

Note to readers: This is an extremely early attempt at writing something I've been thinking about for several years. The good news is that it's short; the bad news is that I have about three different intros and have yet to choose, and also I might be completely wrong. I'm most interested in thinking through what it means for a trademark system to have goals that are partially orthogonal and partially opposed, when there's no constitutional trump to settle disputes. Our current trademark system mostly pretends it just has one goal, avoiding confusion, and that everything else involves shortcuts toward that end, but that's untrue. How do we make a system work when it tries to meld legal fiction with a fact-finding apparatus?

Registering Discontent: Registration in Modern American Trademark Law

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Trademark scholars widely agree that our current system for evaluating what rights a trademark owner should have over others' uses of their (or similar) marks is badly broken.¹ Courts too readily find that too many acts are infringing even when they're harmless or actually useful to consumers. Trademark practitioners, meanwhile, while regularly quite approving of broad interpretations of trademark law, widely recognize that our trademark registration system has significant problems. Among other things, a pilot study recently showed that registrants overclaimed the goods and services on which they used marks in nearly two-thirds of registrations: they told the U.S. Patent and Trademark Office (PTO) that they were using marks on goods when they weren't. In thirteen percent of the examined cases they weren't using the marks at all.² "Intent to use" applications also generate significant numbers of paper rights with no ultimate legal existence.³ This "deadwood" on the register prevents legitimate users from knowing what they can and can't do; improperly granted registrations are harmful even from the perspective of the greatest trademark expansionists. What we haven't done is try to unite concerns over the expansion of trademark rights with concerns over the registration system and explain their relationship to each other.

Consider: If the mark "Redskins" for a football team is disparaging and its trademark registration therefore invalid, can trademark law nonetheless protect the team against unauthorized uses of the term? This question became more than theoretical when a district court recently upheld the invalidation of the Redskins registrations, a ruling now on appeal and likely headed to the Supreme Court. Or suppose the U.S. Patent and Trademark Office (PTO)

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¹ Eg., Grynberg, Dogan, Lemley's *The Lanham Act and the Death of Common Sense*; Deborah Gerhardt, Consumer Investment In Trademarks, 88 N.C.L. Rev 427, 430 (2010) ("Trademark law has lost its way.") (footnote omitted).

² <http://www.trademarkandcopyrightlawblog.com/2014/07/the-trademark-chaff-quandary-pto-report-on-post-registration-proof-of-use/>; USPTO, Post Registration Proof of Use Pilot Status Report, (Filings examined through June 30, 2014).

³ Beebe study: roughly 100,000 ITU allowances pending at any given time, which are unavailable for other users until the allowance expires, but half do expire without maturing into a registration because the applicants abandon the marks.

determines that, in the abstract, an applied-for trademark is likely to cause confusion with another previously registered mark. If the applicant decides to use the mark anyway, without a registration, should the PTO's determination bind a federal court asked to determine whether the new mark, as actually used, causes confusion with that previously registered mark? The Supreme Court just decided this issue in a way that generated large-scale uncertainty about the new relationship between registration and infringement liability.

These questions, and a number of others, highlight the need for renewed attention to trademark registration as such.⁴ More than seventy years after the modern federal trademark statute was enacted, we have lost sight of the initial concept of registration—a benefit accorded to a specific subclass of protectable marks—and have not replaced it with anything coherent. The result is a system that is half reliant on legal fictions and half reliant on attempts to engage in empirical fact-finding, and which dominates depends on the day and the court. This paper addresses three interrelated questions in current law: the appropriate balance between protecting consumers from confusion and helping producers structure their behavior; the appropriate difference between the standard for registrability and the standard for finding likely confusion in the marketplace; and the appropriate difference between the treatment of registered and unregistered marks. None of the tensions in current law can be entirely resolved to favor only one side. But by understanding their relationship, we may be able to improve the system.

To explain the stakes, this project examines a number of ways in which the current registration system interacts and conflicts with the current ideology of confusion as the crucial source of trademark's boundaries.⁵ Not all of the conflicts have been resolved in the same way. Sometimes registration is just confirmation of a trademark's protectability: an administrative determination that a symbol is in fact functioning as a trademark. At other times, registration functions to create rights that go farther, in one way or another, than mere protection as a mark would warrant. There are reasons to make registration coextensive with protectability, differing only in procedural matters like presumptions and burdens of proof. There are also reasons to make registration something stronger, into a regime that can be used to manage relationships between businesses regardless of consumer confusion or nonconfusion.

