Opposer is currently offering goods and services worldwide via the Internet and through qualified dealers. Opposer refers Applicant to Opposer's document production produced on May 24, 2012.

REQUEST TO PRODUCE NO. 13: Produce all documents and things relating to the classes of customers to whom You advertise, market, sell, or promote works of color (including black and white) or services relating to Opposer's "COLORWORX" mark.

RESPONSE: Opposer is currently offering goods and services worldwide via the Internet and through qualified dealers. Opposer refers Applicant to Opposer's document production produced on May 24, 2012.

In so answering, Opposer refuses to and fails to answer. Opposer has stated that it offers "goods and services worldwide via the Internet and through qualified dealers." These answers are incredibly evasive as Opposer certainly possesses sales figures, distribution lists and customer lists pertaining to the specific geographic areas where Opposer's "COLORWORX" mark is

advertised, marketed, sold, or promoted. Applicant reminded opposer of the fact that these documents were encompassed in applicant's Requests to Produce by email on the 15th June 2012 (*see* Exhibit 8), yet Opposer simply refused to respond. Another reason opposer has failed to answer Request to Produce No. 11, is that it fails to state the length of time each work of color (including black and white) or service has been advertised, marketed, sold, or promoted in each area. In this respect, opposer's dishonesty and evasiveness is simply breathtaking. Moreover, in Opposer's answer to Request to Produce No. 13, there is simply no mention of *customers*; there is reference, in a very general way, to *how* goods are sold and *what* is sold, yet no information in respect of to whom Opposer's goods are sold. Half of Opposer's entire business is predicated on the supply of printed goods and services to distributor-customers

REQUEST TO PRODUCE NO. 14: Produce all documents and things relating to the yearly dollar and unit volume of sales to date and projected future dollar and unit volume of sales for each of the works of color (including black and white) or services produced by Opposer in connection with the "COLORWORX" mark.

RESPONSE: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

REQUEST TO PRODUCE NO. 15: Produce all documents and things relating to variable and fixed costs for sales of works of color (including black and white) or services relating to Opposer's "COLORWORX" mark.

RESPONSE: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

REQUEST TO PRODUCE NO. 16: Produce all documents and things relating to gross and net profits from sales of works of color (including black and white) or services relating to Opposer's "COLORWORX" mark.

RESPONSE: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

REQUEST TO PRODUCE NO. 17: Produce all documents and things relating to the yearly cost to You of advertising, marketing, selling, and promoting works of color (including black and white) or services relating to Opposer's "COLORWORX" mark.

RESPONSE: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

REQUEST TO PRODUCE NO. 20: Produce all documents and things relating to Your yearly expenses to date and planned future expenses corresponding to each type of advertising and promotion used for works of color (including black and white) or services relating to Opposer's "COLORWORX" mark.

RESPONSE: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

REQUEST TO PRODUCE NO. 43: Produce all documents and things relating to the financial health of the ColorWorx mark, including all documents and things submitted to and received from the Internal Revenue Service and all accounting documents.

RESPONSE: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

In so answering, Opposer refuses to and fails to answer. Requests to Produce Nos. 14, 15, 16, 17,

20 & 43 are relevant to this proceeding because Opposer expressly relied on its "sales,"

advertising expenditures," significant goodwill," and "valuable reputation" in its Notice of

Opposition, thereby opening the door to any discovery request about the past, current and futures

sales of goods and services connected to the COLORWORX mark and design. Opposer's refusal

to answer demonstrates a clear evasiveness, dishonesty and intent to conceal evidence. In

addition, in Ennis' Affirmative Defenses, Ennis refers to its "long, substantial and widespread

use, advertising and promotion in support of its mark, and the mark's "strong secondary

meaning" and "goodwill."

REQUEST TO PRODUCE NO. 23: Produce all documents and things You contend supports Your contention that registration of Applicant's "COLOR WARS" mark will injure Opposer by causing the trade/or purchasing public to be confused and/or deceived.

RESPONSE: Opposer refers Applicant to Opposer's Notice of Opposition and Opposer's document production produced on May 24, 2012.

REQUEST TO PRODUCE NO. 24: Produce all documents and things You contend supports Your contention that registration of Applicant's "COLOR WARS" mark will injure Opposer by causing the trade/or purchasing public to be confused and/or deceived into believing that Applicant's Goods are those of Opposer or are sponsored by Opposer.

RESPONSE: Opposer refers Applicant to Opposer's Notice of Opposition and Opposer's document production produced on May 24, 2012.

REQUEST TO PRODUCE NO. 25: Produce all documents and things You contend supports Your contention that registration of Applicant's "COLOR WARS" mark will injure Opposer by placing a cloud over Opposer's title to its "COLORWORX[®]" mark.

RESPONSE: Opposer refers Applicant to Opposer's Notice of Opposition and Opposer's document production produced on May 24, 2012.

REQUEST TO PRODUCE NO. 26: Produce all documents and things You contend supports Your contention that Applicant's "COLOR WARS" mark is the same, or substantially the same, as Opposer's mark "COLORWORX®" including in visual appearance and in pronunciation.

RESPONSE: Opposer refers Applicant to Opposer's Notice of Opposition and Opposer's document production produced on May 24, 2012.

In so answering, Opposer refuses to and fails to answer. Requests to Produce Nos. 23, 24, 25 & 26 are relevant to this proceeding because they seek documents and things pertaining to Opposer's reputation and goodwill in the COLORWORX brand. A number of types of documents in Opposer's possession, custody or control will easily answer this Request, including sales figures, advertising and promotional budgets, marketing plans, geographical financial and demographic data, customer lists, tax returns, and accounting statements. Opposer has been in business 103 years and is a public company; it has easy access to these documents yet simply refuses to produce anything connected to its reputation, which it relied on in its Notice of Opposition. Doc. #1. Opposer's Notice of Opposition refers to bald generalizations and has no concrete information or data, while Opposer's document production produced on May 24, 2012 consists of only product samples, nothing which will assist applicant gauge opposer's reputation in the COLORWORX brand. In so answering, Opposer has evaded the Request and failed to answer. In addition, with respect to REQUEST TO PRODUCE No. 26, Applicant respectfully submits that Opposer's documents pertaining to its customer base will shed significant light on this Request since the vast majority of Opposer's customers are in fact distributors and/or private printers who are specialists in the printing business. These distributors and/or private printers are the ones who deal with the public, who, it is submitted, are relatively more likely than professional distributors and/or private printers to be confused, mistaken and/or deceived by the COLOR WARS mark relative to the COLORWORX mark.

CERTIFICATE OF CONFERENCE

On June 12, 2012, Applicant sent Opposer's attorneys an e-mail entitled "Applicant's first good faith attempt to convince opposer to produce documents, answer interrogatories and admit or

deny questions,” reminding Opposer of its discovery obligations and asking it to provide responses (*see* Exhibit 2). Opposer refused to comply, stating that its responses were sufficient (*see* Exhibit 26). Other email correspondence ensued between the parties with applicant continually reminding opposer about its discovery obligations (*see* Exhibits 3, 5, 6, 8, 9). On June 19, 2012, applicant sent opposer’s attorneys an e-mail entitled “Applicant’s second good faith attempt to convince opposer to produce documents, answer interrogatories and admit or deny questions,” reminding opposer of its discovery obligations and asking it to provide responses (*see* Exhibit 11). Opposer did not reply at all. Further correspondence ensued between the parties (*see* Exhibits 19-25). On June 23, 2012, applicant sent opposer’s attorneys an e-mail entitled “Applicant’s third good faith attempt to convince opposer to produce documents, answer interrogatories and admit or deny questions,” reminding opposer of its discovery obligations and asking it to provide responses. Opposer replied on 27th June 2012 that it would attempt to supplement its discovery responses with further production (*see* Exhibit 23) but has failed to respond at all with further production.

PRAYER

WHEREFORE, PREMISES CONSIDERED, applicants prays that this applicant’s motion to compel discovery responses be granted and that the Board compel opposer to respond to the above Interrogatories and Requests for Production, without objection and within 30 days of this Board's Order. Applicant also seeks a further and more definite statement of all documents in Ennis’ privilege log dated August 27, 2012, and a privilege log of all documents over which Ennis claims privilege from August 27, 2012 to the date of the Board’s decision concerning the present motion, as well as production of those documents.

Dated: June 20, 2013

Respectfully submitted,

By: /Joel Beling/

Joel L. Beling, 1 Mirboo Court, Dallas, Victoria, 3047, Australia
(03) 8307 6932 (telephone), 0405 329 078 (cell), joelbeling@hotmail.com

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing **APPLICANT'S MOTION TO COMPEL DISCOVERY RESPONSES** was served on all parties, this the 20th day of June 2013, by sending the same electronic mail, to the following:

Daniel Chalker
Jesica Flores
CHALKER FLORES, LLP
dchalker@chalkerflores.com
jflores@chalkerflores.com
ATTORNEYS FOR OPPOSER

/Joel Beling/
Joel Beling
Applicant

LIST OF EXHIBITS

NO.	DESCRIPTION OF COMMUNICATION	DATE
1	Opposer's Discovery Responses to Applicant's Discovery Requests (<i>see</i> TTABVUE Doc. #26)	11 June 2012
2	Applicant's Email to Opposer, including Applicant's first good faith attempt to convince opposer to produce documents, answer interrogatories and admit or deny questions	12 June 2012
3	Applicant's Email to Opposer	12 June 2012
4	Opposer's Email to Applicant	12 June 2012
5	Applicant's Email to Opposer	13 June 2012
6	Applicant's Email to Opposer	13 June 2012
7	Opposer's Email to Applicant	13 June 2012
8	Applicant's Email to Opposer	15 June 2012
9	Applicant's Email to Opposer	18 June 2012
10	Opposer's Email to Applicant	19 June 2012
11	Applicant's Email to Opposer, including Applicant's second good faith attempt to convince opposer to produce documents, answer interrogatories and admit or deny questions	19 June 2012
12	Opposer's Email to Applicant	20 June 2012
13	Applicant's Email to Opposer	20 June 2012
14	Applicant's Email to Opposer	21 June 2012
15	Applicant's Email to Opposer	21 June 2012
16	Applicant's Email to Opposer	21 June 2012
17	Opposer's Email to Applicant	21 June 2012
18	Applicant's email to Opposer which includes first professional conduct letter and Applicant's third good faith attempt to convince opposer to produce documents, answer interrogatories and admit or deny questions	22 June 2012
19	Opposer's Email to Applicant	25 June 2012
20	Opposer's Email to Applicant	25 June 2012
21	Applicant's Email to Opposer	26 June 2012
22	Applicant's Email to Opposer	26 June 2012
23	Opposer's Email to Applicant	27 June 2012
24	Applicant's Email to Opposer	27 June 2012
25	Opposer's Email to Applicant	28 June 2012
26	Opposer's formal response to Applicant's first good faith attempt to convince opposer to produce documents, answer interrogatories and admit or deny questions	18 June 2012
27	Opposer's Privilege Log	27 August 2012
28	Opposer's Request for Production to Applicant	26 April 2012
29	Opposer's First Set of Interrogatories to Applicant	26 April 2012

Exhibit 1: Opposer's Discovery Responses to Applicant's Discovery Requests dated 11 June 2012

From: cminchillo@chalkerflores.com
To: joelbeling@hotmail.com
CC: smeyer@chalkerflores.com; tjacks@chalkerflores.com; cminchillo@chalkerflores.com
Date: Mon, 11 Jun 2012 17:25:12 -0400
Subject: Ennis, Inc. v. Joel L. Beling d/b/a Supa Characters Pty Ltd

Mr. Beling,

Attached please find the following documents:

1. Opposer's Objections and Response to Applicant's First Request for Production;
2. Opposer's Objections and Answers to Applicant's First Set of Interrogatories; and
3. Opposer's Objections and Responses to Application's First Request for Admissions.

If you have any questions, please let us know. Thank you.

Cynthia Minchillo, RP | Chalker Flores, LLP Board Certified Paralegal – Personal Injury Trial Law

by the Texas Board of Legal Specialization *Paralegal to Scott Meyer and Tom Jacks* 14951
North Dallas Parkway, Suite 400 | Dallas, Texas 75254
Phone: 214-445-4060 | Fax: 214-866-0010 | DD: 214-445-4055
cminchillo@chalkerflores.com | www.chalkerflores.com

Exhibit 2: Applicant's Email to Opposer, including Applicant's first good faith attempt to convince opposer to produce documents, answer interrogatories and admit or deny questions dated 12 June 2012

- Ennis, Inc. v. Joel L. Beling d/b/a Supa Characters Pty Ltd

12/06/2012

joel beling

To cminchillo@chalkerflores.com, smeyer@chalkerflores.com, tjacks@chalkerflores.com,
joelbeling@hotmail.com

Scott and Tom,

Please find attached my response to your below-mentioned Discovery Answers.

If you have any questions, please let me know.

Joel

Exhibit 3 Applicant's Email to Opposer dated June 12, 2012

- **RE: Ennis, Inc. v. Joel L. Beling d/b/a Supa Characters Pty Ltd**

From: **joel beling** (joelbeling@hotmail.com)
Sent: Tuesday, 12 June 2012 6:01:52 AM
To: cminchillo@chalkerflores.com; Joel (joelbeling@hotmail.com)
Cc: smeyer@chalkerflores.com; tjacks@chalkerflores.com
Scott and Tom,

If you are unclear about any of the requests I am making, I am happy to discuss the issues with you by telephone at a mutually convenient time prior to 5pm Dallas time on the 18th June 2012.

Please advise.

Thanks

Joel

Exhibit 4: Opposer's Email to Applicant dated June 12, 2012

Mr. Beling,

Attached please find Opposer's Supplement to Initial Disclosures and Opposer's additional document production Bates labeled ENNI 0221 to ENNI 0245. If you have any questions, please do not hesitate to contact us. Thank you.

***Cynthia Minchillo, RP* | Chalker Flores, LLP**

Board Certified Paralegal – Personal Injury Trial Law

by the Texas Board of Legal Specialization

Paralegal to Scott Meyer and Tom Jacks

14951 North Dallas Parkway, Suite 400 | Dallas, Texas 75254
Phone: 214-445-4060 | Fax: 214-866-0010 | DD: 214-445-4055
cminchillo@chalkerflores.com | www.chalkerflores.com

Exhibit 5: Applicant's Email to Opposer dated June 13, 2012

- **RE: Ennis, Inc. v. Joel L. Beling d/b/a Supa Characters Pty Ltd**

From: **joel beling** (joelbeling@hotmail.com)

Sent: Wednesday, 13 June 2012 12:45:45 AM

To: cminchillo@chalkerflores.com

Cc: smeyer@chalkerflores.com; tjacks@chalkerflores.com

Scott and Tom,

Thank you for those supplemental disclosures. I note that all those documents are covered in my first request for production.

Please note that none of these disclosures satisfies my concerns about your discovery obligations expressed in yesterday's letter. Please bear in mind the deadline of 5pm on the 18th June, 2012.

I look forward to receiving much more relevant and admissible evidence from you in the coming few days.

Thanks

Joel

Exhibit 6: Applicant's Email to Opposer dated June 13, 2012

- **RE: Ennis, Inc. v. Joel L. Beling d/b/a Supa Characters Pty Ltd**

From: **joel beling** (joelbeling@hotmail.com)
Sent: Wednesday, 13 June 2012 3:48:18 AM
To: cminchillo@chalkerflores.com; joelbeling@hotmail.com
Cc: smeyer@chalkerflores.com; tjacks@chalkerflores.com
Scott,

I'm not sure if it's assumed by the TTAB or we need to make a stipulation, but does your client consent to all evidence gathered in the Opposition proceeding to be admissable in the Petition to Cancel and vice versa?

Please advise.

If not, I'll be filing a motion to this effect.

Thanks

Joel

Exhibit 7: Opposer's Email to Applicant dated June 13, 2012

- **RE: Ennis, Inc. v. Joel L. Beling d/b/a Supa Characters Pty Ltd**

From: **Scott Meyer** (smeyer@chalkerflores.com)

Sent: Wednesday, 13 June 2012 10:02:56 PM

To: joel beling (joelbeling@hotmail.com); Cynthia Minchillo (cminchillo@chalkerflores.com)

Cc: Tom Jacks (tjacks@chalkerflores.com)

Joel:

Evidence produced is not automatically admissible. We will not stipulate to the admissibility of evidence in this fashion. As we approach the trial period we would be happy to discuss admissibility of specific evidence with you.

Thanks,

Scott

Scott A. Meyer, P.C. | Chalker Flores, LLP

14951 North Dallas Parkway, Suite 400 | Dallas, Texas 75254

Phone: 214-866-0001 | Fax: 214-866-0010

smeyer@chalkerflores.com | www.chalkerflores.com

Exhibit 8: Applicant's Email to Opposer dated June 15, 2012

- **RE: Ennis, Inc. v. Joel L. Beling d/b/a Supa Characters Pty Ltd**

From: **joel beling** (joelbeling@hotmail.com)

Sent: Friday, 15 June 2012 2:42:03 AM

To: smeyer@chalkerflores.com

Cc: Joel (joelbeling@hotmail.com); cminchillo@chalkerflores.com; tjacks@chalkerflores.com
Scott,

Forsake of completeness, the documents and things stated in your First Supplement to Initial Disclosures are covered in my First Request for Production to Opposer.

In particular: the "Documents evidencing use of "COLORWORX" mark in commerce" is requested in, for example, Requests 8 and 18;

the "documents evidencing the products and services offered by Opposer utilising the "COLORWORX" is requested in, for example, Requests 8 and 18;

the "documents evidencing the geographic area where the "COLORWORX" mark is used" is requested in Requests 8, 11, 12, and 13;

the "documents evidencing filings with the USPTO related to registration 3372884 "COLORWORX" is requested in Requests 8, 9, 23, 24, 25 and 26.

I look forward to receiving those documents, in addition to my other discovery requests, on Tuesday 18th June 2012, Melbourne, Australia time.

I thank you in anticipation of your co-operation.

Joel

Exhibit 9: Applicant's Email to Opposer dated June 18, 2012

From: joel beling [<mailto:joelbeling@hotmail.com>]

Sent: Monday, June 18, 2012 9:05 PM

To: Tom Jacks

Subject: Your responses to my Discovery Requests

Tom,

Were you involved in the drafting of Ennis Inc's responses to my Discovery Requests or was it just Scott?

Joel

Exhibit 10: Opposer's Email to Applicant dated June 19, 2012

From: tjacks@chalkerflores.com
To: joelbeling@hotmail.com
Date: Tue, 19 Jun 2012 10:28:33 -0400
Subject: RE: Your responses to my Discovery Requests

Joel,

I do not understand why this is important. We should talk on the phone about the discovery issues that are going on. It is always beneficial to talk about the issues in person or on the phone rather than exchanging emails or letters. Are you free at 5:00 pm CST today or tomorrow? We can use the same conference call number that we've used in the past.

Tom

Thomas G. Jacks | Chalker Flores, LLP

14951 North Dallas Parkway, Suite 400 | Dallas, Texas 75254
Main: 214-866-0001 | Direct: 214-445-4021 | Fax: 214-866-0010
tjacks@chalkerflores.com | www.chalkerflores.com

Exhibit 11: Applicant's Second Good Faith Attempt To Convince Opposer To Produce Documents, Answer Interrogatories And Admit Or Deny Questions dated June 19, 2012

19 June 2012

Mr Scott Myer and Mr Thomas Jacks
Attorneys-at-Law
Chalker Flores

Mr Joel Beling

1 Mirboo Court
DALLAS VICTORIA
AUSTRALIA 3047

BY EMAIL

APPLICANT'S SECOND GOOD FAITH ATTEMPT TO CONVINCE OPPOSER TO
PRODUCE DOCUMENTS, ANSWER INTERROGATORIES AND ADMIT OR DENY
QUESTIONS

Dear Sirs,

Re: Color Wars Opposition; Opposition No. 91203884

I refer to your Opposer's Objections and Response to Applicant's First Request for Production, Opposer's Objections and Answers to Applicant's First Set of Interrogatories, and Opposer's Objections and Responses to Application's First Request for Admissions served on me by email on the 12th June, 2012, to my letter to you dated 12th June 2012 seeking full and complete disclosure pursuant to my Discovery requests, and to your letter dated 18th June 2012.

I reiterate and incorporate by reference all matters put to you in my letter of 12th June 2012 and refer you to *your* Notice of Opposition, to *your* Answers to my Petition to Cancel, and to *your* Opposer's First Request for Admissions wherein *you* raised the issues of, inter alia, the validity of your client's COLORWORX registration, your client's use in commerce of the COLORWORX mark since 2002, your client's "very valuable public recognition" of the COLORWORX mark, your client's "valuable reputation," your client's "sales of high-quality products bearing Opposer's Mark in interstate commerce," your client's "expenditures of considerable sums for promotional activities and the excellence of its products," your client's "significant goodwill in its mark," alleged claims of diminishment and dilution to your client's mark if my COLOR WARS mark was registered, alleged claims of placing a cloud over your mark if my COLOR WARS mark was registered, the likelihood of confusion, deception and mistake between our marks, and fraud (which you have denied but offered no evidence in support of such denials).

With respect to the last issue, fraud, it would seem obvious to any reasonable observer that if you and your client have not committed fraud on the United States Patent and Trademark Office in applying for and obtaining the COLORWORX registration, then surely the best way to prove your innocence is to disclose all documents concerning the registration and your client's communications to you. Refusing to answer all questions and requests in relation to possible

fraud smacks of a consciousness of guilt and an intent to conceal evidence of a crime and obstruct justice. Accordingly, I implore you to be honest and co-operate with all my requests in relation to fraud so as to enable me to prepare my case in the manner in which I am legally entitled and, more importantly, to preserve the integrity of the trademark registration process in the United States.

I note it has been eight (8) days since your statutory deadline to answer my Discovery requests has passed, and, save and except from samples of use of the COLORWORX mark in commerce, I have no material from you upon which I can prepare and base my case. I need not remind you that *you* commenced this action by filing a Notice of Opposition, alleging a number of serious allegations. Accordingly, I have a right under the Federal Rules of Civil Procedure to obtain documents and other things from you to examine the evidence upon which you based your allegation. To date, you have flagrantly violated your Discovery obligations and I have fully complied with mine, the commercially sensitive and top secret nature of my disclosures.

As regards your claims of attorney-client and work-product privilege, I respectfully request that you identify all documents and things in your possession that you say falls under these privileges and we let the Trademark Trial and Appeal Board decide if the privileges apply. I reiterate that I reside in Australia and have substantial need of the documents and things requested in my Discovery Requests for the preparation of my case and that I am unable without undue hardship to obtain the substantial equivalent of the materials by other means. I also seek that you produce – or at the very least *identify* - all documents and things I have requested from you in my Discovery requests not prepared in anticipation of litigation. I further seek all documents prepared by Chalker Flores and Ennis Inc's previous attorneys before this Opposition claim arose.

Please answer the following requests and questions in full detail by 5pm on Friday the 22nd June 2012.

Applicant's First Request for Production Request Numbers: 5, 6, 8, 9, 11, 12, 13, 14, 15, 16, 17, 18, 20, 21, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43
Applicant's First Set of Interrogatories Request Numbers: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19
Applicant's First Request for Admissions Request Numbers: 33, 38, 39, 40, 41

As regards your offer to discuss the above issues by telephone, I prefer to communicate in writing because it leaves a clear and unambiguous paper trail of your refusal to answer and co-operate in relevant and probative Discovery requests.

Please review your answers to all my Discovery Requests and advise if you cannot understand the precise evidence I seek from you. I am happy to explain my requests in detail if you cannot comprehend anything. From my point of view, my requests are clear and unambiguous. In your response to this letter, please confirm you understand each and every Discovery Request I have made of you.

I advise this document shall be relied on in a Motion to Compel Discovery and on the question of costs if you fail to answer the above requests. I further advise that I will be

seeking sanctions as well as costs for either my time or for an attorney's time in the event that you fail to co-operate. This action is significantly disrupting my ability to work in Australia as a lawyer and on my character licensing business through Supa Characters Pty Ltd and I sincerely hope you had and have a good faith basis for initiating it.

I look forward to your honesty and co-operation.

Regards,

/JOEL BELING/

Joel Beling

Applicant

.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing **Applicant's Second Good Faith Attempt to Convince Opposer to Produce Documents, Answer Interrogatories and Admit or Deny Questions** was served on all parties, this the 19th day of June, 2012, by sending the same electronic mail, to the following:

Scott A. Meyer
Thomas Jacks
CHALKER FLORES, LLP
smeyer@chalkerflores.com
tjacks@chalkerflores.com
ATTORNEYS FOR OPPOSER

/Joel Beling/
Joel Beling
Applicant

Exhibit 12: Opposer's Email to Applicant dated June 20, 2012

- **RE: Your responses to my Discovery Requests**

From: **Tom Jacks** (tjacks@chalkerflores.com)
Sent: Wednesday, 20 June 2012 7:48:00 PM
To: joel beling (joelbeling@hotmail.com)
Cc: Scott Meyer (smeyer@chalkerflores.com)
Joel,

We respectfully disagree with your assertion that we failed to disclose documents and are more than willing to discuss your concerns on the phone. I still think a phone conversation is the best way to resolve disputes or misunderstandings. Unfortunately, email exchanges are usually detrimental to resolving issues. I hope that you will reconsider your position that you do not want to talk about your concerns on the phone.

Tom

Thomas G. Jacks | Chalker Flores, LLP

14951 North Dallas Parkway, Suite 400 | Dallas, Texas 75254
Main: 214-866-0001 | Direct: 214-445-4021 | Fax: 214-866-0010
tjacks@chalkerflores.com | www.chalkerflores.com

Exhibit 13: Applicant's Email to Opposer dated June 20, 2012

From: joel beling [mailto:joelbeling@hotmail.com]
Sent: Wednesday, June 20, 2012 1:28 AM
To: Tom Jacks
Subject: RE: Your responses to my Discovery Requests

Tom,

As a result of your failure to disclose I've had to do a great deal of additional work to attempt to compel discovery. This has significantly interfered with my normal job and cost me a lot of money, wasted my time and caused massive stress.

Please put your concerns and queries in writing. We can talk on the phone once we resolve the discovery issues.

Please produce all documents by 5pm Friday, CST time.

Thanks

Joel

Exhibit 14: Applicants Email to Opposer dated June 21, 2012

- **RE: Your responses to my Discovery Requests**

From: **joel beling** (joelbeling@hotmail.com)

Sent: Thursday, 21 June 2012 1:18:31 AM

To: tjacks@chalkerflores.com

Cc: smeyer@chalkerflores.com

Tom,

I've got NOTHING from you apart from a few product samples. That's 2 per cent of my case at best. You are concealing 98 per cent of the evidence I need for my case. That's not fair.

For whatever reasons, which I will get to the bottom of, you are violating the Federal Rules of Civil Procedure and obstructing justice and, as a result, I cannot prepare my case.

You may not want to produce the documents and answer my questions, but, as a matter of law, you have to. I didn't want to hand over my character material, which NOBODY in the world had seen yet, but I had to and did.

Now is the time to play ball before matters escalate. I look forward to receiving your documents and answers by 5pm Friday, CST.

You're wasting my time, costing me a lot of money and causing me massive stress. Unlike you, I don't work for a fancy law firm and cannot bill a rich corporate client for the work I'm doing. Please, do the right thing and disclose.

Joel

Exhibit 15 Applicant's Email to Opposer dated June 21, 2012

- **Supplement to Applicant's Initial Disclosures**

From: **joel beling** (joelbeling@hotmail.com)
Sent: Thursday, 21 June 2012 3:03:05 AM
To: tjacks@chalkerflores.com
Cc: smeyer@chalkerflores.com; joelbeling@hotmail.com; cminchillo@chalkerflores.com; eflores@chalkerflores.com

1 attachment (137.5 KB)



Supplemen...pdf
[Download](#)(137.5 KB)

[Download as zip](#)

Tom,

Please find attached the following document:

1. Supplement to Applicant's Initial Disclosures

Thanks

Joel

Exhibit 16 Opposer's Email to Applicant dated June 21, 2012

From: cminchillo@chalkerflores.com
To: joelbeling@hotmail.com
CC: smeyer@chalkerflores.com; tjacks@chalkerflores.com; cminchillo@chalkerflores.com
Date: Thu, 21 Jun 2012 17:30:28 -0400
Subject: Ennis, Inc. v. Joel L. Beling d/b/a Supa Characters Pty Ltd

Mr. Beling,

Please find our correspondence attached. Thank you.

***Cynthia Minchillo, RP* | Chalker Flores, LLP**

Board Certified Paralegal – Personal Injury Trial Law

by the Texas Board of Legal Specialization

Paralegal to Scott Meyer and Tom Jacks

14951 North Dallas Parkway, Suite 400 | Dallas, Texas 75254
Phone: 214-445-4060 | Fax: 214-866-0010 | DD: 214-445-4055
cminchillo@chalkerflores.com | www.chalkerflores.com

Exhibit 17 Opposer's Email to Applicant dated June 21, 2012

- **Ennis, Inc. v. Joel L. Beling d/b/a Supa Characters Pty Ltd**

From: **Cynthia Minchillo** (cminchillo@chalkerflores.com)

Sent: Thursday, 21 June 2012 9:34:12 PM

To: joelbeling@hotmail.com (joelbeling@hotmail.com)

Cc: Scott Meyer (smeyer@chalkerflores.com); Tom Jacks (tjacks@chalkerflores.com);
Cynthia Minchillo (cminchillo@chalkerflores.com)

Hotmail [Active View](#)

1 attachment (992.1 KB)



Ltr to Be...pdf

[Download](#)(983.7 KB)

Download as zip

Mr. Beling,

Please find our correspondence attached. Thank you.

Cynthia Minchillo, RP | Chalker Flores, LLP

Board Certified Paralegal – Personal Injury Trial Law

by the Texas Board of Legal Specialization

Paralegal to Scott Meyer and Tom Jacks

14951 North Dallas Parkway, Suite 400 | Dallas, Texas 75254

Phone: 214-445-4060 | Fax: 214-866-0010 | DD: 214-445-4055

cminchillo@chalkerflores.com | www.chalkerflores.com

Exhibit 18 Applicant's Email to Opposer dated June 22, 2012, which includes professional conduct letter and Applicant's Third Good Faith Attempt To Convince Opposer To Produce Documents, Answer Interrogatories And Admit Or Deny Questions

- **RE: Ennis, Inc. v. Joel L. Beling d/b/a Supa Characters Pty Ltd**

From: **joel beling** (joelbeling@hotmail.com)

Sent: Friday, 22 June 2012 11:21:41 PM

To: cminchillo@chalkerflores.com

Cc: smeyer@chalkerflores.com; tjacks@chalkerflores.com; joelbeling@hotmail.com; eflores@chalkerflores.com

4 attachments (total 337.9 KB)



Applicant...pdf

[Download](#)(117.0 KB)



PROFESSIO...pdf

[Download](#)(18.6 KB)



Petitione...pdf

[Download](#)(147.1 KB)



Petitione...doc

Please see the attached documents:

1. [Correspondence omitted pursuant to Board order in decision dated May 15, 2013];
2. Petitioner's Second Set of Interrogatories to Registrant;
3. Applicant's Third Good Faith Attempt to Produce Discovery.

For completeness, your settlement offer emailed yesterday is refused.

Thank you

Joel

23 June 2012

Mr Scott Myer and Mr Thomas Jacks
Attorneys-at-Law
Chalker Flores

Mr Joel Beling

1 Mirboo Court
DALLAS VICTORIA
AUSTRALIA 3047

BY EMAIL

**APPLICANT'S THIRD GOOD FAITH ATTEMPT TO CONVINCE OPPOSER TO PRODUCE
DOCUMENTS, ANSWER INTERROGATORIES AND ADMIT OR DENY QUESTIONS**

Dear Sirs,

Re: Color Wars Opposition; Opposition No. 91203884

I refer to my numerous previous attempts to persuade you to comply with your Discovery obligations under the Federal Rules of Civil Procedure.

I note that you are still in flagrant violation of the Federal Rules of Civil Procedure and that you still refuse to co-operate and answer my relevant and probative requests.

I note it has been twelve (12) days since your statutory deadline to answer my Discovery requests has passed, and, save and except from samples of use of the COLORWORX mark in commerce, I have no material from you upon which I can prepare and base my case. I need not remind you that *you* commenced this action by filing a Notice of Opposition, alleging a number of serious allegations. Accordingly, I have a right under the Federal Rules of Civil Procedure to obtain documents and other things from you to examine the evidence upon which you based your allegation.

Please answer the following requests and questions in full detail by 5pm on Wednesday the 27th June 2012 (American CST time).

Applicant's First Request for Production Request Numbers: 5, 6, 8, 9, 11, 12, 13, 14, 15, 16, 17, 18, 20, 21, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43
Applicant's First Set of Interrogatories Request Numbers: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19
Applicant's First Request for Admissions Request Numbers: 33, 38, 39, 40, 41

I advise this document shall be relied on in a Motion to Compel Discovery and on the question of costs in recouping my reasonable expenses if you fail to answer the above requests. As you are aware, I have made many attempts to persuade you to do what you are legally required to do, to no avail. This action, initiated by you, is costing me massive amounts of money which I cannot afford, wasting my time, and causing me immeasurable stress.

I look forward to your honesty and co-operation.

Regards,

/JOEL BELING/

Joel Beling, Applicant

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing **APPLICANT'S THIRD GOOD FAITH ATTEMPT TO CONVINCe OPPOSER TO PRODUCE DOCUMENTS, ANSWER INTERROGATORIES AND ADMIT OR DENY QUESTIONS** was served on all parties, this the 23rd day of June, 2012, by sending the same electronic mail, to the following:

Scott A. Meyer
Thomas Jacks
CHALKER FLORES, LLP
smeyer@chalkerflores.com
tjacks@chalkerflores.com
ATTORNEYS FOR OPPOSER

/Joel Beling/
Joel Beling
Applicant

Exhibit 19: Opposer's Email to Applicant dated June 25, 2012

- **Ennis, Inc. v. Joel L. Beling d/b/a Supa Characters Pty Ltd**

From: **Cynthia Minchillo** (cminchillo@chalkerflores.com)
Sent: Monday, 25 June 2012 4:46:51 PM
To: joelbeling@hotmail.com (joelbeling@hotmail.com)
Cc: Scott Meyer (smeyer@chalkerflores.com); Tom Jacks (tjacks@chalkerflores.com);
Cynthia Minchillo (cminchillo@chalkerflores.com)
1 attachment (221.5 KB)

Ltr to Be...pdf
[Download](#)(213.1 KB)
[Download as zip](#)

Mr. Beling,

Please see our correspondence attached. Thank you.

***Cynthia Minchillo, RP* | Chalker Flores, LLP**

Board Certified Paralegal – Personal Injury Trial Law

by the Texas Board of Legal Specialization

Paralegal to Scott Meyer and Tom Jacks

14951 North Dallas Parkway, Suite 400 | Dallas, Texas 75254
Phone: 214-445-4060 | Fax: 214-866-0010 | DD: 214-445-4055
cminchillo@chalkerflores.com | www.chalkerflores.com

Exhibit 20: Opposer's Email to Applicant dated June 25, 2012

From: cminchillo@chalkerflores.com
To: joelbeling@hotmail.com
CC: smeyer@chalkerflores.com; tjacks@chalkerflores.com; cminchillo@chalkerflores.com
Date: Mon, 25 Jun 2012 12:43:09 -0400
Subject: Ennis, Inc. v. Joel L. Beling d/b/a Supa Characters Pty Ltd

Mr. Beling,

Please see our correspondence attached. Thank you.

***Cynthia Minchillo, RP* | Chalker Flores, LLP**

Board Certified Paralegal – Personal Injury Trial Law

by the Texas Board of Legal Specialization

Paralegal to Scott Meyer and Tom Jacks

14951 North Dallas Parkway, Suite 400 | Dallas, Texas 75254
Phone: 214-445-4060 | Fax: 214-866-0010 | DD: 214-445-4055
cminchillo@chalkerflores.com | www.chalkerflores.com

Exhibit 21: Applicant's Email to Opposer dated June 26, 2012

- **RE: Ennis, Inc. v. Joel L. Beling d/b/a Supa Characters Pty Ltd**

From: **joel beling** (joelbeling@hotmail.com)

Sent: Tuesday, 26 June 2012 11:09:38 AM

To: cminchillo@chalkerflores.com

Cc: smeyer@chalkerflores.com; tjacks@chalkerflores.com; joelbeling@hotmail.com
Scott,

Settlement offer is refused. Please comply with your Discovery obligations.

Joel

Exhibit 22: Applicant's Email to Opposer dated June 26, 2012

- RE: Ennis, Inc. v. Joel L. Beling d/b/a Supa Characters Pty Ltd

From: **joel beling** (joelbeling@hotmail.com)

Sent: Tuesday, 26 June 2012 4:57:44 PM

To: cminchillo@chalkerflores.com

Can you please send me your Discovery Responses in Word format?

Thank you.

Exhibit 23: Opposer's Email to Applicant dated June 27, 2012

- **RE: Ennis, Inc. v. Joel L. Beling d/b/a Supa Characters Pty Ltd**

From: **Tom Jacks** (tjacks@chalkerflores.com)
Sent: Wednesday, 27 June 2012 8:50:16 PM
To: joel beling (joelbeling@hotmail.com)
Cc: Scott Meyer (smeyer@chalkerflores.com); Cynthia Minchillo (cminchillo@chalkerflores.com)
Joel,

We continue to stand by our objections. However, in a good faith effort to resolve this discovery dispute, we are attempting to gather more documents and will provide those to you next week. As always, we are available to further discuss these issues by phone.

Tom

Thomas G. Jacks | Chalker Flores, LLP

14951 North Dallas Parkway, Suite 400 | Dallas, Texas 75254
Main: 214-866-0001 | Direct: 214-445-4021 | Fax: 214-866-0010
tjacks@chalkerflores.com | www.chalkerflores.com

Exhibit 24: Applicant's Email to Opposer dated June 28, 2012

- **Ennis, Inc. v. Joel L. Beling d/b/a Supa Characters Pty Ltd**

From: **joel beling** (joelbeling@hotmail.com)
Sent: Thursday, 28 June 2012 2:25:01 AM
To: tjacks@chalkerflores.com
Cc: cminchillo@chalkerflores.com; smeyer@chalkerflores.com; joelbeling@hotmail.com
Tom,

Thank you. Please provide all your documents and answers to all interrogatories and requests for admissions by Tuesday 5pm, CST time.

Amongst other live issues, it should be borne in mind that fraud is a very, very serious allegation and I am giving your client the opportunity to clear its name. Concealing evidence and violating the Federal Rules of Civil Procedure only confirms suspicions of fraud. I'm sure Ennis Inc doesn't want to undo 103 years of hard work, destroy its public reputation and decimate its stock value with a couple of years of criminal activity perpetrated to offset the obscelensce of standard business forms and the resultant massive drop in profits.

Of course, I need not remind you of Chalker Flores' alleged role in conspiracy to commit fraud on the USPTO and other offences.

I fully disclosed my case when I absolutely did not want to. Please show me the same courtesy and abide by the law.

I will be relying on this correspondence in a Motion to Compel all discovery responses and requests not satisfactorily disclosed by you and on the question of my reasonable expenses in filing the motion.

This is the last time I will be communicating to you before filing my motion to compel on Tuesday evening, CST time. Please do the right thing and answer all my Discovery Requests completely.

Remember, this is YOUR action. Prove it.

Joel

Exhibit 25: Opposer's Email to Applicant dated June 28, 2012

- **RE: Ennis, Inc. v. Joel L. Beling d/b/a Supa Characters Pty Ltd**

From: **Tom Jacks** (tjacks@chalkerflores.com)
Sent: Thursday, 28 June 2012 10:28:34 PM
To: joel beling (joelbeling@hotmail.com)
Cc: Cynthia Minchillo (cminchillo@chalkerflores.com); Scott Meyer (smeyer@chalkerflores.com)

Joel,

As we have done throughout this matter, we are actively searching for additional documents and will continue to supplement our production according to the Federal Rules of Civil Procedure. I cannot and will not promise that the supplementation, if any, will occur by Tuesday 5 pm, CST.

Additionally, I am extremely disappointed in the lack of professionalism demonstrated in your email below and throughout this matter. Your continued accusations that our client and our firm committed fraud on the USPTO and that we are trying to hide evidence are unfounded and reckless. We have treated you with respect and our actions have been ethical and professional. We understand that you are emotionally involved in this matter but respectfully request that you afford us the same professionalism that we have consistently shown you.

We would prefer not to involve the TTAB in this matter but if you continue to disparage our client and our firm, we will be forced to do so. As always, we are available to further discuss any issues with you by phone.

Tom

Thomas G. Jacks | Chalker Flores, LLP

14951 North Dallas Parkway, Suite 400 | Dallas, Texas 75254
Main: 214-866-0001 | Direct: 214-445-4021 | Fax: 214-866-0010
tjacks@chalkerflores.com | www.chalkerflores.com

CHALKER FLORES, LLP

June 18, 2012

Via Electronic Mail

Joel L. Beling
1 Mirboo Court
Dallas, Victoria 3047
Australia

Re: Ennis, Inc. v. Joel L. Beling d/b/a Supa Characters Pty Ltd
Opposition No. 91203884, USPTO Trademark Trial and Appeal Board

Dear Mr. Beling,

In response to your letter dated June 12, 2012, we have reviewed our responses and objections to your various discovery and stand by the responses and objections as provided. We also believe that the objections made provide adequate explanation of the bases for our position.

Please be advised that, should you file a motion to compel based upon your reasoning set forth in your June 12, 2012 correspondence, we will seek attorney's fees from you for any time spent in relation to such a motion and for the time spent responding to your improper discovery requests in the first place.

We are happy to discuss this with you should you wish to call us.

Sincerely,



Scott A. Meyer

SAM/cm

Scott A. Meyer, PC
14951 N. Dallas Parkway, Suite 400
Dallas, Texas 75254

Tel: 214.866.0001
Fax: 214.866.0010
smeyer@chalkerflores.com

Exhibit 27: Opposer's Privilege Log

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In Re: Application Serial No. 85/324,443
For the Mark: COLOR WARS
Filed: May 18, 2011
Published in the Official Gazette: January 17, 2012

Ennis, Inc.)	
)	
Opposer)	
)	
v.	)	Opposition No. 91203884
)	
Joel L. Beling d/b/a Supa Characters Pty Ltd)	
)	
Applicant)	
)	

Joel L. Beling d/b/a Supa Characters Pty Ltd,)	
)	
Petitioner,)	
)	
v.	)	Cancellation No. 92055374
)	
Ennis, Inc.)	
)	
	)	Registration No. 3,372,884
	)	Mark: COLORWORX
Registrant.)	
)	

PRIVILEGE LOG

NO.	DATE	AUTHOR	RECIPIENTS	DESCRIPTION	PRIVILEGE
PRIV1	00/00/0000	Pitts & Eckl, PC	Pitts & Eckl, PC	Attorney notes and opinions, regarding trademark prosecution.	Work Product
PRIV 2	00/00/0000	Pitts & Eckl, PC	Ennis, Inc.	Attorney-client communications regarding	Attorney-Client

PRIVILEGE LOG

PAGE 1

NO.	DATE	AUTHOR	RECIPIENTS	DESCRIPTION	PRIVILEGE
PRIV3	02/09/2012	Jesica Flores	Scott A. Meyer, Thomas G. Jacks, Marsha Green	trademark prosecution. Attorney work-product regarding prosecution of opposition.	Work Product
PRIV4	02/09/2012	Scott A. Meyer	Thomas G. Jacks, Jesica Flores, Marsha Green	Attorney work-product regarding prosecution of opposition.	Work Product
PRIV5	02/09/2012	Scott A. Meyer	Steven Osterloh, Michael Magill, Thomas G. Jacks	Attorney-client communications regarding prosecution of opposition.	Attorney-Client
PRIV6	02/09/2012	Steven Osterloh	Michael Magill, Thomas G. Jacks, Scott A. Meyer	Attorney-client communications regarding prosecution of opposition.	Attorney-Client
PRIV7	02/09/2012	Scott A. Meyer	Steven Osterloh, Michael Magill, Thomas G. Jacks	Attorney-client communications regarding prosecution of opposition.	Attorney-Client
PRIV8	02/09/2012	Jesica Flores	Scott A. Meyer, Thomas G. Jacks	Attorney work-product regarding prosecution of opposition.	Work Product
PRIV9	02/10/2012	Scott A. Meyer	Thomas G. Jacks, Cynthia Minchillo	Attorney work-product regarding prosecution of opposition.	Work Product
PRIV10	02/15/2012	Scott A. Meyer	Thomas G. Jacks, Cynthia Minchillo, John Sokatch	Attorney work-product regarding prosecution of opposition.	Work Product
PRIV11	00/00/0000	Chalker Flores, LLP	Ennis, Inc.	Attorney-client communications regarding prosecution of opposition.	Attorney-Client
PRIV12	00/00/0000	Chalker Flores, LLP	Chalker Flores, LLP	Attorney work-product regarding prosecution of opposition.	Work Product

Dated: August 27, 2012

Respectfully submitted,

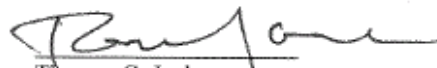
CHALKER FLORES, LLP

By: 
Scott A. Meyer
State Bar No. 24013162
Thomas G. Jacks
State Bar No. 24067681
14951 N. Dallas Parkway, Suite 400
Dallas, Texas 75254
(214) 866-0001 (telephone)
(214) 866-0010 (telecopy)
smeyer@chalkerflores.com
tjacks@chalkerflores.com

ATTORNEYS FOR REGISTRANT

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing PRIVILEGE LOG was served on all counsel of record, this the 27th of August, 2012, by sending the same via electronic mail service.


Thomas G. Jacks

PRIVILEGE LOG

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Exhibit 28: Opposer's First Request for Production to Applicant

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In Re: Application Serial No. 85/324,443
For the Mark: COLOR WARS
Filed: May 18, 2011
Published in the Official Gazette: January 17, 2012

Ennis, Inc.)	
)	
Opposer)	
)	
v.	)	Opp. No. 91203884
)	
Joel L. Beling d/b/a Supa Characters Pty Ltd)	
)	
Applicant)	
)	

OPPOSER'S FIRST REQUEST FOR PRODUCTION TO APPLICANT

To: Joel L. Beling d/b/a Supa Characters Pty Ltd, Applicant, 1 Mirboo Court, Dallas, Victoria 3047, Australia.

Ennis, Inc. ("Opposer") serves these Requests for Production on Joel L. Beling d/b/a Supa Characters Pty Ltd ("Applicant") as authorized by Federal Rule of Civil Procedure 34 and Trademark Rule 2.120(d), 37 C.F.R. § 2.120(d).

DEFINITIONS AND INSTRUCTIONS

The following terms have the following meanings, unless the context requires otherwise:

1. "Opposer" and/or "Ennis" as well as a party's full or abbreviated name or a pronoun referring to a party, means the party, and where applicable, the party's agents, representatives, officers, directors, employees, partners, corporate agents, subsidiaries,

affiliates, or any other person acting in concert with the party or under the party's control, whether directly or indirectly, including any attorney.

2. "You" or "your" means Joel L. Beling d/b/a Supa Characters Pty Ltd, Applicant, as well as its agents, employees, and all other persons acting on behalf of Applicant or its successors, predecessors, heirs, beneficiaries or assigns.

3. "Communication" means the transmittal of information in the form of facts, ideas, inquiries, or otherwise.

4. "Identify (person)." When referring to a person, "identify" means to give, to the extent known, the person's full name, present or last known address, telephone number, and, when referring to a natural person, the present or last known place of employment. Once a person has been identified in compliance with this paragraph, only the name of that person needs to be listed in response to later discovery requesting the identification of that person.

5. "Identify (document)." When referring to a document, "identify" means to give, to the extent known, the following information: (a) the type of document; (b) the general subject matter of the document; (c) the date of the document; (d) the authors, addressees, and recipients of the document; (e) the location of the document; (f) the identity of the person who has custody of the document; and (g) whether the document has been destroyed, and if so, (i) the date of its destruction, (ii) the reason for its destruction, and (iii) the identity of the person who destroyed it.

6. "Any" should be understood in either its most or its least inclusive sense as necessary to bring within the scope of the discovery request all responses that might otherwise be construed to be outside of its scope.

7. "And/Or." The connectives "and" and "or" should be construed either disjunctively or conjunctively as necessary to bring within the scope of the discovery request all responses that might otherwise be construed to be outside of its scope.

8. "Number." The use of the singular form of any word includes the plural and vice versa.

9. "Possession, custody, or control" of an item means that the person either has physical possession of the item or has a right to possession equal or superior to that of the person who has physical possession of the item.

10. "Person" means any natural person, corporation, firm, association, partnership, joint venture, proprietorship, governmental body, or any other organization, business, or legal entity, and all predecessors or successors in interest.

11. "COLOR WARS" defines the mark COLOR WARS, U.S. Trademark Application Serial No. 85/324,443, applied for by Joel L. Beling d/b/a Supa Characters Pty Ltd.

12. "COLORWORX" defines the mark COLORWORX®, U.S. Trademark Registration No. 3,372,884 and includes a variety of printing goods and printing services that are international Class 40 products manufactured and put into the stream of commerce by Ennis, Inc.

13. "Identify" or "describe" when referring to a person, means you must state the following:

- a. The full name.
- b. The present or last known residential address and residential telephone number.
- c. The present or last known office address and office telephone number.
- d. The occupation, job title, employer, and employer's address at the time of the event or period referred to in each particular interrogatory.
- e. In the case of any entity, identify the officer, employee, or agent most closely connected with the subject matter of the interrogatory and the officer who is responsible for supervising that officer or employee.

14. "Identify" or "describe" when referring to a document, means you must state the following:

- a. The nature (e.g., letter, handwritten note) of the document.
- b. The title or heading that appears on the document.
- c. The date of the document and the date of each addendum, supplement, or other addition or change.
- d. The identity of the author and of the signer of the document, and of the person on whose behalf or at whose request or direction the document was prepared or delivered.
- e. The present location of the document, and the name, address, position or title, and telephone number of the person or persons having custody of the document.

15. "Document" means all written, typed, or printed matter and all magnetic, electronic, or other records or documentation of any kind or description in your actual possession, custody, or control, including those in the possession, custody, or control of any and all present or former directors, officers, employees, consultants, accountants, attorneys, or other agents, whether or not prepared by you, that constitute or contain matters relevant to the subject matter of the action.

16. Wherever in the following interrogatories Applicant is asked to identify documents, it is requested that the documents be identified by stating:

- a. general type of document, e.g., letter, memorandum, report, miscellaneous, notes, etc.;
- b. date;
- c. author;
- d. organization, if any, with which author was connected;
- e. addressee or recipient;
- f. other distributees;

g. organization, if any, with which addressee or recipient, or distributees were connected;

h. general nature of the subject matter to extent that Applicant can do so without divulging matter considered by it to be privileged;

i. present location of such document and each copy thereof known to Applicant, including the title, index number and location, if any, of the file in which the document is kept by the Applicant or the file from which such document was removed, if removed for the purposes of this case, and the identity of all persons responsible for the filing or other disposition of the document.

17. "Relate" or "relating to" as used herein includes, without limitation, referring to, alluding to, responding to, concerning, connected with, commenting on, in respect of, about, regarding, discussing, describing, measuring, reflecting, supporting, analyzing, explaining, constituting, evidencing, or pertaining to.

18. "Privilege." If Applicant relies on any privilege or the work product doctrine in objecting to these Requests or in failing to produce a requested document, please state in the response to the Request that the Applicant is invoking a privilege, specify which privilege or doctrine is being invoked and the nature and reasons supporting the claim of privilege.

19. "Attorney-Client Privilege." If Applicant invokes the attorney-client privilege, please provide the following additional information for each document not disclosed or information withheld, to the extent that providing this information will not destroy the privilege.

- a. the name and job title of the author of the document or communication;
- b. the name and job title of every person who received the document or a copy of it, or who was present when the communication was made or who overheard it;
- c. the relationship between the author(s) and each person who received the document or a copy of it or who was present when the communication was made or who overheard it;
- d. whether the primary purpose of the document or communication was to seek or provide legal advice or services;
- e. the date of the document or communication;
- f. the subject matter(s) addressed in the document or communication;
- g. whether the document or communication was transmitted in confidence; and
- h. a brief statement as to why the document or communication is protected by the attorney-client privilege.

REQUESTS FOR PRODUCTION

REQUEST 1: Produce working papers, notes, calculations, diagrams, photographs, models, exhibits, and other materials, including reports and factual observations, prepared or reviewed by any expert who will testify at trial on Applicant's behalf.

RESPONSE:

REQUEST 2: Produce copies of all transcripts of testimony previously provided by any individual listed by You as an expert witness.

RESPONSE:

REQUEST 3: Produce treatises, rules, regulations, guidelines, statutes, policies, procedures, and any other authoritative materials considered by any testifying expert in forming an opinion.

RESPONSE:

REQUEST 4: Produce invoices, bills, and other billing materials for each expert You expect will testify at trial.

RESPONSE:

REQUEST 5: Produce all photographs, videotapes, drawings, and other tangible things that pertain in any way to the subject matter of this suit.

RESPONSE:

REQUEST 6: Produce copies of complaints or petitions in any action filed by or against You in which the allegations are similar to those of this suit.

RESPONSE:

REQUEST 7: Produce copies of any claim made by or against You for damages similar to those alleged in this suit.

RESPONSE:

REQUEST 8: Produce all oral or written statements made by You or Your representatives concerning this suit.

RESPONSE:

REQUEST 9: Produce all documents and things relating to the creation, consideration, design, development, selection, adoption, and first use of the "COLOR WARS" mark on any product or service.

RESPONSE:

REQUEST 10: Produce representative specimens of each label, container, trade dress, wrapper, packaging, letterhead, sign, catalog, brochure, or other materials used to advertise, market, sell, promote, or otherwise commercialize any of Applicant's "COLOR WARS" mark products or services.

OPPOSER'S FIRST REQUEST FOR PRODUCTION TO APPLICANT

Page 5

RESPONSE:

REQUEST 11: Produce all documents and things relating to the geographic areas where products or services relating to Applicant's "COLOR WARS" mark are advertised, marketed, sold, or promoted and the length of time each product or service has been advertised, marketed, sold, or promoted in each area.

RESPONSE:

REQUEST 12: Produce all documents and things relating to the distribution channels through which products or services relating to Applicant's "COLOR WARS" mark are advertised, marketed, sold, or promoted.

RESPONSE:

REQUEST 13: Produce all documents and things relating to the classes of customers to whom You advertise, market, sell, or promote products or services relating to Applicant's "COLOR WARS" mark.

RESPONSE:

REQUEST 14: Produce all documents and things relating to the yearly dollar and unit volume of sales to date and projected future dollar and unit volume of sales for each of Applicant's "COLOR WARS" mark products or services.

RESPONSE:

REQUEST 15: Produce all documents and things relating to variable and fixed costs for sales of products or services relating to Applicant's "COLOR WARS" mark.

RESPONSE:

REQUEST 16: Produce all documents and things relating to gross and net profits from sales of products or services relating to Applicant's "COLOR WARS" mark.

RESPONSE:

REQUEST 17: Produce all documents and things relating to the yearly cost to You of advertising, marketing, selling, and promoting products or services relating to Applicant's "COLOR WARS" mark.

RESPONSE:

REQUEST 18: Produce all documents and things concerning Your past, present, and future plans to advertise, market, sell, or promote products or services relating to Applicant's "COLOR WARS" mark.

OPPOSER'S FIRST REQUEST FOR PRODUCTION TO APPLICANT

Page 6

RESPONSE:

REQUEST 19: Produce representative specimens of all advertising and other promotional materials for products or services relating to Applicant's "COLOR WARS" mark.

RESPONSE:

REQUEST 20: Produce all documents and things relating to Your yearly expenses to date and planned future expenses corresponding to each type of advertising and promotion used for products or services relating to Applicant's "COLOR WARS" mark.

RESPONSE:

REQUEST 21: Produce documents and things relating to Opposer's products or services utilizing the "Color Wars" mark.

RESPONSE:

REQUEST 22: Produce all documents and things You contend supports Your contention that Applicant's "COLOR WARS" mark does not resemble "COLORWORX[®]" when used on or in connection with Your goods and services.

RESPONSE:

REQUEST 23: Produce all documents and things You contend supports Your contention that registration of Applicant's "COLOR WARS" mark will not injure Opposer by causing the trade/or purchasing public to be confused and/or deceived.

RESPONSE:

REQUEST 24: Produce all documents and things You contend supports Your contention that registration of Applicant's "COLOR WARS" mark will not injure Opposer by causing the trade/or purchasing public to be confused and/or deceived into believing that Applicant's Goods are those of Opposer or are sponsored by Opposer.

RESPONSE:

REQUEST 25: Produce all documents and things You contend supports Your contention that registration of Applicant's "COLOR WARS" mark will not injure Opposer by placing a cloud over Opposer's title to its "COLORWORX[®]" mark.

RESPONSE:

OPPOSER'S FIRST REQUEST FOR PRODUCTION TO APPLICANT

Page 7

REQUEST 26: Produce all documents and things You contend supports Your contention that Applicant's "COLOR WARS" mark is not the same, or substantially the same, as Opposer's mark "COLORWORX[®]" including in visual appearance and in pronunciation.

RESPONSE:

REQUEST 27: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 5 of Opposer's First Set of Interrogatories to Applicant.

RESPONSE:

REQUEST 28: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 6 of Opposer's First Set of Interrogatories to Applicant.

RESPONSE:

REQUEST 29: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 7 of Opposer's First Set of Interrogatories to Applicant.

RESPONSE:

REQUEST 30: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 8 of Opposer's First Set of Interrogatories to Applicant.

RESPONSE:

REQUEST 31: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 9 of Opposer's First Set of Interrogatories to Applicant.

RESPONSE:

REQUEST 32: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 10 of Opposer's First Set of Interrogatories to Applicant.

RESPONSE:

REQUEST 33: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 11 of Opposer's First Set of Interrogatories to Applicant.

RESPONSE:

REQUEST 34: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 12 of Opposer's First Set of Interrogatories to Applicant.

RESPONSE:

REQUEST 35: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 13 of Opposer's First Set of Interrogatories to Applicant.

RESPONSE:

REQUEST 36: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 14 of Opposer's First Set of Interrogatories to Applicant.

RESPONSE:

REQUEST 37: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 15 of Opposer's First Set of Interrogatories to Applicant.

RESPONSE:

REQUEST 38: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 16 of Opposer's First Set of Interrogatories to Applicant.

RESPONSE:

REQUEST 39: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 17 of Opposer's First Set of Interrogatories to Applicant.

RESPONSE:

Dated: April 26, 2012

Respectfully submitted,

CHALKER FLORES, LLP

By: 

Scott A. Meyer
State Bar No. 24013162
Thomas G. Jacks
State Bar No. 24067681
14951 N. Dallas Parkway, Suite 400
Dallas, Texas 75254
(214) 866-0001 (telephone)
(214) 866-0010 (telecopy)
smever@chalkerflores.com
tjacks@chalkerflores.com

ATTORNEYS FOR OPPOSER

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing OPPOSER'S FIRST REQUEST FOR PRODUCTION TO APPLICANT was served on all parties, this the 26th day of April, 2012, by sending the same electronic mail, to the following:

Joel L. Beling
1 Mirboo Court
Dallas, Victoria 3047
Australia
joelbeling@hotmail.com



Thomas G. Jacks

Exhibit 29: Opposer's First Set of Interrogatories to Applicant

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In Re: Application Serial No. 85/324,443
For the Mark: COLOR WARS
Filed: May 18, 2011
Published in the Official Gazette: January 17, 2012

Ennis, Inc.)	
)	
Opposer)	
)	
v.	)	Opp. No. 91203884
)	
Joel L. Beling d/b/a Supa Characters Pty Ltd)	
)	
Applicant)	
)	

OPPOSER'S FIRST SET OF INTERROGATORIES TO APPLICANT

To: Joel L. Beling d/b/a Supa Characters Pty Ltd, Applicant, 1 Mirboo Court, Dallas, Victoria 3047, Australia.

Ennis, Inc. ("Opposer") serves these interrogatories on Joel L. Beling d/b/a Supa Characters Pty Ltd ("Applicant") as authorized by Federal Rule of Civil Procedure 33 and Trademark Rule 2.120(d), 37 C.F.R. § 2.120(d). Applicant must serve an answer to each Interrogatory separately and fully, in writing and under oath, within 30 days after service.

DEFINITIONS AND INSTRUCTIONS

The following terms have the following meanings, unless the context requires otherwise:

OPPOSER'S FIRST SET OF INTERROGATORIES TO APPLICANT

PAGE 1

1. "Opposer" and/or "Ennis" as well as a party's full or abbreviated name or a pronoun referring to a party, means the party, and where applicable, the party's agents, representatives, officers, directors, employees, partners, corporate agents, subsidiaries, affiliates, or any other person acting in concert with the party or under the party's control, whether directly or indirectly, including any attorney.
2. "You" or "your" means Joel L. Beling d/b/a Supa Characters Pty Ltd, Applicant, as well as its agents, employees, and all other persons acting on behalf of Applicant or its successors, predecessors, heirs, beneficiaries or assigns.
3. "Communication" means the transmittal of information in the form of facts, ideas, inquiries, or otherwise.
4. "Identify (person)." When referring to a person, "identify" means to give, to the extent known, the person's full name, present or last known address, telephone number, and, when referring to a natural person, the present or last known place of employment. Once a person has been identified in compliance with this paragraph, only the name of that person needs to be listed in response to later discovery requesting the identification of that person.
5. "Identify (document)." When referring to a document, "identify" means to give, to the extent known, the following information: (a) the type of document; (b) the general subject matter of the document; (c) the date of the document; (d) the authors, addressees, and recipients of the document; (e) the location of the document; (f) the identity of the person who has custody of the document; and (g) whether the document has been destroyed, and if so, (i) the date of its destruction, (ii) the reason for its destruction, and (iii) the identity of the person who destroyed it.
6. "Any" should be understood in either its most or its least inclusive sense as necessary to bring within the scope of the discovery request all responses that might otherwise be construed to be outside of its scope.
7. "And/Or." The connectives "and" and "or" should be construed either disjunctively or conjunctively as necessary to bring within the scope of the discovery request all responses that might otherwise be construed to be outside of its scope.
8. "Number." The use of the singular form of any word includes the plural and vice versa.
9. "Possession, custody, or control" of an item means that the person either has physical possession of the item or has a right to possession equal or superior to that of the person who has physical possession of the item.
10. "Person" means any natural person, corporation, firm, association, partnership, joint venture, proprietorship, governmental body, or any other organization, business, or legal entity, and all predecessors or successors in interest.
11. "COLOR WARS" defines the mark COLOR WARS, U.S. Trademark Application Serial No. 85/324,443, applied for by Joel L. Beling d/b/a Supa Characters Pty Ltd.

12. "COLORWORX" defines the mark COLORWORX®, U.S. Trademark Registration No. 3,372,884 and includes a variety of printing goods and printing services that are international Class 40 products manufactured and put into the stream of commerce by Ennis, Inc.

13. "Identify" or "describe" when referring to a person, means you must state the following:

- a. The full name.
- b. The present or last known residential address and residential telephone number.
- c. The present or last known office address and office telephone number.
- d. The occupation, job title, employer, and employer's address at the time of the event or period referred to in each particular interrogatory.
- e. In the case of any entity, identify the officer, employee, or agent most closely connected with the subject matter of the interrogatory and the officer who is responsible for supervising that officer or employee.

14. "Identify" or "describe" when referring to a document, means you must state the following:

- a. The nature (e.g., letter, handwritten note) of the document.
- b. The title or heading that appears on the document.
- c. The date of the document and the date of each addendum, supplement, or other addition or change.
- d. The identity of the author and of the signer of the document, and of the person on whose behalf or at whose request or direction the document was prepared or delivered.
- e. The present location of the document, and the name, address, position or title, and telephone number of the person or persons having custody of the document.

15. "Document" means all written, typed, or printed matter and all magnetic, electronic, or other records or documentation of any kind or description in your actual possession, custody, or control, including those in the possession, custody, or control of any and all present or former directors, officers, employees, consultants, accountants, attorneys, or other agents, whether or not prepared by you, that constitute or contain matters relevant to the subject matter of the action.

16. Wherever in the following interrogatories Applicant is asked to identify documents, it is requested that the documents be identified by stating:

- a. general type of document, e.g., letter, memorandum, report, miscellaneous, notes, etc.;
- b. date;
- c. author;
- d. organization, if any, with which author was connected;
- e. addressee or recipient;
- f. other distributees;
- g. organization, if any, with which addressee or recipient, or distributees were connected;

h. general nature of the subject matter to extent that Applicant can do so without divulging matter considered by it to be privileged;

i. present location of such document and each copy thereof known to Applicant, including the title, index number and location, if any, of the file in which the document is kept by the Applicant or the file from which such document was removed, if removed for the purposes of this case, and the identity of all persons responsible for the filing or other disposition of the document.

17. Should Applicant deem to be privileged any documents concerning information which is requested by any of the following interrogatories, Applicant shall list such documents and supply information as requested concerning such documents and additionally shall indicate that they claim privilege therefore, briefly state the nature of the document, the sender, the author, the recipient of each copy, the date, the name of each person to whom the original or any copy was circulated, the names appearing on any circulation list of Applicant associated with such document, a summary statement of the subject matter(s) of such document in sufficient detail to permit the Court to conduct an analysis to reach a determination of any claim of privilege or exclusion and separate indication of the basis for assertion of privilege or the like for each such document.

18. Wherever in the following interrogatories Applicant is asked to identify a product, it is requested that the product be identified by stating the catalog, stock, model or the like number or designation, the trademark, name, type, grade, and any other designation customarily used by the party concerned to designate such product, and to distinguish it from others made by the same or a different producer.

19. Each of the separate interrogatories herein is deemed to seek separate answers and responses as of the date they are answered. However, these interrogatories shall be deemed to be continuing and any additional information relating in any way to these interrogatories and to events occurring or documents existing prior to the filing of the Opposition herein which Applicant acquires or which becomes known to Applicant up to and including the close of discovery shall be furnished to Opposer within a reasonable time after such information is acquired or becomes known. Applicant's response to these interrogatories is to be promptly supplemented to include subsequently acquired information in accordance with the requirements of Fed. R. Civ. P. 26(e).

INTERROGATORIES

INTERROGATORY NO. 1: Specify the date and describe the details of Applicant's first use of "COLOR WARS" on its services and/or products, including indentifying all persons involved and all materials referring or relating to the usage.

ANSWER:

INTERROGATORY NO. 2: When did Applicant first intend to use, sell or offer to sell products and/or services under the mark "COLOR WARS"?

ANSWER:

INTERROGATORY NO. 3: Identify each and every geographical location where Applicant intends to use or has used "COLOR WARS", including specifying the dates of first use and first offer of services and/or products in the identified geographical location.

ANSWER:

INTERROGATORY NO. 4: Identify every product and service in connection with which you have used, are using, or plan to use under or with the "COLOR WARS" mark.

ANSWER:

INTERROGATORY NO. 5: Identify the media in or through which Applicant advertises or promotes its services and/or products under or with the "COLOR WARS" mark.

ANSWER:

INTERROGATORY NO. 6: Identify each person or the entity whom distributed, circulated, sold, or advertised services and/or products in connection with the "COLOR WARS" mark, including whether any contract exists for distribution, circulation, sale, or advertisement.

ANSWER:

INTERROGATORY NO. 7: Identify all facts, laws, information, or materials that Applicant relies on to support the contention that all or part of the mark "COLOR WARS" is not confusingly similar to the mark "COLORWORX[®]".

ANSWER:

OPPOSER'S FIRST SET OF INTERROGATORIES TO APPLICANT

PAGE 5

INTERROGATORY NO. 8: Identify all facts, laws, information, or materials that Applicant relies on to support the contention that there is no likelihood of confusion between any trademark, service mark, domain name, or other designation of Opposer and any trademark, service mark, domain name, or other designation of Applicant.

ANSWER:

INTERROGATORY NO. 9: Identify all facts, laws, information, or materials that Applicant relies on to support the contention that Applicant's mark will not injure Opposer by causing the trade and/or purchasing public to be confused and/or deceived.

ANSWER:

INTERROGATORY NO. 10: Identify all facts, laws, information, or materials that Applicant relies on to support the contention that Opposer's mark has not acquired secondary meaning among the public or trade.

ANSWER:

INTERROGATORY NO. 11: Identify all facts, laws, information, or materials that Applicant relies on to support the contention that Applicant's mark will not place a cloud over Opposer's mark.

ANSWER:

INTERROGATORY NO. 12: Identify all facts, laws, information, or materials that Applicant relies on to support the contention that Applicant's mark is not the same as, or substantially the same as, Opposer's mark in visual appearance and in pronunciation.

ANSWER:

INTERROGATORY NO. 13: Identify each officer of Supa Characters Pty Ltd, including each officer's name, title, address, and job duties.

ANSWER:

OPPOSER'S FIRST SET OF INTERROGATORIES TO APPLICANT

PAGE 6

INTERROGATORY NO. 14: Identify each person who participated in the selection, design and adoption of the "COLOR WARS" mark.

ANSWER:

INTERROGATORY NO. 15: Identify every opinion, legal or otherwise, requested or received by you, regarding the right to use the mark "COLOR WARS", including the identity of the persons requesting the opinion, the date and substance of the opinion, and the persons receiving the opinion.

ANSWER:

INTERROGATORY NO. 16: Describe in detail any instances in which a third party, other than Opposer, has challenged your right to use the mark "COLOR WARS".

ANSWER:

INTERROGATORY NO. 17: Describe in detail any plans for future expansion, including but not limited to, expansion of marketing lines, services, customer base or geographical areas served.

ANSWER:

Dated: April 26, 2012

Respectfully submitted,

CHALKER FLORES, LLP

By: 

Scott A. Meyer
State Bar No. 24013162
Thomas G. Jacks
State Bar No. 24067681
14951 N. Dallas Parkway, Suite 400
Dallas, Texas 75254
(214) 866-0001 (telephone)
(214) 866-0010 (telecopy)
smeyer@chalkerflores.com
tjacks@chalkerflores.com

ATTORNEYS FOR OPPOSER

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing OPPOSER'S FIRST SET OF INTERROGATORIES TO APPLICANT was served on all parties, this the 26th day of April, 2012, by sending the same via electronic mail, to the following:

Joel L. Beling
1 Mirboo Court
Dallas, Victoria 3047
Australia
joelbeling@hotmail.com


Thomas G. Jacks

OPPOSER'S FIRST SET OF INTERROGATORIES TO APPLICANT

PAGE 8

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

Opposition No. 91203884

Ennis Inc.

v.

Joel L. Beling d/b/a Supa Characters Pty Ltd

**DECLARATION IN SUPPORT OF
MOTION TO COMPEL**

Cancellation No. 92055374

Joel L. Beling d/b/a Supa Characters Pty Ltd

v.

Ennis, Inc.

DECLARATION OF JOEL L. BELING

1. I am the Applicant and Petitioner in the present proceeding. I submit this declaration pursuant to Trademark Rule 2.20 in support of my motion to compel. It contains a statement of the facts relevant to the motion in respect of which I am willing to give evidence if called upon.
2. On April 24, 2012 I participated in the Discovery Conference for this matter along with Mr. Thomas G. Jacks, attorney for Ennis Inc. (“Ennis”), and Ms. Elizabeth Dunn, Board Interlocutory Attorney. Subjects discussed included the pleadings, priority, settlement, legal representation, ACR (accelerated case resolution), and a stipulation as to service, most of which are discussed in the Board’s order dated April 26, 2012.
3. Another subject discussed at the Discovery Conference in this proceeding was whether there were any other similar proceedings on foot. That is, proceedings which involved similar issues to those which were before the Board. Mr. Jacks advised Ms. Dunn and me that there was in fact another similar opposition proceeding on foot that involved Ennis’ COLORWORX mark

and design, and that his client was the opposer. I asked Mr. Jacks what the issues were and he said the other mark was COLOR WORKS with a “K-S.” We moved on to different topics for a couple of minutes and then I asked Mr. Jacks what the file number was for the opposition proceeding involving the similar allegations to the present suit and he replied that he did not have the file in front of him. For the record, I make no allegations of attorney misconduct in this declaration or the above motion against Ennis’ attorneys, including Mr. Jacks.

4. On the 19th June, 2013, I did an internet search and found Ennis’ internet homepage, which is located at www.ennis.com. I went to the “Investor Relations” section of the website and downloaded Ennis’ 2003 annual report. A true and correct copy of pages 8 and 9 of the annual report which relate to the creation of the COLORWORX brand is shown in Exhibit 1. In its 2003 Annual Report, Ennis states that the COLORWORX brand was designed by Admore to “serve the short run color needs of [Ennis’] distributors” (p. 9). Throughout the discovery process in this proceeding, Ennis has failed to produce any of its annual reports to me, despite all being relevant under a number of my discovery requests. In addition, during my initial research into Ennis in mid-2012 while preparing my first motion to compel (which was not considered by the Board in its decision on May 15, 2013), I skim-read each of Ennis’ annual reports for the previous 12 years. I discovered that nowhere in Ennis’ annual reports for the previous 12 years, to the best of my knowledge and belief, is there even a single reference to Ennis expanding its goods and services to include goods and services listed in international class 41.

5. On the 19th June, 2013, I did an internet search for Ennis’ COLORWORX mark, registration number 3372884, on the United States and Patent Office’s TARR site and retrieved a status report, which is shown in Exhibit 2. It shows an opposition by Ennis against the Pioneer Supply Company in opposition no. 91203773, with Ennis relying on its COLORWORX and design registration to oppose the application for the mark PSC COLOR WORKS.

6. On the 19th June, 2013, I did an internet search and found Ennis’ COLORWORX website, which is located at www.colorworxonline.com. I downloaded the page “About Us” from

the webpages from this site which I believe is relevant to my motion to compel. A true and correct copy of this webpage is shown in Exhibit 3. The main text of the page reads as follows:

High Quality, Full Color

ColorWorx provides the quality, full color printing you expect at an affordable price.

Quick Turnaround

Most orders ship in 3-5 working days or less from receipt of acceptable artwork/disk.

Standard Printing

All standard ColorWorx products are printed in 4-color process only. All PMS colors in files will be automatically converted to CMYK process equivalents. Be aware this can cause a slight color shift.

Color Matching

ColorWorx is a "gang run" style print company. Your job will be run on a press sheet with other jobs and will be run to standard color densities. The overall dominant color on a sheet may cause individual job colors to shift slightly. We make every effort to produce a reasonable representation; however, ColorWorx, like all other gang run commercial printers, does not guarantee an exact color match.

ColorWorx...Guarantee

We're proud of the work we do. And if we don't do it right, we'll make it right. Period.

Ennis' COLORWORX website, "About Us"
<http://www.colorworxonline.com/aboutus.html>

7. Finally, in early-mid 2012, before I filed my motion to amend my pleadings in my cancellation petition to include an allegation of fraud against Ennis, I wrote to Ennis' then-attorney, Mr. Scott Myer, and asked him whether Ennis consented to this amendment. Approximately 10 days later, Ennis replied, through Mr. Myer, that it did not consent. *See* Exhibit 4. I believe that my fraud allegation would have generated a flurry of emails amidst Ennis' senior management during those 10 days, especially given that Ennis is a public company listed on the New York Stock Exchange. I also believe it beggars belief to suggest that there was no written or email correspondence concerning Ennis's other opposition proceeding against the Pioneer Supply Company regarding the use of the "PSC COLOR WORKS" mark (Opposition No. 91203773).

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief. Executed this 20th day of June, 2013.

Dated: June 20, 2013

Respectfully submitted,

JOEL BELING

By: /Joel Beling/

1 Mirboo Court, Dallas, Victoria, 3047, Australia
(03) 8307 6932 (telephone); 0405 329 078 (cell)
joelbeling@hotmail.com
Applicant

Exhibit 1

promotional solutions group



The Promotional Solutions Group exudes an image of distinction to customers and competitors alike. The companies that make up this division of Ennis are viewed as leaders in their industries and work hard to ensure that their products, capabilities and relationships are second to none. This attitude of distinction, mixed with a service-first mindset has led to a history of success and trust in the industry.

Success & Trust

The Promotional Solutions Group of companies is characterized by the word Distinction. Our oldest company, Wolfe City Tag and Label, has been a leading supplier of tags, labels and ad specialty products to Ennis' customers for over 34 years. This company has set itself apart by being the largest supplier of cotton tags in the United States and has excelled in the manufacture of unique and difficult custom labels for almost any application. With the addition of new flexographic equipment, Wolfe City now offers its customers an array of new promotional label opportunities in vivid color. The focus this past year has been to enhance the capability to service a wider range of customers' needs.

Whether these needs are for products that offer more promotion or for a unique environment at higher volume, Wolfe City has enhanced its product offerings for distributors with the addition of medium format screen-printing capability. This division partners with the Forms Solutions Group and the other divisions within this group to offer customers a broader range of promotional products. Wolfe City Tag and Label has distinguished itself and stands ready to do so in the future.

Expansion & Growth

Admore is distinguished as the leading manufacturer of presentation folders in the nation. What really distinguishes Admore is the outstanding quality of its products and the people who manufacture them. The efforts of Admore employees to reduce costs while maintaining this outstanding quality is allowing the company to be more aggressive in the market, leading to sales growth in a challenging economic environment. A focused marketing effort was initiated at the beginning of the year that emphasized a renewed push by Admore to distinguish the company as the leader in its product category.

A successful effort was made to promote the Admore Line of products to our traditional forms customers. This effort will continue with the increase in traditional forms distributors selling commercial color printing. During the year, Admore introduced the ColorWorx Line, which is designed to serve the short run color needs of our distributors. We also introduced a technologically unique series of expansion products called the Conformer® Line. Admore experienced significant volume growth during this past year and expects to continue growth in the coming year.

Development & Promotions

The Adams McClure division has distinguished itself as one of the leading temporary point-of-purchase product manufacturers in the commercial printing industry. This profile has continued this past year with substantial growth with key customers. A refocusing of attention on the temporary point-of-purchase core product line resulted in substantial improvement in the profitability of the division. Less profitable product lines that were not contributing to our key competency were discontinued or

transferred to other Ennis facilities more suitable for the manufacture and distribution of these lines. Another area that distinguished Adams McClure is in the kitting and fulfillment of complex point-of-purchase promotional programs for major customers such as 7-Eleven and Sonic. In addition to these continuing monthly programs, Adams McClure offers many other programs on a less frequent basis.

A dedicated marketing effort to expand awareness of Adams McClure in new market regions and with new customers has successfully led to new business opportunities. This should allow continued growth in the next year as our new relationships develop.

Adams McClure has improved its cross-selling activity with the Forms Solutions and Financial Solutions Groups, which has led to enhanced product offerings for Ennis' customers. With continued effort to grow profitable sales while operating with greater efficiencies, Adams McClure will be a strong contributor to Ennis' growth.

Exhibit 2

Mark Information

Mark Literal Elements: COLORWORX

Standard Character Claim: No

Mark Drawing Type: 3 - AN ILLUSTRATION DRAWING WHICH INCLUDES WORD(S)/ LETTER(S)/NUMBER(S)

Color(s) Claimed: Color is not claimed as a feature of the mark.

Design Search Code(s): 21.03.12 - Targets without crosshairs or alignment guides; Dart boards

26.01.21 - Circles that are totally or partially shaded.

26.17.06 - Diagonal line(s), band(s) or bar(s); Bars, diagonal; Lines, diagonal; Bands, diagonal

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

Brackets [...] indicate deleted goods/services;

Double parenthesis ((..)) identify any goods/services not claimed in a Section 15 affidavit of

Asterisks *.* identify additional (new) wording in the goods/services.

For: Printing Services

International Class(es): 040 - Primary Class **U.S Class(es):** 100, 103, 106

Class Status: ACTIVE

Basis: 1(a)

First Use: Aug. 2002 **Use in Commerce:** Aug. 2002

Basis Information (Case Level)

Filed Use: Yes **Currently Use:** Yes **Amended Use:** No

Filed ITU: No **Currently ITU:** No **Amended ITU:** No

Filed 44D: No **Currently 44D:** No **Amended 44D:** No

Filed 44E: No **Currently 44E:** No **Amended 44E:** No

Filed 66A: No **Currently 66A:** No

Filed No Basis: No **Currently No Basis:** No

Current Owner(s) Information

Owner Name: Ennis, Inc.

Owner Address: 2441 Presidential Pkwy

Midlothian, TEXAS 76065

UNITED STATES

Legal Entity Type: CORPORATION **State or Country Where**

Organized:

TEXAS

Attorney/Correspondence Information

Generated on: This page was generated by TSDR on 2013-06-19 21:54:01 EDT

Mark: COLORWORX

US Serial Number: 78698743 **Application Filing Date:** Aug. 23, 2005

US Registration Number: 3372884 **Registration Date:** Jan. 22, 2008

Register: Principal

Mark Type: Service Mark

Status: A cancellation proceeding is pending at the Trademark Trial and Appeal Board.

For further information, see TTABVue on the Trademark Trial and Appeal Board web page.

Status Date: Mar. 26, 2012

Publication Date: Nov. 06, 2007

Attorney of Record**Attorney Name:** Edwin S. Flores **Docket Number:** ENNI:3010**Attorney Primary Email****Address:**doCKET@chalkerflores.com **Attorney Email****Authorized:**

Yes

Correspondent**Correspondent****Name/Address:**

Edwin S. Flores
CHALKER FLORES LLP
14951 N DALLAS PARKWAY
Suite 400
DALLAS, TEXAS 75254
UNITED STATES

Phone: 214-866-0001 **Fax:** 214-866-0010**Correspondent e-mail:** doCKET@chalkerflores.com **Correspondent e-mail****Authorized:**

Yes

Domestic Representative - Not Found**Prosecution History****Date Description Proceeding****Number**

Jun. 07, 2013 TEAS PETITION TO DIRECTOR RECEIVED 1111
Feb. 13, 2013 NOTICE OF ACCEPTANCE OF SEC. 8 & 15 - E-MAILED
Feb. 13, 2013 REGISTERED - SEC. 8 (6-YR) ACCEPTED & SEC. 15 ACK. 64591
Feb. 12, 2013 CASE ASSIGNED TO POST REGISTRATION PARALEGAL 64591
Jan. 31, 2013 TEAS SECTION 8 & 15 RECEIVED
Mar. 26, 2012 CANCELLATION INSTITUTED NO. 999999 55374
Jul. 06, 2011 ATTORNEY REVOKED AND/OR APPOINTED
Jul. 06, 2011 TEAS REVOKE/APPOINT ATTORNEY RECEIVED
Apr. 29, 2011 TEAS CHANGE OF CORRESPONDENCE RECEIVED
Jan. 22, 2008 REGISTERED-PRINCIPAL REGISTER
Nov. 06, 2007 PUBLISHED FOR OPPOSITION
Oct. 17, 2007 NOTICE OF PUBLICATION
Oct. 02, 2007 LAW OFFICE PUBLICATION REVIEW COMPLETED 77978
Oct. 02, 2007 APPROVED FOR PUB - PRINCIPAL REGISTER
Sep. 29, 2007 LIE CHECKED SUSP - TO ATTY FOR ACTION 77978
Sep. 29, 2007 ASSIGNED TO LIE 77978
Mar. 28, 2007 REPORT COMPLETED SUSPENSION CHECK CASE STILL
SUSPENDED
Sep. 28, 2006 LETTER OF SUSPENSION E-MAILED 6332
Sep. 28, 2006 SUSPENSION LETTER WRITTEN 81878
Sep. 28, 2006 TEAS/EMAIL CORRESPONDENCE ENTERED 70824
Sep. 11, 2006 CORRESPONDENCE RECEIVED IN LAW OFFICE 70824
Sep. 11, 2006 TEAS RESPONSE TO OFFICE ACTION RECEIVED
Mar. 10, 2006 NON-FINAL ACTION E-MAILED 6325
Mar. 10, 2006 NON-FINAL ACTION WRITTEN 81878
Mar. 10, 2006 ASSIGNED TO EXAMINER 81878
Aug. 31, 2005 NEW APPLICATION ENTERED IN TRAM

Maintenance Filings or Post Registration Information

Affidavit of Continued

Use:

Section 8 - Accepted

Affidavit of

Incontestability:

Section 15 - Accepted

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: TMEG LAW OFFICE 102 **Date in Location:** Jun. 07, 2013

Assignment Abstract Of Title Information

Summary

Total Assignments: 1 **Registrant:** Ennis, Inc.

Assignment 1 of 1

Conveyance: SECURITY INTEREST

Reel/Frame: [4094/0597](#) **Pages:** 17

Date Recorded: Nov. 11, 2009

Supporting Documents: [assignment-tm-4094-0597.pdf](#)

Assignor

Name: [ENNIS, INC.](#) **Execution Date:** Nov. 03, 2009

Legal Entity Type: CORPORATION **State or Country Where**

Organized:

TEXAS

Name: [ENNIS BUSINESS FORMS OF KANSAS, INC.](#) **Execution Date:** Nov. 03, 2009

Legal Entity Type: CORPORATION **State or Country Where**

Organized:

KANSAS

Name: [CONNOLLY TOOL AND MACHINE COMPANY](#) **Execution Date:** Nov. 03, 2009

Legal Entity Type: COMPANY **State or Country Where**

Organized:

DELAWARE

Name: [ADMORE, INC.](#) **Execution Date:** Nov. 03, 2009

Legal Entity Type: CORPORATION **State or Country Where**

Organized:

TEXAS

Name: [PFC PRODUCTS, INC.](#) **Execution Date:** Nov. 03, 2009

Legal Entity Type: CORPORATION **State or Country Where**

Organized:

DELAWARE

Name: [ENNIS ACQUISITIONS, INC.](#) **Execution Date:** Nov. 03, 2009

Legal Entity Type: CORPORATION **State or Country Where**

Organized:

NEVADA

Name: [NORTHSTAR COMPUTER FORMS, INC.](#) **Execution Date:** Nov. 03, 2009

Legal Entity Type: CORPORATION **State or Country Where**

Organized:

MINNESOTA

Name: [GENERAL FINANCIAL SUPPLY, INC.](#) **Execution Date:** Nov. 03, 2009

Legal Entity Type: CORPORATION **State or Country Where**

Organized:

IOWA

Name: [CALIBRATED FORMS CO. INC.](#) **Execution Date:** Nov. 03, 2009

Legal Entity Type: CORPORATION **State or Country Where**

Organized:

KANSAS

Name: [CRABAR/GBF, INC.](#) **Execution Date:** Nov. 03, 2009

Legal Entity Type: CORPORATION **State or Country Where**

Organized:

DELAWARE

Name: [ROYAL BUSINESS FORMS INC.](#) **Execution Date:** Nov. 03, 2009

Legal Entity Type: CORPORATION **State or Country Where**

Organized:

TEXAS

Name: [ALSTYLE APPAREL LLC](#) **Execution Date:** Nov. 03, 2009

Legal Entity Type: LIMITED LIABILITY COMPANY **State or Country Where**

Organized:

DELAWARE

Name: [A AND G, INC.](#) **Execution Date:** Nov. 03, 2009

Legal Entity Type: CORPORATION **State or Country Where**

Organized:

ILLINOIS

Name: [ALSTYLE ENSENADA LLC](#) **Execution Date:** Nov. 03, 2009

Legal Entity Type: LIMITED LIABILITY COMPANY **State or Country Where**

Organized:

ILLINOIS

Name: [ALSTYLE HERMOSILLA LLC](#) **Execution Date:** Nov. 03, 2009

Legal Entity Type: LIMITED LIABILITY COMPANY **State or Country Where**

Organized:

ILLINOIS

Name: [DIACO USA, LLC](#) **Execution Date:** Nov. 03, 2009

Legal Entity Type: LIMITED LIABILITY COMPANY **State or Country Where**

Organized:

CALIFORNIA

Name: [TENNESSEE BUSINESS FORMS COMPANY](#) **Execution Date:** Nov. 03, 2009

Legal Entity Type: COMPANY **State or Country Where**

Organized:

TENNESSEE

Name: [TBF REALTY, LLC](#) **Execution Date:** Nov. 03, 2009

Legal Entity Type: LIMITED LIABILITY COMPANY **State or Country Where**

Organized:

DELAWARE

Name: [BLOCK GRAPHICS, INC.](#) **Execution Date:** Nov. 03, 2009

Legal Entity Type: CORPORATION **State or Country Where**

Organized:

OREGON

Name: [SPECIALIZED PRINTED FORMS, INC.](#) **Execution Date:** Nov. 03, 2009

Legal Entity Type: CORPORATION **State or Country Where**

Organized:

NEW YORK

Name: [B&D LITHO OF ARIZONA, INC.](#) **Execution Date:** Nov. 03, 2009

Legal Entity Type: CORPORATION **State or Country Where**

Organized:

DELAWARE

Name: SKYLINE BUSINESS FORMS, INC. **Execution Date:** Nov. 03, 2009

Legal Entity Type: CORPORATION **State or Country Where**

Organized:

DELAWARE

Name: SKYLINE BUSINESS PROPERTIES LLC **Execution Date:** Nov. 03, 2009

Legal Entity Type: LIMITED LIABILITY COMPANY **State or Country Where**

Organized:

DELAWARE

Name: SPF REALTY, LLC **Execution Date:** Nov. 03, 2009

Legal Entity Type: LIMITED LIABILITY COMPANY **State or Country Where**

Organized:

DELAWARE

Name: AMERICAN FORMS I, L.P. **Execution Date:** Nov. 03, 2009

Legal Entity Type: LIMITED PARTNERSHIP **State or Country Where**

Organized:

TEXAS

Name: ADAMS MCCLURE I, L.P. **Execution Date:** Nov. 03, 2009

Legal Entity Type: LIMITED PARTNERSHIP **State or Country Where**

Organized:

TEXAS

Name: TEXAS EBF, L.P. **Execution Date:** Nov. 03, 2009

Legal Entity Type: LIMITED PARTNERSHIP **State or Country Where**

Organized:

TEXAS

Name: ENNIS SALES, L.P. **Execution Date:** Nov. 03, 2009

Legal Entity Type: LIMITED PARTNERSHIP **State or Country Where**

Organized:

TEXAS

Name: ENNIS MANAGEMENT, L.P. **Execution Date:** Nov. 03, 2009

Legal Entity Type: LIMITED PARTNERSHIP **State or Country Where**

Organized:

TEXAS

Assignee

Name: BANK OF AMERICA, N.A., AS ADMINISTRATIVE AGENT

Legal Entity Type: NATIONAL BANKING ASSOCIATION **State or Country Where**

Organized:

UNITED STATES

Address: 901 MAIN STREET

MAIL CODE: TX1-492-14-11

DALLAS, TEXAS 75202-3714

Correspondent

Correspondent Name: ANDREA WALKER, WINSTEAD PC

Correspondent Address: P.O. BOX 50784

DALLAS, TX 75250-0784

Domestic Representative - Not Found

Proceedings

Summary

Number of Proceedings: 3

Type of Proceeding: Cancellation

Proceeding Number: [92055374](#) **Filing Date:** Mar 25, 2012

Status: Pending **Status Date:** Mar 25, 2012

Interlocutory Attorney: ELIZABETH A DUNN

Defendant

Name: Ennis, Inc.

Correspondent Address: SCOTT A MEYER

CHALKER FLORES LLP

14951 N DALLAS PARKWAY , SUITE 400

DALLAS TX , 75254

UNITED STATES

Correspondent e-mail:

smeyer@chalkerflores.com, docket@chalkerflores.com, cminchillo@chalkerflores.com, tjacks@chalkerflores.com

Associated marks

Mark Application Status Serial

Number

Registration

Number

COLORWORX Cancellation Pending [78698743 3372884](#)

Plaintiff(s)

Name: Joel L. Beling d/b/a Supa Characters Pty Ltd

Correspondent Address: JOEL L BELING

1 MIRBOO COURT

DALLAS VICTORIA , 3047

AUSTRALIA

Correspondent e-mail: joelbeling@hotmail.com

Associated marks

Mark Application Status Serial

Number

Registration

Number

COLOR WARS Opposition Pending [85324443](#)

Prosecution History

Entry

Number History Text Date Due Date

1 FILED AND FEE Mar 25, 2012

2 NOTICE AND TRIAL DATES SENT; ANSWER DUE: Mar 26, 2012 May 05, 2012

3 PENDING, INSTITUTED Mar 26, 2012

4 DEF'S MOT FOR MORE DEFINITE STATEMENT OR MOT TO

STRIKE May 07, 2012

5 ANSWER May 07, 2012

6 CHANGE OF CORRESPONDENCE ADDRESS May 09, 2012

7 P'S MOTION TO AMEND PLEADING/AMENDED PLEADING May 08, 2012

8 P'S OPPOSITION/RESPONSE TO MOTION May 21, 2012

9 P'S MOTION TO AMEND PLEADING/AMENDED PLEADING Jun 03, 2012

10 CONSOLIDATED - CHILD of 91203884 Jul 13, 2012

11 DELETE ENTRY Sep 19, 2012

12 DELETE ENTRY Sep 19, 2012

13 DELETE ENTRY Sep 19, 2012

Type of Proceeding: Opposition

Proceeding Number: [91203884](#) **Filing Date:** Feb 15, 2012

Status: Pending **Status Date:** Feb 15, 2012
Interlocutory Attorney: ELIZABETH A DUNN

Defendant

Name: Joel L. Beling d/b/a Supa Characters Pty Ltd

Correspondent Address: JOEL L BELING

1 MIRBOO COURT

DALLAS VICTORIA , 3047

AUSTRALIA

Correspondent e-mail: joelbeling@hotmail.com

Associated marks

Mark Application Status Serial

Number

Registration

Number

COLOR WARS Opposition Pending [85324443](#)

Plaintiff(s)

Name: Ennis, Inc.

Correspondent Address: SCOTT A MEYER

CHALKER FLORES LLP

14951 N DALLAS PARKWAY, SUITE 400

DALLAS TX , 75254

UNITED STATES

Correspondent e-mail:

smeyer@chalkerflores.com, docket@chalkerflores.com, cminchillo@chalkerflores.com, tjacks@chalkerflores.com

cks@chalkerflores.com

Associated marks

Mark Application Status Serial

Number

Registration

Number

COLORWORX Cancellation Pending [78698743](#) [3372884](#)

Prosecution History

Entry

Number History Text Date Due Date

1 FILED AND FEE Feb 15, 2012

2 NOTICE AND TRIAL DATES SENT; ANSWER DUE: Feb 16, 2012 Mar 27, 2012

3 PENDING, INSTITUTED Feb 16, 2012

4 ANSWER Mar 04, 2012

5 D REQUEST FOR DISCOVERY CONFERENCE-PHONE Apr 13, 2012

6 BOARD'S COMMUNICATION Apr 26, 2012

7 D'S ANSWER AND MOTION TO STRIKE May 11, 2012

8 D'S MOTION TO COMPEL DISCOVERY Jul 08, 2012

9 D'S MOTION TO COMPEL DISCOVERY Jul 08, 2012

10 D'S MOTION TO COMPEL DISCOVERY Jul 08, 2012

11 D'S MOTION TO COMPEL DISCOVERY Jul 08, 2012

12 D'S MOTION TO COMPEL DISCOVERY Jul 08, 2012

13 CONSOLIDATED - PARENT/SUSPENDED Jul 13, 2012

14 D'S MOTION TO COMPEL DISCOVERY Jul 16, 2012

15 SUSPENDED Jul 17, 2012

16 D'S MOTION TO DIVIDE Jul 18, 2012

17 D'S MOTION TO COMPEL DISCOVERY Jul 24, 2012

18 P'S SECOND AMENDED PETITION TO CANCEL Jul 27, 2012
19 P'S MOTION TO DISMISS - RULE 12(B) Aug 27, 2012
20 ANSWER Aug 27, 2012
21 P'S OPPOSITION/RESPONSE TO MOTION Sep 14, 2012
22 P'S REPLY IN SUPPORT OF MOTION Sep 14, 2012
23 P'S OPPOSITION/RESPONSE TO MOTION Sep 14, 2012
24 P'S MOTION TO EXCEED PAGE LIMIT W/ SECOND AMENDED
PETITION TO CANCEL Sep 18, 2012
25 P'S OPPOSITION/RESPONSE TO MOTION Sep 18, 2012
26 P'S OBJECTIONS NAD RESPONSES TO D'S THIRD REQUEST
FOR ADMISSIONS Sep 18, 2012
27 PROCEEDINGS RESUMED May 15, 2013
28 PAPER RECEIVED AT TTAB May 30, 2013

Type of Proceeding: Opposition

Proceeding Number: 91203773 **Filing Date:** Feb 10, 2012

Status: Terminated **Status Date:** Sep 11, 2012

Interlocutory Attorney: ELIZABETH WINTER

Defendant

Name: Pioneer Supply Company, Inc.

Correspondent Address: J MATTHEW PRITCHARD

THE WEBB LAW FIRM

420 FORT DUQUESNE BLVD STE 1200

PITTSBURGH PA , 15222 2803

UNITED STATES

Correspondent e-mail: ttab@webblaw.com

Associated marks

Mark Application Status Serial

Number

Registration

Number

PSC COLORWORKS Abandoned - After Inter-Partes Decision [85374011](#)

Plaintiff(s)

Name: Ennis, Inc.

Correspondent Address: Scott A Meyer

Chalker Flores LLP

14951 N Dallas Parkway Suite 400

Dallas TX , 75254

UNITED STATES

Correspondent e-mail:

tjacks@chalkerflores.com, smeyer@chalkerflores.com, docket@chalkerflores.com

Associated marks

Mark Application Status Serial

Number

Registration

Number

COLORWORX Cancellation Pending [78698743](#) [3372884](#)

Prosecution History

Entry

Number History Text Date Due Date

1 FILED AND FEE Feb 10, 2012

2 NOTICE AND TRIAL DATES SENT; ANSWER DUE: Feb 10, 2012 Mar 21, 2012

3 PENDING, INSTITUTED Feb 10, 2012
4 D'S MOT FOR EXTEN. OF TIME W/ CONSENT Mar 21, 2012
5 EXTENSION OF TIME GRANTED Mar 21, 2012
6 D'S MOT FOR EXTEN. OF TIME W/ CONSENT Apr 20, 2012
7 EXTENSION OF TIME GRANTED Apr 20, 2012
8 D'S MOT FOR EXTEN. OF TIME W/ CONSENT May 21, 2012
9 EXTENSION OF TIME GRANTED May 21, 2012
10 NOTICE OF DEFAULT Jul 31, 2012
11 CHANGE OF CORRESPONDENCE ADDRESS Sep 06, 2012
12 BOARD'S DECISION: SUSTAINED Sep 11, 2012
13 TERMINATED Sep 11, 2012

Exhibit 3



COLORWORX®
 ECONOMICAL FOUR COLOR PROCESS PRINTING

CALL FOR A QUOTE OR FREE SAMPLE
 800-622-2814

[home](#)
[about us](#)
[products](#)
[art field](#)
[samples](#)
[sales tools](#)
[order now](#)

COLORWORX®
 NOTHING MAKES A BIGGER IMPACT
 THAN COLOR!

High Quality, Full Color
 ColorWorx provides the quality, full color printing you expect at an affordable price.

Quick Turnaround
 Most orders ship in 3-5 working days or less from receipt of proof (please allow extra lead time).

Standard Printing
 All standard ColorWorx products are printed in 4-color process only. All CMYK colors in files will be automatically converted to CMYK process. No printing is possible with color separations or 1-bit images.

Color Matching
 ColorWorx is a "gang run" style print company. Your job will be run on a press sheet with other jobs and will have to share sheet color densities. The most dominant color on a sheet may cause individual job colors to shift slightly. We make every effort to produce a reasonable representation; however, ColorWorx, like all other gang run commercial printers, does not guarantee an exact color match.

ColorWorx...Guarantee
 We're proud of the work we do. And if we don't do it right, we'll make it right. Period.


CONTACT Us

Address: 24707 Wheat Creek • Macomb, MI 48042
 Phone: 800-622-2814
 Fax: 800-345-5430
 Business Hours: Monday-Friday - 9:30 am - 6:00 pm EDT
 E-mail: colorworx@tannis.com



Exhibit 4

- RE: Joel L. Beling d/b/a Supa Characters Pty Ltd v. Ennis, Inc. (Cancellation Proceeding: 92055374)

To see messages related to this one, [group messages by conversation](#).

Scott Meyer (smeyer@chalkerflores.com)

[Add to contacts](#)

30/05/2012

To: joel beling

Cc: Tom Jacks, Cynthia Minchillo

From: **Scott Meyer** (smeyer@chalkerflores.com) This sender is in your [safe list](#).

Sent: Wednesday, 30 May 2012 11:13:26 PM

To: joel beling (joelbeling@hotmail.com)

Cc: Tom Jacks (tjacks@chalkerflores.com); Cynthia Minchillo (cminchillo@chalkerflores.com)

Joel:

Based upon the reasoning you set forth below, we do not consent to the addition of a fraud claim.

Thanks,

Scott

Scott A. Meyer, P.C. | Chalker Flores, LLP

14951 North Dallas Parkway, Suite 400 | Dallas, Texas 75254

Phone: 214-866-0001 | Fax: 214-866-0010

smeyer@chalkerflores.com | www.chalkerflores.com

From: Scott Meyer

Sent: Friday, May 25, 2012 4:41 PM

To: 'joel beling'
Cc: 'Tom Jacks'; Cynthia Minchillo
Subject: RE: Joel L. Beling d/b/a Supa Characters Pty Ltd v. Ennis, Inc. (Cancellation Proceeding: 92055374)

Joel:

We are reviewing the basis for your request but cannot have an answer to you today. Monday is a holiday, so we plan to respond to you on Tuesday or Wednesday at the latest.

Thanks,

Scott

Scott A. Meyer, P.C. | Chalker Flores, LLP

14951 North Dallas Parkway, Suite 400 | Dallas, Texas 75254
Phone: 214-866-0001 | Fax: 214-866-0010
smeyer@chalkerflores.com | www.chalkerflores.com

From: joel beling [<mailto:joelbeling@hotmail.com>]
Sent: Friday, May 25, 2012 6:40 AM
To: Scott Meyer
Subject: RE: Joel L. Beling d/b/a Supa Characters Pty Ltd v. Ennis, Inc. (Cancellation Proceeding: 92055374)

Scott,

Can you indicate by close of business today, Friday, whether you consent to my motion to amend my pleading.

Thanks

Joel

From: smeyer@chalkerflores.com
To: joelbeling@hotmail.com
CC: tjacks@chalkerflores.com
Date: Tue, 15 May 2012 13:22:29 -0400
Subject: RE: Joel L. Beling d/b/a Supa Characters Pty Ltd v. Ennis, Inc. (Cancellation Proceeding: 92055374)

Joel:

Let me understand—you want to add a claim against Ennis for fraud because you were served with Requests for Admissions? If my understanding is correct, then we do not consent. If the basis for your desire to add a new claim is incorrect, please elaborate.

Thanks,

Scott

Scott A. Meyer, P.C. | Chalker Flores, LLP

14951 North Dallas Parkway, Suite 400 | Dallas, Texas 75254

Phone: 214-866-0001 | Fax: 214-866-0010

smeyer@chalkerflores.com | www.chalkerflores.com

From: joel beling [<mailto:joelbeling@hotmail.com>]

Sent: Wednesday, May 09, 2012 9:17 AM

To: Scott Meyer

Subject: RE: Joel L. Beling d/b/a Supa Characters Pty Ltd v. Ennis, Inc. (Cancellation Proceeding: 92055374)

Scott,

I seek your written consent to amend my petition to cancel to include a count for fraud. The basis for this request is your recently served request for admissions.

I will be filing a motion to amend my pleading if consent is not granted.

Thanks

Joel

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing **DECLARATION OF JOEL L. BELING** was served on all parties, this the 20th June, 2013, by sending the same by electronic mail, to the following:

Daniel Chalker
CHALKER FLORES, LLP
dchalker@chalkerflores.com

Jesica Flores
CHALKER FLORES, LLP
jflores@chalkerflores.com
ATTORNEYS FOR REGISTRANT

/s/ Joel L. Beling

Joel L. Beling

ESTTA Tracking number: **ESTTA546944**

Filing date: **07/05/2013**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91203884
Party	Plaintiff Ennis, Inc.
Correspondence Address	SCOTT A MEYER CHALKER FLORES LLP 14951 N DALLAS PARKWAY, SUITE 400 DALLAS, TX 75254 UNITED STATES smeyer@chalkerflores.com,docket@chalkerflores.com,cminchillo@chalkerflores.com,tjacks@chalkerflores.com
Submission	Opposition/Response to Motion
Filer's Name	Daniel Chalker
Filer's e-mail	dchalker@chalkerflores.com
Signature	/Daniel Chalker/
Date	07/05/2013
Attachments	Opp_Resp_to_Motion_to_Compel_070513.pdf(1472529 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In Re: Application Serial No. 85/324,443
For the Mark: COLOR WARS
Filed: May 18, 2011
Published in the Official Gazette: January 17, 2012

Ennis, Inc.)	
)	
Opposer)	
)	
v.	)	Opposition No. 91203884
)	
Joel L. Beling d/b/a Supa Characters Pty Ltd)	
)	
Applicant)	

Joel L. Beling d/b/a Supa Characters Pty Ltd,)	
)	
Petitioner,)	
)	
v.	)	Cancellation No. 92055374
)	
Ennis, Inc.	)	Registration No. 3,372,884
	)	Mark: COLORWORX
Registrant.)	

**OPPOSER'S RESPONSE TO
APPLICANT'S MOTION TO COMPEL DISCOVERY RESPONSES**

Opposer, Ennis, Inc. ("Opposer" and/or "Registrant"), by and through its undersigned counsel and pursuant to 37 CFR § 2.127(a) and the Federal Rules of Civil Procedure, hereby files this its Response to Applicant's Motion to Compel Discovery Responses (hereinafter referred to as "Motion to Compel").

I. APPLICANT'S MOTION TO COMPEL IS PROCEDURALLY DEFICIENT

Applicant's Motion to Compel is procedurally deficient because it does not include the statement under 37 C.F.R. § 2.120(e)(1) and TBMP § 523.02 that it made a good faith effort to resolve the issues prior to filing the Motion to Compel on June 20, 2013. Applicant's Motion to Compel should be denied.

TBMP § 523.02 provides "the motion to compel disclosures or discovery must be supported by a written statement from the moving party that such party or its attorney has made a good faith effort, by conference or correspondence, to resolve with the other party or its attorney the issues presented in the motion and has been unable to reach agreement." *See also* 37 C.F.R. § 2.120(e)(1). A motion to compel that does not comply with the "meet and confer" requirements of 37 C.F.R. § 2.120 should be denied. *See e.g., Giant Food, Inc. v. Standard Terry Mills, Inc.*, 231 USPQ 626 (TTAB 1986); *MacMillan Bloedel Ltd v. Arrow-M Corp.*, 203 USPQ 952 (TTAB 1979).

Applicant's Motion to Compel filed on June 20, 2013 is procedural deficient because (1) all of Applicant's correspondence regarding the discovery in the "Certificate of Conference" occurred in June 2012, approximately twelve months prior to the filing of the Motion to Compel on June 20, 2013,¹ and (2) there is no statement that Applicant made a good faith effort resolve any issues in the Motion to Compel from May 15, 2013, when these proceedings were resumed, until the filing the Motion to Compel on June 20, 2013:

CERTIFICATE OF CONFERENCE

On **June 12, 2012**, Applicant sent Opposer's attorneys an e-mail entitled "Applicant's first good faith attempt to convince opposer to produce documents, answer

¹ The Board suspended these proceedings from July 7, 2012 until May 15, 2013. (Orders of July 17, 2012 and May 15, 2013).

interrogatories and admit or deny questions,” reminding Opposer of its discovery obligations and asking it to provide responses (see Exhibit 2). Opposer refused to comply, stating that its responses were sufficient (see Exhibit 26). Other email correspondence ensued between the parties with applicant continually reminding opposer about its discovery obligations (see Exhibits 3, 5, 6, 8, 9). On **June 19, 2012**, applicant sent opposer’s attorneys an e-mail entitled “Applicant’s second good faith attempt to convince opposer to produce documents, answer interrogatories and admit or deny questions,” reminding opposer of its discovery obligations and asking it to provide responses (see Exhibit 11). Opposer did not reply at all. Further correspondence ensued between the parties (see Exhibits 19-25). On **June 23, 2012**, applicant sent opposer’s attorneys an e-mail entitled “Applicant’s third good faith attempt to convince opposer to produce documents, answer interrogatories and admit or deny questions,” reminding opposer of its discovery obligations and asking it to provide responses. Opposer replied on **27th June 2012** that it would attempt to supplement its discovery responses with further production (see Exhibit 23) but has failed to respond at all with further production.

(Applicant’s Motion to Compel Discovery at 23-24) (emphasis added).

Applicant’s disregard of 37 C.F.R. § 2.120(e)(1) should not be condoned, and its Motion to Compel should be denied in full for failure to comply in full with that rule.

II. APPLICANT FAILED TO MAKE A GOOD FAITH EFFORT TO RESOLVE THE DISCOVERY ISSUES

Applicant failed to make a good faith effort to resolve the discovery issues prior to filing the Motion to Compel on June 20, 2013 as required by 37 C.F.R. § 2.120(e)(1) and TBMP § 523.02. Applicant's Motion to Compel should be denied.

The "meet and confer" requirements of 37 C.F.R. § 2.120 require the moving party or its attorney to make "a good faith effort, by conference or correspondence, to resolve with the other party or the attorney therefor the issues presented in the motion" prior to filing the motion. A motion to compel that does not comply with the "meet and confer" requirements of 37 C.F.R. § 2.120 should be denied. *See e.g., Giant Food, Inc. v. Standard Terry Mills, Inc.*, 231 USPQ 626 (TTAB 1986); *MacMillan Bloedel Ltd v. Arrow-M Corp.*, 203 USPQ 952 (TTAB 1979).

On May 15, 2013, the Board resumed these proceedings. (Order of May 15, 2013). Two weeks later on May 29, 2013, Applicant served 209 Requests for Admission and 10 Interrogatories on Opposer. (Applicant's Fourth Request for Admissions to Opposer; Applicant's Second Set of Interrogatories to Opposer). On May 30, 2013, counsel Scott A. Meyer and Thomas G. Jacks, withdrew as attorneys of record for Ennis, Inc., and were replaced by Daniel J. Chalker and Jessica Flores. (Withdrawal of Counsel and Change in Designation of Lead Counsel for Ennis, Inc.). Within three weeks after Opposer's withdrawal and change in lead counsel, Applicant filed its Motion to Compel on June 20, 2013. Since the resumption of these proceeding on May 15, 2013, Applicant make no effort, much less a good faith effort, to resolve the issues in the Motion to Compel prior to filing the Motion to Compel on June 20, 2013.

Applicant's disregard of 37 C.F.R. § 2.120(e)(1) should not be condoned, and its Motion to Compel should be denied in full for failure to comply in full with that rule.

III. CONCLUSION

Applicant's Motion to Compel is procedurally deficient because it does not include the statement under 37 C.F.R. § 2.120(e)(1) and TBMP § 523.02 that it made a good faith effort to resolve the issues prior to filing the Motion to Compel on June 20, 2013. Moreover, Applicant failed to make a good faith effort to resolve the discovery issues prior to filing the Motion to Compel on June 20, 2013 as required by 37 C.F.R. § 2.120(e)(1) and TBMP § 523.02. Opposer respectfully requests that Applicant's Motion to Compel be denied in its entirety.

Dated: July 5, 2013

Respectfully submitted,

CHALKER FLORES, LLP

By: 

Daniel J. Chalker
State Bar No. 00794951
14951 N. Dallas Parkway, Suite 400
Dallas, Texas 75254
(214) 866-0001 (telephone)
(214) 866-0010 (telecopy)
dchalker@chalkerflores.com
jflores@chalkerflores.com

**ATTORNEYS FOR
OPPOSER/REGISTRANT**

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing OPPOSER'S RESPONSE TO APPLICANT'S MOTION TO COMPEL DISCOVERY RESPONSES was served on all counsel of record, this the 5th of July, 2013, by sending the same via electronically through the Electronic System for Trademark Trials and Appeal ("ESTTA") and electronic mail service.


Daniel J. Chalker

ESTTA Tracking number: **ESTTA554915**

Filing date: **08/19/2013**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91203884
Party	Plaintiff Ennis, Inc.
Correspondence Address	DANIEL J CHALKER CHALKER FLORES LLP 14951 N DALLAS PARKWAY, SUITE 400 DALLAS, TX 75254 UNITED STATES dchalker@chalkerflores.com, jflores@chalkerflores.com, docket@chalkerflores.com, cminchillo@chalkerflores.com
Submission	Other Motions/Papers
Filer's Name	Daniel J. Chalker
Filer's e-mail	dchalker@chalkerflores.com, cminchillo@chalkerflores.com
Signature	/Daniel J. Chalker/
Date	08/19/2013
Attachments	Opp's Notice of Discovery 081913.pdf(440901 bytes)

In Re: Application Serial No. 85/324,443
For the Mark: COLOR WARS
Filed: May 18, 2011
Published in the Official Gazette: January 17, 2012

Applicant

Opposition No. 91203884

Registrant.

