

AFFIXING THE SERVICE MARK: RECONSIDERING THE RISE OF AN OXYMORON[♦]

PETER J. KAROL*

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* Visiting Associate Professor of Law, New England Law | Boston; Of Counsel, Sunstein Kann Murphy & Timbers LLP, Boston. Thank you to Stacey Dogan, Kerry Timbers and Steve Abreu for their comments and time, and to Ryan Thomas for his research assistance at the outset of this project. Thanks also to the research librarians at New England Law and the Boston Public Library for their invaluable assistance. © 2013 Peter J. Karol.

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INTRODUCTION

[T]here is no more weight in this, than there would be in an objection to one innkeeper, setting up the same sign with another.¹

[I]t ought not to make any difference if a mark is stuck on a cake of soap or put over a man's door . . .²

We have never had any experience with statutory protection of service marks before. . . . This is one of those things that ought to be done, and if it does not work it is easy to take it out.³

Of the profound changes in U.S. trademark law introduced by the Lanham Act, what was once considered the most dramatic is now one of the least recognized. The Act's contemporaries rightfully saw the elevation and creation of the modern service mark as a "revolutionary" moment in trademark practice.⁴ Now, however, the inherent authority of banks, buses, universities, restaurants, and retailers to claim and register their brands as trademarks is all but presumed irrefutable.

Choked by the tight strictures of the affixation rule, marks used with intangible services were denied technical trademark status for decades. In the 1920's, however, the struggling service mark found a champion in the American Bar Association, and more particularly, in Edward S. Rogers. Rogers, a prominent trademark attorney and commentator, was a zealous advocate for extending trademark rights to anything that symbolized the newly emergent concept of goodwill. The service mark was at the center of his vision. Along with other trademark luminaries such as Frank Schechter, Rogers advocated for a series of bills that embodied his objectives and ultimately evolved into

¹ *Blanchard v. Hill*, (1742) 26 Eng. Rep. 692, 694 (Ch.).

² Trade-Marks: Hearing on H.R. 13486 Before the H. Comm. on Patents, 69th Cong. 45 (1927) [hereinafter Jan. 1927 Hearings] (statement of Edward S. Rogers).

³ Trade-Marks: Hearing on H.R. 4744 Before the Subcomm. on Trade-Marks of the H. Comm. on Patents, 77th Cong. 51 (1939) [hereinafter Mar. 1939 Hearings] (statement of Edward S. Rogers).

⁴ Walter J. Derenberg, *The Lanham Trade-Mark Act of 1946: Practical Effects and Experiences After One Year's Administration*, 38 TRADEMARK REP. 831, 842 (1948) (quoting W. Fawcett, *Service Marks—the Key to Trade-Mark Revision*, 27 TRADEMARK REP. 83, 86–87 (1932)).

the Lanham Act.

In their zeal to remedy the inequalities of the past, however, the Lanham Act drafters forcefully pushed through a piece of strong, but ultimately contradictory legislation with respect to service marks. In Section 3 of the Act,⁵ the drafters laid out the overarching principle of sameness, mandating that service marks be treated the “same” as trademarks used on goods. In order to allow for registration of a mark never affixed to the thing with which it was being used, however, they effectively waived the affixation requirement for service marks (but only such marks).⁶ In place of affixation, they required only that service marks be used in advertising and that a service be rendered.⁷

The term “service mark,” which the Lanham Act effectively introduced into trademark law, is itself an oxymoron encapsulating the tension between sameness in theory and difference in fact. The term parallels “trademark,” although services (unlike goods) cannot physically be marked.

This statutory contradiction has left U.S. trademark law with a more or less unacknowledged dilemma—one that has turned the U.S. register’s service classes into a token use haven for brand owners. On the one hand, courts and commentators consider the service mark to be the legal equivalent of a trademark used with goods, and effectively ignore any distinctions between the two. On the other hand, given the ephemeral nature of advertising and the breadth of services the Lanham Act is willing to protect, it is far easier to register a service mark, and acquire rights in a service mark, than a mark used with goods.

Due at least in part to the Section 3 revolution, we now live and practice in the age of the service mark. Service marks blanket storefronts and stadiums, websites we visit, trains and taxis, and television screens. Even celebrities and politicians get in on the action, often applying to register their personal names as service marks.⁸ Viewed in light of its past struggles, the ascendancy of the service mark is surely one of the most remarkable and unqualified accomplishments of the Lanham Act—at least from the perspective of its authors.

The following Article seeks to unearth the deep contradictions

⁵ 15 U.S.C. § 1053 (1946) (Lanham Act § 3).

⁶ 15 U.S.C. § 1127 (1946) (Lanham Act § 45) (definition of “used in commerce”).

⁷ *Id.*

⁸ *See, e.g.*, U.S. Trademark Application Serial No. 77-231852 (filed July 17, 2007) (claiming MITT ROMNEY FOR PRESIDENT plus design for, among other things, “[p]roviding information regarding political issues, knowing how to vote and knowing how to register to vote”); SARAH PALIN, Registration No. 4005353 (claiming SARAH PALIN for, among other things, information about political elections and motivational speaking services). The former failed to achieve registration in the cited class due to a technicality.

underlying the service mark and reevaluate the doctrinal battles fought over its creation in order to better understand this dominant force in contemporary trademark practice. It opens with an illustration of a hypothetical, everyday interaction between a brand owner and trademark counsel, meant to exemplify the way in which a sophisticated company might use a simple screen shot of a new slogan to clog the entire service mark register for decades. It then traces the history of the service mark, and its historical equivalents, from its early origins through the dawn of the first Lanham Act debates in the mid-1920's. Next, it takes an extended look at the two-decade-long legislative history of the Act, focusing on the evolution of the draft service mark provisions and the heated debates over the service mark at public hearings. In this regard, it argues that the drafters of the Lanham Act, in their passion to validate the service mark and expand trademark protection to anything that might be thought to symbolize goodwill, took a battering-ram approach to the legislation. As a result, they left us with a codified principle of sameness at tension with the more lax statutory requirements for acquiring rights in service marks.

Thereafter, the Article turns to court and commentator responses to the newly-minted service mark. It shows how a cautious and almost incredulous outlook ultimately gave way to the "distinction without a difference" approach of the present day.⁹ Although the Article does not purport to make any definitive descriptive or prescriptive claims regarding the current state of service mark use and registration, it does offer some statistics and one extended example to illustrate how brand owners use service marks today. Namely, as demonstrated at the outset, it suggests the possibility that brand owners are taking advantage of the service mark's relatively weak registration requirements to protect brands in the abstract, divorced from use with particular products or services of importance. Service marks, far more than their trademark cousins, have the potential to become the holy grail of branding—marks that simply achieve protection as marks (what one commentator has called "inherent goodwill").¹⁰

This Article ends by offering two solutions should lawmakers determine that service mark expansion should be reexamined. The first, which might appear aggressive to present-day practitioners but is actually quite consistent with the thinking of those who first interpreted the Lanham Act, would revive a mark/service association test specific to

⁹ *Boston Duck Tours, LP v. Super Duck Tours, LLC*, 531 F.3d 1, 12 n.8 (1st Cir. 2008).

¹⁰ Robert G. Bone, *Hunting Goodwill: A History of the Concept of Goodwill in Trademark Law*, 86 B.U. L. REV. 547, 552 (2006).

service marks. Under such a test, service mark rights would first accrue, and service marks would first become registrable, at a time when the mark-holder can affirmatively demonstrate that consumers associate that particular mark with the service at issue. Such a test, though appearing to impose an additional burden on service mark-owners, would actually introduce more fairness and balance by requiring proof of psychological association directly analogous to the evidence of physical association already required for marks used with goods. It would, in other words, effectively affix the mark to the service.

As a less ambitious alternative, this Article proposes merging the definitions of “use in commerce” for goods and services so that mere advertising in the abstract would no longer support service mark use. The “advertising” exception unique to service marks became superfluous after the statutory definition of “use in commerce” was expanded to provide for situations where application of a mark is “impracticable.” This language could easily be extended to service marks, thereby tightening service mark use standards.

I. AN ILLUSTRATION OF CONTEMPORARY SERVICE MARK PRACTICE

A conversation between a sophisticated brand owner, perhaps a famous clothing and sporting goods company, and its trademark counsel regarding a new slogan may go something like this:

BRAND OWNER: We’ve got a great new tag line launching on the website tomorrow that we’re really excited about and want to protect.

TRADEMARK COUNSEL: Sure, what will you be using it on?

BRAND OWNER: Well, really just on top of the website. Maybe there will be some print and TV ads, but we’re not sure yet. We won’t actually put it on any products.

TRADEMARK COUNSEL: No problem. Just put the slogan on the website with a TM. I will have my associate give your site a once-over for all the services we can cover and put something together. Once you launch, we’ll grab a screenshot and file an in-use application in an hour or so.

BRAND OWNER: Do I need to do anything else?

TRADEMARK COUNSEL: Nope, we’ll be in touch soon.

If the website is like any one of the thousands maintained by consumer products companies, it will have some sexy copy epitomizing

the brand message, along with basic information about the products and business of the company, with perhaps a tout of its charitable foundation. For the hypothetical company above, there might be some talk about athletes, their sports victories, their upcoming events, and the clothes they wear, along with a forum for comments by users about fitness and sports and a place to track your personalized fitness results. Perhaps the website allows for direct purchases, personalized gift jerseys, and other products. Maybe there is a café mentioned on the site, located at a flagship brand store. The variations are, of course, endless.

With little difficulty or expense, a practiced trademark lawyer should be able to sculpt the above facts into not only a basic registration for the new slogan,¹¹ but also one that covers literally every international service class on the U.S. trademark register.¹² At first blush, this result might seem unsurprising and unexciting. A brand owner has secured protection for a new slogan (likely the product of a substantial expenditure by the company) with a motley assortment of services. This goes to a core purpose of the Lanham Act—protecting

¹¹ For instance, the author billed a hypothetical .6 (i.e., thirty-six minutes of time) in designing the following claim directly from the USPTO's Acceptable Identification of Goods and Services Manual:

Class 35: On-line retail store services featuring apparel, footwear, headwear, eyewear, and sporting goods; retail store services featuring apparel, footwear, headwear, eyewear, and sporting goods; promoting sports competitions and events of others;

Class 36: Charitable fundraising services;

Class 37: Customizing sports equipment, namely tennis rackets, golf clubs, golf balls, soccer balls and baseball bats; repair of sports equipment;

Class 38: Providing on-line chat rooms for social networking; providing an on-line forum for sports and fashion; computer services, namely, providing on-line facilities for real-time interaction with other computer users concerning topics of general interest;

Class 39: Electronic storage of data obtained during exercise, namely, acceleration, speed, distance, heart rate and calories burned;

Class 40: Custom imprinting of clothing;

Class 41: Providing news and information in the field of sports; entertainment in the nature of providing an informational and entertainment website in the fields of celebrity gossip, entertainment, sports and fitness; encouraging amateur sports and physical education by sanctioning amateur athletic programs and activities; amateur youth sports services, namely, organizing and providing youth sports activities;

Class 42: Creating an on-line community for recreational athletes for the purpose of connecting players, teams and leagues and organizing game and sports activities;

Class 43: Restaurant and café services;

Class 44: Providing health and nutrition information;

Class 45: Providing a website featuring information in the field of fashion.

As each class costs \$275, the complete filing would add up to \$2,750, plus attorney's fees of, perhaps, another \$1,000, for a total of about \$4,000.

¹² The U.S. register is generally divided into forty-eight classes (the forty-five standard international classes, plus U.S. classes A, B and 200 for collective and certification marks). Classes thirty-five through forty-five are for services, as opposed to goods. This distinction is discussed at length throughout this article.

young brand investment at an early stage. It is hardly something that would be noticed by (let alone alarm) trademark lawyers.

From a more distanced perspective, however, the result is remarkable. For a few thousand dollars, a company can reserve the exclusive right to use a phrase across every category of services maintained by the USPTO (“PTO”) by simply placing it on a website for a few hours.¹³ In five years, if still on the website, the mark can achieve incontestability across the board.¹⁴ Most likely, the registration will never be challenged or evaluated by a court. Yet, it will surely be cited time and again in the usual procession of cease and desist letters, Internet take-downs, and domain disputes. It will form the basis of examiner refusals so long as it remains in force, which could be decades or longer.

How did the service mark regime develop into such a haven for branding? As detailed below, this Article proposes that the relaxed service mark registration environment results from deep, historic, and generally unrecognized contradictions underlying the service mark itself—contradictions codified in the very text of the Lanham Act that created it.

II. THE EARLY HISTORY OF THE SERVICE MARK

A. *Historic Predecessors to the Service Mark*

Consistent with its name, the historical trademark was a tangible symbol physically marked onto goods used in trade. As has been elaborated at length elsewhere,¹⁵ it had two early incarnations, serving two distinct purposes in a largely illiterate world. First, it was used as a “merchant’s” or owner’s mark establishing a merchant’s title to goods if they were lost at sea, stolen, wandered off the farm (in the case of livestock), etc. Second, many trades and guilds mandated the affixation of “police” or “regulatory” marks in order to allow a later purchaser or

¹³ Classification, of course, is not likely confusion, and the mere fact of having covered all ten service classes does not give one exclusive rights to use the phrase with every service in commerce. That said, class is quite significant in trademarks, informing searches by PTO examiners and search vendors, analyses of search results by attorneys, and the gestalt impact of cease and desist letters on recipients. In colloquial trademark parlance, a registration that covers all ten service classes will be thought of as one that “clogs” the register. See *infra* note 196.

¹⁴ 15 U.S.C. § 1065 (2010).

¹⁵ See, e.g., H.R. 11592, 72nd Cong. 2 (1932) (remarks of Frank I. Schechter); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9 (1995) (discussing the historical origin of trademarks); FRANK I. SCHECHTER, *THE HISTORICAL FOUNDATIONS OF THE LAW RELATING TO TRADEMARKS* (1925) [hereinafter *HISTORICAL FOUNDATIONS*]; Sidney A. Diamond, *The Historical Development of Trademarks*, 65 TRADEMARK REP. 265, 273, 277 (1975); Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 NOTRE DAME L. REV. 1839, 1849–50 (2007).

user of the goods to trace their source in the case of defect.¹⁶

A unifying principle links these two categories of early trademarks. Both permitted the identification of a product that had traveled some physical distance away from its source. Most accounts of the development of the law of trademarks link the rise of trademark protection to the almost gradual and incidental realization that these downstream source identifiers carried independent economic value in attracting repeat customers. Moreover, they benefited the mark's owner and society by reducing confusion at geographically remote points of purchase.¹⁷

The symbols we now call service marks, by contrast, find their historic origin not in marks that traveled with goods to remote geographies, but rather in other sources: signs directly adjacent their source and trade names.¹⁸

1. Signs as Service Marks

The quintessential example of an early mark used to identify the source of a service (as opposed to a product) is the sign posted out front of an old English inn or tavern. Not offering any goods to the public to which he could affix his mark, the innkeeper or publican nevertheless wanted to create a memorable symbol that would allow an illiterate population to return time and again to his establishment for a good bed or ale—particularly in the years before locations were given numeric addresses allowing for systematic identification.

In the Preface to their late nineteenth century survey of the history of signs, Jacob Larwood and John Camden Hotten observe a definite development in the use of signs over time. What was first a “positive

¹⁶ Historical Foundations, *supra* note 15, at 38.

¹⁷ This is, essentially, Schechter's overarching thesis throughout HISTORICAL FOUNDATIONS. See *supra* note 15, at 78 (“In these trades is clearly noticeable the evolution of the trade-mark from a mark of origin to a mark of quality and hence from a liability to an asset, of distinct value to the owner of the mark.”).

¹⁸ Some commentators have drawn a related distinction between trademarks and service marks, arguing that the former functions retrospectively and the latter only prospectively. See, e.g., Paul M. Schoenhard, *Why Marks Have Power Beyond the Rights Conferred: The Conflation of Trademarks and Service Marks*, 87 J. PAT & TRADEMARK OFF. SOC'Y 970, 973–74 (2005). In other words, a service mark (because a service ends upon being rendered) only identifies the source of a present or future service, whereas a trademark (because goods may be resold) is relied upon as a pledge of authenticity after-the-fact. This distinction appears flawed in that it improperly limits the reach of a service mark. A service mark will often function as a badge of authenticity after-the-fact, such as in the case of educational services. Every employer that checks a résumé to see where a candidate went to college is using that institution's brand as a shortcut to acquiring information about her knowledge and skills. That is, the employer is relying on the institution's service mark to determine what educational services that candidate has received, or more cynically, what sort of person that candidate is. The service mark there would clearly be functioning retrospectively.

necessity” for identification of establishments in the days before numeric street addresses developed into the more modern “advertisements of established reputation and business success” by the nineteenth century.¹⁹

The authors trace the history of signs back to antiquity, particularly ancient Rome, identifying some of the earliest of what we might today call service marks. Some would clearly be understood as generic or descriptive to modern eyes (a goat for the sign of a dairy; a mule driving a mill for a baker; icons of specific tools indicating particular tradesmen; even the once universal image of a bush as the sign of a tavern).²⁰ Others, however, appear to be more suggestive or even fanciful by contemporary standards.²¹

In the middle ages, a new type of symbol rose to prominence—the house mark. Usually a family coat-of-arms, seal or the like, the house mark was literally affixed to the side of a house. Should the owner become an innkeeper or open a shop there, that house mark became the sign of the place, attracting repeat customers.²²

By the seventeenth century reign of Charles I, laws began to appear granting *permission* to hang signs in front of shops (suggesting an awareness of the economic value to the shopkeeper).²³ Indeed, revocation of a tavern owner’s license “was accompanied by the taking away of his sign.”²⁴ While the subject matter of many of these early signs was fundamentally descriptive (communicating the nature of the service to be provided at that establishment),²⁵ by the early eighteenth century the depictions were increasingly becoming distinctive or even fanciful “for no other reason but to attract attention.”²⁶

¹⁹ Jacob Larwood & John Camden Hotten, *The History of Signboards From the Earliest Times to the Present Day* (Chatto & Windus 8th ed. 1875).

²⁰ *Id.* at 3.

²¹ For instance, in what seems to be one of the earliest examples of a mark used in international class 41 for educational services, we learn of an image of a boy “receiving a good birching” being used as the sign of a schoolmaster in ancient Pompeii or Herculaneum. *Id.* I was unable to locate an authoritative copy of this artifact to confirm its existence, but this same image was described in WILLIAM HENRY BROWNE’S *A TREATISE ON THE LAW OF TRADE-MARKS AND ANALOGOUS SUBJECTS* 5 (1873) [hereinafter BROWNE 1st ed.].

²² Diamond, *supra* note 15, at 272–73.

²³ In a section of the First Charter of King Charles I, entitled “Licence to hang out signs, &c.”, the sovereign specifically granted the citizens of London the right to “hang . . . signs and posts of signs affixed to their houses and shops, for the better, finding out such citizens’ . . . shops, arts, and occupations.” See JOHN NOORTHOUCK, *A NEW HISTORY OF LONDON, INCLUDING WESTMINSTER AND SOUTHWARK* app. at 820–45 (1773), available at <http://www.british-history.ac.uk/report.aspx?compid=46786>.

²⁴ Larwood & Hotten, *supra* note 19, at 11.

²⁵ Some even used actual objects to communicate the nature of their service, such as the iron monger who hung a frying pan, and the grocer with his suspended tea canister. *Id.* at 8.

²⁶ *Id.* at 19. Some good examples of inherently distinctive signs of the period include: a tailor

After their heyday in the late eighteenth century, the role of signs somewhat declined (due primarily to the rise of zoning ordinances). By that time, signs had grown so large and unstable that they allegedly caused a few deaths by collapse.²⁷ Nevertheless, a quick look into any commercial district shows that signs are as much a staple calling of the shop-front service provider as ever. Whether the name of a restaurant sewn onto an awning, a dry cleaner's operation painted on the window, or a bus depot, signs are still the prototypical marks of services.

2. Trade Names as Service Marks

The other, more abstract, forerunner of today's service mark were trade names used by businesses that provided services but did not make products. We now consider trade names as something quite apart from, and much more limited than, marks used in connection with the provision of services.²⁸ Usually they have an "Inc." or "Co." or "LLC" at the end and appear in very small print or, when legible, in contracts or legal filings. The trade name, however, was often historically conflated with the service mark.²⁹

Of course, for as long as people with names have been offering services in trade, there have been trade names acquiring goodwill from use in connection with particular services. A service-providing tradesperson's name was his service mark, and his personal reputation was the goodwill associated with that name.³⁰

who had adopted the sign of a lion; a roasted pig being used as the sign for a shoemaker; a cook hanging an icon of a boot out front; and, most bizarrely, a perfumer who had chosen to use the image of a goat for his sign. *Id.* at 20 (quoting an article from *THE SPECTATOR*, No. 28, Apr. 2, 1710). Interestingly, the author of the *Spectator* article suggests that some of the more odd combinations of the time (such as Three Nuns and a Hare) were the product of superimposing an element from a master's sign onto a new sign created by a former apprentice who had set out on his own in the trade (creating an arbitrary composite mark as an act of homage). That author also goes on to effectively call for a law requiring all signs to be descriptive. *Id.*

²⁷ *Id.* at 27.

²⁸ The meaning of the term "trade name" has evolved over time. See generally 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §§ 4:5, 7, 13 (4th ed. 2012) [hereinafter MCCARTHY]. Except where otherwise indicated, this article uses the term as currently defined in Section 45 of the Lanham Act, namely "any name used by a person to identify his or her business or vocation." 15 U.S.C. §1127 (2011).

²⁹ In the second edition of his treatise, William Henry Browne somewhat cryptically divided "trade-names" into three classifications: (1) men, businesses and pseudonyms; (2) names of places "famed for manufactures, commerce, health, or even luxury"; and (3) "coaches and other vehicles for the transportation of passengers or merchandise." WILLIAM HENRY BROWNE, A TREATISE ON THE LAW OF TRADE-MARKS AND ANALOGOUS SUBJECTS 116 (2d ed. 1885) [hereinafter BROWNE 2d ed.].

³⁰ Browne made this explicit in listing the class of "men" as his first example of a trade name. *Id.* See also Diamond, *supra* note 15, at 272–73 (discussing "personal" marks used by shopkeepers). An early and famous case of personal trade name infringement, albeit in the context of an affixable trademark, involved the artist Albrecht Dürer, who successfully petitioned the Council

The same goes for business entities once they began to appear as independently recognized juristic concerns. A good example would be the Guinea Coal Company, the name of a nineteenth century English coal company embroiled in litigation against the Pall Mall Guinea Coal Company over unfair use of its name in connection with the provision of coal (the coal itself was known by a number of different names depending on its source; one such name was Wallsend coal).³¹ What we would now call coal supply services was considered the business of a coal company in the nineteenth century.³²

Trade names are, however, most notable for what they are not—physical marks made on a tangible object. Unlike a sign (which, containing a word, picture, or device applied to a surface, literally looks like a trademark), a trade name is something that exists, fundamentally, in the abstract. It can of course be written or inscribed onto anything, or spoken aloud upon answering the telephone, but its essence is divorced from any particular representation of itself.

Much of what is different and befuddling about the service mark is best explained by reference to these two different parents. It is the child of the strange marriage of the sign (a fixed advertisement meant to attract custom to a specific location) and the trade name (an abstract identifier of a business that is often used with reference to the service that business provides).

B. *Legal Protection Given to Service Marks Prior to 1920 and the Formation of the Trademark/Service Mark Divide*

1. Early Protection for Signs and Trade Names

Although British courts began to protect trademarks against infringement from at least as early as the seventeenth century,³³ protection for the historic analogs for service marks came later. For

of Nuremberg to stop a foreign rival from using Dürer's "AD" monogram. *Id.* at 279.

³¹ *Lee v. Haley* (1869-70) 5 L.R. 155, 157.

³² The correlation between trade names and service marks has a certain logic, particularly prior to the age of franchising and licensing. For a business that provided a service—take a seventeenth century inn providing what the PTO would call “hotel” or “bed and breakfast inn” services—its business name would have been inseparable from the brand by which it was known to the public, usually at one particular location. In a culture where non-oral communication was achieved largely through the use of icons and symbols, the service mark, the trade name, and the sign would all have been one and the same. For example, an inn with a sign showing an image of a Blue Lion out front would likely be known as the Blue Lion Inn, and perhaps even do business as the Blue Line Inn, even if the words BLUE LION never appeared anywhere.

³³ *Southern v. How*, (1617) 79 Eng. Rep. 1243 (K.B.), as reported by various different sources, dates back to the early seventeenth century and is generally considered the first trademark infringement case.

instance, as we have seen, by the middle of the eighteenth century, signs were exploding in popularity as eye-catching lures for new customers and reminders for return customers. Yet, as observed by Frank Schechter, “[t]he infringement of signs or signboards appears, as a matter of fact, to have been quite common and unrepressed even in the early eighteenth century.”³⁴ This attitude, at least on British soil, is confirmed by Lord Hardwicke’s point of emphasis in rejecting a proposition in the famed trademark monopoly case of *Blanchard v. Hill*: “[T]here is no more weight in this, than there would be in an objection to one innkeeper setting up the same sign with another.”³⁵

By the mid-nineteenth century, however, British courts began to enjoin businesses from operating under a name similar to another where both provided the same service, generally under a false representation theory.³⁶ Courts in the United States soon followed suit.³⁷ Not

³⁴ HISTORICAL FOUNDATIONS, *supra* note 15, at 134 n.6. Schechter, who otherwise hardly mentions marks not affixed to goods in his treatise, cites the following colorful report of an 1803 visit to London as support for that proposition:

As it is one of the principal secrets of the trade to attract the attention of that tide of people which is constantly ebbing and flowing in the streets, it may easily be conceived that great pains are taken to give a striking form to the signs and devices hanging out before their shops. . . . As soon, therefore, as a shop has acquired some degree of reputation, the younger brethren of the trade copy its device. A grocer in the city, who had a large *Beehive* for his sign hanging out before his shop, had allured a great many customers. No sooner were the people seen swarming about this hive than the old signs suddenly disappeared, and Beehives, elegantly gilt, were substituted in their places. Hence the grocer was obliged to insert an advertisement in the newspapers, importing “that he was the sole proprietor of the original and celebrated *Beehive*.”

Id. at 135 n.6.

³⁵ See *Blanchard v. Hill*, (1742) 26 Eng. Rep. 692, 694 (Ch.).

³⁶ *Knott v. Morgan*, (1836) 48 Eng. Rep. 610 (Ch.), is representative. Plaintiff ran a successful omnibus company under the names “Conveyance Company” and “London Conveyance Company.” The name appeared on all Plaintiffs’ busses, along with the design of a star and garter. Defendant came along and started operating busses along the same route, and they were marked with the same name and the same design. The coachmen even adopted the same livery. The Chancery Court had little difficulty upholding (with slight modifications) an injunction against affixing those names or devices to omnibusses. Though the Lord of the Rolls confirmed that no one has an exclusive right to the particular names, which were essentially descriptive, [Plaintiffs nevertheless] have a right to call upon this Court to restrain the Defendant from fraudulently using precisely the same words and devices which they have taken for the purpose of distinguishing their property, and thereby depriving them of the fair profits of their business by attracting custom on the false representation that carriages, really the Defendant’s, belong to, and are under the management of, the Plaintiffs.

Id. at 613.

³⁷ *Marsh v. Billings*, 61 Mass. 322 (1851), for instance, essentially imported *Knott v. Morgan* to the United States, in a case on very similar facts. Plaintiff owned a hotel called Revere House and licensed some livery coachmen to take passengers from train stations to the hotel. They placed Revere House signs on their coaches and caps. Defendants (who formerly had that license but lost it due to poor service) started painting Revere House on their coaches and placing it on their caps and calling out the same name at the station. Much like the court in *Knott*, the SJC held that there is no exclusive right to use the name Revere House in the abstract. Nevertheless, plaintiffs were permitted to claim that they had an exclusive right to “the patronage and countenance” of the house—put another way, that only they were the authorized and official

surprisingly, given the close connection between trade names and service marks, a number of these mid-century cases involved departing partners or former employees who decided to provide a similar service a few blocks down the street from their original operation.³⁸

Early service mark cases in the United States, however, soon showed an inclination to move away from strict reliance on false representation principles in favor of more modern notions of trademark ownership and rights to exclusive use. In New York, for instance, a hotel known alternately as the Irving House and Irving Hotel successfully enjoined a second-comer from providing hotel services under the name Irving Hotel. It did so even over defendant's objection that the plaintiff had no sign for Irving Hotel out front, and, further, that names of hotels could not be appropriated as trademarks.³⁹ The New York Superior Court rejected these arguments and affirmed the injunction, noting that Plaintiff's use of its name in advertising and promotional cards proved "appropriation" of the mark. It went on to cite the now familiar twin goals of trademark law in support of its disposition of the case: protection of the public from "the confusion which would necessarily arise", and preservation of the fruit of the mark owner's efforts in causing the reputation of his establishment "to become popular throughout the land."⁴⁰

Similarly, in the well-known "*What Cheer House*" case of 1863,⁴¹ the Supreme Court of California pronounced in no uncertain terms that "the name established for a hotel is a trade mark, in which the proprietor has a valuable interest, which a Court of Chancery will protect against infringement."⁴²

licensee. *Id.* at 331–32.

³⁸ A good example is *Colton v. Thomas*, a Pennsylvania case from 1868. 2 Brewst. 308 (Pa. Ct. C.P. Phila. 1868). There, a dentist named Thomas left his original job working for Colton Dental Rooms, and set up a sign on the same street saying: DR. F.R. THOMAS Late Operator at the COLTON DENTAL ROOMS, and handed out analogous cards. "Late Operator at the" was argued to be in a smaller font designed to be illegible. The court upheld an equitable injunction against use of the sign, largely on a "false representation" theory where the defendant's intent to deceive was clearly at the forefront. Particularly sensitive to the context in which dentists' signs would ordinarily be viewed, and dental services ordinarily obtained, the court stressed: "It must not be forgotten that these rooms are sought out by suffering patients at all hours of the day and night, and that the signs are read by the light of gas and of the moon, at early morn and at twilight." *Id.* at 313–14.

³⁹ *Howard v. Henriques*, 3 Sandf. 725, 727–28 (N.Y. Sup. Ct. 1851).

⁴⁰ *Id.*

⁴¹ *Woodward v. Lazar*, 21 Cal. 448 (1863).

⁴² *Id.* at 451. Thus, it upheld an injunction against defendants' use of the name ORIGINAL WHAT CHEER HOUSE at an old property vacated by plaintiff, who himself had relocated his long-established WHAT CHEER HOUSE hotel to a newer building and continued to operate it there. The Court was not willing to conclude that the old service mark rights traveled with the business providing the same service at a new location. Nevertheless, it held that since plaintiff's

By the late-middle of the nineteenth century, service-based businesses such as hotels, coaches, and dentists could feel fairly confident in their ability to restrain a competitor from co-opting their names, symbols, and signage to intentionally poach business. Although the underlying legal theory varied (generally between false representation and something like trademark infringement), in none of these cases did the courts question that a service-based business might be able to prevent a competitor from wrongfully taking, in the language of *Knott*, the “words and devices” of others.⁴³ How, then, were service marks barred from federal registration and refused classification as “technical trademarks” by 1920? The answer lies in the advent of the affixation rule.