⁴ Cf. Robert Burrell & Michael Handler, *Australian Trade Mark Law* 7 (2010) (“[M]erely identifying reasons for providing legal protection for marks does not necessarily tell us why we should provide a facility for trade mark registration. Having such a system requires a substantial expenditure of resources.”); see also Lionel Bently & Brad Sherman, *Intellectual Property Law* 887 (4th ed. 2014) (certainty is an important benefit of registration). With a few exceptions, recent scholarship on non-US law is more attentive to the implications of registration for the overall trademark system than recent scholarship on US law. See, e.g., Michael Handler & Robert Burrell, *Reconciling Use-Based and Registration-Based Rights Within the Trade Mark System: What the Problems with Section 58A of the Trade Marks Act Tell Us*, 42 *Federal Law Review* 91 (2014) (“Reconciling registration and use as mechanisms by which rights can be acquired in a trade mark is inherently difficult.”). While the US grafted registration onto a use-based system, many foreign jurisdictions grafted certain use-based protections onto a registration system, and these differing baselines make different questions seem more salient. Cf. Bently & Sherman, *supra*, at 985 (discussing this question in the context of *Specsavers Int’l Healthcare Ltd v. Asda Stores Ltd*, Case C-252/12 (18 July 2013) (ECJ, Third Chamber), which considered actual use despite focus on registration).

⁵ Cf. Robert G. Bone, *Hunting Goodwill: A History of the Concept of Goodwill in Trademark Law*, 86 *B.U. L. Rev.* 547 (2006) (arguing that standard boilerplate that trademark law protects “goodwill” actually contradict the expressed justifications for trademark law, protecting consumers and ensuring the truthful flow of information).

It is “perfectly possible to defend a dual registration-based and use-based system,” but the reasons ought to be carefully considered.⁶ Choices ought to be made deliberately; each doctrine ought not to rest on its own path-dependent history, no matter the incoherences and uncertainties that then arise. Once we have identified where our current concepts produce irreconcilable conflict, we can start to think about doing better. Ideally, we should use trademark registration to further whatever our actual goals are, whether that’s business predictability, avoiding consumer confusion, or something else.

I. Introduction: Overview of Trademark and Trademark Registration

Trademarks indicate the source of goods and services. Trademark law dictates that no one can lawfully produce “Coca-Cola soda” but the Coca-Cola Company. Protection against consumer confusion is the rhetorical core of modern trademark law: trademark ensures that people can get what they want when they want Coca-Cola soda.⁷ Until roughly a century ago courts required a plaintiff to lose sales from confusing uses, so the defendant’s products had to substitute for the plaintiff’s in order for the plaintiff to prevail. After that, the modern view developed that no direct competition was required for infringement if consumers were confused: the trademark owner was an enforcer of consumers’ interests in avoiding confusion.⁸

Another way to understand trademark law is as a set of instructions for businesses about how they can behave—regulating which terms, product configurations, colors, sounds, and so on they can use—but this concept is decidedly secondary in U.S. law, at least as a matter of rhetoric. Producer protection often appears as the idea of protecting trademark owners’ investment in their marks, a fundamentally incoherent framing of the producer-oriented view because the “value” generated by this investment only exists because of trademark law itself,⁹ and because the investment must be matched by consumers’ response to have any real value—no law can entitle a producer to marketplace success.¹⁰ In part because of the normative shallowness of the investment-protecting justification, confusion offers a far more attractive justification for trademark protection.

⁶ Handler & Burrell [Federal Law Review], *supra* note [], at [].

⁷ See, e.g., *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 157 (1989) (trademark’s function is “protecting consumers from confusion as to source. While that concern may result in the creation of ‘quasiproperty rights’ in communicative symbols, the focus is on the protection of consumers.”); Gerhardt, *Consumer Investment*, (“Many commentators assume that consumer protection is the theoretical heart of trademark law.”); but see McKenna (concluding that modern trademark law “amounts to little more than industrial policy intended to increase brand value”).

⁸ *Four Roses Prods. Co. v. Small Grain Distilling & Drug Co.*, 29 F.2d 959, 959–60 (D.C. Cir. 1928); *Yale Elec. Corp. v. Robertson*, 26 F.2d 972, 974 (2d Cir. 1928) (recognizing that this result was legal innovation); *Standard Oil Co. of N.M., Inc. v. Standard Oil Co. of Cal.*, 56 F.2d 973, 978 (10th Cir. 1932) (“[I]t is now well settled that the law of unfair competition is not confined to cases of actual market competition.”); Edward C. Lukens, *The Application of the Principles of Unfair Competition to Cases of Dissimilar Products*, 75 U. Pa. L. Rev. 197, 200 (1927) (“It is now established beyond controversy that the product need not be the same, in order that relief may be granted.”).