Registration No. 3,372,884
Mark: COLORWORX

Please take notice that Ennis, Inc. (Opposer / Registrant) has served the following discovery responses on Joel L. Beling d/b/a Supa Characters Pty Ltd (Applicant / Petitioner) in

accordance with the Federal Rules of Civil Procedure, local rule and/or Order of this Court:


1. Opposer's Third Supplement to Initial Disclosures;
2. Opposer's Supplemental Responses to Applicant's First Request for Production; and
3. Opposer's Supplemental Answers to Applicant's First Set of Interrogatories.

The discovery responses were served upon Applicant / Petitioner by sending them to Applicant / Petitioner via electronic mail.

Dated: August 19, 2013

Respectfully submitted,

CHALKER FLORES, LLP

By: 
Daniel J. Chalker
State Bar No. 00794951
14951 N. Dallas Parkway, Suite 400
Dallas, Texas 75254
(214) 866-0001 (telephone)
(214) 866-0010 (telecopy)
dchalker@chalkerflores.com

ATTORNEYS FOR OPPOSER

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing OPPOSER'S NOTICE OF DISCOVERY was served on all parties, this the 19TH day of August, 2013, by sending the same via electronic mail, to the following:

Joel L. Beling
1 Mirboo Court
Dallas, Victoria 3047
Australia
joelbeling@hotmail.com


Daniel J. Chalker

ESTTA Tracking number: **ESTTA557236**

Filing date: **08/31/2013**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91203884
Party	Defendant Joel L. Beling DBA Supa Characters Pty Ltd
Correspondence Address	JOEL L BELING 1 MIRBOO COURT DALLAS VICTORIA, 3047 AUSTRALIA joelbeling@hotmail.com
Submission	Response to Board Order/Inquiry
Filer's Name	Joel L. Beling
Filer's e-mail	joelbeling@hotmail.com
Signature	/Joel Beling/
Date	08/31/2013
Attachments	Applicant's Modification to Motion to Compel.pdf(80217 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In re Registration No. 3,372,884 (COLORWORX), Registered January 22, 2008

Opposition No. 91203884

Ennis Inc.

v.

Joel L. Beling d/b/a Supa Characters Pty Ltd

Cancellation No. 92055374

Joel L. Beling d/b/a Supa Characters Pty Ltd

v.

Ennis, Inc.

**APPLICANT’S MODIFICATION OF REQUESTS SOUGHT UNDER MOTION TO COMPEL
PURSUANT TO TRADEMARK RULE 2.120(e)(1)**

To: Ennis Inc. 2441 Presidential Parkway, Midlothian, TX 76065, United States.

Pursuant to Trademark Rule 2.120(e)(1), Joel L. Beling d/b/a Supa Characters Pty Ltd (“Applicant” or “Petitioner”) advises the Board that the following issues no longer require adjudication, as a result of Ennis, Inc.’s (“Opposer” or “Registrant”) discovery supplementation.

ISSUES WHICH NO LONGER REQUIRE ADJUDICATION BY THE BOARD

Interrogatories

The Applicant advises the following Interrogatories no longer require adjudication by the Board:

Interrogatory No. 1, Interrogatory No. 2, Interrogatory No. 3, Interrogatory No. 5, Interrogatory No. 6, Interrogatory No. 7, Interrogatory No. 8, Interrogatory No. 11, Interrogatory No. 12, and Interrogatory No. 18.

Requests for Production

The applicant advises that all Requests for Production still longer require adjudication by the Board, in addition to Requests for Production No 1-4 (inclusive), which have been supplemented in light of the opposer's Expert Disclosures, which were not known to the applicant at the time the motion to compel was filed.

ISSUES WHICH STILL REQUIRE ADJUDICATION BY THE BOARD

Interrogatories

The Applicant advises the following Interrogatories still require adjudication by the Board:

INTERROGATORY NO. 4: Define in detail your understanding of the phrases "color works" and "works of color."

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer is not aware of any definition or special meaning within the printing industry of the phrases "color works" and "works of color." As a result, Opposer does not have a detailed understanding of the phrases "color works" and "works of color."

The applicant relies on his arguments in his motion to compel. In addition the applicant submits that opposer's answer is highly dishonest and evasive, because the Interrogatory does not request the definitions of the phrases "color works" and "works of color" *in the printing industry*. Rather, it seeks *opposer's* understanding of the two phrases. The relevance of the phrase "color works" is obvious, while the phrase "works of color" is simply the expanded version of the phrase "color works." If opposer argues that the phrases "color works" and "works of color" are not relevant to this proceeding, then it has no grounds for opposing the applicant's "COLOR WARS" Mark and it has filed a frivolous, unmeritorious opposition.

INTERROGATORY NO. 9: Describe in detail the similarities and/or points of confusion and/or deception between the word “wars” and the word “works.”

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer objects to this Interrogatory because it is not reasonably calculated to lead to the discovery of evidence admissible at trial because the word “works” does not appear in either mark. The likelihood of confusion analysis in this proceeding involves the marks “COLORWORX” and “COLOR WARS.”

The applicant relies on his arguments in his motion to compel. In addition the Applicant submits that the word “works” is highly relevant to this proceeding because it is the actual spelling of part of the opposer’s Mark, COLORWORX. Opposer’s Mark is a compound word made up of two words, “color” and “worx.” The word “worx” is simply an insignificant misspelling of the word “works,” which is recognizable to all members of the public visually, semantically and aurally. One of the main points of difference between the opposer’s mark and the applicant’s mark is the distinction between the words “wars” and “worx,” since both Marks share the word “color.” Understanding the similarities and/or points of confusion and/or deception between the word “wars” and the word “worx” is arguably the crux of the entire opposition and is likely to lead to the discovery of an abundance of evidence admissible at trial.

INTERROGATORY NO. 10: Identify all facts, laws, information, or materials that Opposer relies on to support the contention that Applicant’s mark is the same as, or substantially the same as, Opposer’s mark in visual appearance and in pronunciation.

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, and requires Opposer to marshal its evidence prior to trial. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to Opposer’s Notice of Opposition and Opposer’s document production produced on May 24, 2012.

The applicant relies on his arguments in his motion to compel. In addition the Applicant submits that the opposer cannot rely alone on its Notice of Opposition and document production dated May 24, 2012.

Applicant is entitled to detailed evidence or analyses concerning the facts and information the opposer will rely on to support the contention in this Interrogatory.

INTERROGATORY NO. 13: Describe in detail the role and contributions made that each person identified in Interrogatory number 12 played in the selection, design and adoption of the “COLORWORX” mark.

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Lisa Goebel, Bill Tignanelli, David Crysler and Cindy Wronski contributed to the selection and adoption of the mark designed by Rachel Maples.

The applicant relies on his arguments in his motion to compel. In addition the Applicant submits that the answer to this Interrogatory is critical to investigating the fraud allegations against the opposer. The applicant has alleged that the opposer has procured a trademark registration by fraud in that over 20 traders have used part of the opposer’s mark (either the design element or the term COLORWORX) before the opposer, and that these third parties’ details are part of the USPTO database. Ascertaining the role and contributions each of the four individuals identified in the opposer’s answer played in the selection, design, and adoption of the “COLORWORX” mark is fundamental to determining the fraud allegations. The opposer’s answer is utterly unresponsive, evasive and dishonest in that it simply lists the four individuals from Interrogatory No. 12 without describing their role and contributions.

INTERROGATORY NO. 14: Describe in detail the rationale, philosophy and ideas behind the selection, design and adoption of each feature and/or part of the “COLORWORX” mark, including the logo, words, style of lettering, visual appearance, sound, compound/composite nature and misspelling.

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer Answers as follows: Opposer rebranded a line of products in 2002 that was initially branded with the “INSTACOLOR” mark. The mark “COLORWORX” incorporates part of the old brand and is reflective of the four-color printing process used by Opposer. Opposer has made a reasonable inquiry and except for the answers to this Interrogatory, more specific details are not known or readily obtainable by Opposer as the events in question occurred approximately eleven (11) years ago.

The applicant relies on his arguments in his motion to compel. In addition the Applicant submits that the opposer’s answer is incomplete, evasive and dishonest. Opposer has not described *how* it created, selected or adopted its COLORWORX Mark, either the logo or the term COLORWORX. Did the

opposer invent the term “Colorworx” (as it has claimed in an answer to a previous Interrogatory) or did it copy the term? There is no description of the rationale, philosophy and ideas in relation to the logo, words, style of lettering, visual appearance, sound, compound/composite nature and misspelling. Moreover, the opposer has produced several emails from 2002 concerning the selection of different variations of the term “Colorworx” and design (with different designs to the one in its registered Mark) and its claims that it cannot locate more specific details after a reasonable inquiry are completely false and a blatant suppression of evidence at the heart of the dispute, especially the fraud claims.

INTERROGATORY NO. 15: Describe in detail your understanding of the connections between each aspect of your answer to Interrogatory No. 14 and the works of color you sell, promote, advertise and distribute, including but not limited to business cards, letterhead, rack cards, postcards, brochures, and posters.

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer Answers as follows: The phrase “works of color” is ambiguous, overbroad, harassing, irrelevant and vague because this phrase would include anything having at least one color without limitation. Moreover, the phrase “understanding of the connections” is ambiguous and vague. Opposer states that Opposer’s “COLORWORX” mark is used in connection with printing services provided by Opposer.

The applicant relies on his arguments in his motion to compel. The opposer’s answer is again highly dishonest, evasive and incomplete. The applicant submits that the phrase “works of color” is not ambiguous, overbroad, harassing, irrelevant and vague because the Interrogatory then lists specific works of color which the opposer has expressly admitted to producing and selling under its COLORWORX mark: “business cards, letterhead, rack cards, postcards, brochures, and posters.” The phrase “understanding of the connections” is not ambiguous or vague because it seeks the opposer’s view or understanding of how different parts of its Colorworx Mark and design relate or connect to products the opposer has admitted selling under the Mark.

INTERROGATORY NO. 16: Identify every opinion, legal or otherwise, requested or received by you, regarding the right to use the marks “COLORWORX,” “COLOR WORX,” “COLORWORKS,” or “COLOR WORKS,” including the identity of the persons requesting the opinion, the date and substance of the opinion, and the persons receiving the opinion.

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Additionally, Opposer asserts the attorney-client and work-product privileges.

The applicant relies on his arguments in his motion to compel. In addition the Applicant again reinforces that the opposer has completely failed or refused to answer this question. The applicant’s arguments for the Board breaching the attorney-client and work-product privileges are contained in the motion to compel.

INTERROGATORY NO. 17: Describe in detail any instances in which you have been involved which have called into question, created conflict in respect of, or challenged the right to use the marks “COLORWORX,” “COLOR WORX,” “COLORWORKS,” or “COLOR WORKS.”

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer Answers as follows: Opposer filed a Notice of Opposition on February 10, 2012 against Pioneer Supply Company, Inc. for the Mark “PSC COLORWORKS”, Application Serial No. 85/374,011, under Opposition No. 91203773. A default judgment was granted by TTAB on September 11, 2012 due to failure of Pioneer Supply Company, Inc. to answer the Notice of Opposition.

The applicant relies on his arguments in his motion to compel. In addition the Applicant submits that this answer is dishonest and incomplete. It beggars belief to suggest that there has only been a single instance in 11 years wherein the opposer’s Colorworx Mark has been questioned, or called into conflict or challenged, given the many individuals, groups, or companies which use the marks “COLORWORX,” “COLOR WORX,” “COLORWORKS,” or “COLOR WORKS” in the United States. *See* petitioner’s second amended petition to cancel for examples.

INTERROGATORY NO. 19: Identify and describe all facts, laws, information, or materials that Opposer found, discovered, became aware of and/or knew about before, during and after its registration of the COLORWORX mark involving use of the marks “COLORWORX,” “COLOR WORX,” “COLORWORKS,” or “COLOR WORKS.”

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Additionally, Opposer asserts the attorney-client and work-product privileges.

Subject to, and without waiving, the foregoing objections, Opposer Answers as follows: Opposer objects to this Interrogatory as being ambiguous, overbroad, harassing and vague because the Interrogatory does not provide sufficient information for Opposer to know what “COLORWORX,” “COLOR WORX,” “COLORWORKS,” or “COLOR WORKS” marks are being referred to. Opposer filed a Notice of Opposition on February 10, 2012 against Pioneer Supply Company, Inc. for the Mark “PSC COLORWORKS”, Application Serial No. 85/374,011, under Opposition No. 91203773. A default judgment was granted by TTAB on September 11, 2012 due to failure of Pioneer Supply Company, Inc. to answer the Notice of Opposition.

The applicant relies on his arguments in his motion to compel. In addition the Applicant submits that the opposer’s response is blatantly evasive, dishonest and incomplete, feigning ignorance of “what ‘COLORWORX,’ ‘COLOR WORX,’ ‘COLORWORKS,’ or ‘COLOR WORKS’ marks are being referred to.” The Interrogatory is plain, self-explanatory and obvious on its face and simply requests the opposer’s knowledge or awareness of any “use[s] of the marks ‘COLORWORX,’ ‘COLOR WORX,’ ‘COLORWORKS,’ or ‘COLOR WORKS’”. The applicant’s arguments for the Board breaching the attorney-client and work-product privileges are contained in the motion to compel.

Requests for Production

In essence, the opposer’s supplementary production of documents and things consists only of a few non-incriminating emails from 2002, more product samples bearing the Colorworx mark and design, and a CD of the opposer’s annual reports from 2000 to 2012, which the applicant already possessed and were already in the public domain. Apart from the pages exhibited in the motion to compel, the opposer’s annual reports contain *no* specific information relating to its Colorworx Mark and design – no financial information whatsoever – and may thus be construed as a pseudo-production intended to deceive the applicant and the Board that the opposer is complying with its discovery obligations, when in fact the reverse is true.

The Applicant advises the following *new* Requests for Production require adjudication by the Board:

REQUEST 1: Produce working papers, notes, calculations, diagrams, photographs, models, exhibits, and other materials, including reports and factual observations, prepared or reviewed by any expert who will testify at trial on Opposer's behalf.

RESPONSE: None at this time.

REQUEST 2: Produce copies of all transcripts of testimony previously provided by any individual listed by You as an expert witness.

RESPONSE: None at this time.

REQUEST 3: Produce treatises, rules, regulations, guidelines, statutes, policies, procedures, and any other authoritative materials considered by any testifying expert in forming an opinion.

RESPONSE: None at this time.

REQUEST 4: Produce invoices, bills, and other billing materials for each expert You expect will testify at trial.

RESPONSE: None at this time.

Because the opposer has provided Expert Disclosures, the applicant now seeks production of documents in relation to the opposer's expert. In particular, the opposer listed Steve Osterloh, Vice President of Marketing, as an expert witness in its Expert Disclosures where it had not hitherto indicated reliance on an expert. The applicant therefore seeks the above documents and things in relation to the opposer's expert, Steve Osterloh. The applicant relies on the legal doctrine of estoppel (in its various forms) to submit that the opposer is estopped from denying that Steve Osterloh is an expert witness by its Expert Disclosures in which it claimed that Steven Osterloh was and is an expert witness.

REQUEST 5: Produce all photographs, videotapes, drawings, and other tangible things that pertain in any way to the subject matter of this suit.

RESPONSE: Opposer refers Applicant to all of the documents produced in this proceeding Bates labeled ENNI 0001 – ENNI 1563.

The applicant relies on his arguments in his motion to compel. In addition the Applicant submits that the opposer has not provided all drawings of the logo in its Colorworx Mark. It has provided a page of different variations of possible Colorworx Marks but has not provided documents concerning the development of these logos. The logo in the opposer's Mark is the subject of a number of fraud claims.

REQUEST 8: Produce all oral or written statements made by You or Your representatives concerning this suit.

RESPONSE: None.

The applicant relies on his arguments in his motion to compel. In addition the Applicant submits that the opposer has not provided any written correspondence, including emails, made by it or its representatives concerning this suit. The applicant's arguments for the Board breaching the attorney-client and work-product privileges are referred to in the motion to compel and incorporated by reference.

REQUEST 9: Produce all documents and things relating to the creation, consideration, design, development, selection, adoption, and first use of the "COLORWORX" mark or any work of color (including black and white) or service.

RESPONSE: Opposer objects to this Request as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to documents Bates labeled ENNI 0480 – 0481 and ENNI 1563 produced herewith, as well as documents previously produced showing representative specimens. Opposer has made a reasonable inquiry and except for the produced documents and prosecution history of U.S. Trademark Registration Number 3,372,884 for Opposer's "COLORWORX" mark, no other documents and things are known or readily obtainable by Opposer as the events in question occurred approximately eleven (11) years ago.

The applicant relies on his arguments in his motion to compel and the argument advanced in respect of Interrogatory No. 14, above.

REQUEST 12: Produce all documents and things relating to the distribution channels through which works of color (including black and white) or services relating to Opposer's "COLORWORX" mark are advertised, marketed, sold, or promoted.

RESPONSE: Opposer is currently offering goods and services worldwide via the Internet and through qualified dealers. Opposer refers Applicant to Opposer's document production produced in this proceeding. The phrase "works of color" is ambiguous, overbroad, harassing, irrelevant and vague because this phrase would include anything having at least one color without limitation.

The applicant relies on his arguments in his motion to compel. In addition the Applicant submits that the phrase "works of color" is not overbroad, harassing, irrelevant and vague because the phrase is specifically related to the opposer's Colorworx Mark.

REQUEST 13: Produce all documents and things relating to the classes of customers to whom You advertise, market, sell, or promote works of color (including black and white) or services relating to Opposer's "COLORWORX" mark.

RESPONSE: Opposer is currently offering goods and services worldwide via the Internet and through qualified dealers. Opposer refers Applicant to Opposer's document production produced in this proceeding. Further, Opposer refers Applicant to Opposer's Answers and Supplemental Answers to Applicant's First and Second Set of Interrogatories. The phrase "works of color" is ambiguous, overbroad, harassing, irrelevant and vague because this phrase would include anything having at least one color without limitation.

The applicant relies on his arguments in his motion to compel. In addition the Applicant submits that documents relating to the classes of customers to whom the opposer sells and advertises its works of color or services is key because the opposer sells and advertises its products to both professional printers as well as members of the public. In addition the applicant submits that the phrase "works of color" is not overbroad, harassing, irrelevant and vague because the phrase is specifically related to the opposer's Colorworx Mark.

REQUEST 14: Produce all documents and things relating to the yearly dollar and unit volume of sales to date and projected future dollar and unit volume of sales for each of the works of color (including black and white) or services produced by Opposer in connection with the "COLORWORX" mark.

RESPONSE: Opposer objects to this Request as it is overbroad, irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to Opposer's Annual Reports, available to the public, and Bates labeled ENNI 0482 – 1560 produced herewith. The phrase "works of color" is ambiguous, overbroad, harassing, irrelevant and vague because this phrase would include anything having at least one color without limitation.

REQUEST 15: Produce all documents and things relating to variable and fixed costs for sales of works of color (including black and white) or services relating to Opposer's "COLORWORX" mark.

RESPONSE: Opposer objects to this Request as it is overbroad, irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. The phrase "works of color" is ambiguous, overbroad, harassing, irrelevant and vague because this phrase would include anything having at least one color without limitation. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to Opposer's Annual Reports, available to the public, and Bates labeled ENNI 0482 – 1560 produced herewith.

REQUEST 16: Produce all documents and things relating to gross and net profits from sales of works of color (including black and white) or services relating to Opposer's "COLORWORX" mark.

RESPONSE: Opposer objects to this Request as it is overbroad, irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. The phrase "works of color" is ambiguous, overbroad, harassing, irrelevant and vague because this phrase would include anything having at least one color without limitation. Subject to, and without waiving,

the foregoing objections, Opposer refers Applicant to Opposer's Annual Reports, available to the public, and Bates labeled ENNI 0482 – 1560 produced herewith.

REQUEST 17: Produce all documents and things relating to the yearly cost to You of advertising, marketing, selling, and promoting works of color (including black and white) or services relating to Opposer's "COLORWORX" mark.

RESPONSE: Opposer objects to this Request as it is overbroad, irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. The phrase "works of color" is ambiguous, overbroad, harassing, irrelevant and vague because this phrase would include anything having at least one color without limitation. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to Opposer's Annual Reports, available to the public, and Bates labeled ENNI 0482 – 1560 produced herewith.

REQUEST 20: Produce all documents and things relating to Your yearly expenses to date and planned future expenses corresponding to each type of adverting and promotion used for works of color (including black and white) or services relating to Opposer's "COLORWORX" mark.

RESPONSE: Opposer objects to this Request as it is overbroad, irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. The phrase "works of color" is ambiguous, overbroad, harassing, irrelevant and vague because this phrase would include anything having at least one color without limitation. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to Opposer's Annual Reports, available to the public, and Bates labeled ENNI 0482 – 1560 produced herewith.

REQUEST 43: Produce all documents and things relating to the financial health of the ColorWorx mark, including all documents and things submitted to and received from the Internal Revenue Service and all accounting documents.

RESPONSE: Opposer objects to this Request as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to Opposer's Annual Reports, available to the public, and Bates labeled ENNI 0482 – 1560 produced herewith.

The applicant relies on his arguments in his motion to compel. In addition the Applicant submits that the opposer has produced a CD of the opposer's annual reports from 2000 to 2012, which the applicant already possessed and were already in the public domain. Apart from the pages exhibited in the motion to compel, the opposer's annual reports contain *no* specific information relating to its Colorworx Mark and design – no financial information whatsoever – and may thus be construed as a pseudo-production intended to deceive the applicant and the Board that the opposer is complying with its discovery obligations, when in fact the reverse is true.

REQUEST 32: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 9 of Applicant's First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Request as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Subject to, and

without waiving, the foregoing objections, Opposer refers Applicant to Opposer's Notice of Opposition.

The applicant relies on his arguments in his motion to compel and Interrogatory No. 9, above.

REQUEST 36: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 13 of Applicant's First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Request as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to documents Bates labeled ENNI 0480 – 0481 and 1563 produced in this proceeding, Opposer's Supplemental Disclosures, and Opposer's Supplemental answers to Applicant's First and Second Set of Interrogatories. Opposer has made a reasonable inquiry and except for the produced documents and prosecution history of U.S. Trademark Registration Number 3,372,884 for Opposer's "COLORWORX" mark, no other documents and things are known or readily obtainable by Opposer as the events in question occurred approximately eleven (11) years ago.

The applicant relies on his arguments in his motion to compel and Interrogatory Nos. 13 and 14, above.

REQUEST 37: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 14 of Applicant's First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Request as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to documents Bates labeled ENNI 0480 – 0481 and 1563 produced in this proceeding, Opposer's Supplemental Disclosures, and Opposer's Supplemental answers to Applicant's First and Second Set of Interrogatories. Opposer has made a reasonable inquiry and except for the produced documents and prosecution history of U.S. Trademark Registration Number 3,372,884 for Opposer's "COLORWORX" mark, no other documents and things are known or readily obtainable by Opposer as the events in question occurred approximately eleven (11) years ago.

The applicant relies on his arguments in his motion to compel and Interrogatory Nos. 13 and 14, above.

REQUEST 38: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 15 of Applicant's First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Request as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to Opposer's Supplemental answers to Applicant's First and Second Set of Interrogatories.

The applicant relies on his arguments in his motion to compel and Interrogatory Nos. 13, 14 and 15, above.

REQUEST 39: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 16 of Applicant's First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Request as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Additionally, Opposer asserts the attorney-client and work-product privileges.

The applicant relies on his arguments in his motion to compel and Interrogatory No. 16, above.

REQUEST 40: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 17 of Applicant's First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Request as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to Opposer's Supplemental answers to Applicant's First and Second Set of Interrogatories. Opposer has equal or greater access to the documents requested through the U.S. Trademark Trial and Appeal Board.

The applicant relies on his arguments in his motion to compel and Interrogatory No. 17, above.

REQUEST 42: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 19 of Applicant's First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Request as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Additionally, Opposer asserts the attorney-client and work-product privileges.

The applicant relies on his arguments in his motion to compel and Interrogatory No. 19, above.

Conclusion

For the above reasons, the applicant's motion to compel should be granted and the Board should compel the opposer to respond to the above Interrogatories and Requests for Production, without objection and within 30 days of the Board's order. The applicant also seeks a further and more definite statement of all documents in the opposer's privilege log dated August 27, 2012, and a privilege log of all documents over which Ennis claims privilege from August 27, 2012 to the date of the Board's decision concerning the present motion to compel, as well as *production* of those documents.

Dated: August 31, 2013

Respectfully submitted,

JOEL BELING

By: /Joel Beling/
Joel L. Beling, 1 Mirboo Court, Dallas, Victoria, 3047, Australia
(03) 8307 6932 (telephone)
0405 329 078 (cell)
joelbeling@hotmail.com
Applicant

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing **APPLICANT'S MODIFICATION OF REQUESTS SOUGHT UNDER MOTION TO COMPEL PURSUANT TO TRADEMARK RULE 2.120(e)(1)** was served on all parties, this the 31st day of August, 2013, by sending the same electronic mail, to the following:

Daniel Chalker
Jessica Flores
CHALKER FLORES, LLP
dchalker@chalkerflores.com
jflores@chalkerflores.com
ATTORNEYS FOR OPPOSER

/Joel Beling/
Joel Beling
Applicant

ESTTA Tracking number: **ESTTA559759**

Filing date: **09/16/2013**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91203884
Party	Plaintiff Ennis, Inc.
Correspondence Address	DANIEL J CHALKER CHALKER FLORES LLP 14951 N DALLAS PARKWAY, SUITE 400 DALLAS, TX 75254 UNITED STATES dchalker@chalkerflores.com, jflores@chalkerflores.com, docket@chalkerflores.com, cminchillo@chalkerflores.com
Submission	Opposition/Response to Motion
Filer's Name	Daniel J. Chalker
Filer's e-mail	dchalker@chalkerflores.com, docket@chalkerflores.com, cminchillo@chalkerflores.com
Signature	/Daniel J. Chalker/
Date	09/16/2013
Attachments	Opp's Response to Mod Motion to Compel 091613.pdf(596908 bytes) Opp's Resp to Mod - Exh A.pdf(80907 bytes) Opp's Resp to Mod - Exh B.pdf(140067 bytes) Opp's Resp to Mod - Exh C.pdf(182424 bytes) Opp's Resp to Mod - Exh D.pdf(105902 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In Re: Application Serial No. 85/324,443
For the Mark: COLOR WARS
Filed: May 18, 2011
Published in the Official Gazette: January 17, 2012

Ennis, Inc.)	
)	
Opposer)	
)	
v.	)	Opposition No. 91203884
)	
Joel L. Beling d/b/a Supa Characters Pty Ltd)	
)	
Applicant)	

Joel L. Beling d/b/a Supa Characters Pty Ltd,)	
)	
Petitioner,)	
)	
v.	)	Cancellation No. 92055374
)	
Ennis, Inc.	)	Registration No. 3,372,884
	)	Mark: COLORWORX
Registrant.)	

**OPPOSER’S RESPONSE TO APPLICANT’S
MODIFICATION OF REQUESTS SOUGHT UNDER MOTION TO COMPEL
PURSUANT TO TRADEMARK RULE 2.120(e)(1)**

Opposer, Ennis, Inc. (“Opposer” and/or “Registrant”), by and through its undersigned counsel and pursuant to 37 CFR § 2.127(a) and the Federal Rules of Civil Procedure, hereby files this its Response to Applicant’s Modification of Requests Sought Under Motion to Compel Pursuant to Trademark Rule 2.120(e)(1) (hereinafter referred to as “Applicant’s Modification”).

I. APPLICANT REPEATEDLY FAILED TO MAKE A GOOD FAITH EFFORT TO RESOLVE THE DISCOVERY ISSUES

Applicant failed to make a good faith effort to resolve the discovery issues prior to filing his Motion to Compel on June 20, 2013 (hereinafter referred to as “Applicant’s Motion to Compel”) as required by 37 C.F.R. § 2.120(e)(1) and TBMP § 523.02. Applicant again failed to make a good faith effort to resolve any remaining discovery issues after Opposer supplemented the following discovery responses on August 19, 2013 (hereinafter referred as “Opposer’s Supplemental Discovery Responses”): (a) Opposer’s Third Supplement to Initial Disclosures; (b) Opposer’s Supplemental Responses to Applicant’s First Request for Production; and (c) Opposer’s Supplemental Answers to Applicant’s First Set of Interrogatories. Most recently, Applicant failed to make a good faith effort to resolve any remaining discovery issues prior to filing Applicant’s Modification.

The “meet and confer” requirements of 37 C.F.R. § 2.120 require the moving party or its attorney to make “a good faith effort, by conference or correspondence, to resolve with the other party or the attorney therefor the issues presented in the motion” prior to filing a motion. A motion to compel that does not comply with the “meet and confer” requirements of 37 C.F.R. § 2.120 should be denied. *See e.g., Giant Food, Inc. v. Standard Terry Mills, Inc.*, 231 USPQ 626 (TTAB 1986); *MacMillan Bloedel Ltd v. Arrow-M Corp.*, 203 USPQ 952 (TTAB 1979).

A. Applicant failed to make a good faith effort to resolve the discovery issues prior to filing his Motion

Opposer refers the Board to Opposer’s Response to Applicant’s Motion to Compel Discovery Responses filed on July 5, 2013. For the reasons stated therein, Applicant’s Motion is procedurally deficient because it does not include the statement under 37 C.F.R. § 2.120(e)(1) and TBMP § 523.02 that it made a good faith effort to resolve the issues prior to filing the Motion to Compel on June 20, 2013. Moreover, Applicant failed to make a good faith effort to resolve the discovery issues prior to filing the Motion to Compel on June 20, 2013 as required by

37 C.F.R. § 2.120(e)(1) and TBMP § 523.02. Opposer respectfully requests that Applicant's Motion to Compel be denied in its entirety.

B. Applicant failed to make a good faith effort to resolve any remaining discovery issues before and after Opposer supplemented its discovery responses

Applicant failed to make a good faith effort to resolve the discovery issues before and after Opposer's Supplemental Discovery Responses were served on August 19, 2013. Applicant's definition of the good faith "meet and confer" requirements of 37 C.F.R. § 2.120 means provide the answers Applicant wants or else face more motions to compel:

Please advise your client to revise its answers to the following questions within one week from the date of this correspondence. . . .

[Listing of 27 Interrogatories]

***I submit my Interrogatories are clear, relevant, narrow and unambiguous.
I advise this document shall be relied on in a second motion to compel.***

(Exh. A, E-mail from Joel Beling to Daniel Chalker (Aug. 7, 2013, 9:07PM CDT)) (emphasis added).

Please advise your client to revise its answers to the following Requests within one week from the date of this correspondence. . . .

[Listing of 269 Requests for Admission]

***I submit my Interrogatories are clear, relevant, narrow and unambiguous.
I advise this document shall be relied on in a motion to test the sufficiency of
your client's (lack of) admissions.***

(Exh. B, E-mail from Joel Beling to Daniel Chalker (Aug. 9, 2013, 9:52AM CDT)) (emphasis added). Opposer's attorney responded that Opposer was reviewing the responses and that they would be supplemented no later than August 19, 2013. (Exh. C, E-mail from Daniel Chalker to Joel Beling (Aug. 9, 2013, 10:54AM CDT)). Following service of Opposer's Supplemental Discovery Responses, Applicant continued his "my way or the highway" "meet and confer" approach the next day:

Dear Mr Chalker,

Thank you for your client's updated responses. ***I still have issues and will be taking them up with the Board, unless your client wishes to consent to the below-mentioned stipulation*** so that we can work together to resolve our differences. I note your client did not update its responses to any of my Requests for Admission despite its opportunity to do so.

Would your client consent to a mutual stipulation extending the discovery period for both parties by 6 months (I should have had your client's full document production more than a year ago, together with honest and complete responses to my Discovery Requests)? ***If your client does not consent, I'll be filing a motion with the Board in any event citing your client's lack of co-operation in discovery and your most recent supplements as evidence therefor.***

If your client consents, please advise and send a signed stipulation with space for my signature.

Also, will your client consent to suspension of proceedings for depositions on written question?

Please advise.

Mr Beling

(Exh. D, E-mail from Joel Beling to Daniel Chalker (Aug. 20, 2013, 1:00PM CDT)) (emphasis added).

From May 15, 2013 until the filing of this Response, Applicant's continued "my way or the highway" "meet and confer" approach falls well short of a good faith effort to resolve the issues in Applicant's Motion to Compel. Moreover, Applicant continues to accuse Opposer of dilatory practices (*See* Applicant's Motion to Compel and Applicant's Modification), when Opposer has merely objected to what Applicant is not entitled to under the Federal Rules of Civil Procedure.

Applicant's continuing disregard of 37 C.F.R. § 2.120(e)(1) should not be condoned, and his Motion to Compel and Modification should be denied in full for failure to comply in full with that rule.

II. APPLICANT'S INTERPRETATION OF RULE 2.120(e)(1) IS INACCURATE AND THE MODIFICATION IS MOOT

Applicant filed its Modification essentially seeking to modify his discovery requests to Opposer. However, 37 C.F.R. 2.120(e)(1) does not allow for a “modification of requests.” In fact, 37 C.F.R. 2.120(e)(1) allows for an order on a Motion to Compel “[I]f a party . . . fails to answer any question propounded in a discovery deposition, or any interrogatory, or fails to produce and permit the inspection and copying of any document or thing, the party entitled to disclosure or seeking discovery may file a motion to compel . . .”

Opposer has fully responded and/or objected to Applicant's hundreds of discovery requests providing that information which Applicant is entitled to pursuant to the Federal Rules of Civil Procedure. Opposer has not withheld any information from Applicant, nor denied Applicant the right to utilize available discovery tools to obtain discovery he is entitled to in this proceeding. However, Applicant uses this Modification to seek additional discovery through extended explanations of what information should be provided or produced.

Applicant's disregard of 37 C.F.R. § 2.120(e)(1) should not be condoned, and his Motion to Compel and Modification should be denied in full for failure to comply in full with that rule.

III. RESPONSE TO ISSUES WHICH STILL REQUIRE ADJUDICATION BY THE BOARD

As shown below, Applicant's Modification repeatedly refers to Opposer's answers as “incomplete, evasive and dishonest” or “completely false and a blatant suppression of evidence at the heart of the dispute.” (*See* Modification at 2, 4, 5, 6, 7.) A response is not evasive or incomplete just because it does not provide the answer Applicant wants. For example, many of the requests ask for details or documents relating to events that took place approximately eleven years ago, yet Applicant complains that Opposer's responses do not provide the details Applicant wants. (*See* Modification at 4, 9 and 12). The fact that Opposer does not remember specific details or only has a few documents from the time in question are not sufficient grounds for

Applicant's Motion to Compel. For the purposes of a motion to compel, the answers must be evasive or an incomplete disclosure. *See* FRCP 37(a)(4). Moreover, Applicant's attempt to modify and/or clarify his discovery requests supports Opposer's objections that those requests are overbroad, harassing, irrelevant and/or not reasonable calculated to lead to the discovery of evidence admissible at trial.

A. Interrogatories

INTERROGATORY NO. 4: Define in detail your understanding of the phrases "color works" and "works of color."

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer is not aware of any definition or special meaning within the printing industry of the phrases "color works" and "works of color." As a result, Opposer does not have a detailed understanding of the phrases "color works" and "works of color."

Applicant objects to the Opposer's response because it is "highly dishonest and evasive" and Applicant is seeking understanding of two phrases that Applicant has created in an attempt to prove its case:

The applicant relies on his arguments in his motion to compel. In addition the applicant submits that opposer's answer is highly dishonest and evasive, because the Interrogatory does not request the definitions of the phrases "color works" and "works of color" in the printing industry. Rather, it seeks opposer's understanding of the two phrases. The relevance of the phrase "color works" is obvious, while the phrase "works of color" is simply the expanded version of the phrase "color works." If opposer argues that the phrases "color works" and "works of color" are not relevant to this proceeding, then it has no grounds for opposing the applicant's "COLOR WARS" Mark and it has filed a frivolous, unmeritorious opposition.

(Applicant's Modification at 2).

The phrases "color works" and "works of color" were created by Applicant. Opposer is unaware of any definition or special meaning within the printing industry for these phrases. Opposer's answer is honest and given under oath. The fact that Opposer does not have an understanding of phrases created by Applicant for the purposes of this proceeding does not make

the answer evasive or incomplete. Moreover, an answer that Applicant does not agree with or want does not provide proper grounds for a Motion to Compel.

Lastly, the Interrogatory is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial because the phrases were created by Applicant for the purposes of this proceeding, and they do not have any definition or special meaning within the printing industry. As a result, Applicant's Motion to Compel and Modification for Interrogatory No. 4 should be denied in its entirety.

INTERROGATORY NO. 9: Describe in detail the similarities and/or points of confusion and/or deception between the word "wars" and the word "works."

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer objects to this Interrogatory because it is not reasonably calculated to lead to the discovery of evidence admissible at trial because the word "works" does not appear in either mark. The likelihood of confusion analysis in this proceeding involves the marks "COLORWORX" and "COLOR WARS."

Applicant objects to the Opposer's response because Applicant does not understand the likelihood of confusion analysis applicable to these proceedings. More specifically, the Federal Circuit requires that the marks must be compared in their entireties and not dissected. *See In re Nat'l Data Corp.*, 753 F.2d 1056, 1058 (Fed. Cir. 1985) (cited by TMEP 1207.01(b)). Yet, Interrogatory No. 9 requires Opposer to improperly dissect the marks:

The applicant relies on his arguments in his motion to compel. In addition the Applicant submits that the word "works" is highly relevant to this proceeding because it is the actual spelling of part of the opposer's Mark, COLORWORX. Opposer's Mark is a compound word made up of two words, "color" and "worx." The word "worx" is simply an insignificant misspelling of the word "works," which is recognizable to all members of the public visually, semantically and aurally. One of the main points of difference between the opposer's mark and the applicant's mark is the distinction between the words "wars" and "worx," since both Marks share the word "color." Understanding the similarities and/or points of confusion and/or deception between the word "wars" and the word "worx" is arguably the crux of the entire opposition and is likely to lead to the discovery of an abundance of evidence admissible at trial.

(Applicant's Modification at 3).

An Interrogatory that requires Opposer to improperly apply the law regarding the likelihood of confusion analysis is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial. As a result, Opposer's objections are proper, and Opposer's answer that the likelihood of confusion analysis in this proceeding involves the marks "COLORWORX" and "COLOR WARS" is not evasive or incomplete. As a result, Applicant's Motion to Compel and Modification for Interrogatory No. 9 should be denied in its entirety.

INTERROGATORY NO. 10: Identify all facts, laws, information, or materials that Opposer relies on to support the contention that Applicant's mark is the same as, or substantially the same as, Opposer's mark in visual appearance and in pronunciation.

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, and requires Opposer to marshal its evidence prior to trial. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to Opposer's Notice of Opposition and Opposer's document production produced on May 24, 2012.

Opposer's Notice of Opposition explains specifically how the COLORWORX mark is used in interstate commerce as a trademark for a variety of printing goods and printing services including, but not limited to, business cards, letterhead, sell sheets, rack cards, postcards, brochures and posters since as early as August 2002. Applicant's description includes many of the same items for the COLOR WARS mark, including, but not limited to, brochures, stationery, cards, posters, graphic prints, and many additional items that are traditional print service items offered by Opposer. Opposer has consistently, through discovery and settlement offers, explained to Applicant exactly which items in Applicant's description help form the basis of this opposition. Opposer has not withheld any evidence relating to its contentions.

Moreover, the discovery period has not ended and Opposer has not made its preparations for trial, so Opposer does not have all the facts, laws, information or materials requested at this time. Opposer will supplement its response as and when required by the Federal Rules of Civil

Procedure. As a result, Applicant's Motion to Compel and Modification for Interrogatory No. 10 should be denied in its entirety.

INTERROGATORY NO. 13: Describe in detail the role and contributions made that each person identified in Interrogatory number 12 played in the selection, design and adoption of the "COLORWORX" mark.

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Lisa Goebel, Bill Tignanelli, David Crysler and Cindy Wronski contributed to the selection and adoption of the mark designed by Rachel Maples.

Applicant's complaint about Opposer's answer is fundamentally based on an allegation that "20 traders have used part of the opposer's mark (either the design element or the term COLORWORX) before the opposer" that is not stated in the Interrogatory:

The applicant relies on his arguments in his motion to compel. In addition the Applicant submits that the answer to this Interrogatory is critical to investigating the fraud allegations against the opposer. The applicant has alleged that the opposer has procured a trademark registration by fraud in that over 20 traders have used part of the opposer's mark (either the design element or the term COLORWORX) before the opposer, and that these third parties' details are part of the USPTO database. Ascertaining the role and contributions each of the four individuals identified in the opposer's answer played in the selection, design, and adoption of the "COLORWORX" mark is fundamental to determining the fraud allegations. The opposer's answer is utterly unresponsive, evasive and dishonest in that it simply lists the four individuals from Interrogatory No. 12 without describing their role and contributions.

(Applicant's Modification at 4).

A response is not evasive or incomplete just because it does not provide the answer Applicant wants. Moreover, the Interrogatory asks for details relating to events that took place approximately eleven years ago. Furthermore and as disclosed to Applicant, Rachel Maples no longer works for Opposer and her contact information is unknown. The fact that Opposer does not remember specific details or have access to such details from the time in question are not sufficient grounds for Applicant's Motion to Compel. Opposer has fully and honestly responded to the Interrogatory under oath. In addition, Opposer goes into other details in its answer to

Interrogatory No. 14 regarding how Opposer came to use the word “Color” in its mark. Opposer’s answer is not evasive or incomplete.

Moreover, Applicant’s attempt to modify and/or clarify his discovery requests supports Opposer’s objections that those requests are overbroad, harassing, irrelevant and/or not reasonable calculated to lead to the discovery of evidence admissible at trial. As a result, Applicant’s Motion to Compel and Modification for Interrogatory No. 13 should be denied in its entirety.

INTERROGATORY NO. 14: Describe in detail the rationale, philosophy and ideas behind the selection, design and adoption of each feature and/or part of the “COLORWORX” mark, including the logo, words, style of lettering, visual appearance, sound, compound/composite nature and misspelling.

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer Answers as follows: Opposer rebranded a line of products in 2002 that was initially branded with the “INSTACOLOR” mark. The mark “COLORWORX” incorporates part of the old brand and is reflective of the four-color printing process used by Opposer. Opposer has made a reasonable inquiry and except for the answers to this Interrogatory, more specific details are not known or readily obtainable by Opposer as the events in question occurred approximately eleven (11) years ago.

Applicant’s complaint about Opposer’s answer is fundamentally based on questions that are not stated in the Interrogatory:

The applicant relies on his arguments in his motion to compel. In addition the Applicant submits that the opposer’s answer is incomplete, evasive and dishonest. Opposer has not described how it created, selected or adopted its COLORWORX Mark, either the logo or the term COLORWORX. Did the opposer invent the term “Colorworx” (as it has claimed in an answer to a previous Interrogatory) or did it copy the term? There is no description of the rationale, philosophy and ideas in relation to the logo, words, style of lettering, visual appearance, sound, compound/composite nature and misspelling. Moreover, the opposer has produced several emails from 2002 concerning the selection of different variations of the term “Colorworx” and design (with different designs to the one in its registered Mark) and its claims that it cannot locate more specific details after a reasonable inquiry are completely false and a blatant suppression of evidence at the heart of the dispute, especially the fraud claims.

(Applicant’s Modification at 4-5).

A response is not evasive or incomplete just because it does not provide the answer Applicant wants. Moreover, the Interrogatory asks for details relating to events that took place approximately eleven years ago. Furthermore and as disclosed to Applicant, Rachel Maples no longer works for Opposer and her contact information is unknown. The fact that Opposer does not remember specific details or have access to such details from the time in question are not sufficient grounds for Applicant's Motion to Compel. Opposer has fully and honestly responded to the Interrogatory under oath. Opposer's answer is not evasive or incomplete.

Moreover, Applicant's attempt to modify and/or clarify his discovery requests supports Opposer's objections that those requests are overbroad, harassing, irrelevant and/or not reasonable calculated to lead to the discovery of evidence admissible at trial. As a result, Applicant's Motion to Compel and Modification for Interrogatory No. 14 should be denied in its entirety.

INTERROGATORY NO. 15: Describe in detail your understanding of the connections between each aspect of your answer to Interrogatory No. 14 and the works of color you sell, promote, advertise and distribute, including but not limited to business cards, letterhead, rack cards, postcards, brochures, and posters.

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer Answers as follows: The phrase "works of color" is ambiguous, overbroad, harassing, irrelevant and vague because this phrase would include anything having at least one color without limitation. Moreover, the phrase "understanding of the connections" is ambiguous and vague. Opposer states that Opposer's "COLORWORX" mark is used in connection with printing services provided by Opposer.

Applicant objects to the Opposer's response because it is "highly dishonest, evasive and incomplete," and Applicant is seeking to connect Opposer's mark and products to a phrase that Applicant has created in an attempt to prove its case:

The applicant relies on his arguments in his motion to compel. The opposer's answer is again highly dishonest, evasive and incomplete. The applicant submits that the phrase "works of color" is not ambiguous, overbroad, harassing, irrelevant and vague because the Interrogatory then lists specific works of color which the opposer has expressly

admitted to producing and selling under its COLORWORX mark: “business cards, letterhead, rack cards, postcards, brochures, and posters.” The phrase “understanding of the connections” is not ambiguous or vague because it seeks the opposer’s view or understanding of how different parts of its Colorworx Mark and design relate or connect to products the opposer has admitted selling under the Mark.

(Applicant’s Modification at 5).

The phrase “works of color” was created by Applicant. Opposer is unaware of any definition or special meaning within the printing industry for this phrase. Moreover, the phrase “understanding of the connections” is ambiguous and vague to the point that Applicant has to explain its alleged meaning in Applicant’s Modification. The fact that Opposer does not have an understanding of phrases created by Applicant for the purposes of this proceeding does not make the answer evasive or incomplete. Moreover, an answer that Applicant does not agree with or want does not provide proper grounds for a Motion to Compel.

Lastly, the Interrogatory is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial, because the phrase was created by Applicant for the purposes of this proceeding and it does not have any definition or special meaning within the printing industry. As a result, Applicant’s Motion to Compel and Modification for Interrogatory No. 15 should be denied in its entirety.

INTERROGATORY NO. 16: Identify every opinion, legal or otherwise, requested or received by you, regarding the right to use the marks “COLORWORX,” “COLOR WORX,” “COLORWORKS,” or “COLOR WORKS,” including the identity of the persons requesting the opinion, the date and substance of the opinion, and the persons receiving the opinion.

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Additionally, Opposer asserts the attorney-client and work-product privileges.

Opposer maintains its assertion of the attorney-client and work-product privileges pursuant to the Federal Rules of Evidence, Rule 502. The attorney-client privilege protects communications between an attorney and his client seeking legal opinion. The attorney work product privilege protects documents created by an attorney, on behalf of a client, during the process of a developing

Opposer’s Response to Applicant’s Modification of Requests Sought
Under Motion to Compel Pursuant to Trademark Rule 2.120(e)(1)

matter and is not discoverable. All information and/or documents that are not privileged have been produced in this proceeding. A privilege log was produced on August 27, 2012. As a result, Applicant's Motion to Compel and Modification for Interrogatory No. 16 should be denied in its entirety.

INTERROGATORY NO. 17: Describe in detail any instances in which you have been involved which have called into question, created conflict in respect of, or challenged the right to use the marks "COLORWORX," "COLOR WORX," "COLORWORKS," or "COLOR WORKS."

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer Answers as follows: Opposer filed a Notice of Opposition on February 10, 2012 against Pioneer Supply Company, Inc. for the Mark "PSC COLORWORKS", Application Serial No. 85/374,011, under Opposition No. 91203773. A default judgment was granted by TTAB on September 11, 2012 due to failure of Pioneer Supply Company, Inc. to answer the Notice of Opposition.

Applicant's complaint about Opposer's answer is fundamentally based on facts or questions that are not stated in the Interrogatory and an incorrect assumption that it is impossible for the answer to be complete:

The applicant relies on his arguments in his motion to compel. In addition the Applicant submits that this answer is dishonest and incomplete. It beggars belief to suggest that there has only been a single instance in 11 years wherein the opposer's Colorworx Mark has been questioned, or called into conflict or challenged, given the many individuals, groups, or companies which use the marks "COLORWORX," "COLOR WORX," "COLORWORKS," or "COLOR WORKS" in the United States. See petitioner's second amended petition to cancel for examples.

A response is not evasive or incomplete just because it does not provide the answer Applicant wants. Opposer has fully and honestly responded to the Interrogatory under oath. Opposer's answer is not evasive or incomplete. In light of Applicant's statement regarding Opponent's answer, Opposer further points out that Applicant is on a mere fishing expedition. As a result, Applicant's Motion to Compel and Modification for Interrogatory No. 17 should be denied in its entirety.

INTERROGATORY NO. 19: Identify and describe all facts, laws, information, or materials that Opposer found, discovered, became aware of and/or knew about before, during and after its registration of the COLORWORX mark involving use of the marks “COLORWORX,” “COLOR WORX,” “COLORWORKS,” or “COLOR WORKS.”

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Additionally, Opposer asserts the attorney-client and work-product privileges.

Subject to, and without waiving, the foregoing objections, Opposer Answers as follows: Opposer objects to this Interrogatory as being ambiguous, overbroad, harassing and vague because the Interrogatory does not provide sufficient information for Opposer to know what “COLORWORX,” “COLOR WORX,” “COLORWORKS,” or “COLOR WORKS” marks are being referred to. Opposer filed a Notice of Opposition on February 10, 2012 against Pioneer Supply Company, Inc. for the Mark “PSC COLORWORKS”, Application Serial No. 85/374,011, under Opposition No. 91203773. A default judgment was granted by TTAB on September 11, 2012 due to failure of Pioneer Supply Company, Inc. to answer the Notice of Opposition.

Applicant’s complaint about Opposer’s answer is fundamentally based on facts or questions that are not stated in the Interrogatory as the Interrogatory does not sufficiently identify what marks the Interrogatory is referring to:

The applicant relies on his arguments in his motion to compel. In addition the Applicant submits that the opposer’s response is blatantly evasive, dishonest and incomplete, feigning ignorance of “what ‘COLORWORX,’ ‘COLOR WORX,’ ‘COLORWORKS,’ or ‘COLOR WORKS’ marks are being referred to.” The Interrogatory is plain, self-explanatory and obvious on its face and simply requests the opposer’s knowledge or awareness of any “use[s] of the marks ‘COLORWORX,’ ‘COLOR WORX,’ ‘COLORWORKS,’ or ‘COLOR WORKS’”. The applicant’s arguments for the Board breaching the attorney-client and work-product privileges are contained in the motion to compel.

(Applicant’s Modification at 7).

If Applicant had specific marks in mind, they should have been identified so that Opposer could answer the question. Applicant’s Modification shows that the Interrogatory is fatally vague and ambiguous because Opposer is supposed to know what marks Applicant is referring to. A response is not evasive or incomplete just because it does not provide the answer Applicant wants. Opposer has fully and honestly responded to the Interrogatory under oath. Opposer’s answer is not evasive or incomplete.

Opposer maintains its assertion of the attorney-client and work-product privileges pursuant to the Federal Rules of Evidence, Rule 502. The attorney-client privilege protects communications between an attorney and his client seeking legal opinion. The attorney work product privilege protects documents created by an attorney, on behalf of a client, during the process of a developing matter and is not discoverable. All information and/or documents that are not privileged have been produced in this proceeding. A privilege log was produced on August 27, 2012. As a result, Applicant's Motion to Compel and Modification for Interrogatory No. 19 should be denied in its entirety.

B. Request for Production

Regarding Requests for Production 1-4 (*See* Modification, pgs. 2 and 7-8), the Board did not accept Opposer's Expert Designation, and thus, Opposer's argument for expert information and additional responses is moot.

Opposer specifically responds to Applicant's specific arguments below:

REQUEST 5: Produce all photographs, videotapes, drawings, and other tangible things that pertain in any way to the subject matter of this suit.

RESPONSE: Opposer refers Applicant to all of the documents produced in this proceeding Bates labeled ENNI 0001 – ENNI 1563.

Despite the fact that the Request does not ask for specific types of documents, Opposer produced 1563 pages of documents, which included proposed drawings of the COLORWORX mark created by a graphic artist over 10 years ago. The graphic artist is no longer employed by Opposer, and there are no additional documents in existence. A response is not evasive or incomplete just because it does not provide the answer Applicant wants. As a result, Applicant's Motion to Compel and Modification for Request No. 5 should be denied in its entirety.

REQUEST 8: Produce all oral or written statements made by You or Your representatives concerning this suit.

RESPONSE: None.

The applicant relies on his arguments in his motion to compel. In addition the Applicant submits that the opposer has not provided any written correspondence, including emails, made by it or its representatives concerning this suit. The applicant's arguments for the Board breaching the attorney-client and work-product privileges are referred to in the motion to compel and incorporated by reference.

Other than documents that are blatantly and obviously protected from disclosure, all responsive information and/or documents have been produced in this proceeding. In light of Applicant's statement regarding Applicant's answer, Opposer further points out to the Board that Applicant is on a mere fishing expedition. The fact that Applicant does not agree with or like the response is not grounds for a Motion to Compel. As a result, Applicant's Motion to Compel and Modification for Request No. 8 should be denied in its entirety.

REQUEST 9: Produce all documents and things relating to the creation, consideration, design, development, selection, adoption, and first use of the "COLORWORX" mark or any work of color (including black and white) or service.

RESPONSE: Opposer objects to this Request as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to documents Bates labeled ENNI 0480 – 0481 and ENNI 1563 produced herewith, as well as documents previously produced showing representative specimens. Opposer has made a reasonable inquiry and except for the produced documents and prosecution history of U.S. Trademark Registration Number 3,372,884 for Opposer's "COLORWORX" mark, no other documents and things are known or readily obtainable by Opposer as the events in question occurred approximately eleven (11) years ago.

A response is not evasive or incomplete just because it does not provide the documents Applicant wants. Moreover, the Request asks for documents relating to events that took place approximately eleven years ago. The fact that Opposer does not have any additional documents beyond those already produced is not sufficient grounds for Applicant's Motion to Compel. Opposer has fully and honestly responded to the Request. Opposer's response is not evasive or incomplete. As a result, Applicant's Motion to Compel and Modification for Request No. 9 should be denied in its entirety.

REQUEST 12: Produce all documents and things relating to the distribution channels through which works of color (including black and white) or services relating to Opposer's "COLORWORX" mark are advertised, marketed, sold, or promoted.

RESPONSE: Opposer is currently offering goods and services worldwide via the Internet and through qualified dealers. Opposer refers Applicant to Opposer's document production produced in this proceeding. The phrase "works of color" is ambiguous, overbroad, harassing, irrelevant and vague because this phrase would include anything having at least one color without limitation.

The phrase "works of color" was created by Applicant. Opposer is unaware of any definition or special meaning within the printing industry for this phrase. The fact that Opposer does not have an understanding of phrases created by Applicant for the purposes of this proceeding does not make the response evasive or incomplete. Moreover, a response that Applicant does not agree with or want does not provide proper grounds for a Motion to Compel. The response given by Opposer is as complete as possible.

Lastly, the Request is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial because the phrase was created by Applicant for the purposes of this proceeding and it does not have any definition or special meaning within the printing industry. As a result, Applicant's Motion to Compel and Modification for Request No. 12 should be denied in its entirety.

REQUEST 13: Produce all documents and things relating to the classes of customers to whom You advertise, market, sell, or promote works of color (including black and white) or services relating to Opposer's "COLORWORX" mark.

RESPONSE: Opposer is currently offering goods and services worldwide via the Internet and through qualified dealers. Opposer refers Applicant to Opposer's document production produced in this proceeding. Further, Opposer refers Applicant to Opposer's Answers and Supplemental Answers to Applicant's First and Second Set of Interrogatories. The phrase "works of color" is ambiguous, overbroad, harassing, irrelevant and vague because this phrase would include anything having at least one color without limitation.

The phrase "works of color" was created by Applicant. Opposer is unaware of any definition or special meaning within the printing industry for this phrase. The fact that Opposer does not have an understanding of phrases created by Applicant for the purposes of this

proceeding does not make the response evasive or incomplete. Moreover, a response that Applicant does not agree with or want does not provide proper grounds for a Motion to Compel. The response given by Opposer is as complete as possible.

Lastly, the Request is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial because the phrase was created by Applicant for the purposes of this proceeding and it does not have any definition or special meaning within the printing industry. As a result, Applicant's Motion to Compel and Modification for Request No. 13 should be denied in its entirety.

REQUEST 14: Produce all documents and things relating to the yearly dollar and unit volume of sales to date and projected future dollar and unit volume of sales for each of the works of color (including black and white) or services produced by Opposer in connection with the "COLORWORX" mark.

RESPONSE: Opposer objects to this Request as it is overbroad, irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to Opposer's Annual Reports, available to the public, and Bates labeled ENNI 0482 – 1560 produced herewith. The phrase "works of color" is ambiguous, overbroad, harassing, irrelevant and vague because this phrase would include anything having at least one color without limitation.

REQUEST 15: Produce all documents and things relating to variable and fixed costs for sales of works of color (including black and white) or services relating to Opposer's "COLORWORX" mark.

RESPONSE: Opposer objects to this Request as it is overbroad, irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. The phrase "works of color" is ambiguous, overbroad, harassing, irrelevant and vague because this phrase would include anything having at least one color without limitation. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to Opposer's Annual Reports, available to the public, and Bates labeled ENNI 0482 – 1560 produced herewith.

REQUEST 16: Produce all documents and things relating to gross and net profits from sales of works of color (including black and white) or services relating to Opposer's "COLORWORX" mark.

RESPONSE: Opposer objects to this Request as it is overbroad, irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. The phrase "works of color" is ambiguous, overbroad, harassing, irrelevant and vague because this phrase would include anything having at least one color without limitation. Subject to, and without waiving, the foregoing objections, Opposer refers

Applicant to Opposer's Annual Reports, available to the public, and Bates labeled ENNI 0482 – 1560 produced herewith.

REQUEST 17: Produce all documents and things relating to the yearly cost to You of advertising, marketing, selling, and promoting works of color (including black and white) or services relating to Opposer's "COLORWORX" mark.

RESPONSE: Opposer objects to this Request as it is overbroad, irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. The phrase "works of color" is ambiguous, overbroad, harassing, irrelevant and vague because this phrase would include anything having at least one color without limitation. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to Opposer's Annual Reports, available to the public, and Bates labeled ENNI 0482 – 1560 produced herewith.

REQUEST 20: Produce all documents and things relating to Your yearly expenses to date and planned future expenses corresponding to each type of adverting and promotion used for works of color (including black and white) or services relating to Opposer's "COLORWORX" mark.

RESPONSE: Opposer objects to this Request as it is overbroad, irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. The phrase "works of color" is ambiguous, overbroad, harassing, irrelevant and vague because this phrase would include anything having at least one color without limitation. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to Opposer's Annual Reports, available to the public, and Bates labeled ENNI 0482 – 1560 produced herewith.

REQUEST 43: Produce all documents and things relating to the financial health of the ColorWorx mark, including all documents and things submitted to and received from the Internal Revenue Service and all accounting documents.

RESPONSE: Opposer objects to this Request as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to Opposer's Annual Reports, available to the public, and Bates labeled ENNI 0482 – 1560 produced herewith.

Other than what is available in the public domain, Opposer is not entitled to financial information, whether related to the COLORWORX mark, or to Ennis. Such information is not reasonably calculated to lead to the discovery of evidence admissible at trial because Opposer's financial information does not relate to an element of the likelihood of confusion analysis. Opposer maintains that its objections are valid. As a result, Applicant's Motion to Compel and Modification for Request Nos. 14-17, 20 and 43 should be denied in its entirety.

REQUEST 32: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 9 of Applicant's First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Request as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to Opposer's Notice of Opposition.

Applicant objects to the Opposer's response because Applicant does not understand the likelihood of confusion analysis applicable to these proceedings. More specifically, the Federal Circuit requires that the marks must be compared in their entirety and not dissected. *See In re Nat'l Data Corp.*, 753 F.2d 1056, 1058 (Fed. Cir. 1985) (cited by TMEP 1207.01(b)). Yet, Interrogatory No. 9 to which Request No. 32 refers requires Opposer to improperly dissect the marks.

A Request that requires Opposer to improperly apply the law regarding the likelihood of confusion analysis is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial. As a result, Opposer's objections are proper and As a result, Applicant's Motion to Compel and Modification for Request No. 32 should be denied in its entirety.

REQUEST 36: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 13 of Applicant's First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Request as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to documents Bates labeled ENNI 0480 – 0481 and 1563 produced in this proceeding, Opposer's Supplemental Disclosures, and Opposer's Supplemental answers to Applicant's First and Second Set of Interrogatories. Opposer has made a reasonable inquiry and except for the produced documents and prosecution history of U.S. Trademark Registration Number 3,372,884 for Opposer's "COLORWORX" mark, no other documents and things are known or readily obtainable by Opposer as the events in question occurred approximately eleven (11) years ago.

REQUEST 37: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 14 of Applicant's First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Request as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to documents Bates labeled ENNI 0480 – 0481 and 1563 produced in this proceeding, Opposer’s Supplemental Disclosures, and Opposer’s Supplemental answers to Applicant’s First and Second Set of Interrogatories. Opposer has made a reasonable inquiry and except for the produced documents and prosecution history of U.S. Trademark Registration Number 3,372,884 for Opposer’s “COLORWORX” mark, no other documents and things are known or readily obtainable by Opposer as the events in question occurred approximately eleven (11) years ago.

A response is not evasive or incomplete just because it does not provide the answer Applicant wants. Moreover, the Interrogatory to which the Requests refer to asks for details relating to events that took place approximately eleven years ago. The fact that Opposer does not have documents (other than those produced) from the time in question are not sufficient grounds for Applicant’s Motion to Compel. Opposer has fully and honestly responded to the Request under oath. Opposer’s response is not evasive or incomplete.

Moreover, Applicant’s attempt to modify and/or clarify his discovery requests supports Opposer’s objections that those requests are overbroad, harassing, irrelevant and/or not reasonably calculated to lead to the discovery of evidence admissible at trial. As a result, Applicant’s Motion to Compel and Modification for Requests No. 36 and 37 should be denied in their entirety.

REQUEST 38: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 15 of Applicant’s First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Request as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to Opposer’s Supplemental answers to Applicant’s First and Second Set of Interrogatories.

The Request refers to an Interrogatory that uses the phrase “works of color”, which was created by Applicant. Opposer is unaware of any definition or special meaning within the printing industry for this phrase. Moreover, the phrase “understanding of the connections” in the

Interrogatory is ambiguous and vague to the point that Applicant has to explain its alleged meaning in Applicant's Modification. The fact that Opposer does not have an understanding of phrases created by Applicant for the purposes of this proceeding does not make the answer evasive or incomplete. Moreover, an answer that Applicant does not agree with or want does not provide proper grounds for a Motion to Compel.

Lastly, the Request is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial because the phrase was created by Applicant for the purposes of this proceeding and it does not have any definition or special meaning within the printing industry. As a result, Applicant's Motion to Compel and Modification for Request No. 38 should be denied in its entirety.

REQUEST 39: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 16 of Applicant's First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Request as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Additionally, Opposer asserts the attorney-client and work-product privileges.

Opposer maintains its assertion of the attorney-client and work-product privileges pursuant to the Federal Rules of Evidence, Rule 502. The attorney-client privilege protects communications between an attorney and his client seeking legal opinion. The attorney work product privilege protects documents created by an attorney, on behalf of a client, during the process of a developing matter and is not discoverable. All information and/or documents that are not privileged have been produced in this proceeding. A privilege log was produced on August 27, 2012. As a result, Applicant's Motion to Compel and Modification for Request No. 39 should be denied in its entirety.

REQUEST 40: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 17 of Applicant's First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Request as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Subject to, and without waiving, the foregoing objections, Opposer refers Applicant to Opposer's Supplemental answers to Applicant's First and Second Set of Interrogatories. Opposer has equal or greater access to the documents requested through the U.S. Trademark Trial and Appeal Board.

A response is not evasive or incomplete just because it does not provide the answer Applicant wants. Opposer has fully and honestly responded to the Request. Opposer's response is not evasive or incomplete. In light of Applicant's statement regarding Opponent's response, Opposer further points out that Applicant is on a mere fishing expedition. As a result, Applicant's Motion to Compel and Modification for Request No. 40 should be denied in its entirety.

REQUEST 42: Produce all documents and things relating to the information requested to be identified in Interrogatory No. 19 of Applicant's First Set of Interrogatories to Opposer.

RESPONSE: Opposer objects to this Request as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Additionally, Opposer asserts the attorney-client and work-product privileges.

Applicant's complaint about Opposer's response to this Request and the answer to the Interrogatory this Request refers to is fundamentally based facts or questions that are not stated in the Interrogatory as the Interrogatory does not sufficiently identify what marks the Interrogatory is referring to. If Applicant had specific marks in mind, they should have been identified so that Opposer could answer the question. Applicant's Modification shows that the Interrogatory is fatally vague and ambiguous because Opposer is supposed to know what marks Applicant is referring to. A response is not evasive or incomplete just because it does not provide the answer Applicant wants. Opposer has fully and honestly responded to the Interrogatory under oath. Opposer's answer is not evasive or incomplete.

Opposer maintains its assertion of the attorney-client and work-product privileges pursuant to the Federal Rules of Evidence, Rule 502. The attorney-client privilege protects communications

between an attorney and his client seeking legal opinion. The attorney work product privilege protects documents created by an attorney, on behalf of a client, during the process of a developing matter and is not discoverable. All information and/or documents that are not privileged have been produced in this proceeding. As a result, Applicant's Motion to Compel and Modification for Request No. 42 should be denied in its entirety.


IV. CONCLUSION

Applicant failed to make a good faith effort to resolve the discovery issues prior to filing the Motion to Compel on June 20, 2013 and again after Opposer supplements its discovery responses as required by 37 C.F.R. § 2.120(e)(1) and TBMP § 523.02, and is now attempting to continue discovery by modifying his requests. However, 37 C.F.R. 2.120(e)(1) does not allow for a "modification of requests." In fact, 37 C.F.R. 2.120(e)(1) allows for an order on a Motion to Compel. Opposer respectfully requests that Applicant's Motion to Compel and Modification of Requests Under Motion to Compel Pursuant to Trademark Rule 2.120(e)(1) be denied in their entirety.

Dated: September 16, 2013

Respectfully submitted,

CHALKER FLORES, LLP

By: 
Daniel J. Chalker
State Bar No. 00794951
14951 N. Dallas Parkway, Suite 400
Dallas, Texas 75254
(214) 866-0001 (telephone)
(214) 866-0010 (telecopy)
dchalker@chalkerflores.com
jflores@chalkerflores.com

**ATTORNEYS FOR
OPPOSER/REGISTRANT**

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing OPPOSER'S RESPONSE TO APPLICANT'S MODIFICATION OF REQUESTS SOUGHT UNDER MOTION TO COMPEL PURSUANT TO was served on all counsel of record, this the 16th of September, 2013, by sending the same via electronically through the Electronic System for Trademark Trials and Appeal ("ESTTA") and electronic mail service.



Daniel J. Chalker

Subject: Meet and Confer Email

Date: Wednesday, August 7, 2013 9:07:53 PM Central Daylight Time

From: Joel Beling

To: Daniel Chalker, Jesica Flores, Cynthia Minchillo

7 August 2013

Mr Daniel Chalker and Ms Jesica Flores
Attorneys-at-Law
Chalker Flores

Dear attorneys,

Re: Opposition No. 91203884 and Cancellation No. 92055374

I refer to the below-mentioned Interrogatories and seek honest and complete answers from your client as part of my "meet and confer" requirements under the Trademark Rules.

The below-mentioned Interrogatories are relevant to your client's credibility and honesty in fulfilling its Discovery obligations, to Chalker Flores' former attorney's (lack of) compliance with the Federal Rules of Civil Procedure, and to the fraud claims, the genericness and descriptiveness claims, the unable to distinguish claim and your client's claims in its opposition.

I note it has been between one month and one year since your client's statutory deadline to answer my Interrogatories and your client has failed to honestly and completely answer these critical requests.

Please advise your client to revise its answers to the following questions within one week from the date of this correspondence. Alternatively, if your client and the former attorneys in your firm are happy with their responses, please indicate that they stand by their objections and responses.

-Registrant's Objections and Answers to Petitioner's First Set of Interrogatories dated 13 July 2012
Interrogatories: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12

-Registrant's Objections and Answers to Petitioner's Second Set of Interrogatories dated 25 July 2012
Interrogatories: 13, 14, 15, 16, 17

-Opposer's Objections and Answers to Applicant's Second Set of Interrogatories dated 27th June 2013
Interrogatories: 20, 21, 22, 23, 24, 25, 26, 27, 28, 29

I submit my Interrogatories are clear, relevant, narrow and unambiguous.

I advise this document shall be relied on in a second motion to compel discovery.

I look forward to your client's honesty and co-operation.

Regards,

/JOEL BELING/

Joel Beling

Applicant

Subject: Opposition No. 91203884; Cancellation No. 92055374

Date: Friday, August 9, 2013 9:52:44 AM Central Daylight Time

From: Joel Beling

To: Cynthia Minchillo, Daniel Chalker, Jesica Flores

9 August 2013

Mr Daniel Chalker and Ms Jesica Flores
Attorneys-at-Law
Chalker Flores

Dear attorneys,

Re: Opposition No. 91203884 and Cancellation No. 92055374

I refer to the below-mentioned Requests for Admission and seek honest and complete answers from your client as part of my "meet and confer" requirements under the Trademark Rules.

The below-mentioned Requests are relevant to your client's credibility and honesty in fulfilling its Discovery obligations, to Chalker Flores' former attorney's (lack of) compliance with the Federal Rules of Civil Procedure, and to the fraud claims, the genericness and descriptiveness claims, the unable to distinguish claim and your client's claims in its opposition.

I note it has been between one month and one year since your client's statutory deadline to answer my Requests honestly and sufficiently.

Please advise your client to revise its answers to the following Requests within one week from the date of this correspondence. Alternatively, if your client and the former attorneys in your firm are happy with their responses, please indicate that they stand by their objections and responses.

-Opposer's Objections and Answers to Applicant's First Request for Admissions dated 11 June 2012
Requests: 3, 4, 9, 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 23, 24, 29, 30, 31, 32, 33, 34, 36, 37, 38, 39, 40, 41

-Opposer's Objections and Answers to Applicant's Second Request for Admissions dated 25th July 2012
Requests: 42, 43, 44, 45, 46, 47, 48, 50, 51, 52, 53, 54, 55, 56, 57, 58, 60, 61, 62, 63, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 77, 78, 79

-Opposer's Objections and Answers to Applicant's Third Request for Admissions dated 13 August 2012
Requests: 93, 94, 95, 96, 97, 98

-Opposer's Objections and Answers to Applicant's Fourth Request for Admissions dated 28 June 2013
Requests: 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 124, 127, 128, 129, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 142, 146, 147, 149, 150, 151, 152, 153, 154, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 193, 194, 195, 196, 198, 199, 200, 201, 203, 204, 206, 207, 208, 209, 211, 212, 214, 215, 216, 217, 218, 220, 221, 223, 224, 225, 226, 227, 229, 230, 232, 233, 235, 236, 237, 238, 239, 241, 242, 243, 245, 246, 247, 248, 249, 250, 251, 253, 254, 255, 256, 257, 259, 260, 261, 262, 263, 265, 266, 267, 268, 269, 271, 272, 273, 274, 276, 277, 278, 279, 280, 282, 283, 284, 285, 286, 287, 288, 289, 290, 292, 293, 295, 296, 297, 298, 299, 300, 301, 303, 304, 305

-Registrant's Objections and Responses to Petitioner's First Request for Admissions dated 13th July 2012
Requests: 1, 2, 3, 4, 5, 6, 7, 8, 9, 12, 13, 14, 19, 20, 21, 22, 23, 24, 25, 27, 28, 29, 30, 31, 32, 33, 34, 35, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50

I submit my Requests are clear, relevant, narrow and unambiguous.

I advise this document shall be relied on in a motion to test the sufficiency of your client's (lack of) admissions.

I also seek a stipulation with respect to the filing of any subsequent motion to test the sufficiency of admissions and compliance with Trademark Rule §2.120(h)(1), that, by virtue of your client's failure to reasonably admit such a voluminous number of Requests for Admission, that full copies of the challenged Requests for Admission as well as the answers thereto may be referred to by date, document title and number if they are already of record, and, if they are not already of record, that they may be referred to by date, document title and number with the full challenged Requests for Admission as well as the answers thereto attached as an exhibit.

I look forward to your client's honesty and co-operation.

Regards,

/JOEL BELING/

Joel Beling

Applicant

From: cminchillo@chalkerflores.com
To: joelbeling@hotmail.com
CC: dchalker@chalkerflores.com
Date: Wed, 7 Aug 2013 18:31:35 -0400
Subject: Opposition No. 91203884; Cancellation No. 92055374

Mr. Beling:

Attached please find the documents you requested. If you have any questions, please do not hesitate to contact us.

Sincerely,

Cynthia Minchillo, RP | **Chalker Flores, LLP**
PACE® Registered Paralegal - Intellectual Property
14951 North Dallas Parkway, Suite 400 | Dallas, Texas 75254
Phone: 214-866-0001 | Fax: 214-866-0010 | DD: 214-445-4055
cminchillo@chalkerflores.com | www.chalkerflores.com



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Subject: Re: Opposition No. 91203884; Cancellation No. 92055374
Date: Friday, August 9, 2013 10:54:01 AM Central Daylight Time
From: Daniel Chalker
To: Joel Beling
CC: Cynthia Minchillo, Jesica Flores

Mr. Beling,

As I mentioned in my August 5, 2013 e-mail, we are working with our client to review and supplement our responses to your discovery requests. We will provide the supplemental responses to you no later than August 19.

We continue to be disappointed by your unprofessional and disparaging assertions regarding our client and our law firm. We obviously disagree with your inflammatory statements and ask that you eliminate such counterproductive statements from your correspondence and pleadings. We also disagree that your discovery requests are clear, relevant, narrow and unambiguous.

Daniel

Daniel J. Chalker | Chalker Flores, LLP
14951 North Dallas Parkway, Suite 400 | Dallas, Texas 75254
Phone: 214-866-0001 | Fax: 214-866-0010
dchalker@chalkerflores.com | www.chalkerflores.com

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From: Joel Beling <joelbeling@hotmail.com>

Date: Friday, August 9, 2013 9:52 AM

To: Cynthia Minchillo <cminchillo@chalkerflores.com>, Daniel Chalker <dchalker@chalkerflores.com>, Jesica Flores <jflores@chalkerflores.com>

Subject: Opposition No. 91203884; Cancellation No. 92055374

9 August 2013

Mr Daniel Chalker and Ms Jesica Flores
Attorneys-at-Law
Chalker Flores

Dear attorneys,

Re: Opposition No. 91203884 and Cancellation No. 92055374

I refer to the below-mentioned Requests for Admission and seek honest and complete answers from your client as part of my "meet and confer" requirements under the Trademark Rules.

The below-mentioned Requests are relevant to your client's credibility and honesty in fulfilling its Discovery obligations, to Chalker Flores' former attorney's (lack of) compliance with the Federal Rules of Civil Procedure, and to the fraud claims, the genericness and descriptiveness claims, the unable to distinguish claim and your client's claims in its opposition.

I note it has been between one month and one year since your client's statutory deadline to answer my Requests honestly and sufficiently.

Please advise your client to revise its answers to the following Requests within one week from the date of this correspondence. Alternatively, if your client and the former attorneys in your firm are happy with their responses, please indicate that they stand by their objections and responses.

-Opposer's Objections and Answers to Applicant's First Request for Admissions dated 11 June 2012
Requests: 3, 4, 9, 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 23, 24, 29, 30, 31, 32, 33, 34, 36, 37, 38, 39, 40, 41

-Opposer's Objections and Answers to Applicant's Second Request for Admissions dated 25th July 2012
Requests: 42, 43, 44, 45, 46, 47, 48, 50, 51, 52, 53, 54, 55, 56, 57, 58, 60, 61, 62, 63, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 77, 78, 79

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Requests: 93, 94, 95, 96, 97, 98

-Opposer's Objections and Answers to Applicant's Fourth Request for Admissions dated 28 June 2013
Requests: 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 124, 127, 128, 129, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 142, 146, 147, 149, 150, 151, 152, 153, 154, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 193, 194, 195, 196, 198, 199, 200, 201, 203, 204, 206, 207, 208, 209, 211, 212, 214, 215, 216, 217, 218, 220, 221, 223, 224, 225, 226, 227, 229, 230, 232, 233, 235, 236, 237, 238, 239, 241, 242, 243, 245, 246, 247, 248, 249, 250, 251, 253, 254, 255, 256, 257, 259, 260, 261, 262, 263, 265, 266, 267, 268, 269, 271, 272, 273, 274, 276, 277, 278, 279, 280, 282, 283, 284, 285, 286, 287, 288, 289, 290, 292, 293, 295, 296, 297, 298, 299, 300, 301, 303, 304, 305

-Registrant's Objections and Responses to Petitioner's First Request for Admissions dated 13th July 2012
Requests: 1, 2, 3, 4, 5, 6, 7, 8, 9, 12, 13, 14, 19, 20, 21, 22, 23, 24, 25, 27, 28, 29, 30, 31, 32, 33, 34, 35, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50

I submit my Requests are clear, relevant, narrow and unambiguous.

I advise this document shall be relied on in a motion to test the sufficiency of your client's (lack of) admissions.

I also seek a stipulation with respect to the filing of any subsequent motion to test the sufficiency of admissions and compliance with Trademark Rule §2.120(h)(1), that, by virtue of your client's failure to reasonably admit such a voluminous number of Requests for Admission, that full copies of the challenged Requests for Admission as well as the answers thereto may be referred to by date, document title and number if they are already of record, and, if they are not already of record, that they may be referred to by date, document title and number with the full challenged Requests for Admission as well as the answers thereto attached as an exhibit.

I look forward to your client's honesty and co-operation.

Regards,

/JOEL BELING/

Joel Beling

Applicant

From: cminchillo@chalkerflores.com
To: joelbeling@hotmail.com
CC: dchalker@chalkerflores.com
Date: Wed, 7 Aug 2013 18:31:35 -0400
Subject: Opposition No. 91203884; Cancellation No. 92055374

Mr. Beling:

Attached please find the documents you requested. If you have any questions, please do not hesitate to contact us.

Sincerely,

Cynthia Minchillo, RP | **Chalker Flores, LLP**
PACE® Registered Paralegal - Intellectual Property
14951 North Dallas Parkway, Suite 400 | Dallas, Texas 75254
Phone: 214-866-0001 | Fax: 214-866-0010 | DD: 214-445-4055
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Subject: RE: Opposition No. 91203884; Cancellation No. 92055374
Date: Tuesday, August 20, 2013 1:00:08 PM Central Daylight Time
From: Joel Beling
To: Cynthia Minchillo, Daniel Chalker, Jesica Flores

Dear Mr Chalker,

Thank you for your client's updated responses. I still have issues and will be taking them up with the Board, unless your client wishes to consent to the below-mentioned stipulation so that we can work together to resolve our differences. I note your client did not update its responses to any of my Requests for Admission despite its opportunity to do so.

Would your client consent to a mutual stipulation extending the discovery period for both parties by 6 months (I should have had your client's full document production more than a year ago, together with honest and complete responses to my Discovery Requests)? If your client does not consent, I'll be filing a motion with the Board in any event citing your client's lack of co-operation in discovery and your most recent supplements as evidence therefor.

If your client consents, please advise and send a signed stipulation with space for my signature.

Also, will your client consent to suspension of proceedings for depositions on written question?

Please advise.

Mr Beling

From: cminchillo@chalkerflores.com
To: joelbeling@hotmail.com
CC: dchalker@chalkerflores.com
Date: Mon, 19 Aug 2013 21:05:41 -0400
Subject: RE: Opposition No. 91203884; Cancellation No. 92055374

Dear Mr. Beling:

Attached please find the following discovery responses:

Opposer's Third Supplement to Initial Disclosures;
Opposer's Supplemental Responses to Applicant's First Request for Production; and
Opposer's Supplemental Answers to Applicant's First Set of Interrogatories.

The additional documents referenced in the discovery responses will be shipped to you via Federal Express tomorrow, August 20, 2013.

Last, please find a copy of Opposer's Notice of Discovery being filed with the Trademark Trial and Appeal Board.

If you should have any questions, please do not hesitate to contact us. Thank you.

Sincerely,

Cynthia Minchillo, RP | **Chalker Flores, LLP**
PACE® Registered Paralegal - Intellectual Property
14951 North Dallas Parkway, Suite 400 | Dallas, Texas 75254
Phone: 214-866-0001 | Fax: 214-866-0010 | DD: 214-445-4055
cminchillo@chalkerflores.com | www.chalkerflores.com



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ESTTA Tracking number: **ESTTA560943**

Filing date: **09/23/2013**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91203884
Party	Defendant Joel L. Beling DBA Supa Characters Pty Ltd
Correspondence Address	JOEL L BELING 1 MIRBOO COURT DALLAS VICTORIA, 3047 AUSTRALIA joelbeling@hotmail.com
Submission	Reply in Support of Motion
Filer's Name	Joel Beling
Filer's e-mail	joelbeling@hotmail.com
Signature	/Joel Beling/
Date	09/23/2013
Attachments	Applicant's Reply to Opposer's Response.pdf(47658 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In re Registration No. 3,372,884 (COLORWORX), Registered January 22, 2008

Opposition No. 91203884

Ennis Inc.

v.

Joel L. Beling d/b/a Supa Characters Pty Ltd

Cancellation No. 92055374

Joel L. Beling d/b/a Supa Characters Pty Ltd

v.

Ennis, Inc.

**APPLICANT'S REPLY TO OPPOSER'S RESPONSE TO APPLICANT'S
MODIFICATION OF REQUESTS SOUGHT UNDER MOTION TO COMPEL
PURSUANT TO TRADEMARK RULE 2.120(e)(1)**

To: Ennis Inc. 2441 Presidential Parkway, Midlothian, TX 76065, United States.

The Applicant hereby files this Reply to Opposer's Response to Applicant's Modification of Requests Sought Under Motion to Compel Pursuant to Trademark Rule 2.120(e)(1) (hereinafter referred to as "Opposer's Response").

1. Improper and Inappropriate Matters Raised by the Opposer

The Opposer's Response improperly and inappropriately refers to a number of irrelevant matters which are clearly beyond the scope of the applicant's motion to compel. Firstly, Exhibits A, B and C refer to Discovery Requests which are not currently before the Board. The opposer's inclusion of these

Exhibits is a clear waste of the Board's and the applicant's time and resources. Secondly, the Opposer's Response refers to settlement offers, which are clearly "without prejudice." Opposer's Response, at 8.

2. *The Opposer's Baseless "Meet and Confer" Submissions*

The Opposer's Response alleges the applicant failed to "meet and confer" with the opposer prior to filing the motion to compel. Opposer's Response, at 2-4. The applicant clearly met and conferred with the opposer prior to filing the motion to compel. The correspondence documenting the applicant's good faith attempts to resolve the discovery dispute is included as exhibits to the motion to compel. If the opposer or the opposer's current legal counsel takes issue with the manner in which the opposer's former legal counsel (Mr. Scott Myer and Mr. Thomas Jacks, both of whom are partners at Chalker Flores LLP) conducted discovery on the opposer's behalf, then perhaps the opposer or the opposer's current legal counsel should consider discussing their issues with Messrs Myer and Jacks, instead of wasting the Board's and the applicant's time and resources with frivolous submissions. The applicant is entitled to rely on the correspondences certified by Messrs Myer and Jacks on behalf of the opposer because both are qualified legal counsel, in fact holding themselves out as specialists in intellectual property law.

Moreover, the applicant points out that the opposer made the same baseless "meet and confer" submissions in its opposition to the motion to compel (*see* TTABVUE Doc. #30), then proceeded to completely undercut the force of those submissions by revising its answers to the applicant's interrogatories, revealing the identities of seven individuals with discoverable information which it had been concealing for the previous 13 months, and producing over 1100 (mostly irrelevant) documents which it had been blatantly concealing for the previous 13 months, despite a clear legal obligation to produce them. *See* TTABVUE Doc. #33.

Finally, in reply to the opposer's assertion that the applicant failed to "meet and confer" with it after the opposer supplemented its discovery responses on the 19th August, 2013 (after 13 months of dishonesty, non-cooperation, stonewalling, evasiveness, incomplete responses, and burying of evidence), the applicant points out that the Board's Order dated 22nd August, 2013 does not require the applicant to

“meet and confer” with the opposer again; it simply requires the applicant to inform the Board in writing of any issues which do not require adjudication pursuant to Trademark Rule 2.120(e)(1). TTABVUE Doc. #35, at 1.

3. *Modification of the Applicant’s Requests*

Contrary to the opposer’s submissions in its Response, the applicant submits that it is allowed to modify its requests under 37 C.F.R. 2.120(e)(1). Put simply, the opposer has responded to the applicant’s discovery requests in a manner which is highly dishonest, dilatory, evasive, and incomplete and which demonstrates a blatant intent to conceal evidence. If this submission was not true, then the entirety of the opposer’s supplementary discovery dated 19th August, 2013 would be redundant. The opposer has provided the identities of seven individuals with discoverable information, revised all of its answers to the applicant’s interrogatories, and produced over 1100 (mostly irrelevant) documents which it had been hitherto concealing. The applicant filed his motion to compel based on the discovery responses he had received from the opposer as at the 20th June, 2013. Because the Board scrutiny triggered by the filing of the applicant’s motion to compel has *forced* the opposer to show a modicum of honesty, co-operation and punctuality, the opposer’s supplemented discovery responses dated 19th August, 2013 bear little resemblance to those which were provided to the applicant on the 11th June, 2013. *See* TTABVUE Docs. 26 & 33. The opposer cannot be allowed to benefit from its own wrongdoing. Logic, fairness and public policy also militate toward allowing the applicant to modify his discovery requests. On these bases, the applicant should be allowed to modify his discovery requests.

4. *The Opposer’s Credibility/Selective Memory*

The applicant submits that the opposer’s response that it “does not remember specific details or only has a few documents from the time in question” and “does not remember specific details or have access to such details from the time in question” is a complete falsehood and fabrication.

Opposer's Response, at 5, 9 & 11. In essence, the opposer is stating that each of the eight representatives it has identified in its *Third* Supplement to Initial Disclosures dated 19th August 2013 (the opposer has to keep supplementing its responses and disclosures because it keeps concealing evidence and being caught out) – Steve Osterloh, Vice President of Marketing; Bill Tignanelli, General Manager, Admore; Lisa Goebbel, Marketing Manager, Admore; David Crysler, General Manager of Colorworx Brand; Cindy Wronski, Data Processing Director, Admore; Rachel Maples, Former Graphic Designer; Angela Bowers, Former Customer Service Representative; and Zack Smith, Former Marketing Manager – does not remember how the opposer's COLORWORX Mark and design was created. The corollary, if the opposer's submissions are to be believed, is that Ennis Inc. is now selling goods and services under a brand and has a current trademark registration for a mark the origins of which are completely unknown. The opposer's argument runs as follows:

Yes, we did create the Colorworx Mark and the design element the subject of this proceeding but we can't remember how we created it. We've been in business 103 years, we have over 6,000 employees worldwide, we help serve over 40,000 global distributors and we currently run over 50 facilities across more than 20 states, Canada and Mexico,¹ but we honestly have no idea how we created our Colorworx Mark and the design element. We just don't. We can't remember.

Strangely, another inference which may be drawn from the opposer's claims of memory loss is that there are at least five current executives or managers walking around Ennis Inc.'s facilities with long-term memory issues in relation to events which occurred in or prior to 2002. These individuals, based on the opposer's Third Supplement to Initial Disclosures, are Steve Osterloh, Vice President of Marketing; Bill Tignanelli, General Manager, Admore; Lisa Goebbel, Marketing Manager, Admore; David Crysler, General Manager of Colorworx Brand; and Cindy Wronski, Data Processing Director, Admore. Stranger still, Ennis' executives and managers' "memory loss" seems to be narrowly confined to events in 2002

¹ <http://www.ennis.com/about/investor-relations>; accessed September 23, 2013.

which bear upon the applicant's trademark fraud claims. Notwithstanding the obvious risk management and corporate governance issues, the applicant submits that the opposer's claimed memory loss is simply a case of *selective memory*, a desperate and dishonest attempt by Ennis' executives, managers and former employees to avoid a finding of trademark fraud against the company, and that the opposer must be compelled to answer all Interrogatories and produce all documents in relation to the creation of the Colorworx Mark and the design element. See Sara Marie Andrzejewski. (2011). "Leave Little Guys Alone!" Protecting Small Businesses From Overly Litigious Corporations and Trademark Infringement Suits." *Journal of Intellectual Property Law* 19, 117-142; Office of Governmental Affairs – United States Patent and Trademark Office, *Report to Congress: Trademark Litigation Tactics and Federal Government Services to Protect Trademarks and Prevent Counterfeiting* (April 2011). In any event, the applicant would love each of the opposer's eight witnesses listed in its Third Supplement to Initial Disclosures to swear and produce affidavits stating on oath that they have no memory of how they created their COLORWORX Mark and the design element.

5. *Procedural Issue*

In the Board's Order dated 22nd August, 2013, the Board retroactively suspended proceedings to the 15th July, 2013 because this was the purported "filing date of the motion." TTABVUE Doc. #35, at 1. This is, respectfully, incorrect. The applicant's motion to compel was filed on the 20th July, 2013, a fact which is borne out by the TTABVUE entry, as well as the opposer's response thereto. See TTABVUE Docs. #29 & 30.

Conclusion

For the above reasons, the applicant's motion to compel should be granted and the Board should compel the opposer to respond to the relevant Interrogatories and Requests for Production, without objection and within 30 days of the Board's order. The applicant also seeks a further and more definite statement of all documents in the opposer's privilege log dated August 27, 2012, and a privilege log of all

documents over which Ennis claims privilege from August 27, 2012 to the date of the Board's decision concerning the present motion to compel, as well as *production* of those documents. Finally, as a procedural matter, the applicant seeks the retroactive suspension of proceedings to the 20th July, 2013.

Dated: September 23, 2013

Respectfully submitted,

JOEL BELING

By: /Joel Beling/
Joel L. Beling, 1 Mirboo Court, Dallas, Victoria, 3047, Australia
(03) 8307 6932 (telephone)
0405 329 078 (cell)
joelbeling@hotmail.com
Applicant

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing **APPLICANT'S REPLY TO OPPOSER'S RESPONSE TO APPLICANT'S MODIFICATION OF REQUESTS SOUGHT UNDER MOTION TO COMPEL PURSUANT TO TRADEMARK RULE 2.120(e)(1)**

was served on all parties, this the 23rd day of September, 2013, by sending the same electronic mail, to the following:

Daniel Chalker
Jessica Flores
CHALKER FLORES, LLP
dchalker@chalkerflores.com
jflores@chalkerflores.com
ATTORNEYS FOR OPPOSER

/Joel Beling/
Joel Beling
Applicant

ESTTA Tracking number: **ESTTA575690**

Filing date: **12/10/2013**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91203884
Party	Defendant Joel L. Beling DBA Supa Characters Pty Ltd
Correspondence Address	JOEL L BELING 1 MIRBOO COURT DALLAS VICTORIA, 3047 AUSTRALIA joelbeling@hotmail.com
Submission	Response to Board Order/Inquiry
Filer's Name	Joel Beling
Filer's e-mail	joelbeling@hotmail.com
Signature	/Joel Beling/
Date	12/10/2013
Attachments	Applicant's Motion for Reconsideration.pdf(3515675 bytes) Petition to Disqualify.pdf(217513 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

**Opposition No. 91203884
Cancellation No. 92055374**

In re Registration No. 3,372,884
(COLORWORX), Registered
January 22, 2008

Ennis Inc.

v.

Joel L. Beling d/b/a Supa Characters Pty Ltd

**APPLICANT'S MOTION FOR RECONSIDERATION OF THE TRADEMARK TRIAL AND
APPEAL BOARD'S DECISION DATED 12TH NOVEMBER 2013**

The Applicant, Joel Beling, hereby files this Motion for Reconsideration of the Board's decision dated November 12 (hereinafter referred to as "the Decision") pursuant to Trademark Rule 2.127(b), 37 C.F.R. §2.127(b); TBMP 518 and respectfully requests the Board to reconsider the following issues.¹

THE BOARD'S ALLEGED VIOLATIONS OF THE RULES OF NATURAL JUSTICE, THE FEDERAL ADMINISTRATIVE PROCEDURES ACT ("the APA") 5 U.S.C. § 557(c)(3), AND DENIALS OF PROCEDURAL FAIRNESS AND A FAIR TRIAL
Reconsideration Issue 1: The Board has clearly fallen into error and/or clearly abused its discretion by violating the principle of natural justice, *audi alteram partem*, and § 557(c)(3) of the APA by failing to particularize the legal basis for each of the decisions it has made. One of the two planks of the common law concept of natural justice is the Latin maxim *audi alteram partem*, hear the other side, which has been a fundamental and sacrosanct principle of law for centuries. In short, it means that no person shall be condemned, punished or have any legal right compromised by a court of law without having heard that person. *See* 5 U.S.C. § 557(c)(3) & *Caritativo v People of State of California* 357 US 549 (1958). The Board adjudicated a number of complex issues in applicant's motion to compel. Both parties fully briefed the motion citing relevant law, the applicant more so than the opposer. The applicant's legal submissions included the applicant's reliance on statutory and case law in its submission to compel the production of privileged documents (Doc. #29, at 13-17); the applicant's submission on the

¹ For the record, the applicant alleges no attorney misconduct in this motion against Ennis Inc.'s current and former attorneys, from Chalker Flores, LLP: Edwin Flores, Scott Myer, Thomas Jacks, Daniel Chalker and Jessica Flores.

law of estoppel in all its forms with respect to the opposer's expert disclosures (Doc. #36, at 8); the legal doctrine of Chinese Walls with respect to the effect of the resumption of proceedings on the applicant's need to "meet and confer" with the opposer (Doc. #32, at 3); and the applicant's submission on the opposer's failure to make substantive submissions regarding the merits of the motion in its opposition (Doc. #32, at 4). Yet, with the exception of the Board's one-sentence reference to production of privileged material as "impertinent" (Doc. #39, at 6), the Board has completely failed, contrary to the rules of natural justice and § 557(c)(3) of the APA, to consider the applicant's submissions and completely failed to disclose reasons which explain the path of reasoning why the applicant's legal submissions were rejected. The Board's failure to consider the applicant's legal submissions confers a gargantuan procedural advantage to the opposer and favors large corporate interests over the interests of individuals and small businesses. See V. S. Mani, *International Adjudication: Procedural Aspects*. Martinus Nijhoff Publishers, 1980; Office of Governmental Affairs– USPTO's *Report to Congress: Trademark Litigation Tactics and Federal Government Services to Protect Trademarks and Prevent Counterfeiting* (April 2011) ("Report to Congress").

Reconsideration Issue 2: The Board has clearly fallen into error and/or clearly abused its discretion by denying the applicant a fair trial by failing in toto to particularize the legal basis for each of the decisions it has made, contrary to § 557(c)(3) of the APA. The applicant relies on the submissions made under **Reconsideration Issue 1**, which are incorporated by reference. The Applicant further submits that the Board has cited no legal basis or offered a sufficient and reasonable explanation for its imposition of sanctions barring the applicant from further written discovery and further motions to compel regarding written discovery.

Reconsideration Issue 3: The Board has committed a clear error of law and/or abused its discretion by taking into account irrelevant information in its decision that "Applicant has abused the discovery process and is barred from serving further written discovery or filing further motions to compel regarding written discovery." Doc. #39, at 6. It is submitted that the Board's decision is solely or primarily explicable on the basis of the opposer's submissions and reproduction of the applicant's

communications on pages 3 and 4 of its reply/opposition to the applicant's response to the Board's Order. Doc. #37, at 3-4. It is submitted that this entire submission made by the opposer, running two pages, is wholly irrelevant to the motion to compel the Board was adjudicating because it relates to discovery requests which the applicant had not even filed before the Board. *See* Doc. #26 & Ex. 1. The following quotations from the passage confirm the opposer has introduced irrelevant material in a (successful) attempt to unfairly influence the Board to bar the applicant from "serving further written discovery or filing further motions to compel regarding written discovery": the opposer's reference to the "[Listing of 27 interrogatories]", which are not the subject of any motion to compel and therefore not part of the record (*see* Doc. #26 & Ex. 1); the opposer's reference to the applicant's statement that "this document shall be relied on in a second motion to compel," which clearly and expressly indicates that the interrogatories which the applicant challenged were not currently before the Board and therefore would be the subject of "*a second motion to compel*" (opposer's emphasis); the opposer's reference to "[Listing of 269 Requests for Admission]," which are clearly not part of the record and neither the subject of a motion to compel nor a motion to test the sufficiency of response to admission request under TBMP § 524; the opposer's reference to the applicant's statement that "this document shall be relied on in a motion to test the sufficiency of your client's (lack of) admissions," which is self-explanatory; the opposer's reference to the applicant's alleged "'my way or the highway' 'meet and confer' approach the next day," which is inflammatory, irrelevant to the "meet and confer" attempts in the Exhibits to the motion to compel (Doc. #29), and intended (successfully) to prejudice the Board against the applicant; the opposer's reference to the applicant's comment that "your client did not update its responses to any of my Requests for Admission despite its opportunity to do so," which is again wholly irrelevant to the motion to compel; the opposer's reference to the applicant's statement that "***If your client does not consent, I'll be filing a motion with the Board in any event citing your client's lack of co-operation in discovery and your most recent supplements as evidence therefore***" (opposer's bold-face and italics), which is wholly irrelevant to the present motion to compel; the opposer's second reference to "Applicant's continued 'my way or the highway' 'meet and confer' approach falls well short of a good faith effort to resolve the issues in

Applicant's Motion to Compel," which is again inflammatory, irrelevant to the "meet and confer" attempts in the Exhibits to the motion to compel (Doc. #29), and intended (successfully) to prejudice the Board against the applicant; and finally, the opposer's reference to settlement offers (Doc. #37, at 8), for which the opposer has offered no reasonable basis for inclusion in its response.

Thus, it is submitted that the opposer has included irrelevant material in an (successful) attempt to unfairly influence the Board to bar the applicant's attempt to take discovery. The Board has relied on this information and arrived at the erroneous conclusion that the "Applicant has abused the discovery process and is barred from serving further written discovery or filing further motions to compel regarding written discovery." Doc. #39, at 6. Even if, taken at their highest, the applicant's good faith "meet and confer" were grossly deficient in complying with the requirements of 37 C.F.R. § 2.120, the appropriate time for the opposer to raise and challenge the validity of these attempts is at some date de futuro, once the applicant has filed a second motion to compel or motion to test the sufficiency of response to admission request. The opposer's inclusion of this clearly irrelevant material was for the sole or primary purpose of causing prejudice to the applicant. The Board has taken into account this irrelevant material and, by barring the applicant from serving further written discovery requests or filing further motions to compel, acted in a way which severely prejudices the applicant. The applicant raised these issues with the Board and the submission was not considered at all. Doc. #38, at 1-2.

Reconsideration Issue 4: The Board has clearly fallen into error or clearly abused its discretion by miscalculating the date of suspension of proceedings, which has the effect of unfairly limiting the applicant's time for discovery. The applicant clearly raised this issue in its Reply (Doc. #38, at 5), but the Board has completely failed consider or provide written reasons for its decision in respect of the reset trial dates contrary to § 557(c)(3) of the APA. The Board retroactively suspended proceedings to the 15th July, 2013, when the motion was purportedly filed (Doc. #35, at 1), when in fact they should have been suspended to the 20th June, 2013, when the applicant in fact first filed the motion (Doc. #29).

Reconsideration Issue 5. The Board has clearly fallen into error or clearly abused its discretion by failing to consider at all the applicant’s submissions regarding the opposer’s failure to produce the requested documents until approximately 13 months after they were requested, contrary to § 557(c)(3) of the APA. See Doc. #38, at 2. The *Report to Congress* (at 20) impliedly raised the issue of aggressive dilatory litigation tactics by trademark owners on the intellectual property legal community and small business and individuals in actual litigation:

(iv) Size and Resource Imbalances

One commenter acknowledged that trademark owners should have the right to protect their marks, but stated that the *aggressive tactics used by overreachers presents a problem for the entire intellectual property community by threatening legitimate activities and clogging the legal system with invalid claims*. Another commenter noted that “small companies and individuals are placed in a difficult position where surrender of valid trademarks that are being lawfully used is the only rational financially-feasible option available” (emphasis added).

The Board Interlocutory Attorney, Ms. Elizabeth Dunn, picked up these concerns in her email to the applicant dated August 22, 2013, in which she noted the “[t]he Board’s limited resources.” See Exhibit 1 to the Declaration in Petition for Disqualification dated December 10, 2013, filed herewith. It is submitted the opposer’s delayed discovery supplementation, approximately 13 months after it was requested, is the type of abusive litigation tactic foreshadowed in the *Report to Congress* and should not be condoned. Such dilatory litigation tactics undermine the applicant’s right to a fair trial and fair discovery, the applicant’s right to be heard, and the applicant’s right to take “follow up” discovery. See TBMP § 403.05(a) & *Miss Universe Pageant v Petite Productions Inc.*, 17 USPQ2d 1067.

Reconsideration Issue 6. The Board has clearly fallen into error or clearly abused its discretion by failing to consider at all the applicant’s submissions regarding the opposer’s failure to disclose the identities of individuals with discoverable information until approximately 13 months after they were requested, contrary to § 557(c)(3) of the APA. See Doc. #38, at 2. Such submissions are relevant to the applicant’s right to a fair trial and fair discovery, the applicant’s right to be heard, and the applicant’s right to take further discovery, as well as the applicant’s submissions that the opposer has

engaged in abusive litigation practices. The applicant relies on his submissions on aggressive dilatory litigation tactics in **Reconsideration Issue 5**, which are referred to and incorporated by reference.

Reconsideration Issue 7. **The Board has clearly fallen into error or clearly abused its discretion by failing to consider at all the opposer's failure to supplement its discovery production of documents relating to expert witnesses or purported expert witnesses in violation of the**

requirements of Fed. R. Civ. P. 26(e)(1)(A). In its filing dated August 21, 2013, the opposer held out Mr. Steve Osterloh as an expert witness. Doc. #34. While the opposer has supplemented its responses in relation to some of the applicant's discovery requests for production, the opposer has completely failed to produce documents possessed by Mr. Osterloh as an expert witness as required by Fed. R. Civ. P.

26(e)(1)(A). *See* Doc. #33. The applicant submits, as he generally did in his filing dated September 23, 2013 (Doc. #38, at 8), that the opposer is estopped under the law of equitable estoppel from denying that Mr. Osterloh is an expert witness even though the Board has ruled him not to be an expert witness. In particular, with respect to the four elements of an equitable estoppel: (1) *the party to be estopped must know the facts*- in its discovery responses dated June 11, 2012, the opposer represented that it was not relying on any expert witnesses at that stage (Doc. #26, Opposer's Objections and Responses to Applicant's First Request for Production, Responses to Requests 1-4); (2) *they must intend that their conduct shall be acted on or must so act that the party asserting the estoppel has a right to believe it is so intended*- the opposer intend that its conduct (representations) shall be acted on and failed to supplement its discovery responses with respect to expert witnesses as required under Fed. R. Civ. P. 26(e)(1)(A); (3) *the latter must be ignorant of the true facts*- the applicant was ignorant of the fact that the opposer was relying on an expert witness, Mr. Osterloh and had him in the opposer's employee the whole time; and (4) *they must rely on the former's conduct to their injury*- the applicant relied on the opposer's representations by not requesting documents or propounding interrogatories or requests for admissions in relation to the opposer's expert witness and has been denied an opportunity for a fair trial and fair discovery. *U.S. v. Georgia-Pacific Co.*, C.A. 9th, 1970, 421 F.2d 92, 96 (quoting *Hampton v. Paramount Pictures Corp.*, C.A. 9th, 1960, 279 F.2d 100, 104). *See also, TRW, Inc. v. FTC*, C.A. 9th, 1981, 647 F.2d 942, 950-51.

Reconsideration Issue 8. **The Board has erred by failing to consider at all the applicant’s submissions regarding the improper and inappropriate matters raised by the opposer, contrary to § 557(c)(3) of the APA.** *See* Doc. #38, at 1-2. Such submissions related to the opposer’s criticism of attempts by the applicant to “meet and confer” with the opposer in relation to discovery requests which were not and have never been part of the file in this proceeding, as well as the opposer’s criticism of the applicant’s refusal to accept settlement offers made by the opposer. The Board has failed to take into account these submissions in toto, yet expressly criticizes the applicant for submitting “more than a dozen exhibits with no relationship to the motion.” Doc. #39, at 4.

Reconsideration Issue 9. **The Board has erred by failing to consider at all the applicant’s motion to compel in Doc. #17 and the applicant’s motion to exceed the page limit in Doc. #14, contrary to § 557(c)(3) of the APA.** The applicant’s Certificate of Mailing for the motion to compel in Doc. #17 is dated July 10, 2012, which date precedes the Board’s orders dated July 13, 2012 (Doc. #13) and July 17, 2012 (Doc. #15), while the Board ruled that: “No consideration will be given to this paper, or any motion to compel which subsequently is filed, until the pleadings are closed. *At that time the Board will reset the time for Ennis, Inc. to respond to the motion to exceed page limits*” (emphasis added). Doc. #15, at 2. Yet in the Board’s order dated May 15, 2013, there is no reference to the motion to compel or “the time for Ennis, Inc. to respond to the motion to exceed page limits.”

ALLEGED CLEAR ERRORS RELATING TO THE APPLICANT’S “MEET AND CONFER” REQUIREMENTS UNDER TRADEMARK RULE 2.120(e)(1) AND TBMP § 523.02

Reconsideration Issue 10. **The Board has clearly fallen into error or clearly abused its discretion by ruling that the applicant failed to comply with the threshold “meet and confer” requirements of Trademark Rule § 2.120 and TBMP § 523.02 (Doc. #39, 3-5) when in fact the applicant’s letter dated June 12, 2012 is and was *already part of the record*, viz. Exhibit 2 in Doc. #17.** The applicant has certainly not “abused the discovery process” (Doc. #39, at 6) because the Board, the opposer and the public have had access to the disputed letter since at least July 18, 2012 on the public record, for more than 13 months *before* the Board commenced adjudicating the motion to compel. Doc.

#35. The applicant's good faith attempt dated June 12, 2012 clearly outlines the concerns the applicant has with the opposer's responses, including listing the particular responses in issue, the boilerplate objections lacking any particularity, the lack of answers to some of the requests, especially in relation to the applicant's fraud claims. Indeed, the applicant goes on to describe further deficiencies in the opposer's responses in Exhibits 8 and 11 to the motion to compel. Docs. #17 & 29. Exhibit 8 refers to the specific Requests for Production and links these to the opposer's first supplement to initial disclosures, while Exhibit 11 refers to the specific discovery responses which need supplementation and provides reasons why they are deficient, viz. paragraphs 2 (in relation to issues in dispute in the opposition), 3 (in relation to the applicant's fraud claims) and 5 (in relation to allegedly privileged material). Paradoxically, and conceding the applicant's good faith attempts to meet and confer were sufficient, the Board goes on to adjudicate the merits of the motion to compel in its findings. *Id.*, at 6. This ruling, it is submitted, is fundamentally inconsistent and demonstrates the flawed basis of the Board's reasoning on the threshold "meet and confer" attempts.

Reconsideration Issue 11. The Board has clearly fallen into error or clearly abused its discretion by failing to consider at all the applicant's submissions regarding Chinese Walls and the inconsequential effect of the resumption of proceedings after one year and the opposer's change of legal counsel on the applicant's "meet and confer" attempts, contrary to § 557(c)(3) of the APA.

Doc. #32, at 3. The Board has ruled that "an equally strong basis for denial is the failure of applicant to communicate with opposer regarding its discovery needs following the resumption of proceedings after almost a year." Doc. #39, at 5. The applicant made detailed submissions regarding these issues which were neither considered, analyzed nor explicated in the Board's reasons in the Decision.

Reconsideration Issue 12. The Board has clearly fallen into error and/or clearly abused its discretion because the opposer's was estopped from relying on the applicant's alleged failure to comply with 37 C.F.R. § 2.120 and TBMP § 523.02 under the law of equitable estoppel as a result of the opposer's significant and voluminous supplementation of its discovery responses. In both its opposition to the motion to compel and its opposition to the applicant's response to the Board's inquiry,

the opposer argued that the applicant's good faith attempts to "meet and confer" with the opposer were insufficient or substandard. *See* Docs. #30 & 37. The Board agreed. Doc. #39, at 3-5. However, with respect to the four elements of an equitable estoppel cited *supra*: (1) the opposer knew its discovery production and responses to the applicant's interrogatories were grossly insufficient; (2) the opposer expressly asserted in its responses to the applicant's good faith attempt to confer with the opposer, "Joel, We continue to stand by our objections. However, in a good faith effort to resolve this discovery dispute, we are attempting to gather more documents and will provide those to you next week." (Email from Mr. Jacks to applicant, Exhibit 23 in Doc. #29) (*Ennis never provided the documents*); (3) the applicant did not know the opposer intended to significantly supplement its responses; and (4) the applicant relied on Mr. Jacks' email to his injury (the Board denying the motion to compel) and did not pursue further good faith attempts to "meet and confer" after Messrs Jacks and Myer withdrew as the opposer's legal counsel and the Board denied the motion to compel. *See **Reconsideration Issue 7*** and the cases cited thereunder. The applicant also relies on the opposer's supplemented discovery responses, which may hardly be characterized as de minimis, to argue that the opposer is estopped from arguing the applicant's good faith "meet and confer" attempts were procedurally deficient: the opposer produced approximately 1100 documents, including its annual reports and some innocuous emails pertaining to the creation of its COLORWORX Mark; the opposer supplemented all of its responses to the applicant's interrogatories; and the opposer disclosed the identities of an additional seven witnesses, which it had previously been concealing. In short, the opposer is estopped from taking unfair advantage of the applicant's failure to pursue further good faith attempts to "meet and confer" upon the resumption of proceedings when, through the opposer's false language in its emails to the applicant in mid-2012 and conduct in significantly and voluminously supplementing its discovery responses, the opposer has induced the applicant to not pursue further good faith attempts to "meet and confer" upon the resumption of proceedings, which resulted in the applicant being injured, namely, by the Board denying the motion to compel. Finally, for sake of completeness, the opposer's false statements in mid-2012 are also caught by the law of *estoppel by misrepresentation*. *See Schweiker v. Hansen*, 1981, 101 S.Ct. 1468, 450 U.S. 785.

Reconsideration Issue 13: The Board has clearly fallen into error or clearly abused its discretion

by ruling that the subject matter of the applicant's declaration of June 20, 2013 was "not the subject of a discussion with opposer." Doc. #39, at 4. The Applicant's declaration in fact pertains in part to the Discovery Conference dated April 24, 2012 the applicant had with the opposer! Doc. #29, Declaration, at ¶¶ 2-3. Paragraph 4 of the declaration pertains to Ennis' homepage and annual reports, of which Ennis may vaguely be aware and which were specifically raised with the opposer in the applicant's opposition to the motion to dismiss (Doc. #25, at 5, 7, 25) and specifically responded to by the opposer. Doc. #22, at 5. Paragraph 5 of the declaration pertains to a search of the Ennis' COLORWORX Mark on the USPTO's TARR site which the *opposer* filed with the Board to commence the opposition! Doc. #1. Paragraph 6 pertains to the Ennis' COLORWORX website, of which, again, Ennis may vaguely be aware, while paragraph 7 pertains to email communications the applicant had with the opposer! It is submitted that the Board can take judicial notice of the fact that the opposer is aware of the opposer's annual reports, the opposer is aware of the opposer's website, and that the opposer is aware that the opposer is emailing the applicant. Logic and common sense may also support this argument. It is submitted the Board appears very reluctant to accept the truth about the opposer's abusive approach to discovery, for the applicant raised the issue of the opposer's non-disclosure of its annual reports on September 18, 2012 (Doc. #25, at 25), yet they were only produced to the applicant on August 19, 2013, 14 months after they were requested. Doc. #33.