2. The Affixation Rule and the Schism between Technical Trademarks and their Analogues

By the start of the first Lanham Act debates, the world had become divided into technical trademarks (which, as detailed below, were generally federally registrable⁴⁴ and could be infringed without direct evidence of wrongful intent) and marks analogous to trademarks (which were generally not federally registrable⁴⁵ and could only be protected under unfair competition theories requiring proof of wrongful intent).⁴⁶ The latter category consisted of, among other marks, descriptive, geographical, and what we would now call “service marks.”⁴⁷

Descriptive marks and geographical marks were not permitted to be formally appropriated as “trade-marks” because of policy concerns about limiting exclusive use to any one person.⁴⁸ But that was not the

new WHAT CHEER HOUSE location had commenced operations before defendant began using ORIGINAL WHAT CHEER HOUSE at the old location (which had been vacant during an intervening time), plaintiff was still senior and had thereby “established an exclusive right to the name as the trade mark for his new house.” Thus, to use the terms employed by the court, the “business sign” belonged to plaintiff, not defendant. *Id.*

⁴³ *Knott*, 48 Eng. Rep. at 614.

⁴⁴ See generally MCCARTHY, *supra* note 28, § 5:3.

⁴⁵ There were some exceptions, such as the infamously ambiguous “ten-year clause” of the 1905 Act, which allowed registration of certain otherwise non-technical marks that had been exclusively used by the owner for the ten-year period ending at the arbitrary date the act was passed. See *Thaddeus Davids Co. v. Davids*, 233 U.S. 461, 464–68 (1914).

⁴⁶ See generally *Daviess Cnty. Distilling Co. v. Martinoni*, 117 F. 186 (C.C.N.D. Cal. 1902); Grafton Dulany Cushing, *On Certain Cases Analogous to Trademarks*, 4 HARV. L. REV. 321 (1891); Edward S. Rogers, *Comments on the Modern Law of Unfair Trade*, 3 ILL. L. REV. 551 (1909).

⁴⁷ *Searchlight Gas Co. v. Prest-o-lite Co.*, 215 F. 692, 695 (7th Cir. 1914); BROWNE 2d ed., *supra* note 29, § 41.

⁴⁸ *William R. Warner & Co. v. Eli Lilly & Co.*, 265 U.S. 526, 527 (1924); *Standard Paint Co. v. Trinidad Asphalt Mfg.*, 220 U.S. 446, 453–54 (1911); *Elgin Nat’l Watch Co. v. Illinois Watch Co.*, 179 U.S. 665, 673 (1901).

case with service marks, which could be entirely arbitrary or fanciful. Rather, it was understood that marks of “laundries . . . transportation companies, insurance companies, hotels and the like” could not be registered under the 1905 Act because, by definition, such marks could not be “physically attached to merchandise”,⁴⁹ and affixation had become a “highly technical” prerequisite to acquisition of trademark rights.⁵⁰ This was known as the affixation rule.

The rule was born in mid-nineteenth century England in *McAndrew v. Bassett*.⁵¹ In that case, Lord Westbury held that rights to the mark ANATOLIA for liquorish began as of the time the liquorish was stamped with the mark and sold in the marketplace, as opposed to the time it could be proved to have acquired a reputation.⁵²

The rule was defended on two grounds: first, that it lessened evidentiary and investigatory burdens, and second, that it protected young marks. A U.S. appeals court later elucidated these points in the *Kathreiner*’s case, where it adopted the rule:

Were it otherwise, and were the question to depend entirely on the time the mark has been used, or the reputation it had acquired, a very difficult, if not an insoluble, inquiry would have to be opened in every case, namely, whether the mark had acquired in the market a distinctive character, denoting the goods of the person who first used it. . . . [A]nd, if the manufacturer who first used it were not protected from the earliest moment, it is obvious that malicious and pertinacious rivals might prevent him from ever acquiring any distinctive mark or brand to denote his goods in the market by adopting his mark, however varied, immediately after its adoption or change by the original user of it.⁵³

Thus, the original affixation rule was adopted because it was both simple to evaluate and protected new marks during the period of building a reputation.

Logically, however, such a rule says nothing about how to acquire rights in a mark not used with goods. While one might assume that the rule precludes acquisition of rights in a mark for services, to the

⁴⁹ *Jan. 1927 Hearings, supra* note 2, at 83 (Statement of Patent, Trademark and Copyright Section of the American Bar Association).

⁵⁰ Trade-Marks: Hearing on H.R. 6683 and H.R. 11988 Before the H. Comm. on Patents, 70th Cong. 18 (1928) [hereinafter Mar. 1928 Hearings] (statement of Edward S. Rogers).

⁵¹ (1864) 46 Eng. Rep. 965 (Ch.).

⁵² *Id.* at 968. In the court’s language, the first two elements of a claim for trademark infringement (as such) required that “the mark has been applied by Plaintiffs properly . . . [and] that the article so marked is actually a vendible article in the market.” *Id.* at 965.

⁵³ *Kathreiner’s Malzkaffee Fabriken, v. Pastor Kneipp Med. Co.*, 82 F. 321, 326 (7th Cir. 1897) (quoting *Hall v. Barrows*, (1863) 46 Eng. Rep 873 (Ch.)).

contrary, it is silent on that point.⁵⁴ Rather than taking that silence as prohibiting such rights, one could have concluded that the affixation rule simply did not apply to service marks, and that instead, a different standard would be used for such marks. Put another way, the affixation rule was a shortcut for quickly and fairly determining priority. Where the affixation rule was impracticable, priority determinations could have still been made, but less easily.⁵⁵

How then did a rule of priority become a rule of exclusion? Professor James M. Treece, in his pioneering 1970 study, suggests that the leap was essentially an accident attributable to nineteenth century jurists' blindness towards the service economy:

When judges developed the rule which protects a trademark upon first use, they apparently visualized a market featuring products but not services because when they designated the event which signals the acquisition of technical trade symbol rights, they chose the moment when a product bearing the symbol first confronted consumers in the market place—the time when the owner first “used” the symbol as a “trademark.”⁵⁶

Professor Treece's explanation, however, is not entirely convincing. Disputes concerning the names of service businesses were not at all uncommon by the mid-nineteenth century, and it is difficult to imagine that judges would simply not have realized that a literal application of the affixation priority rule would effectively prohibit the acquisition of trademark rights for marks being used with hotels, buses,

⁵⁴ Part of the confusion likely stems from its poorly chosen name. The “affixation rule” certainly sounds like a rule that limits trademark rights to marks that can be affixed to goods, as opposed to a rule of priority.

⁵⁵ Before the affixation rule became a per se rule of exclusion, courts spoke in the language of acquisition and appropriation even for marks used with services. In *Howard v. Henriques*, for example—decided about a decade before *McAndrew*—the court squarely held that the Irving Hotel mark had been “appropriated” by the hotel through its use of point-of-service materials as well as advertisements:

It was on all his bills rendered to his guests, on cards, on large cards placed in other hotels throughout various portions of the country, and in cabins of steam boats and steam ships, accompanied by an engraved view of the building, and was so designated in numerous advertisements in public newspapers circulating throughout the country.

3 Sandf. 725, 726–27 (N.Y. Sup. Ct. 1851). Similarly, in *Knott v. Morgan*, the Lord of the Rolls used the language of trademark acquisition in determining that the words CONVEYANCE COMPANY had been “taken” by plaintiffs “for the purpose of distinguishing their property” such that defendants could not thereafter use those same words to confuse the public and siphon business from plaintiff. (1836) 48 Eng. Rep. 610, 612 (Ch.). And, just one year before *McAndrew*, the Supreme Court of California could not have been more clear in holding that an exclusive trademark right to use a mark in connection with operating a hotel arises from use of the name on the sign hung at the hotel. *Woodward v. Lazar*, 21 Cal. 448, 452 (1863).

⁵⁶ James M. Treece, *Developments In the Law of Trademarks and Service Marks: Contributions of the Common Law, The Federal Act, State Statutes and the Restatement of Torts*, 58 CAL. L. REV. 885, 892 (1970) (emphasis omitted).

coaches, or dentist offices.

A preferable explanation is not that original jurists were ignorant of marks used with services, but rather that later judges and commentators were hostile to service marks for independent reasons, and the affixation rule was intentionally leveraged as a convenient and available means for preventing recognition of service marks as trademarks. In fact, a look at some of the most influential trademark treatises of the late nineteenth century reveals a marked contempt for service marks. William Henry Browne, an early authority on U.S. trademark law, appeared particularly devoted to the cause. Browne was the author of the very influential early work, *A Treatise on the Law of Trademarks and Other Analogous Subjects*.⁵⁷ He was also one of the earliest voices to extend the affixation rule to a per se ban on protection of service marks as trademarks.⁵⁸ Browne became a vociferous proponent of clearly defined boundaries between “technical trademarks” and marks “analogous to trade-marks”, repeatedly admonishing courts that ignored his distinctions.⁵⁹

About eight years after the first edition of Browne’s treatise was published, Congress passed section one of the Act of 1881, which required that one seeking to register a trademark provide a statement of the mode in which the mark “is applied and affixed to goods.”⁶⁰ This appears to be the first instance in the United States where the affixation

⁵⁷ See generally BROWNE 1st ed., supra note 21.

⁵⁸ A “trade-mark,” for Browne, had to be “affixed to a vendible commodity.” BROWNE 2d ed., supra note 29, at 116. By contrast, trade names (which were “more properly allied to the good-will of a business”) were expressly excluded from technical trademark protection (i.e., they could not be protected through claims of infringement as such, as opposed to claims of unfair competition). *Id.* As legal support for this categorical statement of the affixation rule, Browne cites primarily to *McAndrew*. *Id.* § 52, at 58–59. As we have seen, however, *McAndrew* didn’t stand for that proposition.

⁵⁹ BROWNE 2d ed., supra note 29, at 60. For instance, he dedicated an entire section of his treatise to contorting the holding in *Howard v. Henriques* (the Irving Hotel case) to fit his understanding of the affixation rule:

The perusal of this case of *Howard v. Henriques* relieves the mind from all doubt or embarrassment as to the meaning of the court. . . . No one in that case assumed that the mere name of a hotel could be a trade-mark, but argued upon principle. How could anyone so assume? Did the proprietor of the name affix it to any vendible article? No. . . . Nothing short of the sheerest sophistry could twist the title of a hotel into a mark of commerce, a visible mark affixed to a thing sold or for sale. We cannot detect the essential elements of the thing technically so known. Then if not a case of trade-mark, what was it? It was exactly what the Superior Court, by the lips of Mr. Justice Campbell, called it, the ‘good-will’ of the establishment. The case did not call for a definition. All that was required was substantial justice, upon the allegation of an invasion of an equitable right.

Id. at 121–22. Similarly, the Supreme Court of California’s labeling of the “*What-Cheer House*” sign as a trade-mark was considered by Browne to be an outright “mistake made in the name of the thing.” *Id.* at 118.

⁶⁰ Act of Mar. 3, 1881, ch. 138, 21 Stat. 502.

rule became, in essence, a legal ban on acquiring registrable trademark rights in marks used with services.⁶¹ The 1905 Act contained an identical provision.⁶²

By 1914, the Seventh Circuit was noting in dicta (and without citation) that “trade-marks, as such, must actually be put on articles of commerce or their containers.”⁶³ In its famed *Hanover Star Milling* case, the U.S. Supreme Court appeared to agree, stating, “[t]he primary and proper function of a trademark is to identify the origin or ownership of the article to which it is affixed.”⁶⁴ In 1919, an appellate court in Illinois invalidated a state design mark registration for taxicabs on the theory that use of the mark on the side of a taxicab was use with a service, and therefore, not a valid trademark.⁶⁵ And in 1926, after acknowledging a lack of clarity in the case law, the U.S. Supreme Court defined the difference between a trademark and a trade name as follows: “the former is applicable to the vendible commodity to which it is affixed, the latter to a business and its good will.”⁶⁶

By 1938, the First Restatement of Torts had adopted the robust affixation rule completely. It stands for the affixation rule in its strictest, broadest sense—a ban against trademark treatment for service marks. Section 715 defined a trade-mark as “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.”⁶⁷ Section 718 adds, for good measure, “[a] designation is not a trade-mark unless as a general practice it is affixed to the goods which it denominates.”⁶⁸ Affixation, by contrast, was not a limitation with respect to “trade-

⁶¹ The first comprehensive federal trademark act, the Act of 1870, had no such limitation. Act of July 8, 1870, ch. 230, 16 Stat. 192 (1870), *invalidated by Trade-Mark Cases*, 100 U.S. 82 (1879). Rather, it was written in terms of appropriation, application, and use of the applied-for mark, rather than “affixation.” The registration regime required only that the applicant state: “the mode in which it has been or is intended to be applied and used [and] the length of time, if any, during which the trade-mark has been used.” *Id.* at 210. The infringement provision, § 79, did however require that the *infringer* “affix the same to goods of substantially the same descriptive properties and qualities as those referred to in the registration.” *Id.* at 211 (emphasis added).

⁶² Act of Feb. 20, 1905, ch. 592, 33 Stat. 724.

⁶³ *Searchlight Gas Co. v. Prest-O-Lite Co.*, 215 F. 692, 695 (7th Cir. 1914).

⁶⁴ *Hanover Star Milling v. Metcalf*, 240 U.S. 403 (1916).

⁶⁵ *Yellow Cab Co. v. Charles Ensler*, 214 Ill. App. 607 (Ill. App. Ct. 1919) (citing *Searchlight Gas Co.*, 215 F. 692). The Court nevertheless applied unfair competition principles in deciding the case.

⁶⁶ *Am. Steel Foundries v. Robinson*, 269 U.S. 372 (1926).

⁶⁷ Restatement (First) of Torts § 715 (1938).

⁶⁸ *Id.* § 718. The First Restatement justifies its strict and broad affixation rule on the “purposive” theory that “affixation facilitates the proof of adoption and use.” *Id.* at cmt. a. As previously suggested, alternative evidentiary rules specific to service marks could, however, have been developed.

names,” which expressly included “any designation” used with “services.”⁶⁹ Trade names, however, had to have “acquired a special significance” as the name of the goods, service or business.⁷⁰

3. Why Fear the Service Mark?

It appears that from the late nineteenth century through the early twentieth century, something began to trouble commentators and courts about the service mark. This led to an increasingly rigid imposition of the affixation rule as a ban on treating service marks as technical trademarks. What, however, was so bothersome about the service mark?

We can find strong evidence of the answer to this question in the dissenting voices of Lanham Act legislative hearings. As will be detailed in the next section, two refrains recur from these commentators. The first was a practical concern that numerous businesses already used overlapping trade names. To give exclusive rights to any one EMPIRE laundry, for example, would be next to impossible.⁷¹ This is really a more modern echo of the colorful quip from *Blanchard v. Hill*, expressing incredulity that two innkeepers might be prevented from having the same sign. However facially simple, this concern does spring from a deep source—after all services, unlike goods, were more localized historically. Thus, in the service world, even today, we are far more likely to see similarly named but unaffiliated restaurants or inns pop up in remote geographies.⁷²

The second was more abstract and definitional. Namely, there was a continuing concern about how to define what it means to use a tangible mark with something intangible like a service. Put simply, there was no obvious bright-line check on their acquisition without the easily-implemented affixation rule. Searching further, an overarching connection might cover both of these fears. The reality about services and service marks is that they are easier to bring to market than goods

⁶⁹ *Id.* § 716.

⁷⁰ *Id.* Under the First Restatement, trade names also included trademarks affixed to goods that did not qualify as “technical trademarks” under the common law. This included, as already mentioned “descriptive term[s, and] geographic or personal name[s].” *Id.* at cmt. a. This definition was somewhat at odds with the definition announced by the U.S. Supreme Court in *American Steel*, which did not expressly include the concept of secondary meaning in its scope. *See Am. Steel Foundries*, 269 U.S. 372.

⁷¹ Trade-Marks: Hearing on H.R. 2828 Before the H. Comm. on Patents, 71st Cong. 38 (1930) [hereinafter Jan. 1930 Hearings] (statement of Henry C. Thomson).

⁷² *See, e.g.,* Peoples Fed. Sav. Bank v. People’s United Bank, 750 F. Supp. 2d 217, 223 (D. Mass. 2010) (denying preliminary injunction against use of the mark PEOPLE’S UNITED for banking because, among other things, PEOPLE was a name regularly used in bank names across the country), *aff’d*, 672 F.3d 1, 16 (1st Cir. 2012).

and trademarks. In order to brand a trademark onto licorice, one has to first come up with the licorice. One can buy the licorice from another or make it oneself. Either way, there is some sort of real investment in creating a product before it is put into commerce. By contrast, every act involves performing a service of some sort.⁷³ If someone arrives from out of town and I give him directions, or sell him a half-eaten cheese sandwich for a dollar, I have provided a service (maybe even in commerce). If I am wearing a shirt with a logo, should I be able to claim rights in that as a service mark?

The key starting point in *McAndrew* was “the fact of the article being in the market as a vendible article.”⁷⁴ It was only then that you were able to affix your mark to it and attain rights. By the time you are physically stamping your licorice with a mark and selling it in the market, you have made a considerable investment in the project. Similarly, the policy rationale given for the Seventh Circuit’s adoption of the *McAndrew* affixation rule in *Kathreiner*’s necessarily assumed that the first to affix his mark had some investment worth protecting from misappropriation by second-comers.⁷⁵ In the service mark context, there is no tangible product to point to as evidence of an underlying investment.⁷⁶

III. THE LANHAM ACT AND THE RISE OF THE SERVICE MARK

Whatever the ultimate cause, it seems quite clear that by the 1920’s, the affixation rule had prevented marks not used with goods from acceptance as true trademarks. And it was in this climate that the Lanham Act was created.

A. *The Early Attempts (Section 24)*

The twenty-six year war waged by the proponents of a new trademark act began with a meeting of the American Bar Association in St. Louis in 1920.⁷⁷ A committee to revise the trademark laws was

⁷³ See *In re Adver. & Mktg. Dev., Inc.*, 821 F.2d 614 (Fed. Cir. 1987).

⁷⁴ *McAndrew v. Bassett*, (1864) 46 Eng. Rep. 965, 968 (Ch.).

⁷⁵ One exception to this might be t-shirts and similar commodity merchandise where it could not be easier to slap a logo onto the product. In that case, however, trademark law has developed the ornamentation doctrine to partially offset the imbalance. See, e.g., *In re Pro-Line Corp.*, 28 U.S.P.Q.2d 1141, 1144 (T.T.A.B. 1993) (denying registration of the “ornamental” slogan BLACKER THE COLLEGE SWEETER THE KNOWLEDGE as not functioning as a source indicator).

⁷⁶ Some services, to be sure, require immense investments in expertise or overhead to perform well or at all—say legal or medical services, or banking services. That said, even more services require almost no investment, and it only takes one service to attain a registration.

⁷⁷ Registration of Trade-Marks: Joint Hearings on S. 2679 Before the Comms. on Patents, 68th Cong. 1–2 (1925) [hereinafter Jan. 1925 Hearings] (statement of Sen. Richard P. Ernst,

formed, and Edward S. Rogers, a prominent trademark practitioner and commentator from Illinois, was elected as its chairman.⁷⁸ Rogers was the lead drafter of the initial bill and the main voice for the legislation before Congress over the next two decades.⁷⁹

Rogers indicated that one of the leading goals of the new legislation was to provide for the registration of all marks used in commerce, whether technical trademarks or not, and to provide such marks with rights equivalent to those given trademarks.⁸⁰ This was expressly understood to include marks used in connection with the provision of “service[s,]” such as telegraph, telephone, laundry and bus services.⁸¹ Rogers had a number of other scholars in his camp, such as Harry Nims, who concurred fully on this point.⁸²

The first attempt at legislation, known alternately as the Ernst Bill (in the Senate) and the Vestal Bill (in the House), set about to do this rather clumsily. Section 24 of that legislation (entitled “Trade Names and Devices Registrable”) was a catch-all provision designed to allow all manner of entities to register their marks:

[A]ny person, firm, corporation, union, agricultural or other association, club, fraternal society, institution, or organization may register any trade name or device used in commerce, in the same manner and with the same effect, and when registered said trade name or device shall be entitled to the same protection against

Chairman, S. Comm. on Patents).

⁷⁸ *Id.* at 17-18 (statement of A. C. Paul).

⁷⁹ *Id.*

⁸⁰ Rogers, speaking for the bill, thought it quite obvious that any symbol possessing goodwill ought to be protected: “May I suggest in this connection that there are many marks and devices that represent a good will that ought to be protected under the statute, that cannot get protection at the present time.” *Id.* at 127 (statement of Edward S. Rogers). This was consistent with earlier publications he had authored, which argued that “business good will could be and was represented in many other ways than by technical trade marks . . . it was the good will itself by whatever means evidenced that the court should protect.” Rogers, *supra* note 46, at 555.

⁸¹ “Take, for instance, the Western Union and the Postal Telegraph companies. The bell that is used by the Bell Telephone companies. They represent good will, but they are not used in commerce in the ordinary sense. They are used in business. The marks of railroad trains, for instance, that are used in commerce, but not used in merchandise. . . . Now, it seems to me about everybody would agree that marks used in commerce should be registered, and rights under them should be the same as trade-marks . . .” *Jan. 1925 Hearings, supra* note 77, at 126. Other examples given by Rogers of marks that were not registrable under the old law, but would be under the new language, included trademarks used by a “laundryman,” and “cab and omnibus companies.” Although the proprietors of such companies “does not sell any goods; he sells service. They represent service and they represent good will . . .” *Id.* at 48.

⁸² *March 1928 Hearings, supra* note 50, at 33 (“These service marks of which you have heard must be protected. There is no reason why just because a man cannot put a tag, stick it onto his goods, he should not be protected.”).

infringement as provided herein in the case of trade-mark used upon goods.⁸³

As can be seen, the emphasis of this provision was on the applicant (*who* would be allowed to register their marks), as opposed to the mark (which types of marks may or may not be registrable). In fact, literally *any* trade name⁸⁴ or device would have been registrable under this draft, and once registered given all of the legal protections available to technical trademarks.⁸⁵

The Ernst Bill said nothing about the affixation requirement as such and provided no definition of “used in commerce.”⁸⁶ It is clear from Rogers’ definition⁸⁷ that there was to be no affixation requirement for these newly allowed marks because by definition, trade names were marks that were not applied to goods.⁸⁸

The House went on to introduce its own version of the bill, the Vestal Bill,⁸⁹ which contorted the already curious provision even further by illustrating that union labels and association marks (and later “collective marks”) were specific types of trade names and devices that were meant to be registrable under the section.⁹⁰ Later versions nearly

⁸³ S. 2679, 68th Cong. § 24 (1924).

⁸⁴ Although the draft statute provided no definition of “trade name,” Rogers expressly defined it in response to an early question at the hearing as “a name which is not applied to merchandise,” whereas a “trade-mark” was “a name which is applied to merchandise.” *Jan. 1925 Hearings*, *supra* note 77, at 41. The New York Patent Law Association similarly submitted a written report advising that the same section was “new law designed to . . . cover trade names or devices which are not technically trademarks because used in connection with a business, and not applied to goods.” *Id.* at 115 n.50.

⁸⁵ Interestingly, Rogers originally made no attempt to argue that these “trade names or devices” would or should become trademarks under the Act. To the contrary, he appeared to accept the affixation-rule-driven distinction between trademarks and trade names. Instead, he understood the legislation as simply investing the former with all the rights given the latter. It was almost as if these first attempts at equality were proposing the trademark equivalent of giving full rights to civil unions in lieu of marriage. Although the draft statute provided no definition of “trade name,” Rogers expressly defined it in response to an early question at the hearing as “a name which is not applied to merchandise,” whereas a “trade-mark” was “a name which is applied to merchandise.” *Jan. 1925 Hearings*, *supra* note 77, at 41. *See also id.*

⁸⁶ As a general matter, throughout the entire Lanham Act legislative history, “commerce” was itself defined as reaching to the fullest extent allowed to Congress. *See* S. 2679 at § 31 (defining “commerce” as “all commerce within the control of Congress”).

⁸⁷ *See Jan. 1925 Hearings*, *supra* note 85, at 41.

⁸⁸ This is confirmed by a letter submitted by the New York Patent Law Association which, in commenting on the ABA draft it had received, noted that Section 1 of the proposed legislation intentionally dropped the 1905 Act’s requirement that an applicant submit a statement of the mode in which the “mark is applied and affixed to the goods.” *Jan. 1925 Hearings*, *supra* note 77, at 105 n.1 (written statement of N.Y. Patent Law Ass’n, Comm. on Trade-Mark Legis.).

⁸⁹ H.R. 6248, 69th Cong. (1925).

⁹⁰ The association marks language appears to have been added to comply with a treaty obligation from 1911 requiring the United States to protect association marks. *Jan. 1927 Hearings*, *supra* note 2, at 85 (written statement of the Patent, Trademark and Copyright Section of the Am. Bar Ass’n). The same is true of the later addition of “collective marks” to that clause. H.R. REP. NO.

identical to H.R. 6248 were reintroduced in 1926 as S. 4811⁹¹ and H.R. 13486.⁹²

By this time, the apparently radical breadth of the provision was starting to raise some voices of disapproval, concern, and confusion from the bar. The United States Trademark Association (now INTA), for example, was concerned that the provision offered no definition for how such marks would be required to be used.⁹³ The Boston Patent Law Association opposed the provision as “unnecessary and unwise”, pointing out that the law of unfair competition can handle disputes over “names” such as Western Union.⁹⁴ Another commentator at the hearings similarly noted with disapproval that he could apparently register a “firm[] not actually engaged in the sale of goods.” Any attempt to regulate “unfair competition” in the patent office, he added, would “only be complicating affairs.”⁹⁵

In response, Edward Rogers fully conceded that Section 24 was a “serious departure from existing principles.”⁹⁶ Indeed, he considered it to be one of only two revolutionary provisions of the entire bill.⁹⁷ Yet, he countered that marks not applied to merchandise “represent good will exactly to the same extent that technical trademark-marks do.”⁹⁸ At the same hearing, he later summarized the point:

In short, the present act limits registration to marks physically attached to merchandise; it does not permit grain exchanges, hotels, clubs, organizations of that kind, to protect themselves in trade

1368, at 4 (1928). Collective and certification marks were later moved into their own provisions.

⁹¹ S. 4811, 69th Cong. (1926).

⁹² H.R. 13486, 69th Cong. (1926).

⁹³ *Jan. 1927 Hearings*, *supra* note 2, at 43–44 (statement of William S. Greene representing the U.S. Trade-Mark Ass’n). Its representative proposed that the provision be limited to marks “applied to articles of merchandise”, which would have effectively equated to a ban on service marks. *Id.*

⁹⁴ *Id.* at 96 (statement of the Bos. Patent Law Ass’n). Similarly, in a straw poll of its members, the American Patent Law Association (now AIPLA) found that just under two-thirds of its members disapproved of Section 24 (which was described in the ballot simply as “provid[ing] for registering union labels, etc.”). *Id.* at 125 (showing seventy-eight “disapprove” to forty-four “approve”). Another commentator from the New York Bar Association couldn’t accept that anyone would want to register an “insignia” that he didn’t want to “use” (i.e., as a trademark affixed to goods) other than for the seemingly improper purpose of not wanting others to appropriate them as trademarks for themselves. *Jan. 1927 Hearings*, *supra* note 2, at 21 (statement of Henry R. Brownell on behalf of the N.Y. Bar Ass’n).

⁹⁵ Trade-Marks: Hearing on H.R. 6248 Before the H. Comm. on Patents, 69th Cong. 82–83 (1926) [hereinafter Mar. 1926 Hearings] (statement of Stoughton Bell, representing the Walter Baker Co.).

⁹⁶ *Jan. 1927 Hearings*, *supra* note 2, at 5–6. These comments were made with respect to later hearings on H.R. 13486 and S. 4811 which, with respect to Section 24, were substantively identical to H.R. 6248.

⁹⁷ *Id.* The other was the “deposit” provision, which created the supplemental register.

⁹⁸ *Id.*

names that they use in their business, and clearly they are entitled to that protection and it ought not to make any difference if a mark is stuck on a cake of soap or put over a man's door, if it is used in interstate commerce.⁹⁹

Two conclusions may be drawn from these early Lanham Act experiments. First, they reveal the drafters' loose attempts to root the registration of unaffixed marks in a mucky blend of trade names and signs, the historic predecessors with which they were most familiar. It should be no surprise that critics at the hearings showed a deep uncertainty as to whether the provision was meant to allow firm names to be registered as trade marks, was limited to insignias, or, as Rogers thought, permitted registration of every sign over a shopkeeper's door.

Second, the early service mark agenda was inseparable from the general fervor for protecting goodwill that was gripping trademark theories of the day. In particular, as Robert G. Bone argues in a 2006 article, the first decades of the late nineteenth and early twentieth centuries saw the rise of the concept of goodwill as property.¹⁰⁰ The idea that the value of a brand might be in something as abstract as goodwill aligned with the idea that marks could be abstractly linked to intangible services, and that intangible services should be registered and protected on a level equivalent to technical trademarks.

Indeed, another reason Rogers strongly endorsed the concept of goodwill-as-property in his earlier 1909 article is that he needed a theoretical basis other than unfair competition for protecting "trade names and devices" that were not affixed to goods—a lifelong passion for Rogers. As is clear from his above quotes, Rogers repeatedly came back to the idea of "good will" in answer to his critic's challenges as to why there was a need for a register of unaffixed marks. If trademark law was indeed designed to protect goodwill in and of itself, as opposed to the tangible mark appearing on a product, it is much easier to make the argument that anything in which goodwill inures should be registrable and protectable, however abstract. And Rogers fully and repeatedly leveraged that argument in the hearings.¹⁰¹

B. *Adding the Service to the Service Mark*

In partial response to their early detractors, the drafters (including

⁹⁹ Id. at 45.

¹⁰⁰ Bone, *supra* note 10, at 575–79.

¹⁰¹ See, e.g., *Mar. 1928 Hearings*, *supra* note 50, at 21 (statement of Edward S. Rogers) (describing Section 24 as "a sort of catch-all, to catch these marks that have a value and represent a good will but may not be physically and indissolubly, if I may use the expression, attached to the goods.").

Rogers) added a key innovation into the next generations of the Vestal Bill: the concept of the “service.” Specifically, in addition to a few other changes, one provision (Section 23 of H.R. 11988) added the requirement of use “upon or in relation to goods or service.”¹⁰² This was done to give some “clarification” to the prior language.¹⁰³

Section 23 of H.R. 11988 appears to be the first time that a Lanham Act draft recognized the concept of the service mark as something conceptually distinct from trade names and signs.¹⁰⁴ Here we are provided with statutory language that embraces the idea of taking a mark and somehow using it in “relation to” a service—not just a business or storefront.¹⁰⁵ The service mark was thereby severed from the name of the firm using the mark (a limitation of trade names) and location (a limitation of signs). It is really, therefore, in H.R. 11998 that the service mark was born. This facially minor innovation turned out to be quite monumental.

Despite Rogers’ efforts, vociferous detractors, such as Henry Thomson of the search company that still bears his name, remained. Thomson, in fact, thought the section “will lead to many abuses.”¹⁰⁶ Thomson was especially worried about the number of users of identical marks with the same services that had already been in business for years, envisioning seven-way interferences at the PTO.¹⁰⁷ As with previous drafts, these bills languished for a variety of reasons.¹⁰⁸

The decade turned, and alternative attempts at legislation were introduced. One of particular interest from 1932 was known as the

¹⁰² H.R. 11988, 70th Cong. (1st Sess. 1928).

¹⁰³ *Mar. 1928 Hearings*, *supra* note 50, at 22. In his usual self-certain manner, Rogers explained this in a colloquy with Henry Thomson in which Rogers stated: “one or two of the gentlemen thought the language needed a little clarification. I can not myself see how anybody can object to proper protection of, for example, the mark of a dry cleaner who performs a service and builds up good will by cleaning the dress, and the dress bears a trade-mark and you can protect the trade-mark on the dress for the manufacturer of the dress, but you can not protect the trade name of the man who cleans it.” *Id.*

¹⁰⁴ The first reference to “service marks” appears to be in comments made by Rogers in the *Mar. 1928 Hearings*, *supra* note 50, at 18 (complaining that the “highly technical” affixation rule previously excluded “service marks, laundry marks,” etc., from registration). Later that month, in the same round of hearings, H.R. 11988 was introduced with a new focus on “services.”

¹⁰⁵ This version of the Act contained no definition of what it meant to use a mark “in relation to . . . service”—an omission immediately identified as problematic by contemporaries. For instance, commentators at the hearings wondered whether the service must be connected to trade or something “to sell” somehow, or whether, for example an “educational organization” could be covered. *Mar. 1928 Hearings*, *supra* note 50, at 90 (statement of Rep. Elbert S. Brigham). Rogers, for his part, understood that the new language intended to cover such services. *Id.*

¹⁰⁶ *Jan. 1930 Hearings*, *supra* note 71, at 37 (statement of Henry C. Thomson).

¹⁰⁷ *Id.* at 38.

¹⁰⁸ See generally DAPHNE ROBERT, *THE NEW TRADE-MARK MANUAL* 233–37 (1947) (compiling the fates of various early drafts).

Perkins Bill, H.R. 11592.¹⁰⁹ It is not generally considered to be in the direct line of draft legislation leading up the Lanham Act,¹¹⁰ but was actually quite groundbreaking in its treatment of service marks and key to the progression of the legislation. It is also notable because it was drafted by the then-renowned trademark historian Frank Schechter.¹¹¹

Unlike its Vestal Bill predecessors, the Perkins Bill was structured in more modern fashion with parallel references to goods or services throughout (rather than just goods).¹¹² In addition, the Perkins Bill was the first draft of federal legislation to treat service marks as actual trademarks (rather than just trade names with equal rights).¹¹³ In line with this innovation, the key “sameness” provision of the Vestal Bill (Sections 23–24) was incorporated into the definition of “trade-mark” in Section 30 the Perkins Bill:

The term “trade-mark” includes any mark, device, trade name, slogan, collective mark, or mark of association so used as to distinguish the source or origin of the users’ goods or services, and a trade-mark shall be deemed to be applied to an article or services when it is placed in any manner in or upon the article itself or upon the receptacle or package or upon the envelope or upon the vehicle or other thing in, by, through, or with which the goods are packed or inclosed [sic] or otherwise prepared for sale or distribution, or when it is placed upon the vehicle, instrument, container, envelope, wrapping, or other means of distribution, delivery, or transmission in, by, through, or with which the service is rendered or conveyed to the purchaser or consumer.¹¹⁴

¹⁰⁹ H.R. 11592.

¹¹⁰ Harry Aubrey Toulmin, Jr., Trade-Mark Act of 1946, at 156–57 (1946) (omitting H.R. 11592 from Bibliography’s list of predecessor bills).

¹¹¹ Derenberg, *supra* note 4, at 842 (crediting Schechter as the author). Interestingly, this appears to have been by congressional request. Schechter was the primary participant in congressional hearings before the Committee on Patents, held on February 8, 1932. *See generally Trade-Marks: Hearings Before the H. Comm. on Patents*, 72nd Cong. (1932) [hereinafter *Feb. 1932 Hearings*]. At those hearings, Schechter was asked by the Commissioner of Patents if he would “be good enough” to draft amendments setting forth his views. Schechter answered that he would be happy to do so, in consultation with others. *Id.* at 21. H.R. 11592 was introduced two months later by Representative Perkins of the Committee on Patents. The February 1932 hearing is informative as Schechter gives the Congressmen, in essence, an extended lecture on the history of trademarks and sets out his views in a more candid-than-usual manner. At one point, he even supports criminal penalties for “flagrant” trademark infringement. *Id.* H.R. 11592 did have a penal provision (Section 26).

¹¹² Section 1(A)(a), for example, would have required an applicant to file an application with the office stating “upon what goods the trade-mark is used, or in connection with what business the service is rendered.” H.R. 11592.

¹¹³ The preamble to Section 2 (analogous to Section 2 of the current Lanham Act) starts out, “[n]o mark by which the goods or services to which it is applied . . . shall be refused registration as a trade-mark on account of its nature . . .” (emphasis added). *Id.*

¹¹⁴ H.R. 11592 § 30 (definition of “trade-mark”).

In regards to its treatment of the affixation requirement, this definitional language was “revolutionary.”¹¹⁵ It rejected the common law rules of affixation, which would have been anathema to treating service marks as technical trademarks, but at the same time recognized a need to physically show the mark in connection with rendering the services. Accordingly, it applied a broad concept of *application*, liberalized from common-law affixation of the time.¹¹⁶

Although vague and likely too indefinite to ever pass muster as a final statute, the Perkins Bill appears to be one of the first direct attempts to acknowledge, and provide an answer to, the key service mark dilemma. Namely, how could something tangible (a mark) be “used” with something intangible (a service) so as to create a legal right?

C. Advertising, Section 3 and the Later Lanham Act Drafts

After these 1932 hearings, the legislation largely went back into its cocoon. It did not publicly reemerge until 1938, in the form of H.R. 9041,¹¹⁷ the version of the Act we know today.

H.R. 9041, the first of the bills actually introduced by Representative Lanham himself, is largely the same in substance as the last Vestal Bill, except that it fully adopted the “service mark” terminology and added some of the Perkins Bill innovations (a parallel goods or services construction in the title). Not surprisingly, the legislative hearings brought up many of the same concerns with the earlier Vestal Bill: namely, that it would be impracticable to allow everyone to register a trade name given how many firms use the same one,¹¹⁸ and that the legislation was ambiguous as to what would constitute a service mark.¹¹⁹

The first Lanham Bill hearings are most notable for the PTO’s position. Commissioner Conway P. Coe shows great concern regarding the service mark provision and proposes such “things” be moved to the

¹¹⁵ Derenberg, *supra* note 4, at 842.

¹¹⁶ As shown in the quoted language, the Perkins bill provided an ostensive definition of application (“shall be deemed to be applied . . . when”) within the definition of “trade-mark.” For example, under this definition, the mark might appear on a vehicle where a transportation service is provided (recall the omnibus cases, *supra* note 36) or an envelope (enclosing, perhaps, a life insurance policy in the course of rendering life insurance services), or some other thing through which the service is rendered to the consumer (the sign, maybe, of What Cheer House). Advertising as such, however, was not covered by the definition.

¹¹⁷ H.R. 9041, 75th Cong. (1938).

¹¹⁸ Trade-Marks: Hearing on H.R. 9041 Before the Subcomm. on Trade-Marks of the H. Comm. on Patents, 75th Cong. 121–122 (1938) [hereinafter Mar. 1938 Hearings] (statement of Henry C. Thomson).

¹¹⁹ *Id.* at 114 (written statement of the Bos. Patent Law Ass’n).

supplemental register in recognition of the fact that they are not true technical trademarks.¹²⁰ Others agreed that a separate register would be appropriate for this “distinct class” of marks.¹²¹ Rogers himself fully embraced this idea, considering service marks different enough that they could warrant their own register, and even accepted the idea of placing service marks on the supplemental register.¹²²

Accordingly, a compromise was worked out in the next bill, H.R. 4744,¹²³ wherein the PTO would have discretion to create a separate register for service marks.¹²⁴ Responding to all of the concerns about the vagaries and newness of service marks, and the ubiquity of trade names, H.R. 4744 also completed the severing of the link between trade names and service marks, deleting the former from the text of the service mark provision. Further, it added a formal definition for service marks: “marks so used as to distinguish the user’s services of any nature from the similar services of others.”¹²⁵ Still, as pointed out by the now common dissenting voices, this definition provided no “yardstick” as to what constituted use of a service mark.¹²⁶

Thus, the focus turned in later drafts to defining not what a service mark is, or how its rights would compare to those of trademarks, but how a service mark might be applied, and relatedly, used in commerce. Rather than provide illustrative applications of service marks (on vehicles, envelopes, etc.) as the Perkins Bill did, the Lanham Bill took a broad-strokes approach. It simply equated service mark use to use in advertising.¹²⁷

Advertising was quite convenient, in fact, for the purpose. Advertising, after all, was tangible enough to display (or, if on the radio, sound out) a mark. But at the same time, advertising was not limited to

¹²⁰ *Id.* at 123 (“Now without appearing to oppose the motive behind the movement to register service marks . . . it seems to me that in no use of the term ‘trade-mark’, as we have always known it, are these things trade-marks. That they have commercial value, that they should receive some protection, I do not deny, but it seems as if we are now attempting to make a thing a trade-mark which actually is not, because these marks lack at least two of the fundamental essential features that we have heretofore always regarded as being necessary to a trade-mark. The first of these is that the mark must be applied to goods. . . . Second, that they do not designate origin in many cases.”) (statement of Conway P. Coe, Commissioner of Patents).

¹²¹ *Id.* at 124 (statement of Chauncey P. Carter).

¹²² *Id.* at 123–24 (statement of Edward S. Rogers).

¹²³ H.R. 4744, 76th Cong. (1939).

¹²⁴ *Id.* § 3 (adding, “[t]he Commisioner may establish a separate register for such marks.”). The PTO never acted on this authority, and the language was removed in 1988 as part of the Trademark Law Revision Act.

¹²⁵ *Id.* § 46.

¹²⁶ *Mar. 1939 Hearings, supra* note 3, at 51 (statement of Henry C. Thomson) (seeking restriction of definition to service marks appearing on goods in commerce, but not necessarily those of applicant), 186 (written statement of Chauncey P. Carter).

¹²⁷ See, e.g., H.R. 102, 77th Cong. § 45 (1941).

physical attachment to the product at issue, and thus, could be connected to a service as easily as to a good. Moreover, as Professor Bone explains, a new era of advertising professionals took over the field in the early 1900s, and psychological advertising entered its heyday as the Lanham bills were being drafted.¹²⁸ In addition to increasing the “amount invested in advertising, the number of advertisements, and the variety of advertising media”, this new wave “elevated the importance of memorable trademarks.”¹²⁹ This, in turn, “tightened the connection between advertising, goodwill, and trademarks.”¹³⁰

In other words, advertising was increasingly being viewed as a sturdy psychological bridge connecting consumer to product, and more generally, as a pursuit to be legally protected and encouraged. It was thus a natural choice to bridge the related gap between the service and the mark. This sudden elevation of advertising, however, did concern some members of the bar.¹³¹ Under the affixation rule, of course, freestanding advertising would not be sufficient to qualify traditional goods for trademark rights, let alone services. Thus, the idea of granting advertising with the power to substantiate trademark rights was seen as particularly radical.

In response to such concerns, it was asked how a service mark could be used if not in advertising?¹³² A pivotal dialogue ensued between challengers and supporters of the provision. In brief, the challengers pushed for something along the lines of the Perkins Bill, requiring that use of a service mark be applied to something tangible (be

¹²⁸ Bone, *supra* note 10, at 579.

¹²⁹ *Id.* at 581–82.

¹³⁰ *Id.* at 582.

¹³¹ This concern was demonstrated, for example, in the contentious hearings of February 1941. *Trade-Marks: Hearing on H.R. 102, H.R. 5461, and S. 895 Before the Subcomm. on Trade-Marks of the H. Comm. on Patents, 77th Cong. 171–77 (1941)* [hereinafter *Nov. 1941 Hearings*]. At this hearing, a concern was voiced that the provision could be read to give service mark protection to any mark appearing in advertising. For instance, if one was to launch ninety-two separate advertisements for the same service, then one might be able to register ninety-two new marks. *Id.* at 171–72 (statement of Karl Fenning of the Nat’l Press Service) (“When you consider this you should bear this in mind: This section is doing a very serious thing. Heretofore, marks which have been registered have always been applied to the goods, and that is the common law. That is what the court protects. That is what Congress protects. Now, you are saying to a man that he may mark his goods with his own trade-mark and sell them as such, but he can use 92 other trade-marks in 92 separate advertisements for the same goods and register all of those marks, although only one of the is on the goods and identifies the goods. The others are used merely in advertising. Now, it seems to me that possibly the committee should realize that fact and I wonder if they are not going too far. . . . One advertisement is written this way this week, another one next week, and before very long, if a man registers every one of his advertisements, there will be nothing left.”).

¹³² *Id.* at 172 (statement of Leslie Frazer, First Assistant Comm’r of Patents).

it a bank book or bus) connected to the service.¹³³ That is, they wanted a physical thing peripheral to the service, to which the mark would be applied.¹³⁴ Supporters, by contrast, rejected the concern as unnecessary and inconsistent with the idea that it is the service, and not a good, to be registered.¹³⁵

For reasons not revealed in the legislative history, the dissenters' arguments were ultimately unsuccessful, and the language stayed largely unchanged from the H.R. 4744 draft. In particular, advertising remained sufficient support for service mark use. The drafters did, however, agree to adopt an additional limitation that the applied-for services must be "rendered in commerce."¹³⁶

¹³³ See *id.*

¹³⁴ See *id.*

¹³⁵ See generally *id.* at 172–73, 176–77. The colloquy proceeded as follows:

Mr. Fenning: By putting it on the goods, the goods that are serviced. You go to a laundry, and the clean laundry comes back to you in a box which has a mark on it. You go to Byron S. Adams to get your printing done, and your printing will come to you in a wrapper which has on it 'I never disappoint.' That is applied to the goods. . . .

[Assistant Commissioner] Frazer: What about a bus-line operator? How is he going to use a mark except in advertising?

Mr. Fenning: They put it on the bus.

Mr. Frazer: The trade-mark is for the service, not the bus.

Mr. Fenning: It is advertising of a type, but it is carried by goods. It is on the goods. . . . Remember, these services are being put on the principal register. They are being given all the dignity of a registered trade-mark. They are never applied to the goods and a man may put out a 52 week's advertisement using a different word each week.

. . .

Mr. Martin: I might point out, Mr. Lanham, that some services are such that you cannot use the mark on the services. For example, take an advertising agency or a bank. A bank has never been able to register a trade-mark because it did not use the mark on the goods. They perform a service, and the only way they can use their mark on the service is on advertising literature. They can put out a little pamphlet with their advertising on it.

Mr. Pohl: They can put it on their bank books and checks.

Mr. Martin: They have never been able to register a mark. Now, with "advertising" in here that would permit a bank to register a service mark, and that is why this language was used here, to cover banks, advertising agents who perform services and cannot use a mark on the service.

Mr. Fenning: But a bank could register under this without advertising the service, because the bank puts it on something, on a circular, on the pass book, on the check book.

Mr. Savage: But when you get down to fundamentals, is not a service mark always an advertisement of the service? It cannot be anything else.

Mr. Fenning: Every mark is an advertisement of the goods.

Mr. Savage: It cannot be anything but an advertisement.

Mr. Fenning: A trade-mark is advertising the goods.

Mr. Pohl: But where you have goods, you can apply the mark to the goods, but where you have services you can only apply it to something that comes with the service.

Mr. Savage: To advertise the service is its sole function.

Mr. Lanham: Well, gentlemen, we will just have to settle this as best we can.

¹³⁶ *Id.* at 177 (statement of Jennings Bailey, Jr., Chairman, Comm. on Legis., Section of Patent, Trademark and Copyright Law, Am. Bar Ass'n) (proposing addition of "and the services are rendered" language). Of course, this does little to dispel the ninety-two-advertisements-for-one-service concern, as it is assumed in the hypothetical that a service is being rendered. This addition did, however, moot concerns about stand-alone advertising where no service is being

After the February 1941 hearings and the changes that immediately followed, the service mark provisions were largely left alone, and were rarely discussed.

D. Summarizing the Lanham Act Legislative History

The story of the service mark provisions of the Lanham Act began with an objective: protect the goodwill that service-based businesses have acquired in their marks. It stumbled through an early mire of ambiguity,¹³⁷ with a catch-all provision that combined a host of uncertain concepts: trade names, union marks, agricultural associations, and even clubs. Gradually, the idea of the service emerged, followed by marks used to distinguish those services. Trade names were moved to the side, and collective and certification marks were exiled to their own provisions. The PTO was given the authority to create a separate register for this “distinct class.”

But a key question remained: How can one acquire legal rights in a mark used with a service when a mark cannot be affixed to a service? One school, perhaps best represented by Karl Fenning and Schechter’s Perkins Bill, insisted on loosening the affixation rule. The analytic focus would center on application of the mark to tangible materials peripheral to the service, such as a bank book is to banking services.

The other school, however, dominated by Rogers and the American Bar Association, rebelled against anchoring the service mark in affixation. In their opinion, the affixation rule was responsible for decades of mistreatment of the service mark, and it needed to be abandoned. Rather, for this school, the solution lay in advertising. Advertising was tangible enough to show the mark and psychologically linked to services through the magic of the ad-men. But it remained freestanding and independent from the service, avoiding the fiction and taint of affixation.

The natural inclination to resist affixing service marks to goods proved stronger and the latter school prevailed. Section 3 passed requiring little more than that a service mark be used or displayed in the advertising or sale of the underlying services and that those services be rendered in commerce.



rendered.

¹³⁷ The PTO referred to the hearings as “[b]eginning with a considerable confusion of ideas” in a review of the service mark provisions. *Ex Parte Procter & Gamble Co.*, 97 U.S.P.Q. 78, 82 (1953).

IV. AFTER THE ACT: THE RISE OF THE SERVICE MARK

A. *Early Uncertainties and the Mark/Service Association Compromise*

Early reactions to the service mark following the Lanham Act's passage showed a strong skepticism towards the new creature. Courts and commentators alike were reluctant to accept the service mark as an unqualified trademark entitled to all the benefits given to the latter. One of the earliest disputes concerning a federally registered service mark, the *Springfield Fire* case, involved the design of a covered wagon as used with insurance services.¹³⁸ The case presented what the court considered in 1953 to be a "novel question."¹³⁹ May the owner of a service mark in the insurance field, which uses it on "policies, stationery, and advertising", enjoin a competitor from using a "similar picturization," shown below, on the same items?¹⁴⁰

Plaintiff's Mark	Defendant's Mark
	

Considering that the services were identical, and the marks nearly so, and that the mark at issue had been duly registered by the PTO, one might think this case would have presented an easy win for the mark owner. However, not only did the court find it was a close call, it was one that tilted in favor of the defendant.

Engaging in a lengthy review of the affixation rule and the legislative history of the Lanham Act, the court observed that the Act preserved, for trademarks used with goods, the requirement of actual physical association between the mark and the goods, "which tends to assure that a mark which is accorded trade-mark protection actually performs its function of identifying the goods to the consuming public."¹⁴¹ With respect to service marks, however, the Act did not

¹³⁸ *Springfield Fire & Marine Ins. Co. v. Founders' Fire & Marine Ins. Co.*, 115 F. Supp. 787 (N.D. Cal. 1953).

¹³⁹ *Id.* at 789.

¹⁴⁰ *Id.* at 789–90.

¹⁴¹ *Id.* at 793.

specify any sort of physical association between the service and the mark. Instead, it intentionally “left the door open” as to what kinds of service marks were to receive statutory protection.¹⁴²

Upon review of the policy implications, including the breadth of “the ad-man’s ingenuity”, the court concluded that the statutory protection must be limited to those service marks which acquire an association with the service that enables them to perform “a true trade-mark function.”¹⁴³ Ultimately, the court determined that there was no evidence to show the plaintiff’s mark had acquired the necessary association with respect to insurance services and held in favor of the defendant.¹⁴⁴

The idea that even an arbitrary service mark might not be entitled to protection prior to proof of mark/service association might strike a bizarre note to contemporary ears. As late as 1970, however, scholars such as Professor Treece were still debating the association requirement for service marks.¹⁴⁵

¹⁴² *Id.* at 794.

¹⁴³ *Id.* at 794. Thus, even though there was no dispute that the covered wagon was distinctive as a mark:

Whether plaintiff’s mark is entitled to be protected by any of the remedies afforded by the Lanham Act depends upon whether the evidence establishes that those who deal with plaintiff, in fact, associate the covered-wagon mark with plaintiff’s services in such a way that the mark performs a true trade-mark function.

Id.

¹⁴⁴ *Id.* at 796. The court made little effort to cloak its motivating conviction that service marks were fairly trivial things:

This case, despite the interesting legal problem it has presented, really is “Much Ado About Nothing.” The pleasure and pride of the plaintiff in the use of the ornamental picture of the covered wagon is understandable. But that is, per se, a far cry to granting judicial aid to stop another insurance company from using similar adornments or ornaments.

Id.

¹⁴⁵ Treece, *supra* note 56, at 895–98. Treece’s article, though ultimately supporting a broader treatment of service marks, explores why the Lanham Act might indeed be read to contain an association requirement specific to service marks and even contends that a construction which reads *out* such a requirement “would not be easily accomplished.” *Id.* at 898 n.65. The idea hinges on the notion that the Lanham Act looks to state law for the existence of an underlying common law trademark right as a precondition to registration. Take, for instance, the opening phrase of Section 1(a) of the Act which states that the “owner” of a mark used in commerce may request registration. 15 U.S.C. § 1051(a)(1) (2011)(Lanham Act § 1). This suggests that an applicant must first “own” common law rights in a trademark before he can register it federally (be it a trademark or service mark). *Id.* at 895–96, 898 n.65. As the common law restatement view at the time did not provide rights to unaffixed marks prior to proof of an acquired reputation, the logic goes, the Lanham Act necessarily incorporated the same condition. *See, e.g., Springfield Fire*, 115 F. Supp. at 792–94. As for the statutory definitions of “service mark” and “use in commerce,” which as we have seen require only that service marks be used in advertising and the services be rendered in commerce, those are viewed under this theory as merely additional procedural requirements for registration, and not attempts to create a new substantive property right. Treece, *supra* note 56, at 898 n.65. It must be remembered that the prevailing view during the legislative hearings, as summarized by Schechter, was that the proposed Trademark Act was “merely procedural” and created no new substantive rights. H.R. 11592 at 2

The Patent Office, for its part, approached the service mark with similar caution and uncertainty.¹⁴⁶ In an article that appeared in 1948, for instance, Walter J. Derenberg, Trade-Mark Counsel to the Patent Office, openly admitted that there was “a wide area of disagreement” with respect to whether any given service mark application might meet the criteria for registration.¹⁴⁷ He evidenced this by the fact that as of mid-1948, approximately 1,300 service mark applications had been filed, of which less than fifty had been published, and a grand total of ten were actually registered.¹⁴⁸

As to specific realms of controversy, Derenberg highlighted restaurant, hotel, entertainment, club, and educational services.¹⁴⁹ This is particularly striking considering that such fields were some of the most prolific grounds for name-based disputes prior to the Lanham Act,¹⁵⁰ and they were also identified as specific areas where trademark protection needed to be extended during the hearings.¹⁵¹

In 1953, the same year that *Springfield Fire* was decided, the Patent Office offered guidance about the qualifications of a proper service mark.¹⁵² Procter & Gamble (P&G), the soap company, was seeking to register MA PERKINS (the title of a radio program that advertised P&G’s OXYDOL soap) as an entertainment service over the radio.¹⁵³

(“Throughout the proceedings of this committee, every suggestion for improvement has been accompanied by the reservation that such a reform would be procedural and not substantive legislation—because as was said at the last hearings, ‘Congress is without power to legislate on substantive trade-marks.’”).

¹⁴⁶ See generally Derenberg, *supra* note 4, at 841–845 (discussing the PTO’s early response to service marks).

¹⁴⁷ *Id.* at 843.

¹⁴⁸ *Id.* Derenberg does not give any explanation as to why the Patent Office did not use its statutory authority to create a separate register for service marks, but he notes that the Office did create a separate service marks division. *Id.*

¹⁴⁹ *Id.* at 844. The “in commerce” requirement was another hot-bed of confusion. *Id.*

¹⁵⁰ See, e.g., *Rhea v. Beacon*, 87 F.2d 976, 977 (5th Cir. 1937) (reversing denial of injunction against use of Inn-By-the-Sea as a hotel name); *Cape May Yacht Club v. Cape May Yacht and Country Club*, 86 A. 972 (N.J. Ch. 1913) (enjoining use of name by rival recreational boating club); *Woodward v. Lazar*, 21 Cal. 448, 451–52 (1863).

¹⁵¹ See, e.g., *Jan. 1925 Hearings*, *supra* note 77, at 125 (“Harvard” to be registrable under proposed legislation); *Jan. 1927 Hearings*, *supra* note 2, at 45 (clubs and hotels to be registrable under proposed legislation). Of even more interest to Derenberg was whether any business name used in “relation to services” might be registered, or whether there was some sort of limitation inherent in the structure of the Act. Derenberg, thinking along the lines of the court in *Springfield Fire*, thought there was such a limitation, and even noted examples of everyday service marks he considered *nonregistrable* (“A&B Consultants”, “X Life Insurance Company”, “A&B Construction Engineers”, or “the name of a railroad”). Derenberg, *supra* note 4, at 845. These might be thought of as exemplary service marks today. Amtrak, for one, with its dozens of registrations, would surely have something to say about Derenberg’s view.

¹⁵² *Ex Parte Procter & Gamble Co.*, 97 U.S.P.Q. 78 (1953).

¹⁵³ *Id.* at 79.

The *Procter & Gamble* opinion acknowledges that “services” as such are not defined in the Act, but resists the notion that any and every service should thereby be registrable.¹⁵⁴ Rather, upon review of the legislative history, it concluded that Congress meant to allow for registration of services that were “generally . . . those of service businesses such as laundries.”¹⁵⁵ Although the opinion does not provide much affirmative guidance as to how such types of services are to be identified, it was quite clear that a radio show advertising soap was *not* such a service:

The purveying of soap is a service to humanity; and the advertising of soap, the informing of the public by the supplier of the merits of his product, is also a service to the public, but it is obvious that these are not services for the purpose of registering an alleged service mark.¹⁵⁶

The examiner’s refusal of registration was accordingly affirmed.¹⁵⁷

B. The Movement Towards Sameness

As late as 1970, the mark/service association question and the related contours of service mark right acquisition remained open issues for the PTO.¹⁵⁸ As the decade moved on, however, the Court of Customs and Patent Appeals finally decided the question of whether and to what extent a mark must be “associated” with a service to be registrable.¹⁵⁹

At issue were two service mark applications that had been rejected by the PTO (for PACOL and PENEX).¹⁶⁰ There was no question that the brochures submitted as mark specimens evidenced use of the marks for the name of a process for the dehydrogenation of normal paraffins. But there was, according to the court, no evidence of use in connection with the actual services sought to be registered (consultation services, technical services, etc.).¹⁶¹ While technical and consultation services were mentioned on the same brochure as the processes, and the marks were used in connection with the processes themselves, there was no

¹⁵⁴ Id. at 81.

¹⁵⁵ Id.

¹⁵⁶ Id.

¹⁵⁷ Id. at 84.

¹⁵⁸ Treece, *supra* note 56, at 897 (“[T]he Patent Office, while approving many service mark registrations, has yet to speak clearly on . . . whether it believes some number of consumers somewhere must recognize the service mark as a source symbol before a valid registration can issue.”).

¹⁵⁹ *In re Univ. Oil Prods. Co.*, 476 F.2d 653, 653 (C.C.P.A. 1973).

¹⁶⁰ Id. at 654.

¹⁶¹ Id. at 655–56.

“direct association between the offer of *services* and the mark sought to be registered therefor.”¹⁶²

Viewed in a historical light, *Universal Oil* is a fascinating decision, not only for what it did, but more importantly for what it did not do. On the one hand, it settled the longstanding dispute as to whether the Lanham Act inherently mandated some association requirement between a mark and the services claimed. It answered in the affirmative. Yet, in articulating the actual association required, *Universal Oil* ultimately announced a very curious rule of “direct association.”

On the one hand “direct association” is a rather weak standard. An applicant need not affirmatively prove that consumers associate the mark with the service, as suggested by *Springfield Fire*. Rather, it need merely show a direct association between the service and the mark on the specimen submitted. On the other hand, direct association is somewhat limiting, in its overt reliance on physical proximity, as opposed to more creative, purely psychological (indirect) types of association.

In practice, the direct association rule has primarily come to mean that, at least at the PTO, the mark and a reference to the service claimed need to be proximate to each other.¹⁶³ This has led to the general practice of accepting screenshots as specimens so long as the mark and some mention of the service appear near each other on the screen.¹⁶⁴

¹⁶² *Id.* at 655. It was neither the intent of Congress nor predecessor panels, the Court opined, to allow that “every mark used in connection with an intangible is registrable as a service mark.” *Id.* at 655–65. It concluded, “Direct association is the minimum it must show.” *Id.* at 656.

¹⁶³ *See, e.g., In re Ralph Mantia, Inc.*, 54 U.S.P.Q. 2d 1284, 1286 (T.T.A.B. 2000) (letterhead, business cards, and envelopes showing the mark near the word “design” evidenced use of mark with “commercial art design services”).

¹⁶⁴ *See, e.g., In re PrintCo., Inc.*, No. 78155673, 2006 WL 2066578, at *4 (T.T.A.B. 2006) (not citable) (reversing refusal to register ENKLAVVOICE for advertising and marketing services for others where website screenshot showed mark one paragraph away from a statement that a customer may utilize ENKLAVVOICE to “create, populate, approve and manage a digital warehouse of sales and marketing information”) (internal punctuation omitted). Considering how easily a website may be altered, this makes service marks specimens particularly easy to generate and service marks particularly easy to register. Additionally, website use goes a long way towards meeting the “in commerce” requirements of registration. *Cf. Christopher J. Schulte, Abracadabra Int’l, Ltd. v. Abracadabra Creations, Inc.—Internet Advertising Just Federalized the Nation’s Service Mark Law!*, 22 HAMLINE L. REV. 563 (1999). Recently, the PTO published for comment draft examination guidelines relating to webpage specimens. *See DRAFT Webpage Specimens as Displays Associated With the Goods, available at* http://www.uspto.gov/trademarks/notices/IdeaScale_specimens.jsp. Although these guidelines primarily relate to use of webpages as specimens for goods, they confirm that as regards online retail store service marks, “the applied-for mark may be displayed at the top of the webpage, separated from the relevant goods by the website navigation tabs, which may direct consumers to information about the goods, the applicant, and the website”. *Id.* at Section I(B)(2)(b)(ii).