⁹ [Cohen]

¹⁰ Gerhardt, *Consumer Investment*; Litman, *Breakfast with Batman*.

Scholars are in general agreement that trademark law's understanding of confusion has stretched past any meaningful definition of the term;¹¹ is often a mere label covering disapproval of apparent free riding;¹² lacks an empirically sound basis in consumer psychology;¹³ and threatens both free expression and consumer welfare by making it harder for competitors to provide consumers with functional product features they desire.¹⁴ Much of this criticism, however, has targeted the confusion standard and related defenses, while treating the registration system as at most a secondary casualty of overexpansion.

Trademark registration is available when the PTO determines that a symbol is functioning as a trademark. Rather than having to establish in each individual proceeding that its mark is in fact valid, a registrant is accorded a presumption of validity, and under certain circumstances that presumption is irrebutable.¹⁵ Other benefits to the trademark owner include nationwide priority even without nationwide use and eligibility for assistance from the Customs Service in avoiding infringing imports.¹⁶ For society, however, the benefits of registration are different: "As with other intellectual property systems, the public benefits that might be said to flow from registration lie, for the most part, in the value of the trademark register as a source of information. The strongest informational argument for the value of trademark registration is that it reduces business clearance costs by enabling those engaged in trade to discover quickly and cheaply which signs third parties have already claimed."¹⁷ A business that is considering multiple possible names may be able to eliminate a number of them upon searching the register. Even if the new business unnecessarily avoids deadwood and still has to check for conflicts with common-law rights in unregistered marks, it still may benefit from lowered if not eliminated search costs.¹⁸

At the core of trademark, however, is protection against others' use of sufficiently similar marks, and there registration does not confer a significant advantage. The standard for determining likely confusion is the same whether a mark is registered or unregistered, rendering the benefits of registration peripheral to trademark law's central question. Mark Lemley has written about the hypothetical prospect of "gold-plated" patents—patents that provide broader rights than other patents and that are more difficult to challenge.¹⁹ Registration in trademark

¹¹ E.g., McKenna & Lemley; others.

¹² E.g., Mark Lemley; others.

¹³ E.g., Tushnet, McKenna; others.

¹⁴ E.g., Grynberg; McKenna; others.

¹⁵ See 15 U.S.C.A. § 1057(b) (prima facie evidence of validity and ownership); § 1072 (constructive notice of ownership); § 1065 (eventual eligibility for incontestable status, completely preventing challenge on grounds that registrant's mark is merely descriptive); *Playboy Enterprises, Inc. v. Chuckleberry Pub., Inc.*, 687 F.2d 563, 215 U.S.P.Q. 662 (2d Cir. 1982) (registration indicates that "the mark is not merely descriptive and gives to it a strong presumption of validity").

¹⁶ 15 U.S.C. § 1124 (ability to prevent importation of confusingly similar goods); § 1125(b) (Customs assistance); § 1072 (nationwide constructive notice of use and ownership); § 1072 (nationwide rights without nationwide use).

¹⁷ Robert Burrell & Michael Handler, *Dilution and Trademark Registration*; see also Robert Burrell, *Trade Mark Bureaucracies*, chapter in *TRADEMARK LAW AND THEORY* (noting that reducing consumer search costs and protecting producers against misappropriation, the primary justifications for trademark protection, do not themselves justify a registration system and its costs).

¹⁸ There is an open question about how many businesses choose marks this way. While large producers regularly do investigate multiple possible marks, the small producers who would in theory benefit most from concentrating information in a registry seem less likely to go through the search process.

¹⁹ [cite]

might have served as a line granting marks stepped-up protection. Some would argue that protection against dilution for famous marks is a kind of gold-plating. Yet dilution as a cause of action is rarely successful without a coordinate infringement claim, and confusion remains the dominant (and broadly construed) theory of liability. As a result, we've essentially "gold-plated" all trademarks, not just registered marks, by according them substantial protection against uses that might cause someone, somewhere, to think that there was some kind of relationship between a trademark owner and a defendant. In this system, the meaning and purpose of registration is hard to fathom.²⁰

II. The modern approach: anything can be a mark and anything that is a mark can be registered

Currently, the scope of trademark protection is largely determined by what courts think consumers think.²¹ If consumers are likely to believe, because of the defendant's use of some symbol, that there is an association between the defendant and the plaintiff, then many courts will find that the plaintiff has trademark rights in that symbol and therefore that the defendant infringed. This liability is subject to (1) ongoing disagreement about what counts as actionable association, and (2) non-confusion-based defenses that preclude liability, such as functionality (the symbol performs some function that is important for all competitors to be able to use freely, such as a bottle shape that uses less material to manufacture) or the First Amendment (the defendant is engaged in constitutionally protected speech, such as in a book or movie). In this modern understanding, however, all of the internal boundaries of protectability are based on consumer understanding. There is no ontologically "non-trademarkable" class of symbols.²² Anything that is capable of distinguishing the source of goods or services—known as being "distinctive"—can serve as a mark.

Because the Lanham Act makes registration available, with limited exceptions, to symbols that are capable of functioning as trademarks, registrability too is now judged by similar or even identical standards as protectability, though historically this was not the case. Section 32 of the Lanham Act then provides a cause of action for infringement of a registered mark, while Section 43 provides a cause of action for infringement of unregistered marks, in similar if not even broader language.

The leading trademark treatise, by J. Thomas McCarthy, summarizes the general approach:

U.S. trademark law is based primarily on a policy of protecting customers from confusion: trademark law is seen as a form of consumer protection. Secondly, U.S. trademark law is seen as recognizing an intellectual property created and acquired by use. Government registration in the U.S. is essentially recognition of a right already acquired by use. The underlying right created by use as a mark is recognized by the common law. That is, registration in the U.S. does not create the trademark, the owner creates the

²⁰ [Incontestability for some registered marks: see below—not a substantial increase in the rights now accorded all trademark owners, registered or not]

²¹ [Mark McKenna on the history: from fraud on the producer to fraud on the consumer.]

²² *Qualitex v. Jacobson*, 514 U.S. 159 (1995).

underlying right though use in the marketplace. In the marketplace, consumers use the designation as a mark to identify and distinguish source. Registration adds additional rights to the trademark property that already exists.²³

That last sentence is where the magic happens. The *right* exists because of use;²⁴ the *registration* then adds to the scope of the right. Most notably, registration provides nationwide rights even when the registrant is only using the mark in one part of the country.²⁵ Nonetheless, trademark doctrine teaches that registration doesn't change the standard for assessing whether confusion with another's use is likely, and in that sense the "scope" of the right is the same.²⁶ Likewise, the remedies available for infringement of registered and unregistered marks are the same, except with respect to counterfeiting.²⁷ While the Lanham Act's counterfeiting provisions were designed to give special protection against identical or nearly identical copies of registered marks used on products specified in the registration, courts increasingly conflate counterfeiting with confusion (which doesn't require identical copying).²⁸ This means that, while counterfeiting liability is expanding, the conceptual distinction between having a registration and having a mark that is protectable against confusion is narrowing further.

²³ 6 McCarthy § 19:1.75 (footnotes omitted); see also DAPHNE ROBERT, THE NEW TRADE-MARK MANUAL 10 (1947) ("The right to use the mark is not granted by the Government and registration of a mark . . . does not in itself create any exclusive rights. Rights in a mark are acquired by use and use must continue if the rights are to continue. Registration is simply a recognition by the Government of the right of the owner to use the mark in commerce to distinguish his goods or services."). Most other systems are primarily registration-based, though use can also convey some rights under the general law of unfair competition. See McCarthy, *supra* ("These legal systems place primary value on the public notice that flows from government registration. This public notice affords a measure of fairness and publicity for those who are searching to determine if their mark would conflict with previous marks. In those nations, the public record is a much better reflection of legal and commercial reality than in the United States.").

²⁴ The US also recognizes intent to use as a basis for registration, but the registration is only perfected, and thus available to stop others from using confusingly similar marks, upon use.

²⁵ See Stephen L. Carter, *The Trouble with Trademark*, 99 YALE L.J. 759, 759–60 (1990) (noting that registration's automatic nationwide priority, as well as the intent to use system, are features that extend protection far beyond the bounds of the common law).

²⁶ See, e.g., *Medisim Ltd. v. BestMed LLC*, 861 F.Supp.2d 158, 178 n. 150 ("As the Supreme Court has made clear, the same likelihood of confusion analysis applies regardless of the name given to the trademark claim—e.g. false designation of origin, infringement, or something else." (citing *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 780 (1992))); *Century 21 Real Estate Corp. v. Sandlin*, 846 F.2d 1175, 1178 (9th Cir.1988) ("The 'ultimate test' for unfair competition is exactly the same as for trademark infringement."); *1–800 Contacts, Inc. v. Lens.com, Inc.*, 722 F.3d 1229, 1238 (10th Cir. 2013) (infringement claim under § 32 is nearly identical to claim under § 43, except that registration serves as prima facie evidence validity and of registrant's exclusive right to use mark in commerce).

²⁷ 15 U.S.C.A. § 1117. Though courts generally reached this result even before Congress made it explicit, see, e.g., *Metric & Multistandard Components Corp. v. Metric's, Inc.*, 635 F.2d 710, 209 U.S.P.Q. 97 (8th Cir. 1980), Congress did so in the Trademark Law Revision Act of 1988; Pub. L. 100-667, 102 Stat 3935. (effective Nov. 16, 1989) (adding to the introductory clause of § 35 a reference to § 43(a)). Failure to mark goods with the ® symbol can sometimes limit the remedies available for infringement of a registered mark, a rule that can't be avoided by asserting common-law rights in the same mark, but even that rule means that the remedies available remain the same under both statutory provisions with respect to that particular mark.

²⁸ See Mark P. McKenna, *Criminal Trademark Enforcement and the Problem of Inevitable Creep* (unpublished draft, 2014); cf. *Calista Enterprises Ltd. v. Tenza Trading Ltd.*, --- F.Supp.2d ---, No. 3:13-cv-01045, 2014 WL 3896076 (D. Ore. Aug. 8, 2014) (apparently ignoring statutory command to limit anticounterfeiting protection to the goods or services listed in registrant's registration, in favor of a market/confusion-based inquiry into the relationship of the parties' services). See also Susan M. Richey, *The Troubling Role of Federal Registration in Proving Intellectual Property Crimes*, 50 Am. Crim. L. Rev. (2013) (arguing that the presumptive validity of a registered trademark raises constitutional issues as applied to criminal counterfeiting sanctions).

Many scholars have noted how broad trademark has become because of expansive interpretations of “confusion.” Fewer have noted the consequences for the registration system, which was not designed to be so capacious. Because the requirements for registrability loosened and the concept of infringement expanded over time, the registry became less useful, even on the counterfactual assumption that every mark on the register is valid and in use. As further detailed below, looking at the specification of the mark and the list of covered goods and services in the registration increasingly have given others less and less information about what rights actually exist. Though the statute speaks of giving trademark owners an “exclusive” right to use a mark on the goods and services for which it is registered, that right isn’t in fact exclusive but subject to a requirement that the trademark owner prove confusion, so rights might be practically limited to a smaller subset of the listed goods or services. Moreover, even with respect to goods and services not covered by the registration, a similar enough use could still infringe.²⁹ A term on the registry in standard character form (that is, covering all typographical variants of the registered word) might in practice be limited in its scope of protection to particular stylized versions, colors, or fonts.

Robert Burrell, dealing with Australian law, has eloquently elaborated on the difficulties of meshing a registration system designed to provide formal rules for businesses with a confusion-based system that depends on consumer reactions.³⁰ Many of his observations are equally applicable to the US system. But here, we do not see the registration system as regulatory in the same way. Instead, as McCarthy’s summary indicates, we have told ourselves that both systems, registration and general protection against confusion, have the same goals and the same mechanisms. The result has been increasing tension between irreconcilable empirical and conceptual approaches to trademark problems. The following section discusses some key examples, including problems that have received national attention (the REDSKINS cancellation) and Supreme Court review (preclusion).

III. Registration as Recognition of Rights or Creation of Rights

A. Disparaging marks: is there matter that is unregistrable but protectable?

The Lanham Act, §2, precludes registration of matter that is, among other things, “disparaging.”³¹ A mark that was disparaging when registered may be cancelled at any time. After extended wrangling, the TTAB recently cancelled a number of REDSKINS football-related registrations for the second time (having been reversed on procedural grounds the first time). The case is on appeal.

If the courts sustain the TTAB’s action, Washington’s football team will confront a question to which, surprisingly, there is no clear answer even after nearly seven decades under

²⁹ This is a change from the common law and earlier statutory law. The Trademark Act of 1905 barred only unauthorized uses of a registered trademark on “merchandise of substantially the same descriptive properties as those set forth in the registration.” Trade-Mