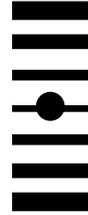


CHAPTER FOUR

Trademark: Introduction



Modern developments in the law of unfair competition offer many examples of . . . circular reasoning. There was once a theory that the law of trade marks and trade names was an attempt to protect the consumer against the “passing off” of inferior goods under misleading labels. Increasingly the courts have departed from any such theory and have come to view this branch of law as a protection of property rights in divers economically valuable sale devices. In practice, injunctive relief is being extended today to realms where no actual danger of confusion to the consumer is present, and this extension has been vigorously supported and encouraged by leading writers in the field. . . . The current legal argument runs: One who by the ingenuity of his advertising or the quality of his product has induced consumer responsiveness to a particular name, symbol, form of packaging, etc., has thereby created a thing of value; a thing of value is property; the creator of property is entitled to protection against third parties who seek to deprive him of his property. This argument may be embellished, in particular cases, with animadversions upon the selfish motives of the infringing defendant, a summary of the plaintiff’s evidence (naturally uncontradicted) as to the amount of money he has spent in advertising, and insinuations (seldom factually supported) as to the inferiority of the infringing defendant’s product. The vicious circle inherent in this reasoning is plain. It purports to base legal protection upon economic value, when, as a matter of actual fact, the economic value of a sales device depends upon the extent to which it will be legally protected. If commercial exploitation of the word “Palmolive” is not restricted to a single firm, the word will be of no more economic value to any particular firm than a convenient size, shape, mode of packing, or manner of advertising, common in the trade. Not being of economic value to any particular firm, the word would be regarded by courts as “not property,” and no injunction would be issued. In other words, the fact that courts did not protect the word would make the word valueless, and the fact that it was valueless would then be regarded as a reason for not protecting it.

Felix Cohen, *Transcendental Nonsense
and the Functional Approach* (1935)

Felix Cohen’s article comes from the time before the Lanham Act, which provided a Federal legislative source of authority in place of the common law reasoning he disdains here. It also antedates many developments and extensions in trademark law, including some with which he would probably have disagreed, to say nothing of the social and technological transformations that make the world of brand, logo and advertising very different from the one in which he lived. But his article still asks a valid question.

Why do we have trademark rights? Why do we have this “homestead law for the language,” to use Cohen’s words? To return to Chapter 1, is this a Lockean story in which one mixes one’s labor with a word or a logo, and therefore is entitled to a property right? Is

it a Justice Pitney-style assumption that others should not benefit freely from positive externalities created by my actions, including my actions in creating a trademark? Both of those ideas clearly influenced the common law of trademarks and unfair competition, a body of law which partly shaped the contours of Federal protection. Both continue to operate in cases today. Think back to the Supreme Court's discussion in *SFAA v. USOC* of the *labor and ingenuity* that the USOC had expended creating the *valuable* brand "Olympic." The right at issue there was not technically a trademark. In fact, it was stronger. Yet, the Court tried to analogize the USOC's rights to those provided by trademark law, to show how Congress routinely handed out property rights in valuable words without offending the First Amendment. To make that analogy, it turned immediately to a discussion of labor invested and uncompensated benefit conferred. So those themes continue to resonate and have considerable force. We will encounter them in the cases in this book.

Yet today both scholars and courts largely offer a different set of justifications for trademark law, one that escapes—or at least tries to escape—from the circular reasoning Cohen mocked. That set of justifications is a utilitarian one and it focuses on informational efficiency—efficient communication between consumers and producers. In fact, there are two utilitarian justifications, one focused on preventing consumer confusion and one on encouraging producer investment in stable brands.

Let us start with the consumer. As you rush through the aisles of the grocery store, throwing things in your cart, how much time do you spend assessing the qualities of each good purchased? Certainly, you look at the date on the milk and the meat, perhaps double check whether there is MSG in an unfamiliar brand of Hoisin sauce, but most of the time your purchases are probably almost automatic. Detergent? The orange one in the square box with concentric red and yellow circles on the logo. Soap? Ivory. Toilet paper? The one with the puppies on it (because nothing says anal cleanliness like a dog. Or a bear.). If you are like most consumers, most of these purchases are reflexive, sometimes even pre-verbal. You have tried a number of soaps and whether or not you were convinced by Ivory's slogan "so pure it floats"—a *non sequitur* if there ever was one—you now just buy Ivory. But how do you know that the "Ivory soap" you buy will be the same as the "Ivory soap" you settled on? Absent the legal creation of this right over a name or logo, the product name is a "public good"—non-excludable and non-rival. If anyone could call their soap "Ivory" or their detergent "Palmolive" would you have to scrutinize the label each time to make sure the ingredients were the same? From an economic point of view, that is inefficient. In other words, the economic rationale for the Ivory trademark is not that Ivory has labored hard to build it up and advertise it. Nor is it that, without trademark protection, other soap companies could use the same name and "reap where they had not sown." Instead, we focus on the benefits to the consumer of stable nomenclature and thus the social gains produced by efficient information flow in the market.