CLEAR ERRORS OF LAW REGARDING ENNIS' ALLEGED FRAUD AND THE DISCLOSURE OF PRIVILEGED DOCUMENTS

Reconsideration Issue 14: The Board has erred by denying the applicant's motion to compel

privileged material on the basis that the request was "impertinent." Doc. #39, at 6. The applicant submits there is overwhelming evidence to demonstrate on the preponderance of the evidence, much less compelling prima facie evidence, that the opposer has committed fraud on the USPTO by swearing a declaration in an application for registration that was false in a material particular. The applicant relies on the opposer's refusal to produce the declaration it submitted to the USPTO to procure the COLORWORX registration despite numerous requests, Exhibits 9 and 10 of the original motion to compel (which are not

irrelevant as the Board ruled), as well as the following four different creation stories it has provided to explain the origins of the COLORWORX component of its Mark at various times during the current proceeding:

14.1. Version One: “We know the answer but object to answering that question on four grounds.” Interrogatory No. 14 in applicant/petitioner’s First Set of Interrogatories to opposer/registrant served on June 12, 2012 and the response:

INTERROGATORY NO. 14: Describe in detail the rationale, philosophy and ideas behind the selection, design and adoption of each feature and/or part of the “COLORWORX” mark, including the logo, words, style of lettering, visual appearance, sound, compound/composite nature and misspelling.

RESPONSE: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial

14.2. Version Two: “We alone create the word Colorworx.” Interrogatory No. 8 in applicant/petitioner’s First Set of Interrogatories to opposer/registrant served on June 12, 2012:

INTERROGATORY NO. 8: Describe in detail how the compound word “COLORWORX” in your registration differs from the words “Color Works” in terms of meaning, appearance, sound and commercial impression.

RESPONSE: The mark “COLORWORX” differs from the words “Color Works” in terms of meaning, appearance, sound and commercial impression because the mark “COLORWORX” is a neologism and had no meaning prior to its adoption by Registrant.

14.3. Version Three: “We copied the word Colorworx from another trader or traders.” In its Motion to Dismiss, the opposer/registrant argued:

General trademarking principals maintain that once a mark has been abandoned, the mark returns to the public domain and may be appropriated for use by other actors in the marketplace in accordance with basic rules of trademark priority. See 15 U.S.C. § 1115(b)(2); *ITC Ltd. v. Punchgini, Inc.*, 482 F.3d 135, 147 (2d Cir. 2007). Once Creative Hairdresser’s, Inc. abandoned its mark in the year 2000, nearly eight (8) years before the USPTO issued a registration for the Mark, Registrant and all other persons and entities seeking to use such word mark were free to use the term “Colorworx” in commerce on or in connection with their goods or services [Doc. #19 ¶ 20].

Here, the opposer argues not only that it was “free to use the term ‘Colorworx’” but even cites statute and case law to justify its position that it had “appropriated [the Colorworx Mark] for use...in the marketplace in accordance with basic rules of trademark priority.” *Loc. Cit.*

14.4. Version Four: The Amnesia Defense or “We don’t remember.” In its response to the applicant’s response to the Board inquiry with respect to the creation of its COLORWORX Mark and the design element, the opposer stated that it “does not remember specific details or only has a few documents from the time in question” and “does not remember specific details or have access to such details from the time in question.” Doc. #37, at 5, 9 & 11. *Res ipsa loquitur*.

The applicant also relies on the opposer’s responses to Requests 93-98 (inclusive) of the Applicant’s Third Request for Admissions to the opposer, which are highly inculpatory and demonstrate significant dishonesty in the opposer’s discovery responses. Doc. #26. Thus, it is respectfully submitted there is at the very least compelling prima facie evidence for the Board to compel the opposer to produce the privileged material sought in the motion to compel under the crime-fraud exception to the attorney-client privilege rule.

Reconsideration Issue 15. **The Board has clearly fallen into error or clearly abused its discretion by failing to disclose the path of reasoning which led to the Board’s decision that the applicant’s motion to compel privileged material on the basis that the request was “impertinent.”** Doc. #39, at 6. The applicant made detailed submissions, citing both legislation and case law, justifying why the Board should compel the opposer to disclose privileged material. Doc. #29, at 13-17. However, these submissions were neither considered, analyzed nor explicated in the Board’s reasons for decision.

CLEAR ERRORS OF LAW AND ABUSES OF DISCRETION REGARDING MODIFICATION OF REQUESTS AND NEW REQUESTS
Reconsideration Issue 16: **The Board has clearly fallen into error or clearly abused its discretion by ruling that all of the applicant’s Requests for Production were “new discovery requests.”** Doc. #39, at 3. The applicant cannot overemphasise this pivotal point: the only “new requests” which the applicant pursued in his filings in relation to the opposer’s supplementation of its responses were those in relation to the opposer’s expert witnesses (i.e. Requests for Production Nos. 1-4), and these were not even “new” in the sense of newly served, merely new to the motion to compel. They were served on the 11 April 2012 (see Doc. #26), at exactly the same time as the applicant’s other requests for production, approximately 12 months prior to the filing of the motion to compel. The applicant sought to modify his requests on the

basis that the opposer claimed it had an expert witness, Mr. Osterloh (Doc. #34), yet it had failed to produce any documents in relation to that witness and had previously claimed in discovery responses that it was not relying on an expert witness. All the other requests for production – that is, Requests for Production Nos. 5, 8, 9, 12, 13, 14, 15, 16, 17, 20, 43, 32, 36, 37, 38, 39, 40, 42 - still required adjudication by the Board (and were argued under the relevant heading, “ISSUES WHICH STILL REQUIRE ADJUDICATION BY THE BOARD”; see Doc. #36, at 7-13), were *definitely not new requests*, and were the subject of numerous good faith “meet and confer” attempts. See Exhibits 8, 11, 18 in Doc. #29. Significantly, these requests seek, inter alia, many documents in relation to the sales and advertising spend figures for goods and services sold under the opposer’s COLORWORX Mark which the opposer has hitherto failed to produce, as well as documents in relation to the applicant’s fraud claims, including the declaration the opposer signed when applying for registration of the COLORWORX Mark and search results for other similar Marks which the opposer has hitherto failed to produce. The applicant submits it would be an egregious denial of justice if the opposer was not compelled to produce these documents, which were definitely not new. The applicant reiterates, for sake of completeness, *the only “new requests” were those in relation to the opposer’s expert witnesses, and these were not newly served, but only new to the motion to compel.* See **Reconsideration Issues 10 & 11.**

Reconsideration Issue 17. **The Board has clearly fallen into error or clearly abused its discretion by denying the motion to compel on the basis that the applicant has attempted to modify his requests.** Doc. #39, at 3. The Applicant submits that the Board’s ruling is patently illogical because, by definition, *any* response to the opposer’s discovery supplementation is a modification to the Requests. With the exception of its Requests to Produce relating to expert witnesses (*see, supra*), the applicant has definitely not attempted to modify its Requests. The applicant’s original requests in the motion to compel stand; what the Board, with respect, misunderstands is that the applicant is explaining the discrepancy between the documents or information the Requests seek and the opposer’s response thereto and responding to the opposer’s objections. If the opposer’s and the Board’s reasoning is followed through to its logical conclusion, then, *any* response to *any* of the opposer’s responses or objections is moot, since

the response ipso facto proves the opposer's point. An opposer may therefore respond insufficiently, evasively or dishonestly, as the opposer has done systematically in this proceeding, and then argue that the Requests are, for example, vague, overbroad or ambiguous and thus needed an explanation of the Request from the applicant, which it has provided.

Reconsideration Issue 18. **The Board's ruling denying the applicant's attempt to modify his requests does not disturb or undermine at all the validity of the discovery requests and submissions in the motion to compel filed on July 20, 2013.** Doc. #29. Put simply, if the Board wishes to completely disregard the applicant's submissions in its response to the Board's order dated August 31, 2013 on the basis that the applicant has attempted to modify his requests, then the Board is completely within its rights to do so and the Board has not abused its discretion. However, the Board must still consider the applicant's Requests and submissions in the original motion to compel in light of the applicant's update of the issues which still require adjudication. In this regard, the applicant clearly informed the Board that all of the Requests for Production in the motion to compel (Doc. #29) and Interrogatories 4, 9, 10, 13, 14, 15, 16, 17, & 19 still required adjudication. Doc. #36, at 2-13.

ENNIS INC.'S ALLEGED TRADEMARK BULLYING²

Reconsideration Issue 19. **The Board has clearly fallen into error or clearly abused its discretion by failing to consider at all the applicant's submissions regarding the opposer's abusive litigation tactics and the *Report to Congress*, which identifies an important policy issue affecting the Trademark Trial and Appeal Board and the USPTO generally.** See Doc. #32, at 2, which is incorporated by reference. Ennis has expressly sought to disavow its responses certified by its former attorneys of record, Messrs Myer and Jacks, to the applicant's good faith attempts to "meet and confer." (See Doc.#30, at 2-3) and its insistence that the applicant had to meet and confer de integrow upon resumption of proceedings was abusive, onerous and unfair. The applicant, like many trademark

² For the record, the applicant reiterates it alleges no attorney misconduct in this motion against Ennis Inc.'s current and former attorneys, from Chalker Flores, LLP: Edwin Flores, Scott Myer, Thomas Jacks, Daniel Chalker and Jessica Flores. Petitioner makes the following submissions pursuant to Fed. R. Civ. P. 11(b)(1), (b)(2), and (b)(3).

individual and small-business applicants, cannot afford to engage legal counsel and should not suffer prejudice as a result of the opposer's former attorneys' poor forensic judgments.

Table 1 shows other abusive or coercive litigation tactics allegedly used by Ennis in connection with the motion to compel.

Table 1. Alleged Abusive Trademark Litigation Tactics in Discovery

1. *Pseudo-production*: the opposer produces documents already in the public domain as bona fide responses to requests for production. *E.g.*, Docs. #26 & 33, viz. the opposer's production of its Annual Reports 14 months after they were requested. *See* **Reconsideration Issue 12**, *supra*, which is incorporated by reference.
2. *White-Flag Arguments*: the opposer introduces settlement offers into its legal argument without a reasonable, good-faith basis. *E.g.*, Doc.#37, at 8. *See* **Reconsideration Issues 3 & 22**, *infra* & *supra*, which are incorporated by reference.
3. *Blame the Applicant*: the opposer refuses to make a reasonable, good faith effort to respond to the applicant's requests and blames the applicant for inappropriate behavior. *E.g.*, Doc. #29, Exhibits 25, 26.
4. *Threaten to file a motion for a protective order*: the opposer uses the threat of a protective order in an attempt to deter the applicant from continuing with reasonable, good-faith attempts to take discovery when the opposer knows it has not made a reasonable, good faith effort to respond to the applicant's discovery requests. *E.g.*, Ex. 2, *infra*.
5. *No Answer*: The opposer simply objects to the discovery request without providing an answer, thereby forcing the applicant to waste time, effort and resources to pursue an answer. *E.g.*, Doc. #26, *passim*, e.g., Opposer's Objections and Responses to Applicant's Third Request for Admissions, Opposer's Objections and Responses to Applicant's First Set of Interrogatories.
6. *Boilerplate or frivolous objections*: The opposer offers the same boilerplate objections to

every discovery request without ensuring that each objection is responsive to the Request or unreasonably objects on the basis that the discovery request requires the opposer to marshal its evidence prior to trial or that the request is not calculated to lead to evidence admissible at trial. *E.g.*, Docs. #21 & 26.

7. *Play Dumb*: the opposer pretends not to understand words or phrases in an applicant's discovery request to avoid responding. *E.g.*, Docs. #36 & 37, with respect to applicant's use of the phrase "works of color" and "understanding of the connections."
8. *Claim Amnesia*: the opposer claims it has no memory of the events because they happened a long time ago. *E.g.*, Docs. 37 & 38 (at 3-4).
9. *Poisoned Red Herrings*: the opposer raises issues clearly irrelevant to the applicant's motion in its response in an attempt to prejudice the Board against the applicant. *E.g.*, Docs #37 & 38 (at 1-2) & **Reconsideration Issue 3**, which is incorporated by reference.
10. *Broken Promises*: the opposer makes promises regarding discovery issues, such as the production of documents, it knows it will not keep. *E.g.*, Doc. #29, Exhibit 23.
11. *Blame your attorneys*: the opposer implicitly blames its current or former attorneys for failure to comply with the applicant's discovery requests. *E.g.*, Doc.#30, at 2-3 and **Reconsideration Issue 19**, which is incorporated by reference.
12. *AWOL or MIA Witnesses*: the opposer claims a key witness has left the opposer's employ with no forwarding address, thereby forcing the applicant to expend time, money and effort to track the witness down. *E.g.*, Ex. 3, *infra*, with respect to witness Rachel Maples.
13. *Concealment of Evidence*: the opposer simply hides the document and denies all knowledge of its existence. *E.g.*, Docs. #29 & 37, with respect to, inter alia, sales and advertising spend figures for goods and services sold under the COLORWORX Mark; the statement of use the opposer submitted to the USPTO concerning use in commerce exclusively or substantially exclusively for five consecutive years to procure the

COLORWORX registration; search results in clearing the name COLORWORX for adoption by the opposer.

14. *Document Dumping*: the opposer produces a large amount of non-responsive documents. *E.g.*, Doc. #33. The opposer produced over 1000 pages of the opposer's annual reports which the applicant obtained at least 14 months previously and which contain no financial information relating specifically to the COLORWORX Mark.
15. *Politician-like Answering*: the opposer responds to an Interrogatory by answering a question that was not asked. *E.g.*, Doc. #36, Interrogatory No. 2, with respect to the printing industry, which was not asked, at 2, *infra*,
16. *Threats about costs*: the opposer falsely asserts the applicant will have to pay the opposer's legal or other costs in order to coerce the applicant into complying with the opposer's demands. Doc. #29, Exhibit 26.
17. *Overdesignation of documents under the Board's Standard Protective Order*: the opposer dishonestly and incorrectly overdesignates documents under the SPO to avoid producing otherwise discoverable documents. *E.g.*, Doc. #37, opposer's arguments in relation to Requests 14, 15, 16, 17, 20, 43, at 13, with respect to sales figures. Thus far, the opposer has produced no evidence that goods or services sold under the COLORWORX Mark have made even a single sale.
18. *Prima Facie Answering/Lying by Omission*: the opposer appears to answer the Interrogatory by providing some, usually surface and innocuous, information but avoids providing any incriminating information. *E.g.*, Doc. #36, at Interrogatory 13, with respect to the creation of the COLORWORX Mark.
19. *Blanket Denials*: the opposer refuses to admit matters which it reasonably should admit, despite its knowledge of the evidence against it. *E.g.*, Doc. #26. Applicant's First Request for Admissions to Opposer, dated June 11, 2012, with respect to search results for the

term COLORWORX.

- 20 *Bad Grammar*: the opposer blames the applicant for the opposer's failure to respond completely or sufficiently to the discovery request on the grounds that the applicant's request is ambiguous, vague, overbroad, ungrammatical or poorly phrased. *E.g.*, Doc. #37, Responses to Interrogatory 15, with respect to "understanding of the connections" and "works of color."
- 21 *Shields-as-Swords*: the opposer claims privilege (e.g., attorney-client privilege, work-product privilege, trade secret/commercially sensitive designations under the TTAB's Standard Protective Order) in unreasonable and overreaching ways to protect itself from incriminating discovery responses. *E.g.*, Doc. #36, Request for Production 42, at 13, with respect to search results; **Reconsideration Issue 14.**
- 22 *Incomplete Privilege Logs*: the opposer produces a privilege log which is grossly insufficiently particularized as to date, author, and subject matter of the document. *E.g.*, Doc. #29, Exhibits 27.
- 23 *Blind Applicant*: the opposer claims the document or thing requested was already produced to the applicant. *E.g.*, Doc. #36. Applicant's First Request for Production to Opposer, Request 9, with respect to the creation of the Colorworx Mark.
- 24 *Heavily Qualified Admissions*: the opposer admits the applicant's request for admission which it should admit completely but qualifies it so heavily that the admission is practically worthless. *E.g.*, Ex. 1, *infra*, Request No. 150.
- 25 *Recitals of law*: the opposer cites the law in lieu of a detailed response on the evidence in dispute. *E.g.*, Doc. #36, Response to Interrogatory No. 9, at 3.
- 26 *Unreasonable Inquiry*: the opposer claims to be unable to respond to the request despite a "reasonable inquiry", thereby forcing the applicant to expend time, money and effort to investigate the issue in dispute. *E.g.*, Doc. #36, Request 9, at 9, with respect to creation of

the opposer's mark.

- 27 *Stalling*: the opposer claims it is still gathering documents or that they will be produced when the opposer has no intention of producing them. *E.g.*, Doc. #29, Exhibit 23.
- 28 *Practically Irrefutable Claims*: the opposer objects on a basis which the applicant cannot refute without wasting significant time, money and effort. *E.g.*, Doc. #36, Response to Interrogatory No. 13, with respect to Rachel Maples; Response to Interrogatory No. 4, with respect to the printing industry.
- 29 *Prove it*: the opposer propounds discovery requests to the applicant to identify or produce evidence for its case which the opposer has knowingly concealed from the applicant, despite numerous relevant requests for production of the same evidence from the applicant. *E.g.*, Ex. 4, *infra*, with respect to the applicant's fraud claims against the opposer.
- 30 *Procedural Deficiencies*: When the opposer cannot succeed on the merits, it argues the applicant's motion suffers from ostensibly fatal procedural deficiencies. Docs. # 30 & 37.
- Reconsideration Issues 10, 11, 12 & 13**, *supra*, which are incorporated by reference.

Public and USPTO policy dictates that large corporations such as Ennis should not be allowed to use their wealth and resources to engage and *instruct* specialist intellectual property legal counsel to use abusive litigation tactics to obstruct and frustrate legitimate attempts to take discovery. The Report to Congress observed (at 19):

Regarding actual litigation experiences, some of those relative few with direct experience on the subject opined that *discovery and deposition processes were too costly for many small businesses and provided a means for a party to thwart progress in a case and to drain resources from an adversary* (emphasis added).

Abusive litigation tactics during discovery have the effect of significantly increasing the legal costs of small businesses and individuals applying for trade marks, as well as wasting their time and resources. Moreover, such abusive litigation tactics alter the nature of the dispute from a purely legal one on the merits to a war of attrition based on who has the deepest pockets, the most time, and the greatest will

power. See Sara Marie Andrzejewski. (2011). “Leave Little Guys Alone!” Protecting Small Businesses From Overly Litigious Corporations and Trademark Infringement Suits.” *Journal of Intellectual Property Law* 19, 117-142. The TTAB, as the administrative appellate arm of the USPTO, has “a responsibility to do something to discourage or prevent aggressive trademark litigation tactics.” *Report to Congress*, at 20.

Reconsideration Issue 20. **The Board has clearly fallen into error or clearly abused its discretion by barring the applicant from conducting further written discovery or filing further motions to compel because it is fundamentally unfair to force a foreign pro se applicant to spend money on discovery depositions to achieve justice.** Discovery depositions necessarily involve certain costs such as hiring a court reporter and paying for transcripts, which are calculated by time and page. See Exhibit 5, *infra*, for two examples. In other words, the more questions a party asks, the greater the cost. The applicant cannot afford this cost. It would bankrupt him. Public and USPTO policy dictates that access to justice be available to all litigants, irrespective on their means, and a ruling barring written discovery, the procedural norm in disputes involving foreign litigants [*McCarthy on Trademarks and Unfair Competition* § 20:114 (4th ed.)], means that the applicant cannot afford to pursue further discovery via discovery depositions, and therefore, cannot afford to defend his interests. In other words, the Board’s ruling barring written discovery but allowing discovery depositions is a de facto denial of the right to take discovery. The *Report to Congress* observed (at 19):

(ii) Actual Litigation Issues

Regarding actual litigation experiences, some of those relative few with direct experience on the subject opined that *discovery and deposition processes were too costly for many small businesses and provided a means for a party to thwart progress in a case and to drain resources from an adversary* (emphasis added).

By way of analogy from criminal law arguendo, the Board’s ruling can be compared to a judge granting an impecunious defendant bail, but setting bail excessively at one million dollars. The ruling appears fair on paper, but in practice the ruling is substantively unfair and a de facto refusal of bail because the defendant cannot afford the bail. U.S. Const. Amend. VIII. (“Excessive bail shall not be required...”).

Reconsideration Issue 21. **The Board has clearly fallen into error or clearly abused its discretion by failing to provide a legal definition of the word “abuse,” both as a verb and a noun, in**

the context of abusive litigation tactics during discovery which warrant sanctions, contrary to § 557(c)(3) of the APA. The Board ruled that the “Applicant has *abused* the discovery process and is barred from serving further written discovery or filing further motions to compel regarding written discovery” (emphasis added). Doc. #39, at 6. In this context, the Board is using the word “abuse” as a verb, to find that the applicant has “abused” the discovery process. However, the Board failed in toto to define the word “abuse” either generally or in the context of discovery as a verb or a noun and failed in toto to list the types of conduct generally or in the context of discovery which constitutes “abuse.”

Abusive litigation tactics were the subject of the USPTO’s seminal *Report to Congress*, published in April, 2011, and implicate larger public policy issues of trademark bullying and the difficulties faced by individuals, small businesses and foreign applicants when confronted by corporations such as Ennis which attempt to use their wealth and resources to “undertake enforcement measures based on an unreasonable interpretation of the scope of their rights for the purpose of intimidating potential violators into compliance with the mark owner’s demands.” *Report to Congress*, at 1. The Board’s ruling that the “Applicant has abused the discovery process,” which resulted in sanctions barring the applicant “from serving further written discovery or filing further motions to compel regarding written discovery,” has serious consequences for, and causes significant prejudice to, the applicant’s legal rights, yet the Board offers its decision in a vacuum, completely failing to define the word “abuse” either generally or in the context of discovery and completely failing to list the types of conduct generally or in the context of discovery which constitute “abuse.”

Reconsideration Issue 22. The Board has clearly fallen into error or clearly abused its discretion by ruling that settlement offers are irrelevant. The applicant notes that the opposer raised the issue of settlement offers *sua sponte* with the Board, effectively arguing that the applicant refused to agree with the opponent’s reasonable settlement offer. Doc. #37, at 8. The Board picked up the ball and made a formal decision in relation to settlement offers. Doc. #39, Note 1, at 4-5. The *Report to Congress* (at 9) identified a number of “[a]dditional [e]nforcement [c]onsiderations”:

Once a problematic mark has been identified, before taking enforcement measures, a prudent trademark owner typically conducts some due diligence and takes into account a number of considerations... Additional considerations may include the distinctiveness and strength of the mark being enforced, how similar the third-party mark is to the owner's mark, the nature of the third-party use (e.g., directly competitive or ancillary), the trademark owner's expansion plans for its mark, and the resources the owner has available for enforcement... Additionally, the perceived level of risk presented by the third-party mark and the desired outcome of the enforcement effort typically affects both the approach and the tone of the enforcement effort.

The applicant submits, pursuant to Fed. R. Civ. P. 11(b)(1), (b)(2), and (b)(3), that the opposer's settlement offer dated June 25, 2012, should be taken into account in a new law which adds another exception to Federal Rule of Evidence 408(b) aimed at protecting small businesses and individuals from corporations which "undertake enforcement measures based on an unreasonable interpretation of the scope of their rights for the purpose of intimidating potential violators into compliance with the mark owner's demands." *Report to Congress*, at 1; Ex. 6, *infra*. In Ennis's settlement offer dated 25 June 2012, the opposer sought the applicant's consent to be placed in the same position the parties were in prior to the commencement of litigation by the opposer. The applicant coins the phrases *20/20 Hindsight Settlement Offers*, or *Day Zero Settlement Offers*, in submitting that settlement offers made by the opposer and all opposers in general which aim to place the parties in the exact position they were in prior to the opposer's commencement of litigation, ought to be deemed relevant and admissible evidence against the opposer in either a motion to dismiss, motion for summary judgment or in final briefs and be considered sufficient grounds alone for the entering of judgment against the opposer in the action(s) commenced by the opposer. Such 20/20 Hindsight or Day 0 settlement offers confirm that the opposer has in fact adopted "an unreasonable interpretation of the scope of their rights" and that therefore there was no reasonable prospects of success at the time litigation was commenced if the opposer has satisfied its due diligence requirements; in other words, the opposer has engaged in trademark bullying. *Id.* The applicant also submits that all corporations represented by a competent attorney should be peremptorily barred from filing opposition, cancellation or other relevant proceedings against small business and individuals applying for trademarks without legal representation unless they can offer prima facie proof they have served two demand letters on the small business or individual: the first advising the small business or

individual of the corporation's rights in a given Mark, the likelihood of confusion with the applicant's Mark, and a request to "cease and desist" using or applying to use that Mark; and the second, advising the individual or small business that unless they withdraw the application for registration of a Mark within two weeks of the date of the correspondence, litigation will be commenced without further notice to the individual or small business.

In the present proceeding, the opposer failed to instruct its legal counsel to "set forth its demands in a cease-and-desist letter," which would have "put the alleged violator on notice of the mark owner's rights and the violator's perceived rights violation." *Id*, at 9. The applicant's response, such as the one given to another potential opposer as shown in Exhibit 7 (submitted pursuant to Fed. R. Civ. P. 11(b)(1), (b)(2), and (b)(3)), would have presented "compelling facts or legal points that the mark owner may not have known or failed to consider" and the opposer would likely have "decide[d] to pursue settlement or drop its claims altogether" as it proposed in its letter shown in Exhibit 7. *Id*, at 9-10. *The Report to Congress* went on (at 13-15, *passim*):

Evaluating the Reasonableness of Enforcement Efforts: Coercive Behavior vs. Defense of a Right A trademark owner must walk a fine line between being too zealous in enforcing its rights and not being zealous enough....In view of the mark owner's obligation to police violations, aggressive enforcement of one's trademark rights does not automatically equate to abuse or bullying..."most trademark owners are not setting out to assert dubious claims or be bullies when they initiate enforcement measures."...While no legal requirement exists to search a mark's availability before adopting it, it generally makes business sense to do so, as it can save time and money by eliminating potential marks that are, for one or more reasons, problematic (e.g., an identical or highly similar mark is already registered or in use for identical or closely related products or services) and reduce the chance of being on the receiving end of an enforcement action. Sometimes, smaller or less experienced businesses skip this crucial clearance step and later learn as a result of an enforcement action that their chosen mark is not available.

It is submitted that in this case Ennis has in fact set out to assert a dubious and unmeritorious claim and be bullies when they initiated enforcement measures against the applicant. The opposer failed to search the availability of the of the term COLORWORX either generally or on the USPTO register of trademarks before adopting it, and has refused to produce documents concerning its search attempts, if any. Doc. #29, at 12-17. It now faces a large number of fraud claims. It has also refused to produce financial documents regarding the sales and advertising of

goods and services sold under the COLORWORX Mark. *Id.*, at 21-22. For 13 months since the commencement of the discovery period, the opposer refused to produce all but the most innocuous of documents relating to its COLORWORX Mark. Indeed, to date, the opposer has produced no documents to prove that the opposer has made even a single sale of goods or services under the COLORWORX MARK. When the applicant challenged the validity of the opposer's rights to its Mark through a counterclaim, the opposer adopted the "coercive" tactic of filing a motion to dismiss. Doc. #19. Until August 19, 2013 when the opposer supplemented its discovery responses, the opposer persisted in its abusive litigation tactics. Ennis has still failed to produce to the applicant the declaration it filed with the USPTO when it applied for the registration of the COLORWORX Mark, still yet to produce documents relating to its search attempts before adopting its Mark, still failed to explain how it chose or adopted the word COLORWORX, and still failed to produce any financial documents relating to the sales and advertising of goods sold under the COLORWORX Mark. Doc. #29. In this respect, Ennis continues to employ abusive, dilatory litigation tactics against the applicant.

Reconsideration Issue 23: Pursuant to Fed. R. Civ. P. 11(b)(1), (b)(2), and (b)(3), the applicant submits that the Board has clearly fallen into error and/or clearly abused its discretion by violating the applicant's due process rights under the Due Process Clause of the Fifth Amendment to the Constitution by failing to follow the correct adjudication procedures in arriving at each of the decisions it has made (or failed to make), which will likely have the effect of depriving the applicant of property to be produced under the COLOR WARS Mark. The Fifth Amendment commands the federal government that "No person shall be...deprived of life, liberty, or *property*, without due process of law..." (emphasis added). U.S. Constitution, Amendment 5. By failing to consider the applicant's legal submissions and state any or any sufficient reasons for decision, the Board has violated the APA 5 U.S.C. § 557(c)(3) and the Due Process Clause of the Fifth Amendment to the Constitution. *See every Reconsideration Issue herein.* Pursuant to Fed. R. Civ. P. 11(b)(1), (b)(2), and (b)(3), the applicant submits that the current inaccessibility of the Due Process Clause of the Fifth Amendment to the

Constitution foreign citizens is, in the context of trademark law, bad law. As a matter of federal, public and economic policy, foreign nationals wishing to trade in the United States should be granted due process rights as trademark applicants or opposers consistent with their American counterparts, which would promote trade with foreign nations, which in turn would stimulate investment in the American economy. See, e.g., Jeffrey Schott and Cathleen Cimino, “Crafting a Trade and Investment Partnership: What Can Be Done,” Policy Brief 13-8, Peterson Institute for International Economics, March 2013. The applicant further relies on the USPTO policy concern to prevent abusive litigation tactics used by corporations which bully individual applicants and small businesses, especially foreign applicants acting pro se, who may lack the knowledge about American trademark law or resources to engage legal counsel to defend their legal rights. *Report to Congress*, at 1.

PRAYER: For the above reasons, the applicant’s motion for reconsideration of the Board’s decision denying the applicant’s motion to compel should be granted and the Board should compel the opposer to respond to the relevant Interrogatories and Requests for Production, without objection and within 30 days of the Board’s order. The applicant also seeks a further and more definite statement of all documents in the opposer’s privilege log dated August 27, 2012, and a privilege log of all documents over which Ennis claims privilege from August 27, 2012 to the date of the Board’s decision on the reconsideration, as well as *production* of those documents. The Board, as the administrative appellate arm of the USPTO, has “a responsibility to do something to discourage or prevent aggressive trademark litigation tactics” and should write a decision condemning Ennis’s conduct, as particularized herein. *Report to Congress*, at 20.

Dated: December 10, 2013

Respectfully submitted,

By: /Joel Beling/

Joel L. Beling, 1 Mirboo Court, Dallas, Victoria, 3047, Australia
(03) 8307 6932 (telephone), 0405 329 078 (cell), joelbeling@hotmail.com, Applicant

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing **APPLICANT'S MOTION FOR RECONSIDERATION OF THE TRADEMARK TRIAL AND APPEAL BOARD'S DECISION DATED 12TH NOVEMBER 2013** was served on all parties, this the 10th day of December, 2013, by sending the same electronic mail, to the following:

Daniel Chalker
Jessica Flores
CHALKER FLORES, LLP
dchalker@chalkerflores.com
jflores@chalkerflores.com
ATTORNEYS FOR OPPOSER

/Joel Beling/
Joel Beling
Applicant

EXHIBITS³

³ The exhibits attached to the motion are included pursuant to Fed. R. Civ. P. 11(b)(1), (b)(2), and (b)(3); on the basis that the opposer referred to the applicant's "meet and confer" letters in its Reply (Doc. #37) which reference the documents shown in some of the Exhibits; on the basis that failure to consider the Exhibits would be a clear abuse of discretion contrary to public and USPTO policy against abusive litigation tactics and protecting the rights of pro se applicants and small businesses against corporations represented by specialist intellectual property legal counsel; on the basis that they are *necessary* enlargements of the record in the interests of justice as particularized herein and in the applicant/petitioner's petition for disqualification dated 10 December, 2013, filed herewith.

EXHIBIT 1

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In Re: Application Serial No. 85/324,443
For the Mark: COLOR WARS
Filed: May 18, 2011
Published in the Official Gazette: January 17, 2012

)	
Ennis, Inc.)	
)	
Opposer)	
)	
v.	)	Opp. No. 91203884
)	
Joel L. Beling d/b/a Supa Characters Pty Ltd)	
)	
Applicant)	
)	
)	

**OPPOSER'S OBJECTIONS AND RESPONSES TO
APPLICANT'S FOURTH REQUEST FOR ADMISSIONS**

To: Joel L. Beling d/b/a Supa Characters Pty Ltd, Applicant, 1 Mirboo Court, Dallas, Victoria 3047, Australia.

Pursuant to Rule 36 of the Federal Rules of Civil Procedure, Ennis, Inc. ("Opposer") hereby serves its Objections and Responses to Applicant's Fourth Request for Admissions on Joel L. Beling d/b/a Supa Characters Pty Ltd ("Applicant").

**I.
OBJECTIONS APPLICABLE TO ALL
ADMISSIONS, INSTRUCTIONS AND DEFINITIONS**

Opposer agrees to respond to Applicant's Fourth Request for Admissions to the extent that Opposer is required to do so by the Federal Rules of Civil Procedure and the applicable case law, and to the extent that such are not otherwise objectionable.

Opposer objects to Applicant's Fourth Request for Admissions to Opposer and its attendant definitions and instructions to the extent they purport to differ from or expand the requirements of the Federal Rules of Civil Procedure and the Trademark Rules (37 C.F.R. Part 2).

Opposer objects to Applicant's Fourth Request for Admissions to Opposer to the extent the definitions and instructions purport to assign to the words therein defined meanings other than those in common usage. Opposer will use the commonly accepted definition of words and phrases in answering the Interrogatories.

Opposer hereby objects to all of the above-referenced definitions in each and every request in which they are used as if objected to on the above-stated basis individually, and Opposer responds to all Admissions listed below subject to, and without waiving, the above-stated objections.

II. OBJECTIONS AND RESPONSES TO REQUEST FOR ADMISSIONS

REQUEST NO. 99: All of the contents in Opposer's 2000 Annual Report are true and correct in every particular.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only as of the date of the document referenced in this Request and to the extent the document referenced in this Request is identical to any public disclosure made by Opposer; otherwise, Denied.

REQUEST NO. 100: All of the contents in Opposer's 2001 Annual Report are true and correct in every particular.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only as of the date of the document referenced in this Request and to the extent the document referenced in this Request is identical to any public disclosure made by Opposer; otherwise, Denied.

REQUEST NO. 101: All of the contents in Opposer's 2002 Annual Report are true and correct in every particular.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only as of the date of the document referenced in this Request and to the extent the document referenced in this Request is identical to any public disclosure made by Opposer; otherwise, Denied.

REQUEST NO. 102: All of the contents in Opposer's 2003 Annual Report are true and correct in every particular.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only as of the date of the document referenced in this Request and to the extent the document referenced in this Request is identical to any public disclosure made by Opposer; otherwise, Denied.

REQUEST NO. 103: All of the contents in Opposer's 2004 Annual Report are true and correct in every particular.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only as of the date of the document referenced in this Request and to the extent the document referenced in this Request is identical to any public disclosure made by Opposer; otherwise, Denied.

REQUEST NO. 104: All of the contents in Opposer's 2005 Annual Report are true and correct in every particular.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only as of the date of the document referenced in this Request and to the extent the document referenced in this Request is identical to any public disclosure made by Opposer; otherwise, Denied.

REQUEST NO. 105: All of the contents in Opposer's 2006 Annual Report are true and correct in every particular.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only as of the date of the document referenced in this Request and to the extent the document referenced in this Request is identical to any public disclosure made by Opposer; otherwise, Denied.

REQUEST NO. 106: All of the contents in Opposer's 2007 Annual Report are true and correct in every particular.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only as of the date of the document referenced in this Request and to the extent the document referenced in this Request is identical to any public disclosure made by Opposer; otherwise, Denied.

REQUEST NO. 107: All of the contents in Opposer's 2008 Annual Report are true and correct in every particular.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only as of the date of the document referenced in this Request and to the extent the document referenced in this Request is identical to any public disclosure made by Opposer; otherwise, Denied.

REQUEST NO. 108: All of the contents in Opposer's 2009 Annual Report are true and correct in every particular.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only as of the date of the document referenced in this Request and to the extent the document referenced in this Request is identical to any public disclosure made by Opposer; otherwise, Denied.

REQUEST NO. 109: All of the contents in Opposer's 2010 Annual Report are true and correct in every particular.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only as of the date of the document referenced in this Request and to the extent the document referenced in this Request is identical to any public disclosure made by Opposer; otherwise, Denied.

REQUEST NO. 110: All of the contents in Opposer's 2011 Annual Report are true and correct in every particular.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only as of the date of the document referenced in this Request

and to the extent the document referenced in this Request is identical to any public disclosure made by Opposer; otherwise, Denied.

REQUEST NO. 111: All of the contents in Opposer's 2012 Annual Report are true and correct in every particular.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only as of the date of the document referenced in this Request and to the extent the document referenced in this Request is identical to any public disclosure made by Opposer; otherwise, Denied.

REQUEST NO. 112: All of Opposer's responses to Applicant's Discovery Requests in this document are true and correct in every particular.

RESPONSE: Opposer objects to this Request because it is ambiguous, vague and overbroad as it fails to properly identify specific "responses" and specific "Applicant's Discovery Requests." Moreover, Opposer objects to this Request to the extent it limits Opposer's rights to supplement its discovery responses in accordance with Federal Rules of Civil Procedure and the Trademark Rules (37 C.F.R. Part 2) in the event such responses are found to be inaccurate.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent that "Opposer's responses to Applicant's Discovery Requests in this document" means the objections and responses to Applicant's Fourth Request for Admissions to Opposer contained herein; otherwise, Denied because this Request does not provide sufficient detail for Opposer to admit or deny this Request beyond the foregoing response. Opposer reserves the right to supplement its responses in the event such responses are found to be inaccurate.

REQUEST NO. 113: Opposer would like to change some of its responses to Applicant's previous Discovery Requests.

RESPONSE: Opposer objects to this Request because seeks information that is protected from discovery by the attorney-client, attorney work product and party communication exemptions. In addition, Opposer objects to this Request because it is ambiguous, vague and overbroad as it fails to properly identify specific "responses" and specific "Applicant's previous Discovery Requests." Moreover, Opposer objects to this Request to the extent it limits Opposer's rights to supplement its discovery responses in accordance with Federal Rules of Civil Procedure and the Trademark Rules (37 C.F.R. Part 2) in the event such responses are found to be inaccurate.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Deny only to the extent that "its responses to Applicant's previous Discovery Requests" means Opposer's Objections and Responses to Applicant's First Request for Admissions (June 11, 2012), Opposer's Objections and Answers to Applicant's First Set of Interrogatories (June 11, 2012), Opposer's

Objections and Response to Applicant's First Request for Production, Opposer's Objections and Responses to Applicant's Second Request for Admissions (July 25, 2012), Opposer's Objections and Responses to Applicant's Third Request for Admissions (August 13, 2012); otherwise, Denied because this Request does not provide sufficient detail for Opposer to admit or deny this Request beyond the foregoing response. Opposer reserves the right to supplement its responses in the event such responses are found to be inaccurate.

REQUEST NO. 114: At the time it made its Discovery responses to Applicant's previous Discovery requests, Opposer was aware that its responses and/or answers were on oath.

RESPONSE: Opposer objects to this Request because it is ambiguous, vague and overbroad as it fails to properly identify specific "Discovery responses" and specific "Applicant's previous Discovery Requests."

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent that the Federal Rules of Civil Procedure and the Trademark Rules (37 C.F.R. Part 2) require discovery responses and/or answers to be made under oath, and "its responses and/or answers" to "Applicant's previous Discovery requests" means Opposer's Objections and Answers to Applicant's First Set of Interrogatories (June 11, 2012); otherwise, Denied because this Request does not provide sufficient detail for Opposer to admit or deny this Request beyond the foregoing response.

REQUEST NO. 115: All of the documents certified by Mr. Scott A. Myer, Ennis Inc.'s attorney, in this proceeding under the Federal Rules of Civil Procedure have contained true and correct responses or answers in every particular.

RESPONSE: Opposer objects to this Request because it is ambiguous, vague and overbroad as it fails to properly identify specific documents and fails to define what "certified by Mr. Scott A. Myer, Ennis Inc.'s attorney, in this proceeding" means. Moreover, Opposer objects to this Request to the extent it limits Opposer's rights to supplement its discovery responses and answers in accordance with Federal Rules of Civil Procedure and the Trademark Rules (37 C.F.R. Part 2) in the event such responses and answers are found to be inaccurate.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent that "All of the documents certified by Mr. Scott A. Myer" means that Mr. Scott A. Meyer signed a Certificate of Service certifying that a true and correct copy of Opposer's discovery responses were served on Applicant, and "responses and answers" means Opposer's Objections and Responses to Applicant's First Request for Admissions (June 11, 2012), Opposer's Objections and Answers to Applicant's First Set of Interrogatories (June 11, 2012), Opposer's Objections and Response to Applicant's First Request for Production (June 11, 2012), and Opposer's Objections and Responses to Applicant's Second Request for Admissions (July 25, 2012); otherwise, Denied because this Request does not provide sufficient detail for Opposer to admit or deny this Request beyond the foregoing response. Opposer reserves the right to supplement its responses and answers in the event such responses and answers are found to be inaccurate.

REQUEST NO. 116: All of the documents certified by Mr. Thomas G. Jacks, Ennis Inc.'s attorney, in this proceeding under the Federal Rules of Civil Procedure have contained true and correct responses or answers in every particular.

RESPONSE: Opposer objects to this Request because it is ambiguous, vague and overbroad as it fails to properly identify specific documents and fails to define what "certified by Mr. Thomas G. Jacks, Ennis Inc.'s attorney, in this proceeding" means. Moreover, Opposer objects to this Request to the extent it limits Opposer's rights to supplement its discovery responses and answers in accordance with Federal Rules of Civil Procedure and the Trademark Rules (37 C.F.R. Part 2) in the event such responses and answers are found to be inaccurate.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent that "documents certified" means that Mr. Thomas G. Jacks signed a Certificate of Service certifying that a true and correct copy of Opposer's discovery responses were served on Applicant, and "responses and answers" means Opposer's Objections and Responses to Applicant's Third Request for Admissions (August 13, 2012); otherwise, Denied because this Request does not provide sufficient detail for Opposer to admit or deny this Request beyond the foregoing response. Opposer reserves the right to supplement its responses and answers in the event such responses and answers are found to be inaccurate.

REQUEST NO. 117: All of the documents overseen or managed by Mr. Edwin Flores, Ennis Inc.'s attorney, in this proceeding under the Federal Rules of Civil Procedure have contained true and correct responses or answers in every particular.

RESPONSE: Opposer objects to this Request because it seeks information that is protected from discovery by the attorney-client, attorney work product and party communication exemptions. In addition, Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Moreover, Opposer objects to this Request because it is ambiguous, vague and overbroad in that it does not properly identify specific "documents overseen or managed by Mr. Edwin Flores, Ennis Inc.'s attorney, in this proceeding." Furthermore, Opposer objects to this Request to the extent it limits Opposer's rights to supplement its discovery responses and answers in accordance with Federal Rules of Civil Procedure and the Trademark Rules (37 C.F.R. Part 2) in the event such responses and answers are found to be inaccurate.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot admit or deny this Request without disclosing information (e.g., documents that may or may not have been overseen or managed by an attorney, etc.) that is protected from discovery by the attorney-client, attorney work product and party communication exemptions; otherwise, Opposer refers Applicant to Opposer's responses to Request Nos. 112, 113, 115 and 116 above.

REQUEST NO. 118: All of your responses to Applicant's Interrogatories under the Federal Rules of Civil Procedure have contained true and correct answers in every particular.

RESPONSE: Opposer objects to this Request because it is harassing and duplicative of Request Nos. 113, 115 and 116 above. In addition, Opposer objects to this Request because it is ambiguous, vague and overbroad in that it fails to properly identify specific “responses” and specific “Applicant’s Interrogatories.” Moreover, Opposer objects to this Request to the extent it limits Opposer’s rights to supplement its discovery responses and answers in accordance with Federal Rules of Civil Procedure and the Trademark Rules (37 C.F.R. Part 2) in the event such answers are found to be inaccurate.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent that “your responses to Applicant’s Interrogatories” means Opposer’s Objections and Answers to Applicant’s First Set of Interrogatories (June 11, 2012); otherwise, Denied because this Request does not provide sufficient detail for Opposer to admit or deny this Request beyond the foregoing response. Opposer reserves the right to supplement its responses and answers in the event such answers are found to be inaccurate.

REQUEST NO. 119: At the time you gave your answers to Applicant’s Interrogatories, you were aware that your answers were on oath pursuant to Rule 33(b)(3) of the Federal Rules of Civil Procedure.

RESPONSE: Opposer objects to this Request because it is harassing and duplicative of Request No. 114 above. In addition, Opposer objects to this Request because it is ambiguous, vague and overbroad in that it fails to properly identify specific “answers” and specific “Applicant’s Interrogatories.” Moreover, Opposer objects to this Request to the extent it limits Opposer’s rights to supplement its discovery responses and answers in accordance with Federal Rules of Civil Procedure and the Trademark Rules (37 C.F.R. Part 2) in the event such answers are found to be inaccurate.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent that “your answers to Applicant’s Interrogatories” means Opposer’s Objections and Answers to Applicant’s First Set of Interrogatories (June 11, 2012); otherwise, Denied because this Request does not provide sufficient detail for Opposer to admit or deny this Request beyond the foregoing response. Opposer reserves the right to supplement its responses and answers in the event such answers are found to be inaccurate.

REQUEST NO. 120: At the time he certified each of your documents served on applicant and the Board in this proceeding, Mr. Thomas G. Jacks was aware that he could be subjected to sanctions for answers or responses which failed to comply with Fed. R. Civ. P. 11.

RESPONSE: Opposer objects to this Request because it seeks information that is protected from discovery by the attorney-client, attorney work product and party communication exemptions. In addition, Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Moreover, Opposer objects to this Request because it is ambiguous, vague and overbroad in that it fails to identify specific documents or define what “certified each of your documents” means.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent that Thomas G. Jacks was aware of Fed. R.

Civ. P. 11 and Rule 11(d) states “This rule does not apply to disclosures and discovery requests, responses, objections, and motions under Rules 26 through Rule 37”, and “certified each of your documents” and “answers or responses” mean that Mr. Thomas G. Jacks signed a Certificate of Service certifying that a true and correct copy of Opposer’s Objections and Responses to Applicant’s Third Request for Admissions (August 13, 2012) was served on Applicant; otherwise, Denied because this Request does not provide sufficient detail for Opposer to admit or deny this Request beyond the foregoing response.

REQUEST NO. 121: At the time he certified each of your documents served on applicant and the Board in this proceeding, Mr. Scott. A. Myer was aware that he could be subjected to sanctions for answers or responses which failed to comply with Fed. R. Civ. P. 11.

RESPONSE: Opposer objects to this Request because it seeks information that is protected from discovery by the attorney-client, attorney work product and party communication exemptions. In addition, Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Moreover, Opposer objects to this Request because it is ambiguous, vague and overbroad in that it fails to identify specific documents or define what “certified each of your documents” means.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent that Scott A. Meyer was aware of Fed. R. Civ. P. 11 and Rule 11(d) states “This rule does not apply to disclosures and discovery requests, responses, objections, and motions under Rules 26 through Rule 37”, and “certified each of your documents” and “answers or responses” mean that Mr. Scott A. Meyer signed a Certificate of Service certifying that a true and correct copy of Opposer’s Objections and Responses to Applicant’s First Request for Admissions (June 11, 2012), Opposer’s Objections and Answers to Applicant’s First Set of Interrogatories (June 11, 2012), Opposer’s Objections and Response to Applicant’s First Request for Production (June 11, 2012), and Opposer’s Objections and Responses to Applicant’s Second Request for Admissions (July 25, 2012) were served on Applicant; otherwise, Denied because this Request does not provide sufficient detail for Opposer to admit or deny this Request beyond the foregoing response.

REQUEST NO. 122: At the time he managed or oversaw the certifications of each of your documents served on applicant and the Board in this proceeding, Mr. Edwin Flores was aware that he could be subjected to sanctions for answers or responses which failed to comply with Fed. R. Civ. P. 11.

RESPONSE: Opposer objects to this Request because it seeks information that is protected from discovery by the attorney-client, attorney work product and party communication exemptions. In addition, Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Moreover, Opposer objects to this Request because it is ambiguous, vague and overbroad in that it does not properly identify specific “documents” or define what “certifications of each of your documents” means.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent that Mr. Edwin Flores was aware of Fed. R.

Civ. P. 11 and Rule 11(d) states “This rule does not apply to disclosures and discovery requests, responses, objections, and motions under Rules 26 through Rule 37”; otherwise, Opposer cannot admit or deny this Request without disclosing information (e.g., documents or certifications that may or may not have been managed or overseen by an attorney, etc.) that is protected from discovery by the attorney-client, attorney work product and party communication exemptions.

REQUEST NO. 123: You are is in the business of manufacturing, designing, and selling business forms and other printed business products primarily to distributors located in the United States.

RESPONSE: Opposer objects to this Request because it is overbroad, vague, and ambiguous as it is not limited to Opposer’s COLORWORX mark.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted.

REQUEST NO. 124: For many decades since its creation in 1909, Ennis Inc. was one of the nation’s leaders in the manufacture of business forms.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted that Opposer’s predecessor was created in 1909 and Opposer manufactures business forms; otherwise, Denied as worded.

REQUEST NO. 125: Your name was at one stage Ennis Business Forms.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted that at one time Opposer’s name was Ennis Business Forms, Inc; otherwise, Denied as worded.

REQUEST NO. 126: You then changed your name to Ennis, dropping the words “Business Forms.”

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted that Opposer’s name was changed to Ennis, Inc.; otherwise Denied as worded.

REQUEST NO. 127: Since the digital age began, however, you became aware that your core business, that is, the manufacture of standardized business forms, was becoming obsolete.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted that Opposer no longer solely manufactures standardized business forms; otherwise, Denied as worded.

REQUEST NO. 128: The drop in your profits caused by the gradual obsolescence of your standardized forms business was a major blow to your business.

RESPONSE: Opposer objects to this Request because it assumes facts not in evidence, is overbroad, vague, and ambiguous because it does not limit the request to Opposer's COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted to the extent Opposer is unable to offset the obsolescence of its standardized business forms, it will be unable to increase sales and profits; otherwise, Denied as worded.

REQUEST NO. 129: In order to offset the decreases in profits because of the obsolescence of your standardized business forms products, you were eager to provide products which offered custom and color print jobs.

RESPONSE: Opposer objects to this Request because it assumes facts not in evidence, is overbroad, vague, and ambiguous because it does not limit the request to Opposer's COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted that Opposer no longer solely manufactures standardized business forms and currently provides custom and color print jobs; otherwise, Denied as worded.

REQUEST NO. 130: Improvements in the cost and quality of printing technology were enabling some of your competitors to gain access to products of complex design and functionality at competitive costs.

RESPONSE: Opposer objects to this Request because it assumes facts not in evidence, is overbroad, vague, and ambiguous because it does not limit the request to Opposer's COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted.

REQUEST NO. 131: Your competitors' access to improved printing technologies was one factor which forced you to provide products and services which satisfy customers' short run color needs in order to enable your distributors to attract new customers and retain existing customers.

RESPONSE: Opposer objects to this Request because it assumes facts not in evidence, is overbroad, vague, and ambiguous because it does not limit the request to

Opposer's COLORWORX mark. The "short run color needs" of Ennis Inc's customers is irrelevant to this matter and, therefore, Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer admits competitors' have access to improved printing technologies and it provides products and services which satisfy customers' short run color needs in order to enable distributors to attract new customers and retain existing customers; otherwise, Denied as worded.

REQUEST NO. 132: You faced the following challenges in the Print Segment of your business: transformation of your portfolio of products; excess production capacity and price competition within our industry; and economic uncertainties.

RESPONSE: Opposer objects to this Request because it assumes facts not in evidence, is overbroad, vague, and ambiguous because it does not limit the request to Opposer's COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer admits that it faces the following challenges: transformation of its portfolio of products, excess production capacity and price competition within our industry, and continued economic uncertainties; otherwise, Denied as worded.

REQUEST NO. 133: Because of the need to transform its portfolio of products, excess production capacity and price competition within your industry, and economic uncertainties, it was necessary for you to take risks in order to gain a competitive edge.

RESPONSE: Opposer objects to this Request because it assumes facts not in evidence, is overbroad, vague, and ambiguous because it does not limit the request to Opposer's COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer admits that it faces the following challenges: transformation of its portfolio of products, excess production capacity and price competition within our industry, and continued economic uncertainties; otherwise, Denied as worded.

REQUEST NO. 134: Because of the need to transform your portfolio of products, excess production capacity and price competition within its industry, and economic uncertainties, it was necessary for you to introduce new products within a short amount of time in order to enable its distributors to attract new customers and retain existing customers.

RESPONSE: Opposer objects to this Request because it assumes facts not in evidence, is overbroad, vague, and ambiguous because it does not limit the request to

Opposer's COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer admits it provides products and services which satisfy customers' needs in order to enable distributors to attract new customers and retain existing customers; otherwise, Denied as worded.

REQUEST NO. 135: You aimed to transform your product offerings to continue to provide innovative, unique and valuable solutions to your customers on a proactive basis.

RESPONSE: Opposer objects to this Request because it assumes facts not in evidence, is overbroad, vague, and ambiguous because it does not limit the request to Opposer's COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted that Opposer endeavors to proactively provide innovative, unique and valuable solutions to its customers; otherwise, Denied as worded.

REQUEST NO. 136: But you did not always achieve the goal of transforming your product offerings to continue to provide innovative, unique and valuable solutions to your customers on a proactive basis.

RESPONSE: Opposer objects to this Request because it assumes facts not in evidence, is overbroad, vague, and ambiguous because it does not limit the request to Opposer's COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied as worded.

REQUEST NO. 137: It was not always possible for you to expand your growth targeted products and develop new market niches.

RESPONSE: Opposer objects to this Request because it assumes facts not in evidence, is overbroad, vague, and ambiguous because it does not limit the request to Opposer's COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied as worded.

REQUEST NO. 138: As a result of intense competition in the printing industry and declining profits in the Print Segment, you were more willing to take risks in developing custom and color print jobs.

RESPONSE: Opposer objects to this Request because it assumes facts not in evidence, is overbroad, vague, and ambiguous because it does not limit the request to

Opposer's COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent the words and phrases in this Request are taken from Opposer's discovery, documents, publications or website content, and only to the extent such words and phrases are used in context at the time the discovery, documents, publications or website content was created; otherwise, Denied as worded.

REQUEST NO. 139: Your Print Segment faced intense competition to gain market share since your competition has often followed a strategy of selling their products at or below cost in order to cover some amount of fixed costs, especially in distressed economic times.

RESPONSE: Opposer objects to this Request because it assumes facts not in evidence, is overbroad, vague, and ambiguous because it does not limit the request to Opposer's COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted.

REQUEST NO. 140: You felt threatened by the competition posed by low price, high value office supply chain stores which offer standardized business forms, checks and related products.

RESPONSE: Opposer objects to this Request because it assumes facts not in evidence, is overbroad, vague, and ambiguous because it does not limit the request to Opposer's COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted to the extent low price, high value office supply chain stores offer standardized business forms, checks and related products at competitive prices; otherwise, Denied as worded.

REQUEST NO. 141: There is intense competition in the printing industry with respect to the sale of presentation products.

RESPONSE: Opposer objects to this Request because it assumes facts not in evidence, is overbroad, vague, and ambiguous because it does not limit the request to Opposer's COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent the words and phrases in this Request are taken from Opposer's discovery, documents, publications or website content, and only to the extent such words and phrases are used in context at the time the

discovery, documents, publications or website content was created; otherwise, Denied as worded.

REQUEST NO. 142: Because of the threat posed by low price, high value office supply chain stores, you were eager to provide products and services which satisfy customers' short run color needs in order to enable your distributors to attract new customers and retain existing customers.

RESPONSE: Opposer objects to this Request because it assumes facts not in evidence, is overbroad, vague, and ambiguous because it does not limit the request to Opposer's COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer admits it provides products and services which satisfy customers' short run color needs in order to enable distributors to attract new customers and retain existing customers; otherwise, Denied as worded.

REQUEST NO. 143: Your COLORWORX brand and design was one solution developed by you to meet its short run color needs.

RESPONSE: The "short run color needs" of Ennis Inc's distributors is irrelevant to this matter and, therefore, Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent the words and phrases in this Request are taken from Opposer's discovery, documents, publications or website content, and only to the extent such words and phrases are used in context at the time the discovery, documents, publications or website content was created; otherwise, Denied as worded.

REQUEST NO. 144: Goods and services you sold under your "COLORWORX" brand were originally designed to serve the short run color needs of your distributors.

RESPONSE: The "short run color needs" of Ennis Inc's distributors is irrelevant to this matter and, therefore, Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent the words and phrases in this Request are taken from Opposer's discovery, documents, publications or website content, and only to the extent such words and phrases are used in context at the time the discovery, documents, publications or website content was created; otherwise, Denied as worded.

REQUEST NO. 145: You have used the slogan "Uniqueness is the mark of success" in relation to your business.

RESPONSE: Opposer objects to this Request because it is overbroad, vague, and ambiguous because it does not limit the request to Opposer's COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent the words and phrases in this Request are taken from Opposer's discovery, documents, publications or website content, and only to the extent such words and phrases are used in context at the time the discovery, documents, publications or website content was created; otherwise, Denied as worded.

REQUEST NO. 146: You have used the slogan "Uniqueness is the mark of success" in relation to your business when you knew when you applied for and obtained the trademark registration for the COLORWORX mark with the United States Patent and Trademark Office that other traders use the marks "ColorWorx," "Color Worx," "Colorworks," and/or "Color Works" marks in commerce in general and/or in the printing industry in particular in the United States.

RESPONSE: Opposer objects to this Request because it is overbroad, vague, and ambiguous because it does not limit the request to Opposer's COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 147: Goods and services you sold under the "COLORWORX" brand are currently designed to serve the short run color needs of your distributors and private printers.

RESPONSE: The "short run color needs" of Ennis Inc's distributors is irrelevant to this matter and, therefore, Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer admits it sells goods and services under the "COLORWORX" mark to serve the needs of its distributors and private printers; otherwise, Denied as worded.

REQUEST NO. 148: The downturn in the economy and turmoil in the credit markets in 2009 and 2010 have created highly competitive conditions in the printing industry in an already over-supplied, price-competitive industry.

RESPONSE: Opposer objects to this Request because it assumes facts not in evidence, is overbroad, vague, and ambiguous because it does not limit the request to Opposer's COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted.

REQUEST NO. 149: The recessionary conditions of 2009 and 2010, and the resultant volatile and challenging economic climate had an adverse effect on your business.

RESPONSE: Opposer objects to this Request because it assumes facts not in evidence, is overbroad, vague, and ambiguous because it does not limit the request to Opposer's COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer admits as a result of the recessionary conditions of 2009 and 2010, the economic climate has been volatile and challenging; otherwise, Denied as worded.

REQUEST NO. 150: As a result of the recessionary conditions of 2009 and 2010, and the resultant volatile and challenging economic climate, you were willing to take calculated risks in order to combat decreased demand and intense price competition.

RESPONSE: Opposer objects to this Request because it assumes facts not in evidence, is overbroad, vague, and ambiguous because it does not limit the request to Opposer's COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent the words and phrases in this Request are taken from Opposer's discovery, documents, publications or website content, and only to the extent such words and phrases are used in context at the time the discovery, documents, publications or website content was created; Opposer admits as a result of the recessionary conditions of 2009 and 2010, the economic climate has been volatile and challenging; otherwise, Denied as worded.

REQUEST NO. 151: Judging on net sales data in the Printing Segment for the 2011, 2010 and 2009 fiscal years, you were not able, in the 2010 and 2011 fiscal years, to successfully combat the combined effect of the economic recession and the adoption of digital technologies.

RESPONSE: Opposer objects to this Request because it assumes facts not in evidence, is overbroad, vague, and ambiguous because it does not limit the request to Opposer's COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent the words and phrases in this Request are taken from Opposer's discovery, documents, publications or website content, and only to the extent such words and phrases are used in context at the time the discovery, documents, publications or website content was created; otherwise, Denied as worded.

REQUEST NO. 152: The private printers and/or distributors you sell your goods and services to in the United States possess specialized knowledge of the printing business, since they sell printed goods and printing services to their own customers.

RESPONSE: Opposer objects to this Request because it assumes facts not in evidence, is overbroad, vague, and ambiguous because it does not limit the request to Opposer's COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent the words and phrases in this Request are taken from Opposer's discovery, documents, publications or website content, and only to the extent such words and phrases are used in context at the time the discovery, documents, publications or website content was created; otherwise, Denied as worded.

REQUEST NO. 153: Basing an Opposition to Applicant's COLOR WARS mark on your COLORWORX logo and design was an action of bad faith by you because you knew that Registrant's distributors and private printers are not everyday consumers or members of the public, but professional, experienced printers who have worked in the printing industry for many years.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

IV(A)1.

REQUEST NO. 154: At the time you signed the oath for application to register your Colorworx Mark and the design element, there was in fact another use of the same or a confusingly similar design element, namely the red circle and gray "X" design used by the Xerox Corporation (www.xerox.com), which also offers printing goods and services and is one of the leaders in the printing industry.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "the red circle and gray 'X' design" is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 155: In your Response to Office Action dated September 11, 2006, you described your crosshairs logo as an "X."

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer admits the statement “. . . the design portion of the mark is stylized so that the cross-hairs of the target design resemble the letter ‘X’ of the word portion of the Applicant’s mark” is stated in the Response to Office Action dated September 11, 2006; otherwise, Denied as worded.

REQUEST NO. 156: You first used the design element in your COLORWORX mark in August 2002.

RESPONSE: Admitted that Opposer’s mark COLORWORX was first used at least as early as August 2002.

REQUEST NO. 157: At the time you signed the oath in your application to register the COLORWORX mark and the design element, the Xerox Corporation had legal rights in the COLORWORX mark superior to yours in its “X” design element.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “its design element” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge about alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 158: The Xerox Corporation has been in business in the United States since 1906.

RESPONSE: Opposer objects to this Request because it assumes facts not in evidence, is overbroad, vague, and ambiguous because it does not limit the request to Opposer’s COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge about alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 159: The Xerox company’s use of its red circle and gray “X” design predates your use of the design in your COLORWORX Mark.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Opposer objects to this Request because “the red circle and gray ‘X’ design” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 160: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you knew that the Xerox Corporation had rights in the “X” design superior to yours, and either believed that a likelihood of confusion would result from your use of its mark or had no reasonable basis for believing otherwise.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “the ‘X’ design” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 161: Both your and Xerox’s design elements contain Xs and there is an obvious likelihood of confusion.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “Xerox’s design elements” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted to the extent that some of Xerox’s marks contain X’s; Denied as to any obvious likelihood of confusion.

REQUEST NO. 162: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you, in failing to disclose the above alleged facts to the USPTO, intended to deceive the USPTO and procure a registration to which you were not entitled.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “above alleged facts” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

IV(A)2.

REQUEST NO. 163: At the time you signed the oath for application to register your Colorworx and design trademark, there was in fact another of the same or a confusingly similar mark at the time the oath

was signed, namely, the crosshairs design used by the Four Colour Print Group (www.fourcolour.com), which also offers printing goods and services.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “the crosshairs design” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 164: At the time you signed the oath in your application to register the COLORWORX mark and the design element, the Four Colour Print Group had legal rights in the COLORWORX mark superior to yours in its design element.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “its design element” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 165: The Four Colour Print Group has been in business in the United States since 1985.

RESPONSE: Opposer objects to this Request because it assumes facts not in evidence, is overbroad, vague, and ambiguous because it does not limit the request to Opposer’s COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 166: The Four Colour Print Group’s use of its design element predates your use of your design.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “its design element” and “your design” are vague and ambiguous as they are not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 167: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you knew that the Four Colour Print Group had rights in the crosshairs design superior to yours, and either believed that a likelihood of confusion would result from applicant's use of its mark or had no reasonable basis for believing otherwise.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “crosshairs design” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 168: Both your and the Four Colour Print Group’s design elements contain crosshairs logos and there is an obvious likelihood of confusion.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “design elements” and “crosshairs logos” are vague and ambiguous as they are not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied as to any obvious likelihood of confusion. Opposer cannot otherwise truthfully admit or deny the remainder of this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded..

REQUEST NO. 169: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you, in failing to disclose the above alleged facts to the USPTO, intended to deceive the USPTO and procure a registration to which you were not entitled.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “above alleged facts” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

IV(A)3.

REQUEST NO. 170: At the time you signed the oath for application to register your Colorworx and design trademark, there was in fact another use of the same or a confusingly similar mark design element, namely, the crosshairs design used by Spectrum Color Printing & Mailing (www.spectrumcolorprinting.com).

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “crosshairs design” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded..

REQUEST NO. 171: Spectrum Color Printing & Mailing also offers printing goods and services identical to registrant’s such as flyers, brochures, booklets, posters, rack cards and doorhangers.

RESPONSE: Opposer objects to this Request because it is overbroad, vague, and ambiguous because it does not limit the request to Opposer’s COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded..

REQUEST NO. 172: At the time you signed the oath in your application to register the COLORWORX mark and the design element, Spectrum Color Printing & Mailing had legal rights in the design element superior to yours and you either believed that a likelihood of confusion would result from your use of its mark or had no reasonable basis for believing otherwise

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “design element” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied as to any belief that a likelihood of confusion would result from Opposer’s use of its mark at the time Opposer signed the oath in Opposer’s

application to register the COLORWORX mark. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 173: Spectrum Color Printing & Mailing has been in business in the United States since 1985.

RESPONSE: Opposer objects to this Request because it assumes facts not in evidence, is overbroad, vague, and ambiguous because it does not limit the request to Opposer's COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 174: Spectrum Color Printing's use of its design element predates your use of the design element in the COLORWORX Mark.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "design element" is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 175: Both your and Spectrum Color Printing & Mailing's design elements contain crosshairs logos and there is an obvious likelihood of confusion.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "design elements" and "crosshairs logos" are vague and ambiguous as they are not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied as to any belief that a likelihood of confusion. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts

regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded..

REQUEST NO. 176: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you, in failing to disclose these facts to the U.S. Patent and Trademark Office, intended to deceive the USPTO and procure a registration to which you were not entitled.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “design elements” and “these facts” are vague and ambiguous as they are not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

IV(A)4.

REQUEST NO. 177: At the time you signed the oath for application to register your Colorworx and design trademark, there was in fact another use of the same or a confusingly similar mark design element, namely, the circle and “X” design used by the Microsoft Corporation (www.xbox.com).

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “circle and ‘X’ design” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 178: The Microsoft Corporation is one of the leaders in the computing industry.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny the remainder of this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 179: Your presentation products are based on digital and computing technology.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent Opposer offers products based on digital and computing technology, and to the extent the words and phrases in this Request are taken from Opposer's discovery, documents, publications or website content, and only to the extent such words and phrases are used in context at the time the discovery, documents, publications or website content was created; otherwise, Denied as worded.

REQUEST NO. 180: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you knew that the Microsoft Corporation had rights in the design portion of your COLORWORX mark superior to yours, and either believed that a likelihood of confusion would result from your use of the design portion or had no reasonable basis for believing otherwise.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 181: The Microsoft Corporation has sold its X-box brand in the United States since 2001.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 182: Microsoft's use of its design element predates Registrant's use of its design element.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "its design element" is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 183: Both your and Microsoft's design elements contain circles and Xs and there is an obvious likelihood of confusion.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “Microsoft’s design elements” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted to the extent some of Microsoft’s marks appear to contain some circles or Xs; otherwise, Denied as to any obvious likelihood of confusion.

REQUEST NO. 184: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you, in failing to disclose these facts to the U.S. Patent and Trademark Office, intended to deceive the USPTO and procure a registration to which you were not entitled.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “these facts” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

IV(A)5.

REQUEST NO. 185: At the time you signed the oath for application to register your Colorworx and design trademark, there was in fact another use of the same or a confusingly similar mark design element, namely, the crosshairs logo used by Smartpress.com (www.smartpress.com), which offers printing products similar to Registrant.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “crosshairs logo” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 186: Smartpress.com has sold its printing goods and services under the crosshairs design in the United States prior to August 2002.

RESPONSE: Opposer objects to this Request because it is overbroad, vague, and ambiguous because it does not limit the request to Opposer’s COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “crosshairs design” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 187: Smartpress.com's use of its crosshairs design element predates Registrant's use of its design element.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "crosshairs design element" is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 188: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you knew that Smartpress.com had rights in the design element of your mark superior to yours, and either believed that a likelihood of confusion would result from your use of the mark or had no reasonable basis for believing otherwise.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 189: Both your and Smartpress.com's design elements contain crosshairs logos and there is an obvious likelihood of confusion.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "Smartpress.com's design elements" and crosshairs logos are vague and ambiguous as they are not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied as to any obvious likelihood of confusion. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 190: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you, in failing to disclose these facts to the U.S. Patent and Trademark Office, intended to deceive the USPTO and procure a registration to which you were not entitled.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “design elements” and “these facts” are vague and ambiguous as they are not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

IV(A)6.

REQUEST NO. 191: At the time you signed the oath for application to register your Colorworx and design trademark, there was in fact another use of the same or a confusingly similar mark (excluding the design element), namely, the mark “COLORWORKS” (<http://colorworksnyc.com/>), used in commerce by a New York company specializing in “Prints, Postcards, and Retouching.”

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 192: You have alleged on oath that you works in the printing industry and produce postcards.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “alleged on oath that you works” is vague and ambiguous as it is not defined or described with sufficient detail and not limited to Opposer’s COLORWORX mark.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted that Opposer is in the printing industry and produce postcards.

REQUEST NO. 193: At the time you signed the oath in your application to register the COLORWORX mark and the design element, Mr. Barna had legal rights in the COLORWORX Mark superior to yours in that he has been using his COLROWORKS mark since approximately the early 1980s.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 194: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you knew that Mr. Barna had rights in the COLORWORX mark superior to yours, and either believed that a likelihood of confusion would result from your use of your COLORWORX mark or had no reasonable basis for believing otherwise.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 195: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you, in failing to disclose these facts to the U.S. Patent and Trademark Office, intended to deceive the USPTO and procure a registration to which you were not entitled.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “these facts” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

IV(A)7.

REQUEST NO. 196: At the time you signed the oath for application to register your Colorworx and design trademark, there was in fact another use of the same or a confusingly similar mark (excluding the design element), namely, the mark “COLORWORX” used in commerce by Creative Hairdressers Inc.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 197: Creative Hairdressers Inc., on November 25, 1998, filed an Application to register the word COLORWORX with the USPTO, and was assigned serial number 75595803.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent that the USPTO TESS records indicate that U.S. Trademark Application Serial Number 75595803 for the mark COLORWORX was filed by Creative Hairdressers Inc. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of the data contained in the USPTO TESS records and alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 198: At the time you signed the oath in your application to register the COLORWORX mark and the design element, Creative Hairdressers Inc had legal rights in the COLORWORX mark superior to yours in that its goods and services were similar and/or closely related to your services.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 199: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you knew that Creative Hairdressers Inc had rights in the COLORWORX mark superior to yours, and either believed that a likelihood of confusion would result from your use of the COLORWORX mark or had no reasonable basis for believing otherwise.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 200: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you, in failing to disclose these facts to the U.S. Patent and Trademark Office, intended to deceive the USPTO and procure a registration to which you were not entitled.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “these facts” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

IV(A)8.

REQUEST NO. 201: At the time you signed the oath for application to register your Colorworx and design trademark, there was in fact another use of the same or a confusingly similar mark (excluding the design element), namely, the use in commerce of “COLORWORKS” owned by Clariant AG Corporation Switzerland.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 202: At the time you signed the oath in your application to register the COLORWORX mark and the design element, Clariant AG Corporation had legal rights to the COLORWORX mark superior to yours, in that it was the owner of Registration No.2783206 with respect to plastic coloration.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent that the USPTO TESS records indicate that U.S. Trademark Registration Number 2783206 for the mark COLORWORKS is owned by Clariant AG Corporation Switzerland. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of the data contained in the USPTO TESS records and alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 203: Plastic coloration is similar and/or closely related to your services.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “services” is vague and ambiguous as it is not defined or described with sufficient detail, and because it is overbroad, vague, and ambiguous as it is not limited to Opposer’s COLORWORX mark.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 204: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you knew that Clariant AG Corporation had rights in the COLORWORX mark superior to yours, and either believed that a likelihood of confusion would result from your use of the COLORWORX mark or had no reasonable basis for believing otherwise.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 205: Clariant AG Corporation's mark was registered on November 11, 2003, earlier than your registration date for your COLORWORX mark and the design element.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "AG Corporation's mark" is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted that Opposers COLORWORX mark registered on January 22, 2008, and to the extent that the USPTO TESS records indicate that U.S. Trademark Registration Number 2783206 for the mark COLORWORKS registered on November 11, 2003, was registered to Clariant AG Corporation. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of the data contained in the USPTO TESS records and alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 206: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you, in failing to disclose these facts to the U.S. Patent and Trademark Office, intended to deceive the USPTO and procure a registration to which you were not entitled.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "these facts" is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

IV(A)9.

REQUEST NO. 207: At the time you signed the oath for application to register your Colorworx and design trademark, there was in fact another use of the same or a confusingly similar mark (excluding the design element), namely, the use in commerce of "COLORWORKS" owned by New Order Organizers LLC.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 208: At the time you signed the oath in your application to register the COLORWORX mark and the design element, New Order Organizers LLC had legal rights in the COLORWORX mark superior to yours, in that it used the COLORWORKS mark in commerce prior to your first use with respect to the almost identical printed goods which you, including storage and organization systems comprising binders, folders, stickers, labels, adhesive notes.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 209: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you knew that New Order Organizers LLC had rights in the COLORWORX mark superior to yours, and either believed that a likelihood of confusion would result from your use of the COLORWORX mark or had no reasonable basis for believing otherwise.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 210: New Order Organizers LLC mark was registered on June 2, 2009 (Registration No.3632494).

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent that the USPTO TESS records indicate that U.S. Trademark Registration Number 3632494 for the mark COLORWORKS was registered to New Order Organizers LLC on June 2, 2009. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of the data contained in the USPTO TESS records and alleged facts regarding third parties.

Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 211: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you, in failing to disclose these facts to the U.S. Patent and Trademark Office, intended to deceive the USPTO and procure a registration to which you were not entitled.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “these facts” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

IV(A)10.

REQUEST NO. 212: At the time you signed the oath for application to register your Colorworx and design trademark, there was in fact another use of the same or a confusingly similar mark (excluding the design element), namely, the use in commerce of “COLORWORKS” owned by Horizon International Inc.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 213: At the time you signed the oath in your application to register the COLORWORX mark and the design element, Horizon International Inc had legal rights in the COLORWORX mark superior to yours, in that it was the owner of Registration No.2615133 with respect to apparatus, tools and machine tools.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent that the USPTO TESS records indicate that U.S. Trademark Registration Number 2615133 for the mark COLORWORKS was registered to Horizon International Inc. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of the data contained in the USPTO TESS records and alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 214: Apparatus, tools and machine tools are similar and/or closely related to Registrant's services.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer is unable to admit or deny this Request as the Request is not comprehensible; otherwise, Denied.

REQUEST NO. 215: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you knew that Horizon International Inc had rights in the COLORWORX mark superior to yours, and either believed that a likelihood of confusion would result from your use of its mark or had no reasonable basis for believing otherwise.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 216: Horizon International Inc mark was registered on September 3, 2002 with a filing date of October 17, 2001, earlier than your registration date for your COLORWORX mark and the design element.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "Horizon International Inc mark" is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted that Opposers COLORWORX mark registered on January 22, 2008, and to the extent that the USPTO TESS records indicate that U.S. Trademark Registration Number 2615133 for the mark COLORWORKS registered on September 3, 2002, was registered to Horizon International Inc. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of the data contained in the USPTO TESS records and alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 217: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you, in failing to disclose these facts to the U.S. Patent and Trademark Office, intended to deceive the USPTO and procure a registration to which you were not entitled.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "these facts" is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

IV(A)11.

REQUEST NO. 218: At the time you signed the oath for application to register your Colorworx and design trademark, there was in fact another use of the same or a confusingly similar mark (excluding the design element), namely, the use in commerce of “GALLERY COLORWORKS” owned by Tacony Corporation.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 219: At the time you signed the oath in your application to register the COLORWORX mark and the design element, Tacony Corporation had legal rights in the COLORWORX mark superior to yours, in that it was the owner of Registration No.2524890 with respect to computer software in relation to embroidering.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent that the USPTO TESS records indicate that U.S. Trademark Registration Number 2524890 for the mark GALLERY COLORWORKS was registered to Tacony Corporation. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of the data contained in the USPTO TESS records and alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded..

REQUEST NO. 220: Computer software in relation to embroidering is similar and/or closely related to your services.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial, and because it is overbroad, vague, and ambiguous as it is not limited to Opposer’s COLORWORX mark.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer is unable to admit or deny this Request as the Request is not comprehensible; otherwise, Denied.

REQUEST NO. 221: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you knew that Tacony Corporation had rights in the COLORWORX mark superior to yours, and either believed that a likelihood of confusion would result from your use of the COLORWORX mark or had no reasonable basis for believing otherwise.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 222: Tacony Corporation's mark was registered on January 1, 2002, with a filing date of February 5, 2001, earlier than your registration date for your COLORWORX mark and the design element.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "Tacony Corporation's mark" is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted that Opposers COLORWORX mark registered on January 22, 2008, and to the extent that the USPTO TESS records indicate that U.S. Trademark Registration Number 2524890 for the mark GALLERY COLORWORKS registered on January 1, 2002, was registered to Tacony Corporation. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of the data contained in the USPTO TESS records and alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 223: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you, in failing to disclose these facts to the U.S. Patent and Trademark Office, intended to deceive the USPTO and procure a registration to which you were not entitled.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "these facts" is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

IV(A)12.

REQUEST NO. 224: At the time you signed the oath for application to register your Colorworx and design trademark, there was in fact another use of the same or a confusingly similar mark (excluding the design element), namely, the use in commerce of "COLORWORKS" owned by Duncan Enterprises Corporation.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 225: At the time you signed the oath in your application to register the COLORWORX mark and the design element, Duncan Enterprises Corporation had legal rights in the COLORWORX mark superior to yours, in that first used the mark in commerce with respect to an instructional book for children in class 16.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “the mark” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 226: An instructional book for children in class 16 is similar and/or closely related to your services.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial, and because it is overbroad, vague, and ambiguous as it is not limited to Opposer’s COLORWORX mark.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 227: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you knew that Duncan Enterprises Corporation had rights in the COLORWORX mark superior to yours, and either believed that a likelihood of confusion would result from your use of the COLORWORX mark or had no reasonable basis for believing otherwise.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 228: Duncan Enterprises Corporation's mark was first used in commerce in approximately May 2000, earlier than Registrant's registration date for your COLORWORX mark and the design element and alleged first use in commerce.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "Duncan Enterprises Corporation's mark" is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted that Opposers COLORWORX mark registered on January 22, 2008, and to the extent the USPTO TESS records indicate that the COLORWORKS mark in U.S. Trademark Application Serials No. 76052896 alleges a date of first use of May 2000. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of the data contained in the USPTO TESS records and alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 229: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you, in failing to disclose these facts to the U.S. Patent and Trademark Office, intended to deceive the USPTO and procure a registration to which you were not entitled.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "these facts" is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

IV(A)13.

REQUEST NO. 230: At the time you signed the oath for application to register your Colorworx and design trademark, there was in fact another use of the same or a confusingly similar mark (excluding the design element), namely, the use in commerce of "COLOR WORKS" owned by Sherwin-Williams Automotive Finishes Corporation.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and

the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded..

REQUEST NO. 231: At the time you signed the oath in your application to register the COLORWORX mark and the design element, Sherwin-Williams Automotive Finishes Corporation had legal rights in the COLORWORX mark superior to yours, in that it was the owner of Registration No.2453770 with respect to display racks for paint color cards.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted to the extent that the USPTO TESS records indicate that U.S. Trademark Registration Number 2453770 for the mark COLOR WORKS was registered to Sherwin-Williams Automotive Finishes Corporation. Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 232: Display racks for paint color cards are similar and/or closely related to Registrant's services.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 233: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you knew that Sherwin-Williams Automotive Finishes Corporation had rights in the COLORWORX mark superior to yours, and either believed that a likelihood of confusion would result from your use of the COLORWORX mark or had no reasonable basis for believing otherwise.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 234: Sherwin-Williams Automotive Finishes Corporation's mark was registered on May 22, 2001, earlier than Registrant's registration date for the COLORWORX mark and the design element.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Opposer objects to this Request because “Sherwin-Williams Automotive Finishes Corporation’s mark” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted that Opposers COLORWORX mark registered on January 22, 2008, and to the extent that the USPTO TESS records indicate that U.S. Trademark Registration Number 2453770 for the mark COLOR WORKS registered on May 22, 2001 to Sherwin-Williams Automotive Finishes Corporation. Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 235: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you, in failing to disclose these facts to the U.S. Patent and Trademark Office, intended to deceive the USPTO and procure a registration to which you were not entitled.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “these facts” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

IV(A)14.

REQUEST NO. 236: At the time you signed the oath for application to register your Colorworx and design trademark, there was in fact another use of the same or a confusingly similar mark (excluding the design element), namely, the use in commerce of “COLORWORKS” owned by Sherwin-Williams Automotive Finishes Corporation.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 237: At the time you signed the oath in your application to register the COLORWORX mark and the design element, Sherwin-Williams Automotive Finishes Corporation had legal rights in the COLORWORX mark superior to yours, in that it was the owner of Registration No.2476288 with respect to paint color cards.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted to the extent that the USPTO TESS records indicate that U.S. Trademark Registration Number 2476288 for the mark COLOR WORKS was registered to Sherwin-Williams Automotive Finishes Corporation. Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 238: Paint color cards are similar and/or closely related to Registrant's services.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 239: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you knew that Sherwin-Williams Automotive Finishes Corporation had rights in the COLORWORX mark superior to yours, and either believed that a likelihood of confusion would result from your use of the COLORWORX mark or had no reasonable basis for believing otherwise.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 240: Sherwin-Williams Automotive Finishes Corporation's mark was registered on March 28, 2000, earlier than Registrant's registration date for the COLORWORX mark and the design element.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "Sherwin-Williams Automotive Finishes Corporation's mark" is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted that Opposers COLORWORX mark registered on January 22, 2008, and to the extent that the USPTO TESS records indicate that U.S. Trademark Registration Number 2476288 for the mark COLOR WORK registered on March 28, 2000, was registered to Sherwin-Williams Automotive

Finishes Corporation. Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 241: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you, in failing to disclose these facts to the U.S. Patent and Trademark Office, intended to deceive the USPTO and procure a registration to which you were not entitled.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “these facts” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

IV(A)15.

REQUEST NO. 242: At the time you signed the oath for application to register your Colorworx and design trademark, there was in fact another use of the same or a confusingly similar mark (excluding the design element), namely, the use in commerce of “COLOR WORKS” owned by Deandra K. Vallier (Serial No. 75617896).

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted to the extent that the USPTO TESS records indicate that U.S. Trademark Application Serial Number 75617896 for the mark COLOR WORKS was filed by Deandra K. Vallier. Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 243: At the time you signed the oath in your application to register the COLORWORX mark and the design element, Deandra K. Vallier had legal rights in the COLORWORX mark superior to yours, in that she used her mark on cosmetic eye drops.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 244: Cosmetic eye drops are similar and/or closely related to your services.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial, and because it is overbroad, vague, and ambiguous as it is not limited to Opposer's COLORWORX mark.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 245: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you knew that Deandra K. Vallier had rights in the mark superior to yours, and either believed that a likelihood of confusion would result from your use of the COLORWORX mark or had no reasonable basis for believing otherwise.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "the mark" is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 246: Deandra K. Vallier's COLOR WORKS mark was filed on January 12, 1999, earlier than Registrant's registration date for your COLORWORX mark and the design element.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted that Opposers COLORWORX mark registered on January 22, 2008, and to the extent that the USPTO TESS records indicate that U.S. Trademark Application Serial Number 75617896 for the mark COLOR WORKS was filed on January 12, 1999 by Deandra K. Vallier. Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 247: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you, in failing to disclose these facts to the U.S. Patent and Trademark Office, intended to deceive the USPTO and procure a registration to which you were not entitled.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "these facts" is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

IV(A)16.

REQUEST NO. 248: At the time you signed the oath for application to register your Colorworx and design trademark, there was in fact another use of the same or a confusingly similar mark (excluding the design element), namely, the use in commerce of “COLOR WORKS” owned by Mars Inc.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded..

REQUEST NO. 249: At the time you signed the oath in your application to register the COLORWORX mark and the design element, Mars Inc. had legal rights in the COLORWORX mark superior to yours, in that it was the owner of Registration No.2451486 with respect to candy vending machines.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent that the USPTO TESS records indicate that U.S. Trademark Registration Number 2451486 for the mark COLOR WORKS is owned by Mars, Incorporated. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 250: Candy vending machines are similar and/or closely related to your services.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial, and because it is overbroad, vague, and ambiguous as it is not limited to Opposer’s COLORWORX mark.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 251: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you knew that Mars Inc. had rights in the COLORWORX mark superior to yours, and either believed that a likelihood of confusion would result from your use of the COLORWORX mark or had no reasonable basis for believing otherwise.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 252: Mars Inc.'s mark was registered on May 15, 2001, earlier than Registrant's registration date for its COLORWORX mark and the design element.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "Mars Inc.'s mark" is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted that Opposer's COLORWORX mark registered on January 22, 2008, and to the extent that the USPTO TESS records indicate that U.S. Trademark Registration Number 2451486 for the mark COLOR WORKS was registered on May 15, 2001 to Mars, Incorporated. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 253: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you, in failing to disclose these facts to the U.S. Patent and Trademark Office, intended to deceive the USPTO and procure a registration to which you were not entitled.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "these facts" is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

IV(A)17.

REQUEST NO. 254: At the time you signed the oath for application to register your Colorworx and design trademark, there was in fact another use of the same or a confusingly similar mark (excluding the design element), namely, the use in commerce of "COLORWORKS" owned by Tarkett Inc.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of

alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 255: At the time you signed the oath in your application to register the COLORWORX mark and the design element, Tarkett Inc. had legal rights in the COLORWORX mark superior to yours, in that it was the owner of Registration No.2313535 with respect to sheet vinyl and vinyl tile flooring.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent that the USPTO TESS records indicate that Tarkett Inc. was the owner of U.S. Trademark Registration No. 2313535 for the mark COLORWORKS. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 256: Sheet vinyl and vinyl tile flooring are similar and/or closely related to your services.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial, and because it is overbroad, vague, and ambiguous as it is not limited to Opposer's COLORWORX mark.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 257: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you knew that Tarkett Inc. had rights in the COLORWORX mark superior to yours, and either believed that a likelihood of confusion would result from your use of the COLORWORX mark or had no reasonable basis for believing otherwise.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 258: Tarkett Inc.'s mark was registered on February 1, 2000, earlier than your registration date for the COLORWORX mark and the design element.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "Tarkett Inc.'s mark" is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted that Opposers COLORWORX mark registered on January 22, 2008, and to the extent that the USPTO TESS records indicate U.S. Trademark Registration No. 2313535 for the mark COLORWORKS registered on February 1, 2000 to Tarkett, Inc. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 259: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you, in failing to disclose these facts to the U.S. Patent and Trademark Office, intended to deceive the USPTO and procure a registration to which you were not entitled.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “these facts” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

IV(A)18.

REQUEST NO. 260: At the time you signed the oath for application to register your Colorworx and design trademark, there was in fact another use of the same or a confusingly similar mark (excluding the design element), namely, the use in commerce of “COLORWORKS” owned by Mars Inc.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 261: At the time you signed the oath in your application to register the COLORWORX mark and the design element, Mars Inc. had legal rights in the COLORWORX mark superior to yours, in that it was the owner of Registration No.2103537 with respect to candy.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent that the USPTO TESS records indicate that Mars, Incorporated was the owner of U.S. Trademark Registration No. 2103537 for the mark COLORWORKS. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or

knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 262: Candy is similar and/or closely related to your services.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial, and because it is overbroad, vague, and ambiguous as it is not limited to Opposer's COLORWORX mark.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 263: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you knew that Mars Inc. had rights in the COLORWORX mark superior to yours, and either believed that a likelihood of confusion would result from your use of the COLORWORX mark or had no reasonable basis for believing otherwise.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 264: Mars Inc.'s mark was registered on October 7, 1997, earlier than Registrant's registration date for its COLORWORX mark and the design element.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted that Opposer's COLORWORX mark registered on January 22, 2008, and to the extent that the USPTO TESS records indicate that U.S. Trademark Registration No. 2103537 for the mark COLORWORKS registered to Mars, Incorporated on October 7, 1997. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 265: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you, in failing to disclose these facts to the U.S. Patent and Trademark Office, intended to deceive the USPTO and procure a registration to which you were not entitled.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "these facts" is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

IV(A)19.

REQUEST NO. 266: At the time you signed the oath for application to register your Colorworx and design trademark, there was in fact another use of the same or a confusingly similar mark (excluding the design element), namely, the use in commerce of “COLORWORKS” owned by Mars Inc.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 267: At the time you signed the oath in your application to register the COLORWORX mark and the design element, Mars Inc. had legal rights in the COLORWORX mark superior to yours, in that it was the owner of Registration No.2115953 with respect to display cases for candy products

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent that the USPTO TESS records indicate that Mars, Incorporated was the owner of U.S. Trademark Registration No. 2115953 for the mark COLORWORKS. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 268: Display cases for candy products are similar and/or closely related to Registrant’s services.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 269: At the time you signed the oath in your application to register the COLORWORX mark and the design element, Mars Inc. had legal rights in the COLORWORX mark superior to yours and you either believed that a likelihood of confusion would result from your use of its mark or had no reasonable basis for believing otherwise.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied as to any belief that a likelihood of confusion would result from Opposer's use of its mark at the time Opposer signed the oath in Opposer's application to register the COLORWORX mark. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 270: Mars Inc.'s mark was registered on November 25, 1997, earlier than Registrant's registration date for its COLORWORX mark and the design element.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "Mars Inc.'s design" is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted that Opposer's COLORWORX mark registered on January 22, 2008, and to the extent that the USPTO TESS records indicate that U.S. Trademark Registration No. 2115953 for the mark COLORWORKS registered on November 25, 1997 to Mars, Incorporated. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 271: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you, in failing to disclose these facts to the U.S. Patent and Trademark Office, intended to deceive the USPTO and procure a registration to which you were not entitled.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "these facts" is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

IV(A)20.

REQUEST NO. 272: At the time you signed the oath for application to register its COLORWORX and design trademark, there was in fact another use of the same or a confusingly similar mark (excluding the design element), namely, the use in commerce of "COLOR WORKS" owned by Deandra K. Vallier (Serial No. 75463213).

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent that the USPTO TESS records indicate that U.S. Trademark Application Serial Number 75463213 for the mark COLORWORKS was filed by Deandra K. Vallier. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of the data contained in the USPTO TESS records and alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 273: At the time You signed the oath in your application to register the COLORWORX mark and the design element, Deandra K. Vallier had legal rights in the COLORWORX mark superior to yours, in that she used her mark on ophthalmic preparations, which are similar and/or closely related to Registrant's services.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied to the extent ophthalmic preparations, are alleged to be similar and/or closely related to Registrant's services. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of the alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 274: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you knew that Deandra K. Vallier had rights in the COLORWORX mark superior to yours, and either believed that a likelihood of confusion would result from your use of the mark or had no reasonable basis for believing otherwise.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 275: Deandra K. Vallier mark was filed on April 6, 1998, earlier than Registrant's registration date for its COLORWORX mark and the design element.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "Deandra K. Vallier mark" is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted that Opposer's COLORWORX mark registered on January 22, 2008, and to the extent that the USPTO TESS records indicate that U.S. Trademark Application Serial Number 75463213 for the mark COLOR WORKS was filed by Deandra K. Vallier on April 6, 1998. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of the data contained in the USPTO TESS records and alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 276: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you, in failing to disclose these facts to the U.S. Patent and Trademark Office, intended to deceive the USPTO and procure a registration to which you were not entitled.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "these facts" is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

IV(A)21.

REQUEST NO. 277: At the time you signed the oath for application to register your Colorworx and design trademark, there was in fact another use of the same or a confusingly similar mark to your COLORWORX mark (excluding the design element), namely, the use in commerce of "COLORWORKS" owned by Owens-Corning Fibreglass Technology Inc.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded..

REQUEST NO. 278: At the time you signed the oath in your application to register the COLORWORX mark and the design element, Owens-Corning Fibreglass Technology Inc. had legal rights in the COLORWORX mark superior to yours, in that it used its mark in commerce with respect to computer programs for use in selecting color schemes for the exterior of a house, and roofing shingles, vinyl siding and non-metal windows and doors.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded..

REQUEST NO. 279: Computer programs for use in selecting color schemes for the exterior of a house, and roofing shingles, vinyl siding and non-metal windows and doors are similar and/or closely related to your services.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial, and because it is overbroad, vague, and ambiguous as it is not limited to Opposer's COLORWORX mark.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 280: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you knew that Owens-Corning Fibreglass Technology Inc. had rights in the COLROWORX mark (excluding the design element) superior to yours, and you either believed that a likelihood of confusion would result from your use of its mark or had no reasonable basis for believing otherwise.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 281: Owens-Corning Fibreglass Technology Inc. mark was filed on January 13, 1997 (serial number 75224752), earlier than Registrant's registration date for its COLORWORX mark and the design element.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "Owens-Corning Fibreglass Technology Inc. mark" is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted that Opposers COLORWORX mark registered on January 22, 2008, and to the extent that the USPTO TESS records indicate that U.S. Trademark Application Serial Number 75224752 for the mark COLORWORKS was filed on January 13, 1997 by Owens-Corning Fiberglass Technology Inc. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of the data contained in the USPTO TESS records and alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or

readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 282: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you, in failing to disclose these facts to the U.S. Patent and Trademark Office, intended to deceive the USPTO and procure a registration to which you were not entitled.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “these facts” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

IV(A)22.

REQUEST NO. 283: At the time you signed the oath for application to register your Colorworx and design trademark, there was in fact another use of the same or a confusingly similar mark (excluding the design element), namely, the use in commerce of “COLORWORKS” owned by Colorworks Collegiate Painters Inc.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 284: At the time you signed the oath in your application to register the COLORWORX mark and the design element, Colorworks Collegiate Painters Inc had legal rights in the COLORWORKS Mark superior to yours, in that it was the owner of Registration No.2210089 with respect to painting services, which are similar and/or closely related to Registrant’s services.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent that the USPTO TESS records indicate that U.S. Trademark Registration Number 2210089 for the mark COLORWORKS indicates Colorworks Collegiate Painters, Inc. is the owner. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of the data contained in the USPTO TESS records and alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 285: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you knew that Colorworks Collegiate Painters Inc had rights in the COLORWORKS mark superior to yours, and either believed that a likelihood of confusion would result from your use of the mark or had no reasonable basis for believing otherwise.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 286: Colorworks Collegiate Painters Inc's mark was registered on December 15, 1998, earlier than your registration date for the COLORWORX mark and the design element.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "Colorworks Collegiate Painters Inc's mark" is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted that Opposers COLORWORX mark registered on January 22, 2008, and to the extent that the USPTO TESS records indicate that U.S. Trademark Registration Number 2210089 for the mark COLORWORKS registered on December 15, 1998 to Colorworks Collegiate Painters, Inc. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of the data contained in the USPTO TESS records and alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 287: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you, in failing to disclose these facts to the U.S. Patent and Trademark Office, intended to deceive the USPTO and procure a registration to which you were not entitled.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "these facts" is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

IV(A)23.

REQUEST NO. 288: At the time you signed the oath for application to register your Colorworx and design trademark, there was in fact another use of the same or a confusingly similar mark at the time the

oath was signed, namely, the use in commerce of “COLORWORKS” owned by Colorworks Film Graphics Corporation.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 289: At the time you signed the oath in your application to register the COLORWORX mark and the design element, Colorworks Film Graphics Corporation had legal rights in the COLORWORX mark superior to yours in the word COLORWORKS, in that it was the owner of Registration No. 2349187 with respect to computer generated color prints, which are similar and/or closely related to your services.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent that the USPTO TESS records indicate that U.S. Trademark Registration Number 2349187 for the mark COLORWORKS indicates FLM Graphics Corporation is the owner. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of the data contained in the USPTO TESS records and alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 290: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you knew that Colorworks Film Graphics Corporation had rights in the COLORWORKS mark superior to yours, and either believed that a likelihood of confusion would result from your use of the mark or had no reasonable basis for believing otherwise.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 291: Colorworks Film Graphics Corporation’s mark was registered on May 16, 2000, earlier than the registration date for your COLORWORX Mark and the design element.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “Colorworks Film Graphics Corporation’s mark” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted that Opposers COLORWORX mark registered on January 22, 2008, and to the extent that the USPTO TESS records indicate that U.S. Trademark Registration Number 2349187 for the mark COLORWORKS registered on May 16, 2000 to FLM Graphics Corporation. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of the data contained in the USPTO TESS records and alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 292: At the time you signed the oath to register your COLORWORX mark and design, you, in failing to disclose these facts to the U.S. Patent and Trademark Office, intended to deceive the USPTO and procure a registration to which you were not entitled.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “these facts” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied

IV(A)24.

REQUEST NO. 293: At the time you signed the oath for application to register your Colorworx and design trademark, there was in fact another use of the same or a confusingly similar mark to your COLORWORX mark (excluding the design element), namely, the use in commerce of “COLORWORKS” owned by Circle of Beauty Inc.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 294: You have stated on oath that you invented the word COLORWORX, the word having no meaning prior to your adoption of it.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent the words and phrases in this Request are taken from Opposer’s discovery, documents, publications or website content, and only to the extent such words and phrases are used in context at the time the

discovery, documents, publications or website content was created; otherwise, Denied as worded.

REQUEST NO. 295: The existence of Circle of Beauty Inc.'s COLORWORKS mark is evidence to rebut the claim that you invented the word COLORWORX.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 296: At the time you signed the oath in your application to register the COLORWORX mark and the design element, Circle of Beauty Inc. had legal rights in the COLORWORX mark superior to yours, in that it was the owner of Registration No.2000638 with respect to cosmetics, which are similar and/or closely related to Registrant's services.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied as to the allegation that cosmetics are similar and/or closely related to Registrant's services. Admitted only to the extent that the USPTO TESS records indicate that U.S. Trademark Registration Number 2000638 for the mark COLORWORKS indicates Circle of Beauty, Inc. is the owner. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of the data contained in the USPTO TESS records and alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 297: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you knew that Circle of Beauty Inc. had rights in the COLORWORX mark (excluding the design element) superior to yours, and either believed that a likelihood of confusion would result from your use of its mark or had no reasonable basis for believing otherwise

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 298: Circle of Beauty Inc.'s mark was registered on 17 September 1996, earlier than your registration date for the COLORWORX mark plus design.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because "Circle of Beauty Inc.'s mark" is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted that Opposers COLORWORX mark registered on January 22, 2008, and to the extent that the USPTO TESS records indicate that U.S. Trademark Registration Number 2000638 for the mark COLORWORKS registered on September 17, 1996 to Circle of Beauty, Inc. Opposer cannot otherwise truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of the data contained in the USPTO TESS records and alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 299: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you, in failing to disclose these facts to the U.S. Patent and Trademark Office, intended to deceive the USPTO and procure a registration to which you were not entitled.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “these facts” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

IV(A)25.

REQUEST NO. 300: At the time you signed the oath for application to register the Colorworx and design trademark, there was in fact another use of the same or a confusingly similar COLORWORX mark and design at the time the oath was signed, namely, the mark “COLORWORX” and design used in commerce by a Canadian printing company run by President and CEO, Shawn Barrett, which offers the identical services as you.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 301: Mr Barrett’s company uses the slogan “Whether it be print, web design, logo creation, typesetting or branding, Colorworx is the only place you need to contact...With more than 10 years experience in the industry, our knowledge allows our clients to leave their projects in our hands and trust that they will be completed to the highest level of satisfaction”).

RESPONSE: Opposer objects to this Request because it is overbroad, vague, and ambiguous because it does not limit the request to Opposer’s COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 302: Mr Barrett's company uses the tagline "Printing made easy" (www.colorworx.ca).

RESPONSE: Opposer objects to this Request because it is overbroad, vague, and ambiguous because it does not limit the request to Opposer's COLORWORX mark. Opposer further objects to the request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admitted only to the extent the tagline "Printing made easy" appears on the website www.colorworx.ca. Opposer cannot truthfully admit or deny the remainder of this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 303: At the time you signed the oath in your application to register the COLORWORX mark and the design element, the Californian print company using the word COLORWORX and design had legal rights in the COLORWORX mark superior to yours, insofar as this company had been using its COLORWORX mark and design for more than 10 years.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Opposer cannot truthfully admit or deny this Request because Opposer does not have sufficient information or knowledge to admit or deny the truth of alleged facts regarding third parties. Opposer has made a reasonable inquiry and the information known to or readily obtainable by Opposer is insufficient to admit or deny this Request as worded.

REQUEST NO. 304: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you knew that the Californian print company had rights in the COLORWORX mark and design superior to yours, and either believed that a likelihood of confusion would result from your use of its mark or had no reasonable basis for believing otherwise.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 305: At the time you signed the oath in your application to register the COLORWORX mark and the design element, you, in failing to disclose these facts to the U.S. Patent and Trademark Office, intended to deceive the USPTO and procure a registration to which you were not entitled.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Opposer objects to this Request because “these facts” is vague and ambiguous as it is not defined or described with sufficient detail.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied.

REQUEST NO. 306: Your answer to the following Interrogatory, dated July 13, 2012, is **not** true and correct in every particular:

INTERROGATORY NO. 8: Describe in detail how the compound word “COLORWORX” in your registration differs from the words “Color Works” in terms of meaning, appearance, sound and commercial impression.

ANSWER: The mark “COLORWORX” differs from the words “Color Works” in terms of meaning, appearance, sound and commercial impression because the mark “COLORWORX” is a neologism and had no meaning prior to its adoption by Registrant.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied. Opposer reserves the right to supplement its response.

REQUEST NO. 307: The following legal submission which you made to the Trademark Trial and Appeal Board in your Reply in Support of Motion to Dismiss, dated September 16, 2012, is inconsistent with your claim that “the mark ‘COLORWORX’ is a neologism and had no meaning prior to its adoption” by you:

General trademarking principals maintain that once a mark has been abandoned, the mark returns to the public domain and may be appropriated for use by other actors in the marketplace in accordance with basic rules of trademark priority. See 15 U.S.C. § 1115(b)(2); ITC Ltd. v. Punchgini, Inc., 482 F.3d 135, 147 (2d Cir. 2007). Once Creative Hairdresser’s, Inc. abandoned its mark in the year 2000, nearly eight (8) years before the USPTO issued a registration for the Mark, Registrant and all other persons and entities seeking to use such word mark were free to use the term “Colorworx” in commerce on or in connection with their goods or services [Doc. #19 ¶ 20].

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Denied. Opposer reserves the right to supplement its response.

REQUEST NO. 308: Your answer to the following Request for Production, dated June 11, 2012, is **not** true and correct in every particular:

REQUEST 6: Produce copies of complaints or petitions in any action filed by or against You in which the allegations are similar to those of this suit.

RESPONSE: Opposer objects to this Request as Applicant has equal or greater access to the complaint or petition filed in Joel L. Beling d/b/a Supa Characters Pty Ltd v. Ennis, Inc.; Cancellation No. 92055374.

RESPONSE: Opposer objects to this Request because it is irrelevant, harassing, and not reasonably calculated to lead to the discovery of evidence admissible at trial.

Subject to, and without waiving, the foregoing objections, Opposer answers as follows: Admit only to extent the response does not identify Ennis, Inc. v. Pioneer Supply Company, Inc., Opposition No. 91203773, which Applicant has equal access. Opposer will supplement its responses.

Dated: June 28, 2013

Respectfully submitted,

CHALKER FLORES, LLP

By: 

Daniel J. Chalker
Texas Bar No. 00794951
14951 N. Dallas Parkway, Suite 400
Dallas, Texas 75254
(214) 866-0001 (telephone)
(214) 866-0010 (telecopy)
dchalker@chalkerflores.com

ATTORNEYS FOR OPPOSER

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing OPPOSER'S OBJECTIONS AND RESPONSES TO APPLICANT'S FOURTH REQUEST FOR ADMISSIONS was served on all parties, this the 28th day of June, 2013, by sending the same via electronic mail, to the following:

Joel L. Beling
1 Mirboo Court
Dallas, Victoria 3047
Australia
joelbeling@hotmail.com


Daniel J. Chalker

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In Re: Application Serial No. 85/324,443
For the Mark: COLOR WARS
Filed: May 18, 2011
Published in the Official Gazette: January 17, 2012

)	
Ennis, Inc.)	
)	
Opposer)	
)	
	)	Opp. No. 91203884
v.)	
)	
)	
Joel L. Beling d/b/a Supa Characters Pty Ltd)	
)	
Applicant)	
)	
_____)	

**OPPOSER'S OBJECTIONS AND ANSWERS
TO APPLICANT'S SECOND SET OF INTERROGATORIES**

To: Joel L. Beling d/b/a Supa Characters Pty Ltd, Applicant, 1 Mirboo Court, Dallas, Victoria 3047, Australia.

Ennis, Inc. ("Opposer") serves these objections and answers to Applicant, Joel L. Beling d/b/a Supa Characters Pty Ltd's, Second Set of Interrogatories ("Applicant") as authorized by Federal Rule of Civil Procedure 33 and Trademark Rule 2.120(d), 37 C.F.R. § 2.120(d).

I.
OBJECTIONS APPLICABLE TO ALL
INTERROGATORIES, INSTRUCTIONS AND DEFINITIONS

Opposer agrees to answer Applicant's Interrogatories to the extent that Opposer is required to do so by the Federal Rules of Civil Procedure and the applicable case law, and to the extent that such are not otherwise objectionable.

Opposer objects to the definitions and instructions set forth in Applicant's First Set of Interrogatories to the extent that it purports to assign to the words therein defined meanings other than those in common usage. Opposer will use the commonly accepted definition of words and phrases in answering the Interrogatories.

Opposer hereby objects to all of the above-referenced definitions in each and every Interrogatory in which they are used as if objected to on the above-stated basis individually, and Opposer answers all Interrogatories listed below subject to, and without waiving, the above-stated objections.

II.
OBJECTIONS AND ANSWERS TO INTERROGATORIES

INTERROGATORY NO. 20:

Which of your answers to my Discovery Requests in this consolidated proceeding are **not** true and correct in every particular?

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial. Subject to, and without waiving, the foregoing objections, Opposer answers as follows: all answers to discovery are true and correct to the best of the knowledge of person verifying such answers.

INTERROGATORY NO. 21:

Identify each person who has participated in or contributed to answering my Discovery Requests to you in this consolidated proceeding, including the present Discovery Requests.

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial. Subject to, and without waiving, the foregoing objections, Opposer answers as follows:

Scott A. Meyer
Thomas G. Jacks
Daniel J. Chalker
Steven Osterloh

INTERROGATORY NO. 22:

For each of your answers to Requests 93-98 (inclusive) in my Third Request for Admissions (in document dated August 13, 2012), identify each person who participated in or contributed to giving the answers.

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial. Subject to, and without waiving, the foregoing objections, Opposer answers as follows:

Scott A. Meyer
Thomas G. Jacks
Steven Osterloh

INTERROGATORY NO. 23:

Identify each person who participated in or contributed to giving your answer to the following Interrogatory, dated July 13, 2012:

INTERROGATORY NO. 8: Describe in detail how the compound word “COLORWORX” in your registration differs from the words “Color Works” in terms of meaning, appearance, sound and commercial impression.

ANSWER: **The mark “COLORWORX” differs from the words “Color Works” in terms of meaning, appearance, sound and commercial impression because the mark “COLORWORX” is a neologism and had no meaning prior to its adoption by Registrant.**

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial. Subject to, and without waiving, the foregoing objections, Opposer answers as follows:

Scott A. Meyer
Thomas G. Jacks
Steven Osterloh

INTERROGATORY NO. 24:

Identify each person who participated in or contributed to making the following legal submission to the Trademark Trial and Appeal Board, which was filed by you in your Reply in Support of Motion to Dismiss, dated September 16, 2012:

General trademarking principals maintain that once a mark has been abandoned, the mark returns to the public domain and may be appropriated for use by other actors in the marketplace in accordance with basic rules of trademark priority. See 15 U.S.C. § 1115(b)(2); ITC Ltd. v. Punchgini, Inc., 482 F.3d 135, 147 (2d Cir. 2007). Once Creative Hairdresser’s, Inc. abandoned its mark in the year 2000, nearly eight (8) years

before the USPTO issued a registration for the Mark, Registrant and all other persons and entities seeking to use such word mark were free to use the term “Colorworx” in commerce on or in connection with their goods or services [Doc. #19 ¶ 20].

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial. Subject to, and without waiving, the foregoing objections, Opposer answers as follows:

Scott A. Meyer
Thomas G. Jacks
Steven Osterloh

INTERROGATORY NO. 25:

You have given some conflicting answers in previous discovery requests as to how exactly you created your COLORWORX mark and the design element. Once and for all, describe in detail how you created your COLORWORX mark and the design element?

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

INTERROGATORY NO. 26:

What is Scott A. Myer’s (Ennis Inc’s attorney) complete understanding of the certification standards when filing documents under the Federal Rules of Civil Procedure in Trademark Trial and Appeal Board opposition or cancellation proceedings?

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial. Additionally, Opposer asserts the attorney-client and work-product privileges.

INTERROGATORY NO. 27:

What is Thomas G. Jacks’s (Ennis Inc’s attorney) complete understanding of the certification standards when filing documents under the Federal Rules of Civil Procedure in Trademark Trial and Appeal Board opposition or cancellation proceedings?

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial. Additionally, Opposer asserts the attorney-client and work-product privileges.

INTERROGATORY NO. 28:

What is Edwin Flores’ (Ennis Inc’s attorney) complete understanding of the certification standards when filing documents under the Federal Rules of Civil Procedure in Trademark Trial and Appeal Board opposition or cancellation proceedings?

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial. Additionally, Opposer asserts the attorney-client and work-product privileges.

INTERROGATORY NO. 29:

Identify each person who participated in or contributed to giving your answer to the following Request for Production, dated June 11, 2012:

REQUEST 6: Produce copies of complaints or petitions in any action filed by or against You in which the allegations are similar to those of this suit.

RESPONSE: Opposer objects to this Request as Applicant has equal or greater access to the complaint or petition filed in Joel L. Beling d/b/a Supa Characters Pty Ltd v. Ennis, Inc.; Cancellation No. 92055374.

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial. Subject to, and without waiving, the foregoing objections, Opposer answers as follows:

Scott A. Meyer
Thomas G. Jacks
Steven Osterloh

Dated: June 27th 2013

Respectfully submitted,

CHALKER FLORES, LLP

By: 

Daniel J. Chalker
State Bar No. 00794951
14951 N. Dallas Parkway, Suite 400
Dallas, Texas 75254
(214) 866-0001 (telephone)
(214) 866-0010 (telecopy)
dchalker@chalkerflores.com

ATTORNEYS FOR OPPOSER

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing OPPOSER'S OBJECTIONS AND ANSWERS TO APPLICANT'S SECOND SET OF INTERROGATORIES was served on all parties, this the 27th day of June, 2013, by sending the same via electronic mail, to the following:

Joel L. Beling
1 Mirboo Court
Dallas, Victoria 3047
Australia
joelbeling@hotmail.com


Daniel J. Chalker

OPPOSER'S OBJECTIONS AND ANSWERS TO
APPLICANT'S SECOND SET OF INTERROGATORIES

PAGE 7

VERIFICATION

STATE OF TEXAS

§

§

COUNTY OF ELLIS

§

BEFORE ME, the undersigned Notary Public, on this day personally appeared Steven Osterloh, who being by me duly sworn on his oath deposed and stated follows:

1. My name is Steven Osterloh. I am over the age of 21 years old, have never been convicted of a felony or crime of moral turpitude, and am fully qualified to make this affidavit.

2. I am the Vice President of Marketing of Ennis, Inc. In that capacity, I am duly qualified and authorized in all respects to make this affidavit.

3. I have read the above and foregoing Opposer's Objections and Answers to Applicant's Second Set of Interrogatories, and every statement contained in that document is within my personal knowledge and is true and correct.



STEVEN OSTERLOH, Affiant

SUBSCRIBED AND SWORN TO BEFORE ME on this 27 day of June, 2013, to certify which witness my hand and official seal.

