

RECONCILING FAIR USE AND TRADEMARK USE ♦

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I. INTRODUCTION

The question of actionable “use,” or “trademark use,” has become a central issue in determining the reach of trademark owners’ rights on the Internet. Our traditional conception of trademark infringement entails a defendant applying a competitor’s mark (or a word or symbol that is confusingly similar to it) to the labels of its own goods, or to displays, documents or advertisements for its goods or services, which may mislead consumers about the goods’ or services’ source. In such cases, the defendant has engaged in a “trademark use” of the word or symbol at issue by closely associating it with goods or services it is offering for sale, so that consumers are likely to rely on it for information about the product or service’s source or sponsorship. Prior to the rise of the Internet, the issue of whether an infringement defendant made a “trademark use” rarely arose.

However, the Internet has provided a host of new ways for ingenious businesses and individuals to promote their own agendas through unauthorized use of others’ marks. Ensuing infringement suits have forced courts to answer questions for which there is relatively little pre-Internet guidance. Should direct infringement liability be limited to cases in which a mark owner can demonstrate that the defendant used its mark (or a word or symbol that is confusingly similar to it) “as a trademark” to identify the source of its goods or services? Alternatively, should *any* unauthorized use of the mark suffice, as long as the plaintiff can demonstrate that the defendant’s use affects interstate commerce and may confuse consumers at some point in time? If there is a “trademark use” limitation to the direct infringement cause of action, what, exactly, does it entail?¹ How much of a causal relationship must there be between the use and confusion?

These issues have generated a host of splits among the federal courts,² and a growing body of scholarly literature argu-

¹ The possibilities range from the strict “affixation or other close association requirement” set forth in pre-Lanham Act common law and the Trademark Act of 1905, to a simple requirement that the use have some relation to commercial activity. See *infra* notes 3, 65-70, 106-21. See cases cited in notes 3, 121, *infra*. Should it suffice if the defendant’s use of the mark interferes with the mark owner’s sales or business good will? Should it suffice that the defendant’s use was only remotely or indirectly connected with commercial activity? For example, what if the use is on a non-commercial web site that links to commercial sites? What if the defendant’s use is invisible to consumers? See *infra* note 3.

² In the early “cyber squatter” cases, a line of decisions found that registering a domain name that incorporated the plaintiff’s mark constituted actionable use if done with intent to trade on the mark’s value as a mark. See *Panavision Int’l, L.P. v. Toepfen*, 141 F.3d 1311, 1125 (9th Cir. 1998); *Intermatic, Inc. v. Toepfen*, 947 F. Supp.

ing and proposing a range of angles to consider and approaches to take.³ One issue that has frequently been noted in the course of this discussion, but never directly addressed, is the relationship between the plaintiff's burden to demonstrate the defendant's actionable use, or "trademark use," and the "fair use" defense to infringement liability.⁴ That defense,

1227 (N.D. Ill. 1996). Other courts declined to impose liability in such cases, reasoning that the defendant's actions did not constitute actionable trademark use. *Ford Motor Co. v. Great Domains.com, Inc.*, 177 F. Supp. 2d 635, 647-48 (E.D. Mich. 2002).

In another line of cases, sometimes called "gripe site" or "forum" cases, courts imposed liability on defendants who registered domain names that incorporated the plaintiff's mark, and used the domain name to identify a website, even though the website engaged in no commercial activity, but merely communicated the defendant's criticism of the plaintiff or its products or religious or political views. *See, e.g.*, *People for the Ethical Treatment of Animals, Inc. v. Doughney*, 263 F.3d 359, 366-67 (4th Cir. 2001); *Planned Parenthood Fed'n of Am., Inc. v. Bucci*, No. 97 Civ. 0629, 1997 WL 133313, at *12 (S.D.N.Y. Mar. 24, 1997), *aff'd*, 152 F.3d 920 (2d Cir. 1997). Some courts essentially ignored the question of actionable use. *See, e.g.*, *Bd. of Dirs. Sapphire Bay Condos West v. Simpson*, 129 Fed. Appx. 711, 714 (3d Cir. 2005); *Coca-Cola Co. v. Purdy*, No. 02-1782, 2005 WL 212797, at *4-5 (D. Minn. Jan. 28, 2005). Others purported to find "trademark use," reasoning that: (1) the defendant linked to other Internet sites that offered goods or services for sale, *see, e.g.*, *Jews for Jesus v. Brodsky*, 993 F. Supp. 282, 288-91 (D.N.J. 1998), *aff'd*, 159 F.3d 1351 (3d Cir. 1998); *People for Ethical Treatment of Animals*, 263 F.3d at 365; (2) the defendant's use of the mark "affected" the plaintiff's sales, *see, e.g.*, *Planned Parenthood*, 1997 WL 133313 at *4; *E. & J. Gallo Winery v. Spider Webs Ltd.*, 286 F.3d 270, 275 (5th Cir. 2002); or (3) the defendant's personal rant constituted the "dissemination of information services" within the meaning of the Lanham Act, *see, e.g.*, *Planned Parenthood*, 1997 WL 133313 at *4. Other courts declined to impose liability due to a lack of actionable use. *See, e.g.*, *Bosley Med. Inst., Inc. v. Kremer*, 403 F.3d 672, 682 (9th Cir. 2005); *Voice-Tel Ent., Inc. v. JOBA, Inc.*, 258 F. Supp. 2d 1353, 1362-63 (N.D. Ga. 2003).

In the "meta tagging" cases, enterprising website operators placed the plaintiff's mark in hidden HTML code on their sites, hoping that search engines would detect the presence of the mark and list the site in the search results of Internet users entering the mark as a search term. Again, a number of courts found actionable use of the mark, even when the defendant used an entirely different (non-confusing) domain name, and consumers were never at any point exposed to the defendant's use of the plaintiff's mark. *See, e.g.*, *Promatek Indus., Ltd. v. Equitrac Corp.*, 300 F.3d 808, 813 (7th Cir. 2002); *Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1066 (9th Cir. 1999). Other courts declined to find a cause of action. *See Site Pro-I, Inc. v. Better Metal, LLC*, 506 F. Supp. 2d 123, 128 (E.D.N.Y. 2007).

Finally, a number of courts have imposed liability for uses of marks to trigger the display of pop-up advertising or banner ads, even though the uses were invisible to consumers. *See, e.g.*, *Rescuecom Corp. v. Google, Inc.*, 562 F.3d 123, 130-31 (2d Cir. 2009); *Playboy Enter., Inc. v. Netscape Commc'ns Corp.*, 354 F.3d 1020, 1034 (9th Cir. 2004). Others have declined to do so, for lack of actionable "use." *See, e.g.*, *Wells Fargo & Co. v. WhenU.com, Inc.*, 293 F. Supp. 2d 734, 773 (E.D. Mich. 2003). In addition, there is relatively little uniformity of reasoning.

For further discussion of these and similar cases, see generally Margreth Barrett, *Domain Names, Trademarks and the First Amendment: Searching for Meaningful Boundaries*, 39 CONN. L. REV. 973, 1013-14 (2007) [hereinafter *Domain Names, Trademarks, and the First Amendment*]; Margreth Barrett, *Internet Trademark Suits and the Demise of "Trademark Use,"* 39 U.C. DAVIS L. REV. 371, 396-402 (2006) [hereinafter *Internet Trademark Suits*].

³ For a partial listing of the scholarly literature addressing this issue, see Margreth Barrett, *Finding Trademark Use: The Historical Foundation for Limiting Infringement Liability to Uses "In the Manner of a Mark,"* 43 WAKE FOREST L. REV. 893, 899 (2008) [hereinafter *Finding Trademark Use*].

⁴ Several commentators have suggested that imposing a "trademark use" requirement on infringement plaintiffs renders the fair use defense superfluous: if the plaintiff

which is codified in Lanham Act § 33(b)(4), provides that in cases involving marks comprised of surnames or descriptive or geographically descriptive words or symbols, infringement defendants may avoid liability by demonstrating that their use was made “in good faith,” “otherwise than as a mark,” only to describe their goods or services or their geographic origin.⁵

In a previous article, I reviewed the common-law and federal trademark statutes as they existed prior to Congress’ enactment of the Lanham Act, along with the legislative history of the Lanham Act, to conclude that these sources all point to the existence of a “trademark use” limitation on direct infringement liability.⁶ They suggest that “trademark use,” for this purpose, should entail at least three requirements: 1) consumers should be able to perceive the defendant’s application of the allegedly infringing word or symbol; 2) the defendant should closely and directly associate the allegedly confusing word or symbol with goods or services that the defendant is advertising or offering for sale or distribution; and 3) the defendant’s use of the allegedly infringing word or symbol should make a separate commercial impression on consumers.⁷

In this article, I look to historic sources to evaluate the relationship of the Lanham Act’s trademark use requirement to the fair use defense. I conclude that the trademark use requirement and the fair use defense are consistent and work together to strike the balance of competing interests that Congress sought to establish in the Lanham Act.

The requirement that infringement plaintiffs demonstrate the defendant’s “trademark use” serves a screening or gate-keeping function, limiting liability for direct infringement

must demonstrate that the infringement defendant made a *trademark use* of the mark as part of its case-in-chief, then it would be impossible for a defendant to demonstrate use “otherwise than as a mark” and avail himself of the fair use defense. See Graeme B. Dinwoodie & Mark D. Janis, *Confusion over Use: Contextualism in Trademark Law*, 92 IOWA L. REV. 1597, 1617 (2007); Lisa P. Ramsey, *Increasing First Amendment Scrutiny of Trademark Law*, 61 S.M.U. L. REV. 381, 455 n.432 (2008); Mark P. McKenna, *Trademark Use and the Problem of Source in Trademark Law*, 2009 U. ILL. L. REV. 773, 797, 802-05 (2009). But see Stacey L. Dogan & Mark A. Lemley, *Grounding Trademark Law Through Trademark Use*, 92 IOWA L. REV. 1669, 1683-85 (2007) (arguing that the trademark use requirement “does not make the statutory fair use provision in 15 U.S.C. § 1115(b)(4) superfluous”).

⁵ 15 U.S.C. § 1115(b)(4) (2006).

⁶ Barrett, *Finding Trademark Use*, *supra*, note 4, at 893.

⁷ *Id.*, at 964-77. While the trademark use requirement, as defined, would significantly reduce the ability of trademark owners to control others’ uses of their marks in the Internet context, the limitation would better serve a host of competing interests: promoting beneficial on-line competition; ensuring the unfettered flow of useful marketplace information to consumers; development of innovative, efficient customized digital indexing, reference and search services for consumers; and protecting First Amendment expressive interests. See also Barrett, *supra* note 3, at 450-56.

to those cases in which potential consumer confusion is likely to be material and detrimental from a societal standpoint.⁸ As defined above, the “trademark use” requirement provides a relatively straightforward, objective means of determining whether consumers are likely to look to the defendant’s application of the contested word or symbol for information about product or service source, without resorting to complex, fact-intensive investigation of actual consumer perceptions. This, in turn, enables courts to identify cases in which potential consumer confusion costs are unlikely to justify the societal costs of protracted litigation, and to dispose of them early in the litigation process. The initial showing of trademark use, as defined, limits the chilling effects that threats of protracted, expensive infringement litigation may have on marketplace actors seeking to make socially beneficial uses of marks, and protects First Amendment interests by limiting infringement claims, in most cases, to a defendant’s commercial speech.

The fair use defense is meant to accommodate the special concerns that arise when businesses claim exclusive rights in surnames and descriptive words and symbols. A competitive marketplace (and the traditional interest in using one’s own name in business) requires that all marketplace actors be able to use surnames and descriptive and geographically descriptive words and symbols truthfully to communicate relevant information about their goods or services to consumers. Permitting one competitor to exclude all others from such use would sharply impair the flow of useful marketplace information to consumers and inhibit competition.⁹ Historical analysis of early common-law, post-Lanham Act fair use decisions and a line of recent Supreme Court decisions all indicate that the fair use defense should focus on the *defendant’s purpose* in applying a surname or descriptive word or symbol, *not on the likely impact of the use on consumers*. The defendant’s purpose is determined through examination of circumstantial evidence. The fair use defense provides defendants who are acting in good faith leeway to use words and symbols in their primary (surname or descriptive) meaning, even if consumers may perceive the use as source-indicating.¹⁰

Thus, even though an infringement plaintiff demonstrates that the defendant made a “trademark use” of its sur-

⁸ See *infra* notes 206-13, and accompanying text.

⁹ KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc., 543 U.S. 111, 122 (2004).

¹⁰ See *infra* notes 135-205 and accompanying text.

name, descriptive mark, or geographically descriptive mark (that is, shows that the defendant closely, directly associated the contested word or symbol with products or services that it was advertising or selling, in a manner perceptible to consumers and that makes a separate commercial impression), and even though the plaintiff demonstrates that this trademark use is likely to confuse consumers, the defendant can avoid liability by demonstrating that it applied the word or symbol, in good faith, merely for the *purpose* of describing its own goods or services.

Part II, *infra*, will describe the historical context in which both the trademark use and the fair use doctrines arose, and discuss how both concepts co-existed in the common law.¹¹ It will then discuss how Congress incorporated both doctrines into the Lanham Act—the trademark use requirement in Lanham Act §§ 32(1)(a), 43(a) and 45, and the exception to liability for “fair” uses of surnames and descriptive and geographically descriptive words and symbols in Lanham Act § 33(b)(4).¹²

Part III will then focus on the meaning of “fair use” in light of the doctrine’s historical roots, first examining a series of pre-Lanham Act Supreme Court and Circuit Court decisions that established and defined the concept,¹³ then turning to legislative history and more modern decisions defining the fair use defense as enacted in Lanham Act § 33(b)(4).¹⁴ Part III C will conclude that the proper standard for evaluating whether a defendant’s use was “in good faith,” “otherwise than as a mark,” for purposes of the § 33(b)(4), is the defendant’s purpose in making the use, as evidenced by the manner of its use and other circumstantial evidence.¹⁵ It will explain why a “purpose standard better serves the goals of the fair use defense,¹⁶ and how this standard is consistent with a recent line of Supreme Court decisions, and is even compelled by the Supreme Court’s decision in *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*¹⁷

Part IV will then briefly explain how the fair use defense does not conflict with the requirement that plaintiffs demonstrate the defendant’s “trademark use,” but rather works with

¹¹ See *infra* Part II-IIB.

¹² See *infra* Part IIC.

¹³ See *infra* Part IIIA.

¹⁴ See *infra* Part IIIB.

¹⁵ See *infra* Part IIIC.

¹⁶ See *infra* notes 189-205, and accompanying text.

¹⁷ 543 U.S. 111 (2004). See *infra* notes 196-205, and accompanying text.

the requirement to provide a proper balance of competing societal interests in trademark infringement cases.¹⁸ Section IV will conclude with a number of examples of cases in which courts have found an exonerating “fair use,” notwithstanding the fact that the defendant’s actions clearly constituted “trademark use.”

II. THE HISTORICAL ROOTS OF THE “TRADEMARK USE” AND “FAIR USE” DOCTRINES

Throughout the development of trademark and unfair competition law, courts have recognized the need to balance a range of competing interests. In order to have an efficient, competitive marketplace, consumers must have the means to easily and quickly distinguish the goods¹⁹ of competing producers and exercise their purchasing preferences. Thus, each producer must be able to adopt a word or symbol (a “mark” or “trademark”) that readily identifies it as the source of its goods, and prohibit other producers from adopting a confusingly similar mark that may mislead consumers and cause them to make mistaken purchases. Affording merchants exclusive rights in the marks they adopt provides multiple benefits: it reduces consumer search costs, promotes marketplace efficiency, protects both consumers and other marketplace actors against deceptive and fraudulent practices, enables producers to reap the benefits of their investment in product quality and business good will, and thus provides an incentive for producers to strive for high quality.²⁰

¹⁸ See *infra* Part IV.

¹⁹ In this section I will refer to the “goods,” “merchandise” or “products” of marketplace actors. Early case law focused primarily on marks for *tangible goods*, and the law of technical trademarks was limited to protecting marks that distinguished goods, as were the early federal trademark acts. While marks used to identify *services* might be protected through an action for unfair competition, federal law had relatively little specifically to say about marks for services prior to the enactment of the Lanham Act in 1946. However, it would be fair, in discussing the common-law unfair competition cause of action for “trade name” (or secondary meaning mark) infringement, to assume that similar rules might apply, regardless of whether the secondary meaning mark at issue identified its user’s products or services. The Restatement of Torts defined a “trade name” as:

any designation which

(a) is adopted and used by a person to denominate *goods* which he markets or *services* which he renders or a *business* which he conducts, or has come to be so used by others, and

(b) through its association with such *goods, services or business*, has acquired a special significance as the name thereof, and

(c) the use of which for the purpose stated in Clause (a) is prohibited neither by a legislative enactment nor by an otherwise defined public policy.

RESTATEMENT OF TORTS § 716 (1938) (emphasis added).

²⁰ The Supreme Court has stated:

On the other hand, an efficient, competitive marketplace requires that competing producers have adequate means to communicate the nature, qualities, and characteristics of their products to interested consumers without unwarranted interference. Thus, it is problematic to permit individual merchants to assert exclusive rights in words or symbols that others may legitimately need for this purpose. If merchants are granted trademark rights in words or symbols that describe their products, they may be able (individually or collectively) to prevent others from effectively describing their competing goods to prospective purchasers, and thus impair competition and establish product “monopolies.”²¹ They may be able to claim exclusive rights in their surnames, and thus prevent others with the same name from using it to notify consumers of their role in manufacturing or selling their own products.²² A single producer of goods in a desirable geographic area may be able to assert trademark rights in the geographic name of the place, and thus deny its neighbors the benefits arising from associating their own goods with it.²³ Moreover, overly

In principle, trademark law, by preventing others from copying a source-identifying mark, “reduce[s] the customer’s costs of shopping and making purchasing decisions,” for it quickly and easily assures a potential customer that *this* item—the item with this mark—is made by the same producer as other similarly marked items that he or she liked (or disliked) in the past. At the same time, the law helps assure a producer that it (and not an imitating competitor) will reap the financial, reputation-related rewards associated with a desirable product. The law thereby “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.

Qualitex Co. v. Jacobson Products Co., Inc., 514 U.S. 159, 163-64 (1995) (quoting 1 J. T. MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 201(2), (3d ed. 1994)). See also S. REP. NO. 79-1333, at 4 (1946) (“Trade-marks, indeed, are the essence of competition, because they make possible a choice between competing articles by enabling the buyer to distinguish one from the other. Trade-marks encourage the maintenance of quality by securing to the producer the benefit of the good reputation which excellence creates.”).

²¹ As the Supreme Court explained in *Canal Co. v. Clark*, 80 U.S. 311, 323-24 (1871):

No one can claim protection for the exclusive use of a trade-mark or trade-name which would practically give him a monopoly in the sale of any goods other than those produced or made by himself. If he could, the public would be injured rather than protected, for competition would be destroyed. . . . “[A merchant] has no right to appropriate a sign or a symbol, which, from the nature of the fact it is used to signify, others may employ with equal truth, and therefore have an equal right to employ for the same purpose.”

See also Glynn S. Lunney, Jr., *Trademark Monopolies*, 48 EMORY L. J. 367, 371 (1999) (trademark law balances the competitive interests at stake by tailoring protection to minimize material consumer deception without discouraging competitive entry).

²² For many years, courts believed that “the right to do business under one’s own name is one of the sacred rights known to the law,” a “natural and inalienable right.” 2 RUDOLF CALLMANN, THE LAW OF UNFAIR COMPETITION AND TRADE-MARKS, §85.2 (1945) (quoting *Ida May Co. v. Ensign*, 20 Cal. App. 2d 339, 66 P.2d 727 (1937); and *Hilton v. Hilton*, 89 N.J. Eq.182, 183, 104 A. 375 (1918)). See *infra* note 42.

²³ See *Canal Co.*, 90 U.S. at 324-25:

generous trademark rights in *any kind* of word or symbol may enable mark owners to block others from referring to their products in the course of comparative advertising, to the detriment of consumers.²⁴ They might also assert trademark rights to censor critical product critiques and commentary, not only by their competitors, but also by dissatisfied consumers and the media.²⁵ This, of course, would impair First Amendment interests, as well as impair competition by choking the essential flow of useful marketplace information to consumers.

In developing the common law, American courts reconciled these competing concerns by crafting *two separate causes of action* to regulate interests in product marks: 1) the cause of action for technical trademark infringement and 2) the unfair competition cause of action for trade name (or “secondary meaning mark”)²⁶ infringement. Courts correlated the con-

[I]t is obvious that the same reasons which forbid the exclusive appropriation of generic names or of those merely descriptive of the article manufactured and which can be employed with truth by other manufacturers, apply with equal force to the appropriation of geographical names, designating districts of country. . . . [C]ould they be appropriated exclusively, the appropriation would result in mischievous monopolies. Could such phrases as “Pennsylvania wheat,” “Kentucky hemp,” “Virginia tobacco,” or “Sea Island cotton,” be protected as trade-marks; could any one prevent all others from using them, or from selling articles produced in the districts they describe under those appellations, it would greatly embarrass trade, and secure exclusive rights to individuals in that which is the common right of many.

²⁴ See, e.g., *Smith v. Chanel, Inc.*, 402 F.2d 562 (9th Cir. 1968) (suit by owner of prestigious “Chanel No. 5” mark for perfume alleges infringement against manufacturer of a knock-off perfume, seeking to enjoin him from truthfully telling consumers that his “Ta’Ron Second Chance” perfume smells like “Chanel No. 5”).

²⁵ See, e.g., *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26 (1st Cir. 1987) (owner of L.L. Bean mark for mail-order clothing and outdoor equipment seeks to hold adult magazine liable for publishing a parody of its catalog); *Bally Total Fitness Holding Corp. v. Faber*, 29 F. Supp. 2d 1161 (C.D. Cal. 1998) (owner of “Bally Total Fitness” mark for fitness clubs sues to enjoin dissatisfied customer’s use of “Bally-sucks.com” as domain name for gripe site airing his complaints about the club).

²⁶ Prior to 1946, when the Lanham Act was enacted, courts generally described the unfair competition cause of action as providing rights in *trade names*. “Trade name” was a broad term, encompassing descriptive, geographically descriptive, and surname marks for products, service marks, and business names. See RESTATEMENT (FIRST) OF TORTS, *supra*, note 20; JAMES LOVE HOPKINS, THE LAW OF TRADEMARKS, TRADE NAMES AND UNFAIR COMPETITION, § 3 (2d ed. 1905); 1 HARRY D. NIMS, THE LAW OF UNFAIR COMPETITION AND TRADEMARKS, § 185 (4th ed. 1947). However, this article focuses primarily on the unfair competition rules regarding infringement of *marks*, rather than on the names of businesses. When Congress enacted the Lanham Act, it defined the term “trademark” to include words, names, symbols or devices used to identify the source of the user’s product. 15 U.S.C. § 1127 (2009). It provided for “service marks,” which it defined as including words, names, symbols and devices used to identify the source of the user’s services. *Id.* It *redefined* the term “trade name” to refer *only* to the name of a business. *Id.* That is the terminology that most modern trademark practitioners and scholars use today.