Of course, trademarks do not in fact guarantee stable brand identity. They just guarantee that product-meddling will be solely *in the hands of the trademark owner*. If Coke wants to change its formula, or the Pears soap trademark has been bought by a company that wants to lower the quality of ingredients, my consumer expectations will be upset, nonetheless. But at least the trademark owner might be presumed to make rational calculations about when to do so.

So the first rationale for trademark is preventing consumer confusion and encouraging efficient consumer information flow. The second one is producer-focused. Trademarks provide an incentive to producers to invest in building up a stable brand meaning, which in turn will be useful to consumers. Notice: *stable* brand meaning, not *high quality* brand meaning. The trademark protects White Castle burgers no less than it

protects Ruth's Chris Steak House, Econo Lodge no less than the Four Seasons, Pabst no less than Dogfish. Whatever slice of the market a producer chooses to go for, from *haute cuisine* or high fashion to cheap and nasty but dependable, trademark is there to help incentivize the investment in semantic stability. Again, without the mark, the name is a public good. Why should Apple or the Four Seasons seek to build a reputation for that kind of style or quality? Why should McDonald's try to convince me that the burgers will be exactly the same level of grey mediocrity from Maine to Monterey, never reaching Escoffier heights or *E. coli* lows? Anyone could slap Apple, Four Seasons or McDonald's on their product. By telling the *producer* that it will be able to exclude others from the name, goes the theory, we encourage investment in a stable brand that then becomes a useful and efficient communication to the *consumer*. The two arguments meet, a semantic handshake enabled by a legal right. Or so says the theory.

Of course, if we *really* wanted to promote semantic stability, we might force producers to internalize the costs of sub-par performance as well as the benefits of consistency. We do not. Do you have a positive image of Blackwater Security, the firm whose employees killed 17 Iraqi civilians in a single 2007 incident? Whatever your impressions, you are unlikely to find the company. It was renamed Xe Services in 2009, Academi in 2011 and, after a 2014 merger, Constellis Holdings. Remember ValuJet and their rather questionable safety record? Want to avoid them and fly AirTran instead? They were the same company (and later AirTran became part of Southwest Airlines). Because producers can always change their brand names or even their corporate names, they always have the option to declare semantic bankruptcy and start afresh. But we digress.

Here is a key point. In each area of intellectual property law, we first try to understand the problem the right is supposed to solve, as a way of understanding the contours, the extent, the duration and the limitations on and exceptions to the right. The trademark is a legal right to exclude others from a name or logo or other distinguishing characteristic that would otherwise be a non-excludable and non-rival public good. The rationale we have discussed is that this minimizes consumer confusion, thus maximizing informational efficiency in the market, and provides an incentive for the creation of information-packed stable brands. If you were trying to further that purpose, what shape would you give the right? Please look again at the chart on page *xiv* of the Introduction, comparing the three main forms of Federal intellectual property.

This chart omits a lot. It must in order to fit on one page. But it does give a sense of the varied designs of the three intellectual property rights we are discussing, each over a differed type of subject matter, each covering or applying to a different "thing"—a legally protected *res*—each procured through a different process, lasting for a different period of time, shaped by different limitations and exceptions and regulating or prohibiting different types of behavior in others.

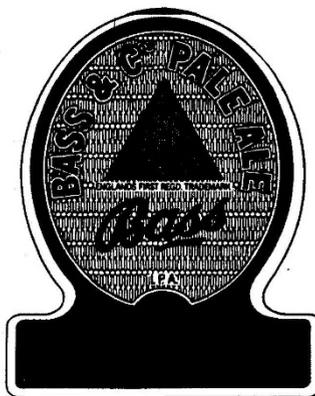
Returning to the shape or design of the right suggested by trademark's rationale, one can see that the right is designed (or *should be* designed) to fulfill the functions of efficient consumer communication. First, note that trademarks do not convey ownership of a word—a mistake that non-lawyers (and some trademark owners) sometimes make. They convey the right to forbid a particular kind of *use*. Teachers of intellectual property love to use Bass Ale as an example, because the label itself says that it was the first registered trademark in the United Kingdom. In the US, Bass got a registered mark in 1912 for pale ale, with a first date of use of 1856. In 1990 it broadened that to cover beer, ale, stout, lager and porter.