(SEA)





NOTARY PUBLIC, STATE OF TEXAS

EXHIBIT 2

Re: Opposition No. 91203884; Cancellation No. 92055374
Daniel Chalker (dchalker@chalkerflores.com) Add to contacts 5/08/2013 To: Joel Beling
Cc: Cynthia Minchillo, Jesica Flores

From: Daniel Chalker (dchalker@chalkerflores.com) This sender is in your safe list.
Sent: Monday, 5 August 2013 2:03:32 PM
To: Joel Beling (joelbeling@hotmail.com)
Cc: Cynthia Minchillo (cminchillo@chalkerflores.com); Jesica Flores (jflores@chalkerflores.com)

Mr. Beling,

First, any discovery extension would have to be mutual. So, we would oppose any motion that is one-sided. Second...

Moreover, since your discovery requests to date has been overly broad in their scope going well past the specific issues before the Board, which constitutes harassment, we will file a motion for a protective order if you serve any additional discovery on my client (emphasis added). So, we see no need to extend the discovery deadline and we will oppose any motion to extend the deadlines.

We disagree with your characterizations of my client's responses to your discovery. However, we are in the process of reviewing my client's responses to your discovery requests and will voluntarily supplement them in the next couple of weeks...

Thank you,
Daniel

Daniel J. Chalker | Chalker Flores, LLP

14951 North Dallas Parkway, Suite 400 | Dallas, Texas 75254
Phone: 214-866-0001 | Fax: 214-866-0010

dchalker@chalkerflores.com | www.chalkerflores.com

From: Joel Beling <joelbeling@hotmail.com>

Date: Monday, August 5, 2013 4:42 AM

To: Daniel Chalker <dchalker@chalkerflores.com>, Jesica Flores <jflores@chalkerflores.com>

Subject: RE: Opposition No. 91203884; Cancellation No. 92055374

Mr Chalker,

I intend to file a motion to the Board to extend the discovery period for me but not for your client for the original length of the discovery period given your client's egregious failure to comply and co-operate with my discovery requests. I write as part of my "meet and confer" requirements under the Trademark Rules. As a general matter, does your client intend on producing any further material to me voluntarily (it has only produced product samples, advertisements and my COLOR WARS prosecution history)? Does it intend on amending any of its Interrogatory answers or answers to my Requests for Admission? I envisage it will take about 3 months to go through all of your client's dishonest, evasive or incomplete responses.

Please advise.

Thank you.

Mr Beling

EXHIBIT 3

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In Re: Application Serial No. 85/324,443
For the Mark: COLOR WARS
Filed: May 18, 2011
Published in the Official Gazette: January 17, 2012

Ennis, Inc.

Opposer

v.

Joel L. Beling d/b/a Supa Characters Pty Ltd

Applicant

Opp. No. 91203884

OPPOSER'S THIRD SUPPLEMENT TO INITIAL DISCLOSURES

To: Joel L. Beling d/b/a Supa Characters Pty Ltd, Applicant, 1 Mirboo Court, Dallas,
Victoria 3047, Australia.

In accordance with the Federal Rules of Civil Procedure, Ennis, Inc. ("Opposer") hereby submits its Opposer's Third Supplement to Initial Disclosures to Joel L. Beling d/b/a Supa Characters Pty Ltd ("Applicant") as required by Federal Rule of Civil Procedure 26(a)(1), local rule and/or order of the Trademark Trial and Appeal Board ("Board").

A. Individuals with Discoverable Information

1. The names, addresses (work and home), and telephone numbers (work and home) of individuals likely to have discoverable information – along with the subject matter of that information - that Opposer may use to support its claims or defenses are:

The following person(s) or entities may have discoverable information that the Opposer may use to support its position. While these person(s) or entities may have discoverable information, it

makes no representations as to its intent to rely upon this information in this action. Furthermore, Opposer has not yet determined the witnesses to be called in this action, and will make those disclosures pursuant to the Board's further orders.

Steve Osterloh
Vice President of Marketing
Ennis, Inc.
2441 Presidential Parkway
Midlothian, Texas 76065-0320
800-972-1069

Representative of Opposer; knowledge of its business operations and use of the COLORWORX mark in commerce.

Bill Tignanelli
General Manager
Admore, Inc., a Division of Ennis, Inc.
24707 Wood Court
Macomb, MI 48042
800-622-2814

Representative of Opposer; knowledge of use of the COLORWORX mark in commerce.

Lisa Goebel
Marketing Manager
Admore, Inc., a Division of Ennis, Inc.
24707 Wood Court
Macomb, MI 48042
800-622-2814

Representative of Opposer; knowledge of use of the COLORWORX mark in commerce.

David Cryslar
General Manager of Colorworx Brand
Ennis, Inc.
200 W. Railroad Avenue
Princeton, Illinois 61356
800-423-4569

Representative of Opposer; knowledge of use of the COLORWORX mark in commerce.

Cindy Wronski
Data Processing Director
Admore, Inc., a Division of Ennis, Inc.
24707 Wood Court
Macomb, MI 48042

800-622-2814

Representative of Opposer; knowledge of use of the COLORWORX mark in commerce.

Rachel Maples
Former Graphic Designer for Ennis, Inc.
Address Unknown

Representative of Opposer; knowledge of creation of the COLORWORX mark.

Angela Bowers
Former Customer Service Representative for Ennis, Inc.
Last Known Address:
11220 Essex
Warren, MI 48089

Representative of Opposer; knowledge of use of the COLORWORX mark in commerce.

Zack Smith
Former Marketing Manager for Ennis, Inc.
Last Known Address:
809 Auburndale Drive
Mansfield, Texas 76063

Representative of Opposer; knowledge of use of the COLORWORX mark in commerce.

Joel L. Beling
Supa Characters Pty Ltd.
1 Mirboo Court
Dallas, Victoria 3047
Australia

Applicant; knowledge of Applicant's business operations, attempted registration of and use of the infringing mark COLOR WARS in commerce.

B. Relevant Documents & Tangible Things

2. In addition to any documents attached and identified as exhibits to Opposer's Notice of Opposition, the following is a list of documents, data compilations, and tangible things in Opposer's possession, custody, or control, described by category and location, that Opposer may use to support its claims or defenses:

Documents evidencing the use of "COLORWORX" mark in commerce.

Documents evidencing the products and services offered by Opposer utilizing the "COLORWORX" mark.

Documents evidencing the geographic area where the "COLORWORX" mark is used.

Documents evidencing filings with the USPTO related to Registration No. 3,372,884 ("COLORWORX").

Documents evidencing filings with the USPTO related to Applicant's Application for the Mark "COLOR WARS".

Documents produced by ENNIS, INC. in this matter.

Please note that Opposer's investigation and case preparation are ongoing, continuing efforts and that Opposer therefore reserves its rights to use any relevant documents subsequently obtained or prepared, and any such non-privileged documents will be produced. Further, Opposer makes no representations as to its intent to rely upon any of these disclosed documents in this action, and will make the disclosures of said documents as per the Board's future order.

C. Information Related to Calculation of Damages

3. All non-privileged documents used in computing each category of damages claimed by Opposer.

Opposer refers Applicant to the documents produced pursuant to paragraph B(2). Further, as this case is ongoing and the damages continue to accrue and because it is anticipated that additional documents will be obtained through the discovery process, any additional non-privileged documents used in computing each category of damages claimed by Opposer will be produced as a supplement to this initial disclosure as required by Federal Rule of Civil Procedure 26(a)(1), local rule and/or order of the Trademark Trial and Appeal Board.

D. Insurance

4. Any insurance agreement under which an insurance business may be liable.

Not applicable.

Dated: August 19, 2013

Respectfully submitted,

CHALKER FLORES, LLP

By: 

Daniel J. Chalker
Texas Bar No. 00794951
14951 N. Dallas Parkway, Ste 400
Dallas, Texas 75254
(214) 866-0001 (telephone)
(214) 866-0010 (telecopy)
dchalker@chalkerflores.com

ATTORNEYS FOR OPPOSER

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing OPPOSER'S THIRD SUPPLEMENT TO INITIAL DISCLOSURES was served on all parties, this the 19th day of August, 2013, by sending the same via electronic mail, to the following:

Joel L. Beling
1 Mirboo Court
Dallas, Victoria 3047
Australia


Daniel J. Chalker

EXHIBIT 4

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In Re: Application Serial No. 85/324,443

For the Mark: COLOR WARS

Filed: May 18, 2011

Published in the Official Gazette: January 17, 2012

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Ennis, Inc.)	
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Opposer)	
)	
v.)	Opp. No. 91203884
)	
)	
Joel L. Beling d/b/a Supa Characters Pty Ltd)	
)	
Applicant)	
)	
)	

OPPOSER'S SECOND SET OF INTERROGATORIES TO APPLICANT

To: Joel L. Beling d/b/a Supa Characters Pty Ltd, Applicant, 1 Mirboo Court, Dallas, Victoria 3047, Australia.

Ennis, Inc. ("Opposer") serves these interrogatories on Joel L. Beling d/b/a Supa Characters Pty Ltd ("Applicant") as authorized by Federal Rule of Civil Procedure 33 and Trademark Rule 2.120(d), 37 C.F.R. § 2.120(d). Applicant must serve an answer to each Interrogatory separately and fully, in writing and under oath, within 30 days after service.

DEFINITIONS AND INSTRUCTIONS

The following terms have the following meanings, unless the context requires otherwise:

1. “Opposer” and/or “Ennis” as well as a party’s full or abbreviated name or a pronoun referring to a party, means the party, and where applicable, the party’s agents, representatives, officers, directors, employees, partners, corporate agents, subsidiaries, affiliates, or any other person acting in concert with the party or under the party’s control, whether directly or indirectly, including any attorney.

2. “You” or “your” means Joel L. Beling d/b/a Supa Characters Pty Ltd, Applicant, as well as its agents, employees, and all other persons acting on behalf of Applicant or its successors, predecessors, heirs, beneficiaries or assigns.

3. “Communication” means the transmittal of information in the form of facts, ideas, inquiries, or otherwise.

4. “Identify (person).” When referring to a person, “identify” means to give, to the extent known, the person’s full name, present or last known address, telephone number, and, when referring to a natural person, the present or last known place of employment. Once a person has been identified in compliance with this paragraph, only the name of that person needs to be listed in response to later discovery requesting the identification of that person.

5. “Identify (document).” When referring to a document, “identify” means to give, to the extent known, the following information: (a) the type of document; (b) the general subject matter of the document; (c) the date of the document; (d) the authors, addressees, and recipients of the document; (e) the location of the document; (f) the identity of the person who has custody of the document; and (g) whether the document has been destroyed, and if so, (i) the date of its destruction, (ii) the reason for its destruction, and (iii) the identity of the person who destroyed it.

6. “Any” should be understood in either its most or its least inclusive sense as necessary to bring within the scope of the discovery request all responses that might otherwise be construed to be outside of its scope.

7. “And/Or.” The connectives “and” and “or” should be construed either disjunctively or conjunctively as necessary to bring within the scope of the discovery request all responses that might otherwise be construed to be outside of its scope.

8. “Number.” The use of the singular form of any word includes the plural and vice versa.

9. “Possession, custody, or control” of an item means that the person either has physical possession of the item or has a right to possession equal or superior to that of the person who has physical possession of the item.

10. “Person” means any natural person, corporation, firm, association, partnership, joint venture, proprietorship, governmental body, or any other organization, business, or legal entity, and all predecessors or successors in interest.

11. “COLOR WARS” defines the mark COLOR WARS, U.S. Trademark Application Serial No. 85/324,443, applied for by Joel L. Beling d/b/a Supa Characters Pty Ltd.

12. “COLORWORX” defines the mark COLORWORX®, U.S. Trademark Registration No. 3,372,884 and includes a variety of printing goods and printing services that are international Class 40 products manufactured and put into the stream of commerce by Ennis, Inc.

13. “Identify” or “describe” when referring to a person, means you must state the following:

- a. The full name.
- b. The present or last known residential address and residential telephone number.
- c. The present or last known office address and office telephone number.
- d. The occupation, job title, employer, and employer’s address at the time of the event or period referred to in each particular interrogatory.
- e. In the case of any entity, identify the officer, employee, or agent most closely connected with the subject matter of the interrogatory and the officer who is responsible for supervising that officer or employee.

14. “Identify” or “describe” when referring to a document, means you must state the following:

- a. The nature (e.g., letter, handwritten note) of the document.
- b. The title or heading that appears on the document.
- c. The date of the document and the date of each addendum, supplement, or other addition or change.
- d. The identity of the author and of the signer of the document, and of the person on whose behalf or at whose request or direction the document was prepared or delivered.
- e. The present location of the document, and the name, address, position or title, and telephone number of the person or persons having custody of the document.

15. “Document” means all written, typed, or printed matter and all magnetic, electronic, or other records or documentation of any kind or description in your actual possession, custody, or control, including those in the possession, custody, or control of any and all present or former directors, officers, employees, consultants, accountants, attorneys, or other agents, whether or not prepared by you, that constitute or contain matters relevant to the subject matter of the action.

16. Wherever in the following interrogatories Applicant is asked to identify documents, it is requested that the documents be identified by stating:

- a. general type of document, *e.g.*, letter, memorandum, report, miscellaneous, notes, etc.;
- b. date;
- c. author;
- d. organization, if any, with which author was connected;
- e. addressee or recipient;

- f. other distributees;
- g. organization, if any, with which addressee or recipient, or distributees were connected;
- h. general nature of the subject matter to extent that Applicant can do so without divulging matter considered by it to be privileged;
- i. present location of such document and each copy thereof known to Applicant, including the title, index number and location, if any, of the file in which the document is kept by the Applicant or the file from which such document was removed, if removed for the purposes of this case, and the identity of all persons responsible for the filing or other disposition of the document.

17. Should Applicant deem to be privileged any documents concerning information which is requested by any of the following interrogatories, Applicant shall list such documents and supply information as requested concerning such documents and additionally shall indicate that they claim privilege therefore, briefly state the nature of the document, the sender, the author, the recipient of each copy, the date, the name of each person to whom the original or any copy was circulated, the names appearing on any circulation list of Applicant associated with such document, a summary statement of the subject matter(s) of such document in sufficient detail to permit the Court to conduct an analysis to reach a determination of any claim of privilege or exclusion and separate indication of the basis for assertion of privilege or the like for each such document.

18. Wherever in the following interrogatories Applicant is asked to identify a product, it is requested that the product be identified by stating the catalog, stock, model or the like number or designation, the trademark, name, type, grade, and any other designation customarily used by the party concerned to designate such product, and to distinguish it from others made by the same or a different producer.

19. Each of the separate interrogatories herein is deemed to seek separate answers and responses as of the date they are answered. However, these interrogatories shall be deemed to be continuing and any additional information relating in any way to these interrogatories and to events occurring or documents existing prior to the filing of the Opposition herein which Applicant acquires or which becomes known to Applicant up to and including the close of discovery shall be furnished to Opposer within a reasonable time after such information is acquired or becomes known. Applicant's response to these interrogatories is to be promptly supplemented to include subsequently acquired information in accordance with the requirements of Fed. R. Civ. P. 26(e).

INTERROGATORIES

INTERROGATORY NO. 18: Identify all facts, laws, information, or materials that provide any evidence that Opposer made any statements to the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX[®] that were a false representation regarding a material fact.

ANSWER:

INTERROGATORY NO. 19: Identify all facts, laws, information, or materials that provide any evidence that any statements made to the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX[®] were false.

ANSWER:

INTERROGATORY NO. 20: Identify all facts, laws, information, or materials that provide any evidence that Opposer intended to deceive the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX[®] by making false representations regarding a material fact.

ANSWER:

INTERROGATORY NO. 21: Identify all facts, laws, information, or materials that provide any evidence that the United States Patent and Trademark Office relied on any false representations regarding a material fact made by Opposer in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX[®].

ANSWER:

INTERROGATORY NO. 22: Describe in detail why an amendment of the goods listed in International Class 016 in U.S. Trademark Application Serial No. 85/324,443 for Applicant's mark "COLOR WARS" to specify that the goods are related to, in the field of, about, featuring, in the nature of, concerning, dealing with or directed to "superhero and cartoon characters" is objectionable to You.

ANSWER:

INTERROGATORY NO. 23: Identify all facts, laws, information, or materials that provide any evidence that the combination of design and word elements in U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX[®] is generic for printing services.

ANSWER:

INTERROGATORY NO. 24: Identify all facts, laws, information, or materials that provide any evidence that the combination of design and word elements in U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX® is merely descriptive of Opposer's printing services.

ANSWER:

INTERROGATORY NO. 25: Identify all facts, laws, information, or materials that provide any evidence that the combination of design and word elements in U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX® describes an ingredient, quality, characteristic, function, feature, purpose or use of Opposer's printing services.

ANSWER:

INTERROGATORY NO. 26: Identify all facts, laws, information, or materials that provide any evidence that the combination of design and word elements in Opposer's mark COLORWORX® is not capable of distinguishing Opposer's printing services.

ANSWER:

Dated: August 20, 2013

Respectfully submitted,

CHALKER FLORES, LLP

By: 
Daniel J. Chalker
Texas Bar No. 00794951
14951 N. Dallas Parkway, Suite 400
Dallas, Texas 75254
(214) 866-0001 (telephone)
(214) 866-0010 (telecopy)
dchalker@chalkerflores.com

ATTORNEYS FOR OPPOSER

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing OPPOSER'S SECOND SET OF INTERROGATORIES TO APPLICANT was served on all parties, this the 20th day of August, 2013, by sending the same via electronic mail, to the following:

Joel L. Beling
1 Mirboo Court
Dallas, Victoria 3047
Australia
joelbeling@hotmail.com


Thomas G. Jacks

OPPOSER'S SECOND SET OF INTERROGATORIES TO APPLICANT

PAGE 7

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In Re: Application Serial No. 85/324,443
For the Mark: COLOR WARS
Filed: May 18, 2011
Published in the Official Gazette: January 17, 2012

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Ennis, Inc.)	
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Opposer)	
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v.)	Opp. No. 91203884
)	
)	
Joel L. Beling d/b/a Supa Characters Pty Ltd)	
)	
Applicant)	
)	
)	

OPPOSER’S SECOND REQUEST FOR ADMISSIONS TO APPLICANT

To: Joel L. Beling d/b/a Supa Characters Pty Ltd, Applicant, 1 Mirboo Court, Dallas, Victoria 3047, Australia.

Pursuant to Rule 36 of the Federal Rules of Civil Procedure, Ennis, Inc. (“Opposer”) hereby serves its First Request for Admissions on Joel L. Beling d/b/a Supa Characters Pty Ltd (“Applicant”), to be answered within thirty (30) days from receipt of these Requests.

A. DEFINITIONS

The following definitions shall have the following meanings, unless the context requires otherwise:

1. “Opposer” and/or “Ennis” as well as a party’s full or abbreviated name or a pronoun referring to a party, means the party, and where applicable, the party’s agents, representatives, officers, directors, employees, partners, corporate agents, subsidiaries, affiliates, or any other person acting in concert with the party or under the party’s control, whether directly or indirectly, including any attorney.

2. “You” or “your” means Joel L. Beling d/b/a Supa Characters Pty Ltd, Applicant, as well as its agents, employees, and all other persons acting on behalf of Applicant or its successors, predecessors, heirs, beneficiaries or assigns.

3. “Document” means all written, typed, or printed matter and all magnetic, electronic, or other records or documentation of any kind or description in your actual possession, custody, or control, including those in the possession, custody, or control of any and all present or former directors, officers, employees, consultants, accountants, attorneys, or other agents, whether or not prepared by you, that constitute or contain matters relevant to the subject matter of the action.

4. “Possession, custody, or control” of an item means that the person either has physical possession of the item or has a right to possession equal or superior to that of the person who has physical possession of the item.

5. “Person” means any natural person, corporation, firm, association, partnership, joint venture, proprietorship, governmental body, or any other organization, business, or legal entity, and all predecessors or successors in interest.

6. “COLOR WARS” defines the mark COLOR WARS, U.S. Trademark Application Serial No. 85/324,443, applied for by Joel L. Beling d/b/a Supa Characters Pty Ltd.

7. “COLORWORX” defines the mark COLORWORX[®], U.S. Trademark Registration No. 3,372,884 and includes a variety of printing goods and printing services that are international Class 40 products manufactured and put into the stream of commerce by Ennis, Inc.

8. “Identify” or “describe” when referring to a person, means you must state the following:

- a. The full name.
- b. The present or last known residential address and residential telephone number.
- c. The present or last known office address and office telephone number.
- d. The occupation, job title, employer, and employer’s address at the time of the event or period referred to in each particular interrogatory.
- e. In the case of any entity, identify the officer, employee, or agent most closely connected with the subject matter of the interrogatory and the officer who is responsible for supervising that officer or employee.

9. “Identify” or “describe” when referring to a document, means you must state the following:

- a. The nature (e.g., letter, handwritten note) of the document.
- b. The title or heading that appears on the document.
- c. The date of the document and the date of each addendum, supplement, or other addition or change.
- d. The identity of the author and of the signer of the document, and of the person on whose behalf or at whose request or direction the document was prepared or delivered.
- e. The present location of the document, and the name, address, position or title, and telephone number of the person or persons having custody of the document.

B. REQUESTS FOR ADMISSIONS

Admit or deny the following:

REQUEST NO. 33: Applicant's mark "COLOR WARS" refers to superheroes created by Applicant that have superpowers based colors and are trying to conquer the universe by making his or her color the most dominant by erasing the other colors.

RESPONSE:

REQUEST NO. 34: "Superhero and cartoon characters" are specified in twenty-four (24) of the goods listed in International Class 016 in U.S. Trademark Application Serial No. 85/324,443 for Applicant's mark "COLOR WARS."

RESPONSE:

REQUEST NO. 35: Opposer's printing services results in printed paper goods.

RESPONSE:

REQUEST NO. 36: The only alphanumeric differences between Opposer's mark COLORWORX[®] and Applicant's mark "COLOR WARS" are a space after the word "COLOR", the third "O" is changed to an "A", and the "X" is changed to a "S".

RESPONSE:

REQUEST NO. 37: "COLORWORX" and "COLOR WARS" are similar in appearance.

RESPONSE:

REQUEST NO. 38: "COLORWORX" and "COLOR WARS" are similar in sound.

RESPONSE:

REQUEST NO. 39: "COLORWORX" and "COLOR WARS" are similar in commercial impression.

RESPONSE:

REQUEST NO. 40: The buyers who purchase printed services are the same or similar to buyers who purchase paper printed goods.

RESPONSE:

REQUEST NO. 41: The design element (i.e., the portion of the mark excluding the word “COLORWORX”) in U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX® is not generic for printing services.

RESPONSE:

REQUEST NO. 42: The combination of design and word elements in U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX® is not generic for printing services.

RESPONSE:

REQUEST NO. 43: The design element (i.e., the portion of the mark excluding the word “COLORWORX”) in U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX® is not merely descriptive of Opposer’s printing services.

RESPONSE:

REQUEST NO. 44: The combination of design and word elements in U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX® is not merely descriptive of Opposer’s printing services.

RESPONSE:

REQUEST NO. 45: The design element (i.e., the portion of the mark excluding the word “COLORWORX”) in U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX® does not describe an ingredient, quality, characteristic, function, feature, purpose or use of Opposer’s printing services.

RESPONSE:

REQUEST NO. 46: The combination of design and word elements in U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX® does not describe an ingredient, quality, characteristic, function, feature, purpose or use of Opposer’s printing services.

RESPONSE:

REQUEST NO. 47: Applicant has no evidence that the combination of design and word elements in Opposer's mark COLORWORX[®] is generic for printing services.

RESPONSE:

REQUEST NO. 48: Applicant has no evidence that the combination of design and word elements in Opposer's mark COLORWORX[®] is merely descriptive of Opposer's printing services.

RESPONSE:

REQUEST NO. 49: Applicant has no evidence that the combination of design and word elements in Opposer's mark COLORWORX[®] is descriptive of an ingredient, quality, characteristic, function, feature, purpose or use of Opposer's printing services.

RESPONSE:

REQUEST NO. 50: Applicant has no evidence that the combination of design and word elements in Opposer's mark COLORWORX[®] is not capable of distinguishing Opposer's printing services.

RESPONSE:

REQUEST NO. 51: Applicant has no evidence that Opposer made any statements to the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX[®] that were a false representation regarding a material fact.

RESPONSE:

REQUEST NO. 52: Applicant has no evidence that Opposer knew that any statements made to the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX[®] were false.

RESPONSE:

REQUEST NO. 53: Applicant has no evidence that Opposer intended to deceive the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX® by making false representations regarding a material fact.

RESPONSE:

REQUEST NO. 54: Applicant has no evidence that the United States Patent and Trademark Office relied on any false representations regarding a material fact made by Opposer in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX®.

RESPONSE:

REQUEST NO. 55: Applicant has no evidence that any damage proximately resulted from reliance on any false representations regarding a material fact made by Opposer in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX®.

RESPONSE:

REQUEST NO. 56: If U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX® was canceled, Opposer would still have common law trademark rights to the mark “COLORWORX” shown in U.S. Trademark Registration No. 3,372,884.

RESPONSE:

REQUEST NO. 57: The owner of a common law trademark can file a notice of opposition with the U.S. Trademark Trial and Appeal Board.

RESPONSE:

Dated: August 20, 2013

Respectfully submitted,

CHALKER FLORES, LLP

By: 
Daniel J. Chalker
Texas Bar No. 00794951
14951 N. Dallas Parkway, Suite 400
Dallas, Texas 75254
(214) 866-0001 (telephone)
(214) 866-0010 (telecoppy)
dchalker@chalkerflores.com

ATTORNEYS FOR OPPOSER

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing OPPOSER'S SECOND REQUEST FOR ADMISSIONS TO APPLICANT was served on all parties, this the 20th day of August, 2013, by sending the same via electronic mail, to the following:

Joel L. Beling
1 Mirboo Court
Dallas, Victoria 3047
Australia
joelbeling@hotmail.com


Daniel J. Chalker

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In Re: Application Serial No. 85/324,443
For the Mark: COLOR WARS
Filed: May 18, 2011
Published in the Official Gazette: January 17, 2012

)	
Ennis, Inc.)	
)	
Opposer)	
)	
	)	Opp. No. 91203884
v.)	
)	
)	
Joel L. Beling d/b/a Supa Characters Pty Ltd)	
)	
Applicant)	
)	
)	

OPPOSER'S SECOND REQUEST FOR PRODUCTION TO APPLICANT

To: Joel L. Beling d/b/a Supa Characters Pty Ltd, Applicant, 1 Mirboo Court, Dallas, Victoria 3047, Australia.

Ennis, Inc. ("Opposer") serves these Requests for Production on Joel L. Beling d/b/a Supa Characters Pty Ltd ("Applicant") as authorized by Federal Rule of Civil Procedure 34 and Trademark Rule 2.120(d), 37 C.F.R. § 2.120(d).

DEFINITIONS AND INSTRUCTIONS

The following terms have the following meanings, unless the context requires otherwise:

1. "Opposer" and/or "Ennis" as well as a party's full or abbreviated name or a pronoun referring to a party, means the party, and where applicable, the party's agents, representatives, officers, directors, employees, partners, corporate agents, subsidiaries, affiliates, or any other person acting in concert with the party or under the party's control, whether directly or indirectly, including any attorney.

2. “You” or “your” means Joel L. Beling d/b/a Supa Characters Pty Ltd, Applicant, as well as its agents, employees, and all other persons acting on behalf of Applicant or its successors, predecessors, heirs, beneficiaries or assigns.

3. “Communication” means the transmittal of information in the form of facts, ideas, inquiries, or otherwise.

4. “Identify (person).” When referring to a person, “identify” means to give, to the extent known, the person’s full name, present or last known address, telephone number, and, when referring to a natural person, the present or last known place of employment. Once a person has been identified in compliance with this paragraph, only the name of that person needs to be listed in response to later discovery requesting the identification of that person.

5. “Identify (document).” When referring to a document, “identify” means to give, to the extent known, the following information: (a) the type of document; (b) the general subject matter of the document; (c) the date of the document; (d) the authors, addressees, and recipients of the document; (e) the location of the document; (f) the identity of the person who has custody of the document; and (g) whether the document has been destroyed, and if so, (i) the date of its destruction, (ii) the reason for its destruction, and (iii) the identity of the person who destroyed it.

6. “Any” should be understood in either its most or its least inclusive sense as necessary to bring within the scope of the discovery request all responses that might otherwise be construed to be outside of its scope.

7. “And/Or.” The connectives “and” and “or” should be construed either disjunctively or conjunctively as necessary to bring within the scope of the discovery request all responses that might otherwise be construed to be outside of its scope.

8. “Number.” The use of the singular form of any word includes the plural and vice versa.

9. “Possession, custody, or control” of an item means that the person either has physical possession of the item or has a right to possession equal or superior to that of the person who has physical possession of the item.

10. “Person” means any natural person, corporation, firm, association, partnership, joint venture, proprietorship, governmental body, or any other organization, business, or legal entity, and all predecessors or successors in interest.

11. “COLOR WARS” defines the mark COLOR WARS, U.S. Trademark Application Serial No. 85/324,443, applied for by Joel L. Beling d/b/a Supa Characters Pty Ltd.

12. “COLORWORX” defines the mark COLORWORX®, U.S. Trademark Registration No. 3,372,884 and includes a variety of printing goods and printing services that are international Class 40 products manufactured and put into the stream of commerce by Ennis, Inc.

13. “Identify” or “describe” when referring to a person, means you must state the following:

- a. The full name.
- b. The present or last known residential address and residential telephone number.
- c. The present or last known office address and office telephone number.
- d. The occupation, job title, employer, and employer’s address at the time of the event or period referred to in each particular interrogatory.
- e. In the case of any entity, identify the officer, employee, or agent most closely connected with the subject matter of the interrogatory and the officer who is responsible for supervising that officer or employee.

14. “Identify” or “describe” when referring to a document, means you must state the following:

- a. The nature (e.g., letter, handwritten note) of the document.
- b. The title or heading that appears on the document.
- c. The date of the document and the date of each addendum, supplement, or other addition or change.
- d. The identity of the author and of the signer of the document, and of the person on whose behalf or at whose request or direction the document was prepared or delivered.
- e. The present location of the document, and the name, address, position or title, and telephone number of the person or persons having custody of the document.

15. “Document” means all written, typed, or printed matter and all magnetic, electronic, or other records or documentation of any kind or description in your actual possession, custody, or control, including those in the possession, custody, or control of any and all present or former directors, officers, employees, consultants, accountants, attorneys, or other agents, whether or not prepared by you, that constitute or contain matters relevant to the subject matter of the action.

16. Wherever in the following interrogatories Applicant is asked to identify documents, it is requested that the documents be identified by stating:

- a. general type of document, *e.g.*, letter, memorandum, report, miscellaneous, notes, etc.;
- b. date;
- c. author;
- d. organization, if any, with which author was connected;
- e. addressee or recipient;
- f. other distributees;
- g. organization, if any, with which addressee or recipient, or distributees were connected;
- h. general nature of the subject matter to extent that Applicant can do so without divulging matter considered by it to be privileged;
- i. present location of such document and each copy thereof known to Applicant, including the title, index number and location, if any, of the file in which the document is kept by the Applicant or the file from which such document was removed, if removed for

the purposes of this case, and the identity of all persons responsible for the filing or other disposition of the document.

17. "Relate" or "relating to" as used herein includes, without limitation, referring to, alluding to, responding to, concerning, connected with, commenting on, in respect of, about, regarding, discussing, describing, measuring, reflecting, supporting, analyzing, explaining, constituting, evidencing, or pertaining to.

18. "Privilege." If Applicant relies on any privilege or the work product doctrine in objecting to these Requests or in failing to produce a requested document, please state in the response to the Request that the Applicant is invoking a privilege, specify which privilege or doctrine is being invoked and the nature and reasons supporting the claim of privilege.

19. "Attorney-Client Privilege." If Applicant invokes the attorney-client privilege, please provide the following additional information for each document not disclosed or information withheld, to the extent that providing this information will not destroy the privilege.

- a. the name and job title of the author of the document or communication;
- b. the name and job title of every person who received the document or a copy of it, or who was present when the communication was made or who overheard it;
- c. the relationship between the author(s) and each person who received the document or a copy of it or who was present when the communication was made or who overheard it;
- d. whether the primary purpose of the document or communication was to seek or provide legal advice or services;
- e. the date of the document or communication;
- f. the subject matter(s) addressed in the document or communication;
- g. whether the document or communication was transmitted in confidence; and
- h. a brief statement as to why the document or communication is protected by the attorney-client privilege.

REQUESTS FOR PRODUCTION

REQUEST 40: Produce all documents and things that provide any evidence that the design element (i.e., the portion of the mark excluding the word "COLORWORX") in U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX® is generic for printing services.

RESPONSE:

REQUEST 41: Produce all documents and things that provide any evidence that the combination of design and word elements in U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX® is generic for printing services.

RESPONSE:

REQUEST 42: Produce all documents and things that provide any evidence that the design element (i.e., the portion of the mark excluding the word “COLORWORX”) in U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX® is merely descriptive of Opposer’s printing services.

RESPONSE:

REQUEST 43: Produce all documents and things that provide any evidence that the combination of design and word elements in U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX® is merely descriptive of Opposer’s printing services.

RESPONSE:

REQUEST 44: Produce all documents and things that provide any evidence that the design element (i.e., the portion of the mark excluding the word “COLORWORX”) in U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX® describes an ingredient, quality, characteristic, function, feature, purpose or use of Opposer’s printing services.

RESPONSE:

REQUEST 45: Produce all documents and things that provide any evidence that the combination of design and word elements in U.S. Trademark Registration No.

3,372,884 for the mark COLORWORX[®] describes an ingredient, quality, characteristic, function, feature, purpose or use of Opposer's printing services.

RESPONSE:

REQUEST 46: Produce all documents and things that provide any evidence that the combination of design and word elements in Opposer's mark COLORWORX[®] is not capable of distinguishing Opposer's printing services.

RESPONSE:

REQUEST 47: Produce all documents and things that provide any evidence that Opposer made any statements to the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX[®] that were a false representation regarding a material fact.

RESPONSE:

REQUEST 48: Produce all documents and things that provide any evidence that any statements made to the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX[®] were false.

RESPONSE:

REQUEST 49: Produce all documents and things that provide any evidence that Opposer intended to deceive the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX® by making false representations regarding a material fact.

RESPONSE:

REQUEST 50: Produce all documents and things that provide any evidence that the United States Patent and Trademark Office relied on any false representations regarding a material fact made by Opposer in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX®.

RESPONSE:

Dated: August 20, 2013

Respectfully submitted,

CHALKER FLORES, LLP

By: 
Daniel J. Chalker
Texas Bar No. 00794951
14951 N. Dallas Parkway, Suite 400
Dallas, Texas 75254
(214) 866-0001 (telephone)
(214) 866-0010 (telecopy)
dchalker@chalkerflores.com

ATTORNEYS FOR OPPOSER

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing OPPOSER'S SECOND REQUEST FOR PRODUCTION TO APPLICANT was served on all parties, this the 20th day of August, 2013, by sending the same electronic mail, to the following:

Joel L. Beling
1 Mirboo Court
Dallas, Victoria 3047
Australia
joelbeling@hotmail.com


Daniel J. Chalker

OPPOSER'S SECOND REQUEST FOR PRODUCTION TO APPLICANT

Page 7

EXHIBIT 5



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mm-3/13

• **RE: Contact Form - texascourtreporters.net**

From: **Rachel Shrode** (Rachel@texascourtreporters.net)

Sent: Tuesday, 3 December 2013 8:44:36 PM

To: joelbeling@hotmail.com

1 attachment (55.4 KB)



Price Sheet.doc

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Joel,

I apologize for the late response, I have been out for the holiday. I have attached our deposition rates. Please let me know if you would like to use our services or if you have any questions. I would like to check with you on where in Texas you would need us because I may need to refer you to another firm if the location is too far from us.

Thanks,

Rachel Shrode

Wendy Ward Roberts & Associates, Inc.

1205 Main Street

Garland, Texas 75040

972.494.2000

972.494.2269

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-----Original Message-----

From: joelbeling@hotmail.com [mailto:joelbeling@hotmail.com]

Sent: Tuesday, November 26, 2013 6:18 PM

To: info@texascourtreporters.net

Subject: Contact Form - texascourtreporters.net

Company: Supa Characters Pty Ltd

Name: Joel Beling

Phone: +61 405 329 078

Email: joelbeling@hotmail.com

Comments:

Hello,

Can you please email me a copy of your rates for all the services you provide. I need to schedule discovery depositions for between 5-7 witnesses in Texas for a proceeding before the US Trademark Trial and Appeal Board. Thank you

Service Provided	Unit	Page Rates	
Standard Delivery (10 Business Day)	Page	\$4.75	
Expedited Delivery			
Delivery on next business day by 5:00	Page	100%	
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Delivery on 6 th business day	Page	20%	
Delivery on 7 th business day	Page	10%	
Technical/Expert/Medical	Page	.50	
Minimum Transcript Charge	Transcript	\$150	
Administration/Filing Fee Per Witness	Witness	\$75	
Deliveries	Transcript	Cost	
Weekend/Major Holiday Surcharge	Page	\$1	
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Exhibits/Tabs	Page	.40	
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Condensed	Transcript	\$12.50	
Keyword Index	Transcript	\$12.50	
Video (2.5 Hour Min)	Hour	\$100	
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DVD/Mpeg 1	Hour	\$50	
Video/Text Sync	Hour	\$75	
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We require a credit card authorization on file from any out-of-state firm scheduling/taking depositions.

We can hold the transcript for 10 days before charging the card if you would like to pay by check. Please let me know if you have any other questions.

EXHIBIT 6

CHALKER FLORES, LLP

**FOR SETTLEMENT PURPOSES ONLY
PURSUANT TO FRE 408**

June 25, 2012

Via Electronic Mail

Joel L. Beling
1 Mirboo Court
Dallas, Victoria 3047
Australia

Re: Ennis, Inc. v. Joel L. Beling d/b/a Supa Characters Pty Ltd
Opposition No. 91203884, USPTO Trademark Trial and Appeal Board

Re: Joel L. Beling d/b/a Supa Characters Pty Ltd
Opposition No. 92055374, USPTO Trademark Trial and Appeal Board

Dear Joel:

Our client wishes to make a stand down settlement offer. Assuming this is agreeable to you, we will prepare a settlement agreement whereby both parties would withdraw the action filed by each. Please let us know if this is agreeable and we will proceed with the draft.

Sincerely,



Scott A. Meyer

SAM/cm

Scott A. Meyer, PC
14951 N. Dallas Parkway, Suite 400
Dallas, Texas 75254

Tel: 214.866.0001
Fax: 214.866.0010
smeyer@chalkerflores.com

EXHIBIT 7

Holland & Knight

400 South Hope Street, 8th Floor | Los Angeles, CA 90071 | T 213.896.2400 | F 213.896.2450
Holland & Knight LLP | www.hklaw.com

Richard E. Lyon, Jr.
213-896-2510
richard.lyon@hklaw.com

VIA UPS & AIRMAIL

November 15, 2011

Mr. Joel L. Beling
dba Supa Characters Pty. Ltd.
1 Mirboo Court
Dallas, Victoria
Australia 3047

Re: Big 5 Trademark

Dear Mr. Beling:

Our office represents Big 5 Sporting Goods, a California corporation with over 400 retail stores located throughout the western part of the United States of America. Our client is the owner of U.S. Trademark Registration No. 1,929,798 for the mark BIG 5 for retail sporting goods and wearing apparel stores and No. 2,749,742 for the mark BIG 5 SPORTING GOODS for retail stores featuring sporting goods and wearing apparel (copies enclosed). Our client's marks are very well-known in this country. Your pending U.S. trademark Application Nos. 85/324,466 and 85/975,778 to register BIG 5 FIVE (plus design) for a wide variety of goods, including hunting related items and clothing, which are sold in our client's stores, has caused our client concern.

The term "Big 5" as used in your trademark applications in combination with the illustrations of the "Big 5" big game animals is not objectionable to our client. Our client is concerned, however, with the way in which your mark might be used. This concern is heightened by the exceedingly large number of goods covered by your application and the nature of those goods. Should you or a licensee of your mark use just the word portion of the mark without the pictorial representations of the "Big 5" animals or sufficient verbiage to clearly indicate a reference to the five big game animals, confusion with our client's well-known name and mark would be very likely. If that were to occur, our client would strenuously object to your use of the Big 5 name and take appropriate action to protect its marks. To prevent such an occurrence, we request that you carefully monitor your use of your mark with our client's rights in mind. While our client believes that careful monitoring will avoid a likelihood of confusion, they also will monitor this situation.

Mr. Joel L. Beling
dba Supa Characters Pty. Ltd.
November 15, 2011
Page 2

Your cooperation will be greatly appreciated and is in everyone's best interest. Please advise me as to your intentions.

Very truly yours,

HOLLAND & KNIGHT LLP



Richard E. Lyon, Jr.

REL:cb
Enclosures
cc: Gary S. Meade, Esq.
#10754277_v1

Int. Cl.: 42

Prior U.S. Cls.: 100 and 101

Reg. No. 1,929,798

United States Patent and Trademark Office Registered Oct. 24, 1995

SERVICE MARK
PRINCIPAL REGISTER

BIG 5

UNITED MERCHANDISING CORP. (CALIFOR-
NIA CORPORATION)
2525 EAST EL SEGUNDO BLVD.
EL SEGUNDO, CA 902454632

FIRST USE 0-0-1956; IN COMMERCE
10-25-1978.

OWNER OF U.S. REG. NO. 1,536,437.

FOR: RETAIL SPORTING GOODS AND
WEARING APPAREL STORES, IN CLASS 42
(U.S. CLS. 100 AND 101).

SER. NO. 74-590,746, FILED 10-26-1994.

CHRIS DONINGER, EXAMINING ATTORNEY

Int. Cl.: 35

Prior U.S. Cls.: 100, 101 and 102

Reg. No. 2,749,742

United States Patent and Trademark Office

Registered Aug. 12, 2003

**SERVICE MARK
PRINCIPAL REGISTER**

BIG 5 SPORTING GOODS

BIG 5 CORP. (DELAWARE CORPORATION)
2525 E. EL SEGUNDO BOULEVARD
EL SEGUNDO, CA 902454632

NO CLAIM IS MADE TO THE EXCLUSIVE
RIGHT TO USE "SPORTING GOODS", APART
FROM THE MARK AS SHOWN.

FOR: RETAIL STORES FEATURING SPORTING
GOODS AND WEARING APPAREL, IN CLASS 35
(U.S. CLS. 100, 101 AND 102).

SER. NO. 76-403,966, FILED 5-3-2002.

FIRST USE 12-7-1963; IN COMMERCE 10-25-1978.

INGRID C. EULIN, EXAMINING ATTORNEY

From: joel beling [mailto:joelbeling@hotmail.com]
Sent: Tuesday, November 22, 2011 9:04 PM
To: Lyon, Richard E (LAX - X52510)
Subject: Big 5 Trademark

Dear Mr Lyon,

Thank you for your letter dated 15 November, 2011.

I advise I am the Director of a superhero licensing company - called Supa Characters Pty Ltd - much like Disney, Marvel and DC Comics.

My interest in the Big Five trademark extends only to superheroes based on the big five game animals in Africa (do a search on the Australia trademark register to confirm my Australian trademarks). Without the animals, my trademark would be useless and unmarketable.

Thus, while I appreciate your client's concern, I believe that we can successfully run our businesses without conflict and interference.

Should you have any queries, please do not hesitate to contact me.

Yours sincerely,

Joel Beling

RE: Big 5 Trademark
Richard.Lyon@hklaw.com (Richard.Lyon@hklaw.com)
To: joelbeling@hotmail.com
Cc: gsm@big5corp.com

From: Richard.Lyon@hklaw.com
Sent: Wednesday, 23 November 2011 6:00:28 PM
To: joelbeling@hotmail.com
Cc: gsm@big5corp.com

Dear Mr. Beling,

Thank you for your prompt reply. We wanted you to be aware of our client and its US trademark rights. Based on your reply, it does not appear that they will encounter any problems with your use of your mark.

Rick Lyon

Richard Lyon | Holland & Knight
Partner
400 South Hope Street, 8th Floor | Los Angeles CA 90071
Phone 213.896.2510 | Fax 213.896.2450
richard.lyon@hklaw.com | www.hklaw.com

[Add to address book](#) | [View professional biography](#)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

**Opposition No. 91203884;
Cancellation No. 92055374**

In re Registration No. 3,372,884
(COLORWORX), Registered
January 22, 2008

Ennis Inc.

v.

Joel L. Beling D/B/A Supa Characters Pty Ltd

**PETITION FOR DISQUALIFICATION OF THE CHIEF JUDGE OF THE
TRADEMARK TRIAL AND APPEAL BOARD, THE THREE-MEMBER BOARD
PANEL ASSIGNED TO ADJUDICATE ENNIS INC.'S MOTION TO DISMISS, AND
INTERLOCUTORY ATTORNEY ELIZABETH DUNN, AND PETITION ALLEGING
JUDICIAL AND ATTORNEY MISCONDUCT**

Petitioner, Joel L. Beling, hereby files this petition for disqualification of the Chief Judge of the Trademark Trial and Appeal Board, the Honorable Gerard F. Rogers (“the Chief Judge”), the three-member Board panel assigned to adjudicate Ennis Inc.’s motion to dismiss (“the panel”), and Interlocutory Attorney Elizabeth Dunn (“Ms. Dunn”)¹ pursuant to 28 U.S.C. §§ 455(a), 455(b)(1), the ABA Code of Judicial Conduct (1990, 2007) (“the 1990 Code”/“the 2007 Code”), the ABA Model Code of Professional Responsibility² (“the MCPR”), and the Administrative Procedure Act (“the APA”), Pub.L 79-404, 60 Stat. 237.³ The petitioner alleges judicial and attorney misconduct against the above individuals in this petition pursuant to Fed. R. Civ. P. 11(b)(1), (b)(2), and (b)(3); pursuant to Ms. Dunn’s procedural advice in her email dated December 4, 2013 (Ex. 1) that “[A] request for disqualification of Board attorneys or judges is uncommon and there is no established practice for submitting such a request”; and pursuant to the rule laid down in *In re Schenck*, 870 P.2d 185, at 195 (Or. 1993) (rejecting judge’s argument that

¹ When the petitioner refers to allegations that the panel and Ms. Dunn have violated 28 U.S.C. § 455(a), the petitioner includes the Chief Judge if his Honor was and is part of the panel.

² *In re Littell*, 260 Ind. 187, 294 N.E.2d 126 (1973) (A judge can be disbarred or otherwise disciplined by the bar as an attorney for misconduct committed in his or her capacity as a judge).

³ For sake of completeness, Ms. Dunn must also comply with the cited authorities because she is deemed a judge since she is performing a judicial or quasi-judicial role and may be classified as a “judicial candidate” pursuant to Preamble(3) of the 2007 Code.

his denial of a motion to disqualify was challengeable on mandamus or on appeal, but not sanctionable under the code of judicial conduct). To avoid repetition, for each ground below, it is alleged that the impugned act or omission might reasonably question the impartiality of the judicial or quasi-judicial member involved pursuant to 28 U.S.C. § 455(a).

GROUND 1: The panel has committed an egregious legal error and violated Rules 1, 1A, 2, 2A, 3B(1), 3B(2), 3B(5), 3B(7), 3B(8), 3C(1)2 of the 1990 Code, Rules 1.1, 1.2, 2.2, 2.3, 2.5, 2.6 and 2.7 of the 2007 Code and Canons 1, 8 & 9 and DR 1-102(A)(1), (2), (4), (5) & (6) of the MRPR, by failing to sign their decision dated May 15, 2013, which omission may be characterized as an egregious legal error. In re Quirk, 705 So. 2d at 178 (adopted egregious legal error as one of the exceptions to the general rule that legal error is not sanctionable, stating that even a single instance of serious legal error, particularly one involving the denial to individuals of their basic or fundamental rights, may amount to judicial misconduct). A number of authorities clearly state that potentially dispositive motions, such as Ennis' motion to dismiss, are decided, finalized and signed by a three-member Board panel, with one judge authoring the ruling on the motion:

Board Members also decide potentially dispositive motions filed in inter partes cases. Inter partes proceedings before the Board are, for the most part, procedurally analogous to federal district court litigation and are governed by the Federal Rules of Civil Procedure, except where specific Trademark Rules of Practice govern. These motions are decided by three-member Board panels in the same manner as such panels would decide an inter partes case after a full trial, with one judge authoring the ruling on the motion... Motions to dismiss filed pursuant to Rule 12(b) of the Federal Rules of Civil Procedure (Federal Rules) are common in inter partes cases. For example, the defendant in an opposition or cancellation proceeding may move to dismiss under Rule 12(b)(6) of the Federal Rules on the ground that the opposition or petition for cancellation fails to state a claim on which relief can be granted. *The motion simply tests the sufficiency of the pleadings and is decided by a three-member Board panel...* The TTAB panel then comes to a conclusion regarding how the motion should be decided, and the Interlocutory Attorney Examiner drafts an opinion based on the instructions received at that case conference. **The draft decision is then circulated among the three-member panel and the decision eventually is finalized and signed by the panel** (emphasis added).

Krugman, Gary, *Trademark Trial and Appeal Board Practice and Procedure* (2011-2012 Ed.); §§ 1:6, 1:7, 1:14; West's Key Number Digest, Trademarks Key 1280, 1287; *McCarthy on Trademarks and*

The panel's failure to finalize and sign the decision dated May 15, 2013 demonstrates, respectfully, an absolute lack of transparency in Board decision-making and a violation of the petitioner's basic and fundamental right to procedural fairness and a fair trial, since the petitioner was deprived of the panel's expertise in adjudicating a dispositive motion involving complex issues of, inter alia, trademark fraud. Regrettably, the panel's failure to sign the decision means that it suffers from a fatal procedural deficiency which renders the decision void *ab initio*.

GROUND 2: Ms. Dunn has committed an egregious legal error and violated Rules 1.1, 1.2, 2.2, 2.3, 2.5, 2.6 and 2.7 of the 2007 Code, Canons 1, 8 & 9 and DR 1-102(A)(1), (4), (5), (6), DR 1-103(A) & DR 8-102(B), DR 8-103(A) of the MRPR, by adjudicating and signing the decision dated May 15, 2013. *Quirk, supra*. Although an interlocutory attorney may draft the decision adjudicating a potentially dispositive motion after receiving instructions from the panel at the case conference, the decision must always be finalized and signed by the panel:

In addition to ruling on nondispositive motions, the Interlocutory Attorney Examiner often has the responsibility of drafting decisions on potentially dispositive motions, including motions to dismiss and motions for summary judgment. Many such motions are assigned to Interlocutory Attorney Examiners, who review the motion papers and meet with the TTAB panel of three judges to discuss the case and the issues presented by the motions. The TTAB panel then comes to a conclusion regarding how the motion should be decided, and the Interlocutory Attorney Examiner drafts an opinion based on the instructions received at that case conference. **The draft decision is then circulated among the three-member panel and the decision eventually is finalized and signed by the panel...** *Decisions on motions to dismiss pursuant to Rule 12(b) of the Federal Rules of Civil Procedure and Trademark Rule 2.132 are routinely drafted by interlocutory attorney Examiners for signature by three Board Members* (emphasis added).

Krugman, *supra*, § 1:14; West's Key Number Digest, Trademarks Key 1280, 1287; *McCarthy on Trademarks and Unfair Competition* § 20:129 (4th ed.); Trademark Law Practice Forms §§ 13:127, 13:129.

Ms. Dunn's adjudication, finalization and signing of the decision dated May 15, 2013 was, respectfully, an act which grossly exceeded her power and authority as an Interlocutory Attorney. Trademark Rule 2.127(c); *In re Jefferson*, 753 So. 2d 181 (La. 2000) (judge removed for, inter

alia, deliberately disobeying orders of a “supernumerary judge”). The decision itself reveals that Ms. Dunn’s possessed actual knowledge that Ennis’ motion to dismiss was a potentially dispositive motion: (“Because the Board’s grant of the motion to dismiss would dispose of this proceeding, the Board will not exercise its authority in this instance.” Doc. #27, at 3.)

Subsequent email communications with Ms. Dunn reveal that she possessed actual knowledge that her authority to act on motions was and is confined to non-dispositive motions. Ex. 1, December 4, 2013, Email to petitioner. In fact, the contested, potentially dispositive motion involved novel and complex issues of, inter alia, trademark fraud law and Ms. Dunn was clearly out of her depth of experience in adjudicating and signing the motion. *See, e.g., **GROUND 11 & 27.*** Moreover, the *ultra vires* act was fundamentally unfair, both procedurally and substantively, because the three-judge panel system ensures one judge can throw a casting vote in the event of a split decision between the other two judges, meaning that the petitioner was denied this basic and fundamental right to procedural fairness and the right to a fair trial. *Quirk, supra.*

GROUND 3: Ms. Dunn, has committed an egregious legal error and violated § 455(b)(1) of 28 U.S.C., Canon 3(E)(1) of the 1990 Code, Rules 1.1, 1.2, 2.2, 2.3, 2.5, 2.6 and 2.7 of the 2007 Code, and Canons 1, 8 & 9 and DR 1-102(A)(1), (4), (5), (6), DR 1-103(A) & DR 8-102(B), DR 8-103(A) of the MRPR, by acting on, adjudicating and signing her decisions dated May 15, 2013 and November 12, 2013, when she had “personal knowledge of disputed evidentiary facts concerning the proceeding,” viz. the allegations in paragraphs 314-318 and 324-328 in petitioner’s second amended petition to cancel. Doc. #18. It is submitted the proper and fair procedure that Ms. Dunn should have followed was to file a declaration or affidavit concerning the disputed evidentiary issues and either disqualify herself or request she be disqualified by the Board pursuant to 28 U.S.C. § 455(b)(1), none of which she did. The disputed evidentiary facts involve Ms Dunn’s participation in the Discovery Conference in the present proceeding on April 24, 2012, which was also attended by the petitioner and Mr. Thomas Jacks, Ennis’s former attorney. *See* petitioner’s Declaration, *infra*. During the teleconference, Mr.

Jacks stated Ennis was involved in another matter before the Board involving similar allegations and that the mark Ennis had opposed was COLORWORKS “with a ‘K-S.’” *Id.* at ¶ 3. Petitioner submits - and has declared to this effect - that Ms Dunn heard this and therefore has “personal knowledge of disputed evidentiary facts concerning the proceeding.” Yet in its discovery answers, Ennis denied there were any proceedings with similar allegations to the present proceeding. Doc. #26, Opposer’s Response and Objections to Applicant’s First Request for Production dated June 11, 2012, Request No. 6. Petitioner submits that Ms. Dunn is a witness to Mr. Jacks’ admission relating to his client’s involvement in another similar proceeding and can give direct evidence in relation to the issues of Ennis giving false evidence on oath or certification.⁴ *See, e.g.*, Doc #18, ¶ 324-328. Yet the two Board decisions signed by Ms Dunn fail to consider any of these issues. Since Ms Dunn had personal knowledge of dispute evidentiary fact in this proceeding at the time she adjudicated and signed her decision, disqualification was *mandatory*. *Renteria v. Schellpeper*, D. Neb. 1996, 936 F.Supp. 691. (If one of grounds specifically enumerated in statute applies, disqualification of judge is mandatory whether or not reasonable person would question judge's impartiality.)

GROUND 4: In the alternative to GROUND 1 & 2, the petitioner respectfully submits that the Chief Judge has committed an egregious legal error under *Quirk* and violated Rule 2.2, 2.5 & 2.6 of the 2007 Code and Canons 1, 8 & 9 and DR 1-102(A)(1), (2), (4), (5) & (6) of the MRPR, by failing to set a three-member Board panel to adjudicate Ennis’ motion to dismiss. Krugman describes the relevant procedure as follows:

All final decisions are issued by a three-judge panel, with one of the judges authoring the decision. The Chief Administrative Trademark Judge is responsible for allocating decision writing responsibilities to the judges with respect to these proceedings. **The Chief Judge also sets panels for decisions**, sets panels for oral hearings...(emphasis added).

Krugman, *supra*, § 1:5; West’s Key Number Digest, Trademarks Key 1280, 1287.

⁴ For the record, the petitioner alleges no attorney misconduct in this proceeding in the present petition against Ennis’ former or current attorneys.

The good faith evidentiary bases the petitioner relies on in support of this ground are the petitioner's email exchanges with Ms. Dunn on December 4 & 5, 2013 and the record. Ex. 1, *infra*. In particular, the petitioner asked Ms. Dunn for "the names of the three administrative trademark judges who have been assigned to this proceeding by the Chief Judge. [The petitioner relies] on the Board's duty to be open and transparent in its decision-making." Ms. Dunn's reply was unequivocal:

The Chief Judge assigns a panel of three administrative trademark judges when trial and briefing has concluded, and the case is ready for final decision. Because consolidated Opp. No. 91203884 remains in the discovery stage, **no panel has been assigned**...I am the Board attorney assigned to this proceeding, **I have issued interlocutory orders, and my name appears at the beginning of those orders** (emphasis added). Ex. 1.

The petitioner followed up his request for the names of the three judges or adjudicators who decided Ennis' motion to dismiss in his email to Ms. Dunn the following day, but received no responsive answer. *Id.* The petitioner relies on Ms. Dunn's trusted position, unblemished character and strong credibility as a Board Interlocutory Attorney for at least a decade, as well as her intimate knowledge of the administrative and decisional history of this consolidated proceeding, to allege against the Chief Judge "[the absence of] the legal knowledge, skill, thoroughness, and preparation reasonably necessary to perform the [Chief] judge's responsibilities of office." 2007 Model Code, Rule 2.5, Comment 1. In addition, the record also establishes beyond reasonable doubt that the Chief Judge failed to set a panel to adjudicate Ennis' motion to dismiss, a potentially dispositive motion, because there is no reference anywhere on the record to anyone other than Ms. Dunn adjudicating Board decisions.

GROUND 5: In the alternative to GROUND 4, the petitioner respectfully submits that the Chief Judge has committed an egregious legal error under *Quirk* and committed willful misconduct by knowingly omitting to set a three-member Board panel to adjudicate Ennis' motion to dismiss, contrary to Rules 1.1, 2.2, 2.3 & 2.6 of the 2007 Code and Canons 1, 8 & 9 and DR 1-102(A)(1), (2), (4), (5) & (6) of the MRPR. GROUND 4 is referred to and

incorporated by reference. Put simply, given the Chief Judge's vast experience, it is utterly fanciful and patently untenable to suggest that his Honor failed to set a three-member Board panel to adjudicate Ennis' motion to dismiss by virtue of incompetence or negligence.

GROUND 6: The petitioner respectfully submits that the Chief Judge has committed an egregious legal error under *Quirk* and violated Rule 2.12 of the 2007 Code and Canons 1, 8 & 9, DR 1-102(A)(1), (2), (4), (5) & (6) of the MRPR, by failing to supervise the adjudication and signing of the Board decision dated May 15, 2013.

GROUND 1-3 are referred to and incorporated by reference. A single Interlocutory Attorney signed a Board decision on a potentially dispositive motion. *Res ipsa loquitur*.

GROUND 7: The petitioner respectfully submits that the Chief Judge has violated Rule 3D of the 1990 Model Code, Rule 2.15 of the 2007 Model Code and Canons 1, 8 & 9 and DR 1-102(A)(1), (2), (4), (5) & (6) of the MRPR, by failing to take or initiate appropriate disciplinary measures against the panel and Ms. Dunn for unprofessional conduct as particularized in this petition of which the Chief Judge became aware. See, e.g., *In re Gassman*, Unreported Determination (N.Y. Comm'n, 1986); *In Re Laurie*, No. 84-CC5, (Ill. Cts. Comm'n 1985) (judge suspended for failing to report proffered gifts by attorneys); *In re Bloom*, Determination N.Y. Comm'n, Jan 20, 1995) (judge censured for knowingly giving inaccurate testimony in an attorney disciplinary proceeding). **GROUND 1-4 are referred to and incorporated by reference. Thus, it is respectfully submitted the Chief Judge's alleged failure to set and supervise a Board panel to adjudicate the motion to dismiss, or alleged failure to supervise a runaway Interlocutory Attorney (Ms. Dunn) intent on acting on, adjudicating and signing alone a Board decision on a potentially dispositive motion, or failure to report the panel and Ms. Dunn to the relevant disciplinary authorities in respect of the above acts and omissions, demonstrates gross incompetence, denies the petitioner its fundamental rights to procedural fairness and a fair trial, undermines the integrity of the position of Chief Judge, brings the judiciary in general and**

the Board in particular into disrepute, reduces public confidence in the legal system, and undermines the fair administration of justice.

GROUND 8: It is submitted that the tone and language Ms. Dunn used to describe the respective acts and omissions of Ennis and the petitioner violates Rules 1.1, 1.2, 2.2, 2.3, 2.5, 2.6 and 2.7 of the 2007 Code, and Canons 1, 8 & 9 and DR 1-102(A)(1), (4), (5), (6), DR 1-103(A) & DR 8-103(A) of the MRPR. On the one hand, Ms. Dunn describes the petitioner's pleadings as "awkwardly written" and "ridiculously long," *literally* ridiculing them through the use of the word "ridiculous" (Doc. #27, at 6); the genericness and other claims as "garbled" (*Id.* at 5); the "remainder" of the claims (none of which are considered individually) as "rambling" (*Id.* at 6); and the omission of a good faith attempt to "meet and confer" with Ennis concerning the motion to compel as abusive (Doc. #39, at 6). In short, the tone and content of Ms. Dunn's communications to the petitioner, a pro se litigant, may be characterized as disparaging, ridiculing and unfair on any objective view of an adjudicator describing a pro se litigant's pleadings. On the other hand, Ms. Dunn fails to make even a single negative or adverse comment on Ennis' patently false discovery responses ((Docs. #18, 25 & 26); its indirect admission that its discovery responses to the petitioner's discovery requests were not true and correct (Doc. #26); its concealment of documents and the identities of witnesses for 13 months despite the petitioner's numerous discovery requests (Doc. #38); its boilerplate objections to the petitioner's discovery requests (Doc. #26); its failure to produce any financial documents relating to goods and services sold under its COLORWORX Mark (Docs. #29 & 36); its failure to produce its statement of use submitted to the USPTO at the time of applying for registration of the COLORWORX mark ((Docs. #29 & 36); its failure to produce any documents relating to searches and clearances it conducted before applying for registration of the COLORWORX Mark (Docs. #29 & 36); and its abusive litigation tactic of seeking to avoiding reliance on its former attorneys' responses to the petitioner's good faith attempts to "meet and confer" and other alleged abusive litigation tactics (Doc. #32 & Reconsideration Issue 19 in the motion for reconsideration dated December 10,

2013,⁵). In short, it is submitted Ms. Dunn has blatantly covered up Ennis' dishonest, dilatory and abusive conduct.

GROUND 9: The panel and Ms. Dunn knowingly, willfully and in bad faith falsified and improperly extrapolated their orders in the Board's decisions dated July 13 & 17, 2012 concerning "any subsequent motion to compel" to responses to all motions in Ms. Dunn's *ultra vires* decision dated May 15, 2013, contrary to Rules 1.1, 1.2, 2.2, 2.3, 2.5, 2.6 and 2.7 of the 2007 Code, and Canons 1, 8 & 9 and DR 1-102(A)(1), (2), (4), (5), (6), DR 1-103(A) & DR 8-103(A) of the MRPR. Docs. #13, 15 & 27. *Cannon v. Comm'n on Judicial Qualifications*, 537 P.2d 898, at 909 (Cal. 1975) (The presence of bad faith can render an exercise of legal judgment judicial misconduct. "Bad faith" in this context means "acts within the lawful power of a judge which nevertheless are committed for a corrupt purpose, i.e., for any purpose other than the faithful discharge of judicial duties"). In particular, in the latter decision the panel and Ms. Dunn claimed it made a number of orders "**[w]hen served with a motion**" relating to single responses, page limits, etc (emphasis added). Doc. #27, at 2. In fact, in her decision dated July 13, 2012, Ms. Dunn makes three orders [(a)-(c)] which are book-ended by the express limitation "**[w]ith respect to any subsequent motion to compel**, the Board advises Mr. Beling as follows" and "That is, if Mr. Beling chooses to file **another motion to compel**, he cannot submit again the exhibits already of record. **Any new motion to compel** must..." (emphasis added) Doc #13, at 8-9. This improper extrapolation is fundamentally dishonest, runs afoul of the principle of retrospective punishment, and denies the petitioner the right to a fair trial.

GROUND 10: The panel and Ms. Dunn refused to consider petitioner's opposition to the motion to dismiss on the basis that petitioner has disregarded orders that the Board never in fact made, or, alternatively, made only in relation to "any subsequent motion to compel."

⁵ Hereinafter, when petitioner refers to a "**Reconsideration Issue**," it refers to this motion, which is incorporated by reference into the ground for disqualification or judicial and attorney misconduct.

Doc. #27, at 2. **GROUND 9** and the allegations of judicial and attorney misconduct therein are referred to and incorporated by reference.

GROUND 11: The panel and Ms. Dunn misinterpreted petitioner’s arguments and ruled that petitioner’s trademark fraud allegations in paragraphs 45-212 of his second amended petition to cancel are legally sufficient on the basis of a liberal reading of the pleading. Doc. #27, at 5. In particular, the Board has ruled that petitioner’s “fraud claim[s] that Ennis made material misrepresentations regarding its exclusive right to use the mark COLORWORX *and* design, and not just the term COLORWORX” (emphasis added) are legally sufficient. Doc #27, at 5. Yet this is not what petitioner alleged at all for the vast majority of his trademark fraud allegations against Ennis. *See* Doc #18, ¶¶44-217. Petitioner clearly *apportioned* his allegations of trademark fraud against Ennis with respect to either the term COLORWORX *or* the design element. *See* headings in Doc #18, at 18, 24, 45. Thus, the Board’s decision construing petitioner’s pleadings as legally sufficient on the basis of a “liberal” reading of the pleading under current law on trademark fraud is clearly untenable because the Board’s ruling is the polar opposite of the current legal position, which requires trademark fraud allegations to relate to the “mark as a whole,” as Ennis have submitted. Docs. #19 & 21.

GROUND 12: The panel and Ms. Dunn’s ruling in its decision dated May 15, 2013 that “the Board has the authority to grant [Ennis’] motion to dismiss as conceded” and that the petitioner failed to file a brief in response to Ennis’ motion to dismiss, violates Rules 1.1, 1.2, 2.2, 2.3, 2.5, 2.6 and 2.7 of the 2007 Code, and Canons 1, 8 & 9 and DR 1-102(A)(1), (2), (4), (5), (6), DR 1-103(A) & DR 8-103(A) of the MRPR. Doc. #27, at 3. This is a clear legal error, untenable on any reasonable view, and therefore falls into the category of bad faith or egregious legal error. *In re Benoit* 487 A.2d 1158, at 1163 (Me. 1985) (A judicial decision constitutes a violation if a reasonably prudent and competent judge would consider that conduct obviously and seriously wrong in all the circumstances). The proper and reasonable interpretation of Trademark Rule 2.127(a) is that where a party, as the literal words suggest, “*fails to file* a brief in response to

a motion” (emphasis added), the Board “may treat the motion as conceded.” *See Caminetti v United States*, 242 U.S. 470 (1917) and *Church of the Holy Trinity v United States*, 143 U.S. 457 (1892) regarding the Plain Meaning Rule: if the statutory language is plain, there is no need for further interpretive aids. The *purpose* of the Rule, to treat as conceded uncontested motions so as not to waste the Board’s time and resources, also supports this interpretation and does not lead to an absurd result. *Green v Bock Laundry Machine Co.*, 490, U.S. 504, 528 (1990) (courts look to broader context of body of law, including express and inferred purposes, when interpreting statute). Petitioner vigorously contested the motion, which traversed virgin territory in fraud law, by filing a detailed opposition supported by authority, along with a motion to exceed the page limited, which type of motion the Board has *never* granted petitioner.

GROUND 13: The panel and Ms. Dunn ruled that the subject matter of the applicant’s declaration of June 20, 2013 was “not the subject of a discussion with opposer,” in violation of Rules 1.1, 1.2, 2.2, 2.3, 2.5, 2.6 and 2.7 of the 2007 Code, and Canons 1, 8 & 9 and DR 1-102(A)(1), (2), (4), (5), (6), DR 1-103(A) & DR 8-103(A) of the MRPR. *See Reconsideration Issue 13.*

GROUND 14: Ms. Dunn failed to responsively reply in her email dated December 5, 2013 to the petitioner’s good faith attempt dated December 4, 2013 to “meet and confer” with her regarding some of the issues the subject of this petition for disqualification, in violation of Rules 1.1, 1.2, 2.2, 2.3, 2.5, 2.6 and 2.7 of the 2007 Code, and Canons 1, 8 & 9 and DR 1-102(A)(1), (2), (4), (5), (6), DR 1-103(A) & DR 8-103(A) of the MRPR and § 557(d)(1)(C) of the APA. *See Ex. 1.*

GROUND 15: Ms. Dunn failed to provide sufficient and reasonable procedural advice in her email dated December 4, 2013 to the petitioner’s request for procedural advice concerning how to file a petition for judicial disqualification in his email dated December 4, 2013, in violation of Rules 1.1, 1.2, 2.2, 2.3, 2.5, 2.6 and 2.7 of the 2007 Code, and Canons 1, 8 & 9 and DR 1-102(A)(1), (2), (4), (5), (6), DR 1-103(A) & DR 8-103(A) of the MRPR.

Instead of providing the requested procedural advice concerning the filing of a public petition or motion which would form part of the record, Ms Dunn provided the email address of the managing interlocutory attorney, Mr. Kenneth Solomon. *See* Ex. 1. In attempting to so channel the petitioner's grievances, it is respectfully submitted Ms. Dunn desired to conceal her commission of numerous examples of judicial and attorney misconduct, apparent bias, abuses of discretion and legal errors, as particularized herein, from public scrutiny.

GROUND 16: The Panel and Ms. Dunn should be disqualified on the basis that they have failed to make public on the USPTO's "TTAB Summaries" webpage (found under the Board Receipts and Issued Decisions heading) the decision dated May 15, 2013, in violation of Rules 1.1, 1.2, 2.2, 2.3, 2.5, 2.6 and 2.7 of the 2007 Code, and Canons 1, 8 & 9 and DR 1-102(A)(1), (2), (4), (5), (6), DR 1-103(A) & DR 8-103(A) of the MRPR. It goes without saying that fundamental tenets of Board decisions are that they demonstrate transparency, accountability, and fairness. By failing to make public on the Board's website the Board's decision dated May 15, 2013, a decision on a potentially dispositive motion, the Board has undermined the transparency, accountability and fairness of the Board's decision-making process in particular and the USPTO's decision-making process in general.

GROUND 17: Ms. Dunn should be disqualified on the basis that she requested the petitioner not to respond to her email dated November 14, 2013 (Ex. 1), which violates Rules 1.1, 1.2, 2.2, 2.3, 2.5, 2.6 and 2.7 of the 2007 Code, and Canons 1, 8 & 9 of the MRPR. In this email, which was in response to a request for procedural information concerning depositions on written questions, Ms Dunn wrote "Please do not respond to this message..." Ex. 1. The petitioner had a number of follow-up procedural questions for Ms. Dunn in response to her email relating to the timing of discovery depositions and the filing of a motion to suspend proceedings pending review of Ennis' discovery responses. Yet this opportunity to clarify further procedural matters was deterred by Ms. Dunn, in her request that the petitioner "not respond to this message." Interlocutory attorneys are a key, perhaps the only, source of information on legal

procedure in Board opposition or cancellation procedures for some pro se litigants, the protection of whom is a primary focus in the USPTO's *Report to Congress*. The petitioner has clearly suffered prejudice through Ms. Dunn's firm request not to ask follow-up procedural questions, *after a single email*.

GROUND 18: Ms. Dunn unnecessarily, improperly and inappropriately initiated an ex parte telephone communication with the opposer's attorneys in her decision dated July 13, 2012, contrary to Rule 3B(7) of the 1990 Model Code, Rule 2.2, 2.5 & 2.9 of the 2007 Model Code, Canons 1, 8 & 9 and DR 1-102(A)(1), (4), (5), (6), DR 1-103(A) & DR 8-103(A) of the MRPR, and §§ 554(d)(1), 557(d)(1)(A), 557(d)(1)(B), 557(d)(1)(C) of the APA. Declaration & Ex. 1, *infra*; *In re Schenck* 879 P.2d 863 (1994) 320 Or. 94 ("A communication may concern procedure as well as substantive law and still be on the merits of the cause"). In this decision, Ms Dunn wrote: "*Ennis is ordered to inform the Board by phone at the number listed above when its answer has been filed. At that time the Board will reset dates in this consolidated proceeding*" (emphasis added). Doc. #13, at 9. It is respectfully submitted that this ex parte communication with Ennis's legal counsel was completely unnecessary, improper and inappropriate, because Ms. Dunn would have received notification of the opposer's response through the ESTTA, just as she receives the petitioner's filings through the ESTTA. More importantly, telephone communications lend themselves to complete freedom of unrecordable or undocumentable communication between the Board and the opposer's attorneys which the petitioner would never be able to ascertain. *Wells v Del Norte Sch. Dist.*, 753 P.2d 770 (Colo. 1987) (Even though there was no evidence of any inappropriate discussion, an appearance of impartiality was created that necessitated disqualification). Indeed, when asked about the conversation, Ms. Dunn failed to answer responsively. Ex. 1, Email to petitioner dated December 5, 2013. *See also* Ms. Dunn's email to petitioner dated July 9, 2012, wherein she states: "Ex parte communications to the Board by the parties regarding anything but procedural information *creates the appearance of impropriety*" (emphasis added).

GROUND 19: The panel and Ms. Dunn’s ruled in the Board’s decision dated November 12, 2013 that the petitioner failed to comply with the threshold “meet and confer” requirements of Trademark Rule § 2.120 and TBMP § 523.02 (Doc. #39, 3-5), when in fact the applicant’s letter dated June 12, 2012 is and was *already part of the record*, viz. Exhibit 2 in Doc. #17. Doc. #39, at 3-6. This violates Rules 1.1, 1.2, 2.2, 2.3, 2.5, 2.6 and 2.7 of the 2007 Code, and Canons 1, 8 & 9 and DR 1-102(A)(1), (2), (4), (5), (6), DR 1-103(A) & DR 8-103(A) of the MRPR. *See Reconsideration Issue 10.*

GROUND 20: The panel and Ms. Dunn’s ruled in the Board’s decision dated November 12, 2013 that the subject matter of the petitioner’s declaration of June 20, 2013 was “not the subject of a discussion with opposer.” This violates Rules 1.1, 1.2, 2.2, 2.3, 2.5, 2.6 and 2.7 of the 2007 Code, and Canons 1, 8 & 9 and DR 1-102(A)(1), (2), (4), (5), (6), DR 1-103(A) & DR 8-103(A) of the MRPR. *See Reconsideration Issue 13.*

GROUND 21: The panel and Ms. Dunn’s ruling on the petitioner’s motion to compel in the Board’s decision dated November 12, 2013 denying the petitioner’s motion to compel privileged material on the basis that the request was “impertinent,” constitutes an egregious legal error under *Quirk*, and violates Rules 1.1, 1.2, 2.2, 2.3, 2.5, 2.6 and 2.7 of the 2007 Code, and Canons 1, 8 & 9 and DR 1-102(A)(1), (2), (4), (5), (6), DR 1-103(A) & DR 8-103(A) of the MRPR. *See Reconsideration Issues 1 & 14.*

GROUND 22: Ms. Dunn’s failure to disclose in her December 4 & 5, 2013 emails to the petitioner the identities of the panel Board members who adjudicated and finalized the decision on Ennis’ potentially dispositive motion to dismiss, improperly and inappropriately signed by Ms. Dunn on May 15, 2013, violates Rules 1.1, 1.2, 2.2, 2.3, 2.5, 2.6 and 2.7 of the 2007 Code, and Canons 1, 8 & 9 and DR 1-102(A)(1), (2), (4), (5), (6), DR 1-103(A) & DR 8-103(A) of the MRPR. *See Declaration & Ex. 1, infra.*

GROUND 23: In her email to the parties dated December 4, 2013, Ms. Dunn knowingly made a false statement that “no panel has been assigned” in this proceeding, contrary to

Rules 1.1, 1.2, 2.2, 2.3, 2.5, 2.6 and 2.7 of the 2007 Code, and Canons 1, 8 & 9 and DR 1-102(A)(1), (4), (5), (6), DR 1-103(A), DR 8-102(B) & DR 8-103(A) of the MRPR. *Bloom, supra*; Ex. 1. Ms. Dunn’s statement to the effect that there have been no administrative trademark judges adjudicating or involved in any of the motions filed in this proceeding is allegedly false because the first sentence on Page 4 of Ms. Dunn’s ruling dated May 15, 2013 begins with the subject pronoun “We.” *Res ipsa loquitur*. Unless (it is not alleged) Ms. Dunn’s knowledge of the English language is so poor that she does not understand the difference between the subject pronouns “I” and “we” (in which case she should be disqualified on the basis of gross incompetence pursuant to Rule 2.5 of the 2007 Code), the logical inference is that Ms. Dunn acted on, adjudicated, finalized and signed the May 15, 2013 decision in concert with the panel.

GROUND 24: In her email to the parties dated December 4, 2013, Ms. Dunn knowingly made a misleading statement that “I am the Board attorney assigned to this proceeding, I have issued interlocutory orders, and my name appears at the beginning of those orders[,]” contrary to Rules 1.1, 1.2, 2.2, 2.3, 2.5, 2.6 and 2.7 of the 2007 Code, and Canons 1, 8 & 9 and DR 1-102(A)(1), (4), (5), (6), DR 1-103(A), DR 8-102(B) & DR 8-103(A) of the MRPR.

Bloom, supra; Ex. 1. Ms. Dunn’s statement to the effect that the panel had not been assigned to this proceeding and that she alone was solely responsible for acting on, adjudicating, finalizing and signing all orders made by the Board in this proceeding to date is misleading because of the following factors: 1) her reference to “We” on Page 4 of the decision on the pleadings, *res ipsa loquitur*; (2) the standard Board procedure that a Board panel of three members adjudicates and signs decisions on potentially dispositive motions; (3) the length of time Ms. Dunn took to hand down her bad faith decision on the pleadings (it beggars belief to suggest she received no advice from a Board member(s) in eight months and that she concealed the pleadings from the Board for this period); (4) the (relative) sophistication of the ruling given the complexity of the issues raised; (5) Ms. Dunn’s position as an Interlocutory Attorney and the limited powers conferred on her by the Trademark Rules of Practice; (6) the pattern of legal errors (some egregious)

manifested in the May 15, 2013 decision resurfaced in the November 12, 2013 decision, thereby constituting judicial misconduct under *Quirk*; and (7) Ms. Dunn's evasive response (again formed after a delay and made in consultation with the panel) in her email dated December 5, 2013 to petitioner's email dated December 4, 2013. *See, infra*. In summary, Ms. Dunn's false and misleading statements (*see* **GROUND 23**) to the parties creates an appearance of impropriety, and undermines public confidence in the integrity and impartiality of the judiciary.

PATTERNS OF (EGREGIOUS) LEGAL ERROR

It is respectfully submitted that the panel and Ms. Dunn have engaged in four distinct patterns or practices of legal error, which are one of the identified exceptions to the "mere legal error" rule in *Quirk* which elevate legal errors simpliciter to the level of judicial misconduct. *Supra*. To date, four main patterns emerge from the panel and Ms. Dunn's adjudications: (1) a refusal and failure to consider the petitioner's legal submissions and give any or any sufficient reasons for decision; (2) an abusive, unfair and apparently biased application of the Board's powers to impose sanctions under Fed. R. Civ. P. 11; (3) a bad faith intent to limit the petitioner's time, ability and methods of further amending his claims and taking discovery; and (4) the bad faith adjudication of old, previously served discovery requests as "new requests." Patterns (1), (2) and (3), petitioner submits, constitute especially serious examples of judicial misconduct because they entail patterns of egregious legal errors under *Quirk*. All four patterns, it is submitted, violate Rules 1.1, 1.2, 2.2, 2.3, 2.5, 2.6 and 2.7 of the 2007 Code, and Canons 1, 8 & 9 and DR 1-102(A)(1), (2), (4), (5), (6), DR 1-103(A), & DR 8-103(A) of the MRPR.

Pattern 1: The Panel and Ms. Dunn's refusal and failure to consider the petitioner's legal submissions and give any or any sufficient reasons for decision

Reconsideration Issue 1 is referred to and incorporated by reference. To avoid repetition, petitioner submits **GROUND 25-35**, *infra*, violate § 557(c)(3) of the APA.

GROUND 25: The Panel and Ms. Dunn’s failure to consider petitioner’s

opposition to registrant’s motion to dismiss, motion to divide, motion to exceed the page limit, motion to compel, and Ennis’ discovery responses on the record in their decision dated May 15, 2013. Docs. #16, 17, 21, 26. First, on a motion to dismiss, the court may consider the pleading, matters of public record, materials necessarily embraced by the pleading, and exhibits attached to the pleading, such as a declaration. *AstraZeneca Pharm. LP v. Apotex Corp.*, 101 U.S.P.Q.2d 1675, 1680 n.5 (Fed. Cir. 2012) (“the district court was entitled to examine documents integral to or explicitly relied upon in the complaint in evaluating motions to dismiss”). Here, the documents not considered by the Board were matters of public record; furthermore, they were documents necessarily embraced by the pleading and were on the proceeding file. Second, these documents directly contradicted Ennis’ arguments in its motion to dismiss. For example, the submissions in relation to the “relevant market” (where Ennis claimed a reputation in its mark in relation to “the general public”); the submissions in relation to goods and services sold in the United States (Ennis claimed rights in its mark “worldwide”); the submissions in relation to apportionment of a mark and rights to portions of a mark (Ennis specifically claimed rights to portions of its mark). *See* Doc #19, at ¶8-13, 16-21, 31, 34; Doc #26. Third, the motion to dismiss was a potentially dispositive motion which involved a novel and fundamental issue of law, namely whether trademark fraud allegations can be apportioned to focus on parts of a registrant’s mark under 15 U.S.C. § 1064(3). *See* Doc #25, ¶28-59 and Doc #19, ¶8-14, 16-21. Fourth, the Board has *never* granted petitioner a motion to exceed the page limit. It is submitted as a matter of law that every party which appears before the Board is allowed *at least one* motion which exceeds the page limit. If not, the entire section motion is redundant. Fifth, in her procedural advice to petitioner dated August 27, 2013 regarding filing the opposition to the motion, Ms. Dunn made *no reference whatsoever* to not being allowed to file a motion to exceed page limits or to the relevant TBMP or Trademark Practice Rule governing motions, despite the fact that there was already a motion to exceed page limit on the record and a

decision in relation the motion. Docs. #14 & 15. Sixth, there was clear and convincing evidence of discovery misconduct by Ennis disclosed in its discovery responses;⁶ indeed Ms. Dunn placed these on the record when they are not normally considered until the testimony periods and then only under certain strict conditions. Doc. #26. Seventh, the decision to not consider these documents flies in the face of current legal policy against corporations' abusive litigation tactics in oppositions against small businesses and individuals, as articulated in the Office of Governmental Affairs– USPTO's *Report to Congress: Trademark Litigation Tactics and Federal Government Services to Protect Trademarks and Prevent Counterfeiting* (April 2011) ("Report to Congress"). *Catchpole v. Brannon*, 36 Cal. App. 4th 237. (It may be indicative of bias if a judge holds beliefs about the law that run counter to legal policy and therefore interfere with a party's right to a fair and impartial trial). Therefore, petitioner was and is entitled to a decision, with detailed references to authority, as to, inter alia, the applicability of 15 U.S.C. § 1064(3) and plagiarism law and practice to his claims for cancellation. *See* Docs. #25 & 26.

GROUND 26: The Panel and Ms. Dunn's failure to consider at all the applicant's motion to compel in Doc. #17 and the applicant's motion to exceed the page limit in Doc. #14. *See* Reconsideration Issue 9.

GROUND 27: The Panel and Ms. Dunn's failure to disclose a path of reasoning which led to the decision dated May 15, 2013 that petitioner's allegations of trademark fraud in paragraphs 45-212 of his second amended petition to cancel were legally sufficient. Put simply, Ennis' motion to dismiss was a potentially dispositive motion and involved a novel and fundamental issue of law, namely whether trademark fraud allegations can be apportioned to focus on parts of a registrant's mark under 15 U.S.C. § 1064(3). The Panel and Ms. Dunn completely failed to provide a legal basis for their decision.

⁶ Again, for the record, the petitioner alleges no attorney misconduct in this proceeding in the present petition against Ennis' former or current attorneys.

GROUND 28: The panel and Ms. Dunn’s failure to sufficiently consider the petitioner’s claims for cancellation in paragraphs 218-330 of the second amended petition to cancel (Doc. #18) and failure to give any sufficient reasons for striking out these paragraphs in the Board’s decision dated May 15, 2013. In light of Ennis’ brief response to petitioner’s claims for cancellation in Ennis’ motion to dismiss (Doc. #19) and reply (Doc. #22), petitioner submits that these claims should be treated as conceded. Rather, the entirety of the panel and Ms. Dunn’s analysis and reasons for decision consists of a single sweeping, vague and insufficiently particularized sentence: “With respect to the remainder of the second amended petition to cancel (§218-370), the rambling, improper, and irrelevant allegations do not state claims for cancellation, and to the extent they pertain to any cause of action, those causes lie outside the Board’s jurisdiction and are STRICKEN.” Doc #27, at 6. In its submitted that this single sentence demonstrates a gross lack of transparency and accountability in a Board decision and denies the petitioner the right to a fair trial. Public policy dictates that the public in general and parties in particular are entitled to know, with detailed reasons for decision supported by authority, why a particular claim was adjudicated legally sufficient or insufficient. In paragraphs 218-330, Petitioner has cited a number of authorities, including cases decided by the Board and the Board’s principal reviewing Court, yet the Board has failed to distinguish a single authority with superior, controlling precedents.

GROUND 29: The panel and Ms. Dunn’s complete failure to disclose the path of reasoning which led to the Board’s decision dated November 12, 2013 that the applicant’s motion to compel privileged material was “impertinent.” See Reconsideration Issue 15.

GROUND 30: The panel and Ms. Dunn’s complete failure to consider at all in the Board’s decision dated November 12, 2013 the petitioner’s submissions regarding the opposer’s abusive litigation tactics and the legal policy elucidated in the *Report to Congress. Catchpole, supra*. See Reconsideration Issue 19.

GROUND 31: The panel and Ms. Dunn’s complete failure to consider the petitioner’s submissions in the motion to compel in the Board’s decision dated November 12, 2013 regarding the opposer’s failure to produce the majority of the requested documents at all or, with respect to a few of the requested documents and disclosing the identities of individuals with discoverable information, until at least approximately 13 months after they were requested. *See* Reconsideration Issues 5 & 6.

GROUND 32: The panel and Ms. Dunn’s complete failure to consider the petitioner’s submissions in the motion to compel in the Board’s decision dated November 12, 2013 regarding the opposer’s failure to supplement its discovery production of documents relating to expert witnesses or purported expert witnesses in violation of the requirements of Fed. R. Civ. P. 26(e)(1)(A). *See* Reconsideration Issue 7.

GROUND 33: The panel and Ms. Dunn’s complete failure to consider the petitioner’s submissions in the motion to compel in the Board’s decision dated November 12, 2013 regarding the improper and inappropriate matters raised by the opposer, *See* Reconsideration Issue 8.

GROUND 34: The panel and Ms. Dunn’s complete failure to consider the petitioner’s submissions in the motion to compel in the Board’s decision dated November 12, 2013 regarding Chinese Walls and the inconsequential effect of the resumption of proceedings after one year and the opposer’s change of legal counsel on the applicant’s “meet and confer” attempts. *See* Reconsideration Issue 11.

GROUND 35: The panel and Ms. Dunn’s complete failure to provide a legal definition of the word “abuse,” both as a verb and a noun, in the context of abusive litigation tactics during discovery which warrant sanctions, in their decision dated November 12, 2013. *See* Reconsideration Issue 21.

Pattern 2: The Panel and Ms. Dunn's unfair, abusive and apparently biased application of the Board's powers to impose sanctions under Fed. R. Civ. P. 11

To avoid repetition, petitioner submits **GROUND 36-41**, *infra*, violate § 557(c)(3) of the APA. Such bullying and patently unfair conduct evidences a clear failure to comply with procedural and due process requirements, denies the petitioner the right to a fair trial, violates USPTO legal policy (*Catchpole, supra*), brings the judiciary into disrepute, subverts the fair administration of justice and undermines the integrity of the judiciary. Pursuant to Fed. R. Civ. P. 11(b)(1), (b)(2), and (b)(3), petitioner submits, relying on each of the grounds articulated in this petition, that this proceeding exemplifies one of the very rare cases in which members of a court or tribunal (in this case the Board) have formed an agreement of two or more persons to engage in judicial misconduct in furtherance of, inter alia, Ennis' "enforcement measures based on an unreasonable interpretation of the scope of their rights [in its COLORWORX Mark] for the purpose of intimidating potential violators into compliance with the mark owner's demands." *Report to Congress*, at 1. Further, on the record, one of the adjudicators, Ms. Dunn, has taken a number of concrete steps or committed a number of overt acts in furtherance of the scheme. Petitioner also submits the panel and Ms. Dunn's pattern of ordering sanctions reveals that it is in large part acting out of pique, revenge and otherwise bad faith, in response to the petitioner's critical (but in substance justified) comments in the pleadings. *Quirk, supra* (If a judge acts out of pique or to exact revenge, the judge's decision loses the protection of the "mere legal error" rule).

GROUND 36: The panel and Ms. Dunn abused the Rule 11 sanctions power by barring the petitioner from "seeking to amend the petition to cancel." Doc #27, at 9. Petitioner relies on Ennis' discovery responses and the following two Board authorities. Doc. #26. *Turbo Sportswear, Inc. v. Marmot Mountain Ltd.*, 77 U.S.P.Q.2d 1152 (T.T.A.B. 2005) is authority for the proposition that amendment of pleadings can be allowed for addition of fraud claims based on evidence discovered during the testimony period. Ennis' apparently false written disclosures and discovery responses emanate from the discovery period, with ample time for further discovery by

both parties. Secondly, motions for leave to amend pleadings filed prior to the plaintiff's testimony period are not found to be prejudicial because discovery is either still open or can be reopened. *Focus 21 Int'l, Inc. v. Pola Kasei Kogyo Kabushiki Kaisha*, 22 U.S.P.Q.2d 1316 (T.T.A.B. 1992).

GROUND 37: The panel and Ms. Dunn abused the Rule 11 sanctions power by failing to particularize its finding that petitioner's conduct in this proceeding was sufficient to attract both sanctions and a warning regarding Fed. R. Civ. P. 11 sanctions. Doc. #27, at 8. While the Board has quoted the entirety of FRCP 11(b), *there is absolutely no link between the provision and petitioner's conduct in this proceeding alleged to constitute grounds for the warning*. It is submitted that, taken at its highest, the most that can reasonably be said is that petitioner made critical submissions in the pleadings which were and are more than substantiated by the evidence as it stood. *See* Docs. #26; Ennis' answers to petitioner's Interrogatories and Requests for Admission cited in Doc #25; and petitioner's Declaration, *infra*.

GROUND 38: The panel and Ms. Dunn's consideration of irrelevant information in its decision dated November 12, 2013 (at 6), that "Applicant has abused the discovery process and is barred from serving further written discovery or filing further motions to compel regarding written discovery." *See Reconsideration Issue 3*.

GROUND 39: The panel and Ms. Dunn abused the Rule 11 sanctions power by ruling that the applicant "abused the discovery process" and, as a result, barring the applicant from conducting further written discovery or filing further motions to compel. Doc. #39, at 6. Firstly, there is no sound legal basis for either the finding or the sanctions. Secondly, it is fundamentally unfair to force a foreign pro se applicant to spend money on discovery depositions to achieve justice. *Catchpole, supra*. *See Reconsideration Issues 3, 10 & 21*.

GROUND 40: The panel and Ms. Dunn's ordering of sanctions against the petitioner simultaneously with the warning about sanctions. Doc. #27, at 7-9; Declaration, *infra*. This is fundamentally unfair as the petitioner was not aware of Fed. R. Civ. P. 11 at the time it filed its

documents; had no warning before sanctions were ordered; and the substance of the relevant comments had a solid legal basis. *See* Doc. #26.

GROUND 41: The panel and Ms. Dunn’s failure to order sanctions against Ennis *sua sponte* or in response to petitioner’s submissions. Docs. #18, 21, 25, 26, 27 & 39. **GROUND 8** is referred to and incorporated by reference.

Pattern 3: The panel and Ms. Dunn’s bad faith intent to limit the petitioner’s time, ability and methods of further amending his claims and taking discovery.

GROUND 42: The petitioner refers to the grounds under Pattern 2, *supra*, and **Reconsideration Issue 4** which are incorporated by reference.

Pattern 4: The panel and Ms. Dunn’s clearly erroneous adjudication of the petitioner’s old, previously served discovery requests as “new requests.”

GROUND 43: The panel and Ms. Dunn refused and failed to consider Ennis’ answers to petitioner’s discovery requests on the ground that they were “new discovery requests” in their decision dated May 15, 2013. Doc #27, at 2. Petitioner points out that no new discovery requests were served on Ennis after the Board made its order suspending proceedings on July 13, 2012. Doc. #13. Ennis’ answers to petitioner’s discovery requests which petitioner filed with the Board as part of his submissions on the pleadings, were served on Ennis on either July 9 or July 10, 2012. Doc. #26.

GROUND 44: The panel and Ms. Dunn refused and failed to consider Ennis’ answers to petitioner’s discovery requests on the ground that they were “new requests” in their decision dated November 12, 2013. *See* Reconsideration Issue 16.

PRAYER

WHEREFORE, for the reasons particularized above, petitioner respectfully submits the Chief Judge, the three-member Board panel, and Interlocutory Attorney, Ms. Dunn, should be disqualified and referred to the appropriate disciplinary forum for investigation of allegations of judicial and attorney misconduct. Further, petitioner respectfully requests the Board to quash, vacate and set aside all of the panel and Ms. Dunn’s decisions in the present proceeding which

show clear errors of law, abuses of discretion and/or procedural deficiencies, such decisions to be referred to the Board's principal reviewing court for adjudication de novo. *Judici officium suum excedenti non paretur.*

Dated: December 10, 2013

Respectfully submitted,

By: /Joel Beling/

Joel L. Beling, 1 Mirboo Court, Dallas, Victoria, 3047, Australia
(03) 8307 6932 (telephone), 0405 329 078 (cell), joelbeling@hotmail.com, Applicant

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing **PETITION FOR DISQUALIFICATION OF THE CHIEF JUDGE OF THE TRADEMARK TRIAL AND APPEAL BOARD, THE THREE-MEMBER BOARD PANEL ASSIGNED TO ADJUDICATE ENNIS INC'S MOTION TO DISMISS, AND INTERLOCUTORY ATTORNEY ELIZABETH DUNN, AND PETITION ALLEGING JUDICIAL AND ATTORNEY MISCONDUCT** was served on all parties, this the 10th day of December, 2013, by sending the same electronic mail, to the following:

Daniel Chalker
Jessica Flores
CHALKER FLORES, LLP
dchalker@chalkerflores.com
jflores@chalkerflores.com
ATTORNEYS FOR OPPOSER

/Joel Beling/
Joel Beling

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

**Opposition No. 91203884;
Cancellation No. 92055374**

In re Registration No. 3,372,884
(COLORWORX), Registered
January 22, 2008

Ennis Inc.

v.

Joel L. Beling D/B/A Supa Characters Pty Ltd

**DECLARATION BY JOEL L. BELING IN SUPPORT OF PETITION FOR
DISQUALIFICATION OF THE CHIEF JUDGE OF THE TRADEMARK TRIAL AND
APPEAL BOARD, THE THREE-MEMBER BOARD PANEL ASSIGNED TO
ADJUDICATE ENNIS INC'S MOTION TO DISMISS, AND INTERLOCUTORY
ATTORNEY ELIZABETH DUNN, AND PETITION ALLEGING JUDICIAL AND
ATTORNEY MISCONDUCT**

1. I am the applicant and petitioner in the present proceeding. I submit this declaration pursuant to Trademark Rule 2.20. It contains a statement of the facts relevant to the petition, in support of my Petition to the Director dated June 7, 2013. For the record, I make no allegations of attorney misconduct in this declaration or in the petition to disqualify, *supra*.

2. On April 24, 2012 I participated in the Discovery Conference for this matter along with Mr. Thomas G. Jacks, former attorney for Ennis Inc. ("Ennis"), and Ms. Elizabeth Dunn, Board Interlocutory Attorney. Subjects discussed included the pleadings, priority, settlement, legal representation, ACR (accelerated case resolution), and a stipulation as to service, most of which are discussed in the Board's order dated April 26, 2012.

3. Another subject discussed at the Discovery Conference in this proceeding was whether there were any other similar proceedings on foot. That is, proceedings which involved similar issues to those which were before the Board. Mr. Jacks advised Ms. Dunn and me that there was in fact another similar opposition proceeding on foot that involved Ennis' COLORWORX mark and design, and that his client was the opposer. I asked Mr. Jacks what the issues were and he said

the other mark was COLOR WORKS with a “K-S.” We moved on to different topics for a couple of minutes and then I asked Mr. Jacks what the file number was for the opposition proceeding involving the similar allegations to the present suit and he replied that he did not have the file in front of him. We then moved on to other subjects.

4. For the reasons particularized in my petition to disqualify, I believe that at the time Board Interlocutory attorney, Ms Dunn, wrote the Order, she had, as particularized in paragraphs 2 and 3 of this declaration, “personal knowledge of disputed evidentiary facts concerning the proceeding” when she adjudicated issues related to my motions to compel and should have made a declaration or affidavit concerning the disputed evidentiary issues and disqualified herself or been disqualified by the Board pursuant to 28 U.S.C. § 455(b)(1). I also believe, for the reasons particularized in my petition to disqualify, that Ms. Dunn’s orders in relation to my motions to compel might reasonably question the impartiality of the three-member Board panel and Ms. Dunn pursuant to 28 U.S.C. § 455(a).

5. With respect to my motion to compel in Doc. # 17 of the proceeding file, I had some problems filing the motion through the ESTTA. I emailed Ms. Dunn about this on the 8th July, 2012 (American Eastern Time) and she replied via emails dated the 8th and 9th July, 2012 (American Eastern Time), stating that I should post the document and attach a Certificate of Mailing to show the date the document was posted. *See* Exhibit 1, which contains an email history of Ms. Dunn’s communications with the parties.

6. Significantly, there is no record of Ms. Dunn’s ex parte telephone communications with the opposer following her decision dated July 13, 2012, which she herself initiated on the record. Doc. #13. I believe this conduct, to borrow Ms. Dunn’s own words from her email dated July 9, 2013, “creates the appearance of impropriety.” Exhibit 1. When I met and conferred with Ms. Dunn in my email dated December 5, 2013 in a good faith effort to clarify the particulars of this improper ex parte telephone communication, Ms. Dunn, in her email dated December 6, 2013, refused and failed to answer responsively. I invite Ms. Dunn to comply with § 557(c)(3) of the

Administrative Procedure Act and respond *in detail to each and every issue* I have raised in this Declaration and the petition to disqualify. Where relevant, I also invite Ms. Dunn to respond in an affidavit or declaration.

7. On the morning of the 10th July, 2012 (Australian Eastern Standard Time) I attended the Campellfield Australia Post outlet and posted the motion to compel which is shown in Doc. #17. This motion included the letter I wrote to the opposer dated June 12, 2012, which is the basis of the Board's denial of the motion to compel on the basis that I failed to meet and confer with the opposer in good faith. Doc. #39. My letter dated June 12, 2012 is marked as Exhibit 2 and is also shown in Doc. #17. At the time I signed the Certificate of Mailing dated 10th July, 2012, I was not aware that Board proceedings are run on American Eastern Time and I signed the Certificate of Mailing according to Australian Eastern Standard Time, which would have been on the 9th July, 2012, American Eastern Time. *See* Doc. #26 for other examples. I posted the motion to compel and Exhibit 2 to via standard international post as I could not afford to use international registered mail or international express post.

8. At the time of filing my motion to compel in Doc. #17 and motion to exceed the page limit in Doc. #14, and to this day, Ennis' failure to cooperate in discovery and produce requested documents in a reasonably timely fashion or at all has been very stressful, frustrating, costly and time-consuming.

9. At the time of filing my second amended petition to cancel (Doc. #18) and opposition to the motion to dismiss (Doc. #21), I was not aware of how Fed. R. Civ. P. 11 operated in practice. I am not certain, because of the delay of some 15 months, but if my memory serves me correctly, I do not believe I had even read Fed. R. Civ. P. 11 at the time I filed my pleadings.

10. Finally, where relevant, I invite the Chief Judge and the three-member Board panel to reply to my filings and declaration by affidavit or declaration.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief. Executed this 10th day of December, 2013.

Dated: December 10, 2013

Respectfully submitted,

JOEL BELING

By: /Joel Beling/

Joel L. Beling
1 Mirboo Court, Dallas, Victoria, 3047, Australia
(03) 8307 6932 (telephone); 0405 329 078 (cell)
joelbeling@hotmail.com, Petitioner

Exhibit 1

Email Correspondence between Interlocutory Attorney, Ms. Elizabeth Dunn, and the parties

RE: Opposition No. 91203884

To see messages related to this one, group messages by conversation.

Dunn, Elizabeth (Elizabeth.Dunn@USPTO.GOV) Add to contacts 6/12/2013 To: 'Joel Beling'

Cc: jflores@chalkerflores.com, cminchillo@chalkerflores.com, dchalker@chalkerflores.com

From: Dunn, Elizabeth (Elizabeth.Dunn@USPTO.GOV) This sender is in your safe list.

Sent: Friday, 6 December 2013 4:08:38 PM

To: 'Joel Beling' (joelbeling@hotmail.com)

Cc: jflores@chalkerflores.com (jflores@chalkerflores.com); cminchillo@chalkerflores.com (cminchillo@chalkerflores.com); dchalker@chalkerflores.com (dchalker@chalkerflores.com)

Dear Mr. Beling,

As you have been advised, email communications are inappropriate. Further email submissions will be neither considered nor acknowledged.

If you have any issues to address in this case it should be by way of a proper filing consistent with the rules and prior orders.

Elizabeth Dunn

Attorney

TTAB

From: Joel Beling [mailto:joelbeling@hotmail.com]
Sent: Thursday, December 05, 2013 9:42 AM
To: Dunn, Elizabeth
Cc: jflores@chalkerflores.com; cminchillo@chalkerflores.com; dchalker@chalkerflores.com
Subject: RE: Opposition No. 91203884

Dear Ms Dunn,

On page 9 of your ruling dated July 12, 2013, you ordered as follows: "Ennis is ordered to inform the Board by phone at the number listed above when its answer has been filed. At that time the Board will reset dates in this consolidated proceeding." I invite you to provide an explanation as to why you initiated an ex parte communication with a party to the litigation by a medium of communication which was inaccessible to the other party when you would have received Ennis' answer via the ESTTA. I also invite you to explain in detail to whom you spoke from or representing Ennis, the length of the conversation, and the subject matter of the conversation.

Furthermore, I note that the Board decision dated May 15, 2013 signed by you and you alone was a motion potentially dispositive of the proceeding- a fact acknowledged by you on page 3 of the decision. Therefore, and please correct me if I am wrong, it would appear you had absolutely no authority to adjudicate, let alone sign, the order pursuant to Trademark Rule 2.127(c). I invite you to explain with reference to authority the legal basis for your involvement in acting on, adjudicating and signing the Board's decision dated May 15, 2013.

In addition, you have stated below that there have been no administrative trademark judges adjudicating or involved in any of the motions filed in this proceeding. The first sentence on page 4 of the ruling begins with the subject pronoun "We." I invite you to list the names of the other adjudicators to whom you referred. I also invite you to list the names of each person with whom you consulted to adjudicate the decision signed by you dated May 15, 2013. Further, I renew my request to you to list the names of the panel of three administrative trademark judges with whom you have consulted in this proceeding.

Finally, I seek confirmation that at all material times while adjudicating motions in the present proceeding, you were familiar with and understood the rules of natural justice - the rule against bias (*nemo iudex in causa sua*) and the right to a fair hearing (*audi alteram partem*) - and the Model Code of Conduct for United States Judges and that these applied to you in the present proceeding since you were authorized to perform judicial functions.

I again advise I will be relying on this email. I thank you in advance for your co-operation.

Mr Beling

From: Elizabeth.Dunn@USPTO.GOV
To: joelbeling@hotmail.com
CC: jflores@chalkerflores.com; cminchillo@chalkerflores.com; dchalker@chalkerflores.com
Date: Wed, 4 Dec 2013 18:24:56 -0500
Subject: RE: Opposition No. 91203884

Dear Mr. Beling,

The Chief Judge assigns a panel of three administrative trademark judges when trial and briefing has concluded, and the case is ready for final decision. Because consolidated Opp. No. 91203884 remains in the discovery stage, no panel has been assigned.

Pursuant to Trademark Rule 2.127(c) "Interlocutory motions, requests, and other matters not actually or potentially dispositive of a proceeding may be acted upon by a single Administrative Trademark Judge of the Trademark Trial and Appeal Board or by an Interlocutory Attorney of the Board to whom authority so to act has been delegated." I am the Board attorney assigned to this proceeding, I have issued interlocutory orders, and my name appears at the beginning of those orders.

A request for disqualification of Board attorneys or judges is uncommon and there is no established practice for submitting such a request. If you have a complaint about my performance, you may contact the Managing Interlocutory Attorney, Kenneth Solomon, who is my direct supervisor. His phone number is 571-272-4295 and his email address is Kenneth.Solomon@uspto.gov.

Elizabeth Dunn

Attorney

TTAB

From: Joel Beling [mailto:joelbeling@hotmail.com]
Sent: Wednesday, December 04, 2013 4:19 PM
To: Dunn, Elizabeth
Cc: jflores@chalkerflores.com; cminchillo@chalkerflores.com; dchalker@chalkerflores.com
Subject: Opposition No. 91203884

Dear Ms Dunn,

Can you please advise me:

1. the procedure for filing a petition for judicial disqualification, including the Trademark Rule of Practice under which to file the petition; and
2. the names of the three administrative trademark judges who have been assigned to this proceeding by the Chief Judge. I rely on the Board's duty to be open and transparent in its decision-making.

For completeness, I will be relying on this email in said petition.

Thank you,

Mr Beling

- ***RE: Opposition No. 91203884***

From: **Dunn, Elizabeth** (Elizabeth.Dunn@USPTO.GOV) This sender's domain is in your safe domain list.

Sent: Thursday, 14 November 2013 1:21:34 PM

To: 'Joel Beling' (joelbeling@hotmail.com)

Cc: jflores@chalkerflores.com (jflores@chalkerflores.com); cminchillo@chalkerflores.com (cminchillo@chalkerflores.com); dchalker@chalkerflores.com (dchalker@chalkerflores.com)

Dear Mr. Beling,

The procedure for deposition for written questions is appropriate to witnesses located outside the United States, not the parties who wish to depose them. It is not correct that the deposition on written questions procedure avoids the expense of a court reporter and transcription. Once the parties have agreed on the content of the written deposition questions, the deposing party hires a court reporter to swear in the witness, read the questions, record the answers, and produce the written transcript. See Trademark Rule 2.124.

If you wish to avoid personal travel expenses, you may file a motion to conduct oral depositions by telephone. As with any deposition, you will need to arrange and pay for a court reporter to swear in the witnesses, record the testimony, and produce the written transcript. In lieu of the court reporter reading the written questions, you will ask the questions yourself by phone, and counsel for Ennis may be present in person or by telephone for cross-examination.

I have provided this procedural information by email, with copies to opposing counsel, but as you have previously been advised, the Board proceeding must be conducted on the written record. Please do not respond to this message, and be sure to file your motion in the proceeding file.

Elizabeth Dunn

Attorney

TTAB

From: Joel Beling [mailto:joelbeling@hotmail.com]
Sent: Thursday, November 14, 2013 5:47 AM
To: Dunn, Elizabeth
Cc: jflores@chalkerflores.com; cminchillo@chalkerflores.com; dchalker@chalkerflores.com
Subject: RE: Opposition No. 91203884

Dear Ms Dunn,

I refer to page 6 of your decision dated November 12, 2013, relevantly reproduced below:

"Applicant has abused the discovery process and is barred from serving further written discovery or filing further motions to compel regarding written discovery. If applicant wishes to schedule discovery depositions, it may do so."

As a procedural matter, I seek clarification of the following issues:

1. Whether I am allowed to serve depositions on written questions on some of the opposer's witnesses. The basis for the request is, amongst other things, these witnesses' claimed memory loss regarding the creation of the opposer's COLORWORX Mark and design, which is relevant to my fraud claims;
2. The procedure regarding scheduling discovery depositions of the opposer's witnesses. As a foreign litigant, I cannot afford the cost to fly to the United States, hiring conference rooms, notaries, recording equipment, court reporters, etc, and seek the Board's leave to conduct depositions on written questions. As you are aware, I am an impoverished pro se litigant opposed by Ennis, a large, high net worth American corporation represented by Chalker Flores, LLP, a powerful law firm of intellectual property specialists and I am having difficulty completely understanding American law and procedure. I note that you made the opposer's responses to my Third Request for Admissions of record (see TTABVue Doc. #26) and I would like to explore these issues further in discovery. I submit that my request accords with procedural fairness, natural justice and my right to a fair trial, including a fair discovery period.

I thank you in anticipation of your assistance.

Mr Beling

From: Elizabeth.Dunn@USPTO.GOV
To: joelbeling@hotmail.com; dchalker@chalkerflores.com
CC: jflores@chalkerflores.com; cminchillo@chalkerflores.com
Date: Thu, 22 Aug 2013 19:07:06 -0400
Subject: RE: Opposition No. 91203884

The Board's limited resources do not permit expending effort to compel production of information which has already been produced.

Failure to follow the rule cited in the order may result in sanctions.

The Board now bars further email communications. Among other things, it delays the Board's issuance of orders on contested motions.

As stated in the order, proceedings are suspended pending the Board's decision on the motion.

From: Joel Beling [<mailto:joelbeling@hotmail.com>]
Sent: Thursday, August 22, 2013 6:44 PM
To: dchalker@chalkerflores.com; Dunn, Elizabeth
Cc: jflores@chalkerflores.com; cminchillo@chalkerflores.com
Subject: RE: Opposition No. 91203884

Ms. Dunn,

The Applicant submits that a great deal of Opposer's purported supplements are insufficient and incomplete. The Applicant seeks a decision based on the motions as they were filed, as at the date the motions were ready for a decision.

Joel

From: dchalker@chalkerflores.com

To: Elizabeth.Dunn@USPTO.GOV

CC: joelbeling@hotmail.com; jflores@chalkerflores.com; cminchillo@chalkerflores.com

Date: Thu, 22 Aug 2013 14:58:53 -0400

Subject: Re: Opposition No. 91203884

Ms. Dunn,

FYI, Ennis supplemented the following discovery responses on August 19:

1. Opposer's Third Supplement to Initial Disclosures;
2. Opposer's Supplemental Responses to Applicant's First Request for Production; and
3. Opposer's Supplemental Answers to Applicant's First Set of Interrogatories.

Thanks,

Daniel

Daniel J. Chalker | Chalker Flores, LLP

14951 North Dallas Parkway, Suite 400 | Dallas, Texas 75254

Phone: 214-866-0001 | Fax: 214-866-0010

dchalker@chalkerflores.com | www.chalkerflores.com

From: <Dunn>, Elizabeth <Elizabeth.Dunn@USPTO.GOV>
Date: Thursday, August 22, 2013 9:53 AM
To: 'Joel Beling' <joelbeling@hotmail.com>
Cc: Daniel Chalker <dchalker@chalkerflores.com>, Jesica Flores <jflores@chalkerflores.com>
Subject: RE: Opposition No. 91203884

Hello,

I got back from vacation yesterday. I will be issuing a suspension order on the motion to compel, and that will bar any other motion being filed. As the Board has previously advised, we will not address piecemeal filings.

I have not looked at the file in detail but it appears that the motion to compel was ready for decision on 7/15, and it will probably be decided by September 30. This is an ESTIMATE.

Thank you.

Elizabeth Dunn

Attorney

TTAB

From: Joel Beling [<mailto:joelbeling@hotmail.com>]
Sent: Monday, August 19, 2013 1:44 AM
To: Dunn, Elizabeth
Cc: dchalker@chalkerflores.com; jflores@chalkerflores.com
Subject: Opposition No. 91203884

Dear Ms. Dunn,

I have a question regarding a procedural issue: can you please give me a rough estimate of when the Board is likely to hand down its decision regarding my motion to compel? I have other discovery motions which hinge on the Board's decision which will affect the trial schedule as currently listed.

Thank you.

Mr Beling

From: Elizabeth.Dunn@USPTO.GOV

To: joelbeling@hotmail.com; smeyer@chalkerflores.com

Date: Mon, 27 Aug 2012 20:32:05 -0400

Subject: RE: Opposition No. 91203884

A motion to dismiss is part of the pleadings. You have fifteen days from the date of service in which to respond to the motion.

DO NOT file anything with the Board regarding the privilege log, as the Board has ordered the parties to file no papers unrelated to the pleadings.

Elizabeth Dunn

TAB

From: joel beling [<mailto:joelbeling@hotmail.com>]

Sent: Monday, August 27, 2012 8:10 PM

To: Dunn, Elizabeth

Subject: RE: Opposition No. 91203884

Ms Dunn,

Ennis Inc has filed its Answer to my Second Amended Petition to Cancel, as well as filed a Motion to Dismiss my entire Petition to Cancel, and a Privilege Log of privileged communications.

Do I have the Board's consent to reply? The Board's last order makes no reference to a Motion to Dismiss.

Thank you for your assistance.

Joel Beling

Applicant/Petitioner

From: Elizabeth.Dunn@USPTO.GOV
To: joelbeling@hotmail.com; smeyer@chalkerflores.com
Date: Mon, 9 Jul 2012 08:42:53 -0400
Subject: RE: Opposition No. 91203884

Incoming mail is sorted at the USPTO mail room and then sent to TTAB scanners. The first anyone - including you or me - I will know that your motion came in is when it shows up in TTABVUE. Be sure to use a certificate of mailing, which is explained in the TBMP.

I cannot agree to review your case every day and then notify you when your motion to compel is complete.

Please do not communicate with me by email. Ex parte communications to the Board by the parties regarding anything but procedural information creates the appearance of impropriety. I have copied opposer on this message.

Elizabeth Dunn

From: joel beling [<mailto:joelbeling@hotmail.com>]

Sent: Monday, July 09, 2012 12:09 AM

To: Dunn, Elizabeth

Subject: RE: Opposition No. 91203884

Ok, I'll post it. I've filed everything through ESTTA except the Motion to Compel and the one exhibit. Because of the delay in receiving standard mail I'll have to refile the Motion to Reset Opposition Schedule.

I'd appreciate it if you could confirm receipt of my Motion to Compel via email, because I can't do anything without Opposer's documents and they won't send me anything.

Thank you

Joel Beling

From: Elizabeth.Dunn@USPTO.GOV
To: joelbeling@hotmail.com
Date: Sun, 8 Jul 2012 13:13:57 -0400
Subject: RE: Opposition No. 91203884

Sorry, Mr. Beling, no email filings are accepted. Please send through the post if ESTTA doesn't work.

Thank you.

Elizabeth Dunn

From: joel beling [<mailto:joelbeling@hotmail.com>]

Sent: Sunday, July 08, 2012 5:51 AM

Subject: Opposition No. 91203884

Dear Ms Dunn,

I've tried about 40 times to upload these two documents through ESTTA but it won't work for some unknown reason. It's a Motion to Compel plus one exhibit; and I've filed most of the exhibits but these files won't upload despite being in pdf form.

Can you please confirm receipt?

Thank you

Joel Beling

Applicant

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

**Opposition No. 91203884;
Cancellation No. 92055374**

In re Registration No. 3,372,884
(COLORWORX), Registered
January 22, 2008

Ennis Inc.

v.

Joel L. Beling D/B/A Supa Characters Pty Ltd

MOTION FOR SUSPENSION OF PROCEEDINGS

Petitioner, Joel L. Beling, pursuant to Trademark Rule 2.117(c) and TBMP § 510, hereby files this motion for suspension of proceedings for six (6) months following the Board's decision in respect of the above petition for disqualification and the motion for reconsideration dated December 10, 2013, filed herewith (whichever is first decided), pending an appeal to the Court of Appeals for the Federal Circuit.

Petitioner asserts "good cause" as the basis of the motion, namely the prejudice the petitioner will suffer if its appeal is not heard in a timely fashion. As the basis for its submissions on prejudice, petitioner refers the Board to Patterns 1-3 (inclusive) in the petition for disqualification, *supra*, which are incorporated by reference. Petitioner submits this motion prematurely on the basis of the Board's previous rulings, particularized in the petition for disqualification.

This petition, and the likely appeal, is conditional on the relief sought in the petition for disqualification and the motion for reconsideration not being granted by the Board. In the appeal, petitioner will be relying on Rules 18 and 21 of the Federal Rules of Appellate Procedure, which, it is envisaged, will take some time to prepare given the large record in the current proceeding.

PRAYER

For the above reasons, petitioner seeks the suspension of proceedings for six (6) months following the Board's decision in respect of the above petition for disqualification and the motion for reconsideration dated December 10, 2013, filed herewith (whichever is first decided), pending an appeal to the Court of Appeals for the Federal Circuit.

Dated: December 10, 2013

Respectfully submitted,

By: /Joel Beling/

Joel L. Beling, 1 Mirboo Court, Dallas, Victoria, 3047, Australia
(03) 8307 6932 (telephone), 0405 329 078 (cell), joelbeling@hotmail.com, Applicant

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing **MOTION FOR SUSPENSION OF PROCEEDINGS** was served on all parties, this the 10th day of December, 2013, by sending the same electronic mail, to the following:

Daniel Chalker
Jesica Flores
CHALKER FLORES, LLP
dchalker@chalkerflores.com
jflores@chalkerflores.com
ATTORNEYS FOR OPPOSER

/Joel Beling/
Joel Beling

ESTTA Tracking number: **ESTTA590162**

Filing date: **03/02/2014**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91203884
Party	Defendant Joel L. Beling dba Supa Characters Pty Ltd
Correspondence Address	JOEL L BELING 1 MIRBOO COURT DALLAS VICTORIA, 3047 AUSTRALIA joelbeling@hotmail.com
Submission	Other Motions/Papers
Filer's Name	Joel Beling
Filer's e-mail	joelbeling@hotmail.com
Signature	/Joel Beling/
Date	03/02/2014
Attachments	Applicant's Reply.pdf(271707 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

**Opposition No. 91203884
Cancellation No. 92055374**

In re Registration No. 3,372,884
(COLORWORX), Registered
January 22, 2008

Ennis Inc.

v.

Joel L. Beling d/b/a Supa Characters Pty Ltd

APPLICANT'S REPLY TO DOC. #64

Applicant, Joel Beling, hereby files this reply to the opposer's Doc. #64 and respectfully requests the Board to consider the following issues.¹

I. THE OPPOSER'S PATTERN OF FAILING TO COOPERATE AND RESPOND

Opposer has an extensive prior history of failing to cooperate and respond to applicant's motions and communications. Opposer failed to respond to applicant's first two attempts to meet and confer in relation to the current motion dated January 14 and 16, 2014 (*see* Doc. #63, Ex. 1), as well as to applicant's Docs. #8, 40, 41, 42, 45, 46, 48, 50, 51, 52, 60, and 61, all of which the opposer apparently conceded as meritorious pursuant to Trademark Rule 2.127(a).

With respect to Exhibit C of opposer's response, opposer's email clearly states, "I hope to have an answer by the end of the week." Applicant waited for this implied deadline to pass, and then a further period of four days, but, consistent with opposer's previous abusive litigation tactics of *broken promises*, *stalling* and *no answer*, opposer failed to respond. *See* Opposer's 30 Alleged Abusive Trademark Litigation Tactics in Discovery in Doc. #40, at 15-19. Opposer now asserts, using the abusive litigation tactics of *blame the applicant* and *bad grammar*, that applicant was somehow mistaken and that the opposer's phrase "by the end of the week" actually meant "by the end of next week or some week de futuro." *Id.*

¹ For the record, the applicant alleges no attorney misconduct in this motion against Ennis Inc.'s current and former attorneys.

Opposer further criticizes applicant for failing to contact opposer to get an update or discuss applicant's proposed stipulation between February 5, 2014 and filing the motion on February 11, 2014. It is not applicant's duty to chase opposer when a response from opposer is necessary and reasonably required, and opposer has again clearly violated its duty to cooperate with the opposing party, a pattern of conduct which has been evident since the commencement of litigation, when opposer undertook "enforcement measures based on an unreasonable interpretation of the scope of [its] rights for the purpose of intimidating [the applicant] into compliance with the [opposer's] demands." Office of Governmental Affairs—USPTO's *Report to Congress: Trademark Litigation Tactics and Federal Government Services to Protect Trademarks and Prevent Counterfeiting* (April 2011) ("*Report to Congress*"), at 1. See also Reconsideration Issue 22 in Doc. #40, at 21-24 and opposer's settlement offer dated June 25, 2012 in Ex. 6, in which opposer offered to completely withdraw its opposition in exchange for the withdrawal of applicant's cancellation petition. Applicant hereby renews its submission on a new law regarding settlement offers. In short, an attorney's word is his bond, and if opposer's attorney states he hopes "to have an answer by the end of the week," it is incumbent on him, not the applicant, to advise if this situation changes.

II. CREATING A LEVEL PLAYING FIELD: THE TALE OF THE TAPE

Firstly, the entirety of opposer's response and cross-motion should be denied because they completely fail to address the basis for applicant's motion, namely, the USPTO legal policy articulated in the *Report to Congress*, which both opposer and the Board are avoiding like the plague. The *Report* (at 20) impliedly raised the issue of aggressive dilatory litigation tactics by trademark owners on the intellectual property legal community and small business and individuals in actual litigation:

(iv) Size and Resource Imbalances

One commenter acknowledged that trademark owners should have the right to protect their marks, but stated that the *aggressive tactics used by overreachers presents a problem for the entire intellectual property community by threatening legitimate activities and clogging the legal system with invalid claims*. Another commenter noted that "small companies and individuals are placed in a difficult position where surrender of valid trademarks that are being lawfully used is the only rational financially-feasible option available" (emphasis added).

Applicant raised this issue with opposer in its email dated February 23, 2014 (*see* Ex. 1), but opposer, using a variation of the abusive litigation tactic of *concealment of evidence*, concealed the email from the Board in its response. Doc. #40. at 16. In this email, applicant clearly spelled out the basis for creating a level playing field, but opposer ignored the email in an attempt to preserve and reinforce its advantages in size, resources and legal skills:

Mr Chalker,

Your request for mutual stipulations is predicated on a number of false assumptions, namely, that the parties have equal resources, time and legal knowledge.

My company's working capital is about \$150.00, my company earned \$0 the last financial year, I cannot afford a lawyer, and this is my first American case. By contrast, Ennis has \$150 million in working capital, earned almost \$25 million (net) the last financial year, and has engaged a specialist American legal counsel who has appeared in at least 100 trials.

When my company has \$150 million in working capital and earned almost \$25 million in the previous financial year, and either myself or the American lawyers I engage have appeared in at least 100 trials, I will happily reconsider your request for mutual stipulations.

In the interim, I respectfully refer you to the USPTO's 2011 *Report to Congress*, regarding the legal policy governing abusive litigation tactics in trademark proceedings between corporations and small businesses.

Mr Beling

Applicant's Email to Opposer dated February 23, 2014.

Thus, a party-neutral stipulation or order, as proposed by opposer, would only be wholly appropriate *if and only if the parties had equal or similar sizes and resources*. Since the parties do not have equal or similar sizes or resources, the Board should, pursuant to USPTO policy as articulated in the *Report to Congress*, create a level playing field by granting applicant's motion and denying opposer's cross-motion.

Secondly, applicant's motion is not premature because, if the Board denies the motion (which would be contrary to USPTO policy as articulated in the *Report to Congress*), applicant will need time to learn the rules concerning the introduction of evidence. Opposer claims applicant's motion is 89 days

premature yet opposer's specialist legal counsel, as shown in Exhibit 2,² has had *almost 20 years* to become *au fait* with the rules for the introduction of evidence in Board *inter partes* proceedings. By contrast, this is applicant's first American case.

**III. PROPOSED NEW LAW ON THE BOARD'S EXERCISE OF DISCRETION IN
PROCEEDINGS INVOLVING CORPORATIONS AND SMALL BUSINESSES/INDIVIDUALS
IN REPLY TO OPPOSER'S SUBMISSIONS REGARDING PARTY-NEUTRAL ORDERS**

Applicant makes the following submissions pursuant to the legal policy articulated in the *Report to Congress* and Fed. R. Civ. P. 11(b)(1), (b)(2), and (b)(3), with a view to creating a new law protecting trademark applicants from abusive litigation tactics. Applicant refers the Board to a number of helpful suggestions "to discourage or prevent aggressive trademark litigation tactics," discussed in the *Report to Congress*, which are reproduced in Figure 1, *infra*.

² www.chalkerflores.com/chalker-daniel-j

(v) Suggestions for USPTO or TTAB Actions

Even though relatively few respondents had direct experience with litigation in the TTAB or the courts, many nonetheless provided suggested actions for USPTO and TTAB, or the courts, to consider. Most commenters opined that USPTO has a responsibility to do something to discourage or prevent aggressive trademark litigation tactics, with a minority stating that this

³⁴ According to the *AIPLA Report of the Economic Survey*, 2009, on average, law firms charge \$1,440 to perform a trademark clearance search, analysis, and opinion, \$867 to prepare and file a trademark application, and \$1,678 for prosecution of a trademark registration. These costs are in addition to a wide variety of advertising or marketing expenses used to promote a mark.

should be left to the courts. Some commenters expressed the viewpoint that the issue was the sole responsibility of the USPTO.

Many commenters suggested that the TTAB amend its rules to provide for sanctions against such tactics and to proactively prevent such tactics. One commenter proposed additional scrutiny for parties “known to use” such tactics and another proposed that USPTO substantially increase fees for filing oppositions and cancellations, with a reduced fee for smaller entities. Others proposed that the agency encourage settlement agreements to lessen the burden on the parties, and closely monitor the progress of proceedings to prevent undue delay and costs, with one commenter opining that the duration of the average *inter partes* proceeding is a powerful incentive for a small business to concede.

The comments included several suggestions that USPTO raise awareness of the protections available from and provide information on how to respond to aggressive tactics.

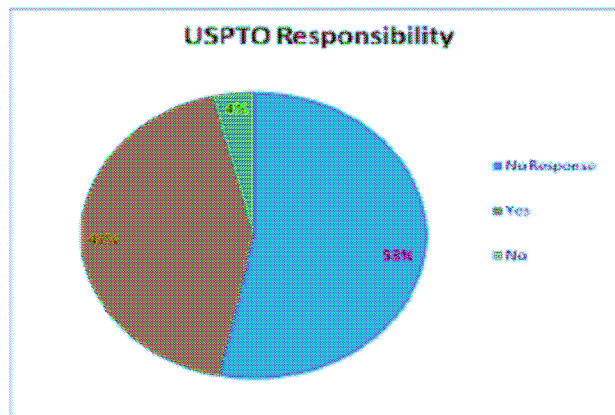


Figure 1. Suggestions for USPTO or TTAB Actions. *Report to Congress*, at 20-21.

In this spirit, applicant submits that the rule laid down in *McDermott v. San Francisco Women's Motorcycle Contingent*, 81 USPQ2d 1212, 1212 n.2 (TTAB 2006), which requires strict compliance with the Trademark Rules of Practice and, where applicable, the Federal Rules of Civil Procedure, by all parties before the Board, whether or not they are represented by counsel, is bad law. It is respectfully submitted that a better, more egalitarian law should require that the Board *must* adopt a flexible approach to decision-making against the legally represented party where a pro se applicant (either an individual or small business) has a significant legal background and a very flexible approach to decision-making

against the legally represented party where a pro se applicant (either an individual or small business) does not have a significant legal background. The Trademark Rules of Practice, Federal Rules of Civil Procedure and Trademark Board Manual of Procedure are highly complex and technical documents with which, as this proceeding amply demonstrates, even experienced American attorneys who are intellectual property specialists and the Board itself cannot competently comply. Docs. #34 & 35, with respect to the opposer's erroneous designation of an expert witness and Docs. #27 & 41, with respect to the Board Interlocutory attorney improperly signing the Board's May 15, 2013 decision on a potentially dispositive motion contrary to Trademark Rule 2.127(c), which has rendered the decision on the pleadings fatally flawed and rendered all documents filed and ruled on thereafter null and void, significantly wasting the parties' time, money and effort and necessitating a rehearing.

In this light, consistent with the letter and spirit of Trademark Rule 2.123(a)(2), applicant seeks leave to introduce its evidence during the relevant testimony periods by way of declaration(s) or affidavit(s), without the need to file Notices of Reliance, with the opposer granted leave to object to any aspect of the applicant's testimony or evidence during the relevant testimony period and to cross-examine via written questions as provided by Trademark Rule 2.124. With respect to the opposer's testimony and evidence, opposer has not shown good cause for departing from current Board procedure under Trademark Rule 2.123(a)(1) for local parties introducing testimony and evidence by way of testimonial deposition. In addition to its gargantuan size and resource advantages, opposer is simply seeking to piggyback atop applicant's motion to procure further procedural, tactical and financial benefits, thereby exacerbating the inequities between the parties. Finally, opposer has completely failed to address Trademark Rules 2.123(a)(2) and 2.124 in its response.

IV. CONCLUSION

Opposer's response and cross-motion are without merit and inequitable insofar as opposer is attempting to exploit its preexisting size, resource and legal advantages in order to procure further procedural, tactical and financial benefits. The legal policy expressed in the *Report to Congress* and the Trademark Rules clearly support an approach to the introduction of testimony and evidence which does

not afford applicant preferential treatment, but rather, attempts to create a more level playing field between the parties. Applicant's proposed new law is one step in this direction. Thus, applicant requests that the Board:

- (1) Grant Applicant's Motion in its entirety;
- (2) Deny Opposer's Cross-Motion in its entirety;
- (3) Grant Applicant leave to cross-examine opposer's witnesses by telephone if opposer is ordered to introduce its testimony and evidence by deposition upon oral examination.

Dated: March 2, 2014

Respectfully submitted,

By: /Joel Beling/

Joel L. Beling
1 Mirboo Court, Dallas
Victoria, 3047, Australia
(03) 8307 6932 (telephone), 0405 329 078 (cell)
joelbeling@hotmail.com
Applicant

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing **APPLICANT'S REPLY TO DOC. #64** was served on all parties, this the 2nd March, 2014, by sending the same electronic mail, to the following:

Daniel Chalker
Jessica Flores
CHALKER FLORES, LLP
dchalker@chalkerflores.com
jflores@chalkerflores.com
ATTORNEYS FOR OPPOSER

/Joel Beling/
Joel Beling
Applicant

EXHIBIT 1

RE: Motion to introduce evidence?

Joel Beling 23/02/2014 Keep this message at the top of your inbox
To: dchalker@chalkerflores.com
joelbeling@hotmail.com
From: Joel Beling (joelbeling@hotmail.com)
Sent: Sunday, 23 February 2014 2:09:55 AM
To: dchalker@chalkerflores.com

Mr Chalker,

Your request for mutual stipulations is predicated on a number of false assumptions, namely, that the parties have equal resources, time and legal knowledge.

My company's working capital is about \$150.00, my company earned \$0 the last financial year, I cannot afford a lawyer, and this is my first American case. By contrast, Ennis has \$150 million in working capital, earned almost \$25 million (net) the last financial year, and has engaged a specialist American legal counsel who has appeared in at least 100 trials.

When my company has \$150 million in working capital and earned almost \$25 million in the previous financial year, and either myself or the American lawyers I engage have appeared in at least 100 trials, I will happily reconsider your request for mutual stipulations.

In the interim, I respectfully refer you to the USPTO's 2011 *Report to Congress*, regarding the legal policy governing abusive litigation tactics in trademark proceedings between corporations and small businesses.

Mr Beling

Motion to introduce evidence?

Joel Beling 23/02/2014 Keep this message at the top of your inbox
To: jflores@chalkerflores.com, cminchillo@chalkerflores.com
joelbeling@hotmail.com
From: Joel Beling (joelbeling@hotmail.com)
Sent: Sunday, 23 February 2014 2:11:38 AM
To: jflores@chalkerflores.com; cminchillo@chalkerflores.com

Mr Chalker,

Your request for mutual stipulations is predicated on a number of false assumptions, namely, that the parties have equal resources, time and legal knowledge.

My company's working capital is about \$150.00, my company earned \$0 the last financial year, I cannot afford a lawyer, and this is my first American case. By contrast, Ennis has \$150 million in working capital, earned almost \$25 million (net) the last financial year, and has engaged a specialist American legal counsel who has appeared in at least 100 trials.

When my company has \$150 million in working capital and earned almost \$25 million in the previous financial year, and either myself or the American lawyers I engage have appeared in at least 100 trials, I will happily reconsider your request for mutual stipulations.

In the interim, I respectfully refer you to the USPTO's 2011 *Report to Congress*, regarding the legal policy governing abusive litigation tactics in trademark proceedings between corporations and small businesses.

Mr Beling

From: dchalker@chalkerflores.com
To: joelbeling@hotmail.com
CC: cminchillo@chalkerflores.com; jflores@chalkerflores.com
Date: Thu, 20 Feb 2014 12:31:55 -0500
Subject: RE: Motion to introduce evidence

Mr. Beling,

As I previously indicated, the stipulations must be mutual. If you cannot agree to that, we will oppose all your efforts to circumvent the rules.

I have no idea what you are referring to with your statement "meet and confer with respect to Mr. Osterloh's discovery deposition."

Daniel

EXHIBIT 2

Daniel J. Chalker | Partner

14951 North Dallas Parkway, Suite 400 | Dallas, Texas 75254

Main: 214-866-0001 | Direct: 214-445-4030 | Fax: 214-866-0010

dchalker@chalkerflores.com | www.chalkerflores.com

Daniel J. Chalker earned his law degree from St. Mary's University, J.D., cum laude, in 1995. His engineering degree is from The University of Texas at Austin, B.S., 1984 - Electrical Engineering.

Practice Emphasis

Patentability, Patent Prosecution, Licensing and Opinions relating to:

- Bioinformatics
- Business Methods
- Communications (Internet, Landline, Optical and Wireless)
- Computer Hardware and Software
- Electrical and Electromechanical Devices
- Electronics
- Image Processing
- Integrated Circuits
- Mechanical Devices
- Nanotechnology
- Payment Processing
- Semiconductor Design, Processing and Packaging

PRACTICE AREAS

Intellectual Property
Litigation

EDUCATION

St. Mary's University, J.D.,
cum laude, 1995

The University of Texas at
Austin, B.S., Electrical
Engineering, 1984

Copyrights, Trademarks, Trade Secrets, Licensing

- Negotiation of IP acquisitions and licenses

Litigation

- Intellectual Property
- Expert Witness in multiple intellectual property cases
including
Connectel, LLC v. Cisco Systems, Inc.

Design and Implementation of Corporate IP Programs

Training

Prior to forming Chalker Flores, LLP, Mr. Chalker practiced with the intellectual property group of Gardere Wynne Sewell, LLP and

Warren & Perez. Gardere acquired the practice in 1998.

Prior to Warren & Perez, Mr. Chalker practiced with the intellectual property and litigation groups of Thompson & Knight, P.C. He also interned at the Supreme Court of Texas for the Honorable Craig Enoch and the U.S. Fifth Circuit Court of Appeals for the Honorable Emilio Garza. Mr. Chalker began his career as an electrical engineer in the industry. He interned as a computer programmer and forecasting analyst with the Lower Colorado River Authority in Austin, Texas while attending UT. He has experience writing software in Basic, C++, Fortran 77 and Pascal.

Professional Affiliations

- Member, State Bar of Texas
Admitted to practice before:
 - United States Patent and Trademark Office
 - Federal District Court for the Northern District of Texas
- Member, American Bar Association
- Member, State Bar of Texas
- Member, Dallas Bar Association
- Member, American Intellectual Property Law Association
- Member, Licensing Executives Society
- Member, Association of University of Technology Managers
- Member, North Texas Global Telecommunications Society - Programs Director for North Texas
- Registered Professional Engineer, State of Texas, 1993—1999
- Member, National Society of Professional Engineers
- Member, Texas Society of Professional Engineers
- Member, Institute of Electrical and Electronics Engineers

Member of various intellectual property & tech-related sections of organizations listed above.

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ESTTA Tracking number: **ESTTA592729**

Filing date: **03/15/2014**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91203884
Party	Defendant Joel L. Beling dba Supa Characters Pty Ltd
Correspondence Address	JOEL L BELING 1 MIRBOO COURT DALLAS VICTORIA, 3047 AUSTRALIA joelbeling@hotmail.com
Submission	Other Motions/Papers
Filer's Name	Joel Beling
Filer's e-mail	joelbeling@hotmail.com
Signature	/Joel Beling/
Date	03/15/2014
Attachments	Applicant's Motion for Discovery FRCP 56f.pdf(3881272 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

**Opposition No. 91203884
Cancellation No. 92055374**

In re Registration No. 3,372,884
(COLORWORX), Registered
January 22, 2008

Ennis Inc.

v.

Joel L. Beling d/b/a Supa Characters Pty Ltd

**APPLICANT/PETITIONER’S MOTION FOR DISCOVERY PURSUANT TO FED. RULE. CIV.
P 56(f)**

Applicant/Petitioner, Joel Beling, hereby files this motion for discovery pursuant to Federal Rule of Civil Procedure 56(f) and TBMP § 528.06 and respectfully requests the Board to consider the following issues.

**APPLICANT/PETITIONER CANNOT COMPREHENSIVELY OPPOSE THE MOTIONS
WITHOUT FIRST TAKING DISCOVERY¹**

Ennis has filed two motions for summary judgment in respect of the opposition and cancellation proceedings, respectively. Docs. #69 & 70. Applicant/petitioner submits, with respect to some areas of Ennis’ two motions for summary judgment, that it cannot comprehensively oppose the motions without first taking discovery. Applicant/petitioner refers the Board to the Declaration of Joel Beling dated March 15, 2014, *infra*, which shows that applicant/petitioner cannot present by affidavit or declaration facts essential to comprehensively justify applicant/petitioner’s opposition to the motions for summary judgment and that the information sought to be discovered is completely within the control of Ennis and not available by other means. TBMP § 528.06: “In lieu of an affidavit, a party may submit a declaration meeting the requirements of 37 CFR § 2.20. [Note 5.] ”

In particular, the areas of inquiry needed to obtain the information necessary to enable applicant/petitioner to respond to the motions for summary judgment are the following: (1) the creation of

¹ For reasons as to why these issues were not explored in discovery proper, *see* Docs. #60 & 61.

Ennis' COLORWORX Mark, including the term COLORWORX and the design element; (2) the creation of the word COLORWORX, including its meaning, by other traders prior to Ennis' adoption of the term in its mark the subject of this proceeding; and (3) the creation of the cross-hairs design, including its meaning, by other traders prior to Ennis' adoption of the design.

PRAYER

Applicant/petitioner respectfully seeks a reasonable time to take the discovery as particularized above and moves that proceedings be suspended pending such discovery.

Dated: March 15, 2014

Respectfully submitted,

By: /Joel Beling/

Joel L. Beling
1 Mirboo Court, Dallas
Victoria, 3047, Australia
(03) 8307 6932 (telephone), 0405 329 078 (cell)
joelbeling@hotmail.com
Applicant/Petitioner

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing **APPLICANT/PETITIONER'S MOTION FOR DISCOVERY PURSUANT TO FED. RULE. CIV. P 56(f)** was served on all parties, this the 15th March, 2014, by sending the same electronic mail, to the following:

Daniel Chalker
Jessica Flores
CHALKER FLORES, LLP
dchalker@chalkerflores.com
jflores@chalkerflores.com
ATTORNEYS FOR OPPOSER

/Joel Beling/
Joel Beling
Applicant

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

Opposition No. 91203884
Cancellation No. 92055374

In re Registration No. 3,372,884
(COLORWORX), Registered
January 22, 2008

Ennis Inc.

v.

Joel L. Beling d/b/a Supa Characters Pty Ltd

**DECLARATION BY JOEL L. BELING IN SUPPORT OF MOTION FOR DISCOVERY
PURSUANT TO FED. RULE. CIV. P 56(f)**

1. I am the applicant and petitioner in the present proceeding. I submit this declaration pursuant to Trademark Rule 2.20. It contains a statement of the facts relevant to the motion, in support of my motion for discovery pursuant to Fed. Rule. Civ. P 56(f) dated March 15, 2014.
2. For the record, I allege no attorney misconduct in this motion against Ennis Inc.'s current and former attorneys.
3. I believe that, with respect to some areas of Ennis' two motions for summary judgment, that I cannot comprehensively oppose the motions without first taking discovery.
4. I believe that the following facts show that I cannot present by affidavit or declaration facts essential to comprehensively justify my opposition to the motions for summary judgment and that the information sought is completely within the control of Ennis and not available by other means.
5. In particular, the areas of inquiry needed to obtain the information necessary to enable me to comprehensively respond to the motions for summary judgment are the following: (1) the creation of Ennis' COLORWORX Mark, including the term COLORWORX and the design element; (2) the creation of the word COLORWORX, including its meaning, by other traders prior to Ennis' adoption of the term in its mark the subject of this proceeding; and (3) the creation of the cross-hairs design, including its meaning, by other traders prior to Ennis' adoption of the design.

6. With respect to area of inquiry no. (1), the creation of Ennis' COLORWORX Mark, including the term COLORWORX and the design element, Ennis has provided seven (7) different creation stories to explain the origins of the COLORWORX component of its Mark at various times during the proceeding:

Version One: “We know the answer but object to answering that question on four grounds.”

Interrogatory No. 14 in applicant/petitioner's First Set of Interrogatories to opposer/registrant served on June 12, 2012 and the response (Doc. #26):

INTERROGATORY NO. 14: Describe in detail the rationale, philosophy and ideas behind the selection, design and adoption of each feature and/or part of the “COLORWORX” mark, including the logo, words, style of lettering, visual appearance, sound, compound/composite nature and misspelling.

RESPONSE: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial

Version Two: “We alone create the word Colorworx.” Interrogatory No. 8 in applicant/petitioner's

First Set of Interrogatories to opposer/registrant served on June 12, 2012 (Doc. #26):

INTERROGATORY NO. 8: Describe in detail how the compound word “COLORWORX” in your registration differs from the words “Color Works” in terms of meaning, appearance, sound and commercial impression.

RESPONSE: The mark “COLORWORX” differs from the words “Color Works” in terms of meaning, appearance, sound and commercial impression because the mark “COLORWORX” is a neologism and had no meaning prior to its adoption by Registrant.

Version Three: “We copied the word Colorworx from another trader or traders.” In its motion to dismiss, the opposer/registrant argued:

General trademarking principals maintain that once a mark has been abandoned, the mark returns to the public domain and may be appropriated for use by other actors in the marketplace in accordance with basic rules of trademark priority. See 15 U.S.C. § 1115(b)(2); *ITC Ltd. v. Punchgini, Inc.*, 482 F.3d 135, 147 (2d Cir. 2007). Once Creative Hairdresser's, Inc. abandoned its mark in the year 2000, nearly eight (8) years before the USPTO issued a registration for the Mark, Registrant and all other persons and entities seeking to use such word mark were free to use the term “Colorworx” in commerce on or in connection with their goods or services [Doc. #19 ¶ 20].

Here, Ennis argues not only that it was “free to use the term ‘Colorworx’” but even cites statute and case law to justify its position that it had “appropriated [the Colorworx Mark] for use...in the marketplace in accordance with basic rules of trademark priority.” *Loc. Cit.*

Version Four: “We know the answer but, despite giving you three different answers as to how we created the Colorworx portion of our Mark in the past, we again object to answering that question on four grounds.” Ennis’ response to Interrogatory No. 25 in Applicant’s Second Set of Interrogatories to Opposer dated June 27, 2013:

INTERROGATORY NO. 25: You have given some conflicting answers in previous discovery requests as to how exactly you created your COLORWORX mark and the design element. Once and for all, describe in detail how you created your COLORWORX mark and the design element?

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant and not reasonably calculated to lead to the discovery of evidence admissible at trial.

See Doc. #40 for full document.

Version Five: “Lisa Goebel, Bill Tignanelli, David Crysler and Cindy Wronski each contributed to the selection and adoption of the term COLORWORX and Rachel Maples designed the logo.” In Ennis’ supplemented responses to applicant’s Interrogatories and Requests for Production dated August 19, 2013 (Doc. #33), Ennis answered as follows:

INTERROGATORY NO. 13: Describe in detail the role and contributions made that each person identified in Interrogatory number 12 played in the selection, design and adoption of the “COLORWORX” mark.

ANSWER: Opposer objects to this Interrogatory as it is overbroad, harassing, irrelevant, and not reasonably calculated to lead to the discovery of evidence admissible at trial. Subject to, and without waiving, the foregoing objections, Lisa Goebel, Bill Tignanelli, David Crysler and Cindy Wronski contributed to the selection and adoption of the mark designed by Rachel Maples.

Version Six: The Amnesia Defense or “We don’t remember.” In its response dated September 16, 2013 to the applicant’s response to the Board inquiry with respect to the creation of its COLORWORX Mark and the design element, the opposer stated that it “does not remember specific details or only has a few documents from the time in question” and “does not remember specific details or have access to such details from the time in question.” Doc. #37, at 5, 9 & 11. *Res ipsa loquitur.*

Version Seven: “Lisa Goebel, Bill Tignanelli, David Crysler and Cindy Wronski in fact did not contribute to the selection and adoption of the term COLORWORX as we previously said, but some people who used to work at a subsidiary of our company a long time ago created the Mark

but we do not know who they are and cannot identify them from company records.”² In its answer to Question 4 in Ennis’ correspondence dated January 13, 2014, *infra* (see Doc. #66, for the full document), Ennis gave the following response:

QUESTION 4: Describe in detail how Ennis created the COLORWORX component of its Mark?

ANSWER: The following answer is designated **HIGHLY CONFIDENTIAL** pursuant to the Protective Order signed by the Parties on January 10, 2014.

The word component of the COLORWORX mark was selected by InstaColor personnel in Denver before the InstaColor product line was moved to Michigan in 2002 and re-branded to COLORWORX. Steven Osterloh, Bill Tignanelli, Lisa Goebel and Cindy Wronski do not know who created the word component of the COLORWORX mark. Rachel Maples, a former graphic designer for Ennis, designed the logo component of the COLORWORX mark. David Crysler, Bill Tignanelli, Lisa Goebel and Steven Osterloh participated in selecting the logo component of the COLORWORX mark in July 2002. Thereafter, the COLORWORX mark was incorporated into marketing materials to promote the re-branded product line and have been in continuous use since.

In his deposition, Steven Osterloh said it was possible to ascertain who possibly created the word portion of the COLORWORX Mark. Osterloh Dep. 13:54:14 19-22, *infra*.

7. I also rely on the opposer’s responses to Requests 93-98 (inclusive) of the Applicant’s Third Request for Admissions to the opposer, which are highly inculpatory and demonstrate significant dishonesty in Ennis’ discovery responses. Doc. #26.

8. Thus, I believe that discovery is needed to comprehensively oppose Ennis’ motions for summary judgment as Ennis has still not identified – that is, provided the *name(s)* of an individual or group of individuals - who in fact created the Colorworx portion of its Mark despite providing seven (7) different answers in response to questions or issues raised in this proceeding.

² This answer was (over)designated by Ennis as **HIGHLY CONFIDENTIAL** pursuant to the parties’ Protective Order dated January 10, 2014, but was declassified by Ennis after negotiations. See Exhibit 1.

9. With respect to the design element, Ennis has refused to answer questions concerning other traders' use of the cross-hairs logo. The following examples from the deposition of Steven Osterloh on January 13, 2014 are illustrative:³

14:29:41 19 Q. (BY MR. BELING) Mr. Osterloh, I'll discuss
14:29:43 20 Exhibit 11, which is printouts from a website called
14:29:47 21 smartpress.com on the 7th of January, 2014, which I've
14:29:53 22 served on Mr. Chalker, and it's relevant to the creation
14:29:57 23 of the design portion of your mark.
14:30:03 24 Do you recall reading any documents from
14:30:07 25 the Smart Press company and their sales of printed goods

14:30:15 1 and services, such as business cards, brochures,
14:30:19 2 envelopes and calendars?
14:30:20 3 MR. CHALKER: Object to the question --
14:30:21 4 Well, first object to the exhibit, as it is not before
14:30:25 5 Mr. Osterloh. Object to the question, as it is outside
14:30:29 6 the scope of the Notice of Deposition and irrelevant.
14:30:33 7 A. No, I do not recall it.

14:30:44 8 Q. (BY MR. BELING) Mr. Osterloh, how would you
14:30:46 9 describe the design portion of Ennis's COLORWORX mark?
14:30:53 10 A. I would design (sic) it as the four primary
14:30:57 11 colors that are used to -- or that, I'm sorry, that are
14:31:00 12 used in the process known as four-color process
14:31:04 13 printing, and surrounded -- I'm sorry, surrounding a
14:31:10 14 cross hair. I believe it's in a circle.

14:31:12 15 Q. Okay. And what is your opinion concerning the
14:31:18 16 use of the cross hairs logo in printing?
14:31:23 17 A. I don't understand the question.

14:31:28 18 Q. Is that a popular logo or design in the
14:31:32 19 printing industry or are you the only company that uses
14:31:36 20 the cross hairs logo?

14:31:38 21 MR. CHALKER: I object to that question, as
14:31:39 22 it's asking the witness to speculate about facts not
14:31:44 23 into evidence.

14:31:46 24 A. There was two questions there. Can I answer
14:31:48 25 them separately?

14:31:49 1 Q. (BY MR. BELING) Of course.

14:31:50 2 THE WITNESS: Could you repeat them,
14:31:52 3 ma'am?

14:32:05 4 (RECORD READ BY THE REPORTER.)

14:32:05 5 A. As far as popularity, I -- I don't know if it's
14:32:09 6 popular or not. Have I seen that in use by other
14:32:13 7 companies? Yes, I have. But I can't tell you about its
14:32:18 8 popularity.

³ See Exhibit 2 for deposition pages.

14:32:21 9 Q. (BY MR. BELING) Which other companies have you
 14:32:23 10 seen the cross hairs logo used by in the printing
 14:32:28 11 industry?
 14:32:29 12 A. I don't recall those off the top of my head.
 14:32:33 13 Q. But there's at least several?
 14:32:35 14 A. That have used a cross hairs within their logo?
 14:32:39 15 Q. Yes.
 14:32:40 16 A. I would say yes.
 14:32:41 17 Q. Okay. Exhibit 12, which I've served on
 14:32:53 18 Mr. Chalker on the 8th or 9th of January, 2014, contains
 14:32:59 19 printouts which I made from the website fourcolour.com.
 14:33:08 20 And fourcolour.com sells book services or prints books,
 14:33:17 21 and my question is: Are you aware of the Four Colour
 14:33:24 22 Print Group?
 14:33:27 23 MR. CHALKER: Object to the question and
 14:33:29 24 the exhibit, as it's outside the Notice of the
 14:33:31 25 Deposition and it's irrelevant.
 14:33:34 1 A. No, I'm not familiar with them.
 14:33:37 2 Q. (BY MR. BELING) Okay. Do you have any
 14:33:44 3 knowledge of the logo used by the Four Colour Print
 14:33:48 4 Group, which is also a cross hairs logo?
 14:33:51 5 MR. CHALKER: I renew my objection.
 14:33:54 6 A. I am able to see a -- on Exhibit 12, I'm able
 14:33:58 7 to see a black-and-white version of that, yes, I am.
 14:34:02 8 Q. (BY MR. BELING) Okay. So it appears that, like
 14:34:13 9 you said, the cross hairs logo is quite popular in the
 14:34:16 10 printing industry, and that other companies use a
 14:34:19 11 colored version of the cross hairs logo as well?
 14:34:23 12 MR. CHALKER: Object to the question as
 14:34:24 13 leading.
 14:34:25 14 A. I don't believe I admitted or offered factual
 14:34:28 15 information to say that it was popular. I believe I
 14:34:31 16 stated that I've seen it before.
 14:34:37 17 MR. BELING: Madam Court Reporter, can
 14:34:38 18 you please read out the witness's evidence regarding
 14:34:43 19 popularity and the logo -- the cross hairs logo in the
 14:34:48 20 printing industry? It was about two or three minutes
 14:34:50 21 ago.
 14:35:17 22 THE REPORTER: Yes, sir. Give me a minute
 14:35:17 23 to find it.
 14:35:21 24 (RECORD READ BY THE REPORTER.)
 14:35:21 25 Q. (BY MR. BELING) Mr. Osterloh, if I put the
 14:35:24 1 proposition to you that the logo in front of you is, in
 14:35:27 2 fact, colored like the COLORWORX logo, like Ennis's
 14:35:33 3 COLORWORX logo, would you dispute that?
 14:35:36 4 MR. CHALKER: Objection that the exhibit is
 14:35:37 5 not in color; that it calls for Mr. Osterloh to
 14:35:41 6 speculate; and it also assumes evidence that -- or
 14:35:47 7 assumes facts that are not in evidence; and it's related
 14:35:51 8 to -- it's irrelevant to this proceeding.
 14:35:57 9 A. With it being black and white, I would not feel

14:36:00 10 comfortable answering that question.
 14:36:02 11 MR. BELING: Okay. Well, for the record,
 14:36:05 12 I served a color copy on Mr. Chalker on the 8th or 9th
 14:36:10 13 of January, 2014.
 14:36:15 14 MR. BELING: Madam Court Reporter, you've
 14:36:17 15 got the Exhibits 13, 14, and 15, don't you?
 14:36:22 16 THE REPORTER: I have 13 and 15 in front of
 14:36:22 17 me, and I believe Mr. Osterloh saw 14 earlier, sir.
 14:36:22 18 Q. (BY MR. BELING) Mr. Osterloh, does Ennis, Inc.
 14:36:53 19 have any affiliation or ties to any of the businesses
 14:36:57 20 I've questioned you about in the last half an hour to
 14:37:00 21 one hour?
 14:37:01 22 A. Without looking those accounts up specifically
 14:37:04 23 in our account list, I would not know that answer.
 14:37:10 24 Q. But those names that I've mentioned don't ring
 14:37:13 25 a bell?
 14:37:14 1 A. Those names don't ring a bell. But we have
 14:37:18 2 tens of thousands of customers, so that is not out of
 14:37:24 3 the ordinary (emphasis added).

10. With respect to area of inquiry nos. (2) & (3), the creation of the word COLORWORX, including its meaning, by other traders prior to Ennis' adoption of the term in its mark the subject of this proceeding, and the creation of the cross-hairs design, including its meaning, by other traders prior to Ennis' adoption of the design, respectively, Ennis has also refused to answer questions in relation to these topics.

11. Given that I served Ennis with documents relating to these issues in the second week of January, 2014, and Ennis alone knows the answers to the questions, I believe I need to take further discovery in order to comprehensively oppose the motions for summary judgment [since I can only rely on admissions and not denials to discovery requests under TBMP 528.05(a)(1)].

12. Ennis' answers with respect to areas of inquiry (2) and (3) are as follows, again from the Osterloh deposition⁴:

⁴ *Id.*

14:16:39 16 Q. I'll put it to you in more detail, so it may
14:16:44 17 jog your memory. Exhibit 6 is a printout of the website
14:16:50 18 colorworksnyc.com, and Colorworks is spelled with a K-S
14:17:00 19 and it's one word. And it's a printing and retouching
14:17:04 20 business, run by Joe Barna, B-A-R-N-A.
14:17:12 21 Do you recall reading any documents
14:17:14 22 pertaining to that website?
14:17:16 23 MR. CHALKER: I object to the question, as
14:17:17 24 the exhibit is not before Mr. Osterloh, so he can't
14:17:20 25 testify as to what that document may or may not contain
14:17:28 1 MR. BELING: I was asking about his
14:17:29 2 memory of whether he's seen it in the past, not whether
14:17:33 3 he has it now.
14:17:34 4 A. Again, my attorneys have sent all these
14:17:37 5 documents to me. So have I received it? I would say
14:17:40 6 yes. Do I recall that specific document? No, I do not.
14:17:44 7 Q. (BY MR. BELING) Okay. Do you have any evidence
14:17:52 8 to contradict or dispute the fact that Joe Barna has
14:17:59 9 over 30 years' experience in photography and printing
14:18:06 10 using the name Colorworks with a K-S?
14:18:10 11 MR. CHALKER: Object to the question, as
14:18:11 12 it's irrelevant, in that whoever that is has no relation
14:18:15 13 to the -- this proceeding.
14:18:20 14 A. No, I'm not familiar with Mr. Barna or his
14:18:25 15 history.
14:18:26 16 MR. BELING: It's -- it's relevant to the
14:18:27 17 creation of the COLORWORX mark.
14:18:32 18 MR. CHALKER: I disagree, in that
14:18:33 19 Mr. Osterloh has already testified as to the creation of
14:18:36 20 the -- the mark.
14:18:40 21 MR. BELING: And I'm putting contrasting
14:18:42 22 versions to the witness to ascertain his response.
14:18:51 23 Q. (BY MR. BELING) Mr. Osterloh, do you have any
14:18:53 24 evidence to dispute the fact that the Colorworks New
14:18:59 25 York City company offers for sale services, including
14:19:05 1 prints, postcards, and business cards?
14:19:07 2 MR. CHALKER: Object to the question, as
14:19:09 3 it's irrelevant and outside the scope of this proceeding
14:19:14 4 or the Notice of Deposition.
14:19:15 5 A. Again, without looking at those documents, I --
14:19:17 6 I can't say that that is fact. I'm not aware of it.
14:19:21 7 Don't recall.
14:19:22 8 Q. (BY MR. BELING) Okay. All these documents were
14:19:30 9 produced to Mr. Chalker, your legal counsel, so -- and
14:19:35 10 you've given evidence that he's provided you with those
14:19:39 11 documents. So I'm just asking about your memory because
14:19:42 12 of the -- the technical difficulties we have in
14:19:44 13 obtaining the exhibits.
14:19:46 14 MR. CHALKER: I believe that he's testified
14:19:47 15 that he does not remember specifics about those
14:19:50 16 documents.

14:19:57 17 Q. (BY MR. BELING) I'll move on to Exhibit 7,
14:20:00 18 which is printouts from the website colorworx.ca, and
14:20:06 19 the Colorworx is spelled W-O-R-X, which I've served on
14:20:11 20 Mr. Chalker, and the printouts are made on the 7th of
14:20:15 21 January, 2014.
14:20:17 22 Mr. Osterloh, do you have any knowledge
14:20:18 23 about a Canadian company called Colorworx selling
14:20:23 24 printing services, including business cards, flyers,
14:20:29 25 envelopes, and posters?
14:20:31 1 MR. CHALKER: Object to the question, as
14:20:33 2 the exhibit is not before Mr. Osterloh; and also object
14:20:36 3 that it's not relevant to this proceeding and that it
14:20:40 4 falls outside the scope of the discovery notice.
14:20:44 5 A. Was that previously supplied or just supplied
14:20:48 6 as an exhibit?
14:20:49 7 Q. (BY MR. BELING) It was -- the document was
14:20:51 8 served on Mr. Chalker on the 8th or 9th of January 2014,
14:20:57 9 and you have given evidence that you've received all
14:21:02 10 those documents.
14:21:03 11 A. Yes, that is correct. No, but I do not recall
14:21:06 12 reviewing or have recollection of that document.
14:21:09 13 Q. Okay. From your general knowledge as
14:21:15 14 Vice President of Marketing, are you aware that there is
14:21:19 15 a Canadian company called Colorworx, with Colorworx
14:21:24 16 spelled as a single word with R-X, also offering
14:21:28 17 printing services, including business cards, flyers,
14:21:32 18 envelopes and posters, on-line --
14:21:35 19 A. No.
14:21:36 20 Q. -- to other countries, including the
14:21:37 21 United States?
14:21:38 22 A. No, I was not.
14:21:42 23 Q. Okay. Are you aware that Mr. Shawn Barrett, a
14:21:49 24 Canadian citizen, is CEO of Colorworx and that he has
14:21:56 25 owned the COLORWORX brand for 13 years?
14:21:59 1 MR. CHALKER: I object to this line of
14:22:01 2 questioning, as that it's outside the Notice of
14:22:03 3 Deposition and irrelevant.
14:22:04 4 A. No, I have already stated I -- I don't know
14:22:06 5 this company and have no knowledge of it or this Mr.
14:22:10 6 Shawn -- I don't recall his last name. -- that's the CEO
14:22:13 7 of it.
14:22:14 8 Q. (BY MR. BELING) Shawn Barrett.
14:22:16 9 A. No, I have no knowledge of him.
14:22:18 10 Q. Okay. I'll move on to Exhibit 8. And
14:22:31 11 Exhibit 8, which I've served on Mr. Chalker, contains
14:22:36 12 printouts which are made from the website
14:22:39 13 colorworksinc -- That Colorworks is spelled
14:22:42 14 W-O-R-K-S. -- inc.com, and the printout was on the 7th
14:22:50 15 of January.
14:22:53 16 And my question to you, Mr. Osterloh, is:
14:22:57 17 Are you aware of a company called Colorworks, that's

14:23:00 18 R-K-S, Graphics Services, Inc., which offers offset
14:23:07 19 printing, digital printing, and large-format display
14:23:11 20 printing?
14:23:12 21 MR. CHALKER: Object to the question as the
14:23:14 22 exhibit is not before Mr. Osterloh, the line of
14:23:16 23 questioning is irrelevant and out of the scope of the
14:23:20 24 Notice of Deposition.
14:23:22 25 A. No, I do not.

14:23:30 1 Q. (BY MR. BELING) But you've --
14:23:30 2 A. Again -- I apologize. To the best of my
14:23:32 3 recollection, no, I do not.
14:23:34 4 Q. Okay. But you've stated previously you were
14:23:37 5 served with all those -- my discovery production by
14:23:41 6 Mr. Chalker, but you may not have perused it; is that
14:23:45 7 correct?
14:23:45 8 A. No, I didn't say I didn't peruse it. I have
14:23:50 9 been given all those documents. As you can understand,
14:23:54 10 over this couple of year period, there's been hundreds
14:23:57 11 of pages. I don't recall each and every page that I've
14:24:00 12 read, and some of them have been read multiple times. I
14:24:04 13 do not recall this, though. No, I do not.
14:24:07 14 Q. Okay. If I was to say to you that there are
14:24:10 15 some pages out of "The Colorworks Story," and that this
14:24:16 16 particular company created the term "Colorworks" in the
14:24:19 17 early 1990s, would that jog your memory?
14:24:23 18 MR. CHALKER: Object to --
14:24:24 19 A. No, it would not.
14:24:26 20 MR. CHALKER: I object to the question, as
14:24:28 21 it is irrelevant and outside the scope of the Deposition
14:24:32 22 Notice, and Mr. Osterloh has testified that he does not
14:24:38 23 have knowledge about -- or recall specific things about
14:24:41 24 the documents that you have produced.
14:24:47 25 Q. (By MR. BELING) Mr. Osterloh?

14:24:53 1 A. No, I have not.
14:25:01 2 Q. I'll move on to Exhibit 9, which I've also
14:25:06 3 served on Mr. Chalker around the 8th or 9th of January,
14:25:10 4 2014. And Exhibit 9 is printouts which I made from the
14:25:14 5 website ilovetocreate.com.
14:25:19 6 And Mr. Osterloh, do you have any knowledge
14:25:22 7 about a company called I Love to Create, which is
14:25:28 8 selling services related to printed lesson plans and
14:25:36 9 classroom art projects under the term "Colorworks,"
14:25:40 10 "Colorworks" being spelled with a W-O-R-K-S?
14:25:45 11 MR. CHALKER: Object to the question, as
14:25:46 12 the exhibit is not before Mr. Osterloh. Objection to
14:25:49 13 the line of questioning, as it's outside the Notice of
14:25:52 14 Deposition, and it is irrelevant to the proceedings.
14:25:55 15 A. No, I do not have any recollection of that
14:25:58 16 company.

14:26:00 17 Q. (BY MR. BELING) Okay. Moving on to Exhibit 10,
14:26:09 18 which is printouts from the website folders4success.com,
14:26:15 19 on the 7th of January, 2014, which I've served on
14:26:19 20 Mr. Chalker on the 8th or 9th of January, 2014. And
14:26:25 21 this printout shows the term "ColorWorks," with a
14:26:32 22 W-O-R-K-S, being sold by Debbie Carney, who runs a
14:26:42 23 business called New Order Organizers.
14:26:46 24 Mr. Osterloh, are you aware of that
14:26:49 25 business run by Ms. Carney, New Order Organizers?

14:26:53 1 MR. CHALKER: Object to the exhibit, as
14:26:55 2 it's not before Mr. Osterloh. Object to the question,
14:26:59 3 in that it's outside the Notice of Deposition, and also
14:27:03 4 irrelevant to this proceeding.

14:27:06 5 A. I am not.

14:27:15 6 Q. (BY MR. BELING) Mr. Osterloh, are you aware of
14:27:18 7 your -- any obligation or practice to read any exhibits
14:27:22 8 or documents in production relating to the topics listed
14:27:27 9 in the Notice of Deposition prior to arriving today?

14:27:32 10 THE WITNESS: Could you repeat that
14:27:33 11 question, please, ma'am?

14:27:50 12 (RECORD READ BY THE REPORTER.)

14:27:50 13 A. Was I given notice that I needed to read and

14:27:53 14 study? No, I was not. Did I review the documents?

14:27:58 15 Yes, I did. Did I review all hundreds and hundreds of

14:28:04 16 pages? No, I did not. I primarily reviewed the

14:28:07 17 documents that we've submitted over the last few days

14:28:10 18 and over the weekend that we supplied. That was my

14:28:14 19 understanding that the questions would be surrounding

14:28:16 20 those specific topics. You're asking me about topics

14:28:20 21 that I was not expecting to answer.

14:28:23 22 Q. (BY MR. BELING) I'm asking about topics in

14:28:25 23 relation to the creation of the COLORWORX mark.

14:28:28 24 A. Understood.

14:28:29 25 MR. CHALKER: But Mr. Beling, it's our

14:28:31 1 position that the documents that you're presenting, that

14:28:34 2 those are outside of the topics which you put forth in

14:28:39 3 your Notice.

14:28:42 4 MR. BELING: But this goes to the creation

14:28:45 5 of the COLORWORX mark.

14:28:46 6 MR. CHALKER: That was not our

14:28:47 7 interpretation of the topics that you listed. I mean,

14:28:51 8 as -- as the discovery that we supplemented, Ennis was

14:28:57 9 not aware of any searches that were conducted. As a

14:29:01 10 result, I mean, you are producing evidence that they

14:29:07 11 were unaware of. This is the first they've seen of it.

14:29:11 12 You did not include in your Notice that you were going

14:29:18 13 to be asking questions about your document production.

14:29:22 14 MR. BELING: I included in my Notice that

14:29:24 15 I'd be discussing creation of the COLORWORX mark, and

14:29:27 16 these documents --
14:29:27 17 MR. CHALKER: And Mr. Osterloh has
14:29:28 18 testified to that effect.
14:29:41 19 Q. (BY MR. BELING) Mr. Osterloh, I'll discuss
14:29:43 20 Exhibit 11, which is printouts from a website called
14:29:47 21 smartpress.com on the 7th of January, 2014, which I've
14:29:53 22 served on Mr. Chalker, and it's relevant to the creation
14:29:57 23 of the design portion of your mark.
14:30:03 24 Do you recall reading any documents from
14:30:07 25 the Smart Press company and their sales of printed goods

14:30:15 1 and services, such as business cards, brochures,
14:30:19 2 envelopes and calendars?
14:30:20 3 MR. CHALKER: Object to the question --
14:30:21 4 Well, first object to the exhibit, as it is not before
14:30:25 5 Mr. Osterloh. Object to the question, as it is outside
14:30:29 6 the scope of the Notice of Deposition and irrelevant.
14:30:33 7 A. No, I do not recall it.
14:30:44 8 Q. (BY MR. BELING) Mr. Osterloh, how would you
14:30:46 9 describe the design portion of Ennis's COLORWORX mark?
14:30:53 10 A. I would design (sic) it as the four primary
14:30:57 11 colors that are used to -- or that, I'm sorry, that are
14:31:00 12 used in the process known as four-color process
14:31:04 13 printing, and surrounded -- I'm sorry, surrounding a
14:31:10 14 cross hair. I believe it's in a circle.
14:31:12 15 Q. Okay. And what is your opinion concerning the
14:31:18 16 use of the cross hairs logo in printing?
14:31:23 17 A. I don't understand the question.
14:31:28 18 Q. Is that a popular logo or design in the
14:31:32 19 printing industry or are you the only company that uses
14:31:36 20 the cross hairs logo?
14:31:38 21 MR. CHALKER: I object to that question, as
14:31:39 22 it's asking the witness to speculate about facts not
14:31:44 23 into evidence.
14:31:46 24 A. There was two questions there. Can I answer
14:31:48 25 them separately?

14:31:49 1 Q. (BY MR. BELING) Of course.
14:31:50 2 THE WITNESS: Could you repeat them,
14:31:52 3 ma'am?
14:32:05 4 (RECORD READ BY THE REPORTER.)
14:32:05 5 A. As far as popularity, I -- I don't know if it's
14:32:09 6 popular or not. Have I seen that in use by other
14:32:13 7 companies? Yes, I have. But I can't tell you about its
14:32:18 8 popularity.
14:32:21 9 Q. (BY MR. BELING) Which other companies have you
14:32:23 10 seen the cross hairs logo used by in the printing
14:32:28 11 industry?
14:32:29 12 A. I don't recall those off the top of my head.
14:32:33 13 Q. But there's at least several?
14:32:35 14 A. That have used a cross hairs within their logo?

14:32:39 15 Q. Yes.
14:32:40 16 A. I would say yes.
14:32:41 17 Q. Okay. Exhibit 12, which I've served on
14:32:53 18 Mr. Chalker on the 8th or 9th of January, 2014, contains
14:32:59 19 printouts which I made from the website fourcolour.com.
14:33:08 20 And fourcolour.com sells book services or prints books,
14:33:17 21 and my question is: Are you aware of the Four Colour
14:33:24 22 Print Group?
14:33:27 23 MR. CHALKER: Object to the question and
14:33:29 24 the exhibit, as it's outside the Notice of the
14:33:31 25 Deposition and it's irrelevant.
14:33:34 1 A. No, I'm not familiar with them.
14:33:37 2 Q. (BY MR. BELING) Okay. Do you have any
14:33:44 3 knowledge of the logo used by the Four Colour Print
14:33:48 4 Group, which is also a cross hairs logo?
14:33:51 5 MR. CHALKER: I renew my objection.
14:33:54 6 A. I am able to see a -- on Exhibit 12, I'm able
14:33:58 7 to see a black-and-white version of that, yes, I am.
14:34:02 8 Q. (BY MR. BELING) Okay. So it appears that, like
14:34:13 9 you said, the cross hairs logo is quite popular in the
14:34:16 10 printing industry, and that other companies use a
14:34:19 11 colored version of the cross hairs logo as well?
14:34:23 12 MR. CHALKER: Object to the question as
14:34:24 13 leading.
14:34:25 14 A. I don't believe I admitted or offered factual
14:34:28 15 information to say that it was popular. I believe I
14:34:31 16 stated that I've seen it before.
14:34:37 17 MR. BELING: Madam Court Reporter, can
14:34:38 18 you please read out the witness's evidence regarding
14:34:43 19 popularity and the logo -- the cross hairs logo in the
14:34:48 20 printing industry? It was about two or three minutes
14:34:50 21 ago.
14:35:17 22 THE REPORTER: Yes, sir. Give me a minute
14:35:17 23 to find it.
14:35:21 24 (RECORD READ BY THE REPORTER.)
14:35:21 25 Q. (BY MR. BELING) Mr. Osterloh, if I put the
14:35:24 1 proposition to you that the logo in front of you is, in
14:35:27 2 fact, colored like the COLORWORX logo, like Ennis's
14:35:33 3 COLORWORX logo, would you dispute that?
14:35:36 4 MR. CHALKER: Objection that the exhibit is
14:35:37 5 not in color; that it calls for Mr. Osterloh to
14:35:41 6 speculate; and it also assumes evidence that -- or
14:35:47 7 assumes facts that are not in evidence; and it's related
14:35:51 8 to -- it's irrelevant to this proceeding.
14:35:57 9 A. With it being black and white, I would not feel
14:36:00 10 comfortable answering that question.
14:36:02 11 MR. BELING: Okay. Well, for the record,
14:36:05 12 I served a color copy on Mr. Chalker on the 8th or 9th
14:36:10 13 of January, 2014.
14:36:15 14 MR. BELING: Madam Court Reporter, you've
14:36:17 15 got the Exhibits 13, 14, and 15, don't you?

14:36:22 16 THE REPORTER: I have 13 and 15 in front of
14:36:22 17 me, and I believe Mr. Osterloh saw 14 earlier, sir.
14:36:22 18 Q. (BY MR. BELING) Mr. Osterloh, does Ennis, Inc.
14:36:53 19 have any affiliation or ties to any of the businesses
14:36:57 20 I've questioned you about in the last half an hour to
14:37:00 21 one hour?
14:37:01 22 A. Without looking those accounts up specifically
14:37:04 23 in our account list, I would not know that answer.
14:37:10 24 Q. But those names that I've mentioned don't ring
14:37:13 25 a bell?
14:37:14 1 A. Those names don't ring a bell. But we have
14:37:18 2 tens of thousands of customers, so that is not out of
14:37:24 3 the ordinary (emphasis added).

13. Since the answers to the above issues are within the exclusive control of Ennis and not available by other means, I believe I need an order granting discovery in order to comprehensively oppose Ennis' motions for summary judgment.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief. Executed this 15th day of March, 2014.

Dated: March 15, 2014

Respectfully submitted,

JOEL BELING

By: /Joel Beling/

Joel L. Beling
1 Mirboo Court, Dallas, Victoria, 3047, Australia
(03) 8307 6932 (telephone); 0405 329 078 (cell)
joelbeling@hotmail.com
Petitioner/Applicant

EXHIBIT 1

Re: Applicant's Third Meet and Confer Attempt
Actions Daniel Chalker Add to contacts 12/03/2014 To: Joel Beling
Cc: Cynthia Minchillo, Jesica Flores Show this message... From: Daniel Chalker
(dchalker@chalkerflores.com) This sender is in your safe list.
Sent: Wednesday, 12 March 2014 3:58:23 PM
To: Joel Beling (joelbeling@hotmail.com)
Cc: Cynthia Minchillo (cminchillo@chalkerflores.com); Jesica Flores
(jflores@chalkerflores.com)

Mr. Beling,

We withdraw our designation that the answer to question 4 in the answers in lieu of deposition dated January 13, 2014 is highly confidential and subject to the Protective Order.

Daniel

Daniel J. Chalker | Chalker Flores, LLP
14951 North Dallas Parkway, Suite 400 | Dallas, Texas 75254
Phone: 214-866-0001 | Fax: 214-866-0010

dchalker@chalkerflores.com | www.chalkerflores.com

From: Joel Beling <joelbeling@hotmail.com>
Date: Tuesday, March 11, 2014 at 5:32 AM
To: Daniel Chalker <dchalker@chalkerflores.com>, Jesica Flores <jflores@chalkerflores.com>
Subject: Applicant's Third Meet and Confer Attempt

Mr Chalker,

I write for the third time regarding your client's designation of the creation of the Colorworx portion of its Mark as highly confidential. I vigorously dispute this. Your client has had no problem answering this question in the past (Doc. #26) and the highly confidential designation appears to be a mask to conceal your client's fraud in procuring its Mark with the USPTO. Please explain your client's basis for this designation. I will be filing a motion with the Board within the next 72 hours if I do not hear from you.

Mr Beling

From: joelbeling@hotmail.com
To: dchalker@chalkerflores.com; jflores@chalkerflores.com
Subject: Applicant's Second Meet and Confer Attempt
Date: Fri, 7 Mar 2014 21:44:15 +0000

Mr Chalker,

I write for the second time (see below) with regard to your client's designation of the creation of the word component of its Colorworx mark as highly confidential. This is clearly inappropriate and improper under the Protective Order because your client has happily answered questions on this topic throughout the litigation (see motions to compel and your client's discovery responses). I submit that your client has engaged in an abusive litigation tactic by so concealing its answer.

Please advise your client's view regarding amending its designation.

I will be filing a motion contesting your client's designation in due course.

Mr Beling

From: joelbeling@hotmail.com
To: dchalker@chalkerflores.com; jflores@chalkerflores.com
Subject: Applicant's First Meet and Confer Attempt
Date: Thu, 6 Mar 2014 17:22:18 +0000

Mr Chalker,

I refer to your designation of the answer to Q.4 in your answers in lieu of deposition dated January 13, 2014 (on the creation of the word component of Ennis' COLORWORX Mark) as HIGHLY CONFIDENTIAL and formally contest this designation under the Protective Order dated January 10, 2014. I see no basis for this designation since Ennis has publicly given the answers to the same question, and questions relating to the creation of its MARK generally, without objection in the past. Please justify the basis.

I advise I will be contesting the basis of your designation with the Board but seek your client's consent to make the answer to this question public.

I look forward to your client's response.

Mr Beling

EXHIBIT 2

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Opposition No. 91203884;	In re Registration
Cancellation No. 92055374	No. 3,372,884
	(COLORWORX), Registered
	January 22, 2008

ENNIS INC.

v.

JOEL L. BELING d/b/a
SUPA CHARACTERS PTY LTD

TELEPHONIC ORAL DEPOSITION OF

STEVEN KENNETH OSTERLOH, JR.

JANUARY 13, 2014

VOLUME 1 OF 1

TELEPHONIC ORAL DEPOSITION OF STEVEN KENNETH
OSTERLOH, JR., produced as a witness duly sworn by me at
the instance of the Applicant, was taken in the above
styled and numbered cause on JANUARY 13, 2014, from 1:11
PM to 2:58 PM, before Beth Howard, CSR in and for the
State of Texas, reported by Machine Shorthand, at
Continental Court Reporters, Inc., 1412 Main Street,
Suite 900, Dallas, Texas, pursuant to the Federal Rules
of Civil Procedure, Notice of Deposition, Protective
Order, and the provisions stated on the record or
attached hereto.

CONTINENTAL COURT REPORTERS, INC.
(214) 742-4949

14:16:39 16 Q. I'll put it to you in more detail, so it may
14:16:44 17 jog your memory. Exhibit 6 is a printout of the website
14:16:50 18 colorworksnyc.com, and Colorworks is spelled with a K-S
14:17:00 19 and it's one word. And it's a printing and retouching
14:17:04 20 business, run by Joe Barna, B-A-R-N-A.

14:17:12 21 Do you recall reading any documents
14:17:14 22 pertaining to that website?

14:17:16 23 MR. CHALKER: I object to the question, as
14:17:17 24 the exhibit is not before Mr. Osterloh, so he can't
14:17:20 25 testify as to what that document may or may not contain.

CONTINENTAL COURT REPORTERS, INC.
(214) 742-4949

14:17:28 1 MR. BELING: I was asking about his
14:17:29 2 memory of whether he's seen it in the past, not whether
14:17:33 3 he has it now.

14:17:34 4 A. Again, my attorneys have sent all these
14:17:37 5 documents to me. So have I received it? I would say
14:17:40 6 yes. Do I recall that specific document? No, I do not.

14:17:44 7 Q. (BY MR. BELING) Okay. Do you have any evidence
14:17:52 8 to contradict or dispute the fact that Joe Barna has
14:17:59 9 over 30 years' experience in photography and printing
14:18:06 10 using the name Colorworks with a K-S?

14:18:10 11 MR. CHALKER: Object to the question, as
14:18:11 12 it's irrelevant, in that whoever that is has no relation
14:18:15 13 to the -- this proceeding.

14:18:20 14 A. No, I'm not familiar with Mr. Barna or his
14:18:25 15 history.

14:18:26 16 MR. BELING: It's -- it's relevant to the
14:18:27 17 creation of the COLORWORX mark.

14:18:32 18 MR. CHALKER: I disagree, in that
14:18:33 19 Mr. Osterloh has already testified as to the creation of
14:18:36 20 the -- the mark.

14:18:40 21 MR. BELING: And I'm putting contrasting
14:18:42 22 versions to the witness to ascertain his response.

14:18:51 23 Q. (BY MR. BELING) Mr. Osterloh, do you have any
14:18:53 24 evidence to dispute the fact that the Colorworks New
14:18:59 25 York City company offers for sale services, including

14:19:05 1 prints, postcards, and business cards?

14:19:07 2 MR. CHALKER: Object to the question, as
14:19:09 3 it's irrelevant and outside the scope of this proceeding
14:19:14 4 or the Notice of Deposition.

14:19:15 5 A. Again, without looking at those documents, I --
14:19:17 6 I can't say that that is fact. I'm not aware of it.
14:19:21 7 Don't recall.

14:19:22 8 Q. (BY MR. BELING) Okay. All these documents were
14:19:30 9 produced to Mr. Chalker, your legal counsel, so -- and
14:19:35 10 you've given evidence that he's provided you with those
14:19:39 11 documents. So I'm just asking about your memory because
14:19:42 12 of the -- the technical difficulties we have in
14:19:44 13 obtaining the exhibits.

14:19:46 14 MR. CHALKER: I believe that he's testified
14:19:47 15 that he does not remember specifics about those
14:19:50 16 documents.

14:19:57 17 Q. (BY MR. BELING) I'll move on to Exhibit 7,
14:20:00 18 which is printouts from the website colorworx.ca, and
14:20:06 19 the Colorworx is spelled W-O-R-X, which I've served on
14:20:11 20 Mr. Chalker, and the printouts are made on the 7th of
14:20:15 21 January, 2014.

14:20:17 22 Mr. Osterloh, do you have any knowledge
14:20:18 23 about a Canadian company called Colorworx selling
14:20:23 24 printing services, including business cards, flyers,
14:20:29 25 envelopes, and posters?

14:20:31 1 MR. CHALKER: Object to the question, as
14:20:33 2 the exhibit is not before Mr. Osterloh; and also object
14:20:36 3 that it's not relevant to this proceeding and that it
14:20:40 4 falls outside the scope of the discovery notice.

14:20:44 5 A. Was that previously supplied or just supplied
14:20:48 6 as an exhibit?

14:20:49 7 Q. (BY MR. BELING) It was -- the document was
14:20:51 8 served on Mr. Chalker on the 8th or 9th of January 2014,
14:20:57 9 and you have given evidence that you've received all
14:21:02 10 those documents.

14:21:03 11 A. Yes, that is correct. No, but I do not recall
14:21:06 12 reviewing or have recollection of that document.

14:21:09 13 Q. Okay. From your general knowledge as
14:21:15 14 Vice President of Marketing, are you aware that there is
14:21:19 15 a Canadian company called Colorworx, with Colorworx
14:21:24 16 spelled as a single word with R-X, also offering
14:21:28 17 printing services, including business cards, flyers,
14:21:32 18 envelopes and posters, on-line --

14:21:35 19 A. No.

14:21:36 20 Q. -- to other countries, including the
14:21:37 21 United States?

14:21:38 22 A. No, I was not.

14:21:42 23 Q. Okay. Are you aware that Mr. Shawn Barrett, a
14:21:49 24 Canadian citizen, is CEO of Colorworx and that he has
14:21:56 25 owned the COLORWORX brand for 13 years?

14:21:59 1 MR. CHALKER: I object to this line of
14:22:01 2 questioning, as that it's outside the Notice of
14:22:03 3 Deposition and irrelevant.

14:22:04 4 A. No, I have already stated I -- I don't know
14:22:06 5 this company and have no knowledge of it or this Mr.
14:22:10 6 Shawn -- I don't recall his last name. -- that's the CEO
14:22:13 7 of it.

14:22:14 8 Q. (BY MR. BELING) Shawn Barrett.

14:22:16 9 A. No, I have no knowledge of him.

14:22:18 10 Q. Okay. I'll move on to Exhibit 8. And
14:22:31 11 Exhibit 8, which I've served on Mr. Chalker, contains
14:22:36 12 printouts which are made from the website
14:22:39 13 colorworksinc -- That Colorworks is spelled
14:22:42 14 W-O-R-K-S. -- inc.com, and the printout was on the 7th
14:22:50 15 of January.

14:22:53 16 And my question to you, Mr. Osterloh, is:
14:22:57 17 Are you aware of a company called Colorworks, that's
14:23:00 18 R-K-S, Graphics Services, Inc., which offers offset
14:23:07 19 printing, digital printing, and large-format display
14:23:11 20 printing?

14:23:12 21 MR. CHALKER: Object to the question as the
14:23:14 22 exhibit is not before Mr. Osterloh, the line of
14:23:16 23 questioning is irrelevant and out of the scope of the
14:23:20 24 Notice of Deposition.

14:23:22 25 A. No, I do not.

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14:23:30 1 Q. (BY MR. BELING) But you've --

14:23:30 2 A. Again -- I apologize. To the best of my
14:23:32 3 recollection, no, I do not.

14:23:34 4 Q. Okay. But you've stated previously you were
14:23:37 5 served with all those -- my discovery production by
14:23:41 6 Mr. Chalker, but you may not have perused it; is that
14:23:45 7 correct?

14:23:45 8 A. No, I didn't say I didn't peruse it. I have
14:23:50 9 been given all those documents. As you can understand,
14:23:54 10 over this couple of year period, there's been hundreds
14:23:57 11 of pages. I don't recall each and every page that I've
14:24:00 12 read, and some of them have been read multiple times. I
14:24:04 13 do not recall this, though. No, I do not.

14:24:07 14 Q. Okay. If I was to say to you that there are
14:24:10 15 some pages out of "The Colorworks Story," and that this
14:24:16 16 particular company created the term "Colorworks" in the
14:24:19 17 early 1990s, would that jog your memory?

14:24:23 18 MR. CHALKER: Object to --

14:24:24 19 A. No, it would not.

14:24:26 20 MR. CHALKER: I object to the question, as
14:24:28 21 it is irrelevant and outside the scope of the Deposition
14:24:32 22 Notice, and Mr. Osterloh has testified that he does not
14:24:38 23 have knowledge about -- or recall specific things about
14:24:41 24 the documents that you have produced.

14:24:47 25 Q. (By MR. BELING) Mr. Osterloh?

14:24:53 1 A. No, I have not.

14:25:01 2 Q. I'll move on to Exhibit 9, which I've also
14:25:06 3 served on Mr. Chalker around the 8th or 9th of January,
14:25:10 4 2014. And Exhibit 9 is printouts which I made from the
14:25:14 5 website ilovetocreate.com.

14:25:19 6 And Mr. Osterloh, do you have any knowledge
14:25:22 7 about a company called I Love to Create, which is
14:25:28 8 selling services related to printed lesson plans and
14:25:36 9 classroom art projects under the term "Colorworks,"
14:25:40 10 "Colorworks" being spelled with a W-O-R-K-S?

14:25:45 11 MR. CHALKER: Object to the question, as
14:25:46 12 the exhibit is not before Mr. Osterloh. Objection to
14:25:49 13 the line of questioning, as it's outside the Notice of
14:25:52 14 Deposition, and it is irrelevant to the proceedings.

14:25:55 15 A. No, I do not have any recollection of that
14:25:58 16 company.

14:26:00 17 Q. (BY MR. BELING) Okay. Moving on to Exhibit 10,
14:26:09 18 which is printouts from the website folders4success.com,
14:26:15 19 on the 7th of January, 2014, which I've served on
14:26:19 20 Mr. Chalker on the 8th or 9th of January, 2014. And
14:26:25 21 this printout shows the term "ColorWorks," with a
14:26:32 22 W-O-R-K-S, being sold by Debbie Carney, who runs a
14:26:42 23 business called New Order Organizers.

14:26:46 24 Mr. Osterloh, are you aware of that
14:26:49 25 business run by Ms. Carney, New Order Organizers?

14:26:53 1 MR. CHALKER: Object to the exhibit, as
14:26:55 2 it's not before Mr. Osterloh. Object to the question,
14:26:59 3 in that it's outside the Notice of Deposition, and also
14:27:03 4 irrelevant to this proceeding.

14:27:06 5 A. I am not.

14:27:15 6 Q. (BY MR. BELING) Mr. Osterloh, are you aware of
14:27:18 7 your -- any obligation or practice to read any exhibits
14:27:22 8 or documents in production relating to the topics listed
14:27:27 9 in the Notice of Deposition prior to arriving today?

14:27:32 10 THE WITNESS: Could you repeat that
14:27:33 11 question, please, ma'am?

14:27:50 12 (RECORD READ BY THE REPORTER.)

14:27:50 13 A. Was I given notice that I needed to read and
14:27:53 14 study? No, I was not. Did I review the documents?
14:27:58 15 Yes, I did. Did I review all hundreds and hundreds of
14:28:04 16 pages? No, I did not. I primarily reviewed the
14:28:07 17 documents that we've submitted over the last few days
14:28:10 18 and over the weekend that we supplied. That was my
14:28:14 19 understanding that the questions would be surrounding
14:28:16 20 those specific topics. You're asking me about topics
14:28:20 21 that I was not expecting to answer.

14:28:23 22 Q. (BY MR. BELING) I'm asking about topics in
14:28:25 23 relation to the creation of the COLORWORX mark.

14:28:28 24 A. Understood.

14:28:29 25 MR. CHALKER: But Mr. Beling, it's our

14:28:31 1 position that the documents that you're presenting, that
14:28:34 2 those are outside of the topics which you put forth in
14:28:39 3 your Notice.

14:28:42 4 MR. BELING: But this goes to the creation
14:28:45 5 of the COLORWORX mark.

14:28:46 6 MR. CHALKER: That was not our
14:28:47 7 interpretation of the topics that you listed. I mean,
14:28:51 8 as -- as the discovery that we supplemented, Ennis was
14:28:57 9 not aware of any searches that were conducted. As a
14:29:01 10 result, I mean, you are producing evidence that they
14:29:07 11 were unaware of. This is the first they've seen of it.
14:29:11 12 You did not include in your Notice that you were going
14:29:18 13 to be asking questions about your document production.

14:29:22 14 MR. BELING: I included in my Notice that
14:29:24 15 I'd be discussing creation of the COLORWORX mark, and
14:29:27 16 these documents --

14:29:27 17 MR. CHALKER: And Mr. Osterloh has
14:29:28 18 testified to that effect.

14:29:41 19 Q. (BY MR. BELING) Mr. Osterloh, I'll discuss
14:29:43 20 Exhibit 11, which is printouts from a website called
14:29:47 21 smartpress.com on the 7th of January, 2014, which I've
14:29:53 22 served on Mr. Chalker, and it's relevant to the creation
14:29:57 23 of the design portion of your mark.

14:30:03 24 Do you recall reading any documents from
14:30:07 25 the Smart Press company and their sales of printed goods

14:30:15 1 and services, such as business cards, brochures,
14:30:19 2 envelopes and calendars?

14:30:20 3 MR. CHALKER: Object to the question --
14:30:21 4 Well, first object to the exhibit, as it is not before
14:30:25 5 Mr. Osterloh. Object to the question, as it is outside
14:30:29 6 the scope of the Notice of Deposition and irrelevant.

14:30:33 7 A. No, I do not recall it.

14:30:44 8 Q. (BY MR. BELING) Mr. Osterloh, how would you
14:30:46 9 describe the design portion of Ennis's COLORWORX mark?

14:30:53 10 A. I would design (sic) it as the four primary
14:30:57 11 colors that are used to -- or that, I'm sorry, that are
14:31:00 12 used in the process known as four-color process
14:31:04 13 printing, and surrounded -- I'm sorry, surrounding a
14:31:10 14 cross hair. I believe it's in a circle.

14:31:12 15 Q. Okay. And what is your opinion concerning the
14:31:18 16 use of the cross hairs logo in printing?

14:31:23 17 A. I don't understand the question.

14:31:28 18 Q. Is that a popular logo or design in the
14:31:32 19 printing industry or are you the only company that uses
14:31:36 20 the cross hairs logo?

14:31:38 21 MR. CHALKER: I object to that question, as
14:31:39 22 it's asking the witness to speculate about facts not
14:31:44 23 into evidence.

14:31:46 24 A. There was two questions there. Can I answer
14:31:48 25 them separately?

14:31:49 1 Q. (BY MR. BELING) Of course.

14:31:50 2 THE WITNESS: Could you repeat them,
14:31:52 3 ma'am?

14:32:05 4 (RECORD READ BY THE REPORTER.)

14:32:05 5 A. As far as popularity, I -- I don't know if it's
14:32:09 6 popular or not. Have I seen that in use by other
14:32:13 7 companies? Yes, I have. But I can't tell you about its
14:32:18 8 popularity.

14:32:21 9 Q. (BY MR. BELING) Which other companies have you
14:32:23 10 seen the cross hairs logo used by in the printing
14:32:28 11 industry?

14:32:29 12 A. I don't recall those off the top of my head.

14:32:33 13 Q. But there's at least several?

14:32:35 14 A. That have used a cross hairs within their logo?

14:32:39 15 Q. Yes.

14:32:40 16 A. I would say yes.

14:32:41 17 Q. Okay. Exhibit 12, which I've served on
14:32:53 18 Mr. Chalker on the 8th or 9th of January, 2014, contains
14:32:59 19 printouts which I made from the website fourcolour.com.
14:33:08 20 And fourcolour.com sells book services or prints books,
14:33:17 21 and my question is: Are you aware of the Four Colour
14:33:24 22 Print Group?

14:33:27 23 MR. CHALKER: Object to the question and
14:33:29 24 the exhibit, as it's outside the Notice of the
14:33:31 25 Deposition and it's irrelevant.

14:33:34 1 A. No, I'm not familiar with them.

14:33:37 2 Q. (BY MR. BELING) Okay. Do you have any
14:33:44 3 knowledge of the logo used by the Four Colour Print
14:33:48 4 Group, which is also a cross hairs logo?

14:33:51 5 MR. CHALKER: I renew my objection.

14:33:54 6 A. I am able to see a -- on Exhibit 12, I'm able
14:33:58 7 to see a black-and-white version of that, yes, I am.

14:34:02 8 Q. (BY MR. BELING) Okay. So it appears that, like
14:34:13 9 you said, the cross hairs logo is quite popular in the
14:34:18 10 printing industry, and that other companies use a
14:34:19 11 colored version of the cross hairs logo as well?

14:34:23 12 MR. CHALKER: Object to the question as
14:34:24 13 leading.

14:34:25 14 A. I don't believe I admitted or offered factual
14:34:28 15 information to say that it was popular. I believe I
14:34:31 16 stated that I've seen it before.

14:34:37 17 MR. BELING: Madam Court Reporter, can
14:34:38 18 you please read out the witness's evidence regarding
14:34:43 19 popularity and the logo -- the cross hairs logo in the
14:34:48 20 printing industry? It was about two or three minutes
14:34:50 21 ago.

14:35:17 22 THE REPORTER: Yes, sir. Give me a minute
14:35:17 23 to find it.

14:35:21 24 (RECORD READ BY THE REPORTER.)

14:35:21 25 Q. (BY MR. BELING) Mr. Osterloh, if I put the

14:35:24 1 proposition to you that the logo in front of you is, in
14:35:27 2 fact, colored like the COLORWORX logo, like Ennis's
14:35:33 3 COLORWORX logo, would you dispute that?

14:35:36 4 MR. CHALKER: Objection that the exhibit is
14:35:37 5 not in color; that it calls for Mr. Osterloh to
14:35:41 6 speculate; and it also assumes evidence that -- or
14:35:47 7 assumes facts that are not in evidence; and it's related
14:35:51 8 to -- it's irrelevant to this proceeding.

14:35:57 9 A. With it being black and white, I would not feel
14:36:00 10 comfortable answering that question.

14:36:02 11 MR. BELING: Okay. Well, for the record,
14:36:05 12 I served a color copy on Mr. Chalker on the 8th or 9th
14:36:10 13 of January, 2014.

14:36:15 14 MR. BELING: Madam Court Reporter, you've
14:36:17 15 got the Exhibits 13, 14, and 15, don't you?

14:36:22 16 THE REPORTER: I have 13 and 15 in front of
14:36:22 17 me, and I believe Mr. Osterloh saw 14 earlier, sir.

14:36:22 18 Q. (BY MR. BELING) Mr. Osterloh, does Ennis, Inc.
14:36:53 19 have any affiliation or ties to any of the businesses
14:36:57 20 I've questioned you about in the last half an hour to
14:37:00 21 one hour?

14:37:01 22 A. Without looking those accounts up specifically
14:37:04 23 in our account list, I would not know that answer.

14:37:10 24 Q. But those names that I've mentioned don't ring
14:37:13 25 a bell?

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14:37:14	1	A. Those names don't ring a bell. But we have
14:37:18	2	tens of thousands of customers, so that is not out of
14:37:24	3	the ordinary.

ESTTA Tracking number: **ESTTA456748**

Filing date: **02/15/2012**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Notice of Opposition

Notice is hereby given that the following party opposes registration of the indicated application.

Opposer Information

Name	Ennis, Inc.		
Entity	Corporation	Citizenship	Texas
Address	2441 Presidential Parkway Midlothian, TX 76065 UNITED STATES		

Attorney information	Scott A. Meyer Chalker Flores, LLP 14951 N. Dallas Parkway Suite 400 Dallas, TX 75254 UNITED STATES smeyer@chalkerflores.com,docket@chalkerflores.com,cminchillo@chalkerflores.com Phone:214-866-0001
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Applicant Information

Application No	85324443	Publication date	01/17/2012
Opposition Filing Date	02/15/2012	Opposition Period Ends	02/16/2012
International Registration No.	NONE	International Registration Date	NONE
Applicant	Beling, Joel L 1 Mirboo Court Dallas, Victoria, 3047 AUSTRALIA		

Goods/Services Affected by Opposition

Class 016.

Opposed goods and services in the class: Art prints; Color prints; Graphic fine art prints; Graphic prints and representations; Organizational kits containing calendars, stationery, planning folders, templates and printed guidelines for planning social events; Packaged kits comprising printed instructional, educational, and teaching materials for educational activities in the field of superhero and cartoon characters; Paper stationery with inspirational messages imprinted thereon; Partially printed forms; Pictorial prints; Polyester film for use as a paper substitute for dry toner xerographic imaging, namely, laser printing, color copier printing, dry toner printing, screen printing, and offset printing; Print engravings; Print letters and blocks; Printed art reproductions; Printed calendars; Printed certificates; Printed certificates for sports and/or entertainment fans; Printed certificates in the field of sports and/or entertainment; Printed children's coloring pages; Printed collector cards made primarily of paper and also including metal; Printed collector cards made primarily of paper but also including metal; Printed emblems; Printed forms; Printed graphs; Printed greeting cards with electronic information stored therein; Printed holograms; Printed material in the nature of color samples; Printed materials, namely, curricula in the field of superhero and cartoon characters; Printed materials, namely, journals featuring superhero and cartoon characters; Printed materials, namely, novels and series of fiction books and short stories featuring scenes and characters based on video

games; Printed materials, namely, press releases featuring superhero and cartoon characters; Printed materials, namely, written articles in the field of superhero and cartoon characters; Printed matter, namely, paper signs, books, manuals, curriculum, newsletters, informational cards and brochures in the field of superhero and cartoon characters; Printed music books; Printed news releases in the field of superhero and cartoon characters; Printed pamphlets, brochures, manuals, books, booklets, leaflets, flyers, informational sheets and newsletters, adhesive backed stickers, and kits comprising one or more of the foregoing materials in the field of superhero and cartoon characters; Printed paper labels; Printed paper signs; Printed patterns; Printed periodicals in the field of movies; Printed periodicals in the field of music; Printed periodicals in the field of plays; Printed periodicals in the field of tourism; Printed wine and beer bottle labels incorporating a feature that changes color in response to fluctuation in temperature of the contents of the bottle to which the label is affixed; Prints; Prints in the nature of superhero and cartoon characters;


Class 041.

Opposed goods and services in the class: Film and video production; Film and video production consulting services; Film production; Media production services, namely, video and film production; Motion picture film production; Multimedia entertainment services in the nature of development, production and post-production services in the fields of video and films; Multimedia entertainment services in the nature of recording, production and post-production services in the fields of music, video, and films; Production of DVDs, videotapes and television programs featuring superhero and cartoon characters; Production of films; Special effects animation services for film and video;

Grounds for Opposition

Priority and likelihood of confusion	Trademark Act section 2(d)
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Mark Cited by Opposer as Basis for Opposition

U.S. Registration No.	3372884	Application Date	08/23/2005
Registration Date	01/22/2008	Foreign Priority Date	NONE
Word Mark	COLORWORX		
Design Mark			
Description of Mark	NONE		
Goods/Services	Class 040. First use: First Use: 2002/08/00 First Use In Commerce: 2002/08/00 Printing Services		

Attachments	78698743#TMSN.jpeg (1 page)(bytes) Notice of Opposition.pdf (9 pages)(39324 bytes)
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Certificate of Service

The undersigned hereby certifies that a copy of this paper has been served upon all parties, at their address record by First Class Mail on this date.

Signature	/s/ Scott A. Meyer
Name	Scott A. Meyer
Date	02/15/2012

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In Re: Application Serial No. 85/324,443
For the Mark: COLOR WARS
Filed: May 18, 2011
Published in the Official Gazette: January 17, 2012

)	
Ennis, Inc.)	
)	
Opposer)	
)	
v.	)	Opp. No. _____
)	
)	
Joel L. Beling d/b/a Supa Characters Pty Ltd)	
)	
Applicant)	
)	
)	

NOTICE OF OPPOSITION

Opposer, ENNIS, INC., a Texas corporation, having offices at 2441 Presidential Parkway, Midlothian, Texas 76065 (“Ennis” and/or “Opposer”), believes that it will be damaged by registration of the mark shown in Application Serial No. 85/324,443 by Joel L. Beling d/b/a Supa Characters Pty Ltd, having a listed business address of 1 Mirboo Court, Dallas, Victoria 3047, Australia (“Beling” and/or “Applicant”), and hereby opposes the same and requests that the registration to the Application be refused.

As grounds for opposition, Opposer alleges as follows:

1. On May 18, 2011, Applicant filed an application to register the mark COLOR WARS in International Classes 016, 028 and 041 for the following as shown in Application Serial No. 85/324,443 (the “Applicant’s Mark”):

International Class: 016

Adhesive bands for stationery or household purposes; Adhesive foils stationery; Adhesive tape dispensers for household or stationery use; Adhesive tapes for stationery or household purposes; Adhesive tapes for stationery purposes; Adhesives for stationery and household use; Adhesives for stationery or household purposes; Adhesives for stationery purposes; Adhesives in the form of tape for stationery; Art prints; Automatic paper clip dispensing machines for office or stationery use; Books in the field of superhero and cartoon characters; Brochures about superhero and cartoon characters; Cartoon prints; Cartoon strips; Color pencils; Color prints; Colorboard; Colored craft and art sand; Coloring books; Comic books; Comic magazines; Comic strips; Comic strips appearing in newspapers and other media; Comic strips' comic features; Comics; Desk mounted stationery cabinets; Desktop stationery cabinets; Dispensers for adhesive tapes for stationery or household purposes; Educational publications, namely, educational learning cards, flash cards, activity cards, workbooks, textbooks, activity books, story books, puzzle books, printed puzzles, teacher guides, manuals, posters and educational booklets in the field of superhero and cartoon characters; Envelopes for stationery use; File pockets; Glitter glue for stationery purposes; Glitter pens for stationery purposes; Glue for stationery or household purposes; Glue for stationery or household use; Glue pens for stationery purposes; Glue sticks for stationery or household use; Graphic fine art prints; Graphic prints and representations; Gummed tape for stationery or household use; Liquid paint felt tip marking and coloring applicators; Magazine columns about superhero and cartoon characters; Magazine sections in the field of superhero and cartoon characters; Magazine supplements to newspapers in the field of superhero and cartoon characters; Magazines in the field of superhero and cartoon characters; Newsletters in the field of superhero and cartoon characters; Newspaper cartoons; Newspaper comic strips; Office paper stationery; Office stationery; Organizational kit used in planning the design and apparel for special events containing color selection sample sheets, planning folders and fabric swatches; Organizational kits containing calendars, stationery, planning folders, templates and printed guidelines for planning social events; Organizers for stationery use; Packaged kits comprising printed instructional, educational, and teaching materials for educational activities in the field of superhero and cartoon characters; Paper stationery; Paper stationery with inspirational messages imprinted thereon; Partially printed forms; Paste for handicraft, for stationery or household purposes (banjaku-nori); Paste for stationery or household purposes; Pastes and other adhesives for stationery or household purposes; Pencil ornaments; Personalized coloring books for children; Photographic prints; Pictorial prints; Polyester film for use as a paper substitute for dry toner xerographic imaging, namely, laser printing, color copier printing, dry toner printing, screen printing, and offset printing; Print engravings; Print letters and blocks; Printed art reproductions; Printed calendars; Printed certificates; Printed certificates for sports and/or entertainment fans; Printed certificates in the field of sports and/or entertainment; Printed children's coloring pages; Printed collector cards made primarily of paper and also including metal; Printed collector cards

made primarily of paper but also including metal; Printed emblems; Printed forms; Printed graphs; Printed greeting cards with electronic information stored therein; Printed holograms; Printed material in the nature of color samples; Printed materials, namely, curricula in the field of superhero and cartoon characters; Printed materials, namely, journals featuring superhero and cartoon characters; Printed materials, namely, novels and series of fiction books and short stories featuring scenes and characters based on video games; Printed materials, namely, press releases featuring superhero and cartoon characters; Printed materials, namely, written articles in the field of superhero and cartoon characters; Printed matter, namely, paper signs, books, manuals, curriculum, newsletters, informational cards and brochures in the field of superhero and cartoon characters; Printed music books; Printed news releases in the field of superhero and cartoon characters; Printed pamphlets, brochures, manuals, books, booklets, leaflets, flyers, informational sheets and newsletters, adhesive backed stickers, and kits comprising one or more of the foregoing materials in the field of superhero and cartoon characters; Printed paper labels; Printed paper signs; Printed patterns; Printed periodicals in the field of movies; Printed periodicals in the field of music; Printed periodicals in the field of plays; Printed periodicals in the field of tourism; Printed wine and beer bottle labels incorporating a feature that changes color in response to fluctuation in temperature of the contents of the bottle to which the label is affixed; Prints; Prints in the nature of superhero and cartoon characters; Protractors; Publications, namely, brochures, booklets, and teaching materials in the field of superhero and cartoon characters; Publications, namely, books, journals, magazines and comic books in the fields of superhero and cartoon characters; Red algae gelatine glue, for stationery or household purposes (funori); Reinforced stationery tabs; Seals; Self-adhesive tapes for stationery and household purposes; Souvenir programs concerning superhero and cartoon characters; Stationery; Stationery boxes; Stationery cases; Stationery folders; Stationery writing paper and envelopes; Stationery-type portfolios; Stickers; Syndicated columns dealing with superhero and cartoon characters; Syndicated magazine sections dealing with superhero and cartoon characters; Syndicated newspaper columns dealing with superhero and cartoon characters; Workbooks directed to superhero and cartoon characters

International Class: 028

Action figure toys; Action figures; Action figures and accessories therefor; Action skill games; Action target games; Action-type target games; Aero-dynamic disk for use in playing catching games; Amusement game machines; Amusement park rides; Apparatus for electronic games other than those adapted for use with an external display screen or monitor; Arcade game machines; Arcade game machines activated by medals or tokens; Arcade game machines for team play; Arcade games; Arcade racing game machines; Arcade redemption game machines which dispense tickets or the like to successful players; Arcade virtual shooting game machines; Arcade-type electronic education video games; Arcade-type electronic video games; Articles of clothing for toys; Athletic equipment, namely, striking shields; Balloons; Bath toys; Bathtub toys; Battery operated action toys;

Battery-powered computer game with LCD screen; Bean bag dolls; Bendable toys; Electric action toys; Electric toy train transformers; Electronic action toys; Electronic learning toys; Electronic novelty toys, namely, toys that electronically record, play back, and distort or manipulate voices and sounds; Electronic toy building blocks that light up as a night light; Electronic toy vehicles; Electronically operated toy motor vehicles; Fantasy character toys; Infant toys; Inflatable bath toys; Inflatable toys; Mechanical toys; Miniature toy helmets; Model toy vehicles; Modeled plastic toy figurines; Non-electronic toy vehicles; Non-riding transportation toys; Plastic character toys; Plush toys; Positionable printed toy figures for use in games; Positionable printed toy figures for use in puzzles; Positionable toy figures; Printing toys; Pull toys; Push toys; Radio controlled toy vehicles; Ride-on toys; Rideable toy vehicles; Role playing toys in the nature of play sets for children to imitate real life occupations; Sand toys; Sandbox toys; Soft sculpture plush toys; Soft sculpture toys; Squeezable squeaking toys; Stuffed and plush toys; Stuffed toys; Toy action figures; Toy action figures and accessories therefor; Toy airplanes; Toy and novelty face masks; Toy armor; Toy balloons; Toy boats; Toy cars; Toy figures; Toy guns; Toy masks; Toy model cars; Toy robots; Toy swords; Toy tools; Toy trains and parts and accessories therefor; Toy vehicles; Toy vehicles and accessories therefor; Toy vehicles with transforming parts; Toy vehicles, namely, caster boards; Toy watches; Toy water globes; Toy weapons; Toy zip guns; Toys, namely, children's dress-up accessories; Toys, namely, puppets and accessories therefor; Transforming robotic toy vehicles; Transforming robotic toys; Water squirting toys; Water toys; Wind-up toys; Wind-up walking toys

International Class: 041

Educational and entertainment services, namely, a continuing program about superhero and cartoon characters accessible by radio, television, satellite, audio, video and computer networks; Educational and entertainment services, namely, providing motivational and educational speakers; Entertainment and education services in the nature of a series of short shows featuring superhero and cartoon characters distributed to mobile handsets, which may include video, text, photos, illustrations or hypertext; Entertainment and education services in the nature of live dance and musical performances; Entertainment and education services, namely, providing recognition and incentives by way of celebrations and awards to girls from underserved communities who have completed their high school careers successfully and who are going on to college; Entertainment and educational services in the nature of on-line competitions in the field of entertainment, education, culture, sports, and other non-business and non-commercial fields; Entertainment and educational services, namely, providing a website that displays various requests, reviews, recommendations, rankings, trackings, votes, and information relating to uncreated, unreleased, new, special, popular, and rare products, services, and events in the fields of pop culture, entertainment, education, and sports, all exclusively for non-business and non-commercial transactions and purposes; Entertainment and educational services, namely, providing advice and information for music, video and film concept and

script development; Entertainment and educational services, namely, the presentation of seminars, lectures, workshops and panel discussions, and ongoing television and radio talk shows all in the field of public interest concerning superhero and cartoon characters; Entertainment and educational services, namely, the presentation of seminars, workshops and panel discussions, and ongoing television and radio shows all in the field of superhero and cartoon characters; Entertainment in the nature of on- going television programs in the field of superhero and cartoon characters; Entertainment in the nature of visual and audio performances by superhero and cartoon characters; Entertainment in the nature of visual and audio performances, and musical, variety, news and comedy shows; Entertainment in the nature of visual and audio performances, namely, musical band, rock group, gymnastic, dance, and ballet performances; Entertainment in the nature of visual and audio performances by an actor; Entertainment information; Entertainment information services, namely, providing information and news releases about a musical artist; Entertainment media production services for motion pictures, television and Internet; Entertainment services in the nature of a non-fiction television programming series on topics relating to family stories told by family members to preserve their heritage; Entertainment services in the nature of on-going television programs in the field of children's entertainment; Entertainment services, namely, displaying a series of films; Entertainment services, namely, planning and conducting a series of film festivals; Entertainment services, namely, providing a web site featuring non-downloadable musical performances, musical videos, related film clips, photographs, and other multimedia materials featuring superhero and cartoon characters; Entertainment, namely, a continuing superhero and cartoon characters; show broadcast over television, satellite, audio, and video media; Film and video film production; Film and video production; Film and video production consulting services; Film production; Film studios; Media production services, namely, video and film production; Motion picture film production; Multimedia entertainment services in the nature of development, production and post-production services in the fields of video and films; Multimedia entertainment services in the nature of recording, production and post-production services in the fields of music, video, and films; Operating of film studios; Production of DVDs, videotapes and television programs featuring superhero and cartoon characters; Production of films; Production of television and radio programmes; Production of television programs; Providing information and articles in the field of film, filmmaking, and entertainment via a global computer network; Providing online non-downloadable comic books and graphic novels; Provision of information relating to distribution of television shows, motion picture film and radio shows; Provision of information relating to television, motion picture film, audio and radio production; Provision of non-downloadable films and movies via a video-on-demand service; Provision of non-downloadable films and television programmes via a video-on-demand service; Special effects animation services for film and video; Television, video and movie filming services

2. Opposer is the owner of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX[®] (“Opposer’s Mark”). Opposer’s Mark is valid, subsisting, and in full force and effect. Since as early as August, 2002, Opposer, its predecessors, or its related companies have continuously used the COLORWORX Mark in interstate commerce as a trademark for a variety of printing goods and printing services including, but not limited to, business cards, letterhead, sell sheets, rack cards, postcards, brochures and posters (“Opposer’s Goods”). Opposer’s Mark has also continuously appeared in substantial advertising and promotion of Opposer’s printing goods and printing services, such that the mark is closely identified with Opposer’s Goods and has gained very valuable public recognition. Opposer has established an outstanding reputation as to the quality of its products sold under the COLORWORX Mark.

3. Opposer has continuously used its Mark in interstate commerce since long prior to any date upon which Applicant can rely. By virtue of its sales of high-quality products bearing Opposer’s Mark in interstate commerce, its expenditures of considerable sums for promotional activities and the excellence of its products, Opposer has developed significant goodwill in its Mark and a valuable reputation.

4. Opposer’s trademark rights for the COLORWORX Mark has priority over Applicant’s Mark, inasmuch as Opposer has continuously used its Mark since it commenced use of its Mark, and Applicant’s application lists a filing date of May 18, 2011, and is listed as an intent-to-use application claiming priority pursuant to Section 44(d) of the Trademark Act, 15 U.S.C. § 1126.

5. Applicant’s Mark so resembles Opposer’s Mark that has been and is currently used, as to be likely to cause confusion, or cause mistake, or to deceive, in violation of Section

2(d) of The Trademark Act, 15 U.S.C. §1052(d), when used on or in connection with Applicant's Goods.

6. Under the circumstances, registration of Applicant's Mark will injure Opposer by causing the trade and/or purchasing public to be confused and/or deceived into believing that Applicant's Goods are those of Opposer or are sponsored by Opposer, to Opposer's damage and detriment, and will place a cloud over Opposer's title to its COLORWORX Mark in violation of Section 2(d) of the Trademark Act, 15 U.S.C. §1052(d).

7. Opposer's COLORWORX Mark was well established long before the filing date of Applicant's subject application, and at the time that Applicant filed the subject Application. Registration of Applicant's Mark would diminish and dilute the distinctive quality of Opposer's rights in its COLORWORX Mark in violation of 15 U.S.C. §1125(c). Moreover, registration of Applicant's Mark would diminish the advertising value of Opposer's Mark, and such registration would, in the event of any quality problems involving the goods offered by Applicant, tarnish the distinctiveness of Opposer's Mark.

8. Applicant's Mark is the same as, or substantially the same as, Opposer's Mark, including in visual appearance and in pronunciation.

9. Applicant's Mark is likely to and/or has diluted and lessened the capacity of Opposer's Mark to identify and distinguish Opposer's Goods.

10. Applicant's Mark so resembles Opposer's continuously used and well-known Mark as to be likely, when used in connection with the goods as set forth in Applicant's application, to lessen the capacity of Opposer's Mark to identify and distinguish Opposer's Goods.

11. The subject application should be refused because Opposer's rights of continuing its present use of its Mark in commerce are, or would be, threatened by Applicant's registration of Applicant's Mark for Applicant's Goods, and because Opposer's business would otherwise be damaged by Applicant's registration of Applicant's Mark for Applicant's Goods.

WHEREFORE, Opposer believes that it will be damaged by registration of Applicant's COLOR WARS mark and prays that the Trademark Trial and Appeal Board sustain this opposition and refuse to register Application Serial No. 85/324,443 with prejudice.

Dated: February 15, 2012

Respectfully submitted,

CHALKER FLORES, LLP

By: /s/ Scott A. Meyer

Scott A. Meyer
State Bar No. 24013162
Thomas G. Jacks
State Bar No. 24067681
14951 N. Dallas Parkway, Suite 400
Dallas, Texas 75254
(214) 866-0001 (telephone)
(214) 866-0010 (telecopy)
smeyer@chalkerflores.com
tjacks@chalkerflores.com

ATTORNEYS FOR OPPOSER

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing NOTICE OF OPPOSITION was served on all parties, this the 15th day of February, 2012, by sending the same electronically through the Electronic System for Trademark Trials and Appeals (“ESTTA”) and first class mail, postage prepaid, to the following:

Joel L. Beling
1 Mirboo Court
Dallas, Victoria 3047
Australia

To our knowledge, Applicant is not domiciled in the United States and is not represented by an attorney or other authorized representative in the United States. Pursuant to 37 C.F.R. § 2.119(d), Opposer hereby requests that the USPTO TTAB send a copy of the foregoing NOTICE OF OPPOSITION directly to the Applicant.

/s/ Scott A. Meyer

Scott A. Meyer

ESTTA Tracking number: **ESTTA636384**

Filing date: **10/31/2014**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91203884
Party	Plaintiff Ennis, Inc.
Correspondence Address	DANIEL J CHALKER CHALKER FLORES LLP 14951 N DALLAS PARKWAY, SUITE 400 DALLAS, TX 75254 UNITED STATES dchalker@chalkerflores.com, jflores@chalkerflores.com, dock- et@chalkerflores.com, cminchillo@chalkerflores.com
Submission	Motion for Summary Judgment
Filer's Name	Daniel J Chalker
Filer's e-mail	dchalk- er@chalkerflores.com,cminchillo@chalkerflores.com,docket@chalkerflores.com
Signature	/Daniel J Chalker/
Date	10/31/2014
Attachments	Opps_MSJ_Opposition_103114.pdf(5622307 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In Re: Application Serial No. 85/324,443
For the Mark: COLOR WARS
Filed: May 18, 2011
Published in the Official Gazette: January 17, 2012

Ennis, Inc.)	
)	
Opposer)	
)	
v.	)	Opposition No. 91203884
)	
Joel L. Beling d/b/a Supa Characters Pty Ltd)	
)	
Petitioner)	

OPPOSER’S MOTION FOR SUMMARY JUDGMENT

Opposer, Ennis, Inc., by and through its undersigned counsel hereby moves, pursuant to Fed. R. Civ. P. 56 and TBMP § 528.02 for entry of summary judgment in Opposer’s favor in Opposition No. 91203884 on the grounds that there is no genuine dispute as to any material fact and Opposer is entitled to judgment as a matter of law.

In accordance with TBMP § 528.03, Opposer requests that the Trademark Trial and Appeal Board (the “Board”) suspend the Opposition pending a decision on the Motion for Summary Judgment, and if summary judgment is denied that the proceeding dates be reset.

I. SUMMARY JUDGMENT STANDARD

“A party may move for summary judgment, identifying each claim or defense — or the part of each claim or defense — on which summary judgment is sought. The court shall grant summary judgment if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(a). The Board encourages the summary judgment procedure in appropriate situations. *See, e.g., Sweats*

Fashions Inc. v. Pannill Knitting Co., 833 F.2d 1560, 4 USPQ2d 1793 (Fed. Cir. 1987). Summary judgment is appropriate when “there is an absence of evidence to support the nonmoving party.” TBMP § 528.01 (citing *Celotex Corp. v. Catrett*, 477 U.S. 317, 323-24 (1986)).

“The types of evidence that may be submitted in support of, or in opposition to, a motion for summary judgment include ‘depositions, documents, electronically stored information, affidavits or declarations, stipulations (including those made for purposes of the motion only), admissions, interrogatory answers, or other materials,’ affidavits or declarations, and other materials in the record.” TBMP § 528.05(a)(1). Copies printed from the USPTO’s TSDR or TESS database may also be submitted as evidence. *See* TBMP § 528.05(d)-(e). These “materials may be submitted as attachments or exhibits to a party’s brief or affidavit in support of the motion.” *Id.* Denials, unsupported arguments or statements, and unsupported conclusions do not raise genuine issues of material fact. *See, e.g., Sweats Fashions Inc. v. Pannill Knitting Co.*, 833 F.2d 1560, 4 USPQ2d 1793, 1797 (Fed. Cir. 1987); *Levi Strauss & Co., Genesco, Inc.*, 742 F.2d 1401, 222 USPQ 939, 941 (Fed. Cir. 1984).

II. STATEMENT OF ISSUES TO BE DECIDED BY THE COURT

The issues in Opposition No. 91203884 are: (1) whether Opposer has standing to bring the Opposition; (2) whether Opposer will likely be damaged by the registration of Applicant’s mark COLOR WARS in International Classification 016; and (3) whether Applicant is entitled under law to register its mark COLOR WARS in International Classification 016, or alternatively, if Applicant is required to amend its description of goods and services in International Classification 016.

III. STATEMENT OF UNDISPUTED MATERIAL FACTS

Opposer is the owner of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX and design for printing services. (Exhibit A).

Opposer's U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX and design for printing services comprises the term COLORWORX and a design element. (Exhibit A).

Opposer filed U.S. Trademark Application Serial No. 78/698,743 for the mark COLORWORX and design for printing services on August 23, 2005. (Exhibit A; Exhibit B)

Opposer first used the mark COLORWORX and design for printing services at least as early as August 2002. (Exhibit A; Exhibit C).

Opposer has continuously used the mark COLORWORX and design for printing services since at least as early as August 2002. (Exhibit C).

Applicant filed U.S. Trademark Application Serial No. 85/324,443 for the mark COLOR WARS for classes 016, 028 and 041 on May 18, 2011 based on an intent to use the mark in commerce. (Exhibit D).

Applicant amended the identification of some of the goods and services in U.S. Trademark Application Serial No. 85/324,443 to be limited to the "field of superhero and cartoon characters" on May 18, 2011. (Exhibit E).

Applicant's U.S. Trademark Application Serial No. 85/324,443 for the mark COLOR WARS for classes 016, 028 and 041 was published for Opposition on May 18, 2011. (Exhibit F).

Opposer timely filed this opposition to Applicant's U.S. Trademark Application Serial No. 85/324,443 for the mark COLOR WARS for class 016 on February 15, 2012. (Notice of Opposition).

IV. OPPOSER HAS STANDING

Opposer, Ennis, Inc., is the owner of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX and design, who has a real interest in the outcome of the proceeding, and who believes that it would be damaged by the registration of the COLOR WARS mark. (Exhibit A; Exhibit C). Applicant admits that Opposer's trademark rights for the mark COLORWORX and design has priority over Applicant's mark COLOR WARS. (Exhibit G-1, Request for Admission No. 9 and Exhibit G-2, Response to Request for Admission No. 9).

There is no genuine dispute as to any material fact regarding Opposer's standing and Opposer is entitled to judgment as a matter of law that Opposer has standing to bring this Opposition.

V. OPPOSER IS LIKELY TO BE DAMAGED BY REGISTRATION

Registration of Applicant's mark COLOR WARS will likely damage or harm Opposer for at least the following reasons:

1. The identification of goods in International Classification 016 of U.S. Trademark Application Serial No. 85/324,443 for the mark COLOR WARS lists numerous items that are printed goods and are not restricted to the 'field of superhero and cartoon characters.' Many of these non-field restricted printed goods fall within the target market of Ennis and its distributors under the mark COLORWORX and design.
2. The mark COLOR WARS is very similar to COLORWORX used in the mark COLORWORX and design in that they sound much the same when spoken, and visually a space is added between the R and W, the third O is replaced by an A and the X is replaced by a S.

3. Ennis views the non-field restricted printed goods and the similarity of the words as an intention to use the mark COLOR WARS within the printing industry.

4. If the mark COLOR WARS was used within our traditional business segment, there would be significant confusion due to both terms beginning with “COLOR W”.

5. Mr. Beling’s efforts to cancel our mark COLORWORX and design reinforces our concern that he may target our market using the mark COLOR WARS.

6. Mr. Beling’s refusal to agree to not use the mark COLOR WARS to market or sell printing within our traditional market segment further reinforces our concern that he may target our market using the mark COLOR WARS.

6. Mr. Beling’s refusal to amend the identification of goods in International Classification 016 of U.S. Trademark Application Serial No. 85/324,443 for the mark COLOR WARS to restrict the printed goods to the ‘field of superhero and cartoon characters’ further reinforces our concern that he may target our market using the mark COLOR WARS.

7. Mr. Beling’s contempt for U.S. companies and the U.S. legal system as evidenced by pleadings and communications further reinforces our concern that he may target our market using the mark COLOR WARS.

(Exhibit C). Applicant’s conduct in this proceeding provides a reasonable basis for Opposer’s belief that damage or harm is likely. *Id.*

There is no genuine dispute as to any material fact that Opposer believes that the registration of Applicant's mark COLOR WARS in International Classification 016 will damage or harm Opposer. Opposer is entitled to judgment as a matter of law that Opposer is likely to be damaged or harmed by the registration of Applicant's mark COLOR WARS in International Classification 016.

VI. LIKELIHOOD OF CONFUSION

A. A LIKELIHOOD OF CONFUSION EXISTS

The relevant likelihood of confusion factors in this proceeding are the similarity of the appearance and sound of the marks, the goods/services provided or intended to be provided under the marks, and any likelihood of expansion of Applicant's goods/services.

Applicant's mark COLOR WARS is similar in appearance and sound because they sound much the same when spoken, and visually a space is added between the R and W, the third O is replaced by an A and the X is replaced by a S. (Exhibit C; *compare* Exhibit A *with* Exhibit D).

Applicant's mark COLOR WARS includes goods that result from printing services:

Adhesive bands for stationery or household purposes; Adhesive foils stationery;

Adhesive tape dispensers for household or stationery use; Adhesive tapes for stationery or household purposes; Adhesive tapes for stationery purposes;

Adhesives for stationery and household use; Adhesives for stationery or household purposes; Adhesives for stationery purposes; Adhesives in the form of

tape for stationery; Art prints; Automatic paper clip dispensing machines for office or stationery use; Books in the field of superhero and cartoon characters;

Brochures about superhero and cartoon characters; Cartoon prints; Cartoon strips;

Color pencils; Color prints; Colorboard; Colored craft and art sand; Coloring

books; Comic books; Comic magazines; Comic strips; Comic strips appearing in newspapers and other media; Comic strips' comic features; Comics; Desk mounted stationery cabinets; Desktop stationery cabinets; Dispensers for adhesive tapes for stationery or household purposes; Educational publications, namely, educational learning cards, flash cards, activity cards, workbooks, textbooks, activity books, story books, puzzle books, printed puzzles, teacher guides, manuals, posters and educational booklets in the field of superhero and cartoon characters; Envelopes for stationery use; File pockets; Glitter glue for stationery purposes; Glitter pens for stationery purposes; Glue for stationery or household purposes; Glue for stationery or household use; Glue pens for stationery purposes; Glue sticks for stationery or household use; Graphic fine art prints; Graphic prints and representations; Gummed tape for stationery or household use; Liquid paint felt tip marking and coloring applicators; Magazine columns about superhero and cartoon characters; Magazine sections in the field of superhero and cartoon characters; Magazine supplements to newspapers in the field of superhero and cartoon characters; Magazines in the field of superhero and cartoon characters; Newsletters in the field of superhero and cartoon characters; Newspaper cartoons; Newspaper comic strips; Office paper stationery; Office stationery; Organizational kit used in planning the design and apparel for special events containing color selection sample sheets, planning folders and fabric swatches; Organizational kits containing calendars, stationery, planning folders, templates and printed guidelines for planning social events; Organizers for stationery use; Packaged kits comprising printed instructional, educational, and teaching

materials for educational activities in the field of superhero and cartoon characters; Paper stationery; Paper stationery with inspirational messages imprinted thereon; Partially printed forms; Paste for handicraft, for stationery or household purposes (banjaku-nori); Paste for stationery or household purposes; Pastes and other adhesives for stationery or household purposes; Pencil ornaments; Personalized coloring books for children; Photographic prints; Pictorial prints; Polyester film for use as a paper substitute for dry toner xerographic imaging, namely, laser printing, color copier printing, dry toner printing, screen printing, and offset printing; Print engravings; Print letters and blocks; Printed art reproductions; Printed calendars; Printed certificates; Printed certificates for sports and/or entertainment fans; Printed certificates in the field of sports and/or entertainment; Printed children's coloring pages; Printed collector cards made primarily of paper and also including metal; Printed collector cards made primarily of paper but also including metal; Printed emblems; Printed forms; Printed graphs; Printed greeting cards with electronic information stored therein; Printed holograms; Printed material in the nature of color samples; Printed materials, namely, curricula in the field of superhero and cartoon characters; Printed materials, namely, journals featuring superhero and cartoon characters; Printed materials, namely, novels and series of fiction books and short stories featuring scenes and characters based on video games; Printed materials, namely, press releases featuring superhero and cartoon characters; Printed materials, namely, written articles in the field of superhero and cartoon characters; Printed matter, namely, paper signs, books, manuals, curriculum, newsletters,

informational cards and brochures in the field of superhero and cartoon characters; Printed music books; Printed news releases in the field of superhero and cartoon characters; Printed pamphlets, brochures, manuals, books, booklets, leaflets, flyers, informational sheets and newsletters, adhesive backed stickers, and kits comprising one or more of the foregoing materials in the field of superhero and cartoon characters; Printed paper labels; Printed paper signs; Printed patterns; Printed periodicals in the field of movies; Printed periodicals in the field of music; Printed periodicals in the field of plays; Printed periodicals in the field of tourism; Printed wine and beer bottle labels incorporating a feature that changes color in response to fluctuation in temperature of the contents of the bottle to which the label is affixed; Prints; Prints in the nature of superhero and cartoon characters; Protractors; Publications, namely, brochures, booklets, and teaching materials in the field of superhero and cartoon characters; Publications, namely, books, journals, magazines and comic books in the fields of superhero and cartoon characters; Red algae gelatine glue, for stationery or household purposes (funori); Reinforced stationery tabs; Seals; Self-adhesive tapes for stationery and household purposes; Souvenir programs concerning superhero and cartoon characters; Stationery; Stationery boxes; Stationery cases; Stationery folders; Stationery writing paper and envelopes; Stationery-type portfolios; Stickers; Syndicated columns dealing with superhero and cartoon characters; Syndicated magazine sections dealing with superhero and cartoon characters; Syndicated newspaper columns dealing with superhero and cartoon characters; Workbooks directed to superhero and cartoon characters

(Exhibit D). As a result, Applicant's goods overlap and are confusingly similar to the printing services provided by Opposer under its mark COLORWORX and design mark.

Applicant plans on licensing and/or selling his COLOR WARS mark and brand to anyone and everyone that is interested:

INTERROGATORY NO. 22: Describe in detail why an amendment of the goods listed in International Class 016 in U.S. Trademark Application Serial No. 85/324,443 for Applicant's mark "COLOR WARS" to specify that the goods are related to, in the field of, about, featuring, in the nature of, concerning, dealing with or directed to "superhero and cartoon characters" is objectionable to You.

ANSWER: [objections omitted]

Apart from the above objections, the applicant responds as follows. Because the applicant's business is not limited to "superhero and cartoon characters." There are many possible versions of the COLOR WARS Mark and Brand which do not involve superheroes and cartoon characters. The concept, story and characters underpinning the COLOR WARS Mark are entirely adaptable to suit the needs of the third party licensor. For example, if Disney wished to license the COLOR WARS Mark and characters, then the version produced in the recently produced documents would be the first version presented to Disney. Another version could involve children playing at a kindergarten whose crayons are accidentally dropped in a stream contaminated by radioactive waste and other toxic chemicals. Each child is mysteriously blinded to all colors except for the color of the crayon they picked up from the stream. The kindergarten collapses as a result of an earthquake and the children have to save the kindergarten teacher with the limited vision they

possess. For another example, if a famous clothing company such as Dolce & Gabbana or Gucci wished to license the Mark, the COLOR WARS brand could be adapted to dispense with all the superhero and cartoon features and instead focus on the human versions of the respective color-based characters, or even different versions of a single color, e.g., the Blue Bravado, the Blue Brawler, the Blue Brain, the Blue Bimbo, the Blue Whale, the Blue Mechanic, the Blue Fireman, etc. Likewise, if the Wm. Wrigley Jr. Company wished to license the Mark, the concept, characters and story could be amended to market and sell Skittles confectionary without any superhero or cartoon characters. For example, each Skittle turns into a live-action child based on a color and fights the other characters inside a packet of Skittles. This could be a sixty-second advertisement wherein the Skittles fight inside the packet and then continue the fight inside the mouth of a happy child. The possibilities are endless. The phrase “superhero and cartoon characters” was only used in the application for the COLOR WARS Mark because of the format of the application. The applicant had and has no intention to so limit the COLOR WARS Mark and brand.

(Exhibit H). As a result, Applicant’s intended goods and services are likely to expand into and directly conflict with the printing services provided by Opposer under its mark COLORWORX and design mark.

Based on the foregoing, a likelihood of confusion exists because the marks are similar in appearance and sound, the goods/services provided or intended to be provided under the marks are similar (if not identical in some cases), and it is likely that Applicant will expand its goods/services to enter Opposer’s market. As a result, Opposer submits that a likelihood of

confusion is undisputed in this Opposition, and Opposer is entitled to judgment as a matter of law that there is a likelihood of confusion between Opposer's mark COLOR WORX and design for printing services and Applicant's mark COLOR WARS in International Classification 016 for a multitude of goods.

B. OPPOSER'S COMMON LAW TRADEMARK RIGHTS SUPPORT
OPPOSER'S MOTION FOR SUMMARY JUDGMENT

Opposer claims common law trademark rights to Opposer's unregistered word mark COLORWORX as well as the design mark itself with respect to printing services:

9

9 Q. (BY MR. BELING) Okay. Would you agree that

10 Ennis claims express trademark rights to portions of its

11 COLORWORX mark?

12 MR. CHALKER: Object to the question as

13 leading. Go ahead and answer.

14 A. Yes.

15 Q. (BY MR. BELING) Okay. What -- what aspects of

16 Ennis's COLORWORX mark does Ennis claim rights to?

17 A. The printing services aspect.

18 Q. Okay. But in terms of the actual mark, that

19 is, the term "COLORWORX" and the design elements,

20 what -- what aspects of -- of those two portions does

21 Ennis claim rights to?

22 A. The words "COLORWORX" and the design mark that

23 we've submitted and use in commerce.

24 Q. Okay. And what, if any, rights or claims

25 regarding the two distinct portions of the mark? Do

10

1 you -- do you claim the rights to each portion

2 separately, or how -- how would you characterize your

3 claims to the rights in the mark?

4 MR. CHALKER: Object to the question as

5 it's irrelevant, in that the trademark is the mark in

6 its entirety. Go ahead and answer.

7 MR. BELING: Okay.

8 THE WITNESS: Could you repeat that,

9 please?

10 MR. BELING: Yes.

11 THE WITNESS: No, I apologize.

12 MR. BELING: Sorry. What was that,

13 Mr. Chalker?

14 THE WITNESS: I asked the court reporter to

15 repeat the question, please.

16 MR. BELING: Okay. Will she repeat it or

17 do you want me to say it?

18 THE REPORTER: Just a moment, please.

19 (RECORD READ BY THE REPORTER.)

20 A. I believe, if I'm -- I'd have to go back and
21 check, but I believe that we have the rights to the
22 word, as well as the design mark. So we claim them
23 independently, yes.
24 Q. (BY MR. BELING) Okay.
25 A. But that's my recollection.

11

1 Q. Okay. So you're not claiming -- like, you are
2 claiming, obviously, rights to the mark as a whole, but
3 you are also claiming rights to the two distinct
4 portions?
5 A. I -- We claim the rights to the word,
6 "COLORWORX," all one word, as well as to the design mark
7 itself. Separately, yes.

(Exhibit I)

Opposer's common law trademark rights provide further evidence that: (1) Opposer has standing; (2) Registration of Applicant's mark COLOR WARS will likely damage or harm Opposer; and (3) a likelihood of confusion exists because the marks are similar in appearance and sound, the goods/services provided or intended to be provided under the marks are similar (if not identical in some cases), and it is likely that Applicant will expand its goods/services to enter Opposer's market.

As a result, Opposer submits that a likelihood of confusion is undisputed in this Opposition, and Opposer is entitled to judgment as a matter of law that there is a likelihood of

confusion between Opposer's mark COLORWORX and design for printing services and Applicant's mark COLOR WARS in International Classification 016 for a multitude of goods.

C. ALTERNATIVELY, A LIKELIHOOD OF CONFUSION CAN BE MINIMIZED BY AMENDING APPLICANT'S IDENTIFICATION OF GOODS AND SERVICES

The USPTO required Applicant to amend some of its goods and services to recite the limitation of "in the field of superhero and cartoon characters." (Exhibit F). Although Applicant has refused to further amend his application to settle this proceeding (Exhibit H, Interrogatory No. 22), Opposer believes that such an amendment would minimize the likelihood of confusion assuming Applicant actually restricted its goods/services accordingly. (Exhibit C).

As a result, Opposer is, alternatively, entitled to judgment as a matter of law that a likelihood of confusion between Opposer's mark COLOR WORX and design for printing services and Applicant's mark COLOR WARS in International Classification 016 for a multitude of goods will be minimized if the Board enters an Order amending Applicant's identification of goods in International Classification to:

Adhesive bands for stationery or household purposes; Adhesive foils stationery;
Adhesive tape dispensers for household or stationery use; Adhesive tapes for
stationery or household purposes; Adhesive tapes for stationery purposes;
Adhesives for stationery and household use; Adhesives for stationery or
household purposes; Adhesives for stationery purposes; Adhesives in the form of
tape for stationery; Art prints; Automatic paper clip dispensing machines for
office or stationery use; Books in the field of superhero and cartoon characters;
Brochures about superhero and cartoon characters; Cartoon prints; Cartoon strips;

Color pencils; Color prints **in the field of superhero and cartoon characters**;
Colorboard; Colored craft and art sand; Coloring books; Comic books; Comic
magazines; Comic strips; Comic strips appearing in newspapers and other media;
Comic strips' comic features; Comics; Desk mounted stationery cabinets; Desktop
stationery cabinets; Dispensers for adhesive tapes for stationery or household
purposes; Educational publications, namely, educational learning cards, flash
cards, activity cards, workbooks, textbooks, activity books, story books, puzzle
books, printed puzzles, teacher guides, manuals, posters and educational booklets
in the field of superhero and cartoon characters; Envelopes for stationery use **in**
the field of superhero and cartoon characters; File pockets **in the field of**
superhero and cartoon characters; Glitter glue for stationery purposes; Glitter
pens for stationery purposes; Glue for stationery or household purposes; Glue for
stationery or household use; Glue pens for stationery purposes; Glue sticks for
stationery or household use; Graphic fine art prints; Graphic prints and
representations **in the field of superhero and cartoon characters**; Gummed tape
for stationery or household use; Liquid paint felt tip marking and coloring
applicators; Magazine columns about superhero and cartoon characters; Magazine
sections in the field of superhero and cartoon characters; Magazine supplements
to newspapers in the field of superhero and cartoon characters; Magazines in the
field of superhero and cartoon characters; Newsletters in the field of superhero
and cartoon characters; Newspaper cartoons; Newspaper comic strips; Office
paper stationery **in the field of superhero and cartoon characters**; Office
stationery **in the field of superhero and cartoon characters**; Organizational kit

used in planning the design and apparel for special events containing color selection sample sheets, planning folders **in the field of superhero and cartoon characters** and fabric swatches; Organizational kits containing calendars, stationery, planning folders, templates and printed guidelines for planning social events; Organizers for stationery use; Packaged kits comprising printed instructional, educational, and teaching materials for educational activities in the field of superhero and cartoon characters; Paper stationery **in the field of superhero and cartoon characters**; Paper stationery with inspirational messages imprinted thereon **in the field of superhero and cartoon characters**; Partially printed forms **in the field of superhero and cartoon characters**; Paste for handicraft, for stationery or household purposes (banjaku-nori); Paste for stationery or household purposes; Pastes and other adhesives for stationery or household purposes; Pencil ornaments; Personalized coloring books for children; Photographic prints; Pictorial prints **in the field of superhero and cartoon characters**; Polyester film for use as a paper substitute for dry toner xerographic imaging, namely, laser printing, color copier printing, dry toner printing, screen printing, and offset printing; Print engravings; Print letters and blocks; Printed art reproductions; Printed calendars **in the field of superhero and cartoon characters**; Printed certificates **in the field of superhero and cartoon characters**; Printed certificates for sports and/or entertainment fans **in the field of superhero and cartoon characters**; Printed certificates in the field of sports and/or entertainment **in the field of superhero and cartoon characters**; Printed children's coloring pages **in the field of superhero and cartoon characters**;

Printed collector cards made primarily of paper and also including metal in the field of superhero and cartoon characters; Printed collector cards made primarily of paper but also including metal in the field of superhero and cartoon characters; Printed emblems in the field of superhero and cartoon characters; Printed forms in the field of superhero and cartoon characters; Printed graphs in the field of superhero and cartoon characters; Printed greeting cards with electronic information stored therein in the field of superhero and cartoon characters; Printed holograms in the field of superhero and cartoon characters; Printed material in the nature of color samples in the field of superhero and cartoon characters; Printed materials, namely, curricula in the field of superhero and cartoon characters; Printed materials, namely, journals featuring superhero and cartoon characters; Printed materials, namely, novels and series of fiction books and short stories featuring scenes and characters based on video games; Printed materials, namely, press releases featuring superhero and cartoon characters; Printed materials, namely, written articles in the field of superhero and cartoon characters; Printed matter, namely, paper signs, books, manuals, curriculum, newsletters, informational cards and brochures in the field of superhero and cartoon characters; Printed music books; Printed news releases in the field of superhero and cartoon characters; Printed pamphlets, brochures, manuals, books, booklets, leaflets, flyers, informational sheets and newsletters, adhesive backed stickers, and kits comprising one or more of the foregoing materials in the field of superhero and cartoon characters; Printed paper labels in the field of superhero and cartoon characters; Printed paper signs in

the field of superhero and cartoon characters; Printed patterns in the field of superhero and cartoon characters; Printed periodicals in the field of movies involving superhero and cartoon characters; Printed periodicals in the field of music involving superhero and cartoon characters; Printed periodicals in the field of plays involving superhero and cartoon characters; Printed periodicals in the field of tourism involving superhero and cartoon characters; Printed wine and beer bottle labels incorporating a feature that changes color in response to fluctuation in temperature of the contents of the bottle to which the label is affixed involving superhero and cartoon characters; Prints in the field of superhero and cartoon characters; Prints in the nature of superhero and cartoon characters; Protractors; Publications, namely, brochures, booklets, and teaching materials in the field of superhero and cartoon characters; Publications, namely, books, journals, magazines and comic books in the fields of superhero and cartoon characters; Red algae gelatine glue, for stationery or household purposes (funori); Reinforced stationery tabs; Seals; Self-adhesive tapes for stationery and household purposes; Souvenir programs concerning superhero and cartoon characters; Stationery in the field of superhero and cartoon characters; Stationery boxes in the field of superhero and cartoon characters; Stationery cases in the field of superhero and cartoon characters; Stationery folders in the field of superhero and cartoon characters; Stationery writing paper and envelopes in the field of superhero and cartoon characters; Stationery-type portfolios in the field of superhero and cartoon characters; Stickers in the field of superhero and cartoon characters; Syndicated columns dealing with

superhero and cartoon characters; Syndicated magazine sections dealing with superhero and cartoon characters; Syndicated newspaper columns dealing with superhero and cartoon characters; Workbooks directed to superhero and cartoon characters.

(emphasis added).

VII. INTERNATIONAL CLASSIFICATIONS 028 AND 041

Applicant filed a Motion to Divide with respect to International Classifications 028 and 041 on July 18, 2012 after the proceedings were suspended. As a result, the Board did not consider Applicant's Motion to Divide. (Order of May 15, 2013 at 2). Since the proceedings were resumed on May 15, 2013, Opposer expected Applicant to file another Motion to Divide; but no such motion was filed. Opposer reiterates its withdrawal of its opposition to applicant's mark COLOR WARS in International Classifications 028 and 041. Accordingly, the Board may grant Opposer leave to amend its Notice of Opposition, allow Applicant to file a new Motion to Divide, or order that International Classifications 028 and 041 are divided out of Application Serial No. 85/324,443 upon payment of the required fees by Applicant.

VIII. CONCLUSION

For all the reasons stated above, that there is no genuine dispute as to any material fact and Opposer is entitled to judgment as a matter of law.

More specifically, Opposer prays that the Board grants Opposer's Motion for Summary Judgment in its entirety by: (1) finding Opposer has standing to bring the Opposition; (2) finding Opposer will likely be damaged by the registration of Applicant's mark COLOR WARS in International Classification 016; (3) finding Applicant is not entitled under law to register its mark COLOR WARS in International Classification 016, or alternatively, Applicant is required

to amend its description of goods and services in International Classification 016 as specified above; and (4) granting all other and further relief to which Opposer is justly entitled. Entry of judgment in favor of Opposer in Opposition No. 91203884 is requested in its entirety.

Dated: October 31, 2014

Respectfully submitted,

CHALKER FLORES, LLP

By: 

Daniel J. Chalker
State Bar No. 00794951
14951 N. Dallas Parkway, Suite 400
Dallas, Texas 75254
(214) 866-0001 (telephone)
(214) 866-0010 (telecopy)
dchalker@chalkerflores.com

ATTORNEY FOR OPPOSER/OPPOSER

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing OPPOSER'S MOTION FOR SUMMARY JUDGMENT was served on all counsel of record, this the 31st of October, 2014, by sending the same via electronically through the Electronic System for Trademark Trials and Appeal ("ESTTA") and electronic mail service.


Daniel J. Chalker

EXHIBIT A

OPPOSER'S MOTION FOR SUMMARY JUDGMENT
(OPPOSITION NO. 91203884)



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Word Mark	COLORWORX
Goods and Services	IC 040. US 100 103 106. G & S: Printing Services. FIRST USE: 20020800. FIRST USE IN COMMERCE: 20020800
Mark Drawing Code	(3) DESIGN PLUS WORDS, LETTERS, AND/OR NUMBERS
Design Search Code	21.03.12 - Dart boards; Targets without crosshairs or alignment guides 26.01.21 - Circles that are totally or partially shaded. 26.17.06 - Bands, diagonal; Bars, diagonal; Diagonal line(s), band(s) or bar(s); Lines, diagonal
Trademark Search Facility Classification Code	SHAPES-BAR-BANDS Designs with bar, bands or lines SHAPES-CIRCLE Circle figures or designs including semi-circles and incomplete circles
Serial Number	78698743
Filing Date	August 23, 2005
Current Basis	1A
Original Filing Basis	1A
Published for Opposition	November 6, 2007
Registration Number	3372884
Registration Date	January 22, 2008

Owner (REGISTRANT) Ennis, Inc. CORPORATION TEXAS 2441 Presidential Pkwy Midlothian TEXAS 76065
Attorney of Record Edwin S. Flores
Description of Mark Color is not claimed as a feature of the mark.
Type of Mark SERVICE MARK
Register PRINCIPAL
Affidavit Text SECT 15. SECT 8 (6-YR).
Live/Dead Indicator LIVE

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EXHIBIT B

**OPPOSER'S MOTION FOR SUMMARY JUDGMENT
(OPPOSITION NO. 91203884)**

PTO Form 1478 (Rev 6/2005)
OMB No. 0651-0009 (Exp xx/xx/xxxx)

Trademark/Service Mark Application, Principal Register

Serial Number: 78698743

Filing Date: 08/23/2005

The table below presents the data as entered.

Input Field	Entered
MARK SECTION	
MARK FILE NAME	\\TICRS\EXPORT9\IMAGEOUT9\786987\78698743\xml1\AP P0002.JPG
STANDARD CHARACTERS	NO
USPTO-GENERATED IMAGE	NO
LITERAL ELEMENT	COLORWORX
COLOR MARK	NO
PIXEL COUNT ACCEPTABLE	YES
PIXEL COUNT	737 x 398
OWNER SECTION	
NAME	Ennis, Inc.
STREET	2441 Presidential Pkwy
CITY	Midlothian
STATE	Texas
ZIP/POSTAL CODE	76065
COUNTRY	United States
AUTHORIZED EMAIL COMMUNICATION	No
LEGAL ENTITY SECTION	
TYPE	CORPORATION
STATE/COUNTRY OF INCORPORATION	Texas

GOODS AND/OR SERVICES SECTION	
INTERNATIONAL CLASS	040
DESCRIPTION	Printing Services
FILING BASIS	Section 1(a)
FIRST USE ANYWHERE DATE	At least as early as 08/00/2002
FIRST USE IN COMMERCE DATE	At least as early as 08/00/2002
SPECIMEN FILE NAME(S)	\\TICRS\EXPORT9\IMAGEOUT9\786987\78698743\xml1\AP P0003.JPG
	\\TICRS\EXPORT9\IMAGEOUT9\786987\78698743\xml1\AP P0004.JPG
SPECIMEN DESCRIPTION	Applicant's service brochure
SIGNATURE SECTION	
SIGNATURE	/sosterloh/
SIGNATORY NAME	Steven Osterloh
SIGNATORY DATE	08/23/2005
SIGNATORY POSITION	Duly authorized officer
PAYMENT SECTION	
NUMBER OF CLASSES	1
NUMBER OF CLASSES PAID	1
SUBTOTAL AMOUNT	325
TOTAL AMOUNT	325
ATTORNEY	
NAME	Conrad C. Pitts
FIRM NAME	Pitts & Eckl, P.C.
STREET	401 E. Tuscaloosa Street
CITY	Florence
STATE	Alabama
ZIP/POSTAL CODE	35630
COUNTRY	United States

PHONE	256-718-3600
FAX	256-718-0905
EMAIL	djtucker@ipwatch.com
AUTHORIZED EMAIL COMMUNICATION	Yes
CORRESPONDENCE SECTION	
NAME	Conrad C. Pitts
FIRM NAME	Pitts & Eckl, P.C.
STREET	401 E. Tuscaloosa Street
CITY	Florence
STATE	Alabama
ZIP/POSTAL CODE	35630
COUNTRY	United States
PHONE	256-718-3600
FAX	256-718-0905
EMAIL	djtucker@ipwatch.com
AUTHORIZED EMAIL COMMUNICATION	Yes
FILING INFORMATION	
SUBMIT DATE	Tue Aug 23 17:31:15 EDT 2005
TEAS STAMP	USPTO/BAS-660134243-20050 823173115293017-78698743- 2001aea23eac97a01bd3e103e 58ea542-CC-492-2005082316 5514955680

PTO Form 1478 (Rev 6/2005)
OMB No. 0651-0009 (Exp xx/xx/xxxx)

Trademark/Service Mark Application, Principal Register

Serial Number: 78698743

Filing Date: 08/23/2005

To the Commissioner for Trademarks:

MARK: COLORWORX (stylized and/or with design, see [mark](#))

The literal element of the mark consists of COLORWORX.

The applicant, Ennis, Inc., a corporation of Texas, residing at 2441 Presidential Pkwy , Midlothian, Texas, United States, 76065, requests registration of the trademark/service mark identified above in the United States Patent and Trademark Office on the Principal Register established by the Act of July 5, 1946 (15 U.S.C. Section 1051 et seq.), as amended.

The applicant, or the applicant's related company or licensee, is using the mark in commerce, and lists below the dates of use by the applicant, or the applicant's related company, licensee, or predecessor in interest, of the mark on or in connection with the identified goods and/or services. 15 U.S.C. Section 1051(a), as amended.

International Class 040: Printing Services

In International Class 040, the mark was first used at least as early as 08/00/2002, and first used in commerce at least as early as 08/00/2002, and is now in use in such commerce. The applicant is submitting or will submit one specimen for *each class* showing the mark as used in commerce on or in connection with any item in the class of listed goods and/or services, consisting of a(n) Applicant's service brochure.

[Specimen - 1](#)

[Specimen - 2](#)

The applicant hereby appoints Conrad C. Pitts of Pitts & Eckl, P.C. , 401 E. Tuscaloosa Street, Florence, Alabama, United States, 35630 to submit this application on behalf of the applicant.

The USPTO is authorized to communicate with the applicant or its representative at the following email address: djtucker@ipwatch.com.

A fee payment in the amount of \$325 will be submitted with the application, representing payment for 1 class(es).

Declaration

The undersigned, being hereby warned that willful false statements and the like so made are punishable by

fine or imprisonment, or both, under 18 U.S.C. Section 1001, and that such willful false statements, and the like, may jeopardize the validity of the application or any resulting registration, declares that he/she is properly authorized to execute this application on behalf of the applicant; he/she believes the applicant to be the owner of the trademark/service mark sought to be registered, or, if the application is being filed under 15 U.S.C. Section 1051(b), he/she believes applicant to be entitled to use such mark in commerce; to the best of his/her knowledge and belief no other person, firm, corporation, or association has the right to use the mark in commerce, either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods/services of such other person, to cause confusion, or to cause mistake, or to deceive; and that all statements made of his/her own knowledge are true; and that all statements made on information and belief are believed to be true.

Signature: /sosterloh/ Date: 08/23/2005

Signatory's Name: Steven Osterloh

Signatory's Position: Duly authorized officer

Mailing Address:

Conrad C. Pitts
401 E. Tuscaloosa Street
Florence, Alabama 35630

RAM Sale Number: 492

RAM Accounting Date: 08/24/2005

Serial Number: 78698743

Internet Transmission Date: Tue Aug 23 17:31:15 EDT 2005

TEAS Stamp: USPTO/BAS-660134243-20050823173115293017

-78698743-2001aea23eac97a01bd3e103e58ea5

42-CC-492-20050823165514955680

EXHIBIT C

OPPOSER'S MOTION FOR SUMMARY JUDGMENT
(OPPOSITION NO. 91203884)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In Re: Application Serial No. 85/324,443
For the Mark: COLOR WARS
Filed: May 18, 2011
Published in the Official Gazette: January 17, 2012

Ennis, Inc.)	
)	
Registrant)	
)	
v.	)	Opposition No. 91203884
)	
Joel L. Beling d/b/a Supa Characters Pty Ltd)	
)	
Petitioner)	

Joel L. Beling d/b/a Supa Characters Pty Ltd,)	
)	
Petitioner,)	
)	
v.	)	Cancellation No. 92055374
)	
Ennis, Inc.	)	Registration No. 3,372,884
	)	Mark: COLORWORX
Registrant.)	

AFFIDAVIT OF STEVEN OSTERLOH
IN SUPPORT OF OPPOSER'S/REGISTRANT'S MOTION FOR SUMMARY
JUDGMENT

STATE OF OKLAHOMA §
 §
COUNTY OF OKLAHOMA §

BEFORE ME, the undersigned notary public, on this day personally appeared STEVEN OSTERLOH, known to me to be the person whose name is subscribed below, and upon his oath, deposed and stated as follows:

“My name is Steven Kenneth Osterloh. I am over the age of twenty-one (21) years, am of sound mind, and have never been convicted of a crime or offense involving moral turpitude. I am fully authorized and competent to execute this Affidavit and am not disqualified by law from making this Affidavit. All facts stated herein are within my personal knowledge, and under penalty of perjury, I declare they are true and correct.

“I am Vice President of Marketing of Ennis, Inc. (“Ennis”). I have been employed by Ennis for fifteen (15) years.

“I participated in the selection of the design component of the mark COLORWORX and design in July 2002.

“The mark COLORWORX and design was first used in connection with printing services at least as early as August 2002 and has been in continuous use since then.

“I reviewed the U.S. Trademark Application for the mark COLORWORX and design (Serial No. 78/698,743), including the Declaration, prior to the filing of the application. The Declaration of U.S. Trademark Application for the mark COLORWORX and design (Serial No. 78/698,743) was signed with my electronic signature.

“At the time U.S. Trademark Application Serial No. 78/698,743 was filed, I had a good faith belief that Ennis was entitled to use the mark COLORWORX and design in commerce for printing services, and to the best of my knowledge and belief at the time, no other person, firm, corporation, or association had superior rights to use the mark COLORWORX and design in commerce for printing services, either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods/services of such other person, to cause confusion, or to cause mistake, or to deceive.

“At the time U.S. Trademark Application Serial No. 78/698,743 was filed, I did not have

any intent to deceive the United States Patent and Trademark Office by signing the Declaration or by the filing the U.S. Trademark Application for the mark COLORWORX and design (Serial No. 78/698,743).

“Ennis believes that it will be harmed or damaged by the registration of the mark COLOR WARS for at least the following reasons:

1. The identification of goods in International Classification 016 of U.S. Trademark Application Serial No. 85/324,443 for the mark COLOR WARS lists numerous items that are printed goods and are not restricted to the ‘field of superhero and cartoon characters.’ Many of these non-field restricted printed goods fall within the target market of Ennis and its distributors under the mark COLORWORX and design.
2. The mark COLOR WARS is very similar to COLORWORX used in the mark COLORWORX and design in that they sound much the same when spoken, and visually a space is added between the R and W, the third O is replaced by an A and the X is replaced by a S.
3. Ennis views the non-field restricted printed goods and the similarity of the words as an intention to use the mark COLOR WARS within the printing industry.
4. If the mark COLOR WARS was used within our traditional business segment, there would be significant confusion due to both terms beginning with “COLOR W”.
5. Mr. Beling’s efforts to cancel our mark COLORWORX and design reinforces our concern that he may target our market using the mark COLOR WARS.
6. Mr. Beling’s refusal to agree to not use the mark COLOR WARS to market

or sell printing within our traditional market segment further reinforces our concern that he may target our market using the mark COLOR WARS.

6. Mr. Beling's refusal to amend the identification of goods in International Classification 016 of U.S. Trademark Application Serial No. 85/324,443 for the mark COLOR WARS to restrict the printed goods to the 'field of superhero and cartoon characters' further reinforces our concern that he may target our market using the mark COLOR WARS.

7. Mr. Beling's contempt for U.S. companies and the U.S. legal system as evidenced by pleadings and communications further reinforces our concern that he may target our market using the mark COLOR WARS.

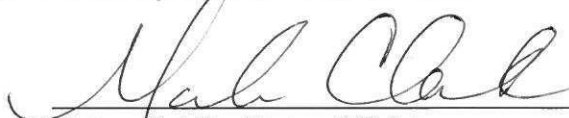
"I believe that the likelihood of confusion, mistake or deception between the mark COLORWORX and design for printing services (U.S. Trademark Registration No. 3,372,884) and the mark COLOR WARS for goods in International Classification 016 (U.S. Trademark Application Serial No. 85/324,443) and the resulting harm or damage to Ennis can be minimized by amending the description of various printed goods in U.S. Trademark Application Serial No. 85/324,443 to recite 'in the field of superhero and cartoon characters.'

"Affiant says nothing further."



Steven Kenneth Osterloh

SUBSCRIBED AND SWORN TO BEFORE ME BY Steven Kenneth Osterloh on the 10 day of March, 2014, to certify which witness my hand and seal of office.



Notary Public, State of Oklahoma

EXHIBIT D

OPPOSER'S MOTION FOR SUMMARY JUDGMENT
(OPPOSITION NO. 91203884)



United States Patent and Trademark Office

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Record 1 out of 1

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Color Wars

Word Mark COLOR WARS

Goods and Services IC 016. US 002 005 022 023 029 037 038 050. G & S: Adhesive bands for stationery or household purposes; Adhesive foils stationery; Adhesive tape dispensers for household or stationery use; Adhesive tapes for stationery or household purposes; Adhesive tapes for stationery purposes; Adhesives for stationery and household use; Adhesives for stationery or household purposes; Adhesives for stationery purposes; Adhesives in the form of tape for stationery; Art prints; Automatic paper clip dispensing machines for office or stationery use; Books in the field of superhero and cartoon characters; Brochures about superhero and cartoon characters; Cartoon prints; Cartoon strips; Color pencils; Color prints; Colorboard; Colored craft and art sand; Coloring books; Comic books; Comic magazines; Comic strips; Comic strips appearing in newspapers and other media; Comic strips' comic features; Comics; Desk mounted stationery cabinets; Desktop stationery cabinets; Dispensers for adhesive tapes for stationery or household purposes; Educational publications, namely, educational learning cards, flash cards, activity cards, workbooks, textbooks, activity books, story books, puzzle books, printed puzzles, teacher guides, manuals, posters and educational booklets in the field of superhero and cartoon characters; Envelopes for stationery use; File pockets; Glitter glue for stationery purposes; Glitter pens for stationery purposes; Glue for stationery or household purposes; Glue for stationery or household use; Glue pens for stationery purposes; Glue sticks for stationery or household use; Graphic fine art prints; Graphic prints and representations; Gummed tape for stationery or household use; Liquid paint felt tip marking and coloring applicators; Magazine columns about superhero and cartoon characters; Magazine sections in the field of superhero and cartoon characters. Magazine supplements to newspapers in the field of superhero and cartoon characters; Magazines in the field of superhero and cartoon characters; Newsletters in the field of superhero and cartoon characters; Newspaper cartoons; Newspaper comic strips; Office paper stationery; Office stationery; Organizational kit used in planning the design and apparel for special events containing color selection sample sheets, planning folders and fabric swatches; Organizational kits containing calendars, stationery, planning folders, templates and printed guidelines for planning social events; Organizers for stationery use; Packaged kits comprising printed instructional, educational, and teaching materials for educational activities in the field of superhero and cartoon characters; Paper stationery; Paper stationery with

inspirational messages imprinted thereon; Partially printed forms; Paste for handicraft, for stationery or household purposes (banjaku-nori); Paste for stationery or household purposes; Pastes and other adhesives for stationery or household purposes; Pencil ornaments; Personalized coloring books for children; Photographic prints; Pictorial prints; Polyester film for use as a paper substitute for dry toner xerographic imaging, namely, laser printing, color copier printing, dry toner printing, screen printing, and offset printing; Print engravings; Print letters and blocks; Printed art reproductions; Printed calendars; Printed certificates; Printed certificates for sports and/or entertainment fans; Printed certificates in the field of sports and/or entertainment; Printed children's coloring pages; Printed collector cards made primarily of paper and also including metal; Printed collector cards made primarily of paper but also including metal; Printed emblems; Printed forms; Printed graphs; Printed greeting cards with electronic information stored therein; Printed holograms. Printed material in the nature of color samples; Printed materials, namely, curricula in the field of superhero and cartoon characters; Printed materials, namely, journals featuring superhero and cartoon characters; Printed materials, namely, novels and series of fiction books and short stories featuring scenes and characters based on video games; Printed materials, namely, press releases featuring superhero and cartoon characters; Printed materials, namely, written articles in the field of superhero and cartoon characters; Printed matter, namely, paper signs, books, manuals, curriculum, newsletters, informational cards and brochures in the field of superhero and cartoon characters; Printed music books; Printed news releases in the field of superhero and cartoon characters; Printed pamphlets, brochures, manuals, books, booklets, leaflets, flyers, informational sheets and newsletters, adhesive backed stickers, and kits comprising one or more of the foregoing materials in the field of superhero and cartoon characters; Printed paper labels; Printed paper signs; Printed patterns; Printed periodicals in the field of movies; Printed periodicals in the field of music; Printed periodicals in the field of plays; Printed periodicals in the field of tourism; Printed wine and beer bottle labels incorporating a feature that changes color in response to fluctuation in temperature of the contents of the bottle to which the label is affixed; Prints; Prints in the nature of superhero and cartoon characters; Protractors; Publications, namely, brochures, booklets, and teaching materials in the field of superhero and cartoon characters; Publications, namely, books, journals, magazines and comic books in the fields of superhero and cartoon characters. Red algae gelatine glue, for stationery or household purposes (funori); Reinforced stationery tabs; Seals; Self-adhesive tapes for stationery and household purposes; Souvenir programs concerning superhero and cartoon characters; Stationery; Stationery boxes; Stationery cases; Stationery folders; Stationery writing paper and envelopes; Stationery-type portfolios; Stickers; Syndicated columns dealing with superhero and cartoon characters; Syndicated magazine sections dealing with superhero and cartoon characters; Syndicated newspaper columns dealing with superhero and cartoon characters; Workbooks directed to superhero and cartoon characters

IC 028. US 022 023 038 050. G & S: Action figure toys; Action figures; Action figures and accessories therefor; Action skill games; Action target games; Action-type target games; Aero-dynamic disk for use in playing catching games; Amusement game machines; Amusement park rides; Apparatus for electronic games other than those adapted for use with an external display screen or monitor; Arcade game machines; Arcade game machines activated by medals or tokens; Arcade game machines for team play; Arcade games; Arcade racing game machines; Arcade redemption game machines which dispense tickets or the like to successful players; Arcade virtual shooting game machines; Arcade-type electronic education video games; Arcade-type electronic video games; Articles of clothing for toys; Athletic equipment, namely, striking shields; Balloons; Bath toys; Bathtub toys; Battery operated action toys; Battery-powered computer game with LCD screen; Bean bag dolls; Bendable toys; Electric action toys; Electric toy train transformers; Electronic action toys; Electronic learning toys; Electronic novelty toys, namely, toys that electronically record, play back, and distort or manipulate voices and sounds; Electronic toy building blocks that light up as a night light; Electronic toy vehicles; Electronically operated toy motor vehicles; Fantasy character toys; Infant toys; Inflatable bath toys; Inflatable toys; Mechanical toys; Miniature toy helmets; Model toy vehicles; Modeled plastic toy figurines; Non-electronic toy vehicles; Non-riding transportation toys; Plastic character toys; Plush toys; Positionable printed toy figures for use in games; Positionable printed toy figures for use in puzzles; Positionable toy figures; Printing toys; Pull toys; Push toys; Radio controlled toy vehicles; Ride-on toys; Rideable toy vehicles. Role playing toys in the nature of play sets for children to imitate real life occupations; Sand toys; Sandbox toys; Soft sculpture plush toys; Soft sculpture toys; Squeezable squeaking toys; Stuffed and plush toys; Stuffed toys; Toy action figures; Toy action figures and accessories therefor; Toy airplanes; Toy and novelty face masks; Toy armor; Toy balloons; Toy boats; Toy cars; Toy figures; Toy guns; Toy masks; Toy model cars; Toy robots; Toy swords; Toy tools; Toy trains and parts and accessories therefor; Toy vehicles; Toy vehicles and accessories therefor; Toy vehicles with transforming parts; Toy vehicles, namely, caster boards; Toy watches; Toy water

globes; Toy weapons; Toy zip guns; Toys, namely, children's dress-up accessories; Toys, namely, puppets and accessories therefor; Transforming robotic toy vehicles; Transforming robotic toys; Water squirting toys; Water toys; Wind-up toys; Wind-up walking toys

IC 041. US 100 101 107. G & S: Educational and entertainment services, namely, a continuing program about superhero and cartoon characters accessible by radio, television, satellite, audio, video and computer networks; Educational and entertainment services, namely, providing motivational and educational speakers; Entertainment and education services in the nature of a series of short shows featuring superhero and cartoon characters distributed to mobile handsets, which may include video, text, photos, illustrations or hypertext; Entertainment and education services in the nature of live dance and musical performances; Entertainment and education services, namely, providing recognition and incentives by way of celebrations and awards to girls from underserved communities who have completed their high school careers successfully and who are going on to college; Entertainment and educational services in the nature of on-line competitions in the field of entertainment, education, culture, sports, and other non-business and non-commercial fields; Entertainment and educational services, namely, providing a website that displays various requests, reviews, recommendations, rankings, trackings, votes, and information relating to uncreated, unreleased, new, special, popular, and rare products, services, and events in the fields of pop culture, entertainment, education, and sports, all exclusively for non-business and non-commercial transactions and purposes; Entertainment and educational services, namely, providing advice and information for music, video and film concept and script development; Entertainment and educational services, namely, the presentation of seminars, lectures, workshops and panel discussions, and ongoing television and radio talk shows all in the field of public interest concerning superhero and cartoon characters. Entertainment and educational services, namely, the presentation of seminars, workshops and panel discussions, and ongoing television and radio shows all in the field of superhero and cartoon characters; Entertainment in the nature of on- going television programs in the field of superhero and cartoon characters; Entertainment in the nature of visual and audio performances by superhero and cartoon characters; Entertainment in the nature of visual and audio performances, and musical, variety, news and comedy shows; Entertainment in the nature of visual and audio performances, namely, musical band, rock group, gymnastic, dance, and ballet performances; Entertainment in the nature of visual and audio performances by an actor; Entertainment information; Entertainment information services, namely, providing information and news releases about a musical artist; Entertainment media production services for motion pictures, television and Internet; Entertainment services in the nature of a non-fiction television programming series on topics relating to family stories told by family members to preserve their heritage; Entertainment services in the nature of on-going television programs in the field of children's entertainment; Entertainment services, namely, displaying a series of films; Entertainment services, namely, planning and conducting a series of film festivals; Entertainment services, namely, providing a web site featuring non-downloadable musical performances, musical videos, related film clips, photographs, and other multimedia materials featuring superhero and cartoon characters; Entertainment, namely, a continuing superhero and cartoon characters; show broadcast over television, satellite, audio, and video media; Film and video film production; Film and video production; Film and video production consulting services; Film production. Film studios; Media production services, namely, video and film production; Motion picture film production; Multimedia entertainment services in the nature of development, production and post-production services in the fields of video and films; Multimedia entertainment services in the nature of recording, production and post-production services in the fields of music, video, and films; Operating of film studios; Production of DVDs, videotapes and television programs featuring superhero and cartoon characters; Production of films; Production of television and radio programmes; Production of television programs; Providing information and articles in the field of film, filmmaking, and entertainment via a global computer network; Providing online non-downloadable comic books and graphic novels; Provision of information relating to distribution of television shows, motion picture film and radio shows; Provision of information relating to television, motion picture film, audio and radio production; Provision of non-downloadable films and movies via a video-on-demand service; Provision of non-downloadable films and television programmes via a video-on-demand service; Special effects animation services for film and video; Television, video and movie filming services

**Standard
Characters
Claimed
Mark
Drawing**

(4) STANDARD CHARACTER MARK

Code**Serial
Number** 85324443**Filing Date** May 18, 2011**Current
Basis** 44E**Original
Filing
Basis** 1B;44D**Published
for
Opposition** January 17, 2012**Owner** (APPLICANT) Beling, Joel L DBA Supa Characters Pty Ltd INDIVIDUAL AUSTRALIA 1 Mirboo Court Dallas, Victoria AUSTRALIA 3047**Priority
Date** February 11, 2011**Description
of Mark** Color is not claimed as a feature of the mark.**Type of
Mark** TRADEMARK. SERVICE MARK**Register** PRINCIPAL**Live/Dead
Indicator** LIVE[TESS HOME](#)[NEW USER](#)[STRUCTURED](#)[FREE FORM](#)[BROWSE DICT](#)[SEARCH OG](#)[TOP](#)[HELP](#)[HOME](#) | [SITE INDEX](#) | [SEARCH](#) | [eBUSINESS](#) | [HELP](#) | [PRIVACY POLICY](#)

EXHIBIT E

OPPOSER'S MOTION FOR SUMMARY JUDGMENT
(OPPOSITION NO. 91203884)

Response to Office Action

The table below presents the data as entered.

Input Field	Entered
SERIAL NUMBER	85324443
LAW OFFICE ASSIGNED	LAW OFFICE 111
MARK SECTION (no change)	
GOODS AND/OR SERVICES SECTION (016)(current)	
INTERNATIONAL CLASS	016
DESCRIPTION	
(Based on Intent to Use) Adhesive bands for stationery or household purposes; Adhesive foils stationery; Adhesive tape dispensers for household or stationery use; Adhesive tapes for stationery or household purposes; Adhesive tapes for stationery purposes; Adhesives for stationery and household use; Adhesives for stationery or household purposes; Adhesives for stationery purposes; Adhesives in the form of tape for stationery; Art prints; Automatic paper clip dispensing machines for office or stationery use; Books in the field of superhero and other characters; Brochures about superhero and other characters; Cartoon prints; Cartoon strips; Color pencils; Color prints; Colorboard; Colored craft and art sand; Coloring books; Comic books; Comic magazines; Comic strips; Comic strips appearing in newspapers and other media; Comic strips' comic features; Comics; Desk mounted stationery cabinets; Desktop stationery cabinets; Dispensers for adhesive tapes for stationery or household purposes; Educational publications, namely, educational learning cards, flash cards, activity cards, workbooks, textbooks, activity books, story books, puzzle books, printed puzzles, teacher guides, manuals, posters and educational booklets in the field of superhero and other characters; Envelopes for stationery use; File pockets; Glitter glue for stationery purposes; Glitter pens for stationery purposes; Glue for stationery or household purposes; Glue for stationery or household use; Glue pens for stationery purposes; Glue sticks for stationery or household use; Graphic fine art prints; Graphic prints and representations; Gummed tape for stationery or household use; Liquid paint felt tip marking and coloring applicators; Magazine columns about superhero and other characters; Magazine sections in the field of superhero and other characters; Magazine supplements to newspapers in the field of superhero and other characters; Magazines in the field of superhero and other characters; Newsletters in the field of superhero and other characters; Newspaper cartoons; Newspaper comic strips; Office paper stationery; Office stationery; Organizational kit used in planning the design and apparel for special events containing color selection sample sheets, planning folders and fabric swatches; Organizational kits containing calendars, stationery, planning folders, templates and printed guidelines for planning social events; Organizers for stationery use; Packaged kits comprising printed instructional, educational, and teaching materials for educational activities in the field of superhero and other characters; Paper stationery; Paper stationery with inspirational messages imprinted thereon; Partially printed forms; Paste for	

handicraft, for stationery or household purposes (banjaku-nori); Paste for stationery or household purposes; Pastes and other adhesives for stationery or household purposes; Pencil ornaments; Personalized coloring books for children; Photographic prints; Pictorial prints; Polyester film for use as a paper substitute for dry toner xerographic imaging, namely, laser printing, color copier printing, dry toner printing, screen printing, and offset printing; Print engravings; Print letters and blocks; Printed art reproductions; Printed calendars; Printed certificates; Printed certificates for sports and/or entertainment fans; Printed certificates in the field of sports and/or entertainment; Printed children's coloring pages; Printed collector cards made primarily of paper and also including metal; Printed collector cards made primarily of paper but also including metal; Printed emblems; Printed forms; Printed graphs; Printed greeting cards with electronic information stored therein; Printed holograms; Printed material in the nature of color samples; Printed materials, namely, curricula in the field of superhero and other characters; Printed materials, namely, journals featuring superhero and other characters; Printed materials, namely, novels and series offfiction books and short stories featuring scenes and characters based on video games; Printed materials, namely, press releases featuring superhero and other characters; Printed materials, namely, written articles in the field of superhero and other characters; Printed matter, namely, paper signs, books, manuals, curriculum, newsletters, informational cards and brochures in the field of superhero and other characters; Printed music books; Printed news releases in the field of superhero and other characters; Printed pamphlets, brochures, manuals, books, booklets, leaflets, flyers, informational sheets and newsletters, adhesive backed stickers, and kits comprising one or more of the foregoing materials in the field of superhero and other characters; Printed paper labels; Printed paper signs; Printed patterns; Printed periodicals in the field of movies; Printed periodicals in the field of music; Printed periodicals in the field of plays; Printed periodicals in the field of tourism; Printed wine and beer bottle labels incorporating a feature that changes color in response to fluctuation in temperature of the contents of the bottle to which the label is affixed; Prints; Prints in the nature of superhero and other characters; Protractors; Publications, namely, brochures, booklets, and teaching materials in the field of superhero and other characters; Publications, namely, books, journals, magazines and comic books in the fields of superhero and other characters; Red algae gelatine glue, for stationery or household purposes (funori); Reinforced stationery tabs; Seals; Self-adhesive tapes for stationery and household purposes; Souvenir programs concerning superhero and other characters; Stationery; Stationery boxes; Stationery cases; Stationery folders; Stationery writing paper and envelopes; Stationery-type portfolios; Stickers; Syndicated columns dealing with superhero and other characters; Syndicated magazine sections dealing with superhero and other characters; Syndicated newspaper columns dealing with superhero and other characters; Workbooks directed to superhero and other characters(Based on 44(d) Priority Application) Adhesive bands for stationery or household purposes; Adhesive foils stationery; Adhesive tape dispensers for household or stationery use; Adhesive tapes for stationery or household purposes; Adhesive tapes for stationery purposes; Adhesives for stationery and household use; Adhesives for stationery or household purposes; Adhesives for stationery purposes; Adhesives in the form of tape for stationery; Art prints; Automatic paper clip dispensing machines for office or stationery use; Books in the field of superhero and other characters; Brochures about superhero and other characters; Cartoon prints; Cartoon strips; Color pencils; Color prints; Colorboard; Colored craft and art sand; Coloring books; Comic books; Comic magazines; Comic strips; Comic strips appearing in newspapers and other media; Comic strips' comic features; Comics; Desk mounted stationery cabinets; Desktop stationery cabinets; Dispensers for adhesive tapes for stationery or household purposes; Educational publications, namely, educational learning cards, flash cards, activity cards, workbooks, textbooks, activity books, story books, puzzle books, printed puzzles, teacher guides, manuals, posters and educational booklets in the field of superhero and other characters; Envelopes for stationery use; File pockets; Glitter glue for stationery purposes; Glitter pens for stationery purposes; Glue for stationery or household purposes; Glue for stationery or household use; Glue pens for stationery purposes; Glue sticks for stationery or household use;

Graphic fine art prints; Graphic prints and representations; Gummed tape for stationery or household use; Liquid paint felt tip marking and coloring applicators; Magazine columns about superhero and other characters; Magazine sections in the field of superhero and other characters; Magazine supplements to newspapers in the field of superhero and other characters; Magazines in the field of superhero and other characters; Newsletters in the field of superhero and other characters; Newspaper cartoons; Newspaper comic strips; Office paper stationery; Office stationery; Organizational kit used in planning the design and apparel for special events containing color selection sample sheets, planning folders and fabric swatches; Organizational kits containing calendars, stationery, planning folders, templates and printed guidelines for planning social events; Organizers for stationery use; Packaged kits comprising printed instructional, educational, and teaching materials for educational activities in the field of superhero and other characters; Paper stationery; Paper stationery with inspirational messages imprinted thereon; Partially printed forms; Paste for handicraft, for stationery or household purposes (banjaku-nori); Paste for stationery or household purposes; Pastes and other adhesives for stationery or household purposes; Pencil ornaments; Personalized coloring books for children; Photographic prints; Pictorial prints; Polyester film for use as a paper substitute for dry toner xerographic imaging, namely, laser printing, color copier printing, dry toner printing, screen printing, and offset printing; Print engravings; Print letters and blocks; Printed art reproductions; Printed calendars; Printed certificates; Printed certificates for sports and/or entertainment fans; Printed certificates in the field of sports and/or entertainment; Printed children's coloring pages; Printed collector cards made primarily of paper and also including metal; Printed collector cards made primarily of paper but also including metal; Printed emblems; Printed forms; Printed graphs; Printed greeting cards with electronic information stored therein; Printed holograms; Printed material in the nature of color samples; Printed materials, namely, curricula in the field of superhero and other characters; Printed materials, namely, journals featuring superhero and other characters; Printed materials, namely, novels and series of fiction books and short stories featuring scenes and characters based on video games; Printed materials, namely, press releases featuring superhero and other characters; Printed materials, namely, written articles in the field of superhero and other characters; Printed matter, namely, paper signs, books, manuals, curriculum, newsletters, informational cards and brochures in the field of superhero and other characters; Printed music books; Printed news releases in the field of superhero and other characters; Printed pamphlets, brochures, manuals, books, booklets, leaflets, flyers, informational sheets and newsletters, adhesive backed stickers, and kits comprising one or more of the foregoing materials in the field of superhero and other characters; Printed paper labels; Printed paper signs; Printed patterns; Printed periodicals in the field of movies; Printed periodicals in the field of music; Printed periodicals in the field of plays; Printed periodicals in the field of tourism; Printed wine and beer bottle labels incorporating a feature that changes color in response to fluctuation in temperature of the contents of the bottle to which the label is affixed; Prints; Prints in the nature of superhero and other characters; Protractors; Publications, namely, brochures, booklets, and teaching materials in the field of superhero and other characters; Publications, namely, books, journals, magazines and comic books in the fields of superhero and other characters; Red algae gelatine glue, for stationery or household purposes (funori); Reinforced stationery tabs; Seals; Self-adhesive tapes for stationery and household purposes; Souvenir programs concerning superhero and other characters; Stationery; Stationery boxes; Stationery cases; Stationery folders; Stationery writing paper and envelopes; Stationery-type portfolios; Stickers; Syndicated columns dealing with superhero and other characters; Syndicated magazine sections dealing with superhero and other characters; Syndicated newspaper columns dealing with superhero and other characters; Workbooks directed to superhero and other characters

FILING BASIS

Section 1(b)

FILING BASIS

Section 44(d)

FOREIGN APPLICATION NUMBER	Class16(1408)
FOREIGN APPLICATION COUNTRY	Australia
FOREIGN FILING DATE	02/11/2011
GOODS AND/OR SERVICES SECTION (016)(proposed)	
INTERNATIONAL CLASS	016
TRACKED TEXT DESCRIPTION	
<p>(Based on Intent to Use) Adhesive bands for stationery or household purposes; Adhesive foils stationery; Adhesive tape dispensers for household or stationery use; Adhesive tapes for stationery or household purposes; Adhesive tapes for stationery purposes; Adhesives for stationery and household use; Adhesives for stationery or household purposes; Adhesives for stationery purposes; Adhesives in the form of tape for stationery; Art prints; Automatic paper clip dispensing machines for office or stationery use; Books in the field of superhero and other characters; <u>Books in the field of superhero and cartoon characters</u>; Brochures about superhero and other characters; <u>Brochures about superhero and cartoon characters</u>; Cartoon prints; <u>Cartoon strips</u>; Color pencils; Color prints; Colorboard; Colored craft and art sand; Coloring books; Comic books; Comic magazines; Comic strips; Comic strips appearing in newspapers and other media; Comic strips' comic features; Comics; Desk mounted stationery cabinets; Desktop stationery cabinets; Dispensers for adhesive tapes for stationery or household purposes; Educational publications, namely, educational learning cards, flash cards, activity cards, workbooks, textbooks, activity books, story books, puzzle books, printed puzzles, teacher guides, manuals, posters and educational booklets in the field of superhero and other characters; <u>Educational publications, namely, educational learning cards, flash cards, activity cards, workbooks, textbooks, activity books, story books, puzzle books, printed puzzles, teacher guides, manuals, posters and educational booklets in the field of superhero and cartoon characters</u>; Envelopes for stationery use; File pockets; Glitter glue for stationery purposes; Glitter pens for stationery purposes; Glue for stationery or household purposes; Glue for stationery or household use; Glue pens for stationery purposes; Glue sticks for stationery or household use; Graphic fine art prints; Graphic prints and representations; Gummed tape for stationery or household use; Liquid paint felt tip marking and coloring applicators; <u>Liquid paint felt tip marking and coloring applicators</u>; Magazine columns about superhero and other characters; <u>Magazine columns about superhero and cartoon characters</u>; Magazine sections in the field of superhero and other characters; <u>Magazine sections in the field of superhero and cartoon characters</u>; Magazine supplements to newspapers in the field of superhero and other characters; <u>Magazine supplements to newspapers in the field of superhero and cartoon characters</u>; Magazines in the field of superhero and other characters; <u>Magazines in the field of superhero and cartoon characters</u>; Newsletters in the field of superhero and other characters; <u>Newsletters in the field of superhero and cartoon characters</u>; Newspaper cartoons; Newspaper comic strips; Office paper stationery; Office stationery; Organizational kit used in planning the design and apparel for special events containing color selection sample sheets, planning folders and fabric swatches; Organizational kits containing calendars, stationery, planning folders, templates and printed guidelines for planning social events; Organizers for stationery use; Packaged kits comprising printed instructional, educational, and teaching materials for educational activities in the field of superhero and other characters; <u>Packaged kits comprising printed instructional, educational, and teaching materials for educational activities in the field of superhero and cartoon characters</u>; Paper stationery; Paper stationery with inspirational messages imprinted thereon; Partially printed forms; Paste for handicraft, for stationery or household purposes (banjaku-nori); Paste for stationery or household purposes; Pastes and other adhesives</p>	

for stationery or household purposes; Pencil ornaments; Personalized coloring books for children; Photographic prints; Pictorial prints; ~~Polyester film for use as a paper substitute for dry toner xerographic imaging, namely, laser printing, color copier printing, dry toner printing, screen printing, and offset printing;~~ Polyester film for use as a paper substitute for dry toner xerographic imaging, namely, laser printing, color copier printing, dry toner printing. ~~screen printing, and offset printing;~~ screen printing, and offset printing; Print engravings; Print letters and blocks; ~~Printed art reproductions;~~ Printed art ~~reproductions;~~ reproductions; Printed calendars; Printed certificates; ~~Printed certificates for sports and/or entertainment fans;~~ Printed certificates for sports and/or ~~entertainment fans;~~ entertainment fans; Printed certificates in the field of sports and/or entertainment; ~~Printed children's coloring pages;~~ Printed ~~children's coloring pages;~~ children's coloring pages; Printed collector cards made primarily of paper and also including metal; Printed collector cards made primarily of paper but also including metal; Printed emblems; Printed forms; Printed graphs; Printed greeting cards with electronic information stored therein; Printed holograms; Printed material in the nature of color samples; ~~Printed materials, namely, curricula in the field of superhero and other characters;~~ Printed materials, namely, curricula in the field of superhero and cartoon characters; ~~Printed materials, namely, journals featuring superhero and other characters;~~ Printed materials, namely, journals featuring superhero and cartoon characters; ~~Printed materials, namely, novels and series of fiction books and short stories featuring scenes and characters based on video games;~~ Printed materials, namely, novels and series of fiction books and short stories featuring scenes and characters based on video games; ~~Printed materials, namely, press releases featuring superhero and other characters;~~ Printed materials, namely, press releases featuring superhero and cartoon characters; ~~Printed materials, namely, written articles in the field of superhero and other characters;~~ Printed materials, namely, written articles in the field of superhero and cartoon characters; ~~Printed matter, namely, paper signs, books, manuals, curriculum, newsletters, informational cards and brochures in the field of superhero and other characters;~~ Printed matter, namely, paper signs, books, manuals, curriculum, newsletters, informational cards and brochures in the field of superhero and cartoon characters; Printed music books; ~~Printed news releases in the field of superhero and other characters;~~ Printed news releases in the field of superhero and cartoon characters; ~~Printed pamphlets, brochures, manuals, books, booklets, leaflets, flyers, informational sheets and newsletters, adhesive backed stickers, and kits comprising one or more of the foregoing materials in the field of superhero and other characters;~~ Printed pamphlets, brochures, manuals, books, booklets, leaflets, flyers, informational sheets and newsletters, adhesive backed stickers, and kits comprising one or more of the foregoing materials in the field of superhero and cartoon characters; Printed paper labels; Printed paper signs; Printed patterns; Printed periodicals in the field of movies; Printed periodicals in the field of music; Printed periodicals in the field of plays; Printed periodicals in the field of tourism; Printed wine and beer bottle labels incorporating a feature that changes color in response to fluctuation in temperature of the contents of the bottle to which the label is affixed; Prints; ~~Prints in the nature of superhero and other characters;~~ Prints in the nature of superhero and cartoon characters; Protractors; ~~Publications, namely, brochures, booklets, and teaching materials in the field of superhero and other characters;~~ Publications, namely, brochures, booklets, and teaching materials in the field of superhero and cartoon characters; ~~Publications, namely, books, journals, magazines and comic books in the fields of superhero and other characters;~~ Publications, namely, books, journals, magazines and comic books in the fields of superhero and cartoon characters; Red algae gelatine glue, for stationery or household purposes (funori); Reinforced stationery tabs; Seals; Self-adhesive tapes for stationery and household purposes; ~~Souvenir programs concerning superhero and other characters;~~ Souvenir programs concerning superhero and cartoon characters; Stationery; Stationery boxes; Stationery cases; Stationery folders; Stationery writing paper and envelopes; Stationery-type portfolios; Stickers; ~~Syndicated columns dealing with superhero and other~~

~~characters; Syndicated columns dealing with superhero and cartoon characters; Syndicated magazine sections dealing with superhero and other characters; Syndicated magazine sections dealing with superhero and cartoon characters; Syndicated newspaper columns dealing with superhero and other characters; Syndicated newspaper columns dealing with superhero and cartoon characters; Workbooks directed to superhero and other characters (Based on 44(d) Priority Application) Adhesive bands for stationery or household purposes; Workbooks directed to superhero and cartoon characters; Adhesive foils stationery; Adhesive tape dispensers for household or stationery use; Adhesive tapes for stationery or household purposes; Adhesive tapes for stationery purposes; Adhesives for stationery and household use; Adhesives for stationery or household purposes; Adhesives for stationery purposes; Adhesives in the form of tape for stationery; Art prints; Automatic paper clip dispensing machines for office or stationery use; Books in the field of superhero and other characters; Brochures about superhero and other characters; Cartoon prints; Cartoon strips; Color pencils; Color prints; Colorboard; Colored craft and art sand; Coloring books; Comic books; Comic magazines; Comic strips; Comic strips appearing in newspapers and other media; Comic strips' comic features; Comics; Desk mounted stationery cabinets; Desktop stationery cabinets; Dispensers for adhesive tapes for stationery or household purposes; Educational publications, namely, educational learning cards, flash cards, activity cards, workbooks, textbooks, activity books, story books, puzzle books, printed puzzles, teacher guides, manuals, posters and educational booklets in the field of superhero and other characters; Envelopes for stationery use; File pockets; Glitter glue for stationery purposes; Glitter pens for stationery purposes; Glue for stationery or household purposes; Glue for stationery or household use; Glue pens for stationery purposes; Glue sticks for stationery or household use; Graphic fine art prints; Graphic prints and representations; Gummed tape for stationery or household use; Liquid paint felt tip marking and coloring applicators; Magazine columns about superhero and other characters; Magazine sections in the field of superhero and other characters; Magazine supplements to newspapers in the field of superhero and other characters; Magazines in the field of superhero and other characters; Newsletters in the field of superhero and other characters; Newspaper cartoons; Newspaper comic strips; Office paper stationery; Office stationery; Organizational kit used in planning the design and apparel for special events containing color selection sample sheets, planning folders and fabric swatches; Organizational kits containing calendars, stationery, planning folders, templates and printed guidelines for planning social events; Organizers for stationery use; Packaged kits comprising printed instructional, educational, and teaching materials for educational activities in the field of superhero and other characters; Paper stationery; Paper stationery with inspirational messages imprinted thereon; Partially printed forms; Paste for handcraft, for stationery or household purposes (banjaku-nori); Paste for stationery or household purposes; Pastes and other adhesives for stationery or household purposes; Pencil ornaments; Personalized coloring books for children; Photographic prints; Pictorial prints; Polyester film for use as a paper substitute for dry toner xerographic imaging, namely, laser printing, color copier printing, dry toner printing, screen printing, and offset printing; Print engravings; Print letters and blocks; Printed art reproductions; Printed calendars; Printed certificates; Printed certificates for sports and/or entertainment fans; Printed certificates in the field of sports and/or entertainment; Printed children's coloring pages; Printed collector cards made primarily of paper and also including metal; Printed collector cards made primarily of paper but also including metal; Printed emblems; Printed forms; Printed graphs; Printed greeting cards with electronic information stored therein; Printed holograms; Printed material in the nature of color samples; Printed materials, namely, curricula in the field of superhero and other characters; Printed materials, namely, journals featuring superhero and other characters; Printed materials, namely, press releases featuring superhero and other characters; Printed materials, namely, written articles in the field of superhero and other characters; Printed matter, namely, paper signs, books, manuals, curriculum, newsletters, informational cards and brochures in the field of superhero and other characters; Printed music books; Printed news releases in the field of superhero and other characters; Printed pamphlets, brochures, manuals, books, booklets, leaflets, flyers;~~

~~informational sheets and newsletters; adhesive backed stickers, and kits comprising one or more of the foregoing materials in the field of superhero and other characters; Printed paper labels; Printed paper signs; Printed patterns; Printed periodicals in the field of movies; Printed periodicals in the field of music; Printed periodicals in the field of plays; Printed periodicals in the field of tourism; Printed wine and beer bottle labels incorporating a feature that changes color in response to fluctuation in temperature of the contents of the bottle to which the label is affixed; Prints; Prints in the nature of superhero and other characters; Protractors; Publications, namely, brochures, booklets, and teaching materials in the field of superhero and other characters; Publications, namely, books, journals, magazines and comic books in the fields of superhero and other characters; Red algae gelatine glue, for stationery or household purposes (funori); Reinforced stationery tabs; Seals; Self-adhesive tapes for stationery and household purposes; Souvenir programs concerning superhero and other characters; Stationery; Stationery boxes; Stationery cases; Stationery folders; Stationery writing paper and envelopes; Stationery-type portfolios; Stickers; Syndicated columns dealing with superhero and other characters; Syndicated magazine sections dealing with superhero and other characters; Syndicated newspaper columns dealing with superhero and other characters; Workbooks directed to superhero and other characters~~

FINAL DESCRIPTION

(Based on Intent to Use) Adhesive bands for stationery or household purposes; Adhesive foils stationery; Adhesive tape dispensers for household or stationery use; Adhesive tapes for stationery or household purposes; Adhesive tapes for stationery purposes; Adhesives for stationery and household use; Adhesives for stationery or household purposes; Adhesives for stationery purposes; Adhesives in the form of tape for stationery; Art prints; Automatic paper clip dispensing machines for office or stationery use; Books in the field of superhero and cartoon characters; Brochures about superhero and cartoon characters; Cartoon prints; Cartoon strips; Color pencils; Color prints; Colorboard; Colored craft and art sand; Coloring books; Comic books; Comic magazines; Comic strips; Comic strips appearing in newspapers and other media; Comic strips' comic features; Comics; Desk mounted stationery cabinets; Desktop stationery cabinets; Dispensers for adhesive tapes for stationery or household purposes; Educational publications, namely, educational learning cards, flash cards, activity cards, workbooks, textbooks, activity books, story books, puzzle books, printed puzzles, teacher guides, manuals, posters and educational booklets in the field of superhero and cartoon characters; Envelopes for stationery use; File pockets; Glitter glue for stationery purposes; Glitter pens for stationery purposes; Glue for stationery or household purposes; Glue for stationery or household use; Glue pens for stationery purposes; Glue sticks for stationery or household use; Graphic fine art prints; Graphic prints and representations; Gummed tape for stationery or household use; Liquid paint felt tip marking and coloring applicators; Magazine columns about superhero and cartoon characters; Magazine sections in the field of superhero and cartoon characters; Magazine supplements to newspapers in the field of superhero and cartoon characters; Magazines in the field of superhero and cartoon characters; Newsletters in the field of superhero and cartoon characters; Newspaper cartoons; Newspaper comic strips; Office paper stationery; Office stationery; Organizational kit used in planning the design and apparel for special events containing color selection sample sheets, planning folders and fabric swatches; Organizational kits containing calendars, stationery, planning folders, templates and printed guidelines for planning social events; Organizers for stationery use; Packaged kits comprising printed instructional, educational, and teaching materials for educational activities in the field of superhero and cartoon characters; Paper stationery; Paper stationery with inspirational messages imprinted thereon; Partially printed forms; Paste for handicraft, for stationery or household purposes (banjaku-nori); Paste for stationery or household purposes; Pastes and other adhesives for stationery or household purposes; Pencil ornaments; Personalized coloring books for children; Photographic prints; Pictorial prints; Polyester film for use as a paper substitute for dry toner xerographic imaging, namely, laser printing, color copier printing,

dry toner printing, screen printing, and offset printing; Print engravings; Print letters and blocks; Printed art reproductions; Printed calendars; Printed certificates; Printed certificates for sports and/or entertainment fans; Printed certificates in the field of sports and/or entertainment; Printed children's coloring pages; Printed collector cards made primarily of paper and also including metal; Printed collector cards made primarily of paper but also including metal; Printed emblems; Printed forms; Printed graphs; Printed greeting cards with electronic information stored therein; Printed holograms; Printed material in the nature of color samples; Printed materials, namely, curricula in the field of superhero and cartoon characters; Printed materials, namely, journals featuring superhero and cartoon characters; Printed materials, namely, novels and series of fiction books and short stories featuring scenes and characters based on video games; Printed materials, namely, press releases featuring superhero and cartoon characters; Printed materials, namely, written articles in the field of superhero and cartoon characters; Printed matter, namely, paper signs, books, manuals, curriculum, newsletters, informational cards and brochures in the field of superhero and cartoon characters; Printed music books; Printed news releases in the field of superhero and cartoon characters; Printed pamphlets, brochures, manuals, books, booklets, leaflets, flyers, informational sheets and newsletters, adhesive backed stickers, and kits comprising one or more of the foregoing materials in the field of superhero and cartoon characters; Printed paper labels; Printed paper signs; Printed patterns; Printed periodicals in the field of movies; Printed periodicals in the field of music; Printed periodicals in the field of plays; Printed periodicals in the field of tourism; Printed wine and beer bottle labels incorporating a feature that changes color in response to fluctuation in temperature of the contents of the bottle to which the label is affixed; Prints; Prints in the nature of superhero and cartoon characters; Protractors; Publications, namely, brochures, booklets, and teaching materials in the field of superhero and cartoon characters; Publications, namely, books, journals, magazines and comic books in the fields of superhero and cartoon characters; Red algae gelatine glue, for stationery or household purposes (funori); Reinforced stationery tabs; Seals; Self-adhesive tapes for stationery and household purposes; Souvenir programs concerning superhero and cartoon characters; Stationery; Stationery boxes; Stationery cases; Stationery folders; Stationery writing paper and envelopes; Stationery-type portfolios; Stickers; Syndicated columns dealing with superhero and cartoon characters; Syndicated magazine sections dealing with superhero and cartoon characters; Syndicated newspaper columns dealing with superhero and cartoon characters; Workbooks directed to superhero and cartoon characters

FILING BASIS	Section 1(b)
FILING BASIS	Section 44(d)
FOREIGN APPLICATION NUMBER	Class16(1408
FOREIGN APPLICATION COUNTRY	Australia
FOREIGN FILING DATE	02/11/2011

GOODS AND/OR SERVICES SECTION (028)(current)

INTERNATIONAL CLASS	028
DESCRIPTION	

(Based on Intent to Use) Action figure toys; Action figures; Action figures and accessories therefor; Action skill games; Action target games; Action-type target games; Aero-dynamic disk for use in playing catching games; Amusement game machines; Amusement park rides; Apparatus for electronic games other than those adapted for use with an external display screen or monitor; Arcade game machines; Arcade game

machines activated by medals or tokens; Arcade game machines for team play; Arcade games; Arcade racing game machines; Arcade redemption game machines which dispense tickets or the like to successful players; Arcade virtual shooting game machines; Arcade-type electronic education video games; Arcade-type electronic video games; Articles of clothing for toys; Athletic equipment, namely, striking shields; Balloons; Bath toys; Bathtub toys; Battery operated action toys; Battery-powered computer game with LCD screen; Bean bag dolls; Bendable toys; Children's educational toys for developing fine motor, oral language, numbers, counting, colors and alphabet skills sold in a fabric bag which has a clear vinyl window for viewing small trinkets and toys securely contained within the bag itself; Easter egg coloring kits; Electric action toys; Electric toy train transformers; Electronic action toys; Electronic learning toys; Electronic novelty toys, namely, toys that electronically record, play back, and distort or manipulate voices and sounds; Electronic toy building blocks that light up as a night light; Electronic toy vehicles; Electronically operated toy motor vehicles; Fantasy character toys; Infant toys; Inflatable bath toys; Inflatable toys; Mechanical toys; Miniature toy helmets; Model toy vehicles; Modeled plastic toy figurines; Non-electronic toy vehicles; Non-riding transportation toys; Plastic character toys; Plush toys; Positionable printed toy figures for use in games; Positionable printed toy figures for use in puzzles; Positionable toy figures; Printing toys; Pull toys; Push toys; Radio controlled toy vehicles; Ride-on toys; Rideable toy vehicles; Role playing toys in the nature of play sets for children to imitate real life occupations; Sand toys; Sandbox toys; Soft sculpture plush toys; Soft sculpture toys; Squeezable squeaking toys; Stuffed and plush toys; Stuffed toys; Toy action figures; Toy action figures and accessories therefor; Toy airplanes; Toy and novelty face masks; Toy armor; Toy balloons; Toy boats; Toy cars; Toy figures; Toy guns; Toy masks; Toy model cars; Toy robots; Toy swords; Toy tools; Toy trains and parts and accessories therefor; Toy vehicles; Toy vehicles and accessories therefor; Toy vehicles with transforming parts; Toy vehicles, namely, caster boards; Toy watches; Toy water globes; Toy weapons; Toy zip guns; Toys, namely, children's dress-up accessories; Toys, namely, puppets and accessories therefor; Transforming robotic toy vehicles; Transforming robotic toys; Water squirting toys; Water toys; Wind-up toys; Wind-up walking toys; (Based on 44(d) Priority Application) Action figure toys; Action figures; Action figures and accessories therefor; Action skill games; Action target games; Action-type target games; Aero-dynamic disk for use in playing catching games; Amusement game machines; Amusement park rides; Apparatus for electronic games other than those adapted for use with an external display screen or monitor; Arcade game machines; Arcade game machines activated by medals or tokens; Arcade game machines for team play; Arcade games; Arcade racing game machines; Arcade redemption game machines which dispense tickets or the like to successful players; Arcade virtual shooting game machines; Arcade-type electronic education video games; Arcade-type electronic video games; Articles of clothing for toys; Athletic equipment, namely, striking shields; Balloons; Bath toys; Bathtub toys; Battery operated action toys; Battery-powered computer game with LCD screen; Bean bag dolls; Bendable toys; Children's educational toys for developing fine motor, oral language, numbers, counting, colors and alphabet skills sold in a fabric bag which has a clear vinyl window for viewing small trinkets and toys securely contained within the bag itself; Easter egg coloring kits; Electric action toys; Electric toy train transformers; Electronic action toys; Electronic learning toys; Electronic novelty toys, namely, toys that electronically record, play back, and distort or manipulate voices and sounds; Electronic toy building blocks that light up as a night light; Electronic toy vehicles; Electronically operated toy motor vehicles; Fantasy character toys; Infant toys; Inflatable bath toys; Inflatable toys; Mechanical toys; Miniature toy helmets; Model toy vehicles; Modeled plastic toy figurines; Non-electronic toy vehicles; Non-riding transportation toys; Plastic character toys; Plush toys; Positionable printed toy figures for use in games; Positionable printed toy figures for use in puzzles; Positionable toy figures; Printing toys; Pull toys; Push toys; Radio controlled toy vehicles; Ride-on toys; Rideable toy vehicles; Role playing toys in the nature of play sets for children to imitate real life occupations; Sand toys; Sandbox toys; Soft sculpture plush toys; Soft sculpture toys; Squeezable squeaking toys; Stuffed and plush

toys; Stuffed toys; Toy action figures; Toy action figures and accessories therefor; Toy airplanes; Toy and novelty face masks; Toy armor; Toy balloons; Toy boats; Toy cars; Toy figures; Toy guns; Toy masks; Toy model cars; Toy robots; Toy swords; Toy tools; Toy trains and parts and accessories therefor; Toy vehicles; Toy vehicles and accessories therefor; Toy vehicles with transforming parts; Toy vehicles, namely, caster boards; Toy watches; Toy water globes; Toy weapons; Toy zip guns; Toys, namely, children's dress-up accessories; Toys, namely, puppets and accessories therefor; Transforming robotic toy vehicles; Transforming robotic toys; Water squirting toys; Water toys; Wind-up toys; Wind-up walking toys

FILING BASIS

Section 1(b)

FILING BASIS

Section 44(d)

GOODS AND/OR SERVICES SECTION (028)(proposed)**INTERNATIONAL CLASS**

028

TRACKED TEXT DESCRIPTION

(Based on Intent to Use) Action figure toys; Action figures; Action figures and accessories therefor; Action skill games; Action target games; Action-type target games; Aero-dynamic disk for use in playing catching games; Amusement game machines; Amusement park rides; Apparatus for electronic games other than those adapted for use with an external display screen or monitor; Arcade game machines; Arcade game machines activated by medals or tokens; Arcade game machines for team play; Arcade games; Arcade racing game machines; Arcade redemption game machines which dispense tickets or the like to successful players; Arcade virtual shooting game machines; Arcade-type electronic education video games; Arcade-type electronic video games; Articles of clothing for toys; Athletic equipment, namely, striking shields; Balloons; Bath toys; Bathtub toys; Battery operated action toys; Battery-powered computer game with LCD screen; ~~Bean bag dolls~~; Bean bag dolls; Bendable toys; ~~Children's educational toys for developing fine motor, oral language, numbers, counting, colors and alphabet skills sold in a fabric bag which has a clear vinyl window for viewing small trinkets and toys securely contained within the bag itself~~; Electric action toys; ~~Easter egg coloring kits~~; Electric toy train transformers; Electronic action toys; Electronic learning toys; Electronic novelty toys, namely, toys that electronically record, play back, and distort or manipulate voices and sounds; Electronic toy building blocks that light up as a night light; Electronic toy vehicles; Electronically operated toy motor vehicles; Fantasy character toys; Infant toys; Inflatable bath toys; Inflatable toys; Mechanical toys; Miniature toy helmets; Model toy vehicles; Modeled plastic toy figurines; Non-electronic toy vehicles; Non-riding transportation toys; Plastic character toys; Plush toys; Positionable printed toy figures for use in games; Positionable printed toy figures for use in puzzles; Positionable toy figures; Printing toys; Pull toys; Push toys; Radio controlled toy vehicles; Ride-on toys; Rideable toy vehicles; Role playing toys in the nature of play sets for children to imitate real life occupations; Sand toys; Sandbox toys; Soft sculpture plush toys; Soft sculpture toys; Squeezable squeaking toys; Stuffed and plush toys; Stuffed toys; Toy action figures; Toy action figures and accessories therefor; Toy airplanes; Toy and novelty face masks; Toy armor; Toy balloons; Toy boats; Toy cars; Toy figures; Toy guns; Toy masks; Toy model cars; Toy robots; Toy swords; Toy tools; Toy trains and parts and accessories therefor; Toy vehicles; Toy vehicles and accessories therefor; Toy vehicles with transforming parts; Toy vehicles, namely, caster boards; Toy watches; Toy water globes; Toy weapons; Toy zip guns; Toys, namely, children's dress-up accessories; Toys, namely, puppets and accessories therefor; Transforming robotic toy vehicles; Transforming robotic toys; Water squirting toys; Water toys; Wind-up toys; Wind-up walking toys; ~~Wind-up walking toys~~ (Based on 44(d) Priority Application) ~~Action figure toys; Action figures; Action figures and accessories therefor; Action~~

~~skill games; Action target games; Action-type target games; Aero-dynamic disk for use in playing catching games; Amusement game machines; Amusement park rides; Apparatus for electronic games other than those adapted for use with an external display screen or monitor; Arcade game machines; Arcade game machines activated by medals or tokens; Arcade game machines for team play; Arcade games; Arcade racing game machines; Arcade redemption game machines which dispense tickets or the like to successful players; Arcade virtual shooting game machines; Arcade-type electronic education video games; Arcade-type electronic video games; Articles of clothing for toys; Athletic equipment, namely, striking shields; Balloons; Bath toys; Bathtub toys; Battery operated action toys; Battery-powered computer game with LCD screen; Bean bag dolls; Bendable toys; Children's educational toys for developing fine motor, oral language, numbers, counting, colors and alphabet skills sold in a fabric bag which has a clear vinyl window for viewing small trinkets and toys securely contained within the bag itself; Easter egg coloring kits; Electric action toys; Electric toy train transformers; Electronic action toys; Electronic learning toys; Electronic novelty toys, namely, toys that electronically record, play back, and distort or manipulate voices and sounds; Electronic toy building blocks that light up as a night light; Electronic toy vehicles; Electronically operated toy motor vehicles; Fantasy character toys; Infant toys; Inflatable bath toys; Inflatable toys; Mechanical toys; Miniature toy helmets; Model toy vehicles; Modeled plastic toy figurines; Non-electronic toy vehicles; Non-riding transportation toys; Plastic character toys; Plush toys; Positionable printed toy figures for use in games; Positionable printed toy figures for use in puzzles; Positionable toy figures; Printing toys; Pull toys; Push toys; Radio controlled toy vehicles; Ride-on toys; Rideable toy vehicles; Role playing toys in the nature of play sets for children to imitate real life occupations; Sand toys; Sandbox toys; Soft sculpture plush toys; Soft sculpture toys; Squeezable squeaking toys; Stuffed and plush toys; Stuffed toys; Toy action figures; Toy action figures and accessories therefor; Toy airplanes; Toy and novelty face masks; Toy armor; Toy balloons; Toy boats; Toy cars; Toy figures; Toy guns; Toy masks; Toy model cars; Toy robots; Toy swords; Toy tools; Toy trains and parts and accessories therefor; Toy vehicles; Toy vehicles and accessories therefor; Toy vehicles with transforming parts; Toy vehicles, namely, easter boards; Toy watches; Toy water globes; Toy weapons; Toy zip guns; Toys, namely, children's dress-up accessories; Toys, namely, puppets and accessories therefor; Transforming robotic toy vehicles; Transforming robotic toys; Water squirting toys; Water toys; Wind-up toys~~

FINAL DESCRIPTION

(Based on Intent to Use) Action figure toys; Action figures; Action figures and accessories therefor; Action skill games; Action target games; Action-type target games; Aero-dynamic disk for use in playing catching games; Amusement game machines; Amusement park rides; Apparatus for electronic games other than those adapted for use with an external display screen or monitor; Arcade game machines; Arcade game machines activated by medals or tokens; Arcade game machines for team play; Arcade games; Arcade racing game machines; Arcade redemption game machines which dispense tickets or the like to successful players; Arcade virtual shooting game machines; Arcade-type electronic education video games; Arcade-type electronic video games; Articles of clothing for toys; Athletic equipment, namely, striking shields; Balloons; Bath toys; Bathtub toys; Battery operated action toys; Battery-powered computer game with LCD screen; Bean bag dolls; Bendable toys; Electric action toys; Electric toy train transformers; Electronic action toys; Electronic learning toys; Electronic novelty toys, namely, toys that electronically record, play back, and distort or manipulate voices and sounds; Electronic toy building blocks that light up as a night light; Electronic toy vehicles; Electronically operated toy motor vehicles; Fantasy character toys; Infant toys; Inflatable bath toys; Inflatable toys; Mechanical toys; Miniature toy helmets; Model toy vehicles; Modeled plastic toy figurines; Non-electronic toy vehicles; Non-riding transportation toys; Plastic character toys; Plush toys; Positionable printed toy figures for use in games; Positionable printed toy figures for use in puzzles; Positionable toy figures; Printing toys; Pull toys; Push toys; Radio controlled toy vehicles;

Ride-on toys; Rideable toy vehicles; Role playing toys in the nature of play sets for children to imitate real life occupations; Sand toys; Sandbox toys; Soft sculpture plush toys; Soft sculpture toys; Squeezable squeaking toys; Stuffed and plush toys; Stuffed toys; Toy action figures; Toy action figures and accessories therefor; Toy airplanes; Toy and novelty face masks; Toy armor; Toy balloons; Toy boats; Toy cars; Toy figures; Toy guns; Toy masks; Toy model cars; Toy robots; Toy swords; Toy tools; Toy trains and parts and accessories therefor; Toy vehicles; Toy vehicles and accessories therefor; Toy vehicles with transforming parts; Toy vehicles, namely, caster boards; Toy watches; Toy water globes; Toy weapons; Toy zip guns; Toys, namely, children's dress-up accessories; Toys, namely, puppets and accessories therefor; Transforming robotic toy vehicles; Transforming robotic toys; Water squirting toys; Water toys; Wind-up toys; Wind-up walking toys

FILING BASIS

Section 1(b)

FILING BASIS

Section 44(d)

GOODS AND/OR SERVICES SECTION (041)(current)**INTERNATIONAL CLASS**

041

DESCRIPTION

(Based on Intent to Use) Educational and entertainment services, namely, a continuing program about superhero and other characters accessible by radio, television, satellite, audio, video and computer networks; Educational and entertainment services, namely, providing motivational and educational speakers; Entertainment and education services in the nature of a series of short shows featuring superhero and other characters distributed to mobile handsets, which may include video, text, photos, illustrations or hypertext; Entertainment and education services in the nature of live dance and musical performances; Entertainment and education services, namely, providing recognition and incentives by way of celebrations and awards to girls from underserved communities who have completed their high school careers successfully and who are going on to college; Entertainment and educational services in the nature of on-line competitions in the field of entertainment, education, culture, sports, and other non-business and non-commercial fields; Entertainment and educational services, namely, providing a website that displays various requests, reviews, recommendations, rankings, trackings, votes, and information relating to uncreated, unreleased, new, special, popular, and rare products, services, and events in the fields of pop culture, entertainment, education, and sports, all exclusively for non-business and non-commercial transactions and purposes; Entertainment and educational services, namely, providing advice and information for music, video and film concept and script development; Entertainment and educational services, namely, the presentation of seminars, lectures, workshops and panel discussions, and ongoing television and radio talk shows all in the field of public interest concerning superhero and other characters; Entertainment and educational services, namely, the presentation of seminars, workshops and panel discussions, and ongoing television and radio shows all in the field of superhero and other characters; Entertainment in the nature of on-going television programs in the field of superhero and other characters; Entertainment in the nature of visual and audio performances by superhero and other characters; Entertainment in the nature of visual and audio performances, and musical, variety, news and comedy shows; Entertainment in the nature of visual and audio performances, namely, musical band, rock group, gymnastic, dance, and ballet performances; Entertainment in the nature of visual and audio performances by an actor; Entertainment information; Entertainment information services, namely, providing information and news releases about a musical artist; Entertainment media production services for motion pictures, television and Internet; Entertainment services in the nature of a non-fiction television programming series

on topics relating to family stories told by family members to preserve their heritage.; Entertainment services in the nature of on-going television programs in the field of children's entertainment; Entertainment services, namely, displaying a series of films; Entertainment services, namely, planning and conducting a series of film festivals; Entertainment services, namely, providing a web site featuring non-downloadable musical performances, musical videos, related film clips, photographs, and other multimedia materials featuring superhero and other characters; Entertainment, namely, a continuing superhero and other characters show broadcast over television, satellite, audio, and video media; Film and video film production; Film and video production; Film and video production consulting services; Film production; Film studios; Media production services, namely, video and film production; Motion picture film production; Multimedia entertainment services in the nature of development, production and post-production services in the fields of video and films; Multimedia entertainment services in the nature of recording, production and post-production services in the fields of music, video, and films; Operating of film studios; Production of DVDs, videotapes and television programs featuring superhero and other characters; Production of films; Production of television and radio programmes; Production of television programs; Providing information and articles in the field of film, filmmaking, and entertainment via a global computer network; Providing online non-downloadable comic books and graphic novels; Provision of information relating to distribution of television shows, motion picture film and radio shows; Provision of information relating to television, motion picture film, audio and radio production; Provision of non-downloadable films and movies via a video-on-demand service; Provision of non-downloadable films and television programmes via a video-on-demand service; Special effects animation services for film and video; Television, video and movie filming services(Based on 44(d) Priority Application) Educational and entertainment services, namely, a continuing program about superhero and other characters accessible by radio, television, satellite, audio, video and computer networks; Educational and entertainment services, namely, providing motivational and educational speakers; Entertainment and education services in the nature of a series of short shows featuring superhero and other characters distributed to mobile handsets, which may include video, text, photos, illustrations or hypertext; Entertainment and education services in the nature of live dance and musical performances; Entertainment and education services, namely, providing recognition and incentives by way of celebrations and awards to girls from underserved communities who have completed their high school careers successfully and who are going on to college; Entertainment and educational services in the nature of on-line competitions in the field of entertainment, education, culture, sports, and other non-business and non-commercial fields; Entertainment and educational services, namely, providing a website that displays various requests, reviews, recommendations, rankings, trackings, votes, and information relating to uncreated, unreleased, new, special, popular, and rare products, services, and events in the fields of pop culture, entertainment, education, and sports, all exclusively for non-business and non-commercial transactions and purposes; Entertainment and educational services, namely, providing advice and information for music, video and film concept and script development; Entertainment and educational services, namely, the presentation of seminars, lectures, workshops and panel discussions, and ongoing television and radio talk shows all in the field of public interest concerning superhero and other characters; Entertainment and educational services, namely, the presentation of seminars, workshops and panel discussions, and ongoing television and radio shows all in the field of superhero and other characters; Entertainment in the nature of on-going television programs in the field of superhero and other characters; Entertainment in the nature of visual and audio performances by superhero and other characters; Entertainment in the nature of visual and audio performances, and musical, variety, news and comedy shows; Entertainment in the nature of visual and audio performances, namely, musical band, rock group, gymnastic, dance, and ballet performances; Entertainment in the nature of visual and audio performances by an actor; Entertainment information; Entertainment information services, namely, providing information and news releases about a musical

artist; Entertainment media production services for motion pictures, television and Internet; Entertainment services in the nature of a non-fiction television programming series on topics relating to family stories told by family members to preserve their heritage.; Entertainment services in the nature of on-going television programs in the field of children's entertainment; Entertainment services, namely, displaying a series of films; Entertainment services, namely, planning and conducting a series of film festivals; Entertainment services, namely, providing a web site featuring non-downloadable musical performances, musical videos, related film clips, photographs, and other multimedia materials featuring superhero and other characters; Entertainment, namely, a continuing superhero and other characters show broadcast over television, satellite, audio, and video media; Film and video film production; Film and video production; Film and video production consulting services; Film production; Film studios; Media production services, namely, video and film production; Motion picture film production; Multimedia entertainment services in the nature of development, production and post-production services in the fields of video and films; Multimedia entertainment services in the nature of recording, production and post-production services in the fields of music, video, and films; Operating of film studios; Production of DVDs, videotapes and television programs featuring superhero and other characters; Production of films; Production of television and radio programmes; Production of television programs; Providing information and articles in the field of film, filmmaking, and entertainment via a global computer network; Providing online non-downloadable comic books and graphic novels; Provision of information relating to distribution of television shows, motion picture film and radio shows; Provision of information relating to television, motion picture film, audio and radio production; Provision of non-downloadable films and movies via a video-on-demand service; Provision of non-downloadable films and television programmes via a video-on-demand service; Special effects animation services for film and video; Television, video and movie filming services

FILING BASIS

Section 1(b)

FILING BASIS

Section 44(d)

GOODS AND/OR SERVICES SECTION (041)(proposed)**INTERNATIONAL CLASS**

041

TRACKED TEXT DESCRIPTION

~~(Based on Intent to Use) Educational and entertainment services, namely, a continuing program about superhero and other characters accessible by radio, television, satellite, audio, video and computer networks;~~ (Based on Intent to Use) Educational and entertainment services, namely, a continuing program about superhero and cartoon characters accessible by radio, television, satellite, audio, video and computer networks; Educational and entertainment services, namely, providing motivational and educational speakers; ~~Entertainment and education services in the nature of a series of short shows featuring superhero and other characters distributed to mobile handsets, which may include video, text, photos, illustrations or hypertext;~~ Entertainment and education services in the nature of a series of short shows featuring superhero and cartoon characters distributed to mobile handsets, which may include video, text, photos, illustrations or hypertext; Entertainment and education services in the nature of live dance and musical performances; Entertainment and education services, namely, providing recognition and incentives by way of celebrations and awards to girls from underserved communities who have completed their high school careers successfully and who are going on to college; Entertainment and educational services in the nature of on-line competitions in the field of entertainment, education, culture, sports, and other non-business and non-commercial fields; Entertainment and educational services, namely, providing a website that displays various requests, reviews,

recommendations, rankings, trackings, votes, and information relating to uncreated, unreleased, new, special, popular, and rare products, services, and events in the fields of pop culture, entertainment, education, and sports, all exclusively for non-business and non-commercial transactions and purposes; Entertainment and educational services, namely, providing advice and information for music, video and film concept and script development; ~~Entertainment and educational services, namely, the presentation of seminars, lectures, workshops and panel discussions, and ongoing television and radio talk shows all in the field of public interest concerning superhero and other characters;~~ Entertainment and educational services, namely, the presentation of seminars, lectures, workshops and panel discussions, and ongoing television and radio talk shows all in the field of public interest concerning superhero and cartoon characters; ~~Entertainment and educational services, namely, the presentation of seminars, workshops and panel discussions, and ongoing television and radio shows all in the field of superhero and other characters;~~ Entertainment and educational services, namely, the presentation of seminars, workshops and panel discussions, and ongoing television and radio shows all in the field of superhero and cartoon characters; ~~Entertainment in the nature of on-going television programs in the field of superhero and other characters;~~ Entertainment in the nature of on-
going television programs in the field of superhero and cartoon characters; ~~Entertainment in the nature of visual and audio performances by superhero and other characters;~~ Entertainment in the nature of visual and audio performances by superhero and cartoon characters; Entertainment in the nature of visual and audio performances, and musical, variety, news and comedy shows; Entertainment in the nature of visual and audio performances, namely, musical band, rock group, gymnastic, dance, and ballet performances; ~~Entertainment in the nature of visual and audio performances by an actor;~~ Entertainment in the nature of visual and audio performances by an actor; Entertainment information; Entertainment information services, namely, providing information and news releases about a musical artist; Entertainment media production services for motion pictures, television and Internet; ~~Entertainment services in the nature of a non-fiction television programming series on topics relating to family stories told by family members to preserve their heritage;~~ Entertainment services in the nature of a non-fiction television programming series on topics relating to family stories told by family members to preserve their heritage; Entertainment services in the nature of on-going television programs in the field of children's entertainment; Entertainment services, namely, displaying a series of films; Entertainment services, namely, planning and conducting a series of film festivals; ~~Entertainment services, namely, providing a web site featuring non-downloadable musical performances, musical videos, related film clips, photographs, and other multimedia materials featuring superhero and other characters;~~ Entertainment services, namely, providing a web site featuring non-downloadable musical performances, musical videos, related film clips, photographs, and other multimedia materials featuring superhero and cartoon characters; ~~Entertainment, namely, a continuing superhero and other characters show broadcast over television, satellite, audio, and video media;~~ Entertainment, namely, a continuing superhero and cartoon characters; show broadcast over television, satellite, audio, and video media; Film and video film production; Film and video production; Film and video production consulting services; Film production; Film studios; Media production services, namely, video and film production; Motion picture film production; Multimedia entertainment services in the nature of development, production and post-production services in the fields of video and films; Multimedia entertainment services in the nature of recording, production and post-production services in the fields of music, video, and films; ~~Production of DVDs, videotapes and television programs featuring superhero and other characters;~~ Operating of film studios; Production of DVDs, videotapes and television programs featuring superhero and cartoon characters; Production of films; Production of television and radio programmes; ~~Providing information and articles in the field of film, filmmaking, and entertainment via a global computer network;~~ Production of television programs; Providing information and articles in the field of film,
filmmaking, and entertainment via a global computer network; Providing online non-downloadable comic

books and graphic novels; Provision of information relating to distribution of television shows, motion picture film and radio shows; Provision of information relating to television, motion picture film, audio and radio production; Provision of non-downloadable films and movies via a video-on-demand service; Provision of non-downloadable films and television programmes via a video-on-demand service; ~~Television, video and movie filming services(Based on 44(d) Priority Application) Educational and entertainment services, namely, a continuing program about superhero and other characters accessible by radio, television, satellite, audio, video and computer networks; Special effects animation services for film and video; Educational and entertainment services, namely, providing motivational and educational speakers; Television, video and movie filming services; Entertainment and education services in the nature of a series of short shows featuring superhero and other characters distributed to mobile handsets, which may include video, text, photos, illustrations or hypertext; Entertainment and education services in the nature of live dance and musical performances; Entertainment and education services, namely, providing recognition and incentives by way of celebrations and awards to girls from underserved communities who have completed their high school careers successfully and who are going on to college; Entertainment and educational services in the nature of on-line competitions in the field of entertainment, education, culture, sports, and other non-business and non-commercial fields; Entertainment and educational services, namely, providing a website that displays various requests, reviews, recommendations, rankings, trackings, votes, and information relating to uncreated, unreleased, new, special, popular, and rare products, services, and events in the fields of pop culture, entertainment, education, and sports, all exclusively for non-business and non-commercial transactions and purposes; Entertainment and educational services, namely, providing advice and information for music, video and film concept and script development; Entertainment and educational services, namely, the presentation of seminars, lectures, workshops and panel discussions, and ongoing television and radio talk shows all in the field of public interest concerning superhero and other characters; Entertainment and educational services, namely, the presentation of seminars, workshops and panel discussions, and ongoing television and radio shows all in the field of superhero and other characters; Entertainment in the nature of on-going television programs in the field of superhero and other characters; Entertainment in the nature of visual and audio performances by superhero and other characters; Entertainment in the nature of visual and audio performances, and musical, variety, news and comedy shows; Entertainment in the nature of visual and audio performances, namely, musical band, rock group, gymnastic, dance, and ballet performances; Entertainment in the nature of visual and audio performances by an actor; Entertainment information; Entertainment information services, namely, providing information and news releases about a musical artist; Entertainment media production services for motion pictures, television and Internet; Entertainment services in the nature of a non-fiction television programming series on topics relating to family stories told by family members to preserve their heritage.; Entertainment services in the nature of on-going television programs in the field of children's entertainment; Entertainment services, namely, displaying a series of films; Entertainment services, namely, planning and conducting a series of film festivals; Entertainment services, namely, providing a web site featuring non-downloadable musical performances, musical videos, related film clips, photographs, and other multimedia materials featuring superhero and other characters; Entertainment, namely, a continuing superhero and other characters show broadcast over television, satellite, audio, and video media; Film and video film production; Film and video production; Film and video production consulting services; Film production; Film studios; Media production services, namely, video and film production; Motion picture film production; Multimedia entertainment services in the nature of development, production and post-production services in the fields of video and films; Multimedia entertainment services in the nature of recording, production and post-production services in the fields of music, video, and films; Operating of film studios; Production of DVDs, videotapes and television programs featuring superhero and other characters; Production of films; Production of television and radio programmes; Production of television~~

~~programs; Providing information and articles in the field of film, filmmaking, and entertainment via a global computer network; Providing online non-downloadable comic books and graphic novels; Provision of information relating to distribution of television shows, motion picture film and radio shows; Provision of information relating to television, motion picture film, audio and radio production; Provision of non-downloadable films and movies via a video-on-demand service; Provision of non-downloadable films and television programmes via a video-on-demand service; Special effects animation services for film and video~~

FINAL DESCRIPTION

(Based on Intent to Use) Educational and entertainment services, namely, a continuing program about superhero and cartoon characters accessible by radio, television, satellite, audio, video and computer networks; Educational and entertainment services, namely, providing motivational and educational speakers; Entertainment and education services in the nature of a series of short shows featuring superhero and cartoon characters distributed to mobile handsets, which may include video, text, photos, illustrations or hypertext; Entertainment and education services in the nature of live dance and musical performances; Entertainment and education services, namely, providing recognition and incentives by way of celebrations and awards to girls from underserved communities who have completed their high school careers successfully and who are going on to college; Entertainment and educational services in the nature of on-line competitions in the field of entertainment, education, culture, sports, and other non-business and non-commercial fields; Entertainment and educational services, namely, providing a website that displays various requests, reviews, recommendations, rankings, trackings, votes, and information relating to uncreated, unreleased, new, special, popular, and rare products, services, and events in the fields of pop culture, entertainment, education, and sports, all exclusively for non-business and non-commercial transactions and purposes; Entertainment and educational services, namely, providing advice and information for music, video and film concept and script development; Entertainment and educational services, namely, the presentation of seminars, lectures, workshops and panel discussions, and ongoing television and radio talk shows all in the field of public interest concerning superhero and cartoon characters; Entertainment and educational services, namely, the presentation of seminars, workshops and panel discussions, and ongoing television and radio shows all in the field of superhero and cartoon characters; Entertainment in the nature of on- going television programs in the field of superhero and cartoon characters; Entertainment in the nature of visual and audio performances by superhero and cartoon characters; Entertainment in the nature of visual and audio performances, and musical, variety, news and comedy shows; Entertainment in the nature of visual and audio performances, namely, musical band, rock group, gymnastic, dance, and ballet performances; Entertainment in the nature of visual and audio performances by an actor; Entertainment information; Entertainment information services, namely, providing information and news releases about a musical artist; Entertainment media production services for motion pictures, television and Internet; Entertainment services in the nature of a non-fiction television programming series on topics relating to family stories told by family members to preserve their heritage; Entertainment services in the nature of on-going television programs in the field of children's entertainment; Entertainment services, namely, displaying a series of films; Entertainment services, namely, planning and conducting a series of film festivals; Entertainment services, namely, providing a web site featuring non-downloadable musical performances, musical videos, related film clips, photographs, and other multimedia materials featuring superhero and cartoon characters; Entertainment, namely, a continuing superhero and cartoon characters; show broadcast over television, satellite, audio, and video media; Film and video film production; Film and video production; Film and video production consulting services; Film production; Film studios; Media production services, namely, video and film production; Motion picture film production; Multimedia entertainment services in the nature of development, production and post-

production services in the fields of video and films; Multimedia entertainment services in the nature of recording, production and post-production services in the fields of music, video, and films; Operating of film studios; Production of DVDs, videotapes and television programs featuring superhero and cartoon characters; Production of films; Production of television and radio programmes; Production of television programs; Providing information and articles in the field of film, filmmaking, and entertainment via a global computer network; Providing online non-downloadable comic books and graphic novels; Provision of information relating to distribution of television shows, motion picture film and radio shows; Provision of information relating to television, motion picture film, audio and radio production; Provision of non-downloadable films and movies via a video-on-demand service; Provision of non-downloadable films and television programmes via a video-on-demand service; Special effects animation services for film and video; Television, video and movie filming services

FILING BASIS	Section 1(b)
FILING BASIS	Section 44(d)
SIGNATURE SECTION	
RESPONSE SIGNATURE	/JOEL BELING/
SIGNATORY'S NAME	Joel Beling
SIGNATORY'S POSITION	Owner
DATE SIGNED	09/22/2011
AUTHORIZED SIGNATORY	YES
FILING INFORMATION SECTION	
SUBMIT DATE	Wed Sep 21 23:46:56 EDT 2011
TEAS STAMP	USPTO/ROA-128.250.5.247-2 0110921234656743802-85324 443-4807bdba916be8c5f8a37 f22e062b416-N/A-N/A-20110 921234222616222

Response to Office Action

To the Commissioner for Trademarks:

Application serial no. **85324443** has been amended as follows:

CLASSIFICATION AND LISTING OF GOODS/SERVICES

Applicant proposes to amend the following class of goods/services in the application:

Current: Class 016 for (Based on Intent to Use) Adhesive bands for stationery or household purposes; Adhesive foils stationery; Adhesive tape dispensers for household or stationery use; Adhesive tapes for stationery or household purposes; Adhesive tapes for stationery purposes; Adhesives for stationery and household use; Adhesives for stationery or household purposes; Adhesives for stationery purposes; Adhesives in the form of tape for stationery; Art prints; Automatic paper clip dispensing machines for office or stationery use; Books in the field of superhero and other characters; Brochures about superhero and other characters; Cartoon prints; Cartoon strips; Color pencils; Color prints; Colorboard; Colored craft and art sand; Coloring books; Comic books; Comic magazines; Comic strips; Comic strips appearing in newspapers and other media; Comic strips' comic features; Comics; Desk mounted stationery cabinets; Desktop stationery cabinets; Dispensers for adhesive tapes for stationery or household purposes; Educational publications, namely, educational learning cards, flash cards, activity cards, workbooks, textbooks, activity books, story books, puzzle books, printed puzzles, teacher guides, manuals, posters and educational booklets in the field of superhero and other characters; Envelopes for stationery use; File pockets; Glitter glue for stationery purposes; Glitter pens for stationery purposes; Glue for stationery or household purposes; Glue for stationery or household use; Glue pens for stationery purposes; Glue sticks for stationery or household use; Graphic fine art prints; Graphic prints and representations; Gummed tape for stationery or household use; Liquid paint felt tip marking and coloring applicators; Magazine columns about superhero and other characters; Magazine sections in the field of superhero and other characters; Magazine supplements to newspapers in the field of superhero and other characters; Magazines in the field of superhero and other characters; Newsletters in the field of superhero and other characters; Newspaper cartoons; Newspaper comic strips; Office paper stationery; Office stationery; Organizational kit used in planning the design and apparel for special events containing color selection sample sheets, planning folders and fabric swatches; Organizational kits containing calendars, stationery, planning folders, templates and printed guidelines for planning social events; Organizers for stationery use; Packaged kits comprising printed instructional, educational, and teaching materials for educational activities in the field of superhero and other characters; Paper stationery; Paper stationery with inspirational messages imprinted thereon; Partially printed forms; Paste for handicraft, for stationery or household purposes (banjaku-nori); Paste for stationery or household purposes; Pastes and other adhesives for stationery or household purposes; Pencil ornaments; Personalized coloring books for children; Photographic prints; Pictorial prints; Polyester film for use as a paper substitute for dry toner xerographic imaging, namely, laser printing, color copier printing, dry toner printing, screen printing, and offset printing; Print engravings; Print letters and blocks; Printed art reproductions; Printed calendars; Printed certificates; Printed certificates for sports and/or entertainment fans; Printed certificates in the field of sports and/or entertainment; Printed children's coloring pages; Printed collector cards made primarily of paper and also including metal; Printed collector cards made primarily of paper but also including metal; Printed emblems; Printed forms; Printed graphs; Printed greeting cards with electronic information stored therein; Printed holograms; Printed material in the nature of color samples; Printed materials, namely, curricula in the field of superhero and other characters; Printed materials, namely, journals featuring superhero and other characters; Printed materials, namely, novels and series offfiction books and short stories featuring scenes and characters based on video games; Printed materials, namely, press releases featuring superhero and other characters; Printed materials, namely, written articles in the field of superhero and other characters; Printed matter, namely, paper signs, books, manuals, curriculum, newsletters, informational cards and brochures in the field of superhero and other characters; Printed music books; Printed news releases in the field of superhero and other characters; Printed pamphlets, brochures, manuals, books, booklets, leaflets, flyers, informational sheets and newsletters, adhesive backed stickers, and kits comprising one or more of the foregoing materials in the

field of superhero and other characters; Printed paper labels; Printed paper signs; Printed patterns; Printed periodicals in the field of movies; Printed periodicals in the field of music; Printed periodicals in the field of plays; Printed periodicals in the field of tourism; Printed wine and beer bottle labels incorporating a feature that changes color in response to fluctuation in temperature of the contents of the bottle to which the label is affixed; Prints; Prints in the nature of superhero and other characters; Protractors; Publications, namely, brochures, booklets, and teaching materials in the field of superhero and other characters; Publications, namely, books, journals, magazines and comic books in the fields of superhero and other characters; Red algae gelatine glue, for stationery or household purposes (funori); Reinforced stationery tabs; Seals; Self-adhesive tapes for stationery and household purposes; Souvenir programs concerning superhero and other characters; Stationery; Stationery boxes; Stationery cases; Stationery folders; Stationery writing paper and envelopes; Stationery-type portfolios; Stickers; Syndicated columns dealing with superhero and other characters; Syndicated magazine sections dealing with superhero and other characters; Syndicated newspaper columns dealing with superhero and other characters; Workbooks directed to superhero and other characters (Based on 44(d) Priority Application) Adhesive bands for stationery or household purposes; Adhesive foils stationery; Adhesive tape dispensers for household or stationery use; Adhesive tapes for stationery or household purposes; Adhesive tapes for stationery purposes; Adhesives for stationery and household use; Adhesives for stationery or household purposes; Adhesives for stationery purposes; Adhesives in the form of tape for stationery; Art prints; Automatic paper clip dispensing machines for office or stationery use; Books in the field of superhero and other characters; Brochures about superhero and other characters; Cartoon prints; Cartoon strips; Color pencils; Color prints; Colorboard; Colored craft and art sand; Coloring books; Comic books; Comic magazines; Comic strips; Comic strips appearing in newspapers and other media; Comic strips' comic features; Comics; Desk mounted stationery cabinets; Desktop stationery cabinets; Dispensers for adhesive tapes for stationery or household purposes; Educational publications, namely, educational learning cards, flash cards, activity cards, workbooks, textbooks, activity books, story books, puzzle books, printed puzzles, teacher guides, manuals, posters and educational booklets in the field of superhero and other characters; Envelopes for stationery use; File pockets; Glitter glue for stationery purposes; Glitter pens for stationery purposes; Glue for stationery or household purposes; Glue for stationery or household use; Glue pens for stationery purposes; Glue sticks for stationery or household use; Graphic fine art prints; Graphic prints and representations; Gummed tape for stationery or household use; Liquid paint felt tip marking and coloring applicators; Magazine columns about superhero and other characters; Magazine sections in the field of superhero and other characters; Magazine supplements to newspapers in the field of superhero and other characters; Magazines in the field of superhero and other characters; Newsletters in the field of superhero and other characters; Newspaper cartoons; Newspaper comic strips; Office paper stationery; Office stationery; Organizational kit used in planning the design and apparel for special events containing color selection sample sheets, planning folders and fabric swatches; Organizational kits containing calendars, stationery, planning folders, templates and printed guidelines for planning social events; Organizers for stationery use; Packaged kits comprising printed instructional, educational, and teaching materials for educational activities in the field of superhero and other characters; Paper stationery; Paper stationery with inspirational messages imprinted thereon; Partially printed forms; Paste for handicraft, for stationery or household purposes (banjaku-nori); Paste for stationery or household purposes; Pastes and other adhesives for stationery or household purposes; Pencil ornaments; Personalized coloring books for children; Photographic prints; Pictorial prints; Polyester film for use as a paper substitute for dry toner xerographic imaging, namely, laser printing, color copier printing, dry toner printing, screen printing, and offset printing; Print engravings; Print letters and blocks; Printed art reproductions; Printed calendars; Printed certificates; Printed certificates for sports and/or entertainment fans; Printed certificates in the field of sports and/or entertainment; Printed children's coloring pages; Printed collector cards made primarily of paper and also including metal; Printed collector cards made primarily of paper but also including metal; Printed emblems;

Printed forms; Printed graphs; Printed greeting cards with electronic information stored therein; Printed holograms; Printed material in the nature of color samples; Printed materials, namely, curricula in the field of superhero and other characters; Printed materials, namely, journals featuring superhero and other characters; Printed materials, namely, novels and series of fiction books and short stories featuring scenes and characters based on video games; Printed materials, namely, press releases featuring superhero and other characters; Printed materials, namely, written articles in the field of superhero and other characters; Printed matter, namely, paper signs, books, manuals, curriculum, newsletters, informational cards and brochures in the field of superhero and other characters; Printed music books; Printed news releases in the field of superhero and other characters; Printed pamphlets, brochures, manuals, books, booklets, leaflets, flyers, informational sheets and newsletters, adhesive backed stickers, and kits comprising one or more of the foregoing materials in the field of superhero and other characters; Printed paper labels; Printed paper signs; Printed patterns; Printed periodicals in the field of movies; Printed periodicals in the field of music; Printed periodicals in the field of plays; Printed periodicals in the field of tourism; Printed wine and beer bottle labels incorporating a feature that changes color in response to fluctuation in temperature of the contents of the bottle to which the label is affixed; Prints; Prints in the nature of superhero and other characters; Protractors; Publications, namely, brochures, booklets, and teaching materials in the field of superhero and other characters; Publications, namely, books, journals, magazines and comic books in the fields of superhero and other characters; Red algae gelatine glue, for stationery or household purposes (funori); Reinforced stationery tabs; Seals; Self-adhesive tapes for stationery and household purposes; Souvenir programs concerning superhero and other characters; Stationery; Stationery boxes; Stationery cases; Stationery folders; Stationery writing paper and envelopes; Stationery-type portfolios; Stickers; Syndicated columns dealing with superhero and other characters; Syndicated magazine sections dealing with superhero and other characters; Syndicated newspaper columns dealing with superhero and other characters; Workbooks directed to superhero and other characters

Original Filing Basis:

Filing Basis: Section 1(b), Intent to Use: The applicant has a bona fide intention to use or use through the applicant's related company or licensee the mark in commerce on or in connection with the identified goods and/or services as of the filing date of the application. (15 U.S.C. Section 1051(b)).

Filing Basis: Section 44(d), Priority based on foreign filing: Applicant has a bona fide intention to use the mark in commerce on or in connection with the identified goods and/or services, and asserts a claim of priority based on [Australia application number Class16(1408 filed 02/11/2011)]. 15 U.S.C. Section 1126(d), as amended.

Proposed:

Tracked Text Description: (Based on Intent to Use) Adhesive bands for stationery or household purposes; Adhesive foils stationery; Adhesive tape dispensers for household or stationery use; Adhesive tapes for stationery or household purposes; Adhesive tapes for stationery purposes; Adhesives for stationery and household use; Adhesives for stationery or household purposes; Adhesives for stationery purposes; Adhesives in the form of tape for stationery; Art prints; Automatic paper clip dispensing machines for office or stationery use; ~~Books in the field of superhero and other characters~~; Books in the field of superhero and cartoon characters; ~~Brochures about superhero and other characters~~; Brochures about superhero and cartoon characters; Cartoon prints; Cartoon strips; Color pencils; Color prints; Colorboard; Colored craft and art sand; Coloring books; Comic books; Comic magazines; Comic strips; Comic strips appearing in newspapers and other media; Comic strips' comic features; Comics; Desk mounted stationery cabinets; Desktop stationery cabinets; Dispensers for adhesive tapes for stationery or household purposes; ~~Educational publications, namely, educational learning cards, flash cards, activity cards, workbooks, textbooks, activity books, story books, puzzle books, printed puzzles, teacher guides, manuals, posters and educational booklets in the field of~~

~~superhero and other characters~~; Educational publications, namely, educational learning cards, flash cards, activity cards, workbooks, textbooks, activity books, story books, puzzle books, printed puzzles, teacher guides, manuals, posters and educational booklets in the field of superhero and cartoon characters; Envelopes for stationery use; File pockets; Glitter glue for stationery purposes; Glitter pens for stationery purposes; Glue for stationery or household purposes; Glue for stationery or household use; Glue pens for stationery purposes; Glue sticks for stationery or household use; Graphic fine art prints; Graphic prints and representations; Gummed tape for stationery or household use; ~~Liquid paint felt tip marking and coloring applicators~~; Liquid paint felt tip marking and
coloring applicators; ~~Magazine columns about superhero and other characters~~; Magazine columns about superhero and cartoon characters; ~~Magazine sections in the field of superhero and other characters~~; Magazine sections in the field of superhero and cartoon characters; ~~Magazine supplements to newspapers in the field of superhero and other characters~~; Magazine supplements to newspapers in the field of superhero and cartoon characters; ~~Magazines in the field of superhero and other characters~~; Magazines in the field of superhero and cartoon characters; ~~Newsletters in the field of superhero and other characters~~; Newsletters in the field of superhero and cartoon characters; Newspaper cartoons; Newspaper comic strips; Office paper stationery; Office stationery; Organizational kit used in planning the design and apparel for special events containing color selection sample sheets, planning folders and fabric swatches; Organizational kits containing calendars, stationery, planning folders, templates and printed guidelines for planning social events; Organizers for stationery use; ~~Paekaged kits comprising printed instructional, educational, and teaching materials for educational activities in the field of superhero and other characters~~; Packaged kits comprising printed instructional, educational, and teaching materials for educational activities in the field of superhero and cartoon characters; Paper stationery; Paper stationery with inspirational messages imprinted thereon; Partially printed forms; Paste for handicraft, for stationery or household purposes (banjaku-nori); Paste for stationery or household purposes; Pastes and other adhesives for stationery or household purposes; Pencil ornaments; Personalized coloring books for children; Photographic prints; Pictorial prints; ~~Polyester film for use as a paper substitute for dry toner xerographic imaging, namely, laser printing, color copier printing, dry toner printing, screen printing, and offset printing~~; Polyester film for use as a paper substitute for dry toner xerographic imaging, namely, laser printing, color copier printing, dry toner printing,
screen printing, and offset printing; Print engravings; Print letters and blocks; ~~Printed art reproductions~~; Printed art
reproductions; Printed calendars; Printed certificates; ~~Printed certificates for sports and/or entertainment fans~~; Printed certificates for sports and/or
entertainment fans; Printed certificates in the field of sports and/or entertainment; ~~Printed children's coloring pages~~; Printed
children's coloring pages; Printed collector cards made primarily of paper and also including metal; Printed collector cards made primarily of paper but also including metal; Printed emblems; Printed forms; Printed graphs; Printed greeting cards with electronic information stored therein; Printed holograms; Printed material in the nature of color samples; ~~Printed materials, namely, curricula in the field of superhero and other characters~~; Printed materials, namely, curricula in the field of superhero and cartoon characters; ~~Printed materials, namely, journals featuring superhero and other characters~~; Printed materials, namely, journals featuring superhero and cartoon characters; ~~Printed materials, namely, novels and series offiction books and short stories featuring scenes and characters based on video games~~; Printed materials, namely, novels and series of fiction books and short stories featuring scenes and characters based on video games; ~~Printed materials, namely, press releases featuring superhero and other characters~~; Printed materials, namely, press releases featuring superhero and cartoon characters; ~~Printed materials, namely, written articles in the field of superhero and other characters~~; Printed materials, namely, written articles in the field of superhero and cartoon characters; ~~Printed matter, namely, paper signs, books, manuals, curriculum, newsletters,~~

~~informational cards and brochures in the field of superhero and other characters; Printed matter, namely, paper signs, books, manuals, curriculum, newsletters, informational cards and brochures in the field of superhero and cartoon characters; Printed music books; Printed news releases in the field of superhero and other characters; Printed news releases in the field of superhero and cartoon characters; Printed pamphlets, brochures, manuals, books, booklets, leaflets, flyers, informational sheets and newsletters, adhesive backed stickers, and kits comprising one or more of the foregoing materials in the field of superhero and other characters; Printed pamphlets, brochures, manuals, books, booklets, leaflets, flyers, informational sheets and newsletters, adhesive backed stickers, and kits comprising one or more of the foregoing materials in the field of superhero and cartoon characters; Printed paper labels; Printed paper signs; Printed patterns; Printed periodicals in the field of movies; Printed periodicals in the field of music; Printed periodicals in the field of plays; Printed periodicals in the field of tourism; Printed wine and beer bottle labels incorporating a feature that changes color in response to fluctuation in temperature of the contents of the bottle to which the label is affixed; Prints; Prints in the nature of superhero and other characters; Prints in the nature of superhero and cartoon characters; Protractors; Publications, namely, brochures, booklets, and teaching materials in the field of superhero and other characters; Publications, namely, brochures, booklets, and teaching materials in the field of superhero and cartoon characters; Publications, namely, books, journals, magazines and comic books in the fields of superhero and other characters; Publications, namely, books, journals, magazines and comic books in the fields of superhero and cartoon characters; Red algae gelatine glue, for stationery or household purposes (funori); Reinforced stationery tabs; Seals; Self-adhesive tapes for stationery and household purposes; Souvenir programs concerning superhero and other characters; Souvenir programs concerning superhero and cartoon characters; Stationery; Stationery boxes; Stationery cases; Stationery folders; Stationery writing paper and envelopes; Stationery-type portfolios; Stickers; Syndicated columns dealing with superhero and other characters; Syndicated columns dealing with superhero and cartoon characters; Syndicated magazine sections dealing with superhero and other characters; Syndicated magazine sections dealing with superhero and cartoon characters; Syndicated newspaper columns dealing with superhero and other characters; Syndicated newspaper columns dealing with superhero and cartoon characters; Workbooks directed to superhero and other characters (Based on 44(d) Priority Application) Adhesive bands for stationery or household purposes; Workbooks directed to superhero and cartoon characters; Adhesive foils stationery; Adhesive tape dispensers for household or stationery use; Adhesive tapes for stationery or household purposes; Adhesive tapes for stationery purposes; Adhesives for stationery and household use; Adhesives for stationery or household purposes; Adhesives for stationery purposes; Adhesives in the form of tape for stationery; Art prints; Automatic paper clip dispensing machines for office or stationery use; Books in the field of superhero and other characters; Brochures about superhero and other characters; Cartoon prints; Cartoon strips; Color pencils; Color prints; Colorboard; Colored craft and art sand; Coloring books; Comic books; Comic magazines; Comic strips; Comic strips appearing in newspapers and other media; Comic strips' comic features; Comics; Desk mounted stationery cabinets; Desktop stationery cabinets; Dispensers for adhesive tapes for stationery or household purposes; Educational publications, namely, educational learning cards, flash cards, activity cards, workbooks, textbooks, activity books, story books, puzzle books, printed puzzles, teacher guides, manuals, posters and educational booklets in the field of superhero and other characters; Envelopes for stationery use; File pockets; Glitter glue for stationery purposes; Glitter pens for stationery purposes; Glue for stationery or household purposes; Glue for stationery or household use; Glue pens for stationery purposes; Glue sticks for stationery or household use; Graphic fine art prints; Graphic prints and representations; Gummed tape for stationery or household use; Liquid paint felt tip marking and coloring applicators; Magazine columns about superhero and other characters; Magazine sections in the field of superhero and other characters; Magazine supplements to newspapers in the field of superhero and other characters; Magazines in the field of superhero and other characters; Newsletters in the field of superhero and other characters; Newspaper cartoons; Newspaper comic strips; Office paper~~

~~stationery; Office stationery; Organizational kit used in planning the design and apparel for special events containing color selection sample sheets, planning folders and fabric swatches; Organizational kits containing calendars, stationery, planning folders, templates and printed guidelines for planning social events; Organizers for stationery use; Packaged kits comprising printed instructional, educational, and teaching materials for educational activities in the field of superhero and other characters; Paper stationery; Paper stationery with inspirational messages imprinted thereon; Partially printed forms; Paste for handcraft, for stationery or household purposes (banjaku-nori); Paste for stationery or household purposes; Pastes and other adhesives for stationery or household purposes; Pencil ornaments; Personalized coloring books for children; Photographic prints; Pictorial prints; Polyester film for use as a paper substitute for dry toner xerographic imaging, namely, laser printing, color copier printing, dry toner printing, screen printing, and offset printing; Print engravings; Print letters and blocks; Printed art reproductions; Printed calendars; Printed certificates; Printed certificates for sports and/or entertainment fans; Printed certificates in the field of sports and/or entertainment; Printed children's coloring pages; Printed collector cards made primarily of paper and also including metal; Printed collector cards made primarily of paper but also including metal; Printed emblems; Printed forms; Printed graphs; Printed greeting cards with electronic information stored therein; Printed holograms; Printed material in the nature of color samples; Printed materials, namely, curricula in the field of superhero and other characters; Printed materials, namely, journals featuring superhero and other characters; Printed materials, namely, press releases featuring superhero and other characters; Printed materials, namely, written articles in the field of superhero and other characters; Printed matter, namely, paper signs, books, manuals, curriculum, newsletters, informational cards and brochures in the field of superhero and other characters; Printed music books; Printed news releases in the field of superhero and other characters; Printed pamphlets, brochures, manuals, books, booklets, leaflets, flyers, informational sheets and newsletters, adhesive backed stickers, and kits comprising one or more of the foregoing materials in the field of superhero and other characters; Printed paper labels; Printed paper signs; Printed patterns; Printed periodicals in the field of movies; Printed periodicals in the field of music; Printed periodicals in the field of plays; Printed periodicals in the field of tourism; Printed wine and beer bottle labels incorporating a feature that changes color in response to fluctuation in temperature of the contents of the bottle to which the label is affixed; Prints; Prints in the nature of superhero and other characters; Protractors; Publications, namely, brochures, booklets, and teaching materials in the field of superhero and other characters; Publications, namely, books, journals, magazines and comic books in the fields of superhero and other characters; Red algae gelatine glue, for stationery or household purposes (funori); Reinforced stationery tabs; Seals; Self-adhesive tapes for stationery and household purposes; Souvenir programs concerning superhero and other characters; Stationery; Stationery boxes; Stationery cases; Stationery folders; Stationery writing paper and envelopes; Stationery type portfolios; Stickers; Syndicated columns dealing with superhero and other characters; Syndicated magazine sections dealing with superhero and other characters; Syndicated newspaper columns dealing with superhero and other characters; Workbooks directed to superhero and other characters~~

Class 016 for (Based on Intent to Use) Adhesive bands for stationery or household purposes; Adhesive foils stationery; Adhesive tape dispensers for household or stationery use; Adhesive tapes for stationery or household purposes; Adhesive tapes for stationery purposes; Adhesives for stationery and household use; Adhesives for stationery or household purposes; Adhesives for stationery purposes; Adhesives in the form of tape for stationery; Art prints; Automatic paper clip dispensing machines for office or stationery use; Books in the field of superhero and cartoon characters; Brochures about superhero and cartoon characters; Cartoon prints; Cartoon strips; Color pencils; Color prints; Colorboard; Colored craft and art sand; Coloring books; Comic books; Comic magazines; Comic strips; Comic strips appearing in newspapers and other media; Comic strips' comic features; Comics; Desk mounted stationery cabinets; Desktop stationery cabinets;

Dispensers for adhesive tapes for stationery or household purposes; Educational publications, namely, educational learning cards, flash cards, activity cards, workbooks, textbooks, activity books, story books, puzzle books, printed puzzles, teacher guides, manuals, posters and educational booklets in the field of superhero and cartoon characters; Envelopes for stationery use; File pockets; Glitter glue for stationery purposes; Glitter pens for stationery purposes; Glue for stationery or household purposes; Glue for stationery or household use; Glue pens for stationery purposes; Glue sticks for stationery or household use; Graphic fine art prints; Graphic prints and representations; Gummed tape for stationery or household use; Liquid paint felt tip marking and coloring applicators; Magazine columns about superhero and cartoon characters; Magazine sections in the field of superhero and cartoon characters; Magazine supplements to newspapers in the field of superhero and cartoon characters; Magazines in the field of superhero and cartoon characters; Newsletters in the field of superhero and cartoon characters; Newspaper cartoons; Newspaper comic strips; Office paper stationery; Office stationery; Organizational kit used in planning the design and apparel for special events containing color selection sample sheets, planning folders and fabric swatches; Organizational kits containing calendars, stationery, planning folders, templates and printed guidelines for planning social events; Organizers for stationery use; Packaged kits comprising printed instructional, educational, and teaching materials for educational activities in the field of superhero and cartoon characters; Paper stationery; Paper stationery with inspirational messages imprinted thereon; Partially printed forms; Paste for handicraft, for stationery or household purposes (banjaku-nori); Paste for stationery or household purposes; Pastes and other adhesives for stationery or household purposes; Pencil ornaments; Personalized coloring books for children; Photographic prints; Pictorial prints; Polyester film for use as a paper substitute for dry toner xerographic imaging, namely, laser printing, color copier printing, dry toner printing, screen printing, and offset printing; Print engravings; Print letters and blocks; Printed art reproductions; Printed calendars; Printed certificates; Printed certificates for sports and/or entertainment fans; Printed certificates in the field of sports and/or entertainment; Printed children's coloring pages; Printed collector cards made primarily of paper and also including metal; Printed collector cards made primarily of paper but also including metal; Printed emblems; Printed forms; Printed graphs; Printed greeting cards with electronic information stored therein; Printed holograms; Printed material in the nature of color samples; Printed materials, namely, curricula in the field of superhero and cartoon characters; Printed materials, namely, journals featuring superhero and cartoon characters; Printed materials, namely, novels and series of fiction books and short stories featuring scenes and characters based on video games; Printed materials, namely, press releases featuring superhero and cartoon characters; Printed materials, namely, written articles in the field of superhero and cartoon characters; Printed matter, namely, paper signs, books, manuals, curriculum, newsletters, informational cards and brochures in the field of superhero and cartoon characters; Printed music books; Printed news releases in the field of superhero and cartoon characters; Printed pamphlets, brochures, manuals, books, booklets, leaflets, flyers, informational sheets and newsletters, adhesive backed stickers, and kits comprising one or more of the foregoing materials in the field of superhero and cartoon characters; Printed paper labels; Printed paper signs; Printed patterns; Printed periodicals in the field of movies; Printed periodicals in the field of music; Printed periodicals in the field of plays; Printed periodicals in the field of tourism; Printed wine and beer bottle labels incorporating a feature that changes color in response to fluctuation in temperature of the contents of the bottle to which the label is affixed; Prints; Prints in the nature of superhero and cartoon characters; Protractors; Publications, namely, brochures, booklets, and teaching materials in the field of superhero and cartoon characters; Publications, namely, books, journals, magazines and comic books in the fields of superhero and cartoon characters; Red algae gelatine glue, for stationery or household purposes (funori); Reinforced stationery tabs; Seals; Self-adhesive tapes for stationery and household purposes; Souvenir programs concerning superhero and cartoon characters; Stationery; Stationery boxes; Stationery cases; Stationery folders; Stationery writing paper and envelopes; Stationery-type portfolios; Stickers; Syndicated columns dealing with superhero and cartoon characters; Syndicated magazine sections dealing with superhero

and cartoon characters; Syndicated newspaper columns dealing with superhero and cartoon characters; Workbooks directed to superhero and cartoon characters

Filing Basis: Section 1(b), Intent to Use: The applicant has a bona fide intention to use or use through the applicant's related company or licensee the mark in commerce on or in connection with the identified goods and/or services as of the filing date of the application. (15 U.S.C. Section 1051(b)).

Filing Basis: Section 44(d), Priority based on foreign filing: Applicant has a bona fide intention to use the mark in commerce on or in connection with the identified goods and/or services, and asserts a claim of priority based on [Australia application number Class16(1408 filed 02/11/2011)]. 15 U.S.C. Section 1126(d), as amended.

Applicant proposes to amend the following class of goods/services in the application:

Current: Class 028 for (Based on Intent to Use) Action figure toys; Action figures; Action figures and accessories therefor; Action skill games; Action target games; Action-type target games; Aero-dynamic disk for use in playing catching games; Amusement game machines; Amusement park rides; Apparatus for electronic games other than those adapted for use with an external display screen or monitor; Arcade game machines; Arcade game machines activated by medals or tokens; Arcade game machines for team play; Arcade games; Arcade racing game machines; Arcade redemption game machines which dispense tickets or the like to successful players; Arcade virtual shooting game machines; Arcade-type electronic education video games; Arcade-type electronic video games; Articles of clothing for toys; Athletic equipment, namely, striking shields; Balloons; Bath toys; Bathtub toys; Battery operated action toys; Battery-powered computer game with LCD screen; Bean bag dolls; Bendable toys; Children's educational toys for developing fine motor, oral language, numbers, counting, colors and alphabet skills sold in a fabric bag which has a clear vinyl window for viewing small trinkets and toys securely contained within the bag itself; Easter egg coloring kits; Electric action toys; Electric toy train transformers; Electronic action toys; Electronic learning toys; Electronic novelty toys, namely, toys that electronically record, play back, and distort or manipulate voices and sounds; Electronic toy building blocks that light up as a night light; Electronic toy vehicles; Electronically operated toy motor vehicles; Fantasy character toys; Infant toys; Inflatable bath toys; Inflatable toys; Mechanical toys; Miniature toy helmets; Model toy vehicles; Modeled plastic toy figurines; Non-electronic toy vehicles; Non-riding transportation toys; Plastic character toys; Plush toys; Positionable printed toy figures for use in games; Positionable printed toy figures for use in puzzles; Positionable toy figures; Printing toys; Pull toys; Push toys; Radio controlled toy vehicles; Ride-on toys; Rideable toy vehicles; Role playing toys in the nature of play sets for children to imitate real life occupations; Sand toys; Sandbox toys; Soft sculpture plush toys; Soft sculpture toys; Squeezable squeaking toys; Stuffed and plush toys; Stuffed toys; Toy action figures; Toy action figures and accessories therefor; Toy airplanes; Toy and novelty face masks; Toy armor; Toy balloons; Toy boats; Toy cars; Toy figures; Toy guns; Toy masks; Toy model cars; Toy robots; Toy swords; Toy tools; Toy trains and parts and accessories therefor; Toy vehicles; Toy vehicles and accessories therefor; Toy vehicles with transforming parts; Toy vehicles, namely, caster boards; Toy watches; Toy water globes; Toy weapons; Toy zip guns; Toys, namely, children's dress-up accessories; Toys, namely, puppets and accessories therefor; Transforming robotic toy vehicles; Transforming robotic toys; Water squirting toys; Water toys; Wind-up toys; Wind-up walking toys (Based on 44(d) Priority Application) Action figure toys; Action figures; Action figures and accessories therefor; Action skill games; Action target games; Action-type target games; Aero-dynamic disk for use in playing catching games; Amusement game machines; Amusement park rides; Apparatus for electronic games other than those adapted for use with an external display screen or monitor; Arcade game machines; Arcade game machines activated by medals or tokens; Arcade game machines for team play; Arcade games; Arcade racing game machines; Arcade redemption game machines which dispense tickets or the like to successful players; Arcade virtual shooting

game machines; Arcade-type electronic education video games; Arcade-type electronic video games; Articles of clothing for toys; Athletic equipment, namely, striking shields; Balloons; Bath toys; Bathtub toys; Battery operated action toys; Battery-powered computer game with LCD screen; Bean bag dolls; Bendable toys; Children's educational toys for developing fine motor, oral language, numbers, counting, colors and alphabet skills sold in a fabric bag which has a clear vinyl window for viewing small trinkets and toys securely contained within the bag itself; Easter egg coloring kits; Electric action toys; Electric toy train transformers; Electronic action toys; Electronic learning toys; Electronic novelty toys, namely, toys that electronically record, play back, and distort or manipulate voices and sounds; Electronic toy building blocks that light up as a night light; Electronic toy vehicles; Electronically operated toy motor vehicles; Fantasy character toys; Infant toys; Inflatable bath toys; Inflatable toys; Mechanical toys; Miniature toy helmets; Model toy vehicles; Modeled plastic toy figurines; Non-electronic toy vehicles; Non-riding transportation toys; Plastic character toys; Plush toys; Positionable printed toy figures for use in games; Positionable printed toy figures for use in puzzles; Positionable toy figures; Printing toys; Pull toys; Push toys; Radio controlled toy vehicles; Ride-on toys; Rideable toy vehicles; Role playing toys in the nature of play sets for children to imitate real life occupations; Sand toys; Sandbox toys; Soft sculpture plush toys; Soft sculpture toys; Squeezable squeaking toys; Stuffed and plush toys; Stuffed toys; Toy action figures; Toy action figures and accessories therefor; Toy airplanes; Toy and novelty face masks; Toy armor; Toy balloons; Toy boats; Toy cars; Toy figures; Toy guns; Toy masks; Toy model cars; Toy robots; Toy swords; Toy tools; Toy trains and parts and accessories therefor; Toy vehicles; Toy vehicles and accessories therefor; Toy vehicles with transforming parts; Toy vehicles, namely, caster boards; Toy watches; Toy water globes; Toy weapons; Toy zip guns; Toys, namely, children's dress-up accessories; Toys, namely, puppets and accessories therefor; Transforming robotic toy vehicles; Transforming robotic toys; Water squirting toys; Water toys; Wind-up toys; Wind-up walking toys

Original Filing Basis:

Filing Basis: Section 1(b), Intent to Use: The applicant has a bona fide intention to use or use through the applicant's related company or licensee the mark in commerce on or in connection with the identified goods and/or services as of the filing date of the application. (15 U.S.C. Section 1051(b)).

Based on Foreign Application: Applicant has a bona fide intention to use the mark in commerce on or in connection with the identified goods and/or services, and will submit a copy of a foreign registration, and translation thereof, if appropriate. 15 U. S.C. Section 1126(d), as amended.

Proposed:

Tracked Text Description: (Based on Intent to Use) Action figure toys; Action figures; Action figures and accessories therefor; Action skill games; Action target games; Action-type target games; Aero-dynamic disk for use in playing catching games; Amusement game machines; Amusement park rides; Apparatus for electronic games other than those adapted for use with an external display screen or monitor; Arcade game machines; Arcade game machines activated by medals or tokens; Arcade game machines for team play; Arcade games; Arcade racing game machines; Arcade redemption game machines which dispense tickets or the like to successful players; Arcade virtual shooting game machines; Arcade-type electronic education video games; Arcade-type electronic video games; Articles of clothing for toys; Athletic equipment, namely, striking shields; Balloons; Bath toys; Bathtub toys; Battery operated action toys; Battery-powered computer game with LCD screen; ~~Bean bag dolls;~~ Bean bag dolls; Bendable toys; ~~Children's educational toys for developing fine motor, oral language, numbers, counting, colors and alphabet skills sold in a fabric bag which has a clear vinyl window for viewing small trinkets and toys securely contained within the bag itself;~~ Electric action toys; ~~Easter egg coloring kits;~~ Electric toy train transformers; Electronic action toys; Electronic learning toys; Electronic novelty toys, namely, toys that electronically record, play back, and distort or manipulate voices and sounds; Electronic toy

building blocks that light up as a night light; Electronic toy vehicles; Electronically operated toy motor vehicles; Fantasy character toys; Infant toys; Inflatable bath toys; Inflatable toys; Mechanical toys; Miniature toy helmets; Model toy vehicles; Modeled plastic toy figurines; Non-electronic toy vehicles; Non-riding transportation toys; Plastic character toys; Plush toys; Positionable printed toy figures for use in games; Positionable printed toy figures for use in puzzles; Positionable toy figures; Printing toys; Pull toys; Push toys; Radio controlled toy vehicles; Ride-on toys; Rideable toy vehicles; Role playing toys in the nature of play sets for children to imitate real life occupations; Sand toys; Sandbox toys; Soft sculpture plush toys; Soft sculpture toys; Squeezable squeaking toys; Stuffed and plush toys; Stuffed toys; Toy action figures; Toy action figures and accessories therefor; Toy airplanes; Toy and novelty face masks; Toy armor; Toy balloons; Toy boats; Toy cars; Toy figures; Toy guns; Toy masks; Toy model cars; Toy robots; Toy swords; Toy tools; Toy trains and parts and accessories therefor; Toy vehicles; Toy vehicles and accessories therefor; Toy vehicles with transforming parts; Toy vehicles, namely, caster boards; Toy watches; Toy water globes; Toy weapons; Toy zip guns; Toys, namely, children's dress-up accessories; Toys, namely, puppets and accessories therefor; Transforming robotic toy vehicles; Transforming robotic toys; Water squirting toys; Water toys; Wind-up toys; Wind-up walking toys; ~~Wind-up walking toys(Based on 44(d) Priority Application) Action figure toys; Action figures; Action figures and accessories therefor; Action skill games; Action target games; Action-type target games; Aero-dynamic disk for use in playing catching games; Amusement game machines; Amusement park rides; Apparatus for electronic games other than those adapted for use with an external display screen or monitor; Arcade game machines; Arcade game machines activated by medals or tokens; Arcade game machines for team play; Arcade games; Arcade racing game machines; Arcade redemption game machines which dispense tickets or the like to successful players; Arcade virtual shooting game machines; Arcade-type electronic education video games; Arcade-type electronic video games; Articles of clothing for toys; Athletic equipment, namely, striking shields; Balloons; Bath toys; Bathtub toys; Battery operated action toys; Battery-powered computer game with LCD screen; Bean bag dolls; Bendable toys; Children's educational toys for developing fine motor, oral language, numbers, counting, colors and alphabet skills sold in a fabric bag which has a clear vinyl window for viewing small trinkets and toys securely contained within the bag itself; Easter egg coloring kits; Electric action toys; Electric toy train transformers; Electronic action toys; Electronic learning toys; Electronic novelty toys, namely, toys that electronically record, play back, and distort or manipulate voices and sounds; Electronic toy building blocks that light up as a night light; Electronic toy vehicles; Electronically operated toy motor vehicles; Fantasy character toys; Infant toys; Inflatable bath toys; Inflatable toys; Mechanical toys; Miniature toy helmets; Model toy vehicles; Modeled plastic toy figurines; Non-electronic toy vehicles; Non-riding transportation toys; Plastic character toys; Plush toys; Positionable printed toy figures for use in games; Positionable printed toy figures for use in puzzles; Positionable toy figures; Printing toys; Pull toys; Push toys; Radio controlled toy vehicles; Ride-on toys; Rideable toy vehicles; Role playing toys in the nature of play sets for children to imitate real life occupations; Sand toys; Sandbox toys; Soft sculpture plush toys; Soft sculpture toys; Squeezable squeaking toys; Stuffed and plush toys; Stuffed toys; Toy action figures; Toy action figures and accessories therefor; Toy airplanes; Toy and novelty face masks; Toy armor; Toy balloons; Toy boats; Toy cars; Toy figures; Toy guns; Toy masks; Toy model cars; Toy robots; Toy swords; Toy tools; Toy trains and parts and accessories therefor; Toy vehicles; Toy vehicles and accessories therefor; Toy vehicles with transforming parts; Toy vehicles, namely, caster boards; Toy watches; Toy water globes; Toy weapons; Toy zip guns; Toys, namely, children's dress-up accessories; Toys, namely, puppets and accessories therefor; Transforming robotic toy vehicles; Transforming robotic toys; Water squirting toys; Water toys; Wind-up toys~~

Class 028 for (Based on Intent to Use) Action figure toys; Action figures; Action figures and accessories therefor; Action skill games; Action target games; Action-type target games; Aero-dynamic disk for use in

playing catching games; Amusement game machines; Amusement park rides; Apparatus for electronic games other than those adapted for use with an external display screen or monitor; Arcade game machines; Arcade game machines activated by medals or tokens; Arcade game machines for team play; Arcade games; Arcade racing game machines; Arcade redemption game machines which dispense tickets or the like to successful players; Arcade virtual shooting game machines; Arcade-type electronic education video games; Arcade-type electronic video games; Articles of clothing for toys; Athletic equipment, namely, striking shields; Balloons; Bath toys; Bathtub toys; Battery operated action toys; Battery-powered computer game with LCD screen; Bean bag dolls; Bendable toys; Electric action toys; Electric toy train transformers; Electronic action toys; Electronic learning toys; Electronic novelty toys, namely, toys that electronically record, play back, and distort or manipulate voices and sounds; Electronic toy building blocks that light up as a night light; Electronic toy vehicles; Electronically operated toy motor vehicles; Fantasy character toys; Infant toys; Inflatable bath toys; Inflatable toys; Mechanical toys; Miniature toy helmets; Model toy vehicles; Modeled plastic toy figurines; Non-electronic toy vehicles; Non-riding transportation toys; Plastic character toys; Plush toys; Positionable printed toy figures for use in games; Positionable printed toy figures for use in puzzles; Positionable toy figures; Printing toys; Pull toys; Push toys; Radio controlled toy vehicles; Ride-on toys; Rideable toy vehicles; Role playing toys in the nature of play sets for children to imitate real life occupations; Sand toys; Sandbox toys; Soft sculpture plush toys; Soft sculpture toys; Squeezable squeaking toys; Stuffed and plush toys; Stuffed toys; Toy action figures; Toy action figures and accessories therefor; Toy airplanes; Toy and novelty face masks; Toy armor; Toy balloons; Toy boats; Toy cars; Toy figures; Toy guns; Toy masks; Toy model cars; Toy robots; Toy swords; Toy tools; Toy trains and parts and accessories therefor; Toy vehicles; Toy vehicles and accessories therefor; Toy vehicles with transforming parts; Toy vehicles, namely, caster boards; Toy watches; Toy water globes; Toy weapons; Toy zip guns; Toys, namely, children's dress-up accessories; Toys, namely, puppets and accessories therefor; Transforming robotic toy vehicles; Transforming robotic toys; Water squirting toys; Water toys; Wind-up toys; Wind-up walking toys

Filing Basis: Section 1(b), Intent to Use: The applicant has a bona fide intention to use or use through the applicant's related company or licensee the mark in commerce on or in connection with the identified goods and/or services as of the filing date of the application. (15 U.S.C. Section 1051(b)).

Based on Foreign Application: Applicant has a bona fide intention to use the mark in commerce on or in connection with the identified goods and/or services, and will submit a copy of a foreign registration, and translation thereof, if appropriate. 15 U. S.C. Section 1126(d), as amended.

Applicant proposes to amend the following class of goods/services in the application:

Current: Class 041 for (Based on Intent to Use) Educational and entertainment services, namely, a continuing program about superhero and other characters accessible by radio, television, satellite, audio, video and computer networks; Educational and entertainment services, namely, providing motivational and educational speakers; Entertainment and education services in the nature of a series of short shows featuring superhero and other characters distributed to mobile handsets, which may include video, text, photos, illustrations or hypertext; Entertainment and education services in the nature of live dance and musical performances; Entertainment and education services, namely, providing recognition and incentives by way of celebrations and awards to girls from underserved communities who have completed their high school careers successfully and who are going on to college; Entertainment and educational services in the nature of on-line competitions in the field of entertainment, education, culture, sports, and other non-business and non-commercial fields; Entertainment and educational services, namely, providing a website that displays various requests, reviews, recommendations, rankings, trackings, votes, and information relating to uncreated, unreleased, new, special, popular, and rare products, services, and events in the fields of pop culture, entertainment, education, and sports, all exclusively for non-business and non-commercial transactions and

purposes; Entertainment and educational services, namely, providing advice and information for music, video and film concept and script development; Entertainment and educational services, namely, the presentation of seminars, lectures, workshops and panel discussions, and ongoing television and radio talk shows all in the field of public interest concerning superhero and other characters; Entertainment and educational services, namely, the presentation of seminars, workshops and panel discussions, and ongoing television and radio shows all in the field of superhero and other characters; Entertainment in the nature of on-going television programs in the field of superhero and other characters; Entertainment in the nature of visual and audio performances by superhero and other characters; Entertainment in the nature of visual and audio performances, and musical, variety, news and comedy shows; Entertainment in the nature of visual and audio performances, namely, musical band, rock group, gymnastic, dance, and ballet performances; Entertainment in the nature of visual and audio performances by an actor; Entertainment information; Entertainment information services, namely, providing information and news releases about a musical artist; Entertainment media production services for motion pictures, television and Internet; Entertainment services in the nature of a non-fiction television programming series on topics relating to family stories told by family members to preserve their heritage.; Entertainment services in the nature of on-going television programs in the field of children's entertainment; Entertainment services, namely, displaying a series of films; Entertainment services, namely, planning and conducting a series of film festivals; Entertainment services, namely, providing a web site featuring non-downloadable musical performances, musical videos, related film clips, photographs, and other multimedia materials featuring superhero and other characters; Entertainment, namely, a continuing superhero and other characters show broadcast over television, satellite, audio, and video media; Film and video film production; Film and video production; Film and video production consulting services; Film production; Film studios; Media production services, namely, video and film production; Motion picture film production; Multimedia entertainment services in the nature of development, production and post-production services in the fields of video and films; Multimedia entertainment services in the nature of recording, production and post-production services in the fields of music, video, and films; Operating of film studios; Production of DVDs, videotapes and television programs featuring superhero and other characters; Production of films; Production of television and radio programmes; Production of television programs; Providing information and articles in the field of film, filmmaking, and entertainment via a global computer network; Providing online non-downloadable comic books and graphic novels; Provision of information relating to distribution of television shows, motion picture film and radio shows; Provision of information relating to television, motion picture film, audio and radio production; Provision of non-downloadable films and movies via a video-on-demand service; Provision of non-downloadable films and television programmes via a video-on-demand service; Special effects animation services for film and video; Television, video and movie filming services(Based on 44(d) Priority Application) Educational and entertainment services, namely, a continuing program about superhero and other characters accessible by radio, television, satellite, audio, video and computer networks; Educational and entertainment services, namely, providing motivational and educational speakers; Entertainment and education services in the nature of a series of short shows featuring superhero and other characters distributed to mobile handsets, which may include video, text, photos, illustrations or hypertext; Entertainment and education services in the nature of live dance and musical performances; Entertainment and education services, namely, providing recognition and incentives by way of celebrations and awards to girls from underserved communities who have completed their high school careers successfully and who are going on to college; Entertainment and educational services in the nature of on-line competitions in the field of entertainment, education, culture, sports, and other non-business and non-commercial fields; Entertainment and educational services, namely, providing a website that displays various requests, reviews, recommendations, rankings, trackings, votes, and information relating to uncreated, unreleased, new, special, popular, and rare products, services, and events in the fields of pop culture, entertainment, education, and sports, all exclusively for non-business and non-commercial transactions and

purposes; Entertainment and educational services, namely, providing advice and information for music, video and film concept and script development; Entertainment and educational services, namely, the presentation of seminars, lectures, workshops and panel discussions, and ongoing television and radio talk shows all in the field of public interest concerning superhero and other characters; Entertainment and educational services, namely, the presentation of seminars, workshops and panel discussions, and ongoing television and radio shows all in the field of superhero and other characters; Entertainment in the nature of on-going television programs in the field of superhero and other characters; Entertainment in the nature of visual and audio performances by superhero and other characters; Entertainment in the nature of visual and audio performances, and musical, variety, news and comedy shows; Entertainment in the nature of visual and audio performances, namely, musical band, rock group, gymnastic, dance, and ballet performances; Entertainment in the nature of visual and audio performances by an actor; Entertainment information; Entertainment information services, namely, providing information and news releases about a musical artist; Entertainment media production services for motion pictures, television and Internet; Entertainment services in the nature of a non-fiction television programming series on topics relating to family stories told by family members to preserve their heritage.; Entertainment services in the nature of on-going television programs in the field of children's entertainment; Entertainment services, namely, displaying a series of films; Entertainment services, namely, planning and conducting a series of film festivals; Entertainment services, namely, providing a web site featuring non-downloadable musical performances, musical videos, related film clips, photographs, and other multimedia materials featuring superhero and other characters; Entertainment, namely, a continuing superhero and other characters show broadcast over television, satellite, audio, and video media; Film and video film production; Film and video production; Film and video production consulting services; Film production; Film studios; Media production services, namely, video and film production; Motion picture film production; Multimedia entertainment services in the nature of development, production and post-production services in the fields of video and films; Multimedia entertainment services in the nature of recording, production and post-production services in the fields of music, video, and films; Operating of film studios; Production of DVDs, videotapes and television programs featuring superhero and other characters; Production of films; Production of television and radio programmes; Production of television programs; Providing information and articles in the field of film, filmmaking, and entertainment via a global computer network; Providing online non-downloadable comic books and graphic novels; Provision of information relating to distribution of television shows, motion picture film and radio shows; Provision of information relating to television, motion picture film, audio and radio production; Provision of non-downloadable films and movies via a video-on-demand service; Provision of non-downloadable films and television programmes via a video-on-demand service; Special effects animation services for film and video; Television, video and movie filming services

Original Filing Basis:

Filing Basis: Section 1(b), Intent to Use: The applicant has a bona fide intention to use or use through the applicant's related company or licensee the mark in commerce on or in connection with the identified goods and/or services as of the filing date of the application. (15 U.S.C. Section 1051(b)).

Based on Foreign Application: Applicant has a bona fide intention to use the mark in commerce on or in connection with the identified goods and/or services, and will submit a copy of a foreign registration, and translation thereof, if appropriate. 15 U. S.C. Section 1126(d), as amended.

Proposed:

Tracked Text Description: ~~(Based on Intent to Use) Educational and entertainment services, namely, a continuing program about superhero and other characters accessible by radio, television, satellite, audio, video and computer networks;~~ (Based on Intent to Use) Educational and entertainment services, namely, a

continuing program about superhero and cartoon characters accessible by radio, television, satellite, audio, video and computer networks; Educational and entertainment services, namely, providing motivational and educational speakers; ~~Entertainment and education services in the nature of a series of short shows featuring superhero and other characters distributed to mobile handsets, which may include video, text, photos, illustrations or hypertext~~; Entertainment and education services in the nature of a series of short shows featuring superhero and cartoon characters distributed to mobile handsets, which may include video, text, photos, illustrations or hypertext; Entertainment and education services in the nature of live dance and musical performances; Entertainment and education services, namely, providing recognition and incentives by way of celebrations and awards to girls from underserved communities who have completed their high school careers successfully and who are going on to college; Entertainment and educational services in the nature of on-line competitions in the field of entertainment, education, culture, sports, and other non-business and non-commercial fields; Entertainment and educational services, namely, providing a website that displays various requests, reviews, recommendations, rankings, trackings, votes, and information relating to uncreated, unreleased, new, special, popular, and rare products, services, and events in the fields of pop culture, entertainment, education, and sports, all exclusively for non-business and non-commercial transactions and purposes; Entertainment and educational services, namely, providing advice and information for music, video and film concept and script development; ~~Entertainment and educational services, namely, the presentation of seminars, lectures, workshops and panel discussions, and ongoing television and radio talk shows all in the field of public interest concerning superhero and other characters~~; Entertainment and educational services, namely, the presentation of seminars, lectures, workshops and panel discussions, and ongoing television and radio talk shows all in the field of public interest concerning superhero and cartoon characters; ~~Entertainment and educational services, namely, the presentation of seminars, workshops and panel discussions, and ongoing television and radio shows all in the field of superhero and other characters~~; Entertainment and educational services, namely, the presentation of seminars, workshops and panel discussions, and ongoing television and radio shows all in the field of superhero and cartoon characters; ~~Entertainment in the nature of on-going television programs in the field of superhero and other characters~~; Entertainment in the nature of on-going television programs in the field of superhero and cartoon characters; ~~Entertainment in the nature of visual and audio performances by superhero and other characters~~; Entertainment in the nature of visual and audio performances by superhero and cartoon characters; Entertainment in the nature of visual and audio performances, and musical, variety, news and comedy shows; Entertainment in the nature of visual and audio performances, namely, musical band, rock group, gymnastic, dance, and ballet performances; ~~Entertainment in the nature of visual and audio performances by an actor~~; Entertainment in the nature of visual and audio performances by an actor; Entertainment information; Entertainment information services, namely, providing information and news releases about a musical artist; Entertainment media production services for motion pictures, television and Internet; ~~Entertainment services in the nature of a non-fiction television programming series on topics relating to family stories told by family members to preserve their heritage~~; Entertainment services in the nature of a non-fiction television programming series on topics relating to family stories told by family members to preserve their heritage; Entertainment services in the nature of on-going television programs in the field of children's entertainment; Entertainment services, namely, displaying a series of films; Entertainment services, namely, planning and conducting a series of film festivals; ~~Entertainment services, namely, providing a web site featuring non-downloadable musical performances, musical videos, related film clips, photographs, and other multimedia materials featuring superhero and other characters~~; Entertainment services, namely, providing a web site featuring non-downloadable musical performances, musical videos, related film clips, photographs, and other multimedia materials featuring superhero and cartoon characters; ~~Entertainment, namely, a continuing superhero and other characters show broadcast over television, satellite, audio, and video media~~; Entertainment, namely, a continuing superhero and cartoon characters show

broadcast over television, satellite, audio, and video media; Film and video film production; Film and video production; Film and video production consulting services; Film production; Film studios; Media production services, namely, video and film production; Motion picture film production; Multimedia entertainment services in the nature of development, production and post-production services in the fields of video and films; Multimedia entertainment services in the nature of recording, production and post-production services in the fields of music, video, and films; ~~Production of DVDs, videotapes and television programs featuring superhero and other characters~~; Operating of film studios; Production of DVDs, videotapes and television programs featuring superhero and cartoon characters; Production of films; Production of television and radio programmes; ~~Providing information and articles in the field of film, filmmaking, and entertainment via a global computer network~~; Production of television programs; Providing information and articles in the field of film, filmmaking, and entertainment via a global computer network; Providing online non-downloadable comic books and graphic novels; Provision of information relating to distribution of television shows, motion picture film and radio shows; Provision of information relating to television, motion picture film, audio and radio production; Provision of non-downloadable films and movies via a video-on-demand service; Provision of non-downloadable films and television programmes via a video-on-demand service; ~~Television, video and movie filming services~~(Based on 44(d) Priority Application) Educational and entertainment services, namely, ~~a continuing program about superhero and other characters accessible by radio, television, satellite, audio, video and computer networks~~; Special effects animation services for film and video; ~~Educational and entertainment services, namely, providing motivational and educational speakers~~; Television, video and movie filming services; ~~Entertainment and education services in the nature of a series of short shows featuring superhero and other characters distributed to mobile handsets, which may include video, text, photos, illustrations or hypertext~~; ~~Entertainment and education services in the nature of live dance and musical performances~~; ~~Entertainment and education services, namely, providing recognition and incentives by way of celebrations and awards to girls from underserved communities who have completed their high school careers successfully and who are going on to college~~; ~~Entertainment and educational services in the nature of on-line competitions in the field of entertainment, education, culture, sports, and other non-business and non-commercial fields~~; ~~Entertainment and educational services, namely, providing a website that displays various requests, reviews, recommendations, rankings, trackings, votes, and information relating to uncreated, unreleased, new, special, popular, and rare products, services, and events in the fields of pop culture, entertainment, education, and sports, all exclusively for non-business and non-commercial transactions and purposes~~; ~~Entertainment and educational services, namely, providing advice and information for music, video and film concept and script development~~; ~~Entertainment and educational services, namely, the presentation of seminars, lectures, workshops and panel discussions, and ongoing television and radio talk shows all in the field of public interest concerning superhero and other characters~~; ~~Entertainment and educational services, namely, the presentation of seminars, workshops and panel discussions, and ongoing television and radio shows all in the field of superhero and other characters~~; ~~Entertainment in the nature of on-going television programs in the field of superhero and other characters~~; ~~Entertainment in the nature of visual and audio performances by superhero and other characters~~; ~~Entertainment in the nature of visual and audio performances, and musical, variety, news and comedy shows~~; ~~Entertainment in the nature of visual and audio performances, namely, musical band, rock group, gymnastic, dance, and ballet performances~~; ~~Entertainment in the nature of visual and audio performances by an actor~~; ~~Entertainment information~~; ~~Entertainment information services, namely, providing information and news releases about a musical artist~~; ~~Entertainment media production services for motion pictures, television and Internet~~; ~~Entertainment services in the nature of a non-fiction television programming series on topics relating to family stories told by family members to preserve their heritage~~; ~~Entertainment services in the nature of on-going television programs in the field of children's entertainment~~; ~~Entertainment services, namely, displaying a series of films~~;

~~Entertainment services, namely, planning and conducting a series of film festivals; Entertainment services, namely, providing a web site featuring non-downloadable musical performances, musical videos, related film clips, photographs, and other multimedia materials featuring superhero and other characters; Entertainment, namely, a continuing superhero and other characters show broadcast over television, satellite, audio, and video media; Film and video film production; Film and video production; Film and video production consulting services; Film production; Film studios; Media production services, namely, video and film production; Motion picture film production; Multimedia entertainment services in the nature of development, production and post-production services in the fields of video and films; Multimedia entertainment services in the nature of recording, production and post-production services in the fields of music, video, and films; Operating of film studios; Production of DVDs, videotapes and television programs featuring superhero and other characters; Production of films; Production of television and radio programmes; Production of television programs; Providing information and articles in the field of film, filmmaking, and entertainment via a global computer network; Providing online non-downloadable comic books and graphic novels; Provision of information relating to distribution of television shows, motion picture film and radio shows; Provision of information relating to television, motion picture film, audio and radio production; Provision of non-downloadable films and movies via a video-on-demand service; Provision of non-downloadable films and television programmes via a video-on-demand service; Special effects animation services for film and video~~

Class 041 for (Based on Intent to Use) Educational and entertainment services, namely, a continuing program about superhero and cartoon characters accessible by radio, television, satellite, audio, video and computer networks; Educational and entertainment services, namely, providing motivational and educational speakers; Entertainment and education services in the nature of a series of short shows featuring superhero and cartoon characters distributed to mobile handsets, which may include video, text, photos, illustrations or hypertext; Entertainment and education services in the nature of live dance and musical performances; Entertainment and education services, namely, providing recognition and incentives by way of celebrations and awards to girls from underserved communities who have completed their high school careers successfully and who are going on to college; Entertainment and educational services in the nature of on-line competitions in the field of entertainment, education, culture, sports, and other non-business and non-commercial fields; Entertainment and educational services, namely, providing a website that displays various requests, reviews, recommendations, rankings, trackings, votes, and information relating to uncreated, unreleased, new, special, popular, and rare products, services, and events in the fields of pop culture, entertainment, education, and sports, all exclusively for non-business and non-commercial transactions and purposes; Entertainment and educational services, namely, providing advice and information for music, video and film concept and script development; Entertainment and educational services, namely, the presentation of seminars, lectures, workshops and panel discussions, and ongoing television and radio talk shows all in the field of public interest concerning superhero and cartoon characters; Entertainment and educational services, namely, the presentation of seminars, workshops and panel discussions, and ongoing television and radio shows all in the field of superhero and cartoon characters; Entertainment in the nature of on- going television programs in the field of superhero and cartoon characters; Entertainment in the nature of visual and audio performances by superhero and cartoon characters; Entertainment in the nature of visual and audio performances, and musical, variety, news and comedy shows; Entertainment in the nature of visual and audio performances, namely, musical band, rock group, gymnastic, dance, and ballet performances; Entertainment in the nature of visual and audio performances by an actor; Entertainment information; Entertainment information services, namely, providing information and news releases about a musical artist; Entertainment media production services for motion pictures, television and Internet; Entertainment services in the nature of a non-fiction television programming series on topics relating to family stories told by family members to preserve their heritage;

Entertainment services in the nature of on-going television programs in the field of children's entertainment; Entertainment services, namely, displaying a series of films; Entertainment services, namely, planning and conducting a series of film festivals; Entertainment services, namely, providing a web site featuring non-downloadable musical performances, musical videos, related film clips, photographs, and other multimedia materials featuring superhero and cartoon characters; Entertainment, namely, a continuing superhero and cartoon characters; show broadcast over television, satellite, audio, and video media; Film and video film production; Film and video production; Film and video production consulting services; Film production; Film studios; Media production services, namely, video and film production; Motion picture film production; Multimedia entertainment services in the nature of development, production and post-production services in the fields of video and films; Multimedia entertainment services in the nature of recording, production and post-production services in the fields of music, video, and films; Operating of film studios; Production of DVDs, videotapes and television programs featuring superhero and cartoon characters; Production of films; Production of television and radio programmes; Production of television programs; Providing information and articles in the field of film, filmmaking, and entertainment via a global computer network; Providing online non-downloadable comic books and graphic novels; Provision of information relating to distribution of television shows, motion picture film and radio shows; Provision of information relating to television, motion picture film, audio and radio production; Provision of non-downloadable films and movies via a video-on-demand service; Provision of non-downloadable films and television programmes via a video-on-demand service; Special effects animation services for film and video; Television, video and movie filming services

Filing Basis: Section 1(b), Intent to Use: The applicant has a bona fide intention to use or use through the applicant's related company or licensee the mark in commerce on or in connection with the identified goods and/or services as of the filing date of the application. (15 U.S.C. Section 1051(b)).

Based on Foreign Application: Applicant has a bona fide intention to use the mark in commerce on or in connection with the identified goods and/or services, and will submit a copy of a foreign registration, and translation thereof, if appropriate. 15 U. S.C. Section 1126(d), as amended.

SIGNATURE(S)

Response Signature

Signature: /JOEL BELING/ Date: 09/22/2011

Signatory's Name: Joel Beling

Signatory's Position: Owner

The signatory has confirmed that he/she is not represented by either an authorized attorney or Canadian attorney/agent, and that he/she is either (1) the applicant or (2) a person(s) with legal authority to bind the applicant; and if an authorized U.S. attorney or Canadian attorney/agent previously represented him/her in this matter, either he/she has filed a signed revocation of power of attorney with the USPTO or the USPTO has granted the request of his/her prior representative to withdraw.

Serial Number: 85324443

Internet Transmission Date: Wed Sep 21 23:46:56 EDT 2011

TEAS Stamp: USPTO/ROA-128.250.5.247-2011092123465674

3802-85324443-4807bdba916be8c5f8a37f22e0

62b416-N/A-N/A-20110921234222616222

EXHIBIT F

**OPPOSER'S MOTION FOR SUMMARY JUDGMENT
(OPPOSITION NO. 91203884)**



UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner for Trademarks
P.O. Box 1451
Alexandria, VA 22313-1451
www.uspto.gov

Dec 28, 2011

NOTICE OF PUBLICATION

- | | |
|---|---|
| 1. Serial No.:
85-324,443 | 2. Mark:
COLOR WARS
(STANDARD CHARACTER MARK) |
| 3. International Class(es):
16, 28, 41 | |
| 4. Publication Date:
Jan 17, 2012 | 5. Applicant:
Beling, Joel L |

The mark of the application identified appears to be entitled to registration. The mark will, in accordance with Section 12(a) of the Trademark Act of 1946, as amended, be published in the *Official Gazette* on the date indicated above for the purpose of opposition by any person who believes he will be damaged by the registration of the mark. If no opposition is filed within the time specified by Section 13(a) of the Statute or by rules 2.101 or 2.102 of the Trademark Rules, the Commissioner of Patents and Trademarks may issue a certificate of registration.

Copies of the trademark portion of the *Official Gazette* containing the publication of the mark may be obtained from:

The Superintendent of Documents
U.S. Government Printing Office
PO Box 371954
Pittsburgh, PA 15250-7954
Phone: 202-512-1800

By direction of the Commissioner.

Email Address(es):

joelbeling@hotmail.com

EXHIBIT G-1

OPPOSER'S MOTION FOR SUMMARY JUDGMENT
(OPPOSITION NO. 91203884)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In Re: Application Serial No. 85/324,443
For the Mark: COLOR WARS
Filed: May 18, 2011
Published in the Official Gazette: January 17, 2012

Ennis, Inc.)	
)	
Opposer)	
)	
v.	)	Opp. No. 91203884
)	
Joel L. Beling d/b/a Supa Characters Pty Ltd)	
)	
Applicant)	
)	

OPPOSER'S FIRST REQUEST FOR ADMISSIONS TO APPLICANT

To: Joel L. Beling d/b/a Supa Characters Pty Ltd, Applicant, 1 Mirboo Court, Dallas, Victoria 3047, Australia.

Pursuant to Rule 36 of the Federal Rules of Civil Procedure, Ennis, Inc. ("Opposer") hereby serves its First Request for Admissions on Joel L. Beling d/b/a Supa Characters Pty Ltd ("Applicant"), to be answered within thirty (30) days from receipt of these Requests.

A. DEFINITIONS

The following definitions shall have the following meanings, unless the context requires otherwise:

1. "Opposer" and/or "Ennis" as well as a party's full or abbreviated name or a pronoun referring to a party, means the party, and where applicable, the party's agents, representatives, officers, directors, employees, partners, corporate agents, subsidiaries, affiliates, or any other person acting in concert with the party or under the party's control, whether directly or indirectly, including any attorney.

2. "You" or "your" means Joel L. Beling d/b/a Supa Characters Pty Ltd, Applicant, as well as its agents, employees, and all other persons acting on behalf of Applicant or its successors, predecessors, heirs, beneficiaries or assigns.

3. "Document" means all written, typed, or printed matter and all magnetic, electronic, or other records or documentation of any kind or description in your actual possession, custody, or control, including those in the possession, custody, or control of any and all present or former directors, officers, employees, consultants, accountants, attorneys, or other agents, whether or not prepared by you, that constitute or contain matters relevant to the subject matter of the action.

4. "Possession, custody, or control" of an item means that the person either has physical possession of the item or has a right to possession equal or superior to that of the person who has physical possession of the item.

5. "Person" means any natural person, corporation, firm, association, partnership, joint venture, proprietorship, governmental body, or any other organization, business, or legal entity, and all predecessors or successors in interest.

6. "COLOR WARS" defines the mark COLOR WARS, U.S. Trademark Application Serial No. 85/324,443, applied for by Joel L. Beling d/b/a Supa Characters Pty Ltd.

7. "COLORWORX" defines the mark COLORWORX[®], U.S. Trademark Registration No. 3,372,884 and includes a variety of printing goods and printing services that are international Class 40 products manufactured and put into the stream of commerce by Ennis, Inc.

8. "Identify" or "describe" when referring to a person, means you must state the following:

- a. The full name.
- b. The present or last known residential address and residential telephone number.
- c. The present or last known office address and office telephone number.
- d. The occupation, job title, employer, and employer's address at the time of the event or period referred to in each particular interrogatory.
- e. In the case of any entity, identify the officer, employee, or agent most closely connected with the subject matter of the interrogatory and the officer who is responsible for supervising that officer or employee.

9. "Identify" or "describe" when referring to a document, means you must state the following:

- a. The nature (e.g., letter, handwritten note) of the document.
- b. The title or heading that appears on the document.
- c. The date of the document and the date of each addendum, supplement, or other addition or change.
- d. The identity of the author and of the signer of the document, and of the person on whose behalf or at whose request or direction the document was prepared or delivered.
- e. The present location of the document, and the name, address, position or title,

and telephone number of the person or persons having custody of the document.

B. REQUESTS FOR ADMISSIONS

Admit or deny the following:

REQUEST NO. 1: Opposer is the owner of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX®.

RESPONSE:

REQUEST NO. 2: Opposer, or its related companies, has continuously used the COLORWORX® mark in interstate commerce for a variety of printing goods and printing services.

RESPONSE:

REQUEST NO. 3: Since August, 2002, Opposer's mark, COLORWORX®, has continuously appeared in substantial advertising and promotion of Opposer's printing goods and printing services.

RESPONSE:

REQUEST NO. 4: Opposer's mark, COLORWORX®, is closely identified with Opposer's goods and has gained very valuable public recognition.

RESPONSE:

REQUEST NO. 5: Opposer has used the mark, COLORWORX®, within the last three years.

RESPONSE:

REQUEST NO. 6: Opposer has continuously used its mark, COLORWORX®, in interstate commerce since long prior to any date upon which Applicant can rely.

RESPONSE:

REQUEST NO. 7: Applicant's application was filed on May 18, 2011.

RESPONSE:

REQUEST NO. 8: Applicant's Application is listed as an intent-to-use application.

RESPONSE:

REQUEST NO. 9: Opposer's trademark rights for the COLORWORX® mark has priority over Applicant's mark, COLOR WARS.

RESPONSE:

REQUEST NO. 10: Opposer has not abandoned the mark COLORWORX®.

RESPONSE:

REQUEST NO. 11: Opposer currently provides "letterhead" bearing the mark COLORWORX®.

RESPONSE:

REQUEST NO. 12: Opposer has provided "business cards" bearing the mark COLORWORX® since August of 2002.

RESPONSE:

REQUEST NO. 13: Opposer has provided "letterhead" bearing the mark COLORWORX® since August of 2002.

RESPONSE:

REQUEST NO. 14: Opposer currently provides "sell sheets" bearing the mark COLORWORX®.

RESPONSE:

REQUEST NO. 15: Opposer has provided "sell sheets" bearing the mark COLORWORX® since August of 2002.

RESPONSE:

REQUEST NO. 16: Opposer currently provides “rack cards” bearing the mark COLORWORX®.

RESPONSE:

REQUEST NO. 17: Opposer has provided “rack cards” bearing the mark COLORWORX® since August of 2002.

RESPONSE:

REQUEST NO. 18: Opposer currently provides “postcards” bearing the mark COLORWORX®.

RESPONSE:

REQUEST NO. 19: Opposer has provided “postcards” bearing the mark COLORWORX® since August of 2002.

RESPONSE:

REQUEST NO. 20: Opposer currently provides “brochures” bearing the mark COLORWORX®.

RESPONSE:

REQUEST NO. 21: Opposer has provided “brochures” bearing the mark COLORWORX® since August of 2002.

RESPONSE:

REQUEST NO. 22: Opposer currently provides “posters” bearing the mark COLORWORX®.

RESPONSE:

REQUEST NO. 23: Opposer has provided “posters” bearing the mark COLORWORX® since August of 2002.

RESPONSE:

REQUEST NO. 24: The mark COLORWORX® is used in interstate commerce for “printing goods and printing services.”

RESPONSE:

REQUEST NO. 25: Statements made in Ennis’s application to the United States Patent and Trademark Office to register the mark COLORWORX® were not false or misleading.

RESPONSE:

REQUEST NO. 26: Statements made in Ennis’s application to the United States Patent and Trademark Office to register the mark COLORWORX® did not constitute a knowingly false representation of material fact.

RESPONSE:

REQUEST NO. 27: Ennis did not commit fraud on the United States Patent and Trademark Office in obtaining the registration for the mark COLORWORX®.

RESPONSE:

REQUEST NO. 28: Applicant does not intend to use the mark COLOR WARS in the United States.

RESPONSE:

REQUEST NO. 29: Applicant filed an application to register the mark COLOR WARS on May 18, 2011.

RESPONSE:

REQUEST NO. 30: Opposers Application to register the mark COLOR WARS describes similar printing goods and printing services as the mark COLORWORX®.

RESPONSE:

REQUEST NO. 31: Opposers Application to register the mark COLOR WARS in international class 16 describes similar printing goods and printing services as the mark COLORWORX[®] including posters, envelopes for stationery, office paper stationery, office stationery, paper stationery, partially printed forms, printed materials and brochures to name a few.

RESPONSE:

REQUEST NO. 32: Applicant's mark so resembles Opposer's mark as to be likely to cause confusion, mistake or deceive.

RESPONSE:

Dated: April 26, 2012

Respectfully submitted,

CHALKER FLORES, LLP

By: 

Scott A. Meyer

Texas Bar No. 24013162

Thomas G. Jacks

Texas Bar No. 24067681

14951 N. Dallas Parkway, Suite 400

Dallas, Texas 75254

(214) 866-0001 (telephone)

(214) 866-0010 (telecopy)

smever@chalkerflores.com

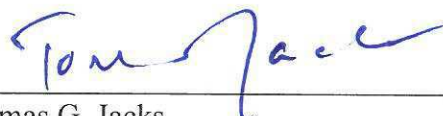
tjacks@chalkerflores.com

ATTORNEYS FOR OPPOSER

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing OPPOSER'S REQUEST FOR ADMISSIONS TO APPLICANT was served on all parties, this the 26th day of April, 2012, by sending the same via electronic mail, to the following:

Joel L. Beling
1 Mirboo Court
Dallas, Victoria 3047
Australia
joelbeling@hotmail.com



Thomas G. Jacks

EXHIBIT G-2

OPPOSER'S MOTION FOR SUMMARY JUDGMENT
(OPPOSITION NO. 91203884)

EXHIBIT G-2

OPPOSER'S MOTION FOR SUMMARY JUDGMENT
(OPPOSITION NO. 91203884)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In Re: Application Serial No. 85/324,443
For the Mark: COLOR WARS
Filed: May 18, 2011
Published in the Official Gazette: January 17, 2012

)	
Joel L. Beling d/b/a Supa Characters Pty Ltd)	
)	
Applicant)	
)	
	)	Opposition No. 91203884
v.)	
)	
)	
Ennis, Inc.)	
)	
Opposer)	
)	
)	

**APPLICANT'S RESPONSE TO OPPOSER'S FIRST REQUEST FOR
ADMISSIONS**

To: Ennis Inc. 2441 Presidential Parkway, Midlothian, TX 76065, United States.

REQUEST NO.	RESPONSE
1	ADMIT
2	DENY- APPLICANT HAS NO KNOWLEDGE ABOUT THIS ISSUE
3	DENY- APPLICANT HAS NO KNOWLEDGE ABOUT THIS ISSUE
4	DENY- APPLICANT HAS NO KNOWLEDGE ABOUT THIS ISSUE
5	DENY- APPLICANT HAS NO KNOWLEDGE ABOUT THIS ISSUE
6	DENY- APPLICANT HAS NO KNOWLEDGE ABOUT THIS ISSUE
7	DENY- NEED MORE INFORMATION ABOUT WHICH APPLICATION APPLICANT ALLEGEDLY FILED. APPLICANT HAS FILED MANY APPLICATIONS WITH THE USPTO AND IP

	AUSTRALIA
8	ADMIT
9	ADMIT
10	DENY- APPLICANT HAS NO KNOWLEDGE ABOUT THIS ISSUE
11	DENY- APPLICANT HAS NO KNOWLEDGE ABOUT THIS ISSUE
12	DENY- APPLICANT HAS NO KNOWLEDGE ABOUT THIS ISSUE
13	DENY- APPLICANT HAS NO KNOWLEDGE ABOUT THIS ISSUE
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22	DENY- APPLICANT HAS NO KNOWLEDGE ABOUT THIS ISSUE
23	DENY- APPLICANT HAS NO KNOWLEDGE ABOUT THIS ISSUE
24	DENY- APPLICANT HAS NO KNOWLEDGE ABOUT THIS ISSUE
25	DENY
26	DENY
27	DENY
28	DENY
29	ADMIT
30	DENY
31	DENY
32	DENY

Dated: May 21, 2012
submitted,

Respectfully

JOEL BELING

By: _____

Joel L. Beling
1 Mirboo Court
Dallas, Victoria, 3047
Australia
(03) 8307 6932 (telephone)
0405 329 078 (cell)
joelbeling@hotmail.com
Applicant

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing **APPLICANT'S RESPONSE TO OPPOSER'S FIRST REQUEST FOR ADMISSIONS** was served on all parties, this the 21st day of May, 2012, by sending the same electronic mail, to the following:

Scott A. Meyer
Thomas Jacks
CHALKER FLORES, LLP
smeyer@chalkerflores.com
tjacks@chalkerflores.com
ATTORNEYS FOR OPPOSER

/joel beling/

Joel Beling

EXHIBIT H

OPPOSER'S MOTION FOR SUMMARY JUDGMENT
(OPPOSITION NO. 91203884)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In re Registration No. 3,372,884 (COLORWORX), Registered January 22, 2008

Opposition No. 91203884

Ennis Inc.

v.

Joel L. Beling d/b/a Supa Characters Pty Ltd

Cancellation No. 92055374

Joel L. Beling d/b/a Supa Characters Pty Ltd

v.

Ennis, Inc.

**APPLICANT'S OBJECTIONS AND RESPONSES TO OPPOSER'S SECOND SET OF
INTERROGATORIES**

To: Ennis Inc. 2441 Presidential Parkway, Midlothian, TX 76065, United States.

**I.
OBJECTIONS APPLICABLE TO ALL
INTERROGATORIES, INSTRUCTIONS AND DEFINITIONS**

Applicant agrees to answer Opposer's Interrogatories to the extent that Applicant is required to do so by the Federal Rules of Civil Procedure and the applicable case law, and to the extent that such are not otherwise objectionable.

Applicant further objects to the definitions and instructions set forth in Opposer's Second Set of Interrogatories to the extent that it purports to assign to the words therein defined

meanings other than those in common usage. Applicant will use the commonly accepted definition of words and phrases in answering the Interrogatories.

Applicant hereby objects to all of the above-referenced definitions in each and every Interrogatory in which they are used as if objected to on the above-stated basis individually, and Applicant answers all Interrogatories listed below subject to, and without waiving, the above-stated objections.

INTERROGATORIES

INTERROGATORY NO. 18: Identify all facts, laws, information, or materials that provide any evidence that Opposer made any statements to the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX® that were a false representation regarding a material fact.

ANSWER: The applicant objects to the Interrogatory on the grounds that it requires the applicant to marshal his evidence before trial. The applicant further objects to this Interrogatory on the basis that the opposer has shown bad faith during discovery, namely, by knowingly, willfully and dishonestly concealing and continuing to conceal from the applicant all documents and other evidence and refused and failed to answer all Interrogatories in relation to the Opposer's statements to the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX and the creation of the COLORWORX mark, despite numerous Requests from the applicant to produce these documents and other evidence and answer these Interrogatories. The applicant again invites the opposer to produce all documents and other evidence and answer all interrogatories in relation to the Opposer's statements to the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX and the creation of the COLORWORX Mark. In addition, the opposer has shown bad faith during discovery by knowingly, willfully and dishonestly concealing and continuing to conceal from the applicant all financial documents concerning the sales, advertising and marketing relating to goods and services allegedly sold under the mark "COLORWORX" shown in U.S. Trademark Registration No. 3,372,884. The applicant again invites and requests the opposer to produce all documents and other evidence in relation to the sales, advertising, marketing and other financial information relating to goods and services sold under the mark "COLORWORX" shown in U.S. Trademark Registration No. 3,372,884. The applicant further objects on the grounds that the opposer has no bona fide intent to prosecute the opposition since it has attempted, in this proceeding, to "undertake enforcement measures based on an unreasonable interpretation of the scope of [its] rights [in the Colorworx Mark] for the purpose of intimidating [the applicant] into compliance with the mark owner's

demands” and failed, until now, to take follow up discovery for 18 months. Office of Governmental Affairs– USPTO’s *Report to Congress: Trademark Litigation Tactics and Federal Government Services to Protect Trademarks and Prevent Counterfeiting* (April 2011) (“*Report to Congress*”).

Apart from the above objections, the Applicant refers the opposer to the documents already produced to it, as well as the documents recently produced; to the evidence, arguments, laws, Marks, companies (and associated websites of such companies, to which the opposer has equal access) in the applicant/petitioner’s second amended petition to cancel; to all of the opposer’s responses and lack of candid and complete response to the applicant’s discovery requests; to current trademark laws on fraudulent marks of which the opposer has a better understanding than the applicant.

INTERROGATORY NO. 19: Identify all facts, laws, information, or materials that provide any evidence that any statements made to the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX[®] were false.

ANSWER: The applicant objects to the Interrogatory on the grounds that it requires the applicant to marshal his evidence before trial. The applicant further objects to this Interrogatory on the basis that the opposer has shown bad faith during discovery, namely, by knowingly, willfully and dishonestly concealing and continuing to conceal from the applicant all documents and other evidence and refused and failed to answer all Interrogatories in relation to the Opposer’s statements to the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX and the creation of the COLORWORX mark, despite numerous Requests from the applicant to produce these documents and other evidence and answer these Interrogatories. The applicant again invites the opposer to produce all documents and other evidence and answer all interrogatories in relation to the Opposer’s statements to the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX and the creation of the COLORWORX Mark. In addition, the opposer has shown bad faith during discovery by knowingly, willfully and dishonestly concealing and continuing to conceal from the applicant all financial documents concerning the sales, advertising and marketing relating to goods and services allegedly sold under the mark “COLORWORX” shown in U.S. Trademark Registration No. 3,372,884. The applicant again invites and requests the opposer to produce all documents and other evidence in relation to the sales, advertising, marketing and other financial information relating to goods and services sold under the mark “COLORWORX” shown in U.S. Trademark Registration No. 3,372,884. The applicant further objects on the grounds that the opposer has no bona fide intent to prosecute the opposition since it has attempted, in this proceeding, to “undertake enforcement measures based on an unreasonable interpretation of the scope of [its] rights [in the Colorworx Mark] for the purpose of intimidating [the applicant] into compliance with the mark owner’s demands” and failed, until now, to take follow up discovery for 18 months. *Report to Congress*.

Apart from the above objections, the Applicant refers the opposer to the documents already

produced to it, as well as the documents attached hereto; to the evidence, arguments, laws, Marks, companies (and associated websites of such companies, to which the opposer has equal access) in the applicant/petitioner's second amended petition to cancel; to all of the opposer's responses and lack of candid and complete responses to the applicant's discovery requests; to current trademark laws on fraudulent marks of which the opposer has a better understanding than the applicant.

INTERROGATORY NO. 20: Identify all facts, laws, information, or materials that provide any evidence that Opposer intended to deceive the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX® by making false representations regarding a material fact.

ANSWER: The applicant objects to the Interrogatory on the grounds that it requires the applicant to marshal his evidence before trial. The applicant further objects to this Interrogatory on the basis that the opposer has shown bad faith during discovery, namely, by knowingly, willfully and dishonestly concealing and continuing to conceal from the applicant all documents and other evidence and refused and failed to answer all Interrogatories in relation to the Opposer's statements to the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX and the creation of the COLORWORX mark, despite numerous Requests from the applicant to produce these documents and other evidence and answer these Interrogatories. The applicant again invites the opposer to produce all documents and other evidence and answer all interrogatories in relation to the Opposer's statements to the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX and the creation of the COLORWORX Mark. In addition, the opposer has shown bad faith during discovery by knowingly, willfully and dishonestly concealing and continuing to conceal from the applicant all financial documents concerning the sales, advertising and marketing relating to goods and services allegedly sold under the mark "COLORWORX" shown in U.S. Trademark Registration No. 3,372,884. The applicant again invites and requests the opposer to produce all documents and other evidence in relation to the sales, advertising, marketing and other financial information relating to goods and services sold under the mark "COLORWORX" shown in U.S. Trademark Registration No. 3,372,884. The applicant further objects on the grounds that the opposer has no bona fide intent to prosecute the opposition since it has attempted, in this proceeding, to "undertake enforcement measures based on an unreasonable interpretation of the scope of [its] rights [in the Colorworx Mark] for the purpose of intimidating [the applicant] into compliance with the mark owner's demands" and failed, until now, to take follow up discovery for 18 months.

Apart from the above objections, the Applicant refers the opposer to the documents already produced to it, as well as the documents recently produced; to the evidence, arguments, laws, Marks, companies (and associated websites of such companies, to which the opposer has equal access) in the applicant/petitioner's second amended petition to cancel; to all of the opposer's responses and lack of candid and complete response to the applicant's discovery requests; to current trademark laws on fraudulent marks of which the opposer has a better understanding than the applicant.

INTERROGATORY NO. 21: Identify all facts, laws, information, or materials that provide any evidence that the United States Patent and Trademark Office relied on any false representations regarding a material fact made by Opposer in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX®.

ANSWER: The applicant objects to the Interrogatory on the grounds that it requires the applicant to marshal his evidence before trial. The applicant further objects to this Interrogatory on the basis that the opposer has shown bad faith during discovery, namely, by knowingly, willfully and dishonestly concealing and continuing to conceal from the applicant all documents and other evidence and refused and failed to answer all Interrogatories in relation to the Opposer's statements to the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX and the creation of the COLORWORX mark, despite numerous Requests from the applicant to produce these documents and other evidence and answer these Interrogatories. The applicant again invites the opposer to produce all documents and other evidence and answer all interrogatories in relation to the Opposer's statements to the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX and the creation of the COLORWORX Mark. In addition, the opposer has shown bad faith during discovery by knowingly, willfully and dishonestly concealing and continuing to conceal from the applicant all financial documents concerning the sales, advertising and marketing relating to goods and services allegedly sold under the mark "COLORWORX" shown in U.S. Trademark Registration No. 3,372,884. The applicant again invites and requests the opposer to produce all documents and other evidence in relation to the sales, advertising, marketing and other financial information relating to goods and services sold under the mark "COLORWORX" shown in U.S. Trademark Registration No. 3,372,884. The applicant further objects on the grounds that the opposer has no bona fide intent to prosecute the opposition since it has attempted, in this proceeding, to "undertake enforcement measures based on an unreasonable interpretation of the scope of [its] rights [in the Colorworx Mark] for the purpose of intimidating [the applicant] into compliance with the mark owner's demands" and failed, until now, to take follow up discovery for 18 months. *Report to Congress.*

Apart from the above objections, the Applicant refers the opposer to the documents already produced to it, as well as the documents recently produced; to the evidence, arguments, laws, Marks, companies (and associated websites of such companies, to which the opposer has equal access) in the applicant/petitioner's second amended petition to cancel; to all of the opposer's responses and lack of candid and complete response to the applicant's discovery requests; to current trademark laws on fraudulent marks of which the opposer has a better understanding than the applicant.

INTERROGATORY NO. 22: Describe in detail why an amendment of the goods listed in International Class 016 in U.S. Trademark Application Serial No. 85/324,443 for Applicant's mark "COLOR WARS" to specify that the goods are related to, in the field of, about, featuring, in the nature of, concerning, dealing with or directed to "superhero and cartoon characters" is objectionable to You.

ANSWER: The applicant objects to the Interrogatory on the grounds that it requires the applicant to marshal his evidence before trial. The applicant further objects to this Interrogatory on the basis that the opposer has shown bad faith during discovery, namely, by knowingly, willfully and dishonestly concealing and continuing to conceal from the applicant all documents and other evidence and refused and failed to answer all Interrogatories in relation to the Opposer's statements to the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX and the creation of the COLORWORX mark, despite numerous Requests from the applicant to produce these documents and other evidence and answer these Interrogatories. The applicant again invites the opposer to produce all documents and other evidence and answer all interrogatories in relation to the Opposer's statements to the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX and the creation of the COLORWORX Mark. In addition, the opposer has shown bad faith during discovery by knowingly, willfully and dishonestly concealing and continuing to conceal from the applicant all financial documents concerning the sales, advertising and marketing relating to goods and services allegedly sold under the mark "COLORWORX" shown in U.S. Trademark Registration No. 3,372,884. The applicant again invites and requests the opposer to produce all documents and other evidence in relation to the sales, advertising, marketing and other financial information relating to goods and services sold under the mark "COLORWORX" shown in U.S. Trademark Registration No. 3,372,884. The applicant further objects on the grounds that the opposer has no bona fide intent to prosecute the opposition since it has attempted, in this proceeding, to "undertake enforcement measures based on an unreasonable interpretation of the scope of [its] rights [in the Colorworx Mark] for the purpose of intimidating [the applicant] into compliance with the mark owner's demands" and failed, until now, to take follow up discovery for 18 months. *Report to Congress.*

Apart from the above objections, the applicant responds as follows. Because the applicant's business is not limited to "superhero and cartoon characters." There are many possible versions of the COLOR WARS Mark and Brand which do not involve superheroes and cartoon characters. The concept, story and characters underpinning the COLOR WARS Mark are entirely adaptable to suit the needs of the third party licensor. For example, if Disney wished to license the COLOR WARS Mark and characters, then the version produced in the recently produced documents would be the first version presented to Disney. Another version could involve children playing at a kindergarten whose crayons are accidentally dropped in a stream contaminated by radioactive waste and other toxic chemicals. Each child is mysteriously blinded to all colors except for the color of the crayon they picked up from the stream. The kindergarten collapses as a result of an earthquake and the children have to save the kindergarten teacher with the limited vision they possess. For another example, if a famous clothing company such as Dolce & Gabbana or Gucci wished to license the Mark, the COLOR WARS brand could be adapted to dispense with all the superhero and cartoon features and instead focus on the human versions of the respective color-based characters, or even different versions of a single color, e.g., the Blue Bravado, the Blue Brawler, the Blue Brain, the Blue Bimbo, the Blue Whale, the Blue Mechanic, the Blue Fireman, etc. Likewise, if the Wm. Wrigley Jr. Company wished to license the Mark, the concept, characters and story could be amended to market and sell Skittles confectionary without any superhero or cartoon characters. For example, each Skittle turns into a

live-action child based on a color and fights the other characters inside a packet of Skittles. This could be a sixty-second advertisement wherein the Skittles fight inside the packet and then continue the fight inside the mouth of a happy child. The possibilities are endless. The phrase “superhero and cartoon characters” was only used in the application for the COLOR WARS Mark because of the format of the application. The applicant had and has no intention to so limit the COLOR WARS Mark and brand.

INTERROGATORY NO. 23: Identify all facts, laws, information, or materials that provide any evidence that the combination of design and word elements in U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX[®] is generic for printing services.

ANSWER:

The applicant objects to the Interrogatory on the grounds that it requires the applicant to marshal his evidence before trial. The applicant further objects to this Interrogatory on the basis that the opposer has shown bad faith during discovery, namely, by knowingly, willfully and dishonestly concealing and continuing to conceal from the applicant all documents and other evidence and refused and failed to answer all Interrogatories in relation to the Opposer’s statements to the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX and the creation of the COLORWORX mark, despite numerous Requests from the applicant to produce these documents and other evidence and answer these Interrogatories. The applicant again invites the opposer to produce all documents and other evidence and answer all interrogatories in relation to the Opposer’s statements to the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX and the creation of the COLORWORX Mark. In addition, the opposer has shown bad faith during discovery by knowingly, willfully and dishonestly concealing and continuing to conceal from the applicant all financial documents concerning the sales, advertising and marketing relating to goods and services allegedly sold under the mark “COLORWORX” shown in U.S. Trademark Registration No. 3,372,884. The applicant again invites and requests the opposer to produce all documents and other evidence in relation to the sales, advertising, marketing and other financial information relating to goods and services sold under the mark “COLORWORX” shown in U.S. Trademark Registration No. 3,372,884. The applicant further objects on the grounds that the opposer has no bona fide intent to prosecute the opposition since it has attempted, in this proceeding, to “undertake enforcement measures based on an unreasonable interpretation of the scope of [its] rights [in the Colorworx Mark] for the purpose of intimidating [the applicant] into compliance with the mark owner’s demands” and failed, until now, to take follow up discovery for 18 months. *Report to Congress*.

Apart from the above objections, the Applicant refers the opposer to the documents already produced to it, as well as the documents attached hereto; to the evidence, arguments, laws, Marks, companies (and associated websites of such companies, to which the opposer has equal access) in the applicant/petitioner’s second amended petition to cancel; to all of the opposer’s responses and lack of candid and complete and to the applicant’s discovery requests; to current

trademark laws on generic marks of which the opposer has a better understanding than the applicant.

INTERROGATORY NO. 24: Identify all facts, laws, information, or materials that provide any evidence that the combination of design and word elements in U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX[®] is merely descriptive of Opposer's printing services.

ANSWER:

The applicant objects to the Interrogatory on the grounds that it requires the applicant to marshal his evidence before trial. The applicant further objects to this Interrogatory on the basis that the opposer has shown bad faith during discovery, namely, by knowingly, willfully and dishonestly concealing and continuing to conceal from the applicant all documents and other evidence and refused and failed to answer all Interrogatories in relation to the Opposer's statements to the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX and the creation of the COLORWORX mark, despite numerous Requests from the applicant to produce these documents and other evidence and answer these Interrogatories. The applicant again invites the opposer to produce all documents and other evidence and answer all interrogatories in relation to the Opposer's statements to the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX and the creation of the COLORWORX Mark. In addition, the opposer has shown bad faith during discovery by knowingly, willfully and dishonestly concealing and continuing to conceal from the applicant all financial documents concerning the sales, advertising and marketing relating to goods and services allegedly sold under the mark "COLORWORX" shown in U.S. Trademark Registration No. 3,372,884. The applicant again invites and requests the opposer to produce all documents and other evidence in relation to the sales, advertising, marketing and other financial information relating to goods and services sold under the mark "COLORWORX" shown in U.S. Trademark Registration No. 3,372,884. The applicant further objects on the grounds that the opposer has no bona fide intent to prosecute the opposition since it has attempted, in this proceeding, to "undertake enforcement measures based on an unreasonable interpretation of the scope of [its] rights [in the Colorworx Mark] for the purpose of intimidating [the applicant] into compliance with the mark owner's demands" and failed, until now, to take follow up discovery for 18 months. *Report to Congress.*

Apart from the above objections, the Applicant refers the opposer to the documents already produced to it, as well as the documents attached hereto; to the evidence, arguments, laws, Marks, companies (and associated websites of such companies, to which the opposer has equal access) in the applicant/petitioner's second amended petition to cancel; to all of the opposer's responses and lack of candid and complete responses to the applicant's discovery requests; to current trademark laws on merely descriptive marks of which the opposer has a better understanding than the applicant.

INTERROGATORY NO. 25: Identify all facts, laws, information, or materials that provide any evidence that the combination of design and word elements in U.S. Trademark Registration

No. 3,372,884 for the mark COLORWORX[®] describes an ingredient, quality, characteristic, function, feature, purpose or use of Opposer's printing services.

ANSWER:

The applicant objects to the Interrogatory on the grounds that it requires the applicant to marshal his evidence before trial. The applicant further objects to this Interrogatory on the basis that the opposer has shown bad faith during discovery, namely, by knowingly, willfully and dishonestly concealing and continuing to conceal from the applicant all documents and other evidence and refused and failed to answer all Interrogatories in relation to the Opposer's statements to the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX and the creation of the COLORWORX mark, despite numerous Requests from the applicant to produce these documents and other evidence and answer these Interrogatories. The applicant again invites the opposer to produce all documents and other evidence and answer all interrogatories in relation to the Opposer's statements to the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX and the creation of the COLORWORX Mark. In addition, the opposer has shown bad faith during discovery by knowingly, willfully and dishonestly concealing and continuing to conceal from the applicant all financial documents concerning the sales, advertising and marketing relating to goods and services allegedly sold under the mark "COLORWORX" shown in U.S. Trademark Registration No. 3,372,884. The applicant again invites and requests the opposer to produce all documents and other evidence in relation to the sales, advertising, marketing and other financial information relating to goods and services sold under the mark "COLORWORX" shown in U.S. Trademark Registration No. 3,372,884. The applicant further objects on the grounds that the opposer has no bona fide intent to prosecute the opposition since it has attempted, in this proceeding, to "undertake enforcement measures based on an unreasonable interpretation of the scope of [its] rights [in the Colorworx Mark] for the purpose of intimidating [the applicant] into compliance with the mark owner's demands" and failed, until now, to take follow up discovery for 18 months. *Report to Congress*.

Apart from the above objections, the Applicant refers the opposer to the documents already produced to it, as well as the documents attached hereto; to the evidence, arguments, laws, Marks, companies (and associated websites of such companies, to which the opposer has equal access) in the applicant/petitioner's second amended petition to cancel; to all of the opposer's responses and lack of candid and complete responses to the applicant's discovery requests; to current trademark laws on generic and merely descriptive marks of which the opposer has a better understanding than the applicant.

INTERROGATORY NO. 26: Identify all facts, laws, information, or materials that provide any evidence that the combination of design and word elements in Opposer's mark COLORWORX[®] is not capable of distinguishing Opposer's printing services.

ANSWER:

The applicant objects to the Interrogatory on the grounds that it requires the applicant to marshal his evidence before trial. The applicant further objects to this Interrogatory on the basis that the opposer has shown bad faith during discovery, namely, by knowingly, willfully and dishonestly concealing and continuing to conceal from the applicant all documents and other evidence and refused and failed to answer all Interrogatories in relation to the Opposer's statements to the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX and the creation of the COLORWORX mark, despite numerous Requests from the applicant to produce these documents and other evidence and answer these Interrogatories. The applicant again invites the opposer to produce all documents and other evidence and answer all interrogatories in relation to the Opposer's statements to the United States Patent and Trademark Office in the filing, prosecution and post-registration filings of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX and the creation of the COLORWORX Mark. In addition, the opposer has shown bad faith during discovery by knowingly, willfully and dishonestly concealing and continuing to conceal from the applicant all financial documents concerning the sales, advertising and marketing relating to goods and services allegedly sold under the mark "COLORWORX" shown in U.S. Trademark Registration No. 3,372,884. The applicant again invites and requests the opposer to produce all documents and other evidence in relation to the sales, advertising, marketing and other financial information relating to goods and services sold under the mark "COLORWORX" shown in U.S. Trademark Registration No. 3,372,884. The applicant further objects on the grounds that the opposer has no bona fide intent to prosecute the opposition since it has attempted, in this proceeding, to "undertake enforcement measures based on an unreasonable interpretation of the scope of [its] rights [in the Colorworx Mark] for the purpose of intimidating [the applicant] into compliance with the mark owner's demands" and failed, until now, to take follow up discovery for 18 months. *Report to Congress*.

Apart from the above objections, the Applicant refers the opposer to the documents already produced to it, as well as the documents attached hereto; to the evidence, arguments, laws, Marks, companies (and associated websites of such companies, to which the opposer has equal access) in the applicant/petitioner's second amended petition to cancel; to all of the opposer's candid and complete responses to the applicant's discovery requests; to current trademark laws on generic and merely descriptive marks of which the opposer has a better understanding than the applicant.

Dated: December 11, 2013

Respectfully submitted,

JOEL BELING

By: /Joel Beling/
Joel L. Beling, 1 Mirboo Court, Dallas, Victoria, 3047, Australia
(03) 8307 6932 (telephone)
0405 329 078 (cell)
joelbeling@hotmail.com
Applicant

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing **APPLICANT'S OBJECTIONS AND RESPONSES TO OPPOSER'S SECOND SET OF INTERROGATORIES** was served on all parties, this the 11th day of December, 2013, by sending the same electronic mail, to the following:

Daniel Chalker
Jesica Flores
CHALKER FLORES, LLP
dchalker@chalkerflores.com
jflores@chalkerflores.com
ATTORNEYS FOR OPPOSER

/Joel Beling/
Joel Beling
Applicant

EXHIBIT I

OPPOSER'S MOTION FOR SUMMARY JUDGMENT
(OPPOSITION NO. 91203884)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Opposition No. 91203884;
Cancellation No. 92055374

In re Registration
No. 3,372,884
(COLORWORX), Registered
January 22, 2008

ENNIS INC.

v.

COPY

JOEL L. BELING d/b/a
SUPA CHARACTERS PTY LTD

TELEPHONIC ORAL DEPOSITION OF

STEVEN KENNETH OSTERLOH, JR.

JANUARY 13, 2014

VOLUME 1 OF 1

TELEPHONIC ORAL DEPOSITION OF STEVEN KENNETH
OSTERLOH, JR., produced as a witness duly sworn by me at
the instance of the Applicant, was taken in the above
styled and numbered cause on JANUARY 13, 2014, from 1:11
PM to 2:58 PM, before Beth Howard, CSR in and for the
State of Texas, reported by Machine Shorthand, at
Continental Court Reporters, Inc., 1412 Main Street,
Suite 900, Dallas, Texas, pursuant to the Federal Rules
of Civil Procedure, Notice of Deposition, Protective
Order, and the provisions stated on the record or
attached hereto.

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EXHIBIT I

A P P E A R A N C E S

FOR THE APPLICANT (Appearing Pro Se, Telephonically):

MR. JOEL L. BELING
1 Mirboo Court, Dallas
Victoria, 3047, Australia
(03) 8307 6932
E-Mail: joelbeling@hotmail.com

FOR THE OPPOSER:

MR. DANIEL CHALKER
Attorney at Law
Chalker Flores, LLP
14951 North Dallas Parkway, Suite 400
Dallas, Texas 75254
(214)445-4030 - Fax: (214) 866-0010
E-Mail: dchalker@chalkerflores.com

13:16:03 1 attempt to obtain a registration for a trademark?

13:16:05 2 A. Yes.

13:16:07 3 Q. Okay. Ennis has acted with complete honesty in
13:16:29 4 all its filings with the USPTO, including the Trademark
13:16:35 5 Trial and Appeal Board, correct?

13:16:38 6 MR. CHALKER: Object to the question as
13:16:39 7 leading. Go ahead and answer.

13:16:45 8 A. Yes.

13:16:46 9 Q. (BY MR. BELING) Okay. Would you agree that
13:16:54 10 Ennis claims express trademark rights to portions of its
13:16:59 11 COLORWORX mark?

13:17:01 12 MR. CHALKER: Object to the question as
13:17:02 13 leading. Go ahead and answer.

13:17:05 14 A. Yes.

13:17:05 15 Q. (BY MR. BELING) Okay. What -- what aspects of
13:17:11 16 Ennis's COLORWORX mark does Ennis claim rights to?

13:17:19 17 A. The printing services aspect.

13:17:22 18 Q. Okay. But in terms of the actual mark, that
13:17:26 19 is, the term "COLORWORX" and the design elements,
13:17:32 20 what -- what aspects of -- of those two portions does
13:17:37 21 Ennis claim rights to?

13:17:40 22 A. The words "COLORWORX" and the design mark that
13:17:45 23 we've submitted and use in commerce.

13:17:48 24 Q. Okay. And what, if any, rights or claims
13:17:55 25 regarding the two distinct portions of the mark? Do

13:18:01 1 you -- do you claim the rights to each portion
13:18:06 2 separately, or how -- how would you characterize your
13:18:09 3 claims to the rights in the mark?

13:18:12 4 MR. CHALKER: Object to the question as
13:18:13 5 it's irrelevant, in that the trademark is the mark in
13:18:19 6 its entirety. Go ahead and answer.

13:18:24 7 MR. BELING: Okay.

13:18:24 8 THE WITNESS: Could you repeat that,
13:18:25 9 please?

13:18:26 10 MR. BELING: Yes.

13:18:27 11 THE WITNESS: No, I apologize.

13:18:32 12 MR. BELING: Sorry. What was that,
13:18:32 13 Mr. Chalker?

13:18:35 14 THE WITNESS: I asked the court reporter to
13:18:35 15 repeat the question, please.

13:18:35 16 MR. BELING: Okay. Will she repeat it or
13:18:35 17 do you want me to say it?

13:18:59 18 THE REPORTER: Just a moment, please.

13:18:59 19 (RECORD READ BY THE REPORTER.)

13:18:59 20 A. I believe, if I'm -- I'd have to go back and
13:19:02 21 check, but I believe that we have the rights to the
13:19:05 22 word, as well as the design mark. So we claim them
13:19:09 23 independently, yes.

13:19:11 24 Q. (BY MR. BELING) Okay.

13:19:13 25 A. But that's my recollection.

13:19:16 1 Q. Okay. So you're not claiming -- like, you are
13:19:20 2 claiming, obviously, rights to the mark as a whole, but
13:19:23 3 you are also claiming rights to the two distinct
13:19:27 4 portions?

13:19:29 5 A. I -- We claim the rights to the word,
13:19:33 6 "COLORWORX," all one word, as well as to the design mark
13:19:39 7 itself. Separately, yes.

13:19:41 8 Q. Separately. Okay. Thank you. Did Ennis
13:19:44 9 create its COLORWORX mark from scratch?

13:19:48 10 A. Are you -- Do you mean the word or the design?

13:19:53 11 Q. The word and the design.

13:19:57 12 A. I was not involved in the creation of the word
13:20:03 13 "COLORWORX," so I can't answer on that. On the design,
13:20:08 14 yes, we did design that from scratch.

13:20:13 15 Q. Okay. But you have knowledge of the business
13:20:17 16 affairs of InstaColor and Admore, and that would put you
13:20:25 17 in a position to be able to answer whether Ennis created
13:20:28 18 the COLORWORX portion of its mark from scratch?

13:20:32 19 A. My understanding of the information I've been
13:20:34 20 able to collect is that a division of our organization,
13:20:38 21 a division called Adams McClure, actually came up with
13:20:42 22 that word, and my understanding is they came up with it
13:20:54 23 from scratch. But I do not have direct knowledge of
13:20:49 24 that, nor recollection, because it happened more than
13:20:51 25 ten years ago.

1 IN THE UNITED STATES PATENT AND TRADEMARK OFFICE?
2 BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

3 Opposition No. 91203884; In re Registration
4 Cancellation No. 92055374 No. 3,372,884
 (COLORWORX), Registered
 January 22, 2008

5 ENNIS INC.

6 v.

7 JOEL L. BELING d/b/a
8 SUPA CHARACTERS PTY LTD

9 REPORTER'S CERTIFICATION OF
10 ORAL DEPOSITION OF STEVEN KENNETH OSTERLOH, JR.
 JANUARY 13, 2014

11 I, BETH HOWARD, a Certified Shorthand Reporter
12 in and for the State of Texas, hereby certify to the
13 following:

14 That the witness, STEVEN KENNETH OSTERLOH, JR., was
15 duly sworn and that the transcript of the oral
16 deposition is a true record of the testimony given by
17 the witness;

18 That the deposition transcript was duly submitted on
19 2/3/14 to MR. DANIEL CHALKER, Chalker Flores, LLP,
20 for examination, signature and return to Continental
21 Court Reporters, Inc. by 3/10/14;

22 That pursuant to information given to the deposition
23 officer at the time said testimony was taken, the
24 following includes all parties of record and the amount
25 of time used by each party at the time of the

CONTINENTAL COURT REPORTERS, INC.
(214) 742-4949

EXHIBIT I

1 deposition:

2 MR. JOEL L. BELING (01 hour, 43 minutes)
Pro Se for Applicant


3 MR. DANIEL CHALKER (00 hours, 00 minutes)
Attorney for Opposer

4
5 That \$ N/A is the deposition officer's charges
6 to the Applicant for preparing the original deposition
7 and any copies of exhibits.

8 I further certify that I am neither counsel for,
9 related to, nor employed by any of the parties or

10 attorneys in the action in which this proceeding was
11 taken, and further that I am not financially or
12 otherwise interested in the outcome of the action.

13 Certified to by me on this 3rd day of February,
14 2014.

15
16
17 
18 BETH HOWARD, TEXAS CSR 529
19 EXPIRATION DATE: 12/31/14
20 CONTINENTAL COURT REPORTERS, INC.
21 Firm Number 349
22 1412 Main Street, Suite 900
23 Dallas, Texas 75202-4026
24 (214) 742-4949 - Fax: (214) 742-2510



SKOJR /AL

FURTHER CERTIFICATION

The original deposition ~~was~~/~~was not~~ returned to the deposition officer on February 27, 2014

If returned, the attached Changes and Signature page contains any changes and the reasons therefor;

If returned, the original deposition was delivered to Joel L. Beling, Custodial Attorney;

That \$ N/A is the deposition officer's charges to the Opposer for preparing the original deposition transcript and any copies of exhibits;

That the deposition was delivered in accordance with Rule 30(f), and that a copy of this certificate was served on all parties shown herein.

Certified to by me this 3 day of March, 2014.

Beth Howard
BETH HOWARD, TEXAS CSR 529
EXPIRATION DATE: 12/31/14
CONTINENTAL COURT REPORTERS, INC.
Firm Number 349
1412 Main Street, Suite 900
Dallas, Texas 75202-4026
(214) 742-4949 - Fax: (214) 742-2510



**NO CHANGES
MADE**

SKOJR/AL

CHANGES AND SIGNATURE

WITNESS: STEVEN KENNETH OSTERLOH, JR.

DATE: JANUARY 13, 2014

Reason Codes: (1) to clarify the record; (2) to conform to the facts; (3) to correct a transcription error; (4) other (please explain).

PAGE/LINE	CHANGE	REASON
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EXHIBIT I

Ennis vs. Beling - STEVEN KENNETH OSTERLOH, JR. - 3/10/14

I, STEVEN KENNETH OSTERLOH, JR., have read the foregoing deposition and hereby affix my signature that same is true and correct, except as noted above.

Steven Kenneth Osterloh Jr.
STEVEN KENNETH OSTERLOH, JR.

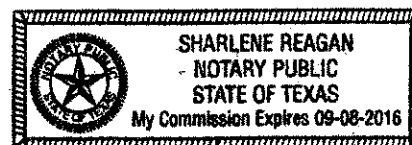
STATE OF TEXAS)

COUNTY OF ELLIS)

Before me, Sharlene Reagan, on this day personally appeared STEVEN KENNETH OSTERLOH, JR., known to me or proved to me on the oath of _____ or through _____ (description of identity card or other document) to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 24th day of February, 2014.

Sharlene Reagan
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS



MY COMMISSION EXPIRES: 09-08-2016

ESTTA Tracking number: **ESTTA641321**

Filing date: **11/25/2014**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91203884
Party	Plaintiff Ennis, Inc.
Correspondence Address	DANIEL J CHALKER CHALKER FLORES LLP 14951 N DALLAS PARKWAY, SUITE 400 DALLAS, TX 75254 UNITED STATES dchalker@chalkerflores.com, jflores@chalkerflores.com, dock- et@chalkerflores.com, cminchillo@chalkerflores.com
Submission	Reply in Support of Motion
Filer's Name	Daniel Chalker
Filer's e-mail	dchalk- er@chalkerflores.com,cminchillo@chalkerflores.com,docket@chalkerflores.com
Signature	/Daniel Chalker/
Date	11/25/2014
Attachments	Opp_Reply_to_App_Resp_Opp2dMSJ_112514.pdf(5590224 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In Re: Application Serial No. 85/324,443
For the Mark: COLOR WARS
Filed: May 18, 2011
Published in the Official Gazette: January 17, 2012

Ennis, Inc.)	
)	
Opposer)	
)	
v.	)	Opposition No. 91203884
)	
Joel L. Beling d/b/a Supa Characters Pty Ltd)	
)	
Applicant)	

**OPPOSER’S REPLY/RESPONSE TO APPLICANT’S RESPONSE TO
OPPOSER’S MOTION FOR SUMMARY JUDGMENT AND CROSS-MOTION FOR
SUMMARY JUDGMENT**

Opposer, Ennis, Inc., by and through its undersigned counsel hereby submits its response to Applicant’s Reply/Response to Opposer’s Motion for Summary Judgment and Cross-Motion for Summary Judgment (hereinafter referred to as “Applicant’s Response/Cross-Motion”).

I. ADDITIONAL ISSUES RAISED BY APPLICANT

Applicant raised additional issues that were not part of Opposer’s Motion for Summary Judgment: (4) Applicant’s request for reconsideration of his motion for judicial disqualification (TTABVUE #60); (5) Applicant’s amendment to his petition to the Director for judicial disqualification (TTABVUE #61); and (6) Applicant’s Motion to Amend (TTABVUE #104). (Applicant’s Response/Cross-Motion at 1 (Section 1), 14 (Section 8), 15-16 (Sections 9-11)).

Opposer objects to additional issues (4) and (5) with respect to Applicant’s request for reconsideration of his motions for judicial disqualification and Applicant’s amendment to his petition to the Director for judicial disqualification, respectively, because such issues are not decidable on summary

judgment and they are an unpleaded issue in Applicant's Answer. "A party may not obtain summary judgment on an issue that has not been pleaded." TBMP § 528.07(a). As a result, judicial disqualification is not an issue to be decided by summary judgment under Fed. R. Civ. P. 56(a). As a result, Petitioner's Cross-Motion for Summary Judgment on additional issue (4) should be denied. Applicant's additional issues (4) and (5) do not establish any issues of material fact with respect to the grounds sought in Opposer's Motion for Summary Judgment. As a result, Opposer's Motion for Summary Judgment should be granted, and Applicant's Cross-Motion for Summary Judgment should be denied.

With respect to additional issue (6), the parties have briefed the issue and Applicant's Motion to Amend is pending determination by the Board.

II. APPLICANT'S OBJECTIONS AND MOTION TO EXCLUDE OPPOSER'S EVIDENCE ARE NOT NEW AND HAVE BEEN DENIED BY THE BOARD

Applicant objected and moved to exclude the Affidavit of Steven Osterloh dated March 10, 2014 as evidence from Opposer's Motion for Summary Judgment because Opposer is allegedly estopped from introducing the evidence and supplementing the evidence as a result of Opposer's initial objections to Applicant's discovery requests. (Applicant's Response/Cross-Motion at 2-3 (Section 2)). Applicant raised these same objections to the same Affidavit in Applicant/Petitioner's Motion to Exclude Evidence from Opposer/Registrant's Motions for Summary Judgment on April 11, 2014. These issues were fully briefed by the parties on April 11, 2014, April 28, 2014 and May 9, 2014, and the Board denied Applicant's Motion on September 30, 2014 (Order at 4-5, TTABVUE #103). More specifically, the Board "compared Ennis' discovery responses and the Osterloh deposition with the Osterloh affidavit, and find no inconsistency which would support a finding that Ennis now relies on evidence which was improperly withheld from Beling during discovery." (Order at 5, TTABVUE #103). Applicant's objections to the Affidavit of Steven Osterloh dated March 10, 2014 are the same, and the Affidavit is the same. As a result, Applicant's objections and Motion to exclude the Affidavit of Steven Osterloh dated March 10, 2014 as evidence from Opposer's Motion for Summary Judgment should be denied once again.

III. OPPOSER HAS STANDING

There are two requirements for standing in an inter parties opposition: The opposer/petitioner must have (1) “a ‘real interest’ in the proceedings” and (2) “a ‘reasonable’ basis for his belief of damage.” *Ritchie v. Simpson*, 170 F.3d 1092, 1095 (Fed Cir. 1999). The standing requirement is not onerous. *See, e.g., Yamaha Int’l Corp. v. Hoshino Gakki Co., Ltd.*, 231 USPQ 926, 931 (TTAB 1986), *aff’d*, 840 F.2d 1572 (Fed. Cir. 1988).

Applicant alleges that Opposer does not have standing because Opposer does not have a real interest in the outcome of the proceeding and Opposer will not be damaged by the registration of Applicant’s mark. (Applicant’s Response/Cross-Motion at 4-12 (Sections 4-5)). Applicant’s evidence and arguments are flawed and do not raise any disputed material facts with respect to Opposer’s Motion for Summary Judgment.

A. APPLICANT’S ALLEGED EVIDENCE DOES NOT RAISE ANY DISPUTED MATERIAL FACTS REGARDING WHETHER OPPOSER HAS A REAL INTEREST IN THE PROCEEDINGS

Applicant argues that an isolated statement taken out of context from an email sent by one of Opposer’s attorneys is an admission that Opposer lacks standing. (Applicant’s Response/Cross-Motion at 4-5 (Section 4.1.1)). The e-mail string involves a discovery dispute between the parties and one of the numerous instances in which Applicant accused Opposer of fraud and Opposer’s attorneys of conspiracy to commit fraud. (*See* Exhibit A-1). In response to Applicant’s accusations, Mr. Jacks wrote “We would prefer not to involve the TTAB in this matter but if you continue to disparage our client and our firm, we will be forced to do so.” (Exhibit A-1 at 1). This statement is not an admission of any sort; much less an admission the Opposer lacks standing. Instead, this is another instance of Applicant’s selective manipulation of facts and circumstance to achieve his goals. As a result, the communications in Exhibit A-1 do not raise any disputed material facts with respect to Opposer’s Motion for Summary Judgment, and do not constitute any evidence or admission that Opposer lacks standing.

Applicant argues that a failure to oppose Applicant's other trademark applications evidences a lack of standing. (Applicant's Response/Cross-Motion at 5 (Section 4.1.2)). Applicant states that U.S. Trademark Application Serial Nos. 85/324,453 and 85/324,457 are related to the COLOR WARS mark that is being opposed, but omits significant factual distinctions. *Id.* These other two applications do not recite any goods in International Classification 016. U.S. Trademark Application Serial No. 85/324,453 for the mark COLOR WARS: MY FAVOURITE COLOUR IS BLUE/BLACK/CYAN/BROWN/PINK/YELLOW/WHITE/VIOLET/RED/ORANGE/GREEN/GRAY was filed in International Classification 025. Likewise, U.S. Trademark Application Serial No. 85/324,457 for the mark COLOR WARS: COLOUR-LECTION: VOTE BLUE!/BLACK!/CYAN!/BROWN!/PINK!/YELLOW!/WHITE!/VIOLET!/RED!/ORANGE!/GREEN!/GRAY! BLUE/BLACK/CYAN was filed in International Classification 025. As a result, the existence of these two applications and Opposer's decision not to oppose these applications do not raise any disputed material facts with respect to Opposer's Motion for Summary Judgment, and do not constitute any evidence or admission that Opposer lacks standing.

Applicant argues that Opposer's sales to its distributors are not sales to the general public, which constitutes evidence and an admission that Opposer lacks standing. (Applicant's Response/Cross-Motion at 5-8 (Sections 4.1.3-4.1.4)). Applicant appears to argue that Opposer cannot have an interest in these proceedings or belief it will likely be damaged by the registration of Applicant's mark because Opposer provides its goods and services to the general public through its distributors. (Applicant's Response/Cross-Motion at 7-8). Notably, the registration of a mark that may reasonably damage sales to a distributor would naturally and reasonably damage the provider of goods/services to that distributor, which is sufficient to provide standing in an opposition. *See Universal Oil Prods. Co. v. Rexall Drug & Chem. Co.*, 463 F.2d 1122 (CCPA 1972) (parent company has standing to oppose based on use of a wholly owned subsidiary). Moreover, Applicant incorrectly applies a "likelihood of damage" standard instead of a "reasonable belief of damage" standard. (Applicant's Response/Cross-Motion at 7) ("thus there is no likelihood of damage to oppose from the registration of applicant's COLOR WARS mark").

As a result, Applicant's alleged evidence does not raise any disputed material facts with respect to Opposer's Motion for Summary Judgment, and does not constitute any evidence or admission that Opposer lacks standing.

Applicant argues that Opposer's withdrawal of its opposition to Applicant's mark in international classifications 028 and 041 is an admission that Opposer lacks standing. (Applicant's Response/Cross-Motion at 8-9 (Section 4.1.5)). Applicant ignores the fact that an opposer may oppose any of the international classifications in a trademark application and is not required to oppose all the international classifications. *See e.g., Turbo Sportswear Inc. v. Marmot Mountain Ltd.*, 77 USPQ2d 1152 at n.4, n.5 (TTAB 2005) (opposing two classes out of four in two separate applications). Opposer has maintained its opposition to the registration of Applicant's mark in International Classification 016. Opposer's withdrawal of its opposition to International Classifications 028 and 041 do not provide any evidence or admission that Opposer lacks standing to oppose the registration of Applicant's mark in International Classification 016, and do not raise any disputed material facts with respect to Opposer's Motion for Summary Judgment.

Applicant argues that Opposer's failure to respond to some of Applicant's motions and filings is an admission that Opposer lacks standing. Opposer's decision not to file a response any specific filing is not a concession that Applicant's filings are meritorious. For example, many of Applicant's listed filings involve attempts to suspend the proceedings or disqualify judges/attorneys of the Board. Opposer's failure to file a response to any of Applicant's motions or petitions for judicial disqualification do not constitute any agreement or concession under Trademark Rule 2.127(b), because Trademark Rule 2.127(b) applies to motions that are dispositive of matters affecting the non-responding party, and a party is not required to respond to a motion filed by another party to disqualify or recuse a judge. Opposer's litigation strategy to file or not file response to some of Applicant's motions and filings does not provide any evidence or admission that Opposer lacks standing, and does not raise any disputed material facts with respect to Opposer's Motion for Summary Judgment.

Applicant argues that Opposer's claim of common law rights and secondary meaning are admissions that Opposer lacks standing. (Applicant's Response/Cross-Motion at 9-10 (Section 4.1.7-4.1.10)). Applicant attempts to use Opposer's discovery responses as evidence of no harm and no likelihood of confusion, when in fact, they provide evidence of secondary meaning and distinctiveness with respect to Opposer's mark COLORWORX and design, and Opposer's common law trademark rights to Opposer's unregistered word mark COLORWORX and/or unregistered design mark. Such evidence further supports Opposer's standing and substantive grounds for opposing the registration of Applicant mark, even though Opposer has pleaded and proved sufficient evidence of standing without relying on its evidence of secondary meaning, distinctiveness and common law trademark rights. Opposer's evidence of secondary meaning, distinctiveness and common law trademark rights does not provide any evidence or admission that Opposer lacks standing, and does not raise any disputed material facts with respect to Opposer's Motion for Summary Judgment.

B. APPLICANT'S ALLEGED EVIDENCE DOES NOT RAISE ANY DISPUTED MATERIAL FACTS REGARDING WHETHER OPPOSER HAS A REASONABLE BASIS FOR ITS BELIEF OF DAMAGE

Applicant referred to and incorporated by reference its arguments in Section 4.1.1-4.1.10. (Applicant's Response/Cross-Motion at 10 (Section 5.1)). Opposer hereby refers to and incorporates by reference its reply to Applicant's arguments in Sections 4.1.1-4.1.10 as detailed above.

Applicant states that "applicant's COLOR WARS range refers to highly distinctive color-based characters, stories and concepts." (Applicant's Response/Cross-Motion at 10 (Section 5.2)). Applicant's statement supports a finding that an amendment of Applicant's description of goods could minimize the likelihood of confusion and allow the parties to coexist.

Applicant describes Applicant's mark COLOR WARS as having "a soft sounding ending" and the literal element of Opposer's mark COLORWORX as having "a harder-sounding ending." (Applicant's Response/Cross-Motion at 11 (Section 5.3)). Opposer disagrees that there is any material difference in the sound of a "S" and a "X" at the end of a mark. Applicant argues that WORX means

WORKS (Applicant's Response/Cross-Motion at 11 (Section 5.4)) in which case both marks would phonetically end in a "S". As a result, Applicant's analysis of the sound of the marks does not raise any disputed material facts.

Applicant's likelihood of confusion analysis is primarily based on dissecting Opposer's mark COLORWORX and design into separate word elements of COLOR and WORX. (Applicant's Response/Cross-Motion at 11 (Section 5.4)). This is contrary to the first factor in the likelihood of confusion analysis, which requires examination of "the similarity or dissimilarity of the *marks in their entirety* as to appearance, sound, connotation and commercial impression." *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 1361, 177 USPQ 563, 567 (C.C.P.A. 1973) (emphasis added). Applicant does not analyze the connotation and commercial impression of the literal elements of the marks in their entirety. Applicant's focus on any differences in meaning between WORX and WARS instead of COLORWORX and COLOR WARS is improper. As a result, Applicant's erroneous likelihood of confusion analysis regarding the appearance of the marks and the meaning of a portion of each mark does not raise any disputed material facts.

Applicant argues that there is little possibility of impulse buying of Opposer's goods (Applicant's Response/Cross-Motion at 11 (Section 5.5)), but fails to provide any evidence of the buyers of Applicant's goods. As set forth in Opposer's Motion for Summary Judgment, Applicant's actions and discovery responses indicate that he may expand his goods/services under the COLOR WARS mark into Opposer's market. (TTABVUE #107 at 5, 10-11). Applicant again admits that he intends to expand his goods and services to be provided under the mark COLOR WARS, and there is "overlap in a small number of printing goods" (Applicant's Response/Cross-Motion at 13 (Section 6.1)). These statements support Opposer's Motion for Summary Judgment on the issues that the services provided under Opposer's mark COLORWORX and design are similar or overlap the goods Applicant intends to provide under the mark COLOR WARS, and Opposer will likely be damaged by the registration of Applicant's mark COLOR WARS in International Classification 016.

Applicant's arguments in Sections 5.6-5.8 do not provide any evidence or raise any disputed material facts relevant to Opposer's Motion for Summary Judgment.

**C. OPPOSER HAS SUBMITTED SUFFICIENT EVIDENCE TO PROVE
STANDING**

Opposer has submitted evidence proving that Opposer is the owner of U.S. Trademark Registration No. 3,372,884 for the mark COLORWORX® ("Opposer's Mark"), who has a real interest in the outcome of this proceeding, and has a reasonable belief that it would be damaged by the registration of Applicant's COLOR WARS mark in International Classification No. 016. (TTABVUE #107, Exhibits A (Registration information) and B (Affidavit of Steven Osterloh)). Applicant admits that Opposer's trademark rights for the COLORWORX Mark has priority over Applicant's COLOR WARS Mark. (TTABVUE #107, Exhibit G-1 (Request for Admission No. 9) and Exhibit G-2 (Response to Request for Admission No. 9)).

Moreover, Opposer has submitted evidence that the registration of Applicant's mark COLOR WARS will likely damage or harm Opposer for at least the following reasons in the Affidavit of Steven Osterloh. (TTABVUE #107, Exhibit B at 3-4). Applicant's conduct in this proceeding provides a reasonable basis for Opposer's belief that damage or harm is likely. *Id.*

As a result, the foregoing evidence provides sufficient evidence that Opposer has standing to oppose the registration of Applicant's mark and there are no disputed material facts with respect to Opposer's standing.

**IV. APPLICANT'S LIKELIHOOD OF CONFUSION ANALYSIS DOES NOT RAISE ANY
DISPUTED MATERIAL FACTS**

Applicant referred to and incorporated by reference its arguments in Sections 4 and 5. (Applicant's Response/Cross-Motion at 13 (Section 6.1)). Opposer hereby refers to and incorporates by reference its reply to Applicant's arguments in Sections 4 and 5 as detailed above.

Applicant argues that its "intent to expand his mark to printing goods and services, opposer's primary market, is wholly irrelevant in light of" the alleged differences in the marks. Opposer disagrees

and submits that Applicant's statements provide further evidence to support Opposer's Motion for Summary Judgment.

Applicant's improper legal analysis and admissions do not establish any issues of material fact with respect to the grounds sought in Opposer's Motion for Summary Judgment. As a result, Opposer's Motion for Summary Judgment should be granted, and Applicant's Cross-Motion for Summary Judgment should be denied.

V. APPLICANT'S AMENDMENT TO HIS APPLICATION IS UNDISPUTED

Applicant states that he was forced to amend his application and the amendment was an unintended stipulation. (Applicant's Response/Cross-Motion at 13 (Section 7)). These opinions do not change the fact that Applicant entered the amendment.

VI. CONCLUSION


For all the reasons stated above, that there is no genuine dispute as to any material fact and Opposer is entitled to judgment as a matter of law.

More specifically, Opposer prays that the Board denies Applicant's Cross-Motion for Summary Judgment and grants Opposer's Motion for Summary Judgment in its entirety by: (1) finding Opposer has standing to bring the Opposition; (2) finding Opposer will likely be damaged by the registration of Applicant's mark COLOR WARS in International Classification 016; (3) finding Applicant is not entitled under law to register its mark COLOR WARS in International Classification 016, or alternatively, Applicant is required to amend its description of goods and services in International Classification 016 as specified; and (4) granting all other and further relief to which Opposer is justly entitled. Entry of judgment in favor of Opposer in Opposition No. 91203884 is requested in its entirety.

Dated: November 25, 2014

Respectfully submitted,

CHALKER FLORES, LLP

By: 

Daniel J. Chalker
State Bar No. 00794951
14951 N. Dallas Parkway, Suite 400
Dallas, Texas 75254
(214) 866-0001 (telephone)
(214) 866-0010 (telecopy)
dchalker@chalkerflores.com

ATTORNEY FOR OPPOSER/REGISTRANT

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing OPPOSER'S REPLY/RESPONSE TO APPLICANT'S RESPONSE TO OPPOSER'S MOTION FOR SUMMARY JUDGMENT AND CROSS-MOTION FOR SUMMARY JUDGMENT was served on all counsel of record, this the 25th of November, 2014, by sending the same via electronically through the Electronic System for Trademark Trials and Appeal ("ESTTA") and electronic mail service.



Daniel J. Chalker

EXHIBIT A

OPPOSER'S REPLY/RESPONSE TO
APPLICANT'S RESPONSE TO OPPOSER'S MOTION FOR SUMMARY JUDGMENT
AND CROSS-MOTION FOR SUMMARY JUDGMENT
(OPPOSITION NO. 91203884)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In Re: Application Serial No. 85/324,443
For the Mark: COLOR WARS
Filed: May 18, 2011
Published in the Official Gazette: January 17, 2012

Ennis, Inc.)	
)	
Opposer)	
)	
v.	)	Opposition No. 91203884
)	
Joel L. Beling d/b/a Supa Characters Pty Ltd)	
)	
Applicant)	

**EXHIBIT A
DECLARATION OF DANIEL J. CHALKER
IN SUPPORT OF OPPOSER'S REPLY/RESPONSE TO APPLICANT'S RESPONSE TO
OPPOSER'S MOTION FOR SUMMARY JUDGMENT AND CROSS-MOTION FOR
SUMMARY JUDGMENT**

The undersigned, DANIEL J. CHALKER, hereby submits the following Declaration pursuant to Trademark Rule 2.20 and declares the following:


"My name is Daniel J. Chalker. I am over the age of twenty-one (21) years, am of sound mind, and have never been convicted of a crime or offense involving moral turpitude. I am fully authorized and competent to execute this Declaration and am not disqualified by law from making this Declaration. All facts stated herein are within my personal knowledge, and under penalty of perjury, I declare they are true and correct.

"I am a founding partner of Chalker Flores, LLP and lead attorney representing Opposer, Ennis, Inc., in the above-referenced cancellation proceeding.

"Exhibit A-1, attached hereto, is a true and accurate print out of a string of e-mails

between Tom Jacks and Joel Beling between June 21, 2012 and June 28, 2012.

“Declarant says nothing further.”



Daniel J. Chalker

November 25, 2014

Cynthia Minchillo

From: Tom Jacks
Sent: Thursday, June 28, 2012 5:25 PM
To: joel beling
Cc: Cynthia Minchillo; Scott Meyer
Subject: RE: Ennis, Inc. v. Joel L. Beling d/b/a Supa Characters Pty Ltd

Joel,

As we have done throughout this matter, we are actively searching for additional documents and will continue to supplement our production according to the Federal Rules of Civil Procedure. I cannot and will not promise that the supplementation, if any, will occur by Tuesday 5 pm, CST.

Additionally, I am extremely disappointed in the lack of professionalism demonstrated in your email below and throughout this matter. Your continued accusations that our client and our firm committed fraud on the USPTO and that we are trying to hide evidence are unfounded and reckless. We have treated you with respect and our actions have been ethical and professional. We understand that you are emotionally involved in this matter but respectfully request that you afford us the same professionalism that we have consistently shown you.

We would prefer not to involve the TTAB in this matter but if you continue to disparage our client and our firm, we will be forced to do so. As always, we are available to further discuss any issues with you by phone.

Tom

Thomas G. Jacks | Chalker Flores, LLP

14951 North Dallas Parkway, Suite 400 | Dallas, Texas 75254
Main: 214-866-0001 | Direct: 214-445-4021 | Fax: 214-866-0010
tjacks@chalkerflores.com | www.chalkerflores.com

From: joel beling [mailto:joelbeling@hotmail.com]
Sent: Wednesday, June 27, 2012 9:25 PM
To: Tom Jacks
Cc: Cynthia Minchillo; Scott Meyer; joelbeling@hotmail.com
Subject: Ennis, Inc. v. Joel L. Beling d/b/a Supa Characters Pty Ltd

Tom,

Thank you. Please provide all your documents and answers to all interrogatories and requests for admissions by Tuesday 5pm, CST time.

Amongst other live issues, it should be borne in mind that fraud is a very, very serious allegation and I am giving your client the opportunity to clear its name. Concealing evidence and violating the Federal Rules of Civil Procedure only confirms suspicions of fraud. I'm sure Ennis Inc doesn't want to undo 103 years of hard work, destroy its public reputation and decimate its stock value with a couple of years of criminal activity perpetrated to offset the obscelensce of standard business forms and the resultant massive drop in profits.

Of course, I need not remind you of Chalker Flores' alleged role in conspiracy to commit fraud on the USPTO and other

offences.

I fully disclosed my case when I absolutely did not want to. Please show me the same courtesy and abide by the law.

I will be relying on this correspondence in a Motion to Compel all discovery responses and requests not satisfactorily disclosed by you and on the question of my reasonable expenses in filing the motion.

This is the last time I will be communicating to you before filing my motion to compel on Tuesday evening, CST time. Please do the right thing and answer all my Discovery Requests completely.

Remember, this is YOUR action. Prove it.

Joel

From: tjacks@chalkerflores.com
To: joelbeling@hotmail.com
CC: smeyer@chalkerflores.com; cminchillo@chalkerflores.com
Date: Wed, 27 Jun 2012 16:46:39 -0400
Subject: RE: Ennis, Inc. v. Joel L. Beling d/b/a Supa Characters Pty Ltd

Joel,

We continue to stand by our objections. However, in a good faith effort to resolve this discovery dispute, we are attempting to gather more documents and will provide those to you next week. As always, we are available to further discuss these issues by phone.

Tom

Thomas G. Jacks | Chalker Flores, LLP
14951 North Dallas Parkway, Suite 400 | Dallas, Texas 75254
Main: 214-866-0001 | Direct: 214-445-4021 | Fax: 214-866-0010
tjacks@chalkerflores.com | www.chalkerflores.com

From: joel beling [<mailto:joelbeling@hotmail.com>]
Sent: Friday, June 22, 2012 6:22 PM
To: Cynthia Minchillo
Cc: Scott Meyer; Tom Jacks; joelbeling@hotmail.com; Edwin Flores
Subject: RE: Ennis, Inc. v. Joel L. Beling d/b/a Supa Characters Pty Ltd

Chalker Flores,

Please see the attached documents:

1. Professional Conduct letter;
2. Petitioner's Second Set of Interrogatories to Registrant;
3. Applicant's Third Good Faith Attempt to Produce Discovery.

For completeness, your settlement offer emailed yesterday is refused.

Thank you

Joel

From: cminchillo@chalkerflores.com
To: joelbeling@hotmail.com

CC: smeyer@chalkerflores.com; tjacks@chalkerflores.com; cminchillo@chalkerflores.com

Date: Thu, 21 Jun 2012 17:30:28 -0400

Subject: Ennis, Inc. v. Joel L. Beling d/b/a Supa Characters Pty Ltd

Mr. Beling,

Please find our correspondence attached. Thank you.

Cynthia Minchillo, RP | **Chalker Flores, LLP**

Board Certified Paralegal – Personal Injury Trial Law

by the Texas Board of Legal Specialization

Paralegal to Scott Meyer and Tom Jacks

14951 North Dallas Parkway, Suite 400 | Dallas, Texas 75254

Phone: 214-445-4060 | Fax: 214-866-0010 | DD: 214-445-4055

cminchillo@chalkerflores.com | www.chalkerflores.com



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REPORT TO CONGRESS

**Trademark Litigation Tactics
and
Federal Government Services to Protect Trademarks and Prevent
Counterfeiting**

April 2011

S. 2968, Trademark Technical and Conforming Amendment Act of 2010
Public Law 111-146

SEC. 4. STUDY AND REPORT.

- (a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary of Commerce, in consultation with the Intellectual Property Enforcement Coordinator, shall study and report to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives on— (1) the extent to which small businesses may be harmed by litigation tactics ~~by corporations attempting~~ ***the purpose of which is**** to enforce trademark rights beyond a reasonable interpretation of the scope of the rights granted to the trademark owner; and (2) the best use of Federal Government services to protect trademarks and prevent counterfeiting.
- (b) RECOMMENDATIONS.—The study and report required under paragraph (1) shall also include any policy recommendations the Secretary of Commerce and the Intellectual Property Enforcement Coordinator deem appropriate.

* The language shown in bold italicized text was amended by S. 3689, "Copyright Cleanup, Clarification and Corrections Act of 2010" which was signed into law on December 9, 2010 as Public Law 111-295. Section 6(h) states: "TRADEMARK TECHNICAL AMENDMENTS ACT.—Section 4(a)(1) of Public Law 111–146 is amended by striking “by corporations attempting” and inserting “the purpose of which is.”

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LETTER TO CONGRESS

The Department of Commerce is pleased to transmit this report on Trademark Litigation Tactics.

On March 17, 2010, President Obama signed S. 2968, Trademark Technical and Conforming Amendment Act of 2010, into law as Public Law 111-146. The new law tasked the Department of Commerce, in consultation with the Intellectual Property Enforcement Coordinator (IPEC), to study the extent to which small businesses may be harmed by abusive trademark enforcement tactics. Working with the IPEC, we developed the enclosed report and recommendations.

In introducing the study, Vermont Senator Patrick Leahy said:

“I am concerned that large corporations are at times abusing the substantial rights Congress has granted them in their intellectual property to the detriment of small businesses. We saw a high-profile case like this in Vermont last year involving a spurious claim against Rock Art Brewery. When a corporation exaggerates the scope of its rights far beyond a reasonable interpretation in an attempt to bully a small business out of the market that is wrong.”

Trademarks add tremendous value to the U.S. economy. Nine of the top ten global brands in the world hail from the United States.¹ Recognizing that a trademark is a property right that an owner has a duty to police, this report discusses trademark litigation tactics generally and the specific issue of whether, in otherwise rightfully policing marks, some trademark owners may undertake enforcement measures based on an unreasonable interpretation of the scope of their rights for the purpose of intimidating potential violators into compliance with the mark owner’s demands.

In connection with studying this specific issue, the Department of Commerce’s United States Patent and Trademark Office (USPTO) undertook significant outreach to stakeholders and small businesses, including a request for comments period that spanned more than four months. The 79 comments received reflected a diverse range of views, yet few explicitly addressed whether and to what extent trademark abuse is a significant problem.

Ultimately, because trademark enforcement is a private property rights litigation issue, if abusive tactics are a problem, such tactics may best be addressed by the existing safeguards in the litigation system in the U.S. and by private sector outreach, support, and education relating to these issues. However, to the extent small businesses are disproportionately adversely affected by such tactics because they lack the funds to hire counsel to defend against them, we believe the Federal Government can undertake the following actions:

1. Engage the private sector about providing free or low-cost legal advice to small businesses via *pro bono* programs and intellectual property rights clinics;
2. Engage the private sector about offering continuing legal education programs focused on trademark policing measures and tactics;

¹ Interbrand, Best Global Brands 2010, (<http://www.interbrand.com/en/best-global-brands/Best-Global-Brands-2010.aspx>).

3. Enhance Federal agency educational outreach programs by identifying resources that enable small businesses to further their understanding of trademark rights, enforcement measures, and available resources for protecting and enforcing trademarks.

We look forward to continuing to work with Congress, Federal agencies, and all stakeholders, including small businesses, to improve the protection and enforcement of trademarks and other intellectual property.

Sincerely,

Gary Locke
Secretary of Commerce

I. Introduction

On March 17, 2010, President Obama signed S. 2968, Trademark Technical and Conforming Amendment Act of 2010, into law as Public Law 111-146. Included in the new law was the requirement for a study and report, due one year later, on the effect of abusive trademark litigation tactics on small businesses. The study and report was to be completed by the Department of Commerce (DOC), in consultation with the Intellectual Property Enforcement Coordinator (IPEC).

SEC. 4. STUDY AND REPORT.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary of Commerce, in consultation with the Intellectual Property Enforcement Coordinator, shall study and report to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives on— (1) the extent to which small businesses may be harmed by litigation tactics ~~by corporations attempting~~ ***the purpose of which is***² to enforce trademark rights beyond a reasonable interpretation of the scope of the rights granted to the trademark owner; and (2) the best use of Federal Government services to protect trademarks and prevent counterfeiting.

(b) RECOMMENDATIONS.—The study and report required under paragraph (1) shall also include any policy recommendations the Secretary of Commerce and the Intellectual Property Enforcement Coordinator deem appropriate.

To address the study and report objectives, the DOC and the United States Patent and Trademark Office (USPTO) reviewed data and research materials regarding trademark litigation tactics, including tactics that may impact small businesses. In addition, USPTO requested feedback from U.S. trademark owners, practitioners, and others regarding their experiences with enforcement tactics, especially those involving an attempt to enforce trademark rights beyond a reasonable interpretation of the scope of the rights granted to the trademark owner. The USPTO conducted outreach to small businesses via an intellectual property awareness campaign event, and also conducted outreach to industry via a large industry organization. Finally, USPTO consulted with its own private advisory board, the Trademark Public Advisory Committee.

Because evaluating whether trademark rights have been enforced beyond a reasonable scope requires an understanding of fundamental trademark law principles and enforcement strategies, this report begins by providing basic background information about trademark rights and the typical ways in which, and reasons why, those rights are enforced in the United States. Against this background, the report next addresses trademark enforcement tactics and in doing so summarizes comments received from U.S. trademark owners, practitioners, and others in response to questions posted on USPTO's web site³ requesting feedback regarding their experiences with litigation tactics, especially those involving an attempt to enforce trademark

² The language shown in bold italicized text was amended by S. 3689, "Copyright Cleanup, Clarification and Corrections Act of 2010" which was signed into law on December 9, 2010 as Public Law No. 111-295. Section 6(h) states: "TRADEMARK TECHNICAL AMENDMENTS ACT.—Section 4(a)(1) of Public Law 111–146 is amended by striking “by corporations attempting” and inserting “the purpose of which is.”

³ http://www.uspto.gov/trademarks/notices/litigation_tactics.jsp

rights beyond a reasonable interpretation of the scope of the trademark owner's rights. The topic of abusive trademark litigation tactics was also discussed at a public roundtable. Finally, the report provides an overview of the various Federal Government resources available to stakeholders to protect and enforce trademarks in the United States and the types of services the Government provides to help prevent counterfeiting in the United States.

II. Trademark Enforcement and Marketplace Impact⁴

Any discussion of trademark litigation tactics, and a study of their impact on small businesses, must begin with understanding what a trademark is, the scope of the right, and how the right is defended. Also, an examination of trademark litigation tactics must be made in the context of all litigation tactics, to determine if trademark litigation presents any unique or unusual issues.

A. Background on Trademark Rights

1. Trademarks and Their Purpose

The term “trademark”⁵ is defined broadly as including: “any word, name, symbol, or device, or any combination thereof—(1) used by a person...to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.”⁶ In essence, a trademark is anything that functions as a source identifier to consumers.

Trademarks serve as indications of origin and quality. They represent the “goodwill” or reputation a business and its products and services enjoy with the public. Businesses rely on their marks to identify their products and services and distinguish them from those of their competitors. The public relies on marks to distinguish among competing producers and as guarantees of quality. As the Seventh Circuit has explained:

The fundamental purpose of a trademark is to reduce consumer search costs by providing a concise and unequivocal identifier of the particular source of particular goods. The consumer who knows at a glance whose brand he is being asked to buy knows whom to hold responsible if the brand disappoints and whose product to buy in the future if the brand pleases. This in turn gives producers an incentive to maintain high and uniform quality, since otherwise the investment in their trademark may be lost as customers turn away in disappointment from the brand. A successful brand, however, creates an incentive in unsuccessful competitors to pass off their inferior brand as the successful brand by adopting a confusingly similar trademark, in effect appropriating the goodwill

⁴ This section provides a general overview of basic trademark law principles. It is not intended to constitute legal advice. Interested parties should consult qualified legal counsel to obtain advice on a case-by-case basis.

⁵ The terms “trademark” or “mark” as used in this report refer generally to both trademarks and service marks. A trademark identifies the source of goods, while a service mark identifies the source of services. *See* 15 U.S.C. § 1127.

⁶ 15 U.S.C. § 1127.

created by the producer of the successful brand. The traditional and still central concern of trademark law is to provide remedies against this practice.⁷

Indeed, when Congress enacted the Lanham Act in 1946, 15 U.S.C. § 1051 *et seq.* (“Trademark Act”), it explained that the statute served dual purposes:

One is to protect the public so it may be confident that, in purchasing a product bearing a particular trade-mark which it favorably knows, it will get the product which it asks for and wants to get. Secondly, where the owner of a trade-mark has spent energy, time, and money in presenting to the public the product, he is protected in his investment from its misappropriation by pirates and cheats.⁸

Thus, the Trademark Act protects against use of marks that are likely to cause confusion, mistake, or to deceive consumers as to the source, sponsorship, or approval of goods or services.⁹ It also protects owners of famous marks against dilution through blurring or a tarnishing of their image even absent a likelihood of confusion.¹⁰

2. All Trademarks Are Not Created Equal

Trademarks are categorized along a spectrum of distinctiveness. On the one end are generic terms for the category of goods or services that can never be protected as trademarks. On the other end are fanciful or coined terms that are inherently the strongest kind of mark and generally afforded the broadest scope of protection.¹¹ Placement on the distinctiveness spectrum determines eligibility for and affects the scope of trademark protection.¹² Marks that are categorized on the inherently distinctive side of the spectrum -- fanciful/coined, arbitrary, suggestive -- are immediately protectable, while those falling into the merely descriptive category are non-distinctive and unprotectable unless they acquire secondary meaning.

In general, the more distinctive a mark is, the stronger it is and the greater the scope of protection the mark will receive in court against uses of the same or similar marks. Because all trademarks do not receive or deserve the same scope of protection, the type of mark a business selects will have a direct effect on its ability to protect the mark.

Trademark rights are not static, however. A mark’s distinctiveness and strength can change over time based on use of the mark by the owner and the perception of the mark by consumers. For

⁷ *Ty Inc. v. Perryman*, 306 F. 3d 509, 510 (7th Cir. 2002); *see also* 1 Anne Gilson LaLonde, GILSON ON TRADEMARKS (“Gilson”) § 1.03 (2010).

⁸ Senate Rep. No. 79-1333 at 3, 5 (1946).

⁹ 15 U.S.C. §§ 1114, 1125(a).

¹⁰ 15 U.S.C. § 1125(c).

¹¹ *See Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976) (setting forth the classic formulation of: fanciful/coined – arbitrary – suggestive – descriptive – generic).

¹² *McGregor-Doniger Inc. v. Drizzle Inc.*, 599 F.2d 1126, 1131 (2d Cir. 1979) (“The strength or distinctiveness of a mark determines both the ease with which it may be established as a valid trademark and the degree of protection it will be afforded”).

example, an inherently “weak” mark can become strong and receive a broader scope of protection due to commercial success and widespread use in commerce (e.g., increased channels of trade, wider geographic use, expansion of the brand to other goods and services).¹³ Conversely, if a trademark owner does not diligently police proper use of its mark (e.g., by competitors, the public, and the media), a term that was originally coined and thus inherently the strongest type of trademark, can become generic and fall into the public domain. The trademark landscape is littered with distinctive terms that were once registered as trademarks, but became generic, including “cellophane”¹⁴ for a transparent wrapping, “escalator”¹⁵ for moveable staircases, “trampoline”¹⁶ for a rebound tumbler, and “yo-yo”¹⁷ for a spinning toy on a string. Because trademarks rights may be lost or severely weakened if unauthorized third-party usage goes unchecked, enforcement efforts are essential to maintaining the rights.

B. Policing and Enforcing Trademark Rights

Trademark owners have a legal right and an affirmative obligation to protect their trademark assets from misuse.¹⁸ If the owner does not proactively police the relevant market and enforce its rights against violators, the strength of the mark, the owner’s ability to exclude others from using the same or similar marks in the marketplace, and the value of the asset all will diminish.¹⁹ Failure to take action may result in consumers being confused or deceived as to the source or sponsorship of goods or services, harm to the owner’s reputation, and lost sales. A trademark owner is not required to object to all unauthorized uses that might conflict, for not every third-party use poses the same risk of eroding distinctiveness in the marketplace.²⁰ However, widespread unauthorized uses may cause the mark to lose its trademark significance altogether

¹³ See, e.g., *E. Remy & Co., S.A. v. Shaw Ross Int’l Imports, Inc.*, 756 F.2d 1525, 1533 (11th Cir. 1985).

¹⁴ *DuPont Cellophane Co., Inc. v. Waxed Products Co., Inc.*, 85 F.2d 75 (2d Cir. 1936).

¹⁵ *Haughton Elevator Co. v. Seeberger*, 85 USPQ 80 (Comm. Pat. 1950).

¹⁶ *Nissen Trampoline Co. v. American Trampoline Co.*, 193 F. Supp. 745 (S.D. Iowa 1961).

¹⁷ *Donald F. Duncan, Inc. v. Royal Tops Mfg Co., Inc.*, 343 F.2d 655 (7th Cir. 1965).

¹⁸ See generally, 2 J. Thomas McCarthy, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 11:91 (4th ed. 2010) (“McCarthy”); see also 1 McCarthy § 2:15 (“A trademark is a kind of property, but a very delicate property right it is. Great care must be taken in the nature of its use, and in the manner in which it is assigned or licensed, lest the significance of the mark be lost.”)

¹⁹ See 2 McCarthy § 11:91 (“The only way a trademark owner can prevent the market from becoming crowded with similar marks is to undertake an assertive program of policing adjacent “territory” and suing those who edge to close.”); see also *Morningside Group Ltd. v. Morningside Capital Group, L.L.C.*, 182 F.3d 133, 139 (2d Cir. 1999) (“[T]he successful policing of a mark adds to its strength to the extent that it prevents weakening of the mark’s distinctiveness in the relevant market.”).

²⁰ As the USPTO’s Trademark Trial and Appeal Board has observed: “[I]t is entirely reasonable for the [trademark owner] to object to the use of certain marks in use on some goods which it believes would conflict with the use of its marks . . . while not objecting to use of a similar mark on other goods which it does not believe would conflict with its own use.” *Chicago Bears Football Club Inc. v. 12th Man/Tennessee LLC*, 83 USPQ2d 1073, 1082 (TTAB 2007), quoting *McDonald’s Corp. v. McKinley*, 13 USPQ2d 1895, 1899-1900 (TTAB 1989).

and fall into the public domain.²¹ Thus, diligent enforcement of trademark rights is necessary to help prevent others from unfairly trading off the mark owner's goodwill and reputation and to protect the public from mistakenly believing that the mark owner authorizes, endorses, sponsors, or is somehow affiliated with another business.

1. Detecting Potential Violations

In view of the potential harms that failure to police rights violations can cause to the public and the trademark owner, mark owners must be proactive in monitoring registration activity at the USPTO and marketplace uses to discover potential trademark violations. For example, trademark owners may search and monitor:

- newly filed trademark applications;
- published trademark applications;
- recently issued registrations;
- domain name registrations;
- the Internet, including Internet auction and news sites;
- new company names;
- competitors' marks and marketing materials; and
- other uses of trademarks in business.

Small businesses and startup companies that are still in the early phases of developing goodwill in their marks may not have many resources to devote to detecting infringements. But they can still exercise vigilance by asking employees to keep an eye out for trademark violations and by periodically searching the Internet and USPTO's database of applications and registrations.

When resources permit, trademark owners or their counsel often will contract with a commercial trademark watch service provider to do much of the monitoring for them. The trademark owner will set the parameters of the search in order to create an individualized watch strategy based on the owner's budget and trademark protection needs. A very distinctive mark with wide use in commerce may benefit from a broad search for potentially conflicting marks, while a highly suggestive or descriptive mark may warrant only a limited search. A typical set of weekly or monthly watch service reports might include several newly filed trademark applications in the United States, several foreign trademark applications that have been published for opposition, as well as a number of domain names that include marks or terms that may conflict with the trademark being protected by the watch service.

2. Evaluating Potential Violations

Once unauthorized uses of the same or similar marks have been identified, the trademark owner typically consults trademark counsel to evaluate the matter and help determine whether action

²¹ See, e.g., *Freecycle Network, Inc. v. Oey*, 505 F.3d 898, 906, USPQ2d 1530 (9th Cir. 2007) (observing that "trademark owners are free (and perhaps wise) to take action to prevent their marks from becoming generic and entering the public domain--e.g., through a public relations campaign or active policing of the mark's use."); *BellSouth Corp. v. DataNational Corp.*, 60 F.3d 1565, 1570 (Fed. Cir. 1995) ("While the 'Walking Fingers' logo may once have been a strong candidate for trademark protection, through common usage by virtually all classified directory publishers it can no longer be understood to represent a source of the directories. Instead . . . [it] now identifies the product — classified telephone directories — generally."); see generally 3 McCarthy §17:8.

should be taken, and if so, the best course of action to protect the owner's rights and further the owner's business goals. The first step in determining whether a particular use constitutes a potential rights violation is to consider the available legal theories and examine whether the elements of a claim (under Federal or state law) can be established.

The most common of these theories is trademark infringement. Trademark infringement is the commercial use of the same or similar mark by another that is "likely to cause confusion" among actual or potential customers of the products or services at issue. To prevail on a claim of infringement, the plaintiff must establish that it owns the mark, has priority of use over the defendant's use of the allegedly infringing mark, and that a likelihood of confusion as to source or sponsorship exists. In general, likelihood of confusion is evaluated on a case-by-case basis, considering the totality of circumstances.

Each circuit court of appeals has its own multi-factor test for evaluating likelihood of confusion necessary to ground a trademark infringement claim. While the articulation of the factors varies somewhat, all of the tests address the same basic types of factors.²² These factors include the similarity of the marks, the similarity or relationship of the respective goods and/or services, the strength (inherent and marketplace) of the asserted mark, the commonality of trade channels and advertising methods, the sophistication of purchasers, whether the accused mark was adopted in bad faith, and the existence of actual confusion.

Although no one factor is necessarily controlling, two key factors are the similarity between the marks and the proximity of the goods and/or services. Average purchasers retain only a general, rather than specific, impression of trademarks. Thus, to qualify as "similar," marks need not be identical. Rather, the marks need only be sufficiently similar in the overall commercial impression they convey (e.g., they share sufficient similarities in one or more of the following factors: appearance, sound, or meaning). Likewise, the respective goods/services do not have to be identical or even competitive, and need only be related (e.g., they are of the same type, in the same field, used together, or marketed through the same channels of trade). Generally speaking, the *more* similar the marks, the *less* related the goods and/or services need to be to find a likelihood of confusion and the *less* similar the marks, the *more* related the goods and/or services need to be to find a likelihood of confusion.

Enforcement actions are not, however, limited to those uses that are likely to cause confusion. A reasonable interpretation of the scope of trademark rights also includes those uses that are likely to cause dilution²³ -- uses that are likely to tarnish²⁴ the reputation of or blur²⁵ the source-

²² See 4 McCarthy §§ 24:30-24:43 (listing factors by circuit).

²³See 15 U.S.C. § 1125(c) ("Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likelihood of confusion, of competition, or of actual economic injury.") To qualify for federal dilution protection, the mark owner must establish its mark is famous under the factors set out in the statute amongst the general consuming public of the United States. Many states also have laws that protect against dilution of marks.

²⁴ Compare *Kraft Food Holdings Inc. v. Helm*, 205 F. Supp.2d 946 (N.D. Ill. 2002) (injunction barring use of King Velveeda on adult web site as dilution by tarnishment of Velveeta cheese products) to *Starbucks Corp. v. Wolfe's Borough Coffee Inc.*, 588 F.3d 97 (2d Cir. 1009) (Charbucks line of high quality coffee not found to tarnish Starbucks, in fact, Charbucks may make Starbucks line more desirable).

identifying function of a mark that qualifies as “famous” by lessening the distinctiveness and selling power of the famous mark. It also includes those uses that constitute cybersquatting, or are otherwise an act of “unfair competition,” such as false advertising.²⁶

3. Additional Enforcement Considerations

Once a problematic mark has been identified, before taking enforcement measures, a prudent trademark owner typically conducts some due diligence and takes into account a number of considerations. For example, because prevailing on an infringement claim requires the mark owner to establish ownership and priority of use of its mark, mark owners often will investigate the third-party’s use to determine whether the mark owner has superior rights, before taking action. Additional considerations may include the distinctiveness and strength of the mark being enforced, how similar the third-party mark is to the owner’s mark, the nature of the third-party use (e.g., directly competitive or ancillary), the trademark owner’s expansion plans for its mark, and the resources the owner has available for enforcement.

Additionally, the perceived level of risk presented by the third-party mark and the desired outcome of the enforcement effort typically affects both the approach and the tone of the enforcement effort. For example, in many cases a mark owner will be satisfied with an outcome where the violator ceases use of the challenged mark. In other cases, monetary relief will also be desired, particularly if intentional copying exists and the unauthorized user has profited from its infringing activities. In still other circumstances, the trademark owner may be willing to permit the unauthorized party to continue use, but subject to certain limitations, such as modifications to the challenged mark or the manner in which it is used, or geographically restricted use of the mark. Or the mark owner may only desire to keep the Federal register clear of similar marks. For example, where a third-party application or registration lists goods or services within the mark owner’s scope of use, but the mark owner does not believe that the third-party’s actual marketplace use is likely to cause confusion, the mark owner may not object to continued use of the third-party mark, but will object to its presence on the register.

4. Typical Enforcement Measures

Once the mark owner has committed to challenge a particular unauthorized mark, the course of action taken depends on the situation presented. The mark owner typically will first set forth its demands in a cease-and-desist letter, pursue settlement, and later may initiate a civil action.

a. Cease-and-Desist Letters

Trademark enforcement efforts usually begin with sending a demand letter, also known as a “cease-and-desist letter.” The cease-and-desist letter serves to put the alleged violator on notice of the mark owner’s rights and the violator’s perceived rights violation. The normal goal of such

²⁵ See e.g., *Visa Intl. Serv. Assn. v. JSL Corp.*, (9th Cir. 2010) (dilution of the credit card company’s mark by blurring was likely since Visa and eVisa – a mark used in connection with a multilingual educational and information service – were virtually identical, the common “e” prefix did not distinguish the marks, and two products would be competing for association with the word “Visa”).

²⁶ See 15 U.S.C. § 1125(a)-(d).

a letter is to obtain early resolution of the matter and spare both parties the time and expense of a civil litigation or *inter partes* proceeding before USPTO's Trademark Trial and Appeal Board.

The typical format of a cease-and-desist letter notifies the alleged infringer of the mark owner's rights, explains why the mark owner believes confusion (or if appropriate, dilution) is occurring, or likely to occur if the alleged infringer continues use of its mark, and sets forth the mark owner's demands that the alleged infringer take certain actions (e.g., ceasing use, abandoning applications, surrendering domain names, obliterating the mark from existing products, limiting use to a certain manner and scope, paying profits, and the like). The letter also usually requests a response by a specified date or within a specific time frame.

The demands in the letter and the tone (threatening or conciliatory) may vary depending on the facts and circumstances presented. If a violation is sufficiently problematic that the mark owner is prepared to litigate immediately, the letter may threaten such litigation if the violator fails to comply with the demands set forth in the letter. The letter may even be accompanied by a courtesy copy of a complaint that has been or will be filed if the matter cannot be expeditiously resolved to the satisfaction of the mark owner.

Upon receiving a demand letter, the recipient may respond on its own or consult with trademark counsel. Often, counsel will send a "hold" letter to buy time to investigate the merits of the mark owner's claims, consult with the client, and prepare a response.

Responses to a cease-and-desist letter generally fall into three main categories:

- 1) The alleged violator agrees to comply with the mark owner's demands and/or stops using the offending trademark. If this occurs, the parties may memorialize this in writing with either a written response letter that resolves the matter, or if the matter is more complex, via a settlement agreement.
- 2) The alleged violator does not respond within the specified time frame. At this point, the mark owner often will send a follow-up letter. If no response is forthcoming, the mark owner will either decide to drop its effort and acquiesce in that party's use, or the mark owner will continue to pursue the matter by filing a lawsuit (typically in a Federal district court). If the owner's concern relates solely to efforts to register a mark, the owner may opt to file a proceeding with USPTO's TTAB to petition to cancel a registration or oppose an application, instead of filing a district court action.
- 3) The alleged infringer denies the allegations of infringement and/or asserts various legal defenses justifying its ability to use its mark, files a declaratory judgment action, or offers a compromise solution for going forward. If the response presents compelling facts or legal points that the mark owner may not have known or failed to consider, the owner may decide to pursue settlement or drop its claims altogether (e.g., if it turns out the alleged infringer can show that it has priority of use). If the mark owner does not believe settlement is possible, the mark owner usually will continue to pursue the matter by filing a lawsuit or initiating a cancellation or opposition proceeding with USPTO's TTAB.

b. Settlement/License Agreements

If the trademark dispute can be resolved amicably, the parties may enter into a settlement agreement. If the parties believe their marks can co-exist, the agreement terms may include

provisions governing use and/or registration of the marks aimed at reducing the potential for confusion in the marketplace. For example, settlement agreements may include terms governing the manner and format in which the alleged infringer's mark may be used (e.g., a particular font or stylization, with a disclaimer, etc.), the products and services on which it may be used, and the geographic areas in which it may be used. In matters where the alleged infringer will cease use of the mark but requires time to transition to a new mark, the agreement typically will include terms addressing the length of time the alleged infringer has to phase out use of its mark.

In appropriate circumstances, a trademark owner may choose to grant a license for the use of its mark by the alleged infringer. When done properly, licensing can enhance trademark recognition and rights. Licensing can also be an effective way to end litigation or a cost-effective alternative to litigation.

Settlement and license agreements usually enable the mark owner to exercise some control over how and by whom its marks are used, thereby protecting the owner's trademark rights and even strengthening them.

c. Litigation

If the alleged violator does not respond to a cease-and-desist letter or settlement talks are not successful, the mark owner may decide to file a lawsuit seeking to enjoin the unauthorized use. As noted earlier, the most common cause of action mark owners assert in civil actions is trademark infringement. The Trademark Act authorizes suit to be brought for infringement of either federally registered or common law trademark rights.²⁷ In addition to infringement, there are several other legal theories, such as dilution, that may be available to trademark owners under Federal and/or state law, depending on the particular facts presented. The mark owner may also assert state and/or common law infringement and unfair competition claims.

Alternatively, if the disputed mark is the subject of a Federal registration or pending application, the mark owner may choose to initiate, respectively, an *inter partes* cancellation or opposition proceeding at USPTO's Trademark Trial and Appeal Board instead of filing a civil litigation. The TTAB's jurisdiction is limited to determining the right to keep an existing registration or obtain a new registration based on a pending application.²⁸ Because of the limited focus on registration rights, the claims and defenses that can be asserted in TTAB proceedings necessarily are fewer in number than in Federal district courts. For example, claims alleging unfair competition based on the manner of one's use of a mark cannot be asserted in a TTAB proceeding, and the Board cannot be asked to enjoin another's use of a mark. Apart from the more limited scope of claims and defenses, trial of TTAB cases also is conducted differently than in the courts. TTAB trials never involve a jury and do not involve in-court presentation of witnesses and evidence. Rather, the trial is conducted primarily by mail and without direct supervision of the Board. The TTAB proceedings do not have all the "bells and whistles" of Federal court litigation, and are designed to be less complex and less expensive than full-blown civil litigation.

²⁷ 15 U.S.C. §§ 1114, 1125(a).

²⁸ See 15 U.S.C. §§ 1067, 1068.

(i) Available Remedies and Deterrents to Coercive Behavior

The Trademark Act provides for a variety of remedies in a civil action.²⁹ The most typical remedy is injunctive relief prohibiting use of the infringing mark. Courts have considerable discretion in fashioning an appropriate injunction. Along with an injunction, a court may order other non-monetary relief, including the destruction of infringing articles,³⁰ corrective advertising, and cancellation of Federal registrations.³¹

Monetary remedies may also be available, including an accounting of the infringer's profits, damages sustained by the plaintiff, and the costs of the action.³² Depending on the circumstances of the case, a court may award increased or trebled actual damages where infringement is willful, and attorneys' fees in exceptional cases.³³ Where the infringement involves willful use of a "counterfeit" of a registered mark, statutory damages of up to U.S. \$2,000,000 may be awarded and an award of attorneys' fees imposed, unless the infringer proves extenuating circumstances.³⁴

Courts have broad discretion to award or withhold monetary relief according to the equities and circumstances of the case.³⁵ Generally, the more aggravated the defendant's conduct, the more likely the court is to grant monetary relief. For example, where the infringement is deliberate and defendant's use of the mark is intentionally misleading, or where substantial damage has been inflicted on the plaintiff, damages and an accounting are typically appropriate.

One particular remedy that appears to be targeted specifically at unreasonable trademark litigation behavior is the award of attorneys' fees. In trademark cases, attorneys' fees are potentially available under the Trademark Act, but only in "exceptional cases."³⁶ In general, "cases that award attorneys' fees under 15 U.S.C. § 1117(a) involve truly egregious, purposeful infringement, or other purposeful wrongdoing"³⁷ or behavior that goes "beyond the pale of acceptable conduct."³⁸

In cases of trademark infringement, courts generally look to the legislative history, which indicates that "exceptional" means "where the acts of infringement can be characterized as

²⁹ 15 U.S.C. § 1117. These remedies are not available in TTAB proceedings.

³⁰ 15 U.S.C. § 1118.

³¹ 15 U.S.C. § 1119.

³² 15 U.S.C. § 1117(a).

³³ *Id.*

³⁴ 15 U.S.C. § 1117(b), (c).

³⁵ 15 U.S.C. § 1117.

³⁶ 15 U.S.C. § 1117(a).

³⁷ *Badger Meter, Inc. v. Grinnell Corp.*, 13 F.3d 1145, 1159 (7th Cir. 1994).

³⁸ *Aromatique Inc. v. Gold Seal Inc.*, 28 F.3d 863 (8th Cir. 1994).

‘malicious,’ ‘fraudulent,’ ‘deliberate,’ or ‘willful.’”³⁹ In determining whether a defendant is entitled to an award of attorneys’ fees, courts may consider the objective merits of plaintiff’s claims and whether the suit was vexatious or brought to harass.⁴⁰ Where a plaintiff legitimately tests the boundaries of the law and a court rejects the claim, this generally does not warrant an award of fees.

When Congress amended § 1117(a) of the Trademark Act in 1975 to provide for awards of attorneys’ fees in exceptional cases, it recognized that trademark claims and resulting litigation tactics are subject to abuse by *either* party. The legislative history of the 1975 amendment notes that attorneys’ fees award were intended to protect and serve successful plaintiffs and also to permit prevailing defendants to recover attorney fees to “provide protection against unfounded suits brought by trademark owners for harassment and the like.”⁴¹

Courts further recognize that parties big or small can take unfair advantage of the litigation process. For example, the Seventh Circuit recently attempted to fashion a more balanced test for the award of attorneys’ fees, concluding that:

[A] case under the Lanham Act is ‘exceptional,’ in the sense of warranting an award of reasonable attorneys’ fees to the winning party, if the losing party was the plaintiff and was guilty of abuse of process in suing, or if the losing party was the defendant and had no defense yet persisted in the trademark infringement or false advertising for which he was being sued, in order to impose costs on his opponent.⁴²

Thus, the potential for an award of attorneys’ fees is an existing deterrent to misuse of the litigation process in trademark disputes.

C. Marketplace Impact

1. Evaluating the Reasonableness of Enforcement Efforts: Coercive Behavior vs. Defense of a Right

A trademark owner must walk a fine line between being too zealous in enforcing its rights and not being zealous enough. The stronger a mark and the more goodwill that attaches to it, the more aggressive an owner is expected and entitled to be in asserting its rights against others.⁴³

³⁹ H. R. Rep. No. 524, 93d Cong., 1st Sess. 2 (1973); S. Rep. No. 93-1400, 93d Cong., 2d Sess. 2 (1974).

⁴⁰ See generally 5 McCarthy §§ 30:98-30:101 (discussing situations meriting award of attorney fees).

⁴¹ S. Rep. No. 93-1400, 93rd Cong., 2d Sess. (1974); see also *Mattel, Inc. v. Walking Mountain Productions*, 2004 WL 145100 (C.D. Cal. 2004) (in granting defendant costs and over \$1.5 million in attorneys’ fees, the court stated that: “Plaintiff had access to sophisticated counsel who could have determined that such a suit was objectively unreasonable and frivolous. Instead, it appears Plaintiff forced Defendant into costly litigation . . .), on remand from 353 F.3d 792 (9th Cir. 2003) (noting that Mattel’s claims against a photographer who used Barbie’s image in his artwork “may have been groundless or unreasonable” thus warranting an award of attorneys’ fees).

⁴² *Nightingale Home Healthcare, Inc. v Anodyne Therapy, LLC.*, 626 F.3d 958, 963-64 (7th Cir. 2010).

⁴³ See, e.g., *James Burrough, Ltd. v. Leshner*, 309 F. Supp. 1154, 1161 (S.D. Ind. 1969) (in an infringement action involving the BEEFEATER gin mark, the court explained: “Any coercion involved, or monopolization effected, is no more than plaintiffs are entitled to exert and effect under the law.”).

In view of the mark owner's obligation to police violations, aggressive enforcement of one's trademark rights does not automatically equate to abuse or bullying. In fact, as suggested by some of those who provided public comments, most trademark owners are not setting out to assert dubious claims or be bullies when they initiate enforcement measures. They are simply trying to protect the strength of their marks and their reputation, and avoid the erosion of rights that may result from inaction. Likewise, most alleged infringers are not acting in bad faith. In fact, many act out of ignorance of the law or a misunderstanding of the scope of the owner's trademark rights.⁴⁴

Thus, when it comes to the reasonableness of enforcement efforts, what is considered reasonable will usually depend on which side of the action an entity sits. While those on the receiving end of enforcement actions may view them as coercive or an unjustifiable exercise of the mark owner's rights, the mark owner typically views these actions as legitimate and necessary to protect its rights.⁴⁵

Mark owners may, however, sometimes be too zealous and end up overreaching.⁴⁶ Sometimes they may have an over-inflated view of the strength of the mark and thus the scope of their rights (e.g., they consider their mark famous when it may not actually qualify as famous).⁴⁷ Other times, they mistakenly believe that to preserve the strength of their mark they must object to *every* third-party use of the same or similar mark, no matter whether such uses may be fair uses or otherwise non-infringing. They may lose sight of the fact that the effectiveness of enforcement is not measured by how frequently they enforce, but rather by the effect that taking or failing to take action has in the marketplace. "The real question is public perception of plaintiff's mark, not a battle count of how often it has sued others."⁴⁸

⁴⁴ While no legal requirement exists to search a mark's availability before adopting it, it generally makes business sense to do so, as it can save time and money by eliminating potential marks that are, for one or more reasons, problematic (e.g., an identical or highly similar mark is already registered or in use for identical or closely related products or services) and reduce the chance of being on the receiving end of an enforcement action. Sometimes, smaller or less experienced businesses skip this crucial clearance step and later learn as a result of an enforcement action that their chosen mark is not available. *See generally* 1 Gilson § 3.01[2].

⁴⁵ *See, e.g., Procter & Gamble Co. v. Johnson & Johnson, Inc.*, 485 F. Supp. 1185, 1207 (S.D.N.Y. 1980) (in a suit where the mark owner lost, the court noted: "[Procter & Gamble] cannot be faulted for zealously protecting [its] trademark interest. Indeed, the trademark law not only encourages but requires one to be vigilant on pain of losing exclusive rights. . . . [I]n going to war . . . P & G was entitled to use all the ammunition it had."), *aff'd without op.*, 636 F.2d 1203 (2d Cir. 1980); *see also Tamko Roofing Prods., Inc. v. Ideal Roofing Co., Ltd.*, 282 F.3d 23, 34 (1st Cir. 2002) (noting that a mark owner's "failure to enforce their rights may result in the weakening of these rights over time").

⁴⁶ *See* 6 McCarthy § 31:100 (providing the author's views regarding indiscriminate enforcement efforts).

⁴⁷ *See e.g., Esquire, Inc. v. Esquire Slipper Mfg. Co., Inc.*, 243 F.2d 540, 545 (1st Cir. 1957) (observing that an owner's zeal in enforcing its mark "may not have been justified by the mark's intrinsic strength, but its zeal may well have been born of over-enthusiasm for its relatively weak mark rather than an attempt to browbeat and coerce."); *see also* 6 McCarthy § 31:101.

⁴⁸ 2 McCarthy § 11:91.

2. Examining the Scope of the Asserted Problem

Abusive litigation tactics, in the sense of those tactics employed in litigating a civil action through to trial in district court, do not appear to be a significant problem, since historically only approximately 1.5% of all trademark cases filed ever reach trial and the majority are disposed of before a case reaches the pretrial phase.⁴⁹ To the extent trademark owners engage in tactics unwarranted by a reasonable interpretation of the scope of the rights they actually possess, it would appear the root of any problem that may exist are the tactics engaged in during pre-litigation or pre-trial enforcement efforts.

Generally, information about pre-litigation enforcement efforts and pre-trial litigation tactics is not made public. For example, the number of trademark-related cease-and-desist letters sent by mark owners is not publicly available.⁵⁰ Nor are there reliable statistics on the size of the entities sending and receiving such letters or the number or percent that result in termination of use of the challenged mark. Similarly, for those trademark disputes that do get decided by the courts, reliable data concerning the number of cases in which the challenger lost or in which attorneys' fees were awarded is not readily available.

Given the limited data available, it is extremely difficult to determine the extent to which trademark owners may be purposefully overreaching when enforcing their rights, and doing so with sufficient regularity for it to qualify as a significant problem. It is even more difficult to determine whether alleged coercive litigation tactics are disproportionately used against small businesses or whether such tactics have a more harmful impact on small businesses. For this reason, the USPTO solicited public comments to better assess the existence of and/or extent of this problem.

3. Soliciting Public Comment

In connection with the commissioned study, USPTO requested feedback from U.S. trademark owners, practitioners, and others regarding their experiences with litigation tactics, especially those involving an attempt to enforce trademark rights beyond a reasonable interpretation of the scope of the owner's rights.

The USPTO posted a notice requesting comments on the USPTO web site in early October 2010.⁵¹

⁴⁹ See <http://www.uscourts.gov/Statistics/FederalJudicialCaseloadStatistics.aspx> (publishing tables from 2001 to 2010 of Federal Judicial Caseload Statistics; Table C-4 sets forth cases terminated, by nature of suit and action taken).

⁵⁰ We note that the Chilling Effects Clearinghouse, <http://www.chillingeffects.org/>, a joint project of the Electronic Frontier Foundation and Harvard, Stanford, Berkeley, University of San Francisco, University of Maine, George Washington School of Law, and Santa Clara University School of Law clinics, is actively compiling a database of cease-and-desist letters alleging trademark rights violations.

⁵¹ It is noted that in USPTO's request for comments posted on October 6, 2010, the term "bullies" was used and described as "a trademark owner that uses its trademark rights to harass and intimidate another business beyond what the law might be reasonably interpreted to allow." The posting was later amended to remove the terminology "bullies" and "bullying," as it was determined that it was more appropriate to use the language appearing in the Trademark Technical and Conforming Amendment Act of 2010; namely, "litigation tactics."

Notice of USPTO's request for comments was also posted on the www.StopFakes.gov web site. Additionally, through the National Institute of Science and Technology's (NIST) Manufacturing Extension Partnership (MEP), the Notice was sent to small businesses around the U.S., as well as to manufacturing assistance centers for dissemination via their list servers. The Notice was also sent to thousands of USPTO stakeholders via the USPTO's independent inventor newsletter, *The Inventor's Eye*.

The USPTO also coordinated with the U.S. Commercial Service, the trade promotion "arm" of the U.S. Department of Commerce's International Trade Administration, to hold a roundtable on Trademark Litigation Tactics on February 10, 2011, in Detroit, Michigan. The roundtable, titled "Is There a Bull in the Trademark Shop?," was held at Wayne State University in Detroit, Michigan, and was part of a day-long seminar designed to educate small businesses about protecting intellectual property in the global marketplace. Attending the roundtable were senior staff from the USPTO as well as law students, practitioners, and several small business owners located in the Michigan area. During the roundtable, the importance of the study was discussed and all attendees were encouraged to provide feedback about their own trademark litigation experiences. Additional topics covered during the discussion and raised by way of audience questions/participation included trademark selection strategies, social media's role in influencing the debate, and tips on how to avoid trademark litigation.

In addition, USPTO reached out to the U.S. Small Business Administration's (SBA's) Office of Advocacy which scheduled a roundtable on this subject. However, the roundtable was canceled due to a lack of participant interest.

The period for responding to the USPTO's request for comments was originally scheduled to close on January 7, 2011, and was subsequently extended through February 14, 2011. At the close of the four-month comment period, 79 comments were received. The questions posed and the comments received are discussed below.

a. Questions Posed

The USPTO formulated its request for comments to gain both opinions and accounts of personal experiences relating to trademark enforcement and litigation tactics. The questions also sought to address each of the variety of forums in which such tactics may arise. In addition, USPTO's request welcomed suggestions to address any additional perceived problems.

The following questions were posed:

1. Please identify whether you are a trademark owner or practitioner, and the general size and nature of your business or trademark practice, including the number of trademark applications and registrations your business has, or your practice handles. Please note that USPTO will fully consider any comments you submit, even if you choose not to identify yourself in a particular manner.
2. In approximately the last 5 years, please describe any instances of which you have first-hand knowledge where a small business may have been the target of litigation tactics attempting to enforce trademark rights beyond a reasonable interpretation of the scope of the rights granted to the trademark owner.

3. Please describe situations where you have been involved in receiving a cease-and-desist letter. Anecdotal information might include, but is not limited to, a description of whether the letter resulted in the small business ceasing its use of one or more marks, or whether the sender of the cease-and-desist letter withdrew or abandoned its demands against the small business owner.
4. Please describe situations where you have been involved in trademark litigation in state or Federal courts. Anecdotal information might include, but is not limited to, a description of whether the lawsuit settled on the basis of the small business agreeing to cease its use of one or more marks, or on the basis of the plaintiff withdrawing or abandoning its trademark-related allegation(s). Alternatively, relevant information might include whether such lawsuits resulted in a court judgment and the nature of the judgment (such as requiring the small business to cease its use of one or more marks, assessing monetary liability (damages, lost profits, or attorneys' fees) against the small business, requiring the plaintiff to pay the defendant's attorneys' fees, or imposing sanctions against the plaintiff under Rule 11 of the Federal Rules of Civil Procedure).
5. Please describe situations where you have been involved in opposition or cancellation proceedings instituted at the USPTO against small business owners. Anecdotal information might include, but is not limited to, a description of whether the proceedings settled on the basis of the small business agreeing to abandon its application(s) for one or more marks, or whether the proceedings settled on the basis of the plaintiff withdrawing or abandoning its notice of opposition or cancellation petition. Alternatively, relevant information might include a description of whether such proceedings resulted in a decision by USPTO Trademark Trial and Appeal Board (TTAB) refusing to register/canceling one or more marks owned by the small business, or whether such proceedings resulted in the TTAB imposing sanctions against the plaintiff under Rule 11 of the Federal Rules of Civil Procedure.
6. Do you think trademark owners currently encounter the problem of other trademark owners using their trademark rights to harass and intimidate another business beyond what the law might be reasonably interpreted to allow? If so, how significant is the problem?
7. Do you think aggressive litigation tactics are more pervasive in the trademark area than in other areas of the law?
8. Do you think USPTO has a responsibility to do something to discourage or prevent aggressive trademark litigation tactics? If yes, what should USPTO do?
9. Do you think U.S. courts have a responsibility to do something to discourage or prevent aggressive trademark litigation tactics? If yes, what should U.S. courts do?
10. What other U.S. agencies may have a responsibility to do something about the problem?
11. Do you think Congress has a responsibility to do something to discourage or prevent aggressive trademark litigation tactics? If yes, what should Congress do?
12. Please provide any other comments you may have.

b. Comments Received

In response to the request for comments, USPTO received feedback from 79 interested parties. The comments reflected a diverse range of views. Of the 79 comments received, 33 were from small business owners, 13 were from attorneys, 4 were from professors, 2 were from attorneys on behalf of small business owners, 4 were from intellectual property organizations, including one that surveyed its membership and reported the results, and 23 were from other interested parties. Comments were received from major intellectual property stakeholder organizations, including the American Bar Association Intellectual Property Law Section, the American Intellectual Property Law Association, the International Trademark Association, and the Intellectual Property Owners Association. The American Bar Association Intellectual Property Law Section surveyed its membership on aggressive litigation tactics using its own questions, and over 270 members appear to have responded to the organization's survey. In summarizing the results of its survey, the organization noted that aggressive litigation tactics appear not to be unique to the trademark field, that judges should address any problems with such tactics in particular cases in lieu of any systemic attempt to address the problems, and that the consensus of those surveyed was that no legislative action is needed.

Most of the direct respondents claimed at least some degree of first-hand knowledge of instances where unduly aggressive trademark litigation or pre-litigation tactics (e.g., cease-and-desist letters) were targeted at a small business. Many of these were directly involved in the issuance or receipt of cease-and-desist letters. Significantly, relatively few had direct experience with litigation in the courts or USPTO's Trademark Trial and Appeal Board (TTAB). When asked if they currently encounter the problem of other trademark owners using their trademark rights to harass and intimidate another business beyond what the law might be reasonably interpreted to allow (e.g., is "trademark bullying a problem"), few commenters explicitly addressed whether and to what extent this issue is a significant problem. Given the limited number of comments and the varied nature of the commenters own experiences, the comments may be better viewed as anecdotal.



(i) Cease-and-Desist Letters and Pre-Litigation Issues

With respect to cease-and-desist letters, many of the comments acknowledged regular use of these letters in the trademark field. A handful of small business owners explained that they withdrew their trademark applications after receiving a cease-and-desist letter because they lacked the time or financial resources to litigate against a larger, wealthier company. This imbalance of resources was a common theme among many of the comments concerned with the threat of litigation, including one noting that litigation is too expensive to be a realistic option for many small businesses.⁵² Other commenters, however, recognized that cease-and-desist letters

⁵² According to the AIPLA Report of the Economic Survey, 2009, trademark infringement litigation costs total on average \$384,000 when less than \$1 million is at issue, \$857,000 when \$1-\$25 million is at issue and \$1,746,000 when over \$25 million is at issue.

have a legitimate purpose, explaining that most are sent in good faith, and only a small percentage result from overzealous protection of a mark. Some commenters explained that trademark owners have an obligation to police their marks, and the cease-and-desist letter is a necessary, cost-effective part of the process.

(ii) Actual Litigation Issues

Regarding actual litigation experiences, some of those relative few with direct experience on the subject opined that discovery and deposition processes were too costly for many small businesses and provided a means for a party to thwart progress in a case and to drain resources from an adversary. In contrast, others recognized that in Federal court proceedings, Rule 11 of the Federal Rules of Civil Procedure provides an effective mechanism to combat overreaching.

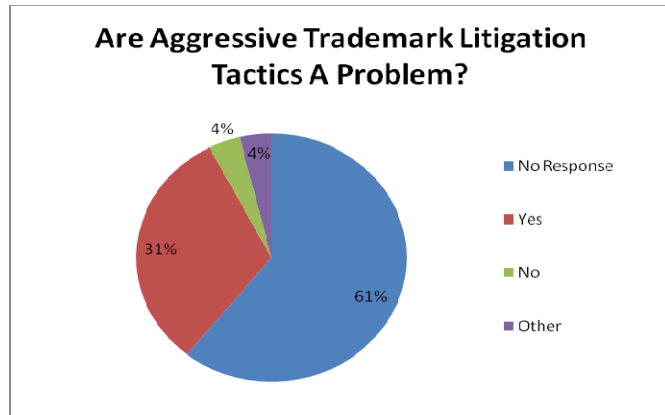
Some of these commenters with direct litigation experience expressed concern that all the safeguards present in Federal courts are not available in TTAB proceedings. Specifically, one commenter contrasted the power of a Federal judge to hold a party accountable and impose sanctions for bad conduct with the more limited array of options available to a TTAB judge to combat overreaching in TTAB litigation. Other commenters provided a different viewpoint and stated that both the courts and TTAB offer effective options to combat bad conduct and stressed the need to better educate the public and small business owners about legal protections already built into the system.⁵³

(iii) How Tactics in IP Cases Compare to Other Types of Cases

The American Bar Association Intellectual Property Section inquired in its survey if aggressive litigation tactics are more pervasive in the trademark area than in other areas of the law. Of the 196 respondents to this question, 44% opined that aggressive litigation tactics are no more or less pervasive in trademark law than in other areas of the law.

⁵³ There are similarities and differences between district court and TTAB proceedings. For example, both the TTAB and courts apply Federal Rule 11. But unlike the courts, the TTAB does not make awards of costs and fees.

The responses to USPTO's request for comments reflected mixed viewpoints on whether aggressive litigation tactics are more pervasive or worse in the trademark realm than in other areas. Many conceded a lack of perspective to compare various areas of law. Several commenters stressed that allegations of improper litigation tactics are not unique to trademark law, and a minority of respondents noted that they do not believe a problem exists in trademark



enforcement litigation. For example, one attorney noted, “Many areas of civil law could be described as aggressive (i.e., insurance defense, medical malpractice, product liability). It is unreasonable and unwarranted to target the area of trademark law. Much of trademark litigation is not so much ‘aggressive’ as it is necessarily proactive.” One comment also noted that the presence of social media, and the potential publicity generated thereby, reduces the incidence of improper conduct. This comment raises the question whether, and suggests the possibility that, social media web sites act as checks on overzealous litigation because users of social media reveal and publicize the identities of alleged overreachers. However, a number of commenters on this issue opined that aggressive tactics are more prevalent in the trademark area, with multiple comments indicating that some trademark owners seem to feel compelled to challenge *all* uses of their marks.

(iv) Size and Resource Imbalances

One commenter acknowledged that trademark owners should have the right to protect their marks, but stated that the aggressive tactics used by overreachers presents a problem for the entire intellectual property community by threatening legitimate activities and clogging the legal system with invalid claims. Another commenter noted that “small companies and individuals are placed in a difficult position where surrender of valid trademarks that are being lawfully used is the only rational financially-feasible option available.” Yet another party explained that this is a growing problem within the field of trademarks and that the parties engaging in improper conduct are not limited to parties of any particular size, with both large and small businesses on both sides of the proceedings. One small business owner explained that overreaching with claims can sometimes lead to the demise of a business, as the potential costs for rebranding can force a small business out of the marketplace.⁵⁴

(v) Suggestions for USPTO or TTAB Actions

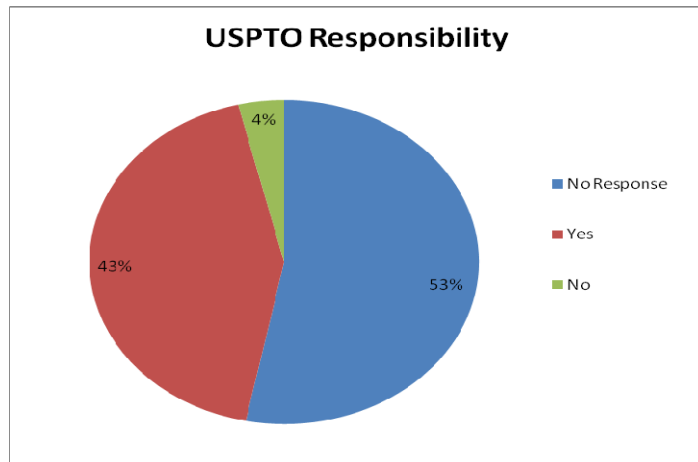
Even though relatively few respondents had direct experience with litigation in the TTAB or the courts, many nonetheless provided suggested actions for USPTO and TTAB, or the courts, to consider. Most commenters opined that USPTO has a responsibility to do something to discourage or prevent aggressive trademark litigation tactics, with a minority stating that this

⁵⁴ According to the *AIPLA Report of the Economic Survey*, 2009, on average, law firms charge \$1,440 to perform a trademark clearance search, analysis, and opinion, \$867 to prepare and file a trademark application, and \$1,678 for prosecution of a trademark registration. These costs are in addition to a wide variety of advertising or marketing expenses used to promote a mark.

should be left to the courts. Some commenters expressed the viewpoint that the issue was the sole responsibility of the USPTO.

Many commenters suggested that the TTAB amend its rules to provide for sanctions against such tactics and to proactively prevent such tactics. One commenter proposed additional scrutiny for parties “known to use” such tactics and another proposed that USPTO substantially increase fees for filing oppositions and cancellations, with a reduced fee for smaller entities. Others proposed that the agency encourage settlement agreements to lessen the burden on the parties, and closely monitor the progress of proceedings to prevent undue delay and costs, with one commenter opining that the duration of the average *inter partes* proceeding is a powerful incentive for a small business to concede.

The comments included several suggestions that USPTO raise awareness of the protections available from and provide information on how to respond to aggressive tactics.



(vi) Suggestions for the Courts

Turning to the courts, the majority of commenters with suggestions for improvements took the position that courts also bear a responsibility to discourage or prevent aggressive litigation tactics. Specific suggestions ranged from proposals that attorneys’ fees and sanctions should be more readily assessed, to a proposal for *pro bono* legal counsel for small businesses, to a proposal that the court system provide an initial screening of claims to reject frivolous lawsuits at the outset. Those holding the minority view either believe no problem exists with the current system or that the courts already have tools to effectively deal with such overreaching tactics. One comment noted that although existing remedies are available, courts are generally reluctant to use them. Rather than invoking a “one size fits all” approach, one comment expressed that “curbing abusive trademark litigation practices should be left to the judiciary on a case-by-case basis.”

(vii) Suggestions for Other Federal Agencies, Non-Federal Organizations, and Congress

Many commenters proposed the involvement of other Federal agencies to help address these issues, including the U.S. Department of Justice, U.S. Department of State, U.S. Customs and Border Protection, U.S. Small Business Administration (SBA), Federal Communications Commission (FCC), and Federal Trade Commission (FTC). One commenter suggested a hotline monitored by the FTC or USPTO. Others also proposed involvement from bar associations, the SBA, and the Better Business Bureau to help educate small businesses and assist in these types of difficult situations.

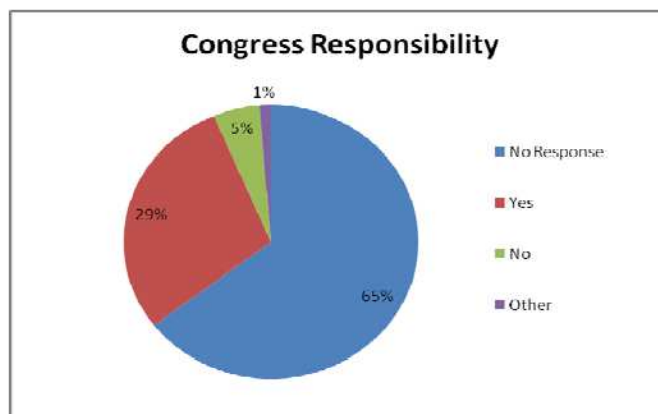
Finally, most commenters opined that Congress has a responsibility to discourage or prevent aggressive trademark litigation tactics, with a minority noting that there is no problem to address or that the issue does not require legislative action.

Many respondents expressed concern that the Federal trademark anti-dilution laws may be abused where the asserted marks have very dubious claims to the “famous” status required for such claims.

As stated in one comment, if every trademark owner utilized aggressive litigation tactics, including cease-and-desist letters, “under the presumption that its marks were ‘famous,’ then those marks would for all practical purposes be ‘trademarks in gross,’ enforceable as to all goods and services.” Some commenters therefore proposed that the anti-dilution laws be amended to prevent such misuse.

One commenter proposed that Congress enact legislation providing standards for sending cease-and-desist letters. Another respondent suggested that Congress amend the Trademark Act to eliminate the current provision for the registration of descriptive terms that have acquired distinctiveness, so that descriptiveness would constitute an absolute bar to registration. Yet another argued for legislative reform to prevent any trademark protection of common terms or phrases. Several comments proposed Congressional hearings on these issues.

One comment proposed legislative reform to address trademark use in the context of artistic works, noting the lack of a statutory affirmative defense to trademark infringement that would protect this type of use. The commenter opined that such legislative reform could prevent many improper trademark claims against artists. Finally, another commenter proposed that Congress codify a trademark misuse defense to allegations of trademark infringement, so that courts could dismiss lawsuits when it is demonstrated that the plaintiff is attempting to use its mark for anti-competitive purposes or otherwise in violation of the law.



III. Federal Government Resources to Protect Intellectual Property and Prevent Counterfeiting

Start-up businesses and small and medium-sized enterprises (SMEs) are principal sources of innovation and are vital to U.S. economic growth. Statistics show that small businesses created more than 5.5 million new jobs in the United States during the 1990s. In the current global economy, protecting innovations in the United States and abroad is important for small businesses as they seek to develop a market presence overseas. The United States Government has many resources available to assist SMEs with intellectual property issues. Those resources that relate to trademark protection and counterfeit prevention in the U.S. market are discussed in this section of the report.

The Department of Commerce’s International Trade Administration’s (ITA) Office of Intellectual Property Rights (OIPR) and U.S. and Foreign Commercial Service (USFCS) work with U.S. firms to help them protect their intellectual property domestically and abroad by offering comprehensive, customized solutions to international trade challenges. The USPTO, responsible

for granting and administering patents and trademarks, works with SMEs to assist them in protecting their intellectual property. Other Federal Government entities, including the U.S. International Trade Commission (USITC) and the Small Business Administration (SBA), all work to protect and enforce intellectual property on behalf of all intellectual property rights (IPR) stakeholders. The National Intellectual Property Rights Coordination Center (IPR Center) works to deter, interdict, and investigate threats arising from the movement of illegal goods into and out of the United States. Collectively, the Federal agencies discussed below work together to assist small businesses in protecting and enforcing their intellectual property, including trademarks.

A. Department of Commerce's International Trade Administration's Office of Intellectual Property (OIPR)

The Department of Commerce (DOC) has undertaken numerous activities to assist SMEs in protecting and enforcing IPR, both in the United States and abroad. OIPR develops and coordinates ITA input on trade-related intellectual property rights policies, programs and practices, and assists companies to overcome challenges to protecting and enforcing their IPR.

StopFakes.gov: The most comprehensive tool available to assist SMEs is the StopFakes.gov web site. ITA, on behalf of U.S. intellectual property agencies, launched the web site (www.StopFakes.gov) in 2004 to provide updates and links to Executive Branch IPR programs. ITA continues to manage this resource, which houses useful information for SMEs.

(1-866-999-HALT): The DOC manages a hotline under the Strategy for Targeting Organized Piracy (STOP) initiative to help SMEs protect their intellectual property rights in the United States and abroad. This hotline is answered by USPTO experts, who work with OIPR to help businesses secure and enforce their IPR, including by ensuring that U.S. businesses enjoy the full benefits of bilateral and multilateral IPR related trade agreements.

Online SME IPR Training Modules: OIPR worked with the USPTO, the SBA, and the Foreign Commercial Service (FCS) to develop an online training program for SMEs to learn how to evaluate, protect, and enforce their IPR. The program is available for free online at www.StopFakes.gov. The module has been translated into Spanish and French to broaden our domestic and foreign outreach with this tool.

Outreach and Seminars: OIPR regularly conducts outreach and training events about how companies can protect and enforce IPR in the U.S. and overseas. Outreach events are conducted in-person and via webinar.

Protecting IPR at Trade Fairs: The DOC developed a program to promote IPR protection at domestic and international trade fairs. The DOC is educating trade fair attendees, exhibitors, and organizers about the value of IPR, raising awareness of IPR issues at trade fairs, and promoting IPR protection at trade fairs and pavilions that the DOC operates, certifies, or supports.

B. United States Patent and Trademark Office

Trademark Resources: The USPTO web site contains considerable information on the trademark searching, prosecution, and maintenance process. USPTO's Trademark Assistance Center provides general information about the trademark registration process and responds to inquiries about the status of trademark applications and registrations. This information is also available on the USPTO web site through which SMEs can access the Trademark Electronic Search System to search for potentially conflicting federally registered marks and pending

applications. The USPTO posts on its home page information about TTAB proceedings, including information about the Board's Accelerated Case Resolution, arbitration, and mediation options.

IPR Awareness: The USPTO offers several IPR awareness programs that are tailored to the most critical IP issues for small businesses. For example, since 2005, USPTO has offered free Intellectual Property Awareness Campaign (IPAC) "IP Basics" programs to more than 1,000 SMEs in various cities throughout the U.S. These events include presentations on how to protect and enforce trademarks domestically and internationally. USPTO also offers China "Road shows" to businesses throughout the U.S. In addition, USPTO Global Intellectual Property Academy (GIPA) has produced six modules on intellectual property protection and enforcement in five languages; namely, English, Spanish, French, Arabic, and Russian. These web-based seminars cover all areas of intellectual property protection, including trademarks and geographical indications.

Patent Trademark Depository Libraries (PTDL): The USPTO has a network of Patent Trademark Depository Libraries (PTDL), which are a rich local resource for small businesses, research and development firms, university and governmental laboratories, and independent inventors and entrepreneurs. Services at the libraries are free, and include assistance in accessing and using patent and trademark documents, training on USPTO databases, obtaining access to the USPTO web site, and hosting public seminars on intellectual property topics for novice and experienced innovators. There are 82 PTDLs in 46 states, the District of Columbia, and Puerto Rico.

C. Department of Commerce's CommerceConnect

Announced in 2009, CommerceConnect is a one-stop-shop initiative in which Commerce Department employees are cross-trained so that they can connect firms to the full menu of Commerce programs and can link business owners with other Federal, state, local, and nonprofit resources. The effort is designed to cut through red tape and simplify access to services and resources that can help companies grow, create jobs, and become more efficient. CommerceConnect offers an integrated and comprehensive portfolio of Federal, state, local, and non-profit business assistance resources including more than 70 U.S. Department of Commerce programs -- many at no cost to U.S. entrepreneurs and businesses. Trained CommerceConnect specialists can assess clients' business needs -- including issues related to intellectual property protection -- and refer them to appropriate resources.

D. U.S. Small Business Administration

SBA provides non-monetary support to small businesses to assist them in developing their businesses. SBA partners with a non-profit organization known as Service Corps of Retired Executives (SCORE). SCORE members are trained to serve as counselors, advisors, and mentors to aspiring entrepreneurs and business owners. These services are offered at no fee as a community service. As part of this association, retired executives assist entrepreneurs and small businesses in the formation and growth of their enterprises. There are 389 SCORE chapters in urban, suburban, and rural communities in the U.S. and U.S. Territories. Through SBA's partnership with SCORE, businesses may use SCORE's web site to identify potential mentors on "intellectual property," "patents," "trademarks," and "copyright" subject areas. Through their ASK SCORE online program, online workshops on IPR are available and users can connect with successful executives with a breadth of experience in intellectual property issues.

E. U.S. International Trade Commission

The U.S. International Trade Commission (USITC) investigates claims regarding intellectual property rights violations stemming from importation of goods, including allegations of patent and trademark infringement. Section 337, 19 U.S.C. § 1337, declares it unlawful to import items that infringe utility and design patents, as well as registered and common law trademarks, and registered copyrights. USITC provides information on Section 337 at www.usitc.gov/trade_remedy/int_prop/index.htm. USITC also has a Trade Remedy Assistance Office (TRAO) that provides information to small businesses concerning the remedies and benefits available under U.S. trade laws and assists eligible small businesses in preparing and filing a Section 337 complaint.

F. National Intellectual Property Rights Coordination Center

The National Intellectual Property Rights Coordination Center (IPR Center) is a task force that uses expertise of its member agencies to share information, develop initiatives, and conduct investigations related to intellectual property theft. As an integrated task force, the IPR Center uses the expertise of its member agencies to share information, develop initiatives, coordinate enforcement actions, and conduct investigations related to IP theft. The IPR Center is accessible to users, including members of the general public, industry, trade associations, law enforcement, and government agencies. All of the said entities are encouraged to report violations of intellectual property rights through the IPR Center web site. The information provided is reviewed by IPR Center staff and disseminated for appropriate investigative response and tactical use to IPR Center partners.

The units have embedded interagency representation from the following key investigative authorities:

- U.S. Immigration and Customs Enforcement;
- U.S. Customs and Border Protection;
- Federal Bureau of Investigation;
- Food and Drug Administration-Office of Criminal Investigations;
- U.S. Postal Inspection Service;
- Department of Commerce International Trade Administration;
- United States Patent and Trademark Office; and
- Government of Mexico Tax Administration Service.

The IPR Center also coordinates and provides domestic and international IPR outreach and training to law enforcement, industry, and the public. For example, Operation Joint Venture conducts outreach and disseminates information to private industry regarding IPR issues.

IV. Recommendations⁵⁵

After careful review of the available information regarding trademark litigation tactics and comments received from concerned intellectual property stakeholders, it is unclear whether small businesses are disproportionately harmed by enforcement tactics that are based on an unreasonable interpretation of the scope of an owner's rights. Indeed, the 79 comments received in response to USPTO's request for comments reflected a diverse range of views on the subject, yet few explicitly addressed whether and to what extent unreasonable enforcement of trademark rights is a significant problem.

Ultimately, because trademark enforcement is a private property rights litigation issue, if abusive tactics are a problem, such tactics may best be addressed by the existing safeguards in the litigation system and by private sector outreach, support and education relating to these issues. However, to the extent small businesses are disproportionately adversely affected by such tactics because they lack the funds to hire counsel to defend against them, the Department of Commerce, in consultation with the Intellectual Property Enforcement Coordinator, will undertake the following actions:

- Engage the private sector about providing free or low-cost legal advice to small businesses via *pro bono* programs and IPR clinics;
- Engage the private sector about offering continuing legal education programs focused on trademark policing measures and tactics; and
- Enhance Federal agency educational outreach programs by identifying resources that enable small businesses to further their understanding of trademark rights, enforcement measures, and available resources for protecting and enforcing trademarks.

Each of these recommendations is discussed below.

A. Intellectual Property Rights Counseling for Small Businesses

As our research and several submissions point out, there are sufficient mechanisms in place to deter or punish those who resort to abusive trademark litigation tactics. Specifically, attorneys' fees appear to be a deterrent to trademark litigation abuse because trademark owners know that a successful defendant may recover legal fees where the plaintiff's allegations of trademark infringement are so baseless as to be frivolous.

From the submissions, it seems that the costs associated with securing trademark counsel to respond to trademark enforcement efforts has the greatest negative impact on small businesses. For example, the expense of hiring an attorney to challenge a frivolous cease-and-desist letter may be too much for a small business to absorb, or the esoteric issues may simply be too daunting, thereby preventing the small business from even attempting to mount an entirely legitimate challenge to a threat of litigation. In such cases, small businesses may instead chose to

⁵⁵ Although the legislation called on the Secretary of Commerce and the IPEC to make any "policy recommendations" they deemed appropriate, the Department of Commerce herein commits to adopt policies it has identified as likely to assist trademark owners enforce their rights reasonably and assist small businesses navigate these complex intellectual property issues.

give in to the trademark owner's baseless demands without a fight. We conclude, therefore, that small business owners could benefit from private sector programs offering low-cost or free trademark advice to help them respond to frivolous claims of trademark infringement.

The Department of Commerce, in consultation with the Intellectual Property Enforcement Coordinator, will engage stakeholders and bar associations to investigate the possibility of the private sector providing comprehensive low-cost or *pro bono* legal assistance to small business owners to help them respond to frivolous claims of trademark infringement. An example of an existing program on which such an initiative could be modeled is the one offered by the Export Legal Assistance Network (ELAN), a program established by the Federal Bar Association to offer free export legal advice, and supported by the U.S. Department of Commerce and the U.S. Small Business Administration. Through this program, small businesses can obtain an initial legal consultation from knowledgeable lawyers versed in the legal aspects of international trade free of charge. Applying this model to the present facts, knowledgeable trademark lawyers could provide legal advice to small businesses at a reduced rate or free of charge to help them determine if a claim of trademark infringement has any merit and, in cases where the claim is baseless, to help them formulate a response.

In addition, the Department of Commerce, in consultation with the Intellectual Property Enforcement Coordinator, will engage in discussions with universities, bar associations, and intellectual property rights organizations regarding development of additional *pro bono*/legal clinic IPR programs geared specifically toward small business owners and independent inventors. Such clinics can provide low-cost or free trademark advice to help small businesses respond to frivolous claims of trademark infringement, and should be considered as well. For example, USPTO is considering expansion of its already established law school clinic program. In August 2008, the USPTO launched a Law School Clinical Certification Program that allows law students to practice before the Agency in patent and trademark prosecution matters under the strict guidance of a Law School Clinical faculty Supervisor. Currently, 15 schools in the program offer trademark prosecution services. In the first year of the program, students filed a total of 37 trademark applications on behalf of clinic clients. Given the success of this pilot, USPTO is investigating additional *pro bono* models that will expand assistance.

B. Engage the Private Sector about Offering Continuing Legal Education Programs Focused on Trademark Policing Measures and Tactics

As noted above, trademark owners are under an obligation to protect their trademarks, because if the owner does not police the relevant mark and enforce its rights against infringers, the strength and value of the mark could be diminished. As the submissions indicate, many skilled practitioners believe that under existing case law they are obliged to err on the side of sending a cease-and-desist letter to protect their clients' rights. Evaluating when a cease-and-desist letter is necessary and the demands such a letter should contain can be a difficult decision.

Increasing efforts to educate trademark lawyers about how to appropriately protect a client's mark can help address this problem and reduce the number of inappropriate cease-and-desist letters. We note that the intellectual property bar associations have the expertise and infrastructure to provide continuing legal education programs to lawyers dealing with the issues of infringement and proper protection of trademark rights, including best practices for cease-and-desist letters.

Accordingly, the Department of Commerce, in consultation with the Intellectual Property Enforcement Coordinator, will convene a meeting of interested stakeholders, including interested

intellectual property bar associations, to discuss the feasibility of providing continuing legal educational programs focused on trademark policing measures and tactics.

C. Educate Small Businesses about Intellectual Property Rights and Available Protection and Enforcement Resources

The Department of Commerce, in consultation with the Intellectual Property Enforcement Coordinator, will work to enhance educational outreach to provide small businesses with information about intellectual property rights and to identify resources they need to protect and enforce such rights.

Educating small businesses about the IP system at large, both in the United States and abroad, and about Federal Government resources available to assist them in the IP context, could help decrease the use and the effectiveness of any overly aggressive trademark litigation tactics, and would be responsive to the public input received. IPR awareness was repeatedly highlighted by commenters as an area where small businesses need assistance and look to the Federal Government more generally for guidance. A number of comments reflected or suggested the need for many small businesses to build a better understanding of trademark rights and the relevant legal framework. Achieving better IPR awareness could favorably impact litigation tactics from the perspective of an enforcer, who may benefit from understanding that some situations do not merit the use of aggressive litigation tactics and that the law may not require them. Another favorable impact could stem from a better educated accused infringer, who may benefit from background knowledge to assess the propriety of the accused use and to understand the rationale behind the trademark enforcement efforts taking place. Thus, the Department of Commerce will take steps to increase awareness of resources available to small businesses to help them obtain and protect their intellectual property rights.

Appendix A: USG Resource Contact Information Sheet

- STOP Hotline at 1-866-999-HALT.
- “SME IP Training Tutorial” an online training tool for SMEs
<http://www.StopFakes.gov/525/menu/index.htm>.
- “APEC Intellectual Property Explorer,” tool helps businesses identify their intellectual property assets, <http://www.stopfakes.gov/>.
- “Experts’ Advice for Small Businesses Seeking Foreign Patents” (GAO Report),
<http://www.gao.gov/new.items/d03910.pdf>.
- USPTO Inventors Assistance, <http://www.uspto.gov/inventors/iac/index.jsp>; FAQs, <http://www.uspto.gov/inventors/independent/index.jsp>; and computer-based training, “From Concept to Protection,” <http://www.uspto.gov/inventors/index.jsp>
- USPTO “TMIN,” the Trademark Information Network, which features broadcast-style videos that cover important topics and application filing tips,
<http://www.uspto.gov/trademarks/process/TMIN.jsp>
- “International IP Advisory Program”, through which U.S. small businesses can obtain one hour of *free* legal advice on their IP issues in various countries,
http://www.stopfakes.gov/int_ipr_ap.asp
- U.S. Copyright Office website for registration and general information (including Circular 1, “Copyright Basics”): <http://www.copyright.gov>,
- USITC’s Trade Remedy Assistance Office (TRAO): online www.usitc.gov/trade_remedy/trao, by telephone at (800) 343-9822 or (202) 205-2200, or by fax at (202) 205-2139.

Appendix B: Acronyms

AIPLA	American Intellectual Property Law Association
APEC	Asia-Pacific Economic Cooperation
DOC	Department of Commerce
FCS	Foreign Commercial Service
FTC	Federal Trade Commission
GIPA	Global Intellectual Property Academy
INTA	International Trademark Association
IPAC	Intellectual Property Awareness Campaign
IPEC	Intellectual Property Enforcement Coordinator
IPO	Intellectual Property Owner's Association
IPR CENTER	National Intellectual Property Rights Coordination Center
ITA	International Trade Administration
NTIA	National Telecommunications and Information Administration
OECD	Organization for Economic Cooperation and Development
OIPR	Office of Intellectual Property Rights
PTDL	Patent and Trademark Depository Library
SBA	Small Business Administration
SCORE	Service Corps of Retired Executives
SME	Small to Medium Sized Enterprise
TRAO	Trade Remedy Assistance Office (United States International Trade Commission)
TTAB	Trademark Trial and Appeal Board
USG	United States Government
USITC	United States International Trade Commission
USPTO	United States Patent and Trademark Office
USTR	United States Trade Representative

UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

MBA

Mailed: September 12, 2012

Opposition No. 91205751

DC Comics

v.

Joel L. Beling d/b/a Supa
Characters Pty Ltd.

"Mr. McGee, don't make me angry. You wouldn't like me when I'm angry." David Banner, a/k/a The Incredible Hulk ("A Death in the Family," Season 1, Episode 2 of "The Incredible Hulk" American Television Series, Nov. 27, 1977).

"When sanctionable conduct is found, although the Board does not impose monetary sanctions or award attorneys' fees or other expenses, the Board has authority to enter other appropriate sanctions, up to and including the entry of judgment." Central Mfg. Inc. v. Third Millennium Technology Inc., 61 USPQ2d 1210, 1213 (TTAB 2001).

Michael B. Adlin, Interlocutory Attorney:

This is, to put it mildly, an unusual case. Pro se applicant, an individual who claims to be an Australian criminal lawyer,¹ seeks registration of SUPER DOGS, in standard characters and with DOGS disclaimed, for an exceedingly wide variety of goods and services, including

¹ There is no indication that applicant is a lawyer admitted to practice in the United States or before the Office. In addition, as explained herein, applicant's filings reveal that he is not particularly familiar with Board rules or procedures. Accordingly, the Board very strongly recommends that applicant retain an attorney entitled to practice before the Office to represent him in this proceeding. Because it appears that applicant may ignore this advice, information for pro se parties is included at the end of this order.

comic books, clothing, action figures, dog races, film studios, a rock group and "a continuing super hero and other characters based on dogs show (sic) broadcast over television."² In its notice of opposition, opposer alleges prior use and registration of, *inter alia*, SUPERMAN, KRYPTO THE SUPERDOG and SUPER FRIENDS, and that use of applicant's mark would be likely to cause confusion with, and dilute, opposer's marks. Pursuant to the Board's institution order of June 25, 2012, applicant's answer was due August 4, 2012. Applicant failed to timely file an answer, however, and therefore on August 20, 2012, the Board issued a notice of default.

This case now comes up for consideration of applicant's response to and motion to set aside the notice of default, filed August 21, 2012, and opposer's cross-motion for default judgment, filed August 24, 2012. Both motions are contested.

The opening paragraph of applicant's response to the notice of default is unambiguous. "Applicant specifically states that he received the Notice of Opposition from Opposer by standard post on the 26th of June 2012." Applicant's Response ¶ 1. Applicant also makes clear that he was fully aware of his obligation to answer the notice of

² Application Serial No. 85325751, filed May 20, 2011, under Sections 44(e) and 1(b), with priority claims under Section 44(d) based on Australian registrations.

opposition, and the consequences of not doing so: "In order to avoid a judgment by default against Applicant, Applicant diligently checked the Board's TTABVue website at least every couple of days from the 26th June 2012 to ascertain if the Schedule had been uploaded online." Id. ¶ 3. In any event, applicant claims that he did not receive the Board's institution order, even though it was sent to him by e-mail and regular mail at his e-mail and postal addresses of record, and neither the e-mail nor the mailed order were returned as undeliverable. Id. ¶¶ 2-3, 5. Based on his alleged non-receipt of the institution order, applicant argues that it would be inappropriate to enter default judgment against him. Applicant's response to the notice of default includes a [proposed] answer to the notice of opposition, in which applicant denies the salient allegations therein.

In its response and cross-motion, opposer argues that applicant has not established good cause for setting aside the notice of default, and that default judgment is appropriate, because contrary to applicant's allegations, the Board's institution order was available on TTABVue on June 25, 2012. Unlike applicant, opposer introduces evidence supporting its contention regarding the availability of the institution order on TTABVue, in the form of the Declaration of James D. Weinberger ("Weinberger

Dec."), opposer's attorney, who testifies that he "observed the Scheduling [institution] Order on the TTABVue website" on June 25, 2012 and "several times" between August 6 and 9, 2012. Weinberger Dec. ¶¶ 2, 3.³ Opposer also points out that applicant made the conscious decision to take no action in response to the notice of opposition which he admits receiving on June 26, 2012.

In his "response to opposer's opposition" and cross-motion (hereinafter "Reply"), applicant does not address opposer's evidence regarding the availability of the institution order on TTABVue, but contends that he has a "genuine intent to vigorously contest the Opposition." Applicant's Reply ¶ 2. Specifically, applicant points out that he is involved another Board proceeding, Opposition No. 91203884, in which he specifically cites his "intent to trade in commerce" goods under the SUPER DOGS mark. Id.⁴ Similarly, applicant cites his August 6, 2012 press release, which is attached to applicant's response to the notice of default, in which applicant claims that he "specializ[es] in the creation of high concept, marketable characters for licensing use in film, television, comic books and merchandising." Response Ex. A. In that press release, applicant appears to boast that he "is currently involved in

³ This is consistent with Board practice and the manner in which TTABVue operates.

⁴ Applicant is also a party to Cancellation No. 92055374.

hostile trademark litigation with a number of major players in the entertainment industry and American business at large." And applicant relies on an e-mail he sent to major American and international publications, claiming that he has a "new superhero character licensing company."⁵ Reply Ex. A.

"However the issue [of default] is raised, the standard for determining whether default judgment should be entered against the defendant for its failure to file a timely answer to the complaint is the Fed. R. Civ. P. 55(c) standard." TBMP §§ 312.01, 508 (3d ed. rev. 2012). Under Fed. R. Civ. P. 55(c), default may be set aside "for good cause." As a general rule, good cause will be found where the defendant's delay has not been willful or in bad faith, where prejudice to the plaintiff is lacking, and where the defendant has a meritorious defense. See Fred Hyman Beverly Hills, Inc. v. Jacques Bernier, Inc., 21 USPQ2d 1556 (TTAB 1991). Moreover, the Board is reluctant to grant judgments by default, because the law favors deciding cases on their

⁵ When read together, applicant's filings with the Board, his involved application, the press release and the e-mail suggest that applicant has a unique business model, one which some might consider analogous to that of what some in the patent realm call a "non-practicing entity" or NPE. See, Overstock.com, Inc. v. Furnace Brook, LLC, 420 F.Supp.2d 1217, 78 USPQ2d 1934 (D. Utah 2005), aff'd, 191 Fed.Appx. 959 (Fed. Cir. 2006). Others might view applicant's business model as a reverse form of a controversial trademark litigation tactic. See USPTO Request for Comments: Trademark Litigation Tactics, available here: http://www.uspto.gov/trademarks/litigation_study.jsp.

merits. See Paolo's Associates Limited Partnership v. Paolo Bodo, 21 USPQ2d 1899 (Comm'r 1990).

Here, applicant's claim that he was unaware of the Board's institution order prior to issuance of the notice of default appears dubious at best. Indeed, applicant admits to reviewing the docket for this proceeding on TTABVue well prior to August, and Mr. Weinberger's sworn testimony, which is entirely consistent with the Board's standard practices and the functioning of TTABVue in every case of which the Board is aware, establishes that the institution order was available for applicant's review from June 25, 2012 forward. Nevertheless, on this occasion and perhaps no other for the duration of this proceeding, applicant is entitled to the benefit of the doubt, and applicant claims that his failure to timely answer was inadvertent. Furthermore, applicant's delay is relatively short and opposer has not established that it would be prejudiced if default judgment is denied. Finally, applicant's [proposed] answer to the notice of opposition establishes that applicant has a meritorious defense.

For all of these reasons, applicant's motion to set aside default is hereby **GRANTED**, opposer's cross-motion for default judgment is hereby **DENIED** and applicant's [proposed] answer is accepted and made of record and is now applicant's

operative pleading herein.⁶ Applicant is again advised to retain counsel, and whether he does or not, he is also advised to proceed with extreme caution.⁷ Conferencing, disclosure, discovery, trial and other dates are reset as follows:

Deadline for Discovery Conference	October 1, 2012
Discovery Opens	October 1, 2012
Initial Disclosures Due	October 31, 2012
Expert Disclosures Due	February 28, 2013
Discovery Closes	March 30, 2013
Plaintiff's Pretrial Disclosures	May 14, 2013
Plaintiff's 30-day Trial Period Ends	June 28, 2013
Defendant's Pretrial Disclosures	July 13, 2013
Defendant's 30-day Trial Period Ends	August 27, 2013
Plaintiff's Rebuttal Disclosures	September 11, 2013
Plaintiff's 15-day Rebuttal Period Ends	October 11, 2013

⁶ Neither the "supplement to defendant's answer," filed August 28, 2012, nor applicant's motion to extend his time to file petitions to cancel, filed September 9, 2012, will be given any consideration. Indeed, the Board does not accept surreplies. See, Trademark Rule 2.127(a) (after the movant's reply brief, "[t]he Board will consider no further papers in support of or in opposition to a motion"); TBMP § 502.02(b) (3d ed. rev. 2012). Furthermore, the Trademark Rules govern the timing and permissibility of counterclaims, and it is premature to seek application or interpretation of the Rules given that there is no [proposed] counterclaim(s) for the Board to consider; moreover, the Board does not issue advisory opinions. See, e.g., Trademark Rule 2.106(b)(2)(i); TBMP §§ 313, 605.03(f).

⁷ According to the AusEphrase website, the phrase "on thin ice" is used in Australia: http://www.e-phrased.com.au/index.php/expression_detail/on_thin_ice/.

In each instance, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rule 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.

Pro Se Information

Applicant is reminded that he will be expected to comply with all applicable rules and Board practices during the remainder of this case. The Trademark Rules of Practice, other federal regulations governing practice before the Patent and Trademark Office, and many of the Federal Rules of Civil Procedure govern the conduct of this opposition proceeding. Applicant should note that Patent and Trademark Rule 10.14 permits any person or legal entity to represent himself in a Board proceeding, though it is generally advisable for those unfamiliar with the applicable rules to secure the services of an attorney familiar with such matters.

If applicant does not retain counsel, then he will have to familiarize himself with the rules governing this proceeding. The Trademark Rules are codified in part two of Title 37 of the Code of Federal Regulations (also referred

to as the CFR). The CFR and the Federal Rules of Civil Procedure are likely to be found at most law libraries, and may be available at some public libraries. Finally, the Board's manual of procedure will be helpful.

On the World Wide Web, applicant may access most of these materials by logging onto <http://www.uspto.gov/> and making the connection to trademark materials.

Applicant must pay particular attention to Trademark Rule 2.119. That rule requires a party filing any paper with the Board during the course of a proceeding to serve a copy on his adversary, unless the adversary is represented by counsel, in which case, the copy must be served on the adversary's counsel. The party filing the paper must include "proof of service" of the copy. "Proof of service" usually consists of a signed, dated statement attesting to the following matters: (1) the nature of the paper being served; (2) the method of service (e.g., e-mail, first class mail); (3) the person being served and the address used to effect service; and (4) the date of service. Also, applicant should note that any paper he is required to file herein must be received by the Patent and Trademark Office by the due date, unless one of the filing procedures set forth in Trademark Rules 2.197 or 2.198 is utilized. These rules are in part two of Title 37 of the previously discussed Code of Federal Regulations.

Files of TTAB proceedings can be examined using TTABVue, accessible at <http://ttabvue.uspto.gov/ttabvue/v>. After entering the 8-digit proceeding number, click on any entry in the prosecution history to view that paper in PDF format.

The third edition of the Trademark Trial and Appeal Board Manual of Procedure (TBMP) has been posted on the USPTO web site at:
http://www.uspto.gov/trademarks/process/appeal/Preface_TBMP.jsp.

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100.....	\$125.00
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QTY	NEW ORDER	REORDER
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25.....	\$ 50.00	no re-order
50.....	\$ 89.00	\$ 82.00
100.....	\$123.00	\$105.00
150.....	\$169.00	\$138.00
200.....	\$204.00	\$161.00
300.....	\$285.00	\$226.00
500.....	\$399.00	\$318.00

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Postcard SETUP FEE is \$10.00 for each additional image.

QTY	NEW ORDER	REORDER
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100.....	\$ 85.00	\$ 79.00
150.....	\$105.00	\$ 97.00
200.....	\$135.00	\$125.00
300.....	\$175.00	\$161.00
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50.....	\$ 65.00	\$ 52.00
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200.....	\$125.00	\$100.00
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500.....	\$215.00	\$172.00

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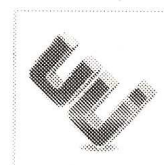
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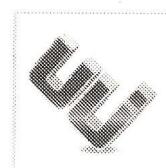
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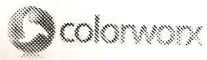
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3000

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\$129.99

\$149.99

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12 pt card stock

12 pt card stock

Gloss finish

Gloss finish

Gloss finish

Double sided print

Double sided print

Double sided print

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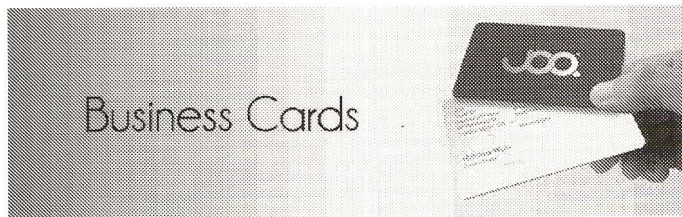
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1000

2000

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14 pt card stock

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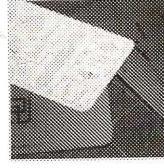
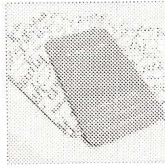
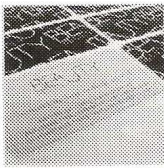
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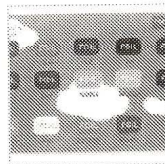
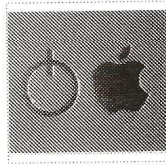
Foil stamping is a special kind of printing procedure where heat, pressure, and a metallic paper (foil) is used to create different shiny designs and graphics on various materials. Foil stamping gives the stamped design a shiny and incredible look and is increasingly becoming the preferred method of printing in many an industry.

Foil stamping is also referred to as hot stamping (because of the use of heat), foil printing, dry stamping, and leaf stamping. There are various types of foil stamping that can be used depending on your design needs.

Foil stamping is called dry printing because it does not use any sort of ink for printing purposes. It is a dry stamping process where ink, some sort of magnetism, or plates are not used to print letters and pictures as is used in traditional printing methods. In place of all these things, foil stamping uses dies or carved metal plates, heat, and foil in the stamping process.

In the foil stamping process, the die or the sculpted metal plate comes in contact with the foil and transfers a thin layer of the foil film onto the intended surface. As the metal plate is heated, the foil sticks to the surface only in the design of the plate and in the required areas with the desired imprint.

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- Soy inks are more sustainable - they come from a renewable resource, unlike petroleum
- Soy inks are more environmentally friendly - some actually release zero VOCs (this is what we use at Colorworx)
- Paper printed with soy inks can be deinked more easily, making it easier to recycle
- Spot colors are available, so you can still get the exact color you need in your logo. You actually get colors that are brighter and more vivid.

What does this mean for you? This is a simple but important step in greening your printing. Make sure that all of your printing is done using soy inks. You'll still get the great color that you want (except for fluorescent and metallic colors, which are petroleum-based), but with twice the environmental benefit - fewer emissions during the production process, and the paper will be easier to recycle afterwards.

Now, what can be easier than that?

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YOUR BUSINESS CARD

Your business card is a statement that speaks volumes about you – and your organization. A business card should be an object of pride. It should convey a personality, and be something you're proud to hand over. After all, people don't buy a company these days- they buy the people. We've read hundreds of times that business card is a great way of making a good first impression. And yet experience has taught us that, in reality, they often say very little about who we are.

* In Japan the exchange of cards is a formal occasion; it's a ritual that is steeped in honor and tradition. Individuals greet and bow heads, then the cards are exchanged and the details are studied. The names are read aloud in turn, ensuring correct pronunciation. It's a business transaction, yet it's imbued with sense of personal respect for everyone involved.

From fun to serious, minimal to maximal – but there is a common thread throughout each designed with pride, and that can only command respect.

Request a quote



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PRINTING TERMS

Bleed - A bleed occurs when your color or image extends off of the printed piece, typically bleeds are created when the printed piece is trimmed.

CMYK - Cyan, Magenta, Yellow and Black are the colors used in 4 color process printing. On the printing press they are run in a specific order. Black, Cyan, Magenta and Yellow, the most transparent of the four and containing the most varnish in the formula is yellow and is laid down last. The most opaque color, black, is laid down first. Following this sequence allows for brighter imaging and better control of color.

Color Densitometer - A piece of equipment used by press personnel to determine the density of the ink color being laid down on the printed sheet. It has a numerical digital read out and the higher the readout on the densitometer, the greater the amount of ink that is being laid down on the sheet. While there is a wide variance in the numbers used, the average range is:

Cyan and Magenta reading around 135 to 145..... Yellow around 105 and Black anywhere from 175 to 210..... This is only a generalization and the densities that are run should be left up to the press personnel.

Color Density - The amount of ink printed on the sheet.

CTP - Computer to Plate. A process that bypasses the use of film when creating the image that is receptive to ink on the printing plate.

Emboss - Impressing an image by forming the paper using a die that is cast in the shape of the image you want to create. When pressure is applied, the paper takes the form of the die.

Film - A sheet of material that is processed with the image on it. This material will be placed over the printing plate and with the use of light, burning the image into the printing plate, determining the ink receptive areas of the plate.

Halftone - The screening of a continuous tone image, converting the image into different sized, yet, equally spaced dots.

Impression - Each time the sheet passes through the press and is printed, it is an impression. The terminology is useful in production scheduling and estimating because it determines the quantity of the run and the efficiency and speed of the press and the operator.

Large Format - A term that describes the printing of large sized substrates. Printed pieces would include large posters, POP(Point of Purchase) signage and banners. The printers that are used are typically inkjet or IRIS printers. This is an evolutionary segment of the print world and the technology, chemistries and equipment are constantly changing.

Moiré - A pattern that is created from incorrect screen angles seen in the CMYK printing process

Offset - The printing process that uses a blanket to receive the ink from the plate and then impresses it onto a sheet of paper as the paper passes between the blanket and a hard steel cylinder called an impression cylinder.

Perfect Bind - A type of binding that combines the cover and the inside pages on the spine with glue. Magazine examples that are perfect bound are Photoshop User, Mac Design, Graphic Arts Monthly and Communication Arts.

Registration - The alignment of dots in relation to each other. When the cyan, magenta, yellow and black plates are aligned and brought into focus, the printed piece is considered to be in register.

RIP - Raster Image Processing..... a computer language that arranges the dots, solids, lines and type in a particular pattern concerning densities and angles. The function of the RIP is to send instructions to the film processor, telling the processor where to place each item and what angle each item is to be placed in relation to the other items on the film or combination of films used in creating the image.

Saddle Stitch - The binding of a book using wire staples on the binding edge to hold the book together. Some magazine and flyer examples are PC Connection, Micro Warehouse and the Java Developers Journal.

Score - A crease that is impressed into the paper. Scoring will allow for exact folding on heavier stocks and helps to eliminate the cracking of some substrates.

Separations - In four color process printing you have a continuous tone image that is separated into four different colors,

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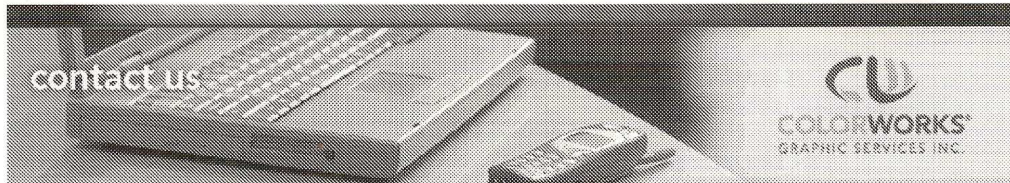
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EXHIBIT JB-14D of DECLARATION OF JOEL BELING



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COLORWORKS
GRAPHIC SERVICES INC.

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- offset printing
- digital printing
- large format display printing
- laminating, mounting & finishing
- trade show displays & accessories
- marketing & graphic design
- web-to-print portal
- variable data marketing
- photography & scanning
- mailing & distribution
- warehousing & fulfillment
- promotional products

Hours of Operation

Our normal business hours are 8am to 5pm, Monday through Friday excluding holidays. Manufacturing operates 24 hours a day, Monday through Friday excluding holidays.

Email

All sales, customer services representatives and management have direct email accounts. Please contact them directly for the specific email address you need.

Phone Service

You can reach any member of our service team by dialing 610.367.7599, and then the phone extension at any time during the automated greeting. If you wish to bypass our automated phone system during business hours, you may press 0 at any time during the greeting. After hours, you may dial 8 during the greeting to reach someone within the facility.

Local Pickup and Delivery Services

We run a daily service throughout the local area. To request a pickup, contact us directly via telephone at 610.367.7599 and select option #1 or speak to your customer service rep.

Location and Directions

Colorworks made it easy for us to prepare, produce, and deliver our marketing communications efficiently and effectively.

CREATING IMPRESSIONS

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"We make it easy to experience creativity."

iLoveToCreate®, a Duncan Enterprises Company, is a privately-held, family-owned, Fresno, California based company that has been a leader in the ceramics arts and crafts industries since 1946.

Company History



Our Vision Framework



The Duncan family



Meet Our Executive Staff



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Erma Duncan - Founder



Women go everywhere and do everything now, up to and including training as astronauts and being seated as a Supreme Court Justice. Their achievements are not lessened by recognition of the fact that the pioneering efforts of previous generations of women have made their way easier. One such pioneer is Erma Duncan, founder of Duncan Enterprises (now called iLoveToCreate).

[Read More...](#)

Bob Duncan



The career history of Robert E. Duncan, better known in Fresno as Bob Duncan, is synonymous with Duncan Ceramics (now called iLoveToCreate). It is the story of a garage-based family hobby, which became the largest hobby ceramic product manufacturing company in the world.

[Read More...](#)



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The Duncan Colorworks™ program offers quick classroom art projects and more extensive art lesson plans that can be applied to Language Arts, Math and Science.

Quick & Easy



Organic Organizers

(ProjectDetails.aspx?name=Organic+Organizers)



No-Wrap Holiday Gift Boxes

(ProjectDetails.aspx?name=No-Wrap+Holiday+Gift+Boxes)



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07/01/2014

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ColorWorks! Folders 4 Success

Grades K through 12 and College!

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User Manual:

How to Use Your ColorWorks!™ Folders



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07/01/2014

Debbie Carney New Order Organizers | Cleveland, Akron OH

Contact

New Order Organizers

We would love to answer any questions you have about our organizing services, time saving products, training programs/ workshops, or speaking engagements. Feel free to call or send us an e-mail!

We will be happy to provide you with detailed information on quantity discount pricing for fundraisers, events, corporate gifts and our "Train the Trainer" Programs.

[Email](#)

Phone Toll free: 440.796.0295

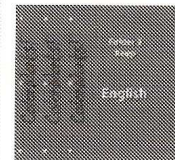
We look forward to hearing from you.
Sincerely,

Debbie Carney, CPO®, President

New Order Organizers
6557 Packard Court
Mentor, Ohio 44060

ColorWorks! Folders 4 Success

Kids School organizer



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Debbie Carney

Owner, New Order Organizers LLC

Organizational Systems | Professional Productivity Training

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- Contact **Debbie Carney** directly

[View Debbie's full profile](#)

Debbie Carney's Overview

Owner at New Order Organizers LLC
CPES at Productive Environment Institute
National Association of Professional Organizers
 Hemphill Productivity Institute
 Paper Tiger Productivity Institute
 see all
115 connections
 Personal Website

Debbie Carney's Summary

New Order Organizers has been offering both Business and Residential organizing services to clients in Northeast Ohio since 1990. Student organizing services has become a major focus since 2006, and today all of our services are also available to clients located in the Toledo, Ohio and Michigan areas.

One of our top priorities is to provide students with the tools, terms, and methodologies that they need to help them organize, manage, and process their school work - by themselves. Our ultimate goal is to share these methodologies with parents and educators in an effort to implement standardized organizational processes and procedures in school systems.

Specialties
 Paper and Electronic Information Management
 Productivity Training
 Business, Residential and Student Organizing

Debbie Carney's Experience

Owner

New Order Organizers LLC

January 1990 - Present (24 years 1 month)

New Order Organizers has been offering both Business and Residential organizing services to clients in Northeast Ohio since 1990. Many of our training programs are also available virtually.

In 2006, New Order Organizers expanded to include a Student Services Division, with the addition of Joan Dvorak, Learning Specialist. Together, we have developed a program that combines organizing principles and study skill methodologies to help students, including those who have ADHD, dyslexia and other learning problems, succeed in school.

COLORWORKS!™ Folders 4 Success is a new, tested and proven patent-pending product. It is not just a product, it's a system designed specifically to teach students how to manage, process, and organize their school papers...by themselves!

CPES

Productive Environment Institute

2007 - 2008 (2 years)

Debbie Carney's Education

National Association of Professional Organizers

NAPO in the Schools Trained Provider, Student Organization

2009 - 2009

Hemphill Productivity Institute

Certified Oria Consultant, Electronic Information Management

2008 - 2008

Paper Tiger Productivity Institute

Productivity Trained Authorized Consultant, Productivity

2007 - 2008

Jakoter Health

Jakoter Health Organizer, Health Organizing

2007 - 2007

NAPO

CPO, Professional Organizer Certification

2006 - 2007