In an attempt to avoid reader confusion, I will use the term “*secondary meaning mark*” in reference to common, descriptive, geographically descriptive and surname marks that might be protected under the common-law cause of action for unfair competition, rather than the (once broader) term “trade name.” However, to the extent that this article includes quotations from judicial or other pre-Lanham Act

tours of these two causes of action to the contrasting social impact of: 1) permitting merchants to appropriate fanciful, coined, or arbitrary words or symbols to their exclusive use; and 2) allowing them to appropriate surnames and existing descriptive and geographically descriptive words and symbols. Courts crafted the technical trademark infringement cause of action to provide merchants with strong, property-like rights in fanciful, coined, or arbitrary (“inherently distinctive”) words or symbols that they adopted to identify their goods.²⁷ In contrast, courts crafted the unfair competition cause of action only to recognize and enforce rights in surnames, descriptive or geographically descriptive words or symbols when the claimant could demonstrate: 1) that it had acquired secondary (trademark) meaning in the word or symbol; 2) that the defendant used the word or symbol in a “secondary” (trademark) sense, rather than its “primary” (surname, descriptive, or geographically descriptive) sense; and 3) that the defendant acted with fraudulent intent to deceive consumers about the source of its goods.²⁸

As will be explained below, today’s “trademark use” requirement arose primarily from the law of technical trademark infringement, which required plaintiffs to demonstrate that the defendant “affixed” the allegedly infringing mark to products that it was offering for sale, or otherwise associated the mark closely with its products in the course of marketing or advertising them.²⁹ The “fair use” doctrine, in contrast, arose from the unfair competition cause of action for secondary meaning mark infringement. It represents the courts’ attempts to preserve marketplace actors’ ability to use words and symbols in their “primary” descriptive or surname meaning, without interference from competitors who claim to have appropriated them through acquisition of secondary meaning.³⁰

Subpart A will describe the unfair competition cause of action for secondary meaning mark infringement, and more

sources that refer to “trade names,” readers should understand the reference to mean (among other things) secondary meaning marks, as defined above.

²⁷ See *infra* Part II B.

²⁸ See *infra* Part II A. For a useful discussion of how these two causes of action developed, and the courts’ reasoning in shaping them as they did, see Daniel M. McClure, *Trademarks and Unfair Competition: A Critical History of Legal Thought*, 69 TRADEMARK REP. 305 (1979).

²⁹ See *infra* Part II B. A corresponding but looser “close association” requirement existed in the common-law unfair competition cause of action for infringement of secondary meaning marks, and when federal registration became available for secondary meaning marks, the federal statutory “affixation or other close association” requirement that applied to technical trademarks was extended to them. See *infra* notes 71-86, 100-103 and accompanying text.

³⁰ See *infra* Part II A.

fully explain the judicial requirements that infringement defendants 1) act with fraudulent intent, and 2) use allegedly infringing words or symbols in their “secondary” (trademark) sense or meaning, rather than their “primary” (descriptive or surname) sense or meaning.³¹ Subpart B will briefly describe the cause of action for technical trademark infringement, explain its early “affixation” requirement, and describe the evolution of that requirement into a broader “affixation or other close association,” or “trademark use,” requirement.³²

Subpart C will explain how, in 1946, Congress consolidated the common-law doctrines of technical trademark infringement and unfair competition in the Lanham Act’s causes of action for “trademark infringement.”³³ The Lanham Act provided registration procedures for both technical trademarks and secondary meaning marks,³⁴ and a single standard for “trademark infringement” that was applicable to both kinds of marks, whether registered or unregistered.³⁵ In §§ 32(a)(1) and 43(a), the Lanham Act required *all* plaintiffs in infringement cases to demonstrate that the defendant “affixed or otherwise closely associated” its allegedly infringing mark to goods or services it was advertising or offering for sale. That is, these sections required that the plaintiff demonstrate that the defendant made a “trademark use.” Lanham Act § 33(b)(4),³⁶ generally known as the “fair use defense,” preserved the unfair competition law’s requirement that infringement defendants use the contested word or symbol in its “secondary” (trademark) sense, rather than in its primary (surname or descriptive) sense, and maintained its emphasis on the defendant’s state of mind.³⁷

Thus, this section will demonstrate how the “trademark use” and “fair use” doctrines arose from different aspects of the common-law regulation of rights in marks, served different purposes, and were ultimately codified as separate and distinct considerations in the Lanham Act infringement causes of action. Subsequent sections will discuss the appropriate standard for determining § 33(b)(4) fair use, in light of its com-

³¹ *Id.*

³² *See infra* Part II B. Subsection B will also briefly discuss how a similar requirement was extended to unfair competition causes of action for secondary meaning mark infringement.

³³ *See infra* Part II C.

³⁴ 15 U.S.C. §§ 1051, 1052.

³⁵ 15 U.S.C. §§ 1114(1)(a), 1125(a).

³⁶ 15 U.S.C. § 1115(b)(4).

³⁷ *Id.*

mon-law history, judicial interpretation, and legislative intent,³⁸ and will explain how that standard differs from the standard for judging whether the defendant made a “trademark use,” as required under §§ 32(a)(1) and 43(a).³⁹

A. *The Unfair Competition Cause of Action for Secondary Meaning Mark Infringement*

The early common law declined to afford merchants exclusive rights in words or symbols (or combinations of words or symbols) that described their user’s product, described the product’s geographical origin, or constituted a surname or designation common to the trade.⁴⁰ Numerous marketplace actors might legitimately want or need to use such words and symbols in communicating the nature and qualities of their goods to consumers, and a robust, efficient marketplace depended on their ability to do so freely. Thus, the early common law relegated such words and symbols to the commons, for use by all.⁴¹ While a business might adopt such a word or

³⁸ See *infra* Part III.

³⁹ See *infra* Part IV. I have discussed the evolution of the “trademark use” requirement in depth in an earlier article. See Barrett, *supra* note 4. Thus, with regard to that doctrine, the following sections will mainly restate the conclusions I reached in the earlier article, and provide citations to the earlier analysis and supporting authorities.

⁴⁰ *Howe Scale Co. v. Wyekoff, Seaman & Benedict*, 198 U.S. 118 (1905); *Columbia Mill Co. v. Alcorn*, 150 U.S. 460 (1893); *Standard Paint Co. v. Trinidad Asphalt Mfg. Co.*, 220 U.S. 446 (1911); *Elgin Nat’l Watch Co. v. Illinois Watch Case Co.*, 179 U.S. 665 (1901); 2 Callmann, *supra* note 23, at § 66.1; Milton Handler & Charles Pickett, *Trade-Marks and Trade Names—An Analysis and Synthesis: I*, 30 COLUM. L. REV. 168, 169 (1930) (hereinafter “Handler & Pickett I”).

⁴¹ The practice of refusing to recognize trademark rights in common, surname and descriptive words and symbols promoted efficient marketplace competition, preventing individual businesses from monopolizing language in a manner that might enable them to erect barriers to entry or to “monopolize” product markets. *Canal Co. v. Clark*, 80 U.S. 311, 323 (1872); Handler and Pickett I, *supra*, note 41 at 170. It also protected First Amendment interests. See Pierre N. Leval, *Trademark: Champion of Free Speech*, 27 COLUM. J. L. & ARTS 187, 189-92 (2004).

The common law did not view surnames in quite the same manner that it viewed descriptive and geographically descriptive words and symbols. In the case of surnames, courts emphasized the private, individual interest that each person has in using his or her own name in business, rather than the other, more general competition-related considerations noted above. Commentators have characterized the common-law rules regarding surnames as distinct from, but parallel to the rules regarding descriptive and geographically descriptive words and symbols. See, e.g., Rudolf Callmann, *Trademark Infringement and Unfair Competition*, 14 LAW & CONTEMP. PROBS. 183, 196-98 (1949) (hereinafter “Callman Article”); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 28, cmt. a (1995) (characterizing the surname rule as “analogous” to the rule regarding rights in descriptive and geographically descriptive words and symbols). However, the manner in which the courts accommodated a claimant’s interest in exclusivity and a defendant’s interest in using surname marks was highly similar to the manner in which they accommodated those parties’ interest in descriptive and geographically descriptive words and symbols, and the Lanham Act lumped surnames and descriptive terms together in codifying the common-law “fair use” doctrine. Since any differences between surnames and descriptive or geo-

symbol to identify its product, it had no right to expect exclusivity.⁴² The courts made it clear that the interest in unfettered, truthful use of language in its ordinary or descriptive meaning outweighed concerns about potential consumer confusion.⁴³

Courts did, of course, recognize that competitors' concurrent use of descriptive or surname words or symbols could lead to consumer confusion: when a merchant heavily stressed a surname or a descriptive word or symbol in marketing its goods, or employed such a word or symbol for a long period of time, consumers might come to associate it with that merchant's particular business good will. When those consumers later encountered the same word or symbol in association with a competitor's goods or services, they might understand it to indicate source in the initial, heavy or long-term user. In such cases (when the surname or descriptive word or symbol had acquired a "secondary meaning," as an indication of source), courts were willing to intervene *if* doing so would not interfere with the interest in unfettered, truthful use of language in its ordinary or descriptive meaning.⁴⁴

graphically descriptive words and symbols are immaterial for purposes of this article, I will treat them as a single category, without differentiation.

⁴² As one court put it:

The alphabet, English vocabulary, and Arabic numerals are to man, in conveying his thoughts, feelings and the truth, what air, light, and water are to him in the enjoyment of his physical being. Neither can be taken from him. They are the common property of mankind, in which all have an equal share and character of interest. From these fountains whosoever will may drink, but an exclusive right to do so cannot be acquired by any.

Avery & Sons v. Meikle & Co., 81 Ky. 73, 90 (Ky. 1883). *See also* Elgin Nat'l Watch Co. v. Illinois Watch Case Co., 179 U.S. 665, 673 (1901) ("[N]o sign or form of words can be appropriated as a valid trademark which, from the nature of the fact conveyed by its primary meaning, others may employ with equal truth and with equal right for the same purpose"); Fetridge v. Wells, 4 Abb. Pr. 144, 146, 13 How Pr. 385, (N.Y. Sup. Ct. 1857) (Rights in descriptive terms would be "a species of property that . . . can only be given to one by the infringement of the rights of all."). *See also* Grafton Dulaney Cushing, *On Certain Cases Analogous to Trade-Marks*, 4 HARV. L. REV. 321, 322 (1890) (explaining why certain words and symbols were excluded from trademark protection).

⁴³ As the Supreme Court explained in *Canal Co. v. Clark*:

True it may be that the use by a second producer, in describing truthfully his product, of a name or a combination of words already in use by another, may have the effect of causing the public to mistake as to the origin or ownership of the product, but if it is just as true in its application to his goods as it is to those of another who first applied it, and who therefore claims an exclusive right to use it, there is no legal or moral wrong done. Purchasers may be mistaken, but they are not deceived by false representations, and equity will not enjoin against telling the truth.

80 U.S. 311, 327 (1871). *See also* William R. Warner & Co. v. Ely Lilly & Co., 265 U.S. 526 (1924).

⁴⁴ *Elgin Nat'l Watch Co.*, *supra* note 41; *Computing Scale Co. v. Standard Computing Scale Co.*, 118 F. 965 (6th Cir. 1902); *Chickering v. Chickering & Sons*, 215 F. 490 (7th Cir. 1914); 2 Callmann, *supra*, note 23, § 85, at 1350-51; *Zachariah Chafee, Jr., Unfair Competition*, 53 HARV. L. REV. 1289, 1295-96 (1940); RESTATEMENT OF TORTS,

Courts reasoned that while the common law permitted all competitors to employ surnames and descriptive words and symbols in their primary (surname or descriptive) meaning, it did not permit them to use such words or symbols *for the purpose of committing fraud*.⁴⁵ Thus, when competitors used a surname or a descriptive word or symbol to indicate source, rather than merely to describe their goods or services, and did so with the intent to confuse consumers, courts should intervene. They did *not* intervene on the ground that the plaintiff had property rights in the surname or descriptive word or symbol (as might be the case with regard to a technical trademark),⁴⁶ but because the defendant/competitor was engaged in deliberate misconduct.⁴⁷ As one court explained:

The infringement of trade-marks is the violation by one person of an exclusive right of another person to the use of a word, mark or symbol. Unfair competition in trade, as

supra note 20 at § 715 cmt. d.

⁴⁵ As the Eighth Circuit put it:

Everyone has the right to use and enjoy the rays of the sun, but no one may lawfully focus them to burn his neighbor's house . . . Every one has the right to use pen, ink and paper, but no one may apply them to the purpose of defrauding his neighbor of his property, or making counterfeit money, or of committing forgery.

Shaver v. Heller & Merz Co., 108 F. 821, 827 (8th Cir. 1901). *See also* Cushing, *supra* note 43, at 324:

The distinction between the law of trade-marks and of cases analogous to trade-marks [secondary meaning marks] I understand to be this: In cases of trade-marks there is a definite exclusive right, which may be infringed in certain definite ways. The right is recognized as being exclusively the plaintiff's, and, indeed, it is by virtue of his exclusive right that he gets relief. Unless he has a trade-mark within these technical rules he has no exclusive right and can get no relief . . . In cases analogous to trade-marks, the right of the plaintiff is only against a particular defendant by reason of his fraud. . .

⁴⁶ *See* 1 NIMS, *supra* note 27, at 66-70 (noting that technical trademarks often were referred to as property rights, although that characterization was sometimes disputed); RESTATEMENT OF TORTS, *supra* note 20, at § 717, cmt. a (explaining that for a period of time, some courts in equity characterized the plaintiff's technical trademark as "property," but that this view did not ultimately prevail. However, it helped to establish the rule that fraud was not an essential element of technical trademark infringement (as opposed to secondary meaning mark infringement)). *See also* Robert G. Bone, *Hunting Goodwill: A History of the Concept of Goodwill in Trademark Law*, 86 B.U. L. REV. 547, 560-72 (2006) (describing the historical development and decline of the notion that technical trademarks constitute "property.").

⁴⁷ *Lawrence Mfg. Co. v. Tennessee Mfg. Co.*, 138 U.S. 537, 551 (1891); *Elgin Nat. Watch Co. v. Illinois Watch Case Co.*, 179 U.S. 665 (1901); *L.E. Waterman Co. v. Modern Pen Co.*, 235 U.S. 88 (1914); *James Love Hopkins*, *supra* note 27, at § 19 pp. 40-41; *Grafton Dulany Cushing*, *supra* note 43, at 323-24. *See* Milton Handler & Charles Pickett, *Trade-Marks and Trade Names—An Analysis and Synthesis: II*, 30 Columbia L. Rev. 757, 769 (1930) (hereafter "Handler & Pickett II") (In unfair competition—as contrasted to technical trademark cases—fraud was said to be "the essence of the wrong."); *Hopkins*, *supra*, at 35 ("If the use of any words, numerals or symbols is adopted for the purpose of defrauding the public, the courts will interfere to protect the public from such fraudulent intent, even though the person asking the intervention of the court may not have the exclusive right to use these words, numerals or symbols") (emphasis added) (quoting Charles E. Coddington, *Digest*, § 36 (1877)).

distinguished from infringement of trademarks, does not involve the violation of any exclusive right to the use of a word, mark or symbol. . . . [Secondary meaning marks are] open to public use ‘like the adjectives of the language,’ yet there may be unfair competition in trade by an improper use of such word, mark or symbol. Two rivals in business competing with each other in the same line of goods may have an equal right to use the same words, marks or symbols on similar articles produced or sold by them respectively, yet if such words, marks or symbols were used by one of them before the other and by association have come to indicate to the public that the goods to which they are applied are of the production of the former, the latter will not be permitted, with intent to mislead the public, to use such words, marks or symbols in such a manner . . . as to deceive or be capable of deceiving the public as to the origin, manufacture or ownership of the articles to which they are applied⁴⁸

Thus, the unfair competition cause of action for infringement of secondary meaning marks represented a judicial balancing of the competing social interests in: 1) preventing consumer confusion; 2) regulating deliberate, fraudulent conduct; and 3) retaining general marketplace access to surnames and descriptive words and symbols. When a claimant’s descriptive, geographically descriptive, or surname word or symbol acquired secondary (trademark) meaning by virtue of its long and/or heavy use, competitors could employ the word or symbol in its “primary” sense (that is, in its non-trademark, descriptive, geographic, or surname sense), but the claimant could prevent them from deliberately, fraudulently employing the word or symbol in a secondary (trademark, or source-indicating) sense.⁴⁹

Courts purported to require unfair competition plaintiffs to demonstrate *both* the defendant’s use of the contested word or symbol for a secondary (trademark) meaning *and* the defendant’s fraudulent, bad-faith intent to pass off its business, goods, or services as those of the plaintiff. However, as will be discussed in a later section,⁵⁰ these two requirements overlapped significantly and were frequently evaluated in an undif-

⁴⁸ *Dennison Mfg. Co. v. Thomas Mfg. Co.*, 94 F. 651, 659 (C.C. Del. 1899) (emphasis added).

⁴⁹ *Nat’l Watch Co. v. Illinois Watch Co.*, 179 U.S. 665, 674 (1901); 2 Nims, *supra* note 27, at § 319, pp. 1016-1017; Grover C. Grismore, *Fraudulent Intent in Trademark Cases*, 27 MICH. L. REV. 857, 863-64 (1929); Handler & Pickett I, *supra* note 41, at 181-83.

⁵⁰ See Part IIIA, *infra*.

ferentiated manner, through consideration of the same evidence. Scrutiny of this case law suggests that the “use for secondary meaning” and “fraudulent intent” requirements might best be characterized as a single inquiry, or at least as two sides of the same coin.

The Supreme Court imposed the bad faith, fraudulent intent requirement in a number of its decisions.⁵¹ However, as time passed and the United States progressed into the twentieth century, courts and commentators increasingly began to criticize the fraudulent intent requirement, reasoning that technical trademark infringement and infringement of secondary meaning marks caused the same injury to business good will and consumer reliance interests, and that all infringement cases should focus on the *effect* of the defendant’s acts, rather than on the defendant’s intent.⁵² Some noteworthy commentators even called for elimination of the distinction between technical trademark infringement and unfair competition, and for unification of the two causes of action.⁵³ In unfair competition cases, courts grew to *infer* the requisite fraudulent intent from circumstantial evidence—such as the defendant’s adoption of a print style or color that simulated the plaintiff’s presentation of the secondary meaning mark, or the defendant’s emphasis on or placement of the mark on its product or packaging—that might suggest an intent to use the contested word

⁵¹ *McLean v. Fleming*, 96 U.S. 245 (1877) (proof of fraudulent intent to deceive is required in unfair competition cases); *Lawrence Mfg. Co. v. Tennessee Mfg. Co.*, 138 U.S. 537 (1891) (It is necessary to prove intent in cases where no fanciful trademark is involved); *Elgin Nat’l Watch Co. v. Illinois Watch Co.*, 179 U.S. 665, 674 (1901) (If the plaintiff has demonstrated a technical trademark infringement the defendant’s wrongful or fraudulent intent is presumed; but in the case of trade names with secondary meaning, “such circumstances must be made out as will show wrongful intent in fact, or justify that inference from the inevitable consequences of the act complained of”); *Thaddeus Davids Co. v. Davids*, 233 U.S. 461, 471 (1914) (suggesting that when secondary meaning marks were federally registered under the Trademark Act of 1905 “10-year rule,” the registrant did not need to demonstrate wrongful intent on the defendant’s part, but implying that proof of wrongful intent would be required under the common law (unfair competition) cause of action for infringement of unregistered secondary meaning marks).

In contrast, by the late 1800’s, English courts had moved away from requiring fraudulent intent in unfair competition cases, 2 NIMS, *supra* note 27, at § 351, pp. 1087, 1089, as had a significant number of state courts. *Id.* at 1089. Nims also lists and discusses some lower federal court decisions that appeared not to require a demonstration of fraud in secondary meaning mark infringement (unfair competition) cases, though he suggests that this may have resulted at least in part from those courts’ mistaken reliance on precedent from technical trademark decisions.

⁵² See e.g., 2 Callmann, *supra* note 23, § 86.1(a), at 1399, 1401; 2 NIMS, *supra* note 27, at § 351; RESTATEMENT OF TORTS, *supra* note 20, § 717 cmt. a; Grismore, *supra* note 50, at 866.

⁵³ See e.g., Handler & Pickett I, *supra* note 41; Handler & Pickett II, *supra* note 48; 2 Callmann, *supra* note 23, § 86.1(a), at 1400-03. See also 1 NIMS, *supra* note 27, at 513 (suggesting the growing tendency (in 1926) to minimize the distinction between technical trademarks and secondary meaning marks).

or symbol in a secondary (source indicating) sense, and thus to confuse consumers.⁵⁴

B. The Technical Trademark Infringement Cause of Action and the “Affixation or Other Close Association” Requirement

“Technical trademarks,” as recognized in the common law, were marks that we would consider “inherently distinctive” today: words and symbols, or combinations of words and symbols, that were “fanciful, arbitrary, unique, distinctive, and non-descriptive in character,” and which the claimant had physically affixed to articles of merchandise.⁵⁵

In crafting the cause of action for technical trademark infringement, courts reasoned that a business could legitimately appropriate a fanciful or arbitrary word or symbol to its sole, exclusive use, with no great harm to competition. A technical trademark, by definition, was either made up (and thus had no meaning) or had a meaning that bore no descriptive or other apparent relationship to the user’s product. Thus, competitors had no legitimate reason to adopt a similar word or symbol to identify or describe their similar goods.⁵⁶ If they did adopt a similar mark, it could be assumed that they did so for the purpose of perpetrating a fraud on the mark owner and the public.⁵⁷

⁵⁴ 2 NIMS, *supra* note 27, §§ 351, 359; 2 Callmann, *supra* note 23, § 86.1(a); Grismore, *supra* note 50, at 864-65.

As applied by the courts, the fraud requirement in unfair competition cases became less stringent than the fraud entailed in an action for deceit, and came to mean little more than a conscious, bad-faith use of a confusingly similar mark. Handler & Pickett II, *supra* note 48, at 770.

⁵⁵ 2 Callmann, *supra* note 23, § 66.1. See also Handler & Pickett I, *supra* note 41, at 169. THE RESTATEMENT OF TORTS, § 715, *supra* note 20, provided the following definition of a common-law technical trademark:

A trade-mark is any mark, word, letter, number, design, picture or combination thereof in any form of arrangement, which

(a) is adopted and used by a person to denominate goods which he markets,

and

(b) is affixed to the goods, and

(c) is not . . . a common or generic name for the goods or a picture of them, or a geographical, personal, or corporate or other association name, or a designation descriptive of the goods or of their quality, ingredients, properties or functions, and

(d) the use of which for the purpose stated in Clause (a) is prohibited neither by legislative enactment nor by an otherwise defined public policy.

⁵⁶ See Almond G. Shepard, *Protection of Descriptive Word Used as Trademark*, 11 ME L. REV. 103, 104 (1917-18) (unlike in the case of descriptive words or phrases, the public has no right to “invented” words or phrases).

⁵⁷ See, e.g., *Aunt Jemima Mills Co. v. Rigney*, 247 F. 407, 409 (2d Cir. 1917) (“To use precisely the same mark as the defendants have done, is, in our opinion, evidence of intention to make something out of it—either to get the benefit of the complainant’s reputation or of its advertisement or to forestall the extension of its trade. There is

Because protection of technical trademarks threatened no significant interference with competitors' ability to describe their products to consumers, courts provided exclusive rights, to enable technical trademark owners to protect the source-indicating function of their marks.⁵⁸ To acquire rights in a technical trademark, the claimant need only be the first to "affix" the mark to its products and offer them for sale in the ordinary course of business.⁵⁹ And if a defendant affixed a similar mark to similar goods, courts would *presume* that the defendant acted with fraudulent intent,⁶⁰ and might also presume a likelihood of confusion.⁶¹ Upon finding infringement, courts typically prohibited the defendant from *all* uses of the word or symbol at issue.⁶²

Notwithstanding courts' frequent characterization of technical trademark rights as "property" rights and "exclusive," it was clear that the law did not give technical trademark own-

no other conceivable reason why they should have appropriated this precise mark."). *See also* Grover C. Grismore, *supra* note 50, at 863 (explaining how, since defendants had no legitimate excuse for using a technical trademark, technical trademark owners essentially enjoyed a property right in their marks, which did not depend on proving the defendant's fraudulent intent.).

⁵⁸ NIMS, *supra* note 27, at § 10 ("Technical trademarks are of such a character that they may be appropriated to the use of one person exclusively, while in unfair competition cases the words or symbols involved are not capable of exclusive appropriation because others may rightfully use them."); CALLMANN, *supra*, note 23 § 66.1 at 814 (1945) (trademarks could be appropriated for the use of one person); Grover C. Grismore, *supra*, note 50, at 863-64 (explaining that technical trademarks, unlike secondary meaning marks, were property rights). *See also* Bone, *supra* note 47, at 552, 560-72 (explaining the history and reasoning that led courts to consider technical trademarks as "property" for a period of time).

⁵⁹ CALLMANN, *supra* note 23, at 1696-97; NIMS, *supra* note 27, at § 218; Handler & Pickett II, *supra* note 48, at 759-62. "Affixation," as it was defined in early common law, was a rather narrow, technical requirement. The purpose of requiring a plaintiff's affixation as a prerequisite to ownership rights clearly was to ensure that the claimant had used the word or symbol *as a trademark*, to indicate source, and thus was in legitimate need of protection. *See, e.g.*, NIMS, *supra* note 27, at § 218 (pointing out that the plaintiff's affixation must be "appropriate to the fulfillment of the purpose of the trade-mark. It must be so attached as to enable it to function as a trade-mark. It must be reasonably permanent, visible, and placed so that purchasers of the goods can use it to identify their origin."); RESTATEMENT OF TORTS, *supra* note 20, at § 718 cmt. a. (While one might demonstrate adoption and use of a mark without affixation, the common law's technical affixation requirement avoids the necessity of resolving sharply disputed issues of fact.). Professors Handler and Pickett agreed that "the act of affixation is objective evidence of adoption, proof of which can easily be adduced for purposes of corroboration in the event that priority of appropriation is disputed." Handler & Pickett II, *supra* note 48, at 760.

The Restatement also notes historical reasons why courts required affixation as a prerequisite to ownership—because trademarks developed from production marks, which were necessarily affixed to the goods. RESTATEMENT OF TORTS, *supra* note 20, at § 718, cmt. a.

⁶⁰ 2 CALLMANN, *supra* note 23, § 86.1(a), at 1397; HOPKINS, *supra* note 27, at 44, 255-56; Bone, *supra* note 47, at 568.

⁶¹ 2 CALLMANN, *supra* note 23, § 661.1, at 815; 1 NIMS, *supra* note 27, § 221b, at 669; Handler & Pickett I, *supra* note 41, at 168-69. For additional background on this issue, see RESTATEMENT OF TORTS § 717 cmt. a (1938); Bone, *supra* note 47, at 564-65.

⁶² 2 CALLMANN, *supra* note 23, § 661.1, at 815.

ers exclusive rights to *all* uses of their inherently distinctive words or symbols. Rather, it gave them the exclusive right to use the word or symbol *as an indication of product source*.⁶³

In the 1800's, technical trademark infringement could only be asserted against a defendant who "*affixed*" a similar mark to similar goods.⁶⁴ Affixation ensured that the defendant's use of the contested word or symbol would be likely to signal source to consumers. Indeed, prior to the advent of modern mass market advertising practices, which commenced in the earlier half of the twentieth century, affixation to products undoubtedly was the primary way that source was indicated.⁶⁵

While "affixation" was a rather rigid limitation, it was relaxed in the early 1900's to require that the defendant affix the allegedly infringing mark either to its merchandise or to labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in connection with the sale" of the merchandise.⁶⁶ This more relaxed "affixation or other close asso-

⁶³ See RESTATEMENT OF TORTS, *supra* note 20, at § 727 and cmt. a.

⁶⁴ See, e.g., *Postal Tel. Cable Co. v. Netter*, 102 F. 691, 691 (E.D.Pa. 1900) (no cause of action for trademark infringement because the defendant had "not affixed the trademark complained of to any merchandise"); *Air-Brush Mfg. Co. v. Thayer*, 84 F. 640, 641 (N.D. Ill. 1897) (no cause of action for trademark infringement because the defendants had not "affixed complainant's registered mark to merchandise"); *Ball v. Broadway Bazaar*, 194 N.Y. 429, 87 N.E. 674 (N.Y. App. Div. 1909) (plaintiff used the word "Lilliputian" both in its business name and as a mark for its products. The defendant incorporated "Lilliputian" into its business name and advertisements, but did not use it as a mark for its own merchandise. Drawing on the affixation requirement, the court found that the plaintiff could recover for unfair competition, but not technical trademark infringement). See also Trademark Act of 1881, 21 Stat 502, § 7 (emphasis added):

Any person who shall reproduce, counterfeit, copy or colorably imitate any trademark registered under this Act, and affix the same to merchandise of substantially the same descriptive properties as those described in the registration, shall be liable"

⁶⁵ 1 NIMS, *supra* note 27, at § 218, 636 (suggesting that marks must be attached to products in order to indicate source); Mark Bartholomew, *Advertising and the Transformation of Trademark Law*, 38 N.M. L. REV. 1 (2008) (describing the introduction and growth of modern advertising practices in the U.S.).

There are other ways one might conceivably use a word or symbol to indicate product source, but affixation to goods or containers can be characterized as *the most obvious, certain way* to utilize a word or symbol to indicate source, and to ensure that consumers will rely upon it for that purpose.

⁶⁶ See *New York Mackintosh Co. v. Flam*, 198 F. 571, 573 (S.D.N.Y. 1912) ("A trademark is something attached to the goods, or the receptacles containing them, which the buyer sees, and by which the goods become known to the buyer."); *Pure Oil Co. v. Puritan Oil Co.*, 127 F.2d 6, 8 (2d Cir. 1942) (Judge Learned Hand finds that the plaintiff's trademark infringement claim is sufficient, because the defendant "does affix an 'imitation' of the mark to 'receptacles intended to be used . . . in connection with the sale' of gasoline"); *Ironite Co. v. Guarantee Waterproofing Co.*, 64 F.2d 608, 610 (8th Cir. 1933) (action at law for trademark infringement required showing that defendant affixed objectionable mark to packages); *Thomas A. Edison, Inc., v. Shottkin*, 69 F. Supp. 176, 179 (D. Colo. 1946), *app dismissed*, 163 F.2d 1020 (10th Cir.), *cert. denied*, 332 U.S. 813 (1947). For other citations to cases describing or affirming

ciation” requirement was codified in the Federal Trademark Act of 1905,⁶⁷ and again in the Trademark Act of 1920.⁶⁸ Courts found that a defendant’s application of the contested mark in product advertising would also satisfy the “affixation or other close association” requirement.⁶⁹ Thus, during the

this affixation requirement for technical trademark infringement, see Barrett, *Finding Trademark Use*, *supra* note 4, at 915-16, n.89; for citations to state statutes imposing a “defendant affixation” limitation for infringement of technical trademarks, see *id.*, at 917, n.92.

⁶⁷ 33 Stat. 724 § 16 (1905). More fully, § 16 imposed liability on:

Any person who shall, without the consent of the owner thereof, reproduce, counterfeit, copy or colorably imitate any such trademark and affix the same to merchandise of substantially the same descriptive properties as those set forth in the registration, or to labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in connection with the sale of merchandise of substantially the same descriptive properties as those set forth in such registration, and shall use, or shall have used, such reproduction, counterfeit, copy, or colorable imitation in commerce among the several states, or with a foreign nation, or with the Indian tribes. . . .

⁶⁸ 41 Stat. 533 § 4 (1920) (similar language). As I explained at greater length in an earlier article, Barrett, *Finding Trademark Use*, *supra* note 4, at 915-22, a large percentage of the case decisions that stated and applied the “affixation” and “affixation or other close association” requirement were federal cases involving infringement claims brought by technical trademark owners who had registered their marks pursuant to the Federal Trademark Acts that preceded the Lanham Act. . Trade-Mark Act of 1881, ch. 138, § 7, 21 Stat. 502; Trade-Mark Act of 1905, ch. 592, § 16, 33 Stat. 724; Trade-Mark Act of 1920, ch. 104, § 4, 41 Stat. 533. These early trademark acts all expressly required that infringement defendants “affix” or “affix or otherwise closely associate” the alleged infringing mark to products similar to those sold by the plaintiff. *See* Trade-Mark Act of 1881, ch. 138, § 7, 21 Stat. 502; Trade-Mark Act of 1905, ch. 592, § 16, 33 Stat. 724; Trade-Mark Act of 1920, ch. 104, § 4, 41 Stat. 533. However, it was clearly understood at the time that *those early trademark acts only codified the common-law rights of trademark owners*, and made no substantive alterations. *Dwinell-Wright Co. v. Nat’l Fruit Product Co., Inc.*, 129 F.2d 848, 851 (1st Cir. 1942) (“Registration of a trade-mark under the Trade-mark Act of 1905 neither enlarges nor abridges the registrant’s substantive common-law rights in the mark. The [Act], without changing the substantive law of trademarks, provided . . . for the registration of marks . . . which, without the statute, would be entitled to legal and equitable protection.”); *E.F. Prichard Co. v. Consumers Brewing Co.*, 136 F.2d 512, 516 (6th Cir. 1943). Indeed, it was widely understood at the time that Congress *had no authority* to enact substantive regulation of marks. *A. Leschen & Sons Rope Co. v. Am. Steel & Wire Co.*, 55 F.2d 455, 459 (C.C. Pa. 1932); Walter Derenberg, *The Patent Office as Guardian of the Public Interest in Trade-Mark Registration Proceedings*, 14 L. & CONTEMP. PROB. 288 (1949) (“The Act of 1905 was based on the theory that the Federal Government could not under the commerce clause of the Constitution enact legislation granting substantive statutory rights to the owner of a trade-mark.”). Thus, this early “trademark use” requirement clearly originated in the common law.

⁶⁹ *See* *Mishawaka Rubber & Woolen Mfg. Co. v. Panther-Panco Rubber Co., Inc.*, 153 F.2d 662, 666-67 (1st Cir. 1946), *cert. denied*, 329 U.S. 722 (1946) (citations omitted):

[T]he court below assumed, without discussion, that the display of plaintiff’s registered mark in defendant’s advertising would constitute an infringement under 15 U.S.C.A. § 96. We think that assumption is correct, though the precedents are not so clear as they might be. Some cases have held that, to come within the Trade-Mark Act, defendant’s accused mark must in some way be impressed upon or affixed to the goods or the wrapper or container thereof. We agree with Sanborn, J., dissenting in [*Diederich v. W. Schneider Wholesale Wine & Liquor Co.*, 195 F. 35, 39-41 (8th Cir. 1912)], that however much such holding may have been justified under the earlier versions of the Trade-Mark Act, the broader language of the present [1905] Act does not require any such limited view.

...
The use of a copy or colorable imitation of plaintiff’s trade-mark in an ad-

first half of the twentieth century, the original, restrictive “defendant affixation” requirement evolved into a more general requirement that the defendant *closely or directly associate* the mark with goods it was advertising or offering for sale.

In effect, this “affixation or other close association” requirement ensured that the infringement defendant used the allegedly infringing word or symbol “as a trademark,” or in a manner that was likely to indicate the source of its goods to consumers. Only such uses were likely to cause a serious possibility of consumer confusion, and thus justify judicial intervention.

1. Distinguishing “Affixation or Other Close Association” from “Use for Secondary (Trademark) Meaning”

The early common-law unfair competition cause of action covered a wider array of actions than the law of technical trademarks—extending to infringement of business names and source indicators for services, as well as other, more direct forms of misrepresentations about the source or characteristics of products or services. It thus did not *expressly* specify how defendants must associate contested words or symbols with their products, services, or businesses.⁷⁰ However, it appears to have

vertisement of defendant’s product might well amount to affixing said mark “to labels, signs, (or) prints,” intended to be used “in connection with the sale of merchandise” within the meaning of the Act. Manifestly the essential wrong of trade-mark infringement, the appropriation of the good will of another’s established mark, may be effectively accomplished by advertising matter associating that other’s distinguishing mark with the product of defendant.

See also Hygienic Prods Co. v. Judson Dunaway Corp., 81 F. Supp. 935, 943-44 (D.N.H. 1948), *vacated*, 178 F.2d 461 (1st Cir. 1949), *cert. denied*, 339 U.S. 948 (1950). (“The protection which is to be accorded to the legal owner of a valid trademark extends beyond the sole use thereof in the marketing of his product in various forms of container merchandising. Even though the statute does not include the term ‘advertising,’ it has been construed that ‘signs’ and ‘prints’ used in advertising constitute a use of such material ‘in connection with the sale of merchandise.’ There is ample authority to the effect that leaflets, display cards, and newspaper advertising will support a claim of infringement.”).

⁷⁰ The unfair competition cause of action provided relief not only for secondary meaning mark infringement, but also for business name infringement and other forms of “passing off” that involved fraudulent misrepresentations about the source of products or services, but not necessarily the imitation of words or symbols that the plaintiff used to identify his products. *See* 1 NIMS, *supra* note 27, at § 4; RESTATEMENT OF TORTS, *supra* note 20, at §§ 711, 754. That being the case, it is not surprising that unfair competition law did not stress this early trademark-specific “affixation” requirement. *See, e.g.*, Atlas Assur. Co. v. Atlas Ins. Co., 138 Iowa 228, 112 N.W. 232, 233 (Iowa 1907) (To limit protection to uses in connection with manufactured articles of commerce would “leave large financial interests engaged in other lines of business wholly without the protection of the court”).

Moreover, the pre-Lanham Act unfair competition cause of action focused on the defendant’s fraudulent intent, not on the invasion of a plaintiff’s exclusive right to use the word or symbol as an indication of source. While courts may have thought

been generally understood that defendants in secondary meaning mark infringement cases must use their allegedly infringing words or symbols in close, direct association with their products or services, in a manner likely to indicate source.⁷¹

This less defined “trademark use” requirement might seem to overlap the unfair competition “use for secondary (trademark) meaning” requirement at first glance. However, these common-law requirements served different purposes. The looser unfair competition “trademark use” requirement was meant to ensure that consumers would likely understand the contested word or symbol to indicate source. The purpose of the “use for secondary meaning” requirement was to ensure that surnames and descriptive words and symbols remained available for competitors to use for descriptive purposes.

In 1938, the drafters of the Restatement of Torts undertook to simplify and consolidate the law of technical trademark infringement and the law of unfair competition. They created a single, flexible, all-purpose “defendant use” standard: Restatement section 717 provided that, to be liable for infringement, a defendant must use an allegedly infringing technical trademark *or* secondary meaning mark “in the manner of a trade-mark or trade name.”⁷² Restatement section 727 elaborated that use “in the manner of a trade-mark or trade name” was a use that was “likely to indicate source to consumers.”⁷³

The Restatement’s “use in the manner of a trade-mark or trade name” standard was more flexible than the definition of trademark use traditionally applied in the technical trademark context, which listed specific, concrete forms of mark application—placement on the product itself, on its receptacle, label, or packaging, on signs or prints associated with the product, or in product advertising.⁷⁴ All of technical trade-

it sensible to stress a defendant’s “affixation” in technical trademark infringement suits, to ensure that the *presumptions* of fraudulent intent and consumer confusion could be justified, such precautions were not as essential in the larger, unfair competition context because no such presumption existed. Plaintiffs bore the burden of demonstrating the defendant’s fraudulent intent and the likelihood of consumer confusion. See Barrett, *supra* note 4, at 918-20. Indeed, technical trademark owners who could not demonstrate that a defendant “affixed” the mark to its merchandise as strictly defined in the early common law and the Trademark Act of 1871, could sue instead for unfair competition, if they were able to make the requisite showing of fraudulent intent and use for secondary meaning.

⁷¹ For a discussion of why this is so, see Barrett, *supra* note 4, at 922-28.

⁷² RESTATEMENT OF TORTS, *supra* note 20, at § 717.

⁷³ Section 727 provided:

One uses a designation in the manner of a trade-mark or trade name, under the rule stated in § 717, if he so uses it that prospective purchasers are likely to regard it as the name of, or the means of identifying [the user’s] goods, services or business.

Id. at § 727.

⁷⁴ See *supra* notes 66-70, and accompanying text.

mark law's enumerated forms of mark placement could be easily and objectively verified, and served as an efficient proxy, to indicate that the use was likely to indicate source to consumers. In contrast, the Restatement of Torts' definition of use "in the manner of a trade-mark or trade name" contemplated a fact-intensive, case-by-case determination of likely consumer perceptions.⁷⁵

The Restatement's approach accommodated claims for service mark and business name infringement; given the difficulty of "affixing" a mark to an intangible, the more concrete standard of technical trademark law (which only contemplated marks to identify *product* source) may have appeared inadequate to address the broader array of unfair competition claims.⁷⁶ However, the Restatement "use in the manner of a trademark or trade name" standard also contemplated that affixation or close association might be insufficient, in itself, to indicate consumer reliance for source. Rather, the Restatement suggested that, instead of relying on "affixation or other close association" as a proxy for consumer understanding, courts should always undertake a fact-intensive determination of likely consumer understanding under the specific circumstances of each case.⁷⁷

The Restatement apparently also intended for its all-purpose "use in the manner of a trademark or trade name" standard to replace the unfair competition law's "use for secondary meaning" requirement. There was no other Restatement provision that purported to address that common-law

⁷⁵ See RESTATEMENT OF TORTS, *supra*, note 20, at § 727, cmt. a:

The right of a person having a trade-mark or trade name is not to the exclusive use of the designation in all circumstances, but only to its exclusive use for the performance of the functions of a trademark, subject to the conditions stated in § 717(1)(b). Other persons may use the designation if their use does not involve a performance of those functions. . . . Legally, the fundamental function of a trade-mark or trade name is to denominate or identify the goods, services or business of a single trader. . . . In determining whether or not the actor's use of a designation involves the performance of that function and thus infringes another's trade-mark or trade name, it is the impression likely to be conveyed to prospective purchasers . . . that is important.

See also *id.*, at cmt. b:

One uses a designation in the manner of a trade-mark or trade name . . . , whether he affixes the designation to goods or otherwise uses it in such a way as to convey the impression to prospective purchasers that it identifies his goods, services or business. This impression he may give by using the designation in various ways, such as in his advertising or his signs or letter-heads, or in his correspondence or speech. . . .

⁷⁶ The drafters of the Lanham Act later provided different definitions of "use in commerce" for trademarks and service marks. 15 U.S.C. § 1127 (2009).

⁷⁷ See RESTATEMENT (FIRST) OF TORTS § 727, cmt. a (1938).

limitation, and various statements in the accompanying comments made it clear that the Restatement drafters intended to blend the unfair competition “use for secondary (trademark) meaning” limitation into the initial “use in the manner of a trade-mark or trade name” determination.⁷⁸ However, in its desire to unify and simplify the technical trademark and unfair competition causes of action, the Restatement drafters overlooked an important common-law objective. In focusing the Restatement’s “use in the manner of a trademark or trade name” requirement on likely consumer perceptions, the Restatement adhered to the underlying *purpose* of the trademark use (“affixation or other close association”) requirement. However, it did not effectively adhere to the *purpose* or conform to the established *focus* of the unfair competition “use for secondary meaning” requirement. As will be discussed in greater depth *infra*,⁷⁹ courts determining the “use for secondary meaning” issue focused on the *defendant’s purpose* in applying the mark, rather than on the application’s likely impact on consumers. Focusing on the defendant’s apparent purpose, as opposed to the likely impact of the use on consumers, provided significantly greater latitude for competitors to use descriptive and surname words and symbols.

While the Restatement of Torts undertook to combine the “affixation or other close association” requirement and the “use for secondary (trademark) meaning” requirement into a single standard, the subsequent Restatement (Third) of Unfair Competition reverted to distinguishing “trademark use” and “use for secondary meaning” as separate elements of the infringement cause of action.⁸⁰ Moreover, the federal statutory

⁷⁸ Restatement § 740 specified that “the fact that the designation which the actor uses is his own personal name or the name of the place where the goods which he markets are processed or is descriptive of such goods does not in itself constitute a defense to a charge of infringement.” *Id.* at § 740, n.20. Rather, the descriptive, surname or geographically descriptive status of the contested word or symbol would be relevant (though not decisive) in determining whether the defendant’s use was “denominative,” or constituted use “in the manner of a trade-mark or trade name,” as required under Restatement section 717. *Id.*, cmt. a. In defining use “in the manner of a trade-mark or trade name,” Restatement § 727 incorporated factors (such as the arrangement of words, and variations in the size of the letters used) that had traditionally been associated with the common-law unfair competition “use for primary/secondary meaning” inquiry. *Id.*, § 727, cmt. a.

⁷⁹ See *infra* Parts III and IV.

⁸⁰ The Restatement (Third) of Unfair Competition states the “trademark use” requirement in § 20:

One is subject to liability for infringement of another’s trademark, trade name, collective mark, or certification mark if the other’s use has priority under the rules stated in § 19 and *in identifying the actor’s business or in marketing the actor’s goods or services the actor uses* a designation that causes a likelihood of confusion . . .

law never undertook to combine them. Indeed, the Supreme Court clearly differentiated those requirements in the context of secondary meaning marks that were federally registered pursuant to the Trademark Act of 1905's "10-year clause."⁸¹

In *Thaddeus Davids Co. v. Davids*,⁸² the Supreme Court held that the 1905 Act's statutory elements for registered mark infringement (which restated the elements of the common-law cause of action for *technical trademark infringement*) would govern all claims of registered mark infringement, regardless of whether the allegedly infringed registered mark was a technical trademark or a secondary meaning mark. Thus, to prevail in an infringement claim, the owner of a registered secondary meaning mark would have to demonstrate all of the Act's statutory infringement elements, including the requirement that the defendant affixed or closely associated its mark with its product.⁸³ However, the Supreme Court clearly distin-

RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 20 (1995) (emphasis added). Section 28 follows the Lanham Act in stating the common-law "use for secondary meaning" requirement as a "fair use" defense:

In an action for infringement . . . it is a defense that the term used by the actor is descriptive or geographically descriptive of the actor's goods, services, or business, or is the personal name of the actor or a person connected with the actor, and the actor has used the term fairly and in good faith solely to describe the actor's goods, services, or business, or to indicate a connection with the named person.

Id. at § 28.

⁸¹ Trade-Mark Act of 1905, ch. 592, § 5, 33 Stat. 724. Federal registration had previously been limited to technical trademarks, but the "ten-year clause" of the 1905 Act permitted secondary meaning marks to be registered if they had been used exclusively for a period of ten years immediately preceding 1905. The apparent reasoning was that marks that were not inherently distinctive, but had been in exclusive use for ten or more years, could be presumed to have acquired secondary meaning and thus could be equated to technical trademarks in function and interest. See CALLMANN, *supra* note 23 at § 98.7; 2 NIMS, *supra* note 27, at § 229(a), p 790; Handler & Pickett II, *supra* note 48, at 783-84.

This measure was further liberalized in the Trade-Mark Act of 1920, ch. 104, § 4, 41 Stat. 533, and was the precursor of Lanham Act § 2(e) and (f), 15 U.S.C. § 1052(e) & (f), which provided even more liberally for the registration of descriptive, geographically descriptive and surname marks that had become distinctive through acquisition of secondary meaning.

⁸² 233 U.S. 461 (1914).

⁸³ Trade-Mark Act of 1905, ch. 592, § 16, 33 Stat. 724. § 16 imposed liability on:

Any person who shall, without the consent of the owner thereof, reproduce, counterfeit, copy or colorably imitate any such trademark and affix the same to merchandise of substantially the same descriptive properties as those set forth in the registration, or to labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in connection with the sale of merchandise of substantially the same descriptive properties as those set forth in such registration, and shall use, or shall have used, such reproduction, counterfeit, copy, or colorable imitation in commerce among the several states, or with a foreign nation, or with the Indian tribes. . . .

Id. (emphasis added). See also Trade-Mark Act of 1920, ch. 104, § 4, 41 Stat. 533 (similar language).

guished the plaintiff's burden to prove the statutory "trademark use" element from the issue of whether the defendant had used the registered word or symbol for a "secondary" (trademark) meaning or for its "primary" descriptive or surname meaning. The Court characterized the "use for secondary (trademark) meaning" requirement as *an additional, extra-statutory limitation* on the rights of secondary meaning mark registrants.⁸⁴

As will be discussed below, Congress followed a similar pattern in enacting the Lanham Act: it required *all* federal infringement claimants to demonstrate that the defendant affixed or closely associated its mark to its product (as had been required in technical trademark law and the Trademark Act of 1905)⁸⁵ and imposed a *separate* statutory "secondary rather than primary meaning" limitation on federal infringement claims involving descriptive, geographically descriptive or surname marks.⁸⁶ Unlike the Restatement of Torts, the Lanham Act did not undertake to consolidate these two "use-related" requirements or state a unified standard for evaluating them both.

C. Consolidation of Technical Trademark Infringement and Unfair Competition in the Lanham Act

As the United States developed a more expansive and sophisticated marketplace, pressure grew to modernize and expand federal trademark protection. By the late 1930s the Trademark Act of 1905 had been frequently amended, resulting in a confusing array of statutory provisions.⁸⁷ Commentators argued that common-law distinctions between technical trademarks and secondary meaning marks were artificial and outdated, and they particularly questioned the wisdom of requiring plaintiffs to demonstrate fraud in secondary meaning mark infringement cases.⁸⁸ Practitioners argued that registration opportunities should be provided for service marks, and that the limited opportunities to register secondary meaning marks under the Trademark Acts of 1905 and 1920 should be

⁸⁴ *Thaddeus Davids*, 233 U.S. at 469-71 (emphasis added).

⁸⁵ 15 U.S.C. §§ 1114(1)(a), 1125(a) (2006).

⁸⁶ 15 U.S.C. § 1115(b)(4) (2006).

⁸⁷ See 1 MCCARTHY, *supra* note 21, § 5:3 (enumerating drawbacks and deficiencies in the 1905 Act that lead to a series of amendments over the years, eventually resulting in a "crazy quilt of modifications and amendments"); 2 NIMS, *supra* note 27, § 223a (describing ten amendments to the 1905 Act).

⁸⁸ *E.g.*, 2 CALLMANN, *supra* note 23, §§ 86.1(a), 98.6, 98.7; 1 NIMS, *supra* note 27, § 135, at 513; Grismore, *supra* note 50 *passim*; Handler & Pickett I, *supra* note 41 *passim*; Handler & Pickett II, *supra* note 48 *passim*.

liberalized. In addition, they complained that language in the 1905 and 1920 Acts' infringement provisions that limited relief to cases where the defendant used the mark for "merchandise of substantially the same descriptive properties" as the merchandise set forth in the plaintiff's registration certificate was unnecessarily vague, unpredictable, and limiting.⁸⁹

In 1938, Congress began seriously to focus on drafting a new, more modern and comprehensive federal trademark act.⁹⁰ It completed the task in 1946, and the resulting act (called the "Lanham Act" in honor of the Congressman primarily credited with its drafting and enactment) went into effect in 1947.⁹¹ The legislative history states that the Act was meant to "simplify registration and make it stronger and more liberal, to dispense with mere technical prohibitions and arbitrary provisions, to make procedure simple, and relief against infringement prompt and simple."⁹² However, it is generally understood that Congress *primarily* codified contemporary common-law doctrine,⁹³ just as it had in prior federal trademark acts.⁹⁴ Moreover, it retained much of the structure and

⁸⁹ These Acts required that infringement defendants use the contested mark with "merchandise of substantially the same descriptive properties" as the merchandise set forth in the plaintiff's registration certificate. See Trade-Mark Act of 1881, ch. 138, § 7, 21 Stat. 502; Trade-Mark Act of 1905, ch. 592, § 16, 33 Stat. 724; Trade-Mark Act of 1920, ch. 104, § 4, 41 Stat. 533. Complaints focused on the vagueness and uncertainty of that statutory language, and the resulting inconsistency in the case law regarding how similar the defendant's products had to be to the plaintiff's before infringement could be found. Critics also argued that limiting infringement to cases where the parties marketed similar goods was too narrow. See Bartholomew, *supra* note 66, at 11. For further examples of criticisms, see Edward C. Lukens, *The Application of the Principles of Unfair Competition to Cases of Dissimilar Products*, 75 U. PA. L. REV. 197, 202-205 (1927); Edward S. Rogers, *Some Suggestions Concerning a Trade-Mark Registration Act*, 16 U.S.T.A. BULL. 45, 50-51 (1921); Edward S. Rogers, *The Expensive Futility of the United States' Trade-Mark Statute*, 12 MICH. L. REV. 660, 668-71 (1914).

⁹⁰ For discussion of the early beginnings of the Lanham Act, see 1 MCCARTHY, *supra* note 21, at § 5:4; Keith M. Stolte, *A Response to Jerome Gilson's Call for an Overhaul of the Lanham Act*, 94 TRADEMARK REP. 1335, 1347-50 (2004).

⁹¹ 15 U.S.C. §§ 1051-1127 (2006).

⁹² S. REP. NO. 79-1333, at 3 (1946).

⁹³ *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 861 n.2 (1982) (White, J., concurring) ("The purpose of the Lanham Act was to codify and unify the common law of unfair competition and trademark protection"); S. Rep. No. 79-1333, at 5 (1946); 92 CONG. REC. 6, 7524 (1946). See also RESTATEMENT (THIRD) OF UNFAIR COMPETITION, § 9, cmt. e (1995) ("The Lanham Act is generally declarative of existing law, incorporating the principal features of common law trademark protection"); Leval, *supra* note 42, at 198-99 (Lanham Act "adopts and stands for the complete common law development, representing a complexity of doctrine which would require dozens of pages to set forth in full. . . . What may look on its face like a legislative creation of a body of rules is in fact nothing more than a cursory legislative recognition of a long pre-existing body of law developed by courts through the common law process."); McClure, *supra* note 29, at 334, 340 (Lanham Act adopted the substance of existing common-law doctrine and court constructions have not altered it).

⁹⁴ The earlier acts codified the common-law trademark rights of mark registrants, providing procedural, but no substantive advantages over the common law. *Walgreen Drug Stores, Inc. v. Obear-Nester Glass Co.*, 113 F.2d 956, 960 (8th Cir. 1940);

terminology of the earlier federal trademark acts in the new one.⁹⁵

The Lanham Act did introduce some new concepts,⁹⁶ and both modernized and liberalized features of the earlier trademark acts.⁹⁷ For purposes of the present discussion, the Lanham Act did three important things. First, the Lanham Act liberalized registration of secondary meaning marks. Lanham Act § 2 provides that words, names, symbols, or devices that are merely descriptive, primarily geographically descriptive, or constitute surnames can be registered upon a showing that they have “become distinctive” of the applicant’s goods or services (that is, have acquired a secondary meaning). It authorizes the Patent and Trademark Office to accept proof of “substantially exclusive and continuous use of the

Callmann Article, *supra*, note 42, at 202. Prior to enactment of the Lanham Act, it was widely believed that Congress lacked jurisdiction, even under the Commerce Clause, to provide substantive rights in trademarks. *See, e.g.*, *American Steel Foundries v. Robertson*, 269 U.S. 372, 381 (1926) (suggesting that Congress “has been given no power to legislate upon the substantive law of trade-marks.”); Liddy, *Has Congress the Constitutional Power to Legislate on the Substantive Law of Trademarks?*, 6 *FORDHAM L. REV.* 408 (1937) (noting *American Steel* authority, but disagreeing with it).

However, that assertion had been criticized. *Philco Corp. v. Phillips Mfg. Co.*, 133 F.2d 663 (7th Cir. 1943); 2 *CALLMANN, supra*, note 23, at § 97.2. Congress, in enacting the Lanham Act, determined that it did possess the necessary power. S. REP. NO. 79-1333, at 5-6 (1946) (“There can be no doubt under the recent decisions of the Supreme Court of the constitutionality of a national act giving substantive, as distinguished from purely procedural rights in trade-marks in commerce over which Congress has plenary power . . .”).

⁹⁵ Judge Clarence G. Galston, *Some Aspects of the Lanham Trade-Mark Act—Effective July 5*, 37 *TRADEMARK REP.* 412, 413 (1947) (characterizing the Lanham Act as codifying the Trademark Act of 1905 and its numerous amendments). *See also* Barrett, *supra* note 4 at 933-57. Indeed, some commentators criticized the Lanham Act as merely codifying entrenched formalist doctrine. *See, e.g.*, McClure, *supra* note 29, at 334, 340 (noting that “[t]he effect of the Lanham Act was essentially to freeze common-law doctrine in the form it had taken since the turn of the century” and characterizing it not as progressive reform but as “essentially reactionary.”).

Many features of the Lanham Act can be traced back to the earlier federal trademark acts. For example, the Trademark Act of 1905 provided that registration created a presumption of mark ownership, and permitted registration for secondary meaning marks. Trademark Act of 1905, §§ 5, 16, 33 Stat. 724, 726, 728. Forerunners of the Lanham Act’s Supplemental Register and “false designations of origin” provision (in Lanham Act §43(a)) can be found in the Trademark Act of 1920. Trademark Act of 1920, §§ 1, 3, 41 Stat. 533, 534.

⁹⁶ For example, it introduced the doctrine of constructive notice, which enabled mark registrants to enhance the geographic scope of their rights, 15 U.S.C. § 1072 (2009), and incontestability status to shelter mark registrants from certain challenges and defenses after five years of registration. 15 U.S.C. §§ 1065, 1115 (2009). It officially recognized and provided registration and protection for service marks, collective marks and certification marks. 15 U.S.C. §§ 1053, 1054 (1999).

⁹⁷ For example, as commentators had advocated, Congress liberalized the earlier acts’ restriction of infringement to “merchandise of substantially the same descriptive properties” as those set forth in the plaintiff’s certificate of registration. *See* 15 U.S.C. § 1114(1)(a). Moreover, the Lanham Act’s definition of a “trademark” and description of the marks eligible for registration, 15 U.S.C. §§ 1052, 1127, paved the way for businesses to claim and register a broader range of symbols and devices than would have been deemed marks under the common law. *See Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995).

mark” for five years as *prima facie* evidence of secondary meaning.⁹⁸

Second, the Lanham Act continued the practice (that began in the 1905 Act) of applying a uniform infringement standard that did not distinguish between technical (or inherently distinctive) registered marks and secondary meaning registered marks.⁹⁹ It also provided a federal cause of action for infringement of *unregistered* marks, which courts ultimately construed to prescribe the same eligibility and infringement standards as did the registered mark provisions.¹⁰⁰ This uniform infringement standard required that infringement defendants “*use in commerce*” a reproduction, counterfeit, copy, or colorable imitation of a mark “*in connection with*” the sale, offering for sale, distribution, or advertising of goods or ser-

⁹⁸ 15 U.S.C. § 1052(e) & (f) (2006). The Lanham Act defines “trademarks” broadly, to include “any word, name, symbol or device or any combination thereof” used “to identify and distinguish [the claimant’s] goods . . . from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.” 15 U.S.C. § 1127 (2006). Thus, the Lanham Act denominates both kinds of common-law marks—technical marks and secondary meaning marks (aka “trade names”)—as “trademarks.” It provides that “trademarks” can be registered *unless* they are specifically disqualified under one of the provisions of Lanham Act § 2. 15 U.S.C. § 1052 (2006). While § 2(e) disqualifies surname, descriptive, and geographically descriptive marks, subsection (f) provides that “nothing . . . shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant’s goods in commerce.” *Id.* § 1052(f).

⁹⁹ See *supra* notes 83-86, and accompanying text.

¹⁰⁰ 15 U.S.C. § 1125(a); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992). As originally enacted, the pertinent portion of §43(a) provided:

Any person who shall *affix, apply, or annex*, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce . . . shall be liable

15 U.S.C. § 1125(a)(1946) (emphasis added). A similarly worded provision existed under the Trademark Act of 1920, but unlike the cause of action for registered mark infringement, it required plaintiffs to demonstrate that the defendant acted with fraudulent intent. Trade-Mark Act of 1920, § 3, 41 Stat 533, 534. Revisions enacted in 1988 reworded the Lanham Act § 43(a) language to provide:

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 * * * 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

Trademark Law Revision Act of 1988, PUB. L. NO. 100-667, § 132, 102 Stat. 3946 (emphasis added). The Senate Report explained that the revision was meant *to codify the courts’ interpretation of § 43(a)*. As written, § 43(a) appeared “to deal only with false descriptions or representations and false designations of geographic origin.” Since its enactment in 1946, however, § 43(a) had “been widely interpreted as creating, in essence, a federal law of unfair competition.” S. REP. NO. 100-515, at 38 (1988) (emphasis added).

vices.¹⁰¹ It defined “use in commerce” essentially to entail affixation or other close association of the mark with the defendant’s goods or services (or a “trademark use”), as was required in the common-law cause of action for technical trademark infringement and in the Trademark Acts of 1905 and 1920.¹⁰² Like the Trademark Act of 1905 (as construed by the Supreme Court in *Thaddeus Davids*), the Lanham Act infringement provisions imposed no requirement that the plaintiff demonstrate the defendant’s fraudulent intent, regardless of whether the mark at issue was inherently distinctive or distinctive through secondary meaning.

Finally, the Lanham Act codified the unfair competition law’s longstanding distinction between a defendant’s use of a

¹⁰¹ Lanham Act § 32(1)(a), which provides for infringement of registered marks, provides:

- (1) Any person who shall, without the consent of the registrant—
 (a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive . . . shall be liable in a civil action by the registrant for the remedies hereinafter provided.

15 U.S.C. § 1115(1)(a). Lanham Act § 43(a), which provides a cause of action for infringement of unregistered marks, currently provides:

- (1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol or device, or any combination thereof, or any false designation of origin . . . 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.

15 U.S.C. § 1125(a) (2009).

¹⁰² See *supra* notes 64-70, and accompanying notes. Lanham Act § 45 states that the definitions it provides should be applied in construing the Lanham Act “unless the contrary is plainly apparent from the context.” 15 U.S.C. § 1127. It provides that a mark

- . . . shall be deemed to be in use in commerce—
 (1) on goods when—
 (A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and
 (B) the goods are sold or transported in commerce, and
 (2) on services when it is used or displayed in the sale or advertising or services and the services are rendered in commerce, or the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services.

15 U.S.C. § 1127 (2009). This provision describes “affixation or other close association,” or “trademark use,” as traditionally understood in the context of technical trademark infringement, and also ensures Congressional authority to regulate the use under the Constitution’s Commerce Clause. U.S. CONST. art. 1, § 8, cl. 3.

word or symbol for a secondary (trademark) meaning, and its use of a word or symbol for its primary (descriptive, geographically descriptive, or surname) meaning. In keeping with the common law of unfair competition, the Lanham Act limited liability for infringement of descriptive, geographically descriptive, and surname marks to a defendant's use for secondary (trademark) meaning. However, the Lanham Act imposed that limitation in the form of a defense, codified in § 33(b)(4),¹⁰³ rather than as a part of the plaintiff's case in chief. Under § 33(b)(4), a defendant will not be liable for infringement if its use of the allegedly infringing word or symbol was a use "otherwise than as a mark, of [his] individual name in his own business . . . or of a term or device which is descriptive of and used fairly and in good faith only to describe [his] goods or services, or their geographic origin."¹⁰⁴

1. The Lanham Act's Codification of the "Trademark Use" ("Affixation or other Close Association") Prerequisite to Infringement Liability

The legislative history makes it clear that Congress intended for the Lanham Act infringement provisions to retain the "trademark use" requirement from the common law of technical trademark infringement, which it had codified earlier in the Trademark Act of 1905.¹⁰⁵ That is, Congress intended to require infringement plaintiffs to demonstrate that the defendant affixed or closely associated the allegedly infringing word or symbol to the goods or services¹⁰⁶ it was marketing.¹⁰⁷ First, Congress made it clear that it generally intended the Lanham Act to codify contemporary common-law

¹⁰³ 15 U.S.C. § 1115(b)(4) (2009).

¹⁰⁴ *Id.*

¹⁰⁵ Barrett, *supra* notes 4 at 932 n. 141, 943-64.

¹⁰⁶ It is important to note that Congress explicitly extended registration and protection to marks used to identify the source of the user's services. However, for the sake of brevity, in the remaining sections of this article I will refer to marks in connection with "goods" or "products" and ask the reader to understand the discussion to include use of marks in connection with "services," as well.

¹⁰⁷ *C.f.* Bartholomew Diggins, *The Lanham Trade-Mark Act*, 37 TRADEMARK REP. 419, 436 (1947) (characterizing the Lanham Act § 32(1)(a) infringement provisions as continuing the 1905 Act "affixation" requirement, but improving on it: "Under the 1905 Act, affixation of the infringing mark was an essential element of infringement but Section 32(1) of the Lanham Act defines infringement in terms broad enough to include sales and resale of goods or services bearing the infringing mark even though such infringing mark was affixed by some other infringer. Section 32(1) specifically includes the use of an infringing mark in advertising apart from the goods themselves and thus remedies another deficiency of the prior trade-mark legislation.").

doctrine.¹⁰⁸ While Congress augmented and altered the common law in some aspects, it typically did so in response to criticisms and suggestions made by interested parties and commentators, or (as in the case of the constructive notice and incontestability provisions) to provide inducements to register.¹⁰⁹ There was no expressed dissatisfaction or call to reform the “trademark use” (“affixation or other close association”) prerequisite to infringement liability.¹¹⁰ Commentators have uniformly understood that the Lanham Act essentially codified the existing common-law technical trademark and 1905 Act rules governing infringement.¹¹¹

Second, Congress expressly drafted the Lanham Act infringement provisions to require that defendants “use [their allegedly infringing word or symbol] *in commerce*.”¹¹² In Lanham Act § 45, Congress defined “use in commerce” to entail essentially two things: 1) affixation or close, direct association of a word or symbol with goods or services being marketed; and 2) a link to Interstate Commerce sufficient to provide Congressional power to regulate the subject matter.¹¹³ The § 45 definition of “use in commerce” is highly reminiscent of the “affixation or other close association” language of the Trademark Act of 1905, § 16, and can be readily understood to require that the defendant’s mark be *used as a trademark* to identify the source of the defendant’s goods or services. Both the opening language of § 45¹¹⁴ and the Lanham Act’s extensive legislative history make it clear that Congress intended for this definition *to apply in the infringement context* and limit the scope of mark owners’ rights.¹¹⁵ Indeed, a number of courts have cited the § 45 definition of “use in commerce” as author-

¹⁰⁸ Barrett, *supra* note 4, at 932 n.141, 960-64, and sources cited therein.

¹⁰⁹ With regard to the elements of infringement, commentators only advocated changing the 1905 Act requirement that the defendant’s goods constitute “merchandise of substantially the same descriptive properties as those set forth” in the plaintiff’s registration certificate. *See supra* note 90, and accompanying text; Trademark Act of 1905, § 16.

¹¹⁰ Barrett, *supra* note 4, at 939, and sources cited therein.

¹¹¹ *See supra* notes 94, 96, 98.

¹¹² 15 U.S.C. §§ 1114(1)(a) (2005), 1125(a) (2009) (emphasis added).

¹¹³ 15 U.S.C. § 1127 (2009). For the statutory language, *see supra* note 103.

¹¹⁴ *See supra* note 103; Barrett, *supra* note 4, at 946-56.

¹¹⁵ *Id.* As explained more fully in the cited article: 1) this construction is most consistent with the infringement provisions in prior Federal Trademark Acts, and there is no suggestion that Congress intended to change their substance; 2) statements made in hearings on the bills suggest that participants linked the § 45 “use in commerce” definition with the infringement provisions; and perhaps most importantly; 3) during the course of enactment, the § 45 definition was repeatedly *revised to track changes in the § 32 infringement language from one bill to the next*, clearly indicating that the drafters primarily envisioned the § 45 definition as working in conjunction with the *infringement* provisions, rather than with the provisions regarding acquisition of rights or eligibility to register.

ity for requiring infringement plaintiffs to demonstrate a form of “trademark use” on the defendant’s part.¹¹⁶

Finally, even if the § 45 definition of “use in commerce” were not applicable in the infringement context, Congress expressly required, in both its registered and unregistered mark infringement provisions, that the defendant use its allegedly infringing mark “*on or in connection with*” goods or services.¹¹⁷ As I have explained elsewhere, this language is historically linked to the “affixation or other close association” concept, and is essentially synonymous with “trademark use,” as traditionally required under the common law of technical trademark infringement and the Trademark Act of 1905.¹¹⁸ Even apart from historical context, this language stresses the *connection* between the allegedly infringing word or symbol and the goods or services the defendant is marketing, much like the terms “affix” and “apply,” which Congress used more or less interchangeably with the “on or in connection with” language during the course of drafting the Lanham Act infringement and definition sections.¹¹⁹ Again, a significant number of courts have looked to this language to find a form of trademark use requirement.¹²⁰

¹¹⁶ See *e.g.*, 1-800 Contacts, Inc. v. WhenU.Com, Inc., 414 F.3d 400, 406 – 407 (2d Cir. 2005); Daimlerchrysler AG v. Bloom, 315 F.3d 932, 936 (8th Cir. 2003); Acad. of Motion Picture Arts & Sci. v. Network Solutions, Inc., 989 F. Supp. 1276, 1279 (C.D. Cal. 1997); Lucasfilm Ltd. v. High Frontier, 622 F. Supp. 931, 934 (D.D.C. 1985); Nat’l Tuberculosis Ass’n. v. Summit County Tuberculosis Health Ass’n, 122 F. Supp. 654, 656-57 (N.D. Ohio 1954); Wells Fargo & Co. v. When-U.Com, 293 F. Supp. 2d 734, 757 (E.D. Mich. 2003); Euromarket Designs, Inc. v. Crate & Barrel Ltd., 96 F. Supp. 2d 824, 830-33 (N.D. Ill. 2000); Macia v. Microsoft Corp., 152 F. Supp. 2d 535, 539 (D. Vt. 2001); WHS Entm’t Ventures v. United Paperworkers Int’l Union, 997 F. Supp. 946, 946-50 (M.D. Tenn. 1998); Council of Better Business Bureaus, Inc. v. Bailey & Assocs., Inc., 197 F. Supp. 2d 1197, 1212-13 (E.D. Mo. 2002).

In *Rescuecom Corp. v. Google, Inc.*, 562 F.3d 123, 131-41 (2d Cir. 2009), the Court of Appeals for the Second Circuit revisited the question of whether Congress intended the § 45 definition to apply in the infringement context. It ultimately found that § 45 applied, although its discussion of the legislative history overlooked important elements, and its application of the definition to the factors at hand was unconvincing.

¹¹⁷ 15 U.S.C. §§ 1114(1)(a) (2005), 1125(a) (2009) (emphasis added).

¹¹⁸ See *supra* Barrett, note 4, at 955-60.

¹¹⁹ *Id.*

¹²⁰ *E.g.*, *Bosley Med. Inst., Inc. v. Kremer*, 403 F.3d 672, 676-80 (9th Cir. 2005); *N. Am. Med. Corp. v. Axiom Worldwide, Inc.*, 522 F.3d 1211, 1218-20 & n.7 (11th Cir. 2008); *Utah Lighthouse Ministry v. Found. for Apologetic Info. & Research*, 527 F.3d 1045, 1052-54 (10th Cir. 2008).

2. Codification of the Unfair Competition “Use for Secondary (Trademark) Meaning” Limitation

While Congress codified the “trademark use” requirement in Lanham Act §§ 32(1)(a) and 45, it codified the unfair competition “use for secondary meaning” limitation in Lanham Act § 1115(b)(4), which is now generally known as the “fair use defense.”¹²¹ As codified, the fair use defense shelters an infringement defendant when his use of an allegedly infringing mark

is a use, otherwise than as a mark, of the party’s individual name in his own business, or of the individual 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.¹²²

Consistent with the Supreme Court’s reasoning in the *Davids* case,¹²³ the fair use defense recognizes that even when secondary meaning marks are registered, they are entitled to a narrower scope of protection than inherently distinctive marks, because of their pre-existing descriptive or surname meaning, and the long-established public interest in ensuring competitor access to words and symbols that describe their goods, their goods’ geographic origin, or constitute their surname.¹²⁴

¹²¹ There is general agreement that Congress intended to, and did, codify the common-law “use for secondary meaning, rather than primary meaning” limitation in the fair use defense. *E.g.*, *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 122 (2004); *Venetianaire Corp. of Am. v. A & P Import Co.*, 429 F.2d 1079, 1081 (2d Cir. 1970); *M.B.H. Enter., Inc. v. WOKY, Inc.*, 633 F.2d 50, 52 n.2 (7th Cir. 1980); 4 McCarthy, *supra* note 21, at § 11:49 at 11-117; 2 CALLMANN, *supra* note 23, at § 85.1(b), pp 1357-58; Leval, *supra* note 42, at 198-99.

¹²² 15 U.S.C. § 1115(b)(4) (2009).

¹²³ See *supra* notes 83-85, and accompanying text.

¹²⁴ See *KP Permanent* , 543 U.S. at 122 (The *common law* afforded lesser protection for secondary meaning marks due to “the very fact that . . . a originally descriptive term was selected to be used as a mark” and “the undesirability of allowing anyone to obtain a complete monopoly on use of a descriptive term simply by grabbing it first.” *Lanham Act* § 1115(b)(4) “adopts a similar leniency, there being no indication that the statute was meant to deprive commercial speakers of the ordinary utility of descriptive words.”); see also RESTATEMENT (THIRD) OF UNFAIR COMPETITION, *supra* note 42, § 28 cmt. a; Hearings on H.R. 102 before the Subcommittee on Trademarks of the House Committee on Patents, 77th Cong., 1st Sess., at 72 (1941) (Testimony of Wallace Martin, Chairman of ABA Committee on Trademark Legislation).

As discussed *supra* at notes 83-85, courts continued to apply the primary/secondary meaning distinction in infringement cases involving secondary meaning marks registered under the Trademark Act of 1905, even though the 1905 Act did not expressly incorporate it. Congress found it necessary to codify the primary/secondary meaning distinction in the Lanham Act because of the Lanham Act’s institution of “incontestability status” for marks that have been registered for

Several attempts were made during the course of drafting the Lanham Act to restrict the fair use doctrine—by confining it to situations in which the defendant used a *generic* word or symbol,¹²⁵ by confining it to situations in which the defendant’s use was *not likely to deceive the public*, and by confining it to situations in which the defendant’s use was “*necessary*” truthfully to describe its goods or services.¹²⁶ Congress rejected *all* of these narrowing formulations in favor of the existing, more expansive common-law scope of the “use for secondary (trademark) meaning” limitation.¹²⁷ A defendant only infringes a secondary meaning mark if she uses it for a trade-

over five years. 15 U.S.C. §§ 1064, 1065, 1115 (2009). Under the incontestability provisions, a mark that has obtained incontestability status is immune from all challenges and defenses except for those expressly reserved in sections 1064, 1065, and 1115(b). Congress codified the primary/secondary meaning doctrine, as the § 1115(b)(4) “fair use” defense, to ensure that the doctrine remained applicable to all secondary meaning marks, regardless of incontestability status. Even though the defense is codified in the § 1115 “incontestability” provisions, courts and commentators have made it clear that it applies in *all* infringement cases, whether the mark is incontestable or not, and whether the mark is registered or not. *E.g. Venetianaire Corp.*, 429 F.2d at 1081 (2d Cir. 1970); *M.B.H. Enter.*, 633 F.2d at 52 n.2; McCarthy, *supra* note 21, at § 11:49 at 11-117; RESTATEMENT (THIRD) OF UNFAIR COMPETITION, *supra* note 42, § 28, cmt. a.

¹²⁵ See H.R. 6618, 76th Cong., 1st Sess., § 32(2) (1939) (proposed language would provide a defense when “the use by the defendant of the mark charged to be an infringement is a fair use of the defendant’s individual name in his own business in a manner not calculated to deceive the public, or is a fair use of the *only known descriptive term* for goods rightfully sold by the defendant”) (emphasis added).

¹²⁶ See H.R. 5461, 77th Cong., 1st Sess., § 33(b)(4) (1941) (proposed language would provide a defense when “the use by the defendant of the term or device charged to be an infringement is not a use as a trade or service mark and *in a manner not likely to deceive the public*, of the defendant’s individual name in his own business, or of the individual name of anyone in privity with the defendant who uses his own name in his own business, or of a term or device which is merely descriptive of *and necessary* truthfully to describe to users the goods or services of the defendant, or of a term or device which is primarily descriptive of their geographic origin”) (emphasis added). These restrictions had significant support from prominent trademark lawyers. See, e.g., Nims, *supra* note 27, at § 366g, pp. 1153-54; Handler & Pickett I, *supra* note 41, at 184.

¹²⁷ See H.R. 82, 78th Cong., 1st Sess. § 33(b)(4) (1943) (providing defense when “the use by the defendant of the name, term, or device charged to be an infringement is a use, otherwise than as a trade or service mark, of the defendant’s individual name in his own business, or of the individual name of any one in privity with the defendant, or of a term or device which is descriptive of and used fairly and in good faith only to describe to users the goods or services of the defendant, or their geographic origin”); H.R. 1654, 79th Cong., 2d Sess. § 33(b)(4) (1945) (providing defense when “the use of the name, term, or device charged to be an infringement is a use, otherwise than as a trade or service mark, of the party’s individual name in his own business, or of the individual 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 to users the goods or services of such party, or their geographic origin”).

The committee hearings make it clear that the drafters intended to codify the existing common-law scope of the primary/secondary meaning limitation. See, e.g., Hearings before the Subcommittee on Trade-Marks, Committee on Patents on H.R. 102, H.R. 5461, and S. 895, 77th Cong., 1st Sess., at 63-74 (debate among witnesses about the scope of the existing common-law rule, in which Mr. Martin, representing the ABA, assures the Committee that the common-law does not limit protection of defendants using words in the primary sense to situations in which their use is “necessary.”).

mark (secondary) meaning, rather than for its primary descriptive or surname meaning. A use for the word or symbol's primary descriptive or surname meaning will not infringe, regardless of whether it was strictly necessary for the defendant to use that particular word or symbol, or whether the use may confuse consumers.¹²⁸

The codification does, however, represent some alteration (or perhaps evolution) of the original common-law unfair competition doctrine. First, Lanham Act § 33(b)(4) shifts the burden of proof regarding whether the defendant used the word or symbol for a primary or secondary (trademark) meaning. Under the common law of unfair competition, the unfair competition plaintiff had the burden to demonstrate that the defendant had used the contested word or symbol for a secondary, or trademark, meaning.¹²⁹ Under the Lanham Act, the defendant must demonstrate that its use was "otherwise than as a mark,"¹³⁰ "only to describe the goods or services of such party, or their geographic origin." The Lanham Act language clearly codifies the common-law unfair competition understanding that marketplace actors may use surname or descriptive words or symbols in their primary descriptive sense, but not in a trademark (or secondary meaning) sense. However, casting the "use for secondary meaning" limitation as a defense clearly moves the burden to the defendant.¹³¹

Second, the Lanham Act relieved plaintiffs of the un-

¹²⁸ See *infra* Part III B.

¹²⁹ 2 NIMS, *supra* note 27, at § 336, pp. 1057-58 ("In actions based on defendant's use of a descriptive word . . . which, in a secondary sense, indicates plaintiff's business or product, the burden is on the plaintiff to show such secondary meaning, also that defendant is using [the word] in [its] secondary, not [its] primary sense); Kellogg Toasted Corn Flake Co. v. Quaker Oats Co., 235 F. 637, 664 (6th Cir. 1916); DixiePig Corp. v. Pig Stand Co., 31 S.W.2d 325, 328 (Tex. Civ. App. 1930); De Long Hook & Eye Co. v. Hump Hairpin Mfg. Co., 130 N.E. 765 (Ill. Supreme Ct. 1921).

¹³⁰ "Otherwise than as a mark" is equivalent to "use for primary (as opposed to secondary) meaning." See RESTATEMENT (THIRD) OF UNFAIR COMPETITION, *supra* note 42, at § 28, cmt. a ("The defense of fair use under the law of trademarks is limited to use of the original descriptive or personal name significance of a term. This limitation of the scope of the fair use doctrine is sometimes described by stating that the doctrine applies only to use 'otherwise than as a trademark,' or only to 'non-trademark use' of another's mark.").

¹³¹ One contemporary commentator suggested that the common law of unfair competition moved the burden of proof to the defendant prior to the enactment of the Lanham Act. See 2 NIMS, *supra* note 23, at § 336, pp. 1057-58; CALLMANN, *supra* note 42, at 196. However, he did not cite convincing authority for this proposition. The law of *technical trademarks* held that once the owner of a technical trademark made a prima facie showing of infringement, the burden shifted to the defendant to justify his use. 2 NIMS, *supra* note 27, § 336, p. 1057; Standard Oil Co. v. Cal. Peach & Fig Growers, 28 F.2d 283, 285-86 (D. Del. 1928); Centaur Co. v. Genesh, 33 F.2d 985, 986 (W.D. Pa. 1929). It also appears that the defendant bore the burden of proving that its use was a proper *nominative* use of the mark to identify the plaintiff. See, e.g., Vick Chemical Co. v. Strohmeier, 39 F.2d 89, 91 (E.D. Pa. 1930).

popular burden of affirmatively demonstrating the defendant's fraudulent intent in secondary meaning mark infringement cases. However, it did not dismiss consideration of the plaintiff's state of mind altogether. Rather, it required the defendant to demonstrate that it acted "in good faith,"¹³² or with a lack of fraudulent intent.¹³³

The Lanham Act combines the issues of use for primary/secondary meaning and the defendant's intent into a single "fair use" determination, but this fusing of the two issues actually reflects the general practice at common law. As I will explain in the next section, by the time the Lanham Act was enacted, the courts had essentially woven these two issues into a unified concept: assuming that the defendant's actions constituted the requisite "trademark use" and caused a likelihood of consumer confusion, liability in secondary meaning mark cases effectively turned on the defendant's *purpose* in applying the word or symbol. Was its apparent purpose, or intent, simply to describe its own product (use the word in its primary sense), or was it to use the word or symbol as a trademark to indicate source, and thereby potentially mislead consumers?

III. THE MEANING OF "FAIR USE" IN LIGHT OF THE DOCTRINE'S HISTORICAL ROOTS

As discussed in the prior section, Lanham Act § 1115(b)(4) combines the common-law unfair competition "use for secondary meaning" limitation with consideration of the defendant's good or bad faith. This section will discuss the substance of the resulting "fair use" defense. Subsection A will discuss how the pre-Lanham Act common law construed and applied the "use for secondary meaning" requirement, and how its construction meshed with the common-law requirement that unfair competition defendants act with fraudulent intent or bad faith. Courts tended to commingle these

¹³² Section 33(b)(4) requires that the defendant use the contested word or symbol "in good faith only to describe the goods or services of such party, or their geographic origin." 15 U.S.C. § 1115(b)(4) (2009).

¹³³ The early common-law cases imposed infringement liability if the defendant used the contested word or symbol for its trademark meaning "with intent to defraud," or "fraudulent intent." The Lanham Act fair use defense excuses the defendant from liability if he uses the contested word or symbol "otherwise than as a mark," "in good faith." For purposes of this article, I assume that bad faith is the opposite of good faith, and I treat the terms "fraudulent intent" and "bad faith" as interchangeable in this context. Black's Law Dictionary defines "bad faith" as "dishonesty of belief or purpose." Black's Law Dictionary (8th ed. 2004). It defines a "fraudulent act" as "conduct involving bad faith . . ." *Id.* It defines "fraud" as "a knowing misrepresentation of the truth or concealment of a material fact." *Id.*

requirements, and evaluate both by focusing on the defendant's *apparent purpose* in applying the contested word or symbol—as demonstrated by circumstantial evidence. Subsection B will then review modern courts' construction and application of Lanham Act § 1115(b)(4), demonstrating that courts have continued to pursue the same essential purpose-oriented inquiry, informed by the same factors of circumstantial evidence. Subsection C will then argue that the modern fair use defense effectively turns on an evaluation of the defendant's *apparent purpose* in using the contested descriptive or surname word or symbol, *rather than on the likely impact* of the defendant's use on consumers.

The fair use defense thus differs from (and can readily be reconciled with) the plaintiff's burden to demonstrate that the defendant made a "trademark use" of the contested word or symbol, as a part of its case-in-chief. Essentially, the plaintiff must demonstrate the defendant's use of the word or symbol in close, direct association with goods or services it was advertising or offering for sale, as objective evidence of likely source-indicating significance to consumers. However, even after the plaintiff has made this showing, and even though the defendant's use may cause a likelihood of consumer confusion, the defendant may avoid liability by demonstrating fair use; that is, by demonstrating that it applied the contested word or symbol *for the purpose of* describing its product, its product's geographic origin, or to identify himself or herself by name. The fair use defense thus provides special leeway for competitors to use descriptive and surname words and symbols in marketing their products, even when the *effect* of their use might otherwise lead to a finding of infringement. Such leeway for good-faith use of descriptive words and symbols for their primary meaning is essential if competitors are to have meaningful access to descriptive language and surnames in their marketing activities.

A. *The Pre-Lanham Act Case Law*

In *Thaddeus Davids Co. v. Davids*,¹³⁴ the Supreme Court expressly distinguished the issue of fraudulent intent from the issue of whether the defendant used a surname for a trademark (as opposed to its primary) meaning. In that case, the plaintiff had federally registered its surname mark pursuant to the Trademark Act of 1905's "ten-year clause."¹³⁵ In resolving

¹³⁴ 233 U.S. 461 (1914).

¹³⁵ See *supra* notes 83-85, and accompanying text.

the registrant's infringement claim, the Court explained that federal registration of a secondary meaning mark relieved the plaintiff of the common-law unfair competition duty to demonstrate that the defendant acted with fraudulent intent. This was because the 1905 Act's section 16 governed the infringement cause of action for *all federally registered marks*, regardless of whether they constituted technical trademarks or secondary meaning marks, and section 16 imposed no duty to demonstrate fraudulent intent.¹³⁶ However, the Supreme Court stressed that registration did not expand the scope of the registrant's common-law rights in a secondary meaning mark: neither the common law nor registration gave a secondary meaning mark claimant a right to prohibit others from using its secondary meaning mark for its primary (descriptive, geographically descriptive, or surname) meaning.¹³⁷

As a practical matter, finding that the registered secondary meaning mark owner must demonstrate the defendant's use for trademark meaning, but not bad faith or fraudulent intent, was a formal distinction that made little substantive difference. As applied by the courts in unregistered secondary meaning mark cases, the two issues were commingled to the point of being virtually indistinguishable.¹³⁸ Even the *Davids* Court's discussion of the "use for the secondary (trademark) meaning" and "fraudulent intent" requirements demonstrates the judicial tendency to commingle the two inquiries.¹³⁹

Courts and early commentators frequently noted that the fraudulent intent necessary to demonstrate secondary meaning mark infringement could be inferred from the circumstances of the case.¹⁴⁰ Courts relied on the *same circumstan-*

¹³⁶ Since section 16 codified the elements of technical trademark infringement, and fraud was presumed in technical trademark infringement cases, the plaintiff need not demonstrate fraud. *See supra* notes 57-62, and accompanying text.

¹³⁷ 233 U.S. at 469-71.

¹³⁸ *See, e.g.,* Kellogg Toasted Corn Flake Co. v. Quaker Oats Co., 235 F. 657, 664 (6th Cir. 1916) ("the ultimate fact to be proved is fraud, *that is*, that defendant is using the words in their secondary, not simply their primary sense, and with the result of passing off its goods as the goods of appellant.") (emphasis added); (Computing Scale Co. v. Standard Computing Scale Co., 118 F.965, 967 (6th Cir. 1902) ("When the word is incapable of becoming a valid trade-mark, because descriptive or geographical, 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") (emphasis added).

¹³⁹ The Supreme Court characterized use of a mark for its secondary meaning as a use that is "calculated to mislead the public with respect to the origin or ownership of the goods, and thus to invade the right of the registrant to the use of the name or term as a designation of his merchandise." *Davids*, 233 U.S. at 470-71. It characterized the fraud issue as entailing a showing of "wrongful intent in fact on the part of the defendant, or facts justifying an inference of such an intent." *Id.* at 471.

¹⁴⁰ *See, e.g.,* Lawrence Mfg. Co. v. Tennessee Mfg. Co., 138 U.S. 537, 551 (1891) (in unfair competition cases, "deceitful representation or perfidious dealing must be

tial evidence to evaluate *both* wrongful intent *and* whether the defendant used the contested word or symbol for a trademark meaning, or for its primary (non-trademark) meaning. Thus, if the evidence supported a finding of bad-faith intent, it also supported a finding of use for trademark meaning, and vice versa. If the evidence failed to support a finding of bad-faith intent, it also would fail to support a finding of use for trademark meaning, and vice versa. There was little practical reason to distinguish the two issues. While a defendant theoretically might use a surname or descriptive word for trademark meaning, but lack bad-faith intent to mislead consumers or injure the plaintiff's business good will, the courts' reliance on the same factors to prove both issues made it highly unlikely that they would find this to be the case.

Both in addressing the use for secondary (trademark) meaning and the bad-faith intent issues, courts focused on the manner in which the defendant applied the word or symbol, the truthfulness or accuracy of the defendant's purported descriptive use, and whether the defendant replicated any other aspects of the plaintiff's label or trade dress.¹⁴¹ Indeed, courts tended to address both issues through a single inquiry. They sometimes framed this overall inquiry as whether the defendant's use was truthful or constituted a false representation.¹⁴² This truth/falsity inquiry simultaneously addressed whether the defendant made a false representation (as is required for fraud) and whether the defendant merely undertook to use the word or symbol descriptively, that is, truthfully to describe the qualities, characteristics, or geographic origin of its products. In other cases, courts framed the overarching question as whether the defendant *intended* to describe his goods or to in-

made out or be clearly inferable from the circumstances"); *Elgin Nat'l Watch Co. v. Illinois Watch Co.*, 179 U.S. 665, 674 (1901) (in unfair competition cases "such circumstances must be made out as will show wrongful intent in fact, or justify that inference . . ."); *Grismore*, *supra*, note 50, at 865 (noting tendency of courts to relax the proof necessary to demonstrate fraudulent intent: "Fraud may be inferred in many cases from the fact of imitation alone") (internal citations omitted); 2 NIMS, *supra* note 27, at § 351, 1089-91 (describing judicial tendency to infer fraud from the circumstances of the case).

Some commentators characterized the unfair competition law of the first half of the Twentieth Century as abandoning the fraudulent intent requirement altogether. *See, e.g.*, 2 CALLMANN, *supra* note 23, at 1400; 2 NIMS, *supra* note 27, at § 351. This perception may be attributable to the courts' amalgamation of the fraud issue and the "use for secondary meaning" issue.

¹⁴¹ *See, e.g.*, 2 NIMS, *supra* note 27, at §359, 1106, 1110 (describing how a defendant's fraudulent intent can be ascertained "by the manner in which he uses" the word or symbol, and discussing cases). With regard to the "use for secondary meaning" requirement, see the following text and footnotes.

¹⁴² *E.g.*, *William R. Warner & Co. v. Eli Lilly & Co.*, 265 U.S. 526, 529 (1924); *Canal Co. v. Clark*, 80 U.S. 311, 327 (1871); *Apollo Bros. v. Perkins*, 207 F. 530, 533 (3d Cir. 1913); *Anheuser-Busch Brewing Ass'n v. Piza*, 24 F. 149 (S.D.N.Y. 1885).

jure the plaintiff and/or free-ride on the good will of plaintiff's business.¹⁴³ Again, the question of the defendant's intent went both to the issue of bad faith or fraud and to the issue of whether the defendant used the word or symbol for a trademark, or source-indicating meaning, or only for its primary descriptive or surname meaning. Indeed, use of the word or symbol for a trademark meaning would seem a necessary prerequisite to finding the requisite bad faith/fraudulent intent to deceive consumers and injure the plaintiff's business good will.¹⁴⁴

As noted above, courts generally pursued these overarching inquiries by asking whether the defendant did more than use the same or a similar descriptive, geographically descriptive, or surname word or symbol in connection with its product. They inquired whether the manner and circumstances of the defendant's use suggested that she had more in mind than simple, honest description.¹⁴⁵ For example, was the defendant's use of the word or symbol inaccurate in connection with its particular product?¹⁴⁶ If so, that suggested both a bad-faith misrepresentation *and* use for purposes other than description. Did the defendant reproduce additional aspects

¹⁴³ See, e.g., *Howe Scale Co. of 1886 v. Wyckoff, Seamans & Benedict*, 198 U.S. 118, 136-40 (1905).

¹⁴⁴ See, e.g., *Kellogg Toasted Corn Flake Co. v. Quaker Oats Co.*, 235 F. 657, 664 (6th Cir. 1916) ("the ultimate fact to be proved is fraud, that is, that defendant is using the words in their secondary, not simply their primary, sense, and with the result of passing off its goods as the goods of appellant."); *DixiePig Corp. v. Pig Stand Co.*, 31 S.W.2d 325, 328 (Tex. App. 1930) (in a secondary meaning mark infringement case "the ultimate to be proven is fraud, that is, that appellants were using appellee's trade-mark in its secondary meaning and not simply in a primary sense. . .").

¹⁴⁵ Courts frequently noted that in secondary meaning mark infringement cases, a defendant's wrongdoing was not in the *use* of the contested word or symbol, per se, but in the defendant's *manner of use*. See, e.g., *Howe Scale Co.*, 198 U.S. at 134-36; *McLean v. Fleming*, 96 U.S. 245, 252 (1877); *Higrade Food Products Corp. v. H.D. Lee Mercantile Co.*, 46 F.2d 771, 772 (10th Cir. 1931).

¹⁴⁶ See, e.g., *Anheuser-Busch Brewing*, 24 F. at 150 (St. Louis brewer who manufactured and sold "St. Louis Lager Beer" might have no right to prevent other St. Louis brewers from using city name, but could prohibit use of "St. Louis Lager Beer" by competitor who operated no brewery in St. Louis: "[T]he defendant shall not be permitted, by the adoption of a trade-mark which is untrue and deceptive, to sell his own goods as the goods of the plaintiff, thus injuring the plaintiff and defrauding the public." (internal citations omitted). Defendant's adoption of "St. Louis Lager Beer" under these circumstances indicated an intent to use the city name not in its primary, descriptive meaning, but in its trademark meaning, and also indicated fraudulent intent). *C.f.* *Canal Co. v. Clark*, 80 U.S. 311, 324-25 (1871) (finding that the plaintiff, who sold coal under the geographic mark "Lackawanna," had no right to enjoin use of "Lackawanna" by competitor, whose coal came from the Lackawanna region and was of the same quality and appearance as the plaintiff's. The Court stressed that there is no right to relief, absent a "false representation:" "It cannot be said that there is any attempt to deceive the public when one sells as Kentucky hemp, or as Lehigh coal, that which in truth is such, or that there is any attempt to appropriate the enterprise or business reputation of another who may have previously sold his goods with the same description.")

of the plaintiff's marketing material, along with the contested word or symbol? For example, did the defendant reproduce the printing style or color in which the plaintiff typically displayed the word or symbol?¹⁴⁷ Did the defendant replicate other elements of the plaintiff's product label or packaging?¹⁴⁸ Did the defendant place the contested word or symbol in the same location on its label?¹⁴⁹ Did the defendant emphasize the contested word or symbol in a manner designed to grab consumers' immediate attention, or focus them primarily on that word or symbol, to the exclusion of differentiating material?¹⁵⁰ That "something else" beyond mere use of the same or similar surname or descriptive term, might demonstrate both "use for trademark (as opposed to primary) meaning" and fraudulent intent to deceive consumers and interfere with the plaintiff's

¹⁴⁷ See, e.g., *Kellogg Toasted Corn Flake Co. v. Quaker Oats Co.*, 235 F. 657, 668 (6th Cir. 1916) (competitor's use of words constituting plaintiff's descriptive mark did not constitute unfair competition, but might have if defendant had imitated the defendant's lettering); *Chickering v. Chickering & Sons*, 215 F. 490, 496 (7th Cir. 1914) (competing producers of pianos had same surname: Court notes that it might constitute unfair competition for the defendant to portray its surname in a manner that imitates the writing and style in which the plaintiff places its name on its pianos).

¹⁴⁸ See, e.g., *Standard Paint Co. v. Trinidad Asphalt Mfg. Co.*, 220 U.S. 446, 461-62 (1911) (no showing of unfair competition where defendant/competitor used a similar descriptive word to sell its roofing material, but used a very different "arrangement, color, design [and] general appearance" for its wrappers and the markings on its packages: Its use of the word did not "amount to a fraud on the public."); *Howe Scale Co. v. Wyckoff, Seamans & Benedict*, 198 U.S. 118, 135 (1905) (there may be an unfair competition claim against a defendant of the same surname if, in addition to using the surname, the defendant imitates the plaintiff's labels, boxes, or packages, and thereby induces the public to believe that his goods are those of the plaintiff.); *McLean v. Fleming*, 96 U.S. 245, 252 (1877) (plaintiff has no right against another person of the same name "unless such other person uses a form of stamp or label so like that used by the complaining party as to represent that the goods of the former are the goods of the latter's manufacture"); *Grocers Baking Co. v. Sigler*, 132 F.2d 498, 499-501 (6th Cir. 1942) (competitor's use of descriptive word similar to the plaintiff's constitutes unfair competition because competitor also imitates the oval-shaped figure with symmetrical indentations at each end, on which the plaintiff places its mark on its bread wrappers); *Scriven v. North*, 134 F. 366, 376 (4th Cir. 1904) (unfair competition found because defendant not only reproduced plaintiff's descriptive word in advertising, but also imitated the plaintiff's stamp and product appearance: "Courts cannot forbid the use of words, which, standing alone and in their ordinary signification, are common property, or of numerals, which all the world is free to use, or of labels and stamps of common form, in which on one can claim an exclusive use, even though it may be shown that careless persons may in some instances be misled; but if they are so collocated and stamped upon an article in manifest imitation of a form previously adopted by another as a means of distinguishing his goods, with the deceptive purpose to mislead . . . such conduct falls under the ban.");

¹⁴⁹ See, e.g., *Thaddeus Davids Co. v. Davids*, 233 U.S. 461, 472 (1914) (noting placement of "Davids" in the same position on plaintiff's and defendant's labels).

¹⁵⁰ See CALLMANN, *supra* note 42, at 195 (describing use of a word or symbol for its secondary (trademark) meaning as a "catchword" use; a conspicuous use; "a use which is patently calculated to call the public's attention to the symbol of the advertised article."); *Chickering*, 215 F. at 496-97 (while competitor may use his own surname, which is the same as the plaintiff's surname, defendant's emphasizing similar name through use of large lettering may constitute unfair competition).

business good will. Courts also asked whether the defendant provided and emphasized its own distinguishing mark, along with the contested word or symbol, or if the defendant incorporated the contested word or symbol into its own brand name, whether it otherwise differentiated its brand name from the plaintiff's.¹⁵¹ Assuming that the defendant knew of the plaintiff's mark, did it take reasonable precautions to avoid consumer confusion?¹⁵² A lack of such precautions might indicate that the defendant used the word or symbol for trademark meaning, rather than simply to describe its own product. It might likewise provide a basis for inferring fraudulent intent or bad faith. As a practical matter, the courts' reliance on the same evidence to demonstrate use for secondary meaning and bad-faith intent, and their tendency to consider both issues together resulted in a single inquiry: Did the defendant apply the word or symbol in order to describe, or in order to indicate source? He would be liable if his apparent purpose was to indicate source and/or deceive consumers, but not if it was merely truthfully to describe his product.

A few examples of the Supreme Court's early decisions may be useful to illustrate. *Canal Co. v. Clark*¹⁵³ is one of the more famous early Supreme Court decisions to address the scope of secondary meaning mark protection. In that case the

¹⁵¹ See, e.g., *Thaddeus Davids Co.*, 233 U.S. at 471-72 (noting that the defendant might have used its own surname in its marketing but also adopted distinguishing matter to set its products apart from the plaintiff's, which were sold under a similar surname.); *Hygrade Food Products Corp. v. H.D. Lee Mercantile Co.*, 46 F.2d 771, 772-73 (10th Cir. 1931) (stressing the importance of accompanying the plaintiff's descriptive word with distinguishing matter); *Kellogg Toasted Corn Flake Co.*, 235 F. at 668 (competitor's use of descriptive words "Toasted Corn Flakes" did not constitute unfair competition, since it accompanied the use with its own prominent "Quaker" mark); *Chickerings*, 215 F. at 497 (finding that while defendants were entitled to use their surname to identify themselves as the producers of their pianos, they must accompany the surname with the words "made by," and a differentiating mark printed in larger type size.). See also *Howe Scale Co. v. Wycoff, Seamans & Benedict*, 198 U.S. 118, 139-40 (1905) (while defendants used the same surname—"Remington"—as the plaintiff to distinguish their products, they sufficiently distinguished their use by combining it with a second surname—"Remington-Sholes").

A superficial reading of the Supreme Court's decision in *Baglin v. Cusenier Co.*, 221 U.S. 580 (1911), might lead one to conclude that, while a defendant may use a descriptive word in which the plaintiff has secondary meaning in descriptive matter accompanying its product, it may not use the word in its own product brand. However, such an interpretation would be contrary to the clear implication of other Supreme Court decisions of the same era which upheld a defendant's use of the word constituting the secondary meaning mark in its brand name. See, e.g., *Standard Paint Co. v. Trinidad Asphalt Mfg. Co.*, 220 U.S. 446 (1911); *Canal Co. v. Clark*, 80 U.S. 311 (1871). Rather, *Baglin* should be understood in light of its specific facts. In that case the defendant had used not just the geographically descriptive word, but also the plaintiff's trade dress and other composite marks.

¹⁵² See, e.g., *L.E. Waterman Co. v. Modern Pen Co.*, 235 U.S. 88, 94 (1914); *Computing Scale Co. v. Standard Computing Scale Co.*, 118 F. 965, 967 (6th Cir. 1902).

¹⁵³ *Canal Co. v. Clark*, 80 U.S. 311 (1871).

plaintiff, Canal Company, was the first to mine coal in the Lackawanna Valley, and marketed its coal under the name “Lackawanna coal” for many years. Mining companies that subsequently commenced mining in the same geographic region sold their coal under other names: Pittston coal, Scranton coal, Lehigh coal, Hazelton coal, Spring Mountain coal, Sugarloaf coal, etc. All of the coal mined from the Lackawanna region was similar in nature, however, and persons in the trade, when speaking generally, might refer to all coal from that region as “Lackawanna coal.”¹⁵⁴

Clark, a coal dealer, sold and advertised the coal he had for sale as “Lackawanna coal,” although that coal had been sold to him as “Pittston coal” and “Scranton coal;” he sold no coal produced under the “Lackawanna” designation by the Canal Co. The Canal Co. sued to enjoin the use, and Supreme Court rejected the claim, focusing on the fact that the defendant’s use was a truthful use of “Lackawanna,” which is a geographically descriptive term:

[There is no] attempt to deceive the public when one sells as Kentucky hemp, or as Lehigh coal, that which in truth is such, [nor is] there is any attempt to appropriate the enterprise or business reputation of another who may have previously sold his goods with the same description.¹⁵⁵

The Court was unwilling to infer use for secondary meaning or bad-faith intent from the defendant’s mere truthful use of the geographically descriptive term in connection with its product. The Court went on to distinguish earlier cases in which courts had enjoined use of geographic, descriptive, or surname marks, noting that they had all involved something more than was involved in the present case. In particular, the court distinguished *Alvord v. Newman*, in which an Akron, Ohio company selling its cement as “Akron Cement” sued a Syracuse, New York company that was selling its competing cement as “Onondaga Akron Cement.” The *Canal Co.* Court noted that the defendant’s actions in *Alvord* constituted attempted fraud and were therefore properly restrained. However, it noted that the *Alvord* case did not prevent other cement producers *in Akron* from calling their products “Akron cement,” for their use would be truthful.¹⁵⁶

¹⁵⁴ *Id.*

¹⁵⁵ *Id.* at 324-25.

¹⁵⁶ *Id.* at 325-27. The Court conceded that such a use by a subsequent Akron producer may have the effect of causing the public to mistake as to the origin or ownership of the product, but if it is just as true in its application to his goods as it is to

While the *Canal* court did not expressly differentiate the “use for secondary meaning” and “fraudulent intent” elements, its reasoning suggests that both issues turned on whether the defendant’s use of “Lackawanna” truthfully described the geographic origin of the coal it was offering for sale. The truthfulness of the defendant’s use was dispositive, given that there were no other circumstances to indicate bad faith or an intent to use “Lackawanna” in a trademark sense.¹⁵⁷

By contrast, in *McLean v. Fleming*,¹⁵⁸ the Supreme Court found that the defendant’s use of a surname that was similar to the plaintiff’s surname mark was actionable. The plaintiffs, who were successors of Dr. Charles McLane, marketed “Dr. C. McLane’s Celebrated Liver Pills,” and the defendant, James H. McLean, commenced selling his own liver pills as “Dr. McLean’s Universal Pills,” and later, “Dr. J.H. McLean’s Universal Pills.” Although the defendant was using his own name, the Court stressed that the defendant used very similar packaging, as well as a similar name, noting that: “the form of the box containing the pills and the general appearance of the wrapper which surrounded it were calculated to [mislead and deceive].”¹⁵⁹ Thus, the surrounding circumstances indicated that the defendant’s *purpose* was not merely to describe the products as his own creation, but to deceive consumers about the source of the product. The evidence of replicating both mark and trade dress indicated that the defendant used the name for a trademark meaning, for the purpose of deceiving consumers about the source of his pills. He could be enjoined.¹⁶⁰

Finally, in *Standard Paint Co. v. Trinidad Asphalt Mfg. Co.*,¹⁶¹ the plaintiff manufactured strips of roofing material, which it sold in rolls with paper wrappers bearing the words

those of another who first applied it, and who therefore claims an exclusive right to use it, there is no legal or moral wrong done. Purchasers may be mistaken, but they are not deceived by false representations, and equity will not enjoin against telling the truth.

Id. at 327.

¹⁵⁷ In concluding, the Court stressed:

By advertising and selling coal brought from the Lackawanna Valley as Lackawanna coal, [Clark] has made no false representation, and we see no evidence that he has attempted to sell his coal as and for the coal of the plaintiffs. If the public are led into mistake, it is by the truth, not by any false pretense. If the complainants’ sales are diminished, it is because they are not the only producers of Lackawanna coal, and not because of any fraud of the defendant.”

Id. at 328.

¹⁵⁸ 96 U.S. 245 (1877).

¹⁵⁹ *Id.*, 96 U.S. at 255.

¹⁶⁰ However, the injunction that the Court upheld only prohibited the defendant from using the “McLean” name “upon any label or wrapper for boxes or other packages of pills” resembling or imitating those of the plaintiff. *Id.* at 250-51.

¹⁶¹ 220 U.S. 446 (1911).

“Ruberoid Roofing.” The defendant manufactured roofing made from a different kind of material, which it sold in similarly sized rolls under the name “Rubbero Roofing.” Even though the plaintiff’s roofing contained no rubber, the Supreme Court found that the word “Ruberoid” was descriptive of the product, and thus could not constitute a technical trademark.¹⁶² The Court declined to permit the plaintiff to enjoin the defendant’s use of “Rubbero,” stressing that the general appearance of the parties’ wrappers and markings was quite different. The only thing the plaintiff could complain of was the similarity of “Rubbero” to the descriptive term “Ruberoid.” To preclude the defendant’s use of “Rubbero” because of its resemblance to “Ruberoid” would “be to give the word ‘Ruberoid’ the full effect of a trademark, while denying its validity as such.”¹⁶³ The defendant appeared to have used the word “Rubbero” truthfully only to describe its product, not in “such a way as to amount to a fraud on the public.”¹⁶⁴

In each of the three cases described above, the Supreme Court considered the issues of “use for secondary (trademark) meaning” and bad-faith intent in an undifferentiated manner and required evidence beyond the defendant’s use of a similar surname or descriptive word or symbol to establish those elements. The evidence the opinions suggest to be relevant include inaccuracy of the descriptive or surname use, the manner of the defendant’s use, and whether the defendant reproduced packaging or other marketing materials beyond the word constituting the plaintiff’s secondary meaning mark. The ultimate inquiry was the defendant’s apparent purpose in using the contested word or symbol.

B. *Construction and Application of Lanham Act § 1115(b)(4)*

As discussed *supra*, Congress intended Lanham Act § 1115(b)(4) to preserve the common-law “use for secondary meaning” limitation for secondary meaning marks.¹⁶⁵ The stated policies underlying § 1115(b)(4) are the same as those underlying its common-law predecessor. As the Supreme Court recently emphasized in *KP Permanent Make-Up, Inc. v.*

¹⁶² The plaintiff described its product as being in the “nature of soft, flexible rubber.” *Id.*, at 454. Resorting to a dictionary, the Court found that the combination of “Rubber” and “oid” conveyed the meaning: “having the form or resemblance of rubber,” or “rubber-like.” *Id.* at 455.

¹⁶³ *Id.*

¹⁶⁴ *Id.* at 461-62.

¹⁶⁵ See *supra* notes 122-34, and accompanying text.

Lasting Impression I, Inc., neither the common-law nor the Lanham Act may be applied to “deprive commercial speakers of the ordinary utility of descriptive words.”¹⁶⁶ Courts and commentators routinely note that the Lanham Act fair use defense is substantively equivalent to the common-law “use for secondary meaning” limitation¹⁶⁷ and limits rights in descriptive and surname words and symbols to their source-identifying significance. Another’s use of a claimed word or symbol in its descriptive or surname capacity will not infringe.¹⁶⁸

To qualify for the statutory defense, the defendant must have used the surname or descriptive word or symbol “otherwise than as a mark,” “fairly and in good faith only to describe” its own goods or services.¹⁶⁹ The phrase “otherwise than as a trademark” carries forward the common-law distinction between use of a word or symbol for its “primary” meaning and use of it for a “secondary” (trademark) meaning, and affirms that trademark meaning is the *only* aspect of a surname or descriptive word that trademark law regulates.¹⁷⁰ The statutory requirement that the defendant act “in good faith”¹⁷¹ only to

¹⁶⁶ 543 U.S. at 122. RESTATEMENT (THIRD) OF UNFAIR COMPETITION, *supra*, note 42, at cmt. a (“the owner of a trademark . . . cannot deprive others of the use of the term in its original descriptive sense”); *see also* Hearings on H.R. 102 *supra*, note 125, at 72 (testimony of Wallace Martin, Chairman of ABA Committee on Trademark Legislation) (“Everybody has got a right to the use of the English Language and has got a right to assume that nobody is going to take that English language away from him.”).

¹⁶⁷ *E.g.*, *Venetianaire Corp. of Am. v. A & P Imp Co.*, 429 F.2d 1079, 1081 (2d Cir. 1970); *M.B.H. Enters. Inc. v. WOKY, Inc.*, 633 F.2d 50, 52 n.2 (7th Cir. 1980); *Desert Beauty, Inc. v. Fox*, 568 F. Supp. 2d 416, 423 (S.D.N.Y. 2008); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 28 cmt. a (1995); J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 11:49 (4th ed. 1994).

The Lanham Act’s fair use defense applies both to registered marks and to unregistered marks asserted pursuant to Lanham Act § 43(a). RESTATEMENT (THIRD) OF UNFAIR COMPETITION, *supra* note 42, § 28, cmt. a.

¹⁶⁸ *Car-Freshner Corp. v. S.C. Johnson & Son, Inc.*, 70 F.3d 267, 270 (2d Cir. 1995) (even 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). *See also* RESTATEMENT (THIRD) OF UNFAIR COMPETITION, *supra* note 42, at cmt. a (“The owner of a trademark . . . cannot deprive others of the use of the term in its original descriptive sense. Reasonable use of a descriptive term by another solely to describe the nature or characteristics of its own goods or services will not subject the user to liability for infringement.”).

¹⁶⁹ 15 U.S.C. § 1115(b)(4).

¹⁷⁰ *See* RESTATEMENT (THIRD) OF UNFAIR COMPETITION, *supra* note 42, at § 28, cmt. a, at 294 (“The defense of fair use under the law of trademarks is limited to use of the original descriptive or personal name significance of a term. This limitation on the scope of the fair use doctrine is sometimes described by stating that the doctrine applies only to use “*otherwise than as a trademark*,” or only to “non-trademark use” of another’s mark”) (emphasis added).

¹⁷¹ Good faith, for purposes of Lanham Act § 1115(b)(4), does not turn on the defendant’s knowledge (or lack of knowledge) of the plaintiff’s prior use of the word or symbol. *Car-Freshner Corp. v. S.C. Johnson & Son, Inc.*, 70 F.3d 267, 270 (2d Cir. 1995); *Dessert Beauty*, 568 F. Supp. 2d at 427; MCCARTHY, *supra* note 21, at 11-19 to 11-20. A defendant may know of the plaintiff’s use and still intend only to describe the qualities and characteristics of its own goods. However, if the defendant intended to

describe” its goods continues the common-law practice of intertwining the “use for secondary (trademark) meaning” question with the issue of the defendant’s purpose or intent.¹⁷² Essentially, the Lanham Act implements only one change from the common law: Rather than require the plaintiff to prove that the defendant’s purpose was non-descriptive and in bad-faith, the Lanham Act shifts the burden to the defendant to prove that its purpose was purely descriptive and in good faith.

Courts evaluating Lanham Act fair use defenses consider essentially the *same elements* of circumstantial evidence as they did under the common law of unfair competition. First, courts examine how the defendant employed the word or symbol—its prominence, style, and placement on the defendant’s labels, packaging, or advertising, along with any physical similarities to the plaintiff’s presentation and packaging.¹⁷³ As before, such considerations provide circumstantial evidence of the defendant’s *purpose* in using the word or symbol.

These factors may also suggest how consumers perceive the use, but consumer perceptions clearly are not the courts’ primary focus. For example, courts have often found a defendant’s very prominent placement on packaging and/or emphasis upon the word or symbol in advertising to constitute a fair use, when the defendant also prominently displayed its own mark on the label, packaging, or advertising.¹⁷⁴ Merchants

tap the source-indicating significance of the word or symbol, and thus trade on the plaintiff’s business good will by creating confusion about source or sponsorship, good faith will be lacking and the fair use defense will not apply.

¹⁷² To the extent that “fairness” is deemed to be a separate requirement under Lanham Act § 33(b)(4), it is understood to go to the defendant’s commercial justification for its descriptive use of the word or symbol, and to the accuracy of the description. *See, e.g., KP Permanent*, 543 U.S. at 123 (“Accuracy . . . has to be a consideration in considering whether a use is fair”). *See also* RESTATEMENT (THIRD) OF UNFAIR COMPETITION, *supra* note 42, at § 28, cmt. c (suggesting that to be “fair,” the descriptive use should accurately describe an important aspect of the defendant’s goods or services.).

¹⁷³ *See, e.g., Venetianaire Corp. of Am. v. A&P Imp. Co.*, 429 F.2d 1079, 1080, 1082 (2d Cir. 1970) (court finds use as a trademark, noting, in particular, the way the defendant mimicked the plaintiff’s type style, figurative design and placement of the descriptive word “Hygient,” and the word’s prominent display on the defendant’s packaging); *Dessert Beauty*, 568 F. Supp. 2d at 426 (“Descriptive use is often evident in the manner of use, such as the ‘physical nature of the use in terms of size, location, and other characteristics in comparison with the appearance of other descriptive matter or other trademarks’”) (*quoting* *EMI Catalogue P’ship v. Hill, Holliday, Connors, Cosmopolos, Inc.*, 228 F.3d 56, 65 (2d Cir. 2000)); *Corbitt Mfg Co. v. GSO Am., Inc.*, 197 F. Supp. 2d 1368, 1377 (S.D. Ga. 2002) (“[L]ettering, type-style, size and visual placement and prominence of the challenged words are factors in determining whether a term is being used as a trademark”) (*quoting* MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 11:46 (4th ed. 2002)). *See also* notes 148-53, *supra* and accompanying text.

¹⁷⁴ *See, e.g., Packman v. Chicago Tribune Co.*, 267 F.3d 628, 639-40 (7th Cir. 2001) (although plaintiff’s trademarked phrase was the most prominent text and an attention-getting symbol, Seventh Circuit found that the use was a “non-trademark use,” stressing that the defendant newspaper’s own mark [its masthead] also appeared

may, and frequently do, claim trademark rights in multiple words and symbols on their labels and packaging. Thus, even if the defendant places other identifying marks on the same label or packaging, consumers may understand the contested word or symbol to indicate source. The courts' emphasis on the presence of another, distinguishing mark demonstrates a focus upon the defendant's apparent purpose, rather than upon the likely impact of the defendant's use on consumers. If the defendant also prominently displays its own brand, its purpose in employing the plaintiff's descriptive word or symbol is more likely to describe than to identify source.

As in the pre-Lanham Act common law, courts also consider the relevance or accuracy of the descriptive meaning in connection with the defendant's product or service,¹⁷⁵ and the presence or absence (as opposed to the effectiveness) of precautionary measures to avoid consumer confusion.¹⁷⁶ Again, these inquiries shed light on the defendant's purpose in applying the surname or descriptive word or symbol.

Modern courts have suggested some additional factors that may be relevant to evaluating fair use, including whether the defendant filed an application to register the word or symbol at issue¹⁷⁷ or placed a ® or ™ symbol near it;¹⁷⁸ the availability of alternative, equally effective descriptive terms;¹⁷⁹ the

with the plaintiff's phrase); *Cosmetically Sealed Indus., Inc. v. Chesebrough-Pond's U.S.A. Co.*, 125 F.3d 28, 31, (2d Cir. 1997) ("So long as the defendants in good faith are using the phrase in its descriptive sense and prominently identifying the product with the defendants' marks, the defendants incur no liability simply because the materials containing the descriptive phrase are so widely disseminated as to form some degree of association in the public's mind between the phrase and the product"); *Car-Freshner Corp.*, 70 F.3d at 270 (although the defendant's use of the plaintiff's descriptive symbol was highly prominent and noticeable, Second Circuit found fair use, emphasizing that the defendant prominently displayed its own mark, as well); *Citrus Group, Inc. v. Cadbury Beverages, Inc.*, 781 F. Supp. 386, 391-92 (D. Md. 1991) (defendant prominently placed phrase "Main Squeeze" in print advertisements, radio ads, and on the front of t-shirts and towels, but there was no trademark use: The defendant also prominently displayed its trademark and trade dress on the product and promotional items, along with the contested phrase). *Schmid Labs. v. Youngs Drug Prods. Corp.*, 482 F. Supp. 14, 17, 20 (D.N.J. 1979) (No "trademark use," even though defendant's packaging prominently displayed the contested word in large capital letters. The court noted that the defendant also prominently displayed its own mark on the packaging); *See also* note 152, *supra*, and accompanying text.

¹⁷⁵ *E.g.*, *EMI Catalogue P'ship v. Hill, Holliday, Connors, Cosmopolos Inc.*, 228 F.3d 56, 64-65 (2d Cir. 2000); *Rainforest Café, Inc. v. Amazon, Inc.*, 86 F. Supp. 2d 886, 906 (D. Minn. 1999); *Woodroast Sys., Inc. v. Rests. Unlimited, Inc.*, 793 F. Supp. 906, 913-14 (D. Minn. 1992). *See* note 147, *supra*.

¹⁷⁶ *See, e.g.*, *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 796 (5th Cir. 1983); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 28 cmt. c (1995). *See also* notes 152-53, *supra*, and accompanying text.

¹⁷⁷ *Zatarains*, 698 F.2d at 796; RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 28 cmt. c (1995).

¹⁷⁸ *Sports Authority, Inc. v. Abercrombie & Fitch, Inc.*, 965 F. Supp. 2d 925, 936 (E.D. Mich. 1997); *Dessert Beauty*, 568 F. Supp. 2d at 424.

¹⁷⁹ *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 408 F.3d 596, 609 (9th Cir. 2005).

strength or fame of the plaintiff's mark;¹⁸⁰ and the degree of confusion likely to be caused by the purported fair use.¹⁸¹ Like the earlier factors, these suggest an undertaking to evaluate the defendant's purpose. Clearly an undertaking to register or otherwise assert rights in the contested word or symbol addresses the defendant's purpose, not consumer perceptions. Moreover, if the plaintiff's mark is widely known, and there are equally effective alternative words or symbols to describe the defendant's product or service, that might support an inference that the defendant selected the word or symbol strategically, to appropriate the plaintiff's business good will, rather than merely to describe its goods. Indeed, the degree of likely consumer confusion may constitute circumstantial evidence of the defendant's purpose—a purpose merely to describe generally is likely to result in a lower level of consumer confusion than a purpose to indicate source.¹⁸²

Finally, as in pre-Lanham Act common law, one finds courts consolidating their evaluation of the defendant's use "otherwise than as a mark" with their evaluation of the defendant's "good faith,"¹⁸³ and relying on the same factors to determine both.¹⁸⁴ Modern courts state that an infringement de-

¹⁸⁰ *Id.*

¹⁸¹ In *KP Permanent*, the Supreme Court ruled that a likelihood of confusion would not rule out fair use, but declined to decide whether the degree of likely confusion was a relevant consideration. *KP Permanent*, 543 U.S. at 123. The Ninth Circuit, on remand, has ruled it relevant. 408 F.3d 596, 609 (2005). See also *Shakespeare Co. v. Silstar Corp. of Am., Inc.*, 110 F.3d 234, 243 (4th Cir. 1997) (finding that the degree of confusion may be relevant to determining whether a use is fair). But see Graeme W. Austin, *Essay, Tolerating Confusion about Confusion: Trademark Policies and Fair Use*, 50 ARIZ. L. REV. 157 (2008) (arguing that consideration of likelihood of confusion in determining fair use is inappropriate).

¹⁸² This proposition is consistent with courts' practice in the likelihood of confusion determination itself, where the opposite inference is made: Evidence of the defendant's intent to deceive consumers may constitute evidence that the defendant succeeded in creating a likelihood of confusion. See RESTATEMENT (THIRD) OF UNFAIR COMPETITION, *supra* note 42, at § 22, cmt. c. In the fair use context, evidence of a relatively low level of confusion may constitute evidence that the defendant's purpose was not to create confusion.

The practice of considering whether the defendant had alternative words or symbols at his disposal appears to be inconsistent with Congress' intent in enacting Lanham Act § 1115(b)(4): Congress rejected an amendment that would have limited the fair use defense to cases in which use of the word or symbol at issue was "necessary." See *supra* note 127, and accompanying text.

¹⁸³ 15 U.S.C. § 1115(b)(4).

¹⁸⁴ In discussing the good faith issue, courts inquire whether the defendant *emphasized the contested word or symbol, or emulated the plaintiff's style or manner of presenting it*. See, e.g., *Venetianaire Corp.*, 429 F.2d at 1083; *Dessert Beauty*, 568 F.Supp.2d at 428; RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 28 cmt. d (1995). They ask *whether the defendant displayed its own mark* along with the descriptive word or symbol. E.g., *Int'l Stamp Art, Inc. v. United States Postal Service*, 456 F.3d 1270, 1275 (11th Cir. 2006); *Packman v. Chicago Tribune Co.*, 267 F.3d 628, 642 (7th Cir. 2001); *EMI Catalogue P'ship*, 228 F.3d at 67; *Cosmetically Sealed Indus.*, 125 F.3d at 30. And they also ask *whether the defendant's use of the descriptive word or symbol was truthful and accurate*

defendant lacks good faith if it applies the descriptive word or symbol *with the intention* of creating a likelihood of consumer confusion, and thus trading on the plaintiff's business good will. This definition of "good faith" is the reverse side of the "bad faith" or "fraudulent intent" that the common-law required the plaintiff to demonstrate.¹⁸⁵ This inquiry,¹⁸⁶ in combination with the "use otherwise than as a trademark" inquiry, focuses on the defendant's purpose, not on the likely impact of the use on consumers.

A number of fair use decisions appear to dispense with separate use "otherwise than as a mark" and "good faith" inquiries altogether and resolve the fair use issue strictly on the court's evaluation of the defendant's purpose in employing the contested word or symbol.¹⁸⁷ This should not be surprising, since the fair use defense is meant to give marketplace actors meaningful leeway to use descriptive words or symbols in their purely descriptive capacity, without fear of infringement liability. An evaluation that turns on the defendant's *apparent purpose*, rather than the effect of its actions, better accomplishes this goal.

C. A "Purpose" Standard

As discussed earlier, the interests in robust marketplace competition and marketplace efficiency require that all participants have meaningful access to the words and symbols they need to communicate their products' qualities and characteristics effectively to consumers. Removing such words and sym-

with regard to its goods. *Int'l Stamp Art*, 456 F.3d at 1275. Did the defendant have equally *effective alternative means* of describing its product but nonetheless choose descriptors similar to the plaintiff's mark? *Int'l Stamp Art*, 456 F.3d at 1276; *EMI Catalogue P'ship*, 228 F.3d at 67; *Sierra On-Line, Inc. v. Phonix Software, Inc.*, 739 F.2d 1415, 1422 (9th Cir. 1984). Did the defendant *take reasonable precautions* to prevent consumer confusion? *Zatarains*, 698 F.2d at 796; RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 28 cmt. d (1995).

¹⁸⁵ *Int'l Stamp Art, Inc. v. United States Postal Service*, 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); *Packman v. Chicago Tribune Co.*, 267 F.3d 628, 642 (7th Cir. 2001); RESTATEMENT (THIRD) OF UNFAIR COMPETITION, *supra* note 42, at § 28 cmt. d.

This statement echoes pre-Lanham Act descriptions of a defendant's fraudulent intent which, along with a showing that the defendant used the surname or descriptive word or symbol "for its secondary meaning," was a prerequisite to a secondary meaning mark claimant's recovery. See *supra* notes 46-51, 135-53, and accompanying text.

¹⁸⁶ See, e.g., *Packman*, 267 F.3d at 642 ("the defendants' good faith "can be judged only by inquiry into [their] subjective purpose in using the slogan[]") (*quoting* *MBH Enters., Inc. v. WOKY, Inc.*, 633 F.2d 50, 54 (7th Cir. 1980)).

¹⁸⁷ E.g., *Door Sys., Inc. v. Overhead Door Sys., Inc.*, 905 F. Supp. 492, 497 fn.4 (N.D. Ill. 1995), *aff'd*, 83 F.3d 169 (7th Cir. 1996); *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 12-13 (2d Cir. 1976); *Citrus Group, Inc. v. Cadbury Beverages, Inc.*, 781 F. Supp. 386, 391-93 (D. Md. 1991); *Jean Patou, Inc. v. Jacqueline Cochran*, 201 F. Supp. 861, 865 (S.D.N.Y. 1962).

bols from competitors' reach would reduce the flow of useful, truthful information to consumers,¹⁸⁸ raise consumer search costs,¹⁸⁹ and raise a bar to new entrants to the market.¹⁹⁰ In addition, recognizing broad rights in descriptive words and symbols may interfere with important First Amendment interests, even in cases in which the alleged infringing use can be deemed commercial speech.¹⁹¹

A "defendant's purpose" standard better accommodates these concerns than would a "consumer perception" standard that finds fair use only when consumers are demonstrably unlikely to take source-indicating meaning from the defendant's use.¹⁹² Given steadily expanding notions of what con-

¹⁸⁸ Graeme W. Austin, *supra*, note 182, at 188; Uche U. Ewelukwa, *Comparative Trademark Law: Fair Use Defense in the United States and Europe—The Changing Landscape of Trademark Law*, 13 WEIDENER L. REV. 97, at 127 (2006); Sands, Taylor & Wood Co. v. Quaker Oats Co., 978 F.2d 947, 951 (7th Cir. 1992).

¹⁸⁹ Stacey L. Dogan & Mark A. Lemley, *Grounding Trademark Law Through Trademark Use*, 92 IOWA L. REV. 1669, 1689 (2007); 1 JEROME GILSON, TRADEMARK PROTECTION AND PRACTICE, § 5.09(5) (2005).

¹⁹⁰ 2 J. T. McCarthy, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 11:45 (4th ed. 2008); Austin, *supra* note 182, at 17-18; Rebecca Tushnet, *Trademark Law as Commercial Speech Regulation*, 58 S.C. L. REV. 737, 744 (2007); Michael Fuller, "Fair Use" Trumps Likelihood of Confusion in Trademark Law the Supreme Court Rules in *KP Permanent v. Lasting Impression*, 2006 B.C. INTELL. PROP. & TECH. F. 11001 at 2.

¹⁹¹ *San Francisco Arts & Athletics, Inc. v. U.S. Olympic Comm.*, 483 U.S. 522, 565 (1987) (Brennan, J., dissenting) (the fair use defense "prevents the award of a trademark from regulating a substantial amount of noncommercial speech."); Michael Machat, *The Practical Significance of the Supreme Court Decision in KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 95 TRADEMARK REP. 825, 836 (2005) ("the fair use defense is a safety valve designed to give the public confidence that aggressive trademark owners seeking to gain monopoly power over words will not have the power to interfere with the public's ability to use words in their ordinary meaning in the course of their business and within the scope of their personal affairs"). See also Rebecca Tushnet, *supra* note 191 (noting that serious First Amendment concerns arise, even though trademark law addresses commercial speech); Lisa P. Ramsey, *Descriptive Trademarks and the First Amendment*, 70 TENN. L. REV. 1095 (2003) (arguing that the First Amendment prohibits trademark protection for descriptive marks).

¹⁹² See *KP Permanent Make-Up, Inc. v. Lasting Impressions I, Inc.*, 543 U.S. 111, 122 (2004):

The common law's tolerance of a certain degree of confusion on the part of consumers followed from the very fact that in cases like this one an originally descriptive term was selected to be used as a mark, not to mention the undesirability of allowing anyone to obtain a complete monopoly on use of a descriptive term simply by grabbing it first. *Canal Co. v. Clark*, 13 Wall., at 323-24, 327. The Lanham Act adopts a similar leniency, there being no indication that the statute was meant to deprive commercial speakers of the ordinary utility of descriptive words. "If any confusion results, that is a risk the plaintiff accepted when it decided to identify its product with a mark that uses a well known descriptive phrase." *Cosmetically Sealed Industries, Inc. v. Chesebrough-Pond's USA Co.*, 125 F.3d, at 30. This right to describe is the reason that descriptive terms qualify for registration as trademarks only after taking on secondary meaning as "distinctive of the applicant's goods." 15 U.S.C. § 1052(f), with the registrant getting an exclusive right not in the original, descriptive sense, but only in the secondary one associated with the markholder's goods. (citations omitted).

See also Austin, *supra* note 182, at 177 (noting that under the fair use defense, consumer confusion must sometimes be tolerated "to allow firms to make descriptive

sumer perceptions are actionable,¹⁹³ and the self-fulfilling nature of mark owners' claims regarding consumer association,¹⁹⁴ a standard of fair use that focuses primarily on likely consumer perceptions will readily lead to infringement liability for good-faith use of words and symbols to describe products and services. This will chill marketplace actors' willingness to use descriptive words or symbols in productive, pro-competitive ways. A "defendant purpose" standard affords merchants some leeway for honest misjudgment.

A "defendant purpose" standard is also consistent with the Supreme Court's reasoning in *KP Permanent*.¹⁹⁵ In *KP*, the Supreme Court held that the fair use defense may be available to defendants *even though their use creates a likelihood of consumer confusion*, because, as a general matter, merchants' ability to use descriptive words and symbols in communicating the qualities and characteristics of their goods to consumers is of *greater public concern* than preventing all consumer confusion.¹⁹⁶ Implicit in this reasoning is the understanding that in some cases of fair use, consumers will understand the defendant's use to indicate source. If the use did not communicate source, then there could not be any likelihood of consumer confu-

uses of otherwise-protected marks. Curtailing the trademark monopoly on descriptive words facilitates competition; it may also protect after-markets for such things as second-hand goods, sundries, and repair services."); 2 MCCARTHY, *supra* note 191, § 11:45 at 11-90.19, 11.93 (characterizing the purpose of the fair use defense as providing a competitive balance and ensuring that trademark law cannot forbid commercial use of terms in the descriptive sense).

¹⁹³ See 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 11-14 (Graeme B. Dinwoodie & Mark D. Janis eds., 2007) (discussing how courts' understanding of "consumer confusion" has been extended to the point that confusion no longer provides meaningful limits to trademark rights to accommodate countervailing expressive interests); Austin, *supra* note 182, (discussing how courts' analysis of consumer confusion fails to serve as a meaningful check on trademark rights or to provide a meaningful opportunity to accommodate countervailing interests, such as competition and First Amendment concerns); Barrett, *supra* note 3, at 985 (discussing how courts have stretched the concept of "consumer confusion" in a range of different situations, and citing illustrative cases.).

¹⁹⁴ See, e.g., Austin, *supra* note 182, at 177 (discussing how marketers deliberately shape consumer perceptions); McKenna, *supra* note 5, at 776-77 (relying on consumer perceptions is problematic in trademark law because "the relevant consumer beliefs are those regarding 'source,' an extraordinarily vague concept capable of encompassing almost any imaginable relationship between parties," and providing illustration); *id.* at 822 (noting how "highly suggestible" consumer perceptions can be, and how trademark doctrine and consumer expectations "feed off each other, creating an endless loop," so that "what consumers know (or think they know) about the law shapes expectations, which then feed back into the law only to influence future expectations").

¹⁹⁵ *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 116-17 (2004).

¹⁹⁶ *Id.* at 121-23. The Supreme Court noted, however, that the degree of confusion might be relevant in some cases to determine whether a defendant used the mark only for descriptive purposes.

sion.¹⁹⁷ That being the case, some other (non-consumer-perception-based) standard for identifying use “otherwise than as a mark” is necessary. A standard that exonerates defendants who endeavor, in good faith, to make a solely descriptive use (even though their use in fact indicates source to consumers and creates consumer confusion), while penalizing intentionally source-indicating, bad-faith uses, would seem to fill the bill. Such a standard better reflects the historic understanding that conditioned protection of secondary meaning marks in the first place.¹⁹⁸

A “defendant purpose” standard of fair use is also consistent with other recent Supreme Court decisions that have repeatedly demonstrated the Justices’ desire to check expansion of trademark rights in order to accommodate competing interests and values. In *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*,¹⁹⁹ the Court significantly restricted the scope of trade dress protection for product features, reasoning that expansive rights in product features would be harmful to competition and progress in the useful arts. The Court stressed the public’s interest in permitting competitors to adopt the utilitarian and aesthetic benefits of unpatented product design features, and found that this interest outweighed concerns about potential consumer confusion that might result from conditioning all product feature trade dress protection on a showing of secondary meaning.²⁰⁰ In *TrafFix Devices, Inc. v. Marketing Displays*,

¹⁹⁷ Professor McKenna has questioned the Supreme Court’s decision in *KP Permanent Make-Up*, because there cannot simultaneously be non-trademark use (as required in Lanham Act § 1115(b)(4)) and a likelihood of consumer confusion—the two elements are mutually exclusive. See McKenna, *supra* note 5, at 802-05. However, McKenna is assuming that section 115(b)(4) “non-trademark use” is the opposite of the “trademark use” required under sections 32(1)(a) and 43(a). However, in light of the historical development discussed above, this assumption is incorrect.

¹⁹⁸ That is, a purpose-based standard is consistent with the early common-law understanding that rights in secondary meaning marks turned not on property notions, but on the defendant’s improper purpose. See notes 46-49, *supra*, and accompanying text.

¹⁹⁹ 529 U.S. 205 (2000).

²⁰⁰ *Id.* at 213-15 (“Consumers should not be deprived of the benefits of competition with regard to the utilitarian and aesthetic purposes that product design ordinarily serves by a rule of law that facilitates plausible threats of suit against new entrants based upon alleged inherent distinctiveness. . . . Competition is deterred . . . not merely by successful suit but by the plausible threat of successful suit, and given the unlikelihood of inherently source-identifying design, the game of allowing suit based upon alleged inherent distinctiveness seems to us not worth the candle.”). See David S. Welkowitz, *The Supreme Court and Trademark Law in the New Millennium*, 30 WM. MITCHELL L. REV. 1659, 1679 (2007) (The *Wal-Mart* decision sent “a message that trademark protection had to compete with other concepts that also form the basis of trademark law, such as consumer protection.”).

In *Wal-Mart*, the Court determined that all product feature trade dress claimants must demonstrate secondary meaning as a prerequisite to an infringement claim. While some product feature trade dress might be inherently distinctive, the

Inc.,²⁰¹ the Supreme Court further restricted protection for product feature trade dress by tightening the standard of non-functionality. Again, the Court reasoned that a strong functionality doctrine (which prevents assertion of trade dress rights in utilitarian product features, even when they communicate source to consumers) serves the public's interest in competition and a strong public domain.²⁰² In *Dastar Corp. v. Twentieth Century Fox Film Corp.*,²⁰³ the Supreme Court significantly restricted use of Lanham Act § 43(a) infringement claims to vindicate attribution interests in expressive works. The Court reasoned that the public interest in relegating uncopyrighted works to the public domain outweighed concerns about consumer confusion that might arise from alleged misattribution of authorship.²⁰⁴ The *KP* decision itself reinforces this message, construing the fair use defense more broadly than a number of circuit courts had done, and reemphasizing the competitive and communicative importance of access to descriptive words and symbols and unfettered marketplace communications. Requiring infringement *plaintiffs* to demon-

lack of an effective standard for evaluating the distinctiveness of product features, coupled with the potential harm that litigation threats and liberal product feature protection might pose to competition and progress in the useful arts, counseled against recognition of "inherent distinctiveness" in that category of potential source indicators.

²⁰¹ 532 U.S. 23 (2001).

²⁰² *Id.* at 29 ("Trade dress protection must subsist with the recognition that in many instances there is no prohibition against copying goods and products. . . . As the Court has explained, copying is not always discouraged or disfavored by the laws which preserve our competitive economy. Allowing competitors to copy will have salutary effects in many instances.") (citing *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 160 (1989)). As I have discussed elsewhere, the *Traffix* Court rejected a functionality standard that assigned equal weight to the trademark interest in preventing consumer confusion and the interest in permitting competitors to copy unpatented product features. The *Traffix* Court clearly found that the interest in permitting copying outweighed the competing trademark interests. See Barrett, *Consolidating The Diffuse Paths to Trade Dress Functionality: Encountering Traffix on the Way to Sears*, 61 WASH. & LEE L. REV. 79 (2004); see also David S. Welkowitz, *supra* note 201 at 1680 (*Traffix* "implied that the trademark law is intended to preserve our competitive economy," not to grant proprietary rights to trademark owners.").

²⁰³ 539 U.S. 23 (2003).

²⁰⁴ *Id.* at 34 ("Assuming for the sake of argument that *Dastar's* representation of itself as the 'Producer' of its videos amounted to a representation that it originated the creative work conveyed by the videos, allowing a cause of action under § 43(a) for that representation would create a species of mutant copyright law that limits the public's 'federal right to copy and to use' expired copyrights." (quoting *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 160 (1989))).

In *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003), the Supreme Court again took a restrictive approach to expanded trademark rights by adopting a construction of the Lanham Act § 43(c) dilution cause of action that essentially nullified it. The opinion strongly questioned whether dilution protection served the best interests of consumers. *Id.* at 429 ("Unlike traditional infringement law, the prohibitions against trademark dilution are not the product of common-law development and are not motivated by an interest in protecting consumers"). Subsequently, Congress legislatively overruled that decision by enacting the Trademark Dilution Revision Act of 2006.

strate “trademark use” (based on an objective measure of likely consumer perception) as a part of their case-in-chief, and construing the fair use defense in a manner that best enables good-faith marketplace uses of descriptive words and symbols, furthers the same basic competition interests that the Supreme Court undertook to shelter in the *Wal-Mart/TrafFix/Dastar/KP Permanent* line of cases.

IV. “TRADEMARK USE” VERSUS USE “OTHERWISE THAN AS A MARK”

The focus on the defendant’s purpose, in evaluating fair use, differentiates the § 1115(b)(4) use “otherwise than as a mark” from the “trademark use” that infringement plaintiffs must demonstrate under Lanham Act §§ 32(1)(a) and 43(a). The requirement that infringement plaintiffs demonstrate the defendant’s “trademark use” serves a screening or “gate-keeping” function, limiting assertions of trademark rights to those cases in which potential consumer confusion is likely to be material and detrimental from a societal standpoint.²⁰⁵ As I have argued elsewhere, this trademark use requirement (which derives from the “affixation or other close association” requirement in the common law and the Trademark Act of 1905)²⁰⁶ should be construed to require: 1) that the defendant’s use of the contested word or symbol be perceptible to consumers; 2) that the defendant closely and directly associate the word or symbol with goods or services it is advertising or offering for sale; and 3) that the defendant’s application of the word or symbol be likely to make a separate commercial impression on consumers.²⁰⁷ These relatively objective factors together provide some assurance that consumers may look to the contested word or symbol for information about the source of the defendant’s goods or services. The factors thus serve as a proxy for more fact-intensive findings regarding actual consumer perception, and enable courts efficiently to identify cases in which potential consumer confusion costs are unlikely to justify the societal costs of protracted litigation, and dispose of them early in the litigation process.²⁰⁸

The plaintiff’s initial burden to demonstrate the defendant’s “trademark use” thus promotes judicial efficiency, and

²⁰⁵ Barrett, *supra* note 4, at 971.

²⁰⁶ See *supra* notes 65-70, 106-121, and accompanying text.

²⁰⁷ Barrett, *supra* note 4, at 969-76.

²⁰⁸ *Id.*

limits the chilling effects that threats of protracted, expensive infringement litigation may have on marketplace actors seeking to make socially beneficial (albeit unauthorized) uses of marks, or words or symbols that resemble marks.²⁰⁹ Requiring plaintiffs to demonstrate “trademark use” also promotes First Amendment interests by limiting infringement claims, in most cases, to a defendant’s commercial speech, where the trademark claimants’ interests may more likely outweigh the free speech concerns.²¹⁰ It protects marketplace efficiency by accommodating an unhampered flow of useful product information and critiques to consumers,²¹¹ and helps to prevent assertion of trademark rights in a range of anti-competitive ways. Particularly in the digital context, the trademark use requirement may prevent trademark interests from unnecessarily chilling the development of new media and new business models that can benefit consumers²¹²—new technologies that (through novel or hidden applications of marks) provide consumers with efficient, customized digital indexing, reference and search services, as well as customized advertising tailored to individual consumer interests (all of which may lower consumer search costs, and thus enhance competition).²¹³ Application of this relatively certain and objective “trademark use” requirement in the digital context may also serve proactively to shape consumer expectations and thus counteract the forces that increasingly suggest a licensing or sponsoring relationship whenever a mark is applied in a context not of the mark owner’s creation.²¹⁴

²⁰⁹ Such uses include providing consumer reviews of products, enhancing Internet search capabilities, and providing useful indexing services and information about aftermarket replacement parts and compatible accessories. This requirement also facilitates a vibrant range of purely expressive uses (“That’s the Rolls-Royce of golf courses;” “My sister’s a real Barbie Doll;” “It was an Alka-Seltzer moment!”). See *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 214 (2000) (“Competition is deterred . . . not merely by successful suit but by the plausible threat of successful suit . . .”); Kenneth L. Port, *Trademark Extortion: The End of Trademark Law*, 65 WASH. & LEE L. REV. 585 (2008) (describing growing levels of “trademark extortion”—the use of strike suits to deter market entrants). Cf. William McGeeveran, *Rethinking Trademark Fair Use*, 94 IOWA L. REV. 49 (expressing the need for a doctrine to avoid the chilling effect of protracted trademark litigation on speech, but rejecting the trademark use requirement as a means to address the problem).

²¹⁰ See Barrett, *supra* note 4, at 965, and sources cited therein.

²¹¹ *Id.* at 966-67, and sources cited therein.

²¹² *Id.*, at 967, and sources cited therein.

²¹³ *Id.*

²¹⁴ *Id.* Such a proactive stance (defining trademark use in a manner that may guide consumer perceptions to some extent) may be necessary in order to counteract what commentators have sometimes described as the “circular” or “reactive” nature of consumer perceptions. See Dogan & Lemley, *supra* note 5, at 1693-95 (noting the “circular” and “reactive” nature of a likelihood of confusion standard absent a trademark use limitation); McKenna, *supra* note 5, at 776, 822 (noting how “highly

But while the plaintiff's burden to demonstrate "trademark use" constitutes a first step in maintaining the proper balance of marketplace interests, the fair use determination fine-tunes it, to accommodate the special concerns that arise when businesses claim exclusive rights in surnames and descriptive words and symbols. A defendant may make a "trademark use" of the plaintiff's descriptive word or symbol, for purposes of Lanham Act §§ 32(1)(a) and 43(a), *but nonetheless* use the word or symbol "otherwise than as a mark" for purposes of § 1115(b)(4). It may do this by demonstrating that even though it "affixed or closely associated" a confusingly similar surname or descriptive word or symbol with its product, its *purpose* (as demonstrated through circumstantial evidence) was merely to describe its own goods or services. The fair use defense turns on the apparent reason for the defendant's affixation or other close association, not on the fact of the affixation or other close association in itself. As the Supreme Court made clear in *KP Permanent Make-Up*,²¹⁵ even affixation of a word or symbol that causes a likelihood of consumer confusion may be deemed a lawful fair use.

There are numerous examples of cases in which the defendant clearly made a "trademark use" of a descriptive word or symbol from an objectively measured consumer perception standpoint (that is, perceptively affixed or closely associated a confusingly similar surname or descriptive word or symbol with its product), but was nonetheless able to demonstrate that the use was a good-faith "use otherwise than as a mark" for purposes of the fair use defense. For example, in the Second Circuit's famous decision, *Abercrombie & Fitch Co. v. Hunting World, Inc.*,²¹⁶ the plaintiff held incontestable trademark rights in the word "Safari" as a mark for shoes. The defendant sold

suggestible" consumer perceptions can be, and how trademark doctrine and consumer expectations "feed off each other, creating an endless loop" so that "what consumers know (or think they know) about the law shapes expectations, which then feed back into the law only to influence future expectations."); Austin, *supra* note 182, at 15-17 (discussing how marketing practices shape consumer expectations and suggesting that the law might be shaped "proactively" to protect other legal principles, values and agendas).

Consumers may be led to expect (thorough mark owners' suggestion or publicity of prior infringement suits) that marks may only be reproduced by the mark owner or under a license from the mark owner. To the extent that this happens, by definition, consumers will believe that any unauthorized use of a mark they encounter signals some affiliation (at the least, a license relationship) between the user and the owner. A strictly reactive consumer perception standard for judging trademark use only strengthens this downwardly spiraling effect. This is undesirable, because it enables mark owners to tighten their control over others' potentially expressive and potentially pro-competitive uses of words and symbols, to the general detriment of the public.

²¹⁵ 543 U.S. 111 (2004).

²¹⁶ 537 F.2d 4 (2d Cir. 1976).

the boots it imported from Africa under the designations “Camel Safari,” “Hippo Safari,” and “Safari Chukka.” While the defendant clearly affixed or otherwise closely associated “Safari” with its boots, and consumers certainly may have understood this use to indicate source, the Second Circuit found it a non-infringing fair use. The Second Circuit reasoned that the defendant was engaged in arranging safaris to Africa, had published books about safaris, and purchased safari clothing in Africa for resale in America. These facts sufficed to establish that the defendant’s application of “Safari” in connection with the boots it sold was for descriptive purposes and not for purposes of garnering the plaintiff’s business good will.²¹⁷

Likewise, in *Soweco, Inc. v. Shell Oil Co.*,²¹⁸ the plaintiff had incontestable rights in the word “Larvacide” for grain fumigants. The defendant marketed its products as “Shell Poultry Spray & Larvicide” (an insecticide to be sprayed on chickens to control mites and lice, or on chicken droppings to inhibit the growth of larvae and maggots) and “Rabon Oral Larvicide” (a substance to be added to cattle feed to control fly larvae in manure). Again, the defendant’s use of “Larvicide” in its products’ commercial names easily satisfies the “affix or otherwise closely associate” prerequisite, and might be understood by consumers to indicate source. Nonetheless the Fifth Circuit found that the defendant’s use of “Larvicide” was for descriptive purposes only, and a non-infringing fair use.²¹⁹

In *International Stamp Art, Inc. v. United States Postal Service*,²²⁰ the plaintiff produced note cards, greeting cards, posters, and prints featuring a perforated border design that evoked the functional perforated edges of older postage stamps. It registered the perforated border design as a mark for printed note cards and greeting cards, and the registration ultimately became incontestable. The defendant Postal Service began offering a line of cards depicting postage stamps, most of which included the perforated border of the original stamp as part of the stamp’s image. Again, the defendant clearly “affixed” and “associated” the claimed trade dress perforations with its product, and consumers might perceive the prominent appearance of a perforated border on the defendant’s greeting cards as indicating source. Nonetheless, the Eleventh Circuit found that the defendant’s actions consti-

²¹⁷ *Id.* at 12-13.

²¹⁸ 617 F.2d 1178 (5th Cir. 1980), *cert. denied*, 450 U.S. 981 (1981).

²¹⁹ *Id.* at 1186-89.

²²⁰ 456 F.3d 1270 (11th Cir. 2006).

tuted a fair use, reasoning that the defendant's use was descriptive, and a "use otherwise than as a mark" for purposes of section 1115(b)(4).²²¹ Indeed, in *Cosmetically Sealed Industries, Inc. v. Chesebrough-Pond's USA Co.*,²²² the Second Circuit found that the defendant's use of the phrase "Sealed With A Kiss" in promoting its lip gloss was a fair "use otherwise than as a mark" for purposes of Lanham Act § 1115(b)(4), even though the promotion closely associated the phrase with the defendant's product, and specifically was found to lead consumers to associate the phrase with the defendant's products.²²³

One can find numerous additional examples of descriptive or surname words or symbols affixed or closely associated with a defendant's goods, which might be perceived by consumers as source indicating, but which the court nonetheless finds a good-faith use "otherwise than as a mark," or fair use.²²⁴

V. CONCLUSION

In developing the law of trademarks and unfair competition, courts sought to accommodate a range of potentially conflicting interests: to provide consumers with an efficient way to identify product source and make informed purchasing decisions; to ensure that competitors' marketing practices do not improperly interfere with consumers' ability to rely on established source-indicators for information about source; to police fraudulent marketing practices; to promote business investment in quality; to ensure that all businesses have the

²²¹ *Id.* at 1274-77.

²²² 125 F.3d 28 (2d Cir. 1997).

²²³ *Id.* at 31.

²²⁴ *See, e.g.,* *Leathersmith of London, Ltd. v. Alleyn*, 675 F.2d 27 (7th Cir. 1982) (Plaintiff owns mark "Leathersmith" for leather goods, defendant applies the words "Tantalus Custom Leathersmiths and Bookbinders" to its leather products. Seventh Circuit finds that defendant's use is for descriptive purposes, and constitutes a fair use); *Car-Freshner Corp. v. S.C. Johnson & Son, Inc.*, 70 F.3d 267 (2d Cir. 1995) (Plaintiff owns trademark rights in pine tree shape of its scented cardboard air fresheners for cars, defendant markets plastic plug-in pine-scented air fresheners during the Christmas season in the shape of a pine tree. Second Circuit finds that the defendant's use of the pine shape is a descriptive, "non-trademark" use); *Sunmark, Inc. v. Ocean Spray Cranberries, Inc.*, 64 F.3d 1055 (7th Cir. 1995) (Plaintiff owns rights in "Sweetarts" as a mark for candy, defendant makes "sweet-tart" the centerpiece of its advertising for cranberry juice. Seventh Circuit finds defendant's use to be a "non-trademark," fair use); *Jean Patou, Inc. v. Jacqueline Cochran, Inc.*, 201 F. Supp. 861 (S.D.N.Y. 1962) (Plaintiff owns rights in "Joy" as a mark for perfumes and toilet waters, defendant affixes the words "Joy of Bathing" prominently on both sides of its packaging. Court finds that the use is primarily descriptive and a "non-trademark," fair use); *Patterson v. TNA Entm't*, 2006 W.L. 3091136 (E.D. Wis. Oct. 27, 2006) (Plaintiff owns rights in "Superstars of Wrestling" and defendant competitor advertises its wrestling broadcasts with the words "Superstars of TNA Wrestling" and "Superstars of Wrestling." Court finds a "non-trademark," fair use).

means to inform consumers about the qualities and characteristics of their products, and to communicate this information in an efficient manner; to ensure that the law itself does not enable businesses to harass their competitors and chill robust competition through threats of expensive, protracted litigation, when the risk of genuine injury to consumer reliance interests is minor or nonexistent.

The common law of technical trademark infringement limited an infringement defendant's liability to situations in which it affixed an allegedly infringing word or symbol to its own products, or otherwise closely associated the word or symbol with those products in the course of marketing them. Statutory language, legislative history, and case law all clearly indicate that Congress codified this common-law limitation, and applied it to all marks, when it enacted the Lanham Act in 1946. At a minimum, this "trademark use" limitation requires that the defendant's use closely and directly associate the contested word or symbol with its product or services, that consumers be able to perceive the application, and that the application be such as to make a commercial impression on consumers, separate from other marketing material. If these minimum requirements are met, then it is reasonably likely that consumers may look to the defendant's word or symbol for information about product source, and may possibly be misled. In such a case, the interest in avoiding consumer confusion is sufficiently implicated to proceed with litigation. If those threshold requirements are not met, it is unlikely that consumers will rely on the word or symbol for information about source, and interests in preventing consumer confusion are eclipsed by the countervailing interests in robust competition, expressive interests, and judicial efficiency.

The "trademark use" requirement permits courts to evaluate likely consumer perceptions by focusing on indicative factors that are relatively straightforward and objective. It thus enables courts efficiently to identify and weed out bad claims (claims whose anti-competitive effects are likely to outweigh any threat to consumer reliance interests) early in the litigation process. However, it only provides a rough, first cut at identifying and weeding out bad infringement claims. Many suits to prevent socially beneficial uses of marks may proceed through litigation, including claims to prevent uses of words in their purely descriptive or surname capacity and claims to prevent purely "nominative" uses of the plaintiff's mark to identify the plaintiff's product in comparative advertising.

The law of unfair competition recognized that consum-

ers might rely on descriptive, geographically descriptive, or surname words and symbols to indicate product source under some circumstances. But it simultaneously recognized that all businesses legitimately need to use such words and symbols in marketing their own products—indeed, marketplace competition requires that they be able to do so. Accordingly, the law struck a balance between these competing trademark and competition interests that afforded *limited* rights to businesses that could demonstrate secondary (trademark) meaning in descriptive or surname words or symbols: The law enabled them to prohibit a defendant’s use that caused a likelihood of consumer confusion, but *only* if the defendant used the word or symbol for a secondary (trademark) meaning, rather than for its original descriptive or surname (non-trademark) meaning. Congress clearly codified this limitation as the fair use defense, in Lanham Act § 1115(b)(4). Thus, pursuant to the fair use doctrine, even when a trademark claimant can demonstrate that the defendant affixed or closely associated a confusingly similar word or symbol to its product and can demonstrate that this “trademark use” caused a likelihood of consumer confusion about the product’s source, the defendant can avoid liability by demonstrating that its use was merely to describe its product or its geographic origin or to identify itself as the product’s producer.

Both logic and the historical development of the “use for secondary meaning” limitation indicate that the status of a defendant’s use as descriptive (non-trademark) or source-indicating (trademark) should turn on the defendant’s purpose, as evidenced by a range of circumstantial evidence. Looking to consumer perceptions to categorize the defendant’s use for purposes of the fair use defense would replicate the issue of “trademark use” previously addressed in the plaintiff’s case in chief,²²⁵ and make it virtually impossible to find fair use when the use has caused a likelihood of consumer confusion. Such a result would be contrary to Congress’ clear intention, and to the Supreme Court’s holding, in *KP Permanent Make-Up*, that fair use can be found even in the presence of consumer confusion. Clearly some other means of evaluating fair use is indicated. The historical evolution of the fair use defense provides that standard. The long-established prac-

²²⁵ It would not entirely replicate the “trademark use” evaluation, since the court might make a more fact-intensive inquiry in the fair use phase of the litigation, beyond consideration of the objective factors implicit in the “affixation or other close association” concept.

tice of intertwining the “use for secondary meaning” requirement with the issue of fraudulent intent directs us to the defendant’s *purpose* in applying the allegedly infringing word or symbol. Looking to the defendant’s purpose promotes the interest in preventing fraudulent marketing practices while simultaneously giving businesses the leeway they need to communicate the qualities and characteristics of their products to consumers, minimizing the chilling effect of infringement claims.