Although still in use at the PTO,¹⁶⁵ the direct association test has not fared well over the years. The Federal Circuit has stated, somewhat dismissively, that the test “does not create an additional or more stringent requirement for registration.”¹⁶⁶ Scholars such as Professor McCarthy have expressed doubts regarding its viability, finding it too concerned with “close physical juxtaposition” at the expense of other, more abstract, types of association.¹⁶⁷

Meanwhile, in federal litigation, service mark jurisprudence began, with some exceptions, to move towards sameness.¹⁶⁸ The Fifth Circuit’s *Boston Professional Hockey* case from 1975, now regarded as a seminal case for merchandising rights, considered the fact that the registrations at issue were service marks to be immaterial.¹⁶⁹

¹⁶⁵ TRADEMARK MANUAL OF EXAMINING PROCEDURE § 1301.02 (8th ed. 2012) [hereinafter TMEP] (“The record must show that there is a direct association between the mark and the service.”).

¹⁶⁶ *In re Adver. & Mktg. Dev., Inc.*, 821 F.2d 614, 620 (Fed. Cir. 1987).

¹⁶⁷ 3 MCCARTHY, *supra* note 28, § 19:81. Building on the work of its predecessor court, the Federal Circuit has also developed some additional but relatively minor limitations on the registration of service marks. For instance, while that court acknowledges that the Lanham Act failed to define “services” as such, *In re Canadian Pac. Ltd.*, 754 F.2d 992, 994 (Fed. Cir. 1985), held that “services” must nevertheless be rendered for the benefit of someone other than the applicant because it is the goodwill in the mind of the *public* that the Lanham Act was seeking to protect. *Id.* at 994–95. *See also* TMEP § 1301.01(a)(ii). Thus, for instance, a company cannot register the name of a shareholder dividend reinvestment plan available only to its own stockholders as a service mark. *In re Canadian Pac. Ltd.*, 754 F.2d at 995–96. For a useful overview of positions taken by the PTO regarding various types of service marks, see generally Ira J. Goodsaid, *At Your Service: Hints on What Constitutes a Service and What is Acceptable Use as a Service Mark*, 82 TRADEMARK REP. 261 (1992).

¹⁶⁸ For a general overview of the recent expansionist tendencies of service mark jurisprudence, see generally Schoenhard, *supra* note 18, at 978–85. Schoenhard ultimately finds fault with the conflation of service marks and trademarks in cases where marks used with goods are asserted against those used with services, arguing that more attention should be paid to the “product/services” distinction. *Id.* at 990. He points approvingly to the “something more” line of cases which suggest that for a product mark to be confusingly similar to a service mark, “something more” than just similarity of marks must be shown (e.g., where a mark for a food product is being analyzed against one for restaurant services). *Id.* at 987 (citing *Jacobs v. Int’l Mutlifoods*, 668 F.2d 1234, 1236 (C.C.P.A. 1982)). The Lanham Act drafters actually anticipated that likelihood of confusion as between goods and services would be a tough question, offering the morbid image of a mark sought to be registered for both undertaker services and caskets. S. 895 at 5–6. Some commentators even wanted a per se rule of exclusion that a mark registered for a service could not be registered for a related good. *Id.* That however, was rejected in favor of language in Section 3 that originally prevented an applicant from using the mark to “represent falsely that the owner thereof makes or sells the goods on which such mark is used.” 15 U.S.C. § 1053 (1946) (Lanham Act § 3). In any event, an analysis of differences between the product and service at issue is already a core component of likelihood of confusion tests, and the “something more” test seems to add little extra to the equation. *See, e.g., In re E. I. DuPont de Nemours & Co.*, 476 F.2d 1357, 1360–61 (C.C.P.A. 1973) (factor two). A better solution is not to require any special likelihood of confusion analysis for products/services cases, but rather, as advocated here, to tighten the rules for acquiring rights in service marks in the first place. The service marks expansion problem is better addressed at the point where service mark rights accrue, not at the point of enforcement.

¹⁶⁹ *Boston Prof’l Hockey Ass’n, Inc., v. Dallas Cap & Emblem Mfg.*, 510 F.2d 1004, 1009 (5th

Following *Boston Professional Hockey* and more importantly, the Supreme Court's own precedent,¹⁷⁰ courts now largely ignore the fact that a dispute concerns service marks. A passing footnote citation to Section 3, for example, is commonplace.¹⁷¹ The Third Restatement of Unfair Competition defines a "service mark" as simply, "a trademark that is used in connection with services."¹⁷² Professor McCarthy bluntly sums the matter up: "For purposes of determining infringement, there is no practical difference between trademarks and service marks."¹⁷³

V. THE AGE OF THE SERVICE MARK

We live and practice law in the age of the service mark. Brands for services—banks, convenience stores, mobile phone retail service signs, delivery truck logos, restaurant menus, television advertising slogans, and online retailer pop-up advertisements—overwhelm our vision as we walk around a shopping area, watch TV, or read an online newspaper.

It is outside the scope of this paper to offer a formal analysis of actual service mark usage and registration trends since the passage of the Lanham Act or a position on whether we should be encouraging or discouraging further growth and protection of the service mark. Nevertheless, a few statistics underscore the fairly non-controversial position that claims to, and usage of, service marks have ballooned over the past seven decades.¹⁷⁴ And one extended example shows that at least some brand owners are using the service mark registration regime to quickly attain broad protection for services far outside their core offerings.

Service mark applications have steadily and rapidly increased over the past decades to the point where they now account for nearly half of the filings at the PTO. In 2010, just under 44% of trademark

Cir. 1975) ("Service mark infringement and trademark infringement are governed by identical standards. The terms can be used interchangeably when the marks are both service marks and trademarks. For convenience we use the word trademark in this opinion to designate both service mark and trademark use of the symbols involved."). The marks at issue in the case were hockey team logos, the claimed services for "ice hockey entertainment." *Id.* at 1008.

¹⁷⁰ See *Park 'n Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 191 n.1 (1985) (the Trademark Act "generally applies the same principles concerning registration and protection to both trade and service marks.").

¹⁷¹ See, e.g., *Boston Duck Tours, LP v. Super Duck Tours, LLC*, 531 F.3d 1, 12 n.8 (1st Cir. 2008) ("Trademarks serve to identify and distinguish goods; service marks perform the same function for services. In the context of this appeal, it is a distinction without a difference.").

¹⁷² Restatement (Third) of Unfair Competition § 9 (1995).

¹⁷³ 3 MCCARTHY, *supra* note 28, § 19:81.

¹⁷⁴ See, *infra*, note 175 et. seq.

applications claimed a service.¹⁷⁵ This is close to double the rate from 1989 (27.4%)¹⁷⁶ and almost triple that from 1974 (16.3%).¹⁷⁷ Consistent with this growth in applications, the percentage of registrations issued with a service class grew from 13.6% in 1974 to 26.7% in 1989 and 45.5% in 2010.¹⁷⁸

This explosion of service mark activity at the PTO outpaces other relevant metrics over the same period. For instance, as a percentage of total personal consumption within GDP (divided into goods and services expenditures), service expenditures grew from about 50% in 1969 to 66% in 2010.¹⁷⁹ This increase over the years, although significant, is far more modest than the multiples seen above in service mark filings and registrations.

A close look at a given set of industries highlights the disparity. For instance, it is useful to compare the growth in the arts, entertainment, recreation, and educational industries with the growth in service mark registrations for the approximately corresponding class 41.¹⁸⁰ From 1987 to 2010,¹⁸¹ in terms of real (dollar adjusted) value

¹⁷⁵ According to Thomson Compumark's Saegis search platform, 123,254 trademark applications were filed directly with the PTO that claimed a service class (35–45) in 2010. That same year, 180,328 applications were filed that claimed a goods class (1–34). A total of 283,970 applications were filed in 2010.

¹⁷⁶ According to Thomson Compumark's Saegis search platform, 22,561 trademark applications were filed directly with the PTO that claimed a service class (35–45) in 1989. That same year, 61,623 applications were filed that claimed a goods class (1–34). A total of 82,252 applications were filed in 1989. It should be noted that classes 43, 44, and 45 were added in 2001; however, these were added to accommodate services previously classified in class 42. International Trademark Classification Changes, 66 Fed. Reg. 48338 (Sept. 20, 2001) (codified at 37 C.F.R. § 6.1). Accordingly, this should have no impact on the above numbers.

¹⁷⁷ The PTO did not adopt the international goods/services classification scheme referred to above until June 4, 1973, and it was not effective until Sept. 1, 1973. See International Trademark Classification, 38 Fed. Reg. 14681 (June 4, 1973) (adopting a new classification scheme). While some earlier registrations were ultimately reclassified by the international class retrospectively, the data does not appear to be reliable for all applications prior to that date. Accordingly, this article uses 1/1/1974 as a starting point for international classification-related data. According to Thomson Compumark's Saegis search platform, 2,183 trademark applications were filed with the PTO that claimed a service class (35–45) in 1974. That same year, 11,338 applications were filed that claimed a goods class (1–34). A total of 13,418 applications were filed in 1974.

¹⁷⁸ According to Thomson Compumark's Saegis search platform 1,876 registrations were issued with classes 35–45 in 1974, 14,812 in 1989, and 81,215 in 2010. Over that same period, total registrations issued grew from 13,794 in 1974 to 55,407 in 1989 and to 178,305 in 2010.

¹⁷⁹ National Income and Product Accounts: Table 1.1.5, Gross Domestic Product, U.S. DEPT. OF COMMERCE, BUREAU OF ECONOMIC ANALYSIS, <http://www.bea.gov/iTable/iTable.cfm?ReqID=9&step=1> (last updated Sept. 27, 2012).

¹⁸⁰ Class 41 covers "education; providing of training; entertainment; sporting and cultural activities." *Nice Agreement Tenth Edition—General Remarks, Class Headings and Explanatory Notes*, U.S. PAT. & TRADEMARK OFF., <http://www.uspto.gov/trademarks/notices/international.jsp> (last modified Feb. 17, 2012).

¹⁸¹ The relevant interactive table maintained by the U.S. Bureau of Economic Analysis only commences with the year 1987. See link, *infra*, at n. 182.

added, the above-listed service industries in the United States grew in aggregate from \$146.2 billion in 1987 to \$251.2 billion in 2010.¹⁸² This is an increase of about 72%. Over the same period, issued U.S. registrations with a claim covering class 41 exploded from 2,012 to 22,695—an increase of over 1000%.¹⁸³

What, then, are all these service marks for which owners are seeking protection? Surely these figures are partly attributable to a growing awareness among service-based businesses (banks, restaurants, insurance and transportation companies, consultants, universities, etc.) of the value of protecting the names by which they offer their core services to the public. But does that provide a full explanation?

One need not look long to find an example of a service mark claim that does not fit into this mold. For instance, a few quick searches on the PTO website revealed that in April 2001, the National Basketball Association's intellectual property arm, NBA Properties, Inc., filed three service mark applications for the slogan IT'S ALL GOOD. All three ultimately attained registration.¹⁸⁴

Across the three applications, the NBA claimed use with a range of disparate services, such as "computer services, namely providing databases featuring general and local news and information of interest to specific geographic areas[.]" "broadcasting programs over the internet[.]" and "conducting and arranging basketball clinics" to name a few.¹⁸⁵ Among other specimens, the NBA submitted a still from a TV advertisement for the 2001 NBA playoffs showing the slogan IT'S ALL GOOD, as well as a website screen shot.

This particular service mark claim would hardly be unusual to contemporary practitioners. Nor is it facially improper—nothing in the registrations suggests that they were issued erroneously or contrary to current standards. Nevertheless, a close look at the claim reveals the breadth and power of sophisticated, contemporary service mark practice, and the territory service marks have expanded since the passing of the Lanham Act.

¹⁸² *GDP-By-Industry Accounts: Real Value Added by Industry*, U.S. DEPT. OF COMMERCE, BUREAU OF ECONOMIC ANALYSIS (Apr. 26, 2012), <http://www.bea.gov/iTable/iTable.cfm?ReqID=5&step=1> (summation of line 69 for "educational services" with line 75 "Arts, entertainment and recreation").

¹⁸³ Statistics from Thomson Compumark's Saegis platform. By way of comparison, total registrations issued over that time grew by 277%. *Id.*

¹⁸⁴ See IT'S ALL GOOD, Reg. Nos. 2,538,167, 2,633,364, and 2,683,666. Tellingly, the NBA also filed three trademark applications for the same mark at the same time, claiming a variety of goods, none of which attained registration due to, *inter alia*, failure to file statements of use. See U.S. Trademark App. Serial Nos. 78/057,404, 78/057,401, and 78/057,398 (filed Apr. 9, 2001).

¹⁸⁵ *Id.*

In at least four ways, these IT'S ALL GOOD registrations establish a sphere of protection that, although lawful under the current regime, would likely have struck the Lanham Act drafters as extraordinary. First, the primary mark with which consumers associate the National Basketball Association's services is the house mark "NBA" and not "IT'S ALL GOOD". The latter is a secondary mark, a tagline, being used to give a particular flavor or identity to the NBA brand (right around the time of the 2001 playoffs). As such, there are no IT'S ALL GOOD services. Second, many of the services claimed are peripheral to the NBA's core business of operating a basketball league, generating TV revenue, and merchandising. At best, for instance, the NBA provides a database with news and information of interest, i.e., basketball updates, as a promotional activity to support these core businesses. Other claimed services, such as Internet broadcasting, are remarkably broad and not limited, for example, to broadcasts concerning basketball.

Third, the mark itself was a popular slogan long before the NBA appropriated it. It was made famous by the rapper MC Hammer's single of the same name in the mid-1990s.¹⁸⁶ Fourth, the marks apparently had a very short shelf life. The NBA allowed them to cancel by not filing a Section 8 declaration in 2008.¹⁸⁷

In short, the NBA's claim to the service mark IT'S ALL GOOD reveals an instance where a sophisticated brand owner quickly obtained a variety of exclusive rights in an already popular catch phrase, in connection with services peripheral to or beyond its core offering, by showing the term in a TV ad and on its website, even though it only had fleeting interest in it. By deftly using the low threshold for registration to its advantage, as well as loose claim language covering large chunks of the register, it attained six years of exclusivity to a preexisting catchphrase with respect to a web of random activities.¹⁸⁸

Taking the analysis a step further, we might even be tempted to characterize the NBA's strategy here as using the service mark registration regime as a quick and dirty shortcut to attain protection for

¹⁸⁶ *It's All Good* was the second single off of the 1994 MC Hammer album, *The Funky Headhunter*. MC HAMMER, *It's All Good*, on THE FUNKY HEADHUNTER (Warner Brothers 1994).

¹⁸⁷ See IT'S ALL GOOD, Reg. Nos. 2,538,167, 2,633,364, and 2,683,666 (listing TSDR status for all three registrations as "Registration cancelled because registrant did not file an acceptable declaration under Section 8.").

¹⁸⁸ Whether, and to what extent, the NBA could have successfully enforced these registrations is another question. However, the issuance of presumptively valid registrations alone is a significant legal deterrent to others, particularly given the persuasive power of a cease and desist letter sent by the NBA.

the tagline IT'S ALL GOOD. The particular claimed services are almost an afterthought. This comes close to Bone's concept of inherent goodwill.¹⁸⁹

VI. POSSIBLE CHECKS ON THE SERVICE MARK

In the wake of the flood of service marks, it might be natural to ask whether we should implement some check on future expansion. This Article only begins to answer that difficult question, and does so with an affirmative answer. Significant additional empirical research, particularly into the economic impact of service mark registration acceleration, is still needed to fully address it. Should it ultimately be determined, however, that such a check is desirable, then one need turn no further than the Lanham Act's history to find two fixes.

A. Reviving the Mark/Service Association Solution

A first, more extreme, fix for the service mark would reintroduce the mark/service association test articulated in *Springfield Fire* and almost adopted in *Universal Oil*. Simply put, under this test, one asserting service mark rights would need to demonstrate, through affirmative proof, that consumers associate the mark with the claimed services.

Procedurally, this would operate like a filing for non-inherently-distinctive marks, such as product design trade dress or descriptive word marks, for which the applicant is required to show secondary meaning.¹⁹⁰ The applicant would receive a rejection and then be required to submit evidence (circumstantial or direct) that consumers associate the mark with the services claimed in the application.¹⁹¹

It is critical, however, to recognize that this mark/service association test is not the same test as that for acquired distinctiveness, and indeed serves a different purpose. The latter asks whether, for a descriptive term or otherwise, consumers have come to associate that term with a single source (whether or not the source is known) through inherent or acquired distinctiveness.¹⁹² The mark/service association

¹⁸⁹ Bone, *supra* note 10, at 552.

¹⁹⁰ See TMEP §§ 1202.02(b)(i), 1209.01.

¹⁹¹ Acceptable standards of proof, of course, would need to be worked out over time. Perhaps an analog to the affidavit of five years of continuous, exclusive use for 2(f) claims would suffice to presumptively demonstrate mark/service association. Cf. TMEP § 1212.05.

¹⁹² See *Boston Duck Tours, LP v. Super Duck Tours, LLC*, 531 F.3d 1, 13 (1st Cir. 2008) ("Because descriptive marks are not inherently capable of serving as source identifiers, such marks may only be registered on the Principal Register after the owner has provided sufficient evidence to establish that the public associates the term or phrase not only with a specific feature or quality, but also with a *single commercial source*." (emphasis added)).

test is different. This test asks, in the absence of physical affixation, whether consumers are drawing a mental connection between the mark and the claimed service. While distinctiveness would, of course, still be required for any mark, that is a fundamentally different inquiry.

For instance, with respect to IT'S ALL GOOD, the test would not be whether the phrase is associated with a single source. (It might well be considered inherently distinctive in that regard.) Rather, the test would be whether the relevant consumers associate IT'S ALL GOOD with each of the peripheral services claimed by the NBA. It is difficult to imagine the survey, even in 2001 and among NBA fans, which would have shown that a significant portion of the population mentally associated IT'S ALL GOOD with, for instance, the claimed service of providing databases featuring general news. In the absence of such additional proof, the NBA would not have been granted registration.¹⁹³

As for textual support for a mark/service association requirement in the Lanham Act, the current definition of "service mark" clearly contains the express requirement that a service mark be used to "*identify and distinguish the services*" of a person.¹⁹⁴ As suggested by the court in *Springfield Fire*, a test of this sort does not (as it might first appear) create higher legal standards for service mark protection. Rather, it levels the field between service marks and trademarks by asking for proof of mental association where we would normally ask to see physical affixation, but cannot do so under the circumstances.

Recent changes to the Lanham Act lend further support for such a reading. In particular, as part of the Trademark Law Revision Act of 1988,¹⁹⁵ "use in commerce" was amended to bar token use ("made merely to reserve a right in a mark").¹⁹⁶ Arguably, any attempt to

¹⁹³ With respect to intent-to-use applications, any statement of use would need to be accompanied by mark/service association evidence, and the post registration group at the PTO would need to evaluate the sufficiency of that evidence. If the applicant has not been able to develop such association by the time of the filing, but has tried, that would likely be the basis for a "good cause" extension. As always, the registrant would be entitled to seek incontestable status after five years' registration.

¹⁹⁴ 15 U.S.C. § 1127 (2011) (Lanham Act § 45) (emphasis added). This language, of course, is also in the companion definition of a trademark. However, this does not mean that the language does not require association. There is, in fact, an inherent mark/goods association requirement for trademarks (namely in the form of the affixation requirement). Additional proof beyond affixation has simply never been required because the mark is literally adhering to the good and it would be difficult to imagine further proof that could be required for association. In the service mark context, by contrast, we must turn to proof of intangible association, which is necessarily indirect and imperfect.

¹⁹⁵ Pub. L. No. 100-667, 102 Stat. 3935.

¹⁹⁶ Specifically, Congress expressed concern that the practice of registering marks upon evidence of mere token usage in commerce "allows companies to obtain registration based on minimal use. Often these companies change their marketing plans and subsequently do not make commercial use. The result is that the trademark register is clogged with unused marks, making the clearance

register a mark used in advertising, prior to mark/service association, is not “bona-fide use”; rather, it is impermissible token use that is just as transient and “clog[s]” the register “with unused marks” just as much as token use.¹⁹⁷

From an economic perspective, many of the justifications for trademark law doctrines voiced in the case law and literature can be extended to support a mark/service association test. For instance, there is a general “consensus” among most commentators that “the goal of trademark law is—and always has been—to improve the quality of information in the marketplace and thereby reduce consumer search costs.”¹⁹⁸ The Supreme Court has indicated support for this first principle.¹⁹⁹

The archetypal piece of information conveyed by a trademark is the promise of consistent quality from package to package for the same good.²⁰⁰ When I buy a SNICKERS bar down the street at a convenience store in Boston, I expect to be purchasing the same candy bar that I bought recently at the airport in Miami. Instant identification of the brand on a shelf at the airport would significantly lower my search costs for locating a sweet snack on the go.

Prior to a consumer drawing a connection between a mark and a specific service, however, there can be no understanding or expectation

of new marks more difficult and discouraging others from adopting and using marks which should otherwise be available.” S. REP. NO. 100-515, at 6 (1988), *reprinted in* 1988 U.S.C.C.A.N. 5577, 5582.

¹⁹⁷ *Id.* If further amendments to the statute were necessary for a mark/service association requirement, such an amendment would not be difficult. The following italicized addition to the definition of “use in commerce” should suffice:

The term “use in commerce” means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For purposes of this chapter, a mark shall be deemed to be in use in commerce . . . (2) on services when it is used or displayed in the sale or advertising of 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, *and consumers associate the mark with the services.*

15 U.S.C. § 1127 (2011) (Lanham Act Section 45) (showing proposed amendments to definition of “use in commerce” in italics).

¹⁹⁸ McKenna, *supra* note 15, at 1844 (summarizing and criticizing this “consensus” view); *see also* William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J. L. & ECON. 265, 269 (1987) (“The value of a trademark is the saving in search costs made possible by the information or reputation that the trademark conveys or embodies about the brand (or the firm that produces the brand).”).

¹⁹⁹ *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 163–64 (1995) (“[T]rademark law, by preventing others from copying a source-identifying mark, ‘reduce[s] the customer’s costs of shopping and making purchasing decisions’”) (quoting MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 2.01[2] (3d ed. 1994)).

²⁰⁰ Landes & Posner, *supra* note 198, at 270. Of course, other secondary information is provided as well (such as consistency across different products sold under the same brand emanating from the same source).

of consistency *with respect to that service*. Literally no information has been conveyed to the consumer prior to that time, and search costs therefore, remain unchanged.²⁰¹ It is not until mark/service association has been created that this central economic benefit is provided.²⁰² Given that the recognition of any intellectual property right comes with heavy costs,²⁰³ it appears plausible that the most efficient time to recognize service mark rights would be after mark/service association can be demonstrated.

Consistent with this, the information-transmission model of trademarks has been connected by the courts to the conveyance of information about *particular* products or *particular* services.²⁰⁴ This motivation is echoed in the Lanham Act's requirement that marks may only be registered in connection with specifically itemized goods or services,²⁰⁵ and there can be no confusion as a matter of law prior to the time when any symbol functions as a trademark.²⁰⁶

Courts, moreover, have recognized the economic benefit of a trademark's notice function, discouraging potential users from later adopting the same mark at a time when it is still cheap and easy to select an alternative brand. For instance, in rejecting the notion that minor,

²⁰¹ Nor, by definition, could there be any misinformation by connecting that mark to a new, competing service. Rather, there could only be accurate new information (about the new service) inuring to the mark in such a case. The second comer's service (assuming it is not confusingly similar to another good or service already provided by the original mark owner) would be a consumer's first experience connecting that mark to that service.

²⁰² Of course, this is not a problem with goods, where there is normally an immediate mark/good association created by virtue of affixation or its effective equivalent. Where, for instance, a mark is physically attached to a baseball, a consumer will immediately associate the mark with baseballs.

²⁰³ See Landes & Posner, *supra* note 198, at 266–68 (outlining costs of property rights and noting that “intellectual property is a particularly costly form of property”).

²⁰⁴ *Qualitex Co.*, 514 U.S. at 164 (a trademark “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.”).

²⁰⁵ Lanham Act §1(a)–(b), 15 U.S.C. § 1051(a)–(b) (2012), for example, requires that the applicant list, respectively, “the goods in connection with which the mark is used” and “the goods in connection with which the applicant has a bona fide intention to use the mark”. With the exception, perhaps, of collective marks, the Act nowhere acknowledges the existence of trademarks not connected to particular goods or services. The Act, of course, now has a remedy for the prevention of dilution of famous marks. 15 U.S.C. § 1125(c). This provision, however, is merely a remedy for preventing the blurring or tarnishing of marks that have already achieved fame. It has no relevance to mark acquisition in the first instance, which has been long assumed by the time a mark has become famous.

²⁰⁶ See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 18 (1995) (“until a designation has been actually used *as a symbol of identification*, its use by others creates no risk of confusion”) (emphasis added). By analogy, we do not protect consumers even from actual confusion arising from generic marks that are, by definition, incapable of functioning as source indicators. *Boston Duck Tours, LP v. Super Duck Tours, LLC*, 531 F.3d 1, 25 (1st Cir. 2008) (as a matter of law, confusion arising from use of a generic mark is “not the type of confusion that warrants trademark protection.”).

private sales of goods could support trademark use in commerce, Judge Easterbrook of the Seventh Circuit noted, “[p]ublic sales let others know that they should not invest resources to develop a mark similar to one already used in the trade.”²⁰⁷ Prior to the time when a mark is connected to a particular service, however, that notice function fails.

From a more producer-incentive oriented view of trademark law, which the Supreme Court has also endorsed,²⁰⁸ it might appear that a mark/service test would fail to provide the necessary incentive to create strong brands by allowing easy misappropriation of service marks in their infancy.²⁰⁹ A second comer, after all, might be able to appropriate a brand before it has gained any mark/service association.²¹⁰ This arguably strips away needed incentive for producers to invest in service marks early. The *McAndrew* court, for example, expressed concern that were we to wait for ANATOLIA licorice to gain a reputation, another might have swooped in and appropriated the brand in the meantime.²¹¹

The existence of the intent-to-use scheme should largely ameliorate any such producer-oriented misappropriation concerns.²¹² So long as one files before commencing public use, any bad-faith misappropriator would be a junior user under the constructive notice provisions of Section 7(c) of the Lanham Act.²¹³ That second comer would thus be on borrowed time and subject to infringement claims after mark/service association can be demonstrated and the application is ultimately registered.

B. *Merging the Definitions of Use in Commerce for Goods and Services*

A less dramatic, but possible alternative check on service marks would be to merge the definitions of “use in commerce” for goods and services. Under Section 45,²¹⁴ to be in “use in commerce” marks must be placed on goods or associated displays unless “the nature of the

²⁰⁷ *Zazu Designs v. L’Oreal, S.A.*, 979 F.2d 499, 503 (7th Cir. 1992) (citing *Landes & Posner, supra* note 198, at 281–84).

²⁰⁸ *Qualitex Co.*, 514 U.S. at 164.

²⁰⁹ See generally ROBERT P. MERGES, PETER S. MENELL & MARK A. LEMLEY, *INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE*, 735–38 (5th ed. 2010) (and articles cited therein).

²¹⁰ General misrepresentations relating to source, of course, could still be prevented through common law passing off theories prior to acquisition of any formal service mark association. See generally *RESTATEMENT (THIRD) OF UNFAIR COMPETITION* § 4 (1995).

²¹¹ *McAndrew v. Bassett*, (1864) 46 Eng. Rep. 965, 968 (Ch.).

²¹² Indeed, Congress felt free to abolish the practice of token use in 1988 only because it added the intent-to-use provisions as a counterbalance against misappropriation by second comers. S. REP. NO. 100-515, at 6 (1988), *reprinted in* 1988 U.S.C.C.A.N. 5577, 5582.

²¹³ 15 U.S.C. § 1057(c) (2011).

²¹⁴ *Id.* § 1127.

goods makes such placement impracticable, then on documents associated with the goods or their sale.” This language, added as part of the general relaxation of the affixation requirement contained in the Trademark Law Revision Act of 1988, was intended to “recognize that strict affixation . . . is neither required nor feasible in some instances”.²¹⁵ This relaxing of the affixation requirement arguably moots the need for the more liberal definition for use of a mark with services (i.e., on advertising).

In particular, the statutory language could be readily amended to read as follows (showing tracked changes from the current statutory text):

The term “use in commerce” means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For purposes of this chapter, a mark shall be deemed to be in use in commerce— ~~—(1) on goods when—~~ (A) *when* 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 *or services* makes such placement impracticable, then on documents associated with the goods *or services* or their sale *or rendering*, 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 of services and or~~ 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.²¹⁶

This change simply acknowledges the fact that the intangible nature of a service is really just another example of “placement” of the mark being “impracticable”. Under this tweak, use on “documents associated” with the service *as it is rendered* would suffice—such as menus, on-line banking platforms, or signs at a local bar. Advertising alone, however, would no longer be sufficient as it is not associated with the rendering of the service. If this solution sounds familiar, that is because it essentially adopts the Perkins Bill view discussed at length above.

Of course, this change is not self-implementing and could be effectively rendered a nullity if interpreted too loosely.²¹⁷ It is possible, for instance, that this revision could be interpreted as a codification of the direct association test, which, as detailed above, is itself problematic and prone to abuse (such as by allowing the use of ephemeral website

²¹⁵ S. REP. NO. 100-515, at 22 (1988), *reprinted in* 1988 U.S.C.C.A.N. 5577, 5584-85.

²¹⁶ See *id.*

²¹⁷ The author is indebted to Stacy Dogan for this observation.

screenshots as specimens). Properly construed by the Courts, however, this change should not be construed as a codification of the direct association test due to the key limitation that any association must be made at the time of “rendering” the service. In most cases, a passive website (which might pass the direct association test) is not used at the point of actual rendering of the service. It is more akin to advertising, and would thus fail the new standard. The practical contours of the test, of course, would need to be refined over time (perhaps even in the form of PTO rulemaking). But it should, in any event, assure a closer connection between the actual service and the mark than the current scheme.

CONCLUSION

Service marks have always been too alike and too unlike trademarks. Just like trademarks, they are symbols used to trigger a connection in a consumer’s mind between a thing and its source. Unlike trademarks, however, that “thing” is an intangible service, to which no symbol can literally be affixed. Thus, there will always be a gap—physical and mental—between use of the mark and provision of the service. That gap can be spanned through advertising that psychologically connects the mark with a description of the service. Yet advertising is highly ephemeral and transitory, and even under relaxed affixation standards of the current day will not, by itself, support trademark use with goods.

The Lanham Act only half-solved this problem. It forced us to treat service marks as, for all intents and purposes, the “same” as trademarks. And the courts have indeed done so. But to achieve this, it also eased the requirements for acquiring rights in service marks to the point where they are now remarkably easy to register (through mere placement on an ephemeral commercial or website, for example).

Two potential checks on this slide have been lingering in the background for years, should we determine that service marks have become too easy to protect. For a non-invasive solution, we might consider amending the definition of “use in commerce” so as to drop the rule that allows services marks to be in use on mere advertising. Service marks would become just another form of trademark for which affixation is “impracticable.” More aggressively, however, we might consider reviving the mark/service association requirement for service marks, either by once again reading it into the text of the Lanham Act or tweaking the statutory language to make it explicit.