Int. Cl.: 32

Prior U.S. Cl.: 48

United States Patent and Trademark Office **Reg. No. 1,598,860**
 Registered May 29, 1990

**TRADEMARK
 PRINCIPAL REGISTER**



BASS PUBLIC LIMITED COMPANY (UNITED
 KINGDOM COMPANY)
 HIGH STREET
 BURTON-ON-TRENT, ENGLAND

FOR: BEER, ALE, STOUT, LAGER AND
 PORTER, IN CLASS 32 (U.S. CL. 48).

FIRST USE 0-0-1856; IN COMMERCE
 11-30-1985.

OWNER OF U.S. REG. NOS. 88,266, 1,490,420
 AND OTHERS.

NO CLAIM IS MADE TO THE EXCLUSIVE
 RIGHT TO USE "COS.", "PALE ALE", "ENG-

LAND'S FIRST REGD. TRADEMARK", AND
 "I.P.A.", APART FROM THE MARK AS
 SHOWN.

THE LINING ON THE DRAWING IS A FEAT-
 URE OF THE MARK AND DOES NOT REP-
 RESENT COLOR, AND THE STIPPLING AP-
 PEARING THEREIN IS FOR SHADING PUR-
 POSSES ONLY.

SER. NO. 73-719,218, FILED 3-28-1988.

CRAIG K. MORRIS, EXAMINING ATTORNEY

There are a few things worth noticing about this. First, look at the field that says "For:" This mark is for use selling beer, ale, stout, lager and porter. It does not interfere with Bass "for medical apparatus, namely, a system consisting of collectors and suctioning equipment to collect fluids from medical procedures." That is a registered mark. It does not interfere with Bass for electric lights and LED circuit boards. It does not interfere with all those businesses whose name contains a reference to bass the fish, or bass the instrument, or bass the sound range. G.H. Bass, the maker of Weejuns shoes, is not infringing Bass Ale's trademark. The mark does not stop you saying that you drank a lot of Bass last night, or posting a picture on your Facebook page with you holding a Bass, or praising or criticizing Bass Ale. What it does stop you from doing, is selling beer under the name Bass, or using any mark on your beer that is likely to cause confusion with the Bass ale trademark. It also stops you registering a trademark that would be likely to cause confusion. So when a Mr. Michael Massa applied for a trademark over "Bass Hole Ale: The Brew That Makes Your Stories True"¹ the holders of the Bass Ale trademark opposed

¹ The applicant stressed the fact that the "bass" referred to was the fish. "The mark consists of a representation of a fisherman in green waders with brown suspenders and a golden colored hat holding a bent fishing rod.

the registration of that mark. Mr. Massa eventually abandoned the application.

Of course, companies can leverage their popular trademarks into other fields. Bass holds a trademark for the use of its logos on mirrors, glassware and shopping bags, among other things. But the claim is always mark X for use Y, not for the ownership of a word outright.

The second thing to notice is the limitations and exceptions that further cabin the reach of the right. To pick one example: Generic terms can *never* have or keep trademark status, even if they were novel terms invented, and successfully registered as marks, by the owner. If people start to use “Shredded Wheat” to describe all cereals of that type, not just the ones from the National Biscuit Company (now Nabisco), or “Murphy beds” to describe all beds that fold down from the wall, not just the ones from the original manufacturer, then the trademark is canceled. We cannot take away from the public the ability to use the standard term for the goods. The owners of Kleenex, Xerox and Rollerblades spend a great deal of time policing usages of their mark to try and stop this from happening. Instead they promote an alternative term for the general category (“facial tissue,” “photocopying” and “in-line skates”) and admonish those who use the trademark to describe the type of good. No matter how hard they try, however, if the public starts to use that as the generic term, the trademark is canceled. The term has moved into the public domain.

To pick another example: nominative use—using the name of a competing product in order to identify it, in comparative advertising, say—is not a violation of the trademark. Notice how both of these exceptions allow us to test various theories of why we have the right. If trademarks were an incentive to come up with novel goods with novel names—in the same way that a patent does—then we would want to incentivize, not penalize, the person who came up with the good and the term used to describe it. Yet if the term suffers genericide—comes to describe the product *category* rather than the original product source—then the mark is subject to cancellation. Similarly, it may seem unfair that makers of competing hybrid cars can favorably compare theirs to the Prius. Surely they are “reaping where they have not sown,” capturing a positive externality by using the familiar brand to help the consumer understand the new one? Yet if that facilitates communication to the consumer about what kind of a product this is, then trademark would be undermining its own rationale to forbid it. The rationales will help you understand the rules and predict how they might apply to new facts or new technologies. In the next section we will lead you through the basics of trademark law. In each case, think about the feature of the law being described and try and relate it back to trademark’s central goal. Does it fit well or badly?

Trademark Basics

A trademark is a word, phrase, logo, or any other indicator that identifies the source of a particular product. (Technically, a “trademark” distinguishes goods while a “service mark” distinguishes services; in this section, “trademark” will be used to refer to both trademarks and service marks.) The key here is “source indicative.” Think of a triangle composed of the producer, the good and the consumer. The mark is the sign that tells the consumer where the good came from, that identifies its source. “Nike”, “Just Do It”, and

In the background a largemouth bass with a lure in his mouth is beginning to jump. The bass is surrounded by a field of bluish-green water. In the foreground the fisherman is standing against a stand of cattails with a lone dragonfly perched on a blade of cattail. The words BASS HOLE BEER appear in an arc across the top of the label in green with black edging. The words “The Brew That Makes Your Stories True” are in the foreground in black on a stretched blue oval banner.” Application 77165782.

the checkmark Swoosh are trademarks owned by Nike, Inc. When you spend \$180 on shoes that say Nike®, that trademark indicates that the shoes were made by Nike rather than another manufacturer, and has the quality or appeal associated with Nike products. “Apple” and the bitten apple logo are trademarks that indicate that your stylish hardware and proprietary software came from Apple, Inc.

Trademark protection can extend to product features beyond conventional words or logos, such as color, shape, or sound. (Some of these are referred to as “trade dress,” a category we will discuss later.) Examples include the lacquered red soles on Louboutin shoes, the undulating tapered shape of the Coca-Cola bottle, or the roar of the MGM lion. Under no circumstances, however, can a *functional* feature of the product be trademarked. I might be the first person to make bright yellow life vests or stainless steel vacuum flasks, but I can never trademark those features—high visibility and stainless durability are obviously functional in those products. To give a trademark over them would convey a patent-like monopoly (and potentially, a perpetual one) rather than truly protecting a source indicator.

What are the sources of trademark law?

Trademark law has its roots in state unfair competition laws that prohibited competitors from “passing off” other producers’ goods as their own. (In the quotation that began this chapter, Cohen argues that such reasoning could balloon too far.) The first federal trademark statutes date from 1870 and 1876 but, as you read in Chapter 2, they were struck down as being beyond Congress’s power under both the Intellectual Property Clause and the Commerce Clause. In 1881 Congress passed another, much narrower statute, justified under its Commerce Clause power and limited only to marks used in interstate and international commerce, or in trade with the Indian tribes. These limitations were included specifically to make that Act comply with the ruling in *The Trade-Mark Cases*.

The current federal statute is the Lanham Act, originally enacted in 1946 and amended many times since. As we will see, the Lanham Act’s reach is much broader than the narrow 1881 statute. This expansion reflects the Supreme Court’s broadening vision of the meaning of “commerce” after the New Deal. Though the Lanham Act reaches broadly, it does not supplant state systems. Unlike the Federal copyright and patent systems, which “preempt” state regulation of their subject matter, the Federal trademark system coexists with a thriving set of state trademark regimes, which share many of its features, and which provide protection to businesses with no desire to spread nationally. However, for obvious reasons—geographic reach and economic significance among them—the Federal system is the central focus of large-scale legal attention.

We will examine 5 types of protection in the Federal trademark system. The statutory sections cited below are from the Lanham Act.

1.) **Registered Marks.** At the center is the system of registered Federal marks (and registered Federal trade dress, such as the Coke bottle design). These are the rights centered in § 1114 (or § 32) of the Lanham Act. Only the trademark holder can sue to enforce the mark.

2.) **Unregistered marks, unregistered trade dress and false designation of origin.** Beyond registered marks, the Federal system also provides a similar but weaker set of prohibitions against false or misleading designation of origin. Those rights, developing out of § 1125(a) (§ 43(a)) give protection—among other things—to unregistered marks and unregistered trade dress. While only the trademark owner can sue to enforce a registered mark, § 1125(a) says that suit can be brought “by any person who believes that

he or she is or is likely to be damaged by such act.” The Supreme Court held that the “damage” referred to here must be to a valid commercial interest of a competitor, partly because there are obvious constitutional problems in premising standing on a “belief” one has been harmed.

3.) **Dilution.** Marks that are “famous” to the national consuming public are also protected from “dilution” that blurs or tarnishes their strength. These rights find their home in § 1125(c) (§ 43(c)).

4.) **Cybersquatting.** The Lanham Act has been amended to deal with the intersection of domain names and trademark law. § 1125(d) explicitly covers “cybersquatting”—the “bad faith” registration of domain names in the hope of extracting rent from a trademark owner. It should be noted, however, that the other protections of the Act are also of relevance. For example, a domain name can also be a registered mark in its own right.

5.) **False or Misleading Statements of Fact.** The Lanham Act also prohibits false or misleading statements of fact (“My new diet will lose you 30 pounds in 3 weeks”) even when there appears to be no “mark” of any kind involved. These provisions, too, are rooted in section § 1125(a). Judicial interpretation of the Lanham Act has effectively broadened it to become a Federal law of false advertising and unfair competition, a considerable expansion. Again, the more relaxed definition of standing applies, though the interest vindicated must be that of a competitor, not a consumer.

Registered Marks

The Lanham Act creates a national system for registering trademarks, and determining which marks enjoy priority over others. It also spells out causes of action for trademark infringement and dilution, as well as available remedies. The key here is *registering*. Many people believe that the little symbol TM indicates a valid Federal trademark. It does not. At best, TM and its equivalent for service marks, SM, mean that the company wants to use the term as a common law mark, or that it hopes one day to register the mark but has not attempted to do so, and is attempting to build brand identity in the meantime. The sign of a Federal Mark is the “R” inside a circle: ®. The “R” stands for “registered.” It shows that the mark has been examined by the PTO and registered on the Principal or Supplemental Register. (The Supplemental Register lists a variety of marks that have not yet received full Federal protection, such as descriptive terms that have not yet developed sufficient distinctiveness.)

To be sure, Federal registration is not a prerequisite for acquiring trademark rights. Absent registration, a trademark owner may gain common law rights by being the first to use the mark in commerce. However, these rights are limited to the geographical area where the mark is used. For example, a “Wiener King” restaurant would enjoy rights in Durham but could not prevent Wiener Kings in other cities from using the same mark. With federal registration, the default is flipped: trademark rights extend nationwide, with the exception of areas where an earlier (or as trademark lawyers say, “senior”) user has already been using the mark. So Federal registration would give Wiener King rights from Durham to San Francisco, minus areas where a preexisting Wiener King has been using the mark.

In addition to nationwide rights, federal registration confers a number of other benefits. These include: a legal presumption of exclusive rights in the mark, constructive notice to the public of trademark ownership, the ability to prevent the Federal registration of confusingly similar marks, an array of remedies, and a basis for registering in foreign countries.

Why build the center of the Federal system around registration? After all, we do

not require that writers, musicians or filmmakers register in order to acquire copyright. (Though they must register in order to sue for infringement.) It is important to remember that the Federal system of registered marks is supposed to complement and act as an adjunct to the state system. It is the functions those other systems cannot perform that the Federal registration system seeks to fulfill. On the Federal level, registration fulfills multiple functions centering around information costs.

- It lowers search costs, both for those with existing marks and those seeking to create new marks. If I am looking for a name for my new nationwide ‘rapid oil change’ franchise, I can learn quickly that “Jiffy Lube” is taken. I will not waste time or money developing a campaign around that name, or laboriously searching, state by state, to find available semantic real estate. In addition, the Supplemental Register will show me that someone else is working to develop a brand identity over a term like “Quik Oil,” even if that mark has not yet developed sufficient distinctiveness to merit registration on the Principal Register.
- It allows businesses to plan to expand nationally, secure in the knowledge their mark will not have to change when they reach new territory. In the example given above, Wiener King does not invest in developing a local following, only to find that it cannot use that name elsewhere in the country and must invent a new one.
- We hope that the process of review and approval that is required to get onto the Federal Register sets a high enough bar so that businesses are deterred from claiming to have legal rights over generic, functional or misleading marks, which in turn would suppress competition or confuse consumers. (This hope is not always well-founded.)
- The Register lists both “Live” and “Dead” marks, the latter including those that have been abandoned, fallen out of use, or been successfully challenged. By listing “Dead” marks no less than “Live” ones the Register gives a map of both those semantic areas that are already taken and those that have once again become free. It is a map both of current property and of areas that have fallen back into the public domain. The requirement that registrations be continuously maintained and renewed provides a natural “pruning” function.

We will start with the center of the system—registered marks—and will go through the requirements for registration. It will turn out that many of the requirements for registering marks—such as use in commerce—are also requirements for unregistered marks, just as many of the tests for the *infringement* of registered marks are also tests for the infringement of unregistered marks. Thus, it is important to remember that while many cases in the next chapter focus on registered marks, their implications are much broader.

Notes: Use-based and Intent-To-Use Applications

The requirement that a trademark be used in commerce (discussed in detail in the next chapter) applies to both common law marks and federally registered marks. Use-based applications for federally registered marks must indicate the date of first use in commerce and include a specimen showing that the mark is actively being used on all of the goods and services listed in the application. For those seeking federal registration, the requirement of use in commerce before the mark could be registered led in practice to applicants trying through “token” or “pretextual” uses to establish that the mark had been used in commerce. Courts rejected some of these and allowed others.

Since 1988, however, the story has changed. Congress amended § 1051 of the Lanham Act to allow “intent to use” applications. (Foreign applicants have a third

option—international agreements allow them to file based on an active registration or application in another country.) Parties who are not yet using a mark can file based on intent-to-use, meaning that (in the words of the PTO) “you have more than just an idea but are less than market ready (for example, having a business plan, creating sample products, or performing other initial business activities).” A successful use-based application results in registration. A successful intent-to-use application results in a “Notice of Allowance” that gives the applicant six months to verify in a “Statement of Use” that she has begun using the mark in commerce. If six months is not enough time, the applicant can file for a series of six-month extensions; the maximum extension period is three years from the Notice of Allowance. After the first six month period, “good cause” statements must be filed showing the reasons for requiring the extension.

Until the 1988 amendments to section 1051, domestic applicants were at a disadvantage *vis à vis* foreign applicants who could effectively jump in line ahead of domestic applicants because international agreements allowed them to file U.S. applications claiming earlier filing dates from countries with less stringent requirements. This gave the foreign applications “priority” as against the domestic applicants. Recognizing applications based on a *bona fide* intent-to-use helped to level the playing field.

“Priority” is an important concept in trademark law. A mark cannot be registered if it is confusingly similar to a mark that has priority because it is already registered or the subject of a prior application. (If a mark is confusingly similar to an unregistered mark, then it can still obtain a federal registration, but exclusive rights will not extend to the geographical area where the senior common law mark is being used.) As between two applications for confusingly similar marks, the filing date—the date that the PTO receives either the electronic or paper application—establishes priority. The second application is suspended until the first is either registered or abandoned. However, if the second applicant actually has stronger rights—for example, by using the mark for a much longer time—she can bring an opposition proceeding during the registration process and, if successful, prevent the mark from being registered.

After a trademark application is submitted, a PTO examiner determines whether it satisfies the eligibility requirements summarized above and publishes it in the “Official Gazette.” There is then a 30-day period for anyone who feels they would be damaged by registration of the mark to oppose it. Opposition proceedings are held before the Trademark Trial and Appeal Board (TTAB). The TTAB also handles appeals from the PTO’s denials of registration. Appeals from the TTAB can go to the Federal Circuit (for a direct appeal) or to a federal district court (for a *de novo* review).

After registration, trademark rights last for as long as a mark is in use, as long as the trademark owner submits the required recurring paperwork and fees. (Trademark maintenance documentation is first due between 5 and 6 years after registration, and then every 10 years after registration.) However, registered marks may be subject to cancellation proceedings. *See* 15 U.S.C. 1064. Among other reasons, a registration can be cancelled if the mark has become generic or functional, or if the registration was obtained contrary to certain provisions in section 1052 (discussed in Chapter 6).

Notes: International Trademark Protection

Though trademark law is territorial, both in terms of registration and enforcement, there are a number of international agreements that harmonize international trademark laws in order to facilitate more global protection. One of the main instruments is the Paris Convention for the Protection of Industrial Property or “Paris Convention” (1883). It

currently has 175 signatories, including the United States. It provides for “national treatment,” meaning that signatories must offer the same application process and post-registration rights to trademark owners from other contracting parties as they give to their nationals. In addition, signatories must refuse to grant national registrations to marks that are confusingly similar to well-known international marks. This keeps the door open for the global expansion of famous brands. Finally, an applicant can claim the filing date in one Paris Convention country as the priority date in all participating countries as long as the other filings occur within six months. (This is the provision that inspired the U.S. to allow intent-to-use applications.)

The Trade Related Aspects of Intellectual Property Agreement or “TRIPS Agreement” (1994) is another important international agreement that—like the Paris Convention—provides for national treatment and priority filing dates. In addition, it establishes minimum standards of protection, such as protection for geographic indications.

The Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks or “Madrid Protocol” (1989) supplements the Madrid Agreement for the International Registration of Trademarks or “Madrid Agreement” (1891), and provides a mechanism for filing a single international application after securing a registration in a participating country. This saves trademark owners from filing different applications in every additional country where they seek protection. The Madrid Protocol only streamlines filing, not protection; each contracting party designated in the application can determine whether to grant protection. The U.S. did not join the Madrid Agreement until 2003 because, before the Madrid Protocol, our laws set a higher bar for trademark registration than many other countries, and the single international application disfavored U.S. trademark owners by giving foreign applicants a shortcut into the U.S. registration process.

PROBLEM 4-1

Look back at Chapter 1 and then review the contours of trademark protection as described in this chapter and in the chart on page *xiv*. The goal is to see which features of trademark law mesh with the rationales and world-views described in Chapter 1.

- 1.) Would Cohen, quoted on the first page of this chapter, have agreed with the baseline for intellectual property set out by Brandeis, by Holmes or by Pitney? Why? Is there a tension between the “unfair competition” roots of trademark law and the theory that trademarks are intended to facilitate efficient producer-consumer information flow?**
- 2.) This chapter argues that one particular rationale for trademark law best explains the loss of rights to a novel, invented term—Escalator, thermos, Aspirin—through genericide. Do you agree? What other rules of trademark law are explained by the same rationale?**
- 3.) Of the three intellectual property rights we will look at, only trademarks can (so long as continually used and renewed) last for an unlimited period of time. Why? If your answer is that the Constitution requires that copyright and patent be for limited times, why do we also find that rule in other countries not bound by the U.S. Constitution?**

4.) Critics of “brand fetishism,” such as Naomi Klein, author of *No Logo*, argue that we define ourselves in terms of brands (both those we accept and those we reject), that we obsess about the messages that come with these symbols and that, as a consequence, the public space for debate, self-definition and meaning is increasingly privatized. The social harms attributed to this process range from thefts or crimes of violence to acquire favored status-symbols such as branded jackets or shoes, to the claim that in turning over our visions of self to private logoed creations, we impoverish our culture and ourselves. One central thesis of this argument is that trademarks have long since left the rationale of efficient consumer information flow behind. The logo does not tell us something about the producer of the good. The logo *is* the good. The person who purchases a plain white cotton T-shirt with a large Nike swoosh is not buying the shirt. The shirt is merely the transport mechanism for the logo. Do you agree with any or all of this? What criticisms could be made of this idea? What implications does the brand fetishism critique have for trademark law and specifically for the protection of famous marks under anti-dilution law?

Note: A Trademark Law Flow Chart

On the next page you will find one of the tools we use in the book to make intellectual property law easier to understand. It is a humble one—a flow-chart. You can use it in two different ways.

First, please use it as a map of what you will be learning. The chart explains what we will be covering in each chapter and how the legal questions discussed will play a role in trademark analysis. Take the time to read it carefully and think through each stage. You will find that pays remarkable dividends. It is too easy to get buried in minutia, to forget why you are covering a particular question, or what role it plays in the larger analysis. Of course, one can hope for the 3am epiphany the morning of the test in which the structure of the whole edifice becomes clear, but we want you to have that big picture view from the beginning.

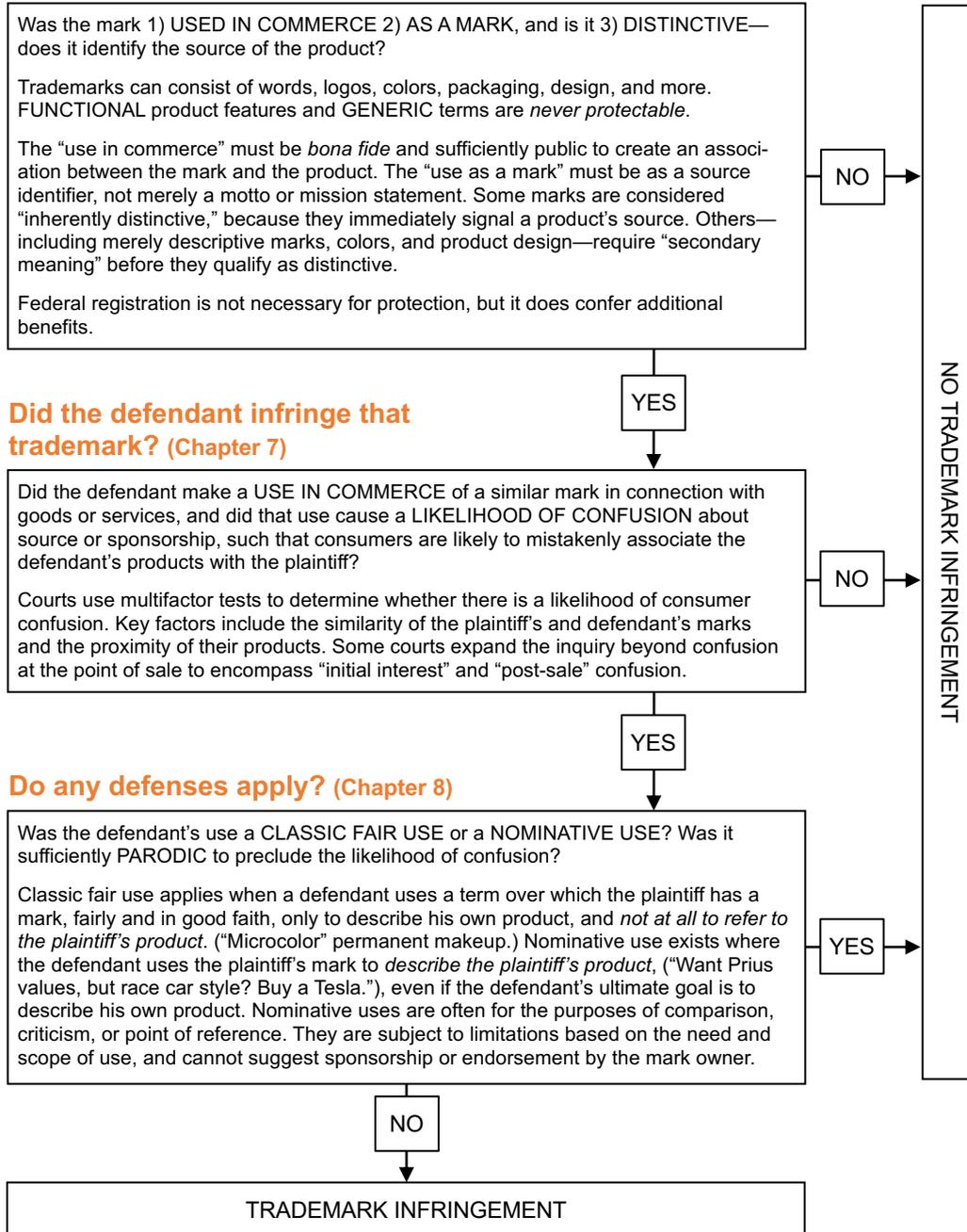
Second, you can use the chart to help you with the Problems. The casebook uses a series of practical doctrinal exercises to ensure you actually understand the material, and to give you the analytical skills you will need for real mastery. Problems will be focused on a particular issue you have just studied: “Can your client register this mark? What are the requirements for registration? What if the mark is scandalous? Or merely descriptive? Or another company has registered an identical mark to sell a completely different type of product?” The Problems are based on former exams, so they provide a useful method of review. When you are doing the Problems, the flow chart functions not just as a map but as a check-list: a structured set of questions designed to lead you through the analysis step-by-step.

The map is not the terrain. This is a single page covering hundreds of pages of material. There is much more to the analysis than it can cover. Also, this is the introductory Intellectual Property course; there are many more specialized issues in trademark law that our coverage here necessarily skips over. Still, even with those limitations, we hope you will find it useful.

TRADEMARK FLOW CHART

(This is a (highly) simplified preview of what you will learn and a tool to use in the problems. Refer to it often.)

Does the plaintiff own a valid trademark? (Chapters 5 and 6)



Note about other causes of action: Chapter 7 also covers liability for *contributory infringement*—facilitating someone else’s infringement. Chapter 9 covers *false advertising*—liability for false or misleading statements of fact in advertising (§ 1125(a)), *anti-dilution*—special protection for “famous” marks against dilution by “blurring” and “tarnishment” (§ 1125(c)), and “*cyberpiracy*”—remedies against the registration with “bad faith intent to profit” of domain names that are identical or confusingly similar to trademarks (§ 1125(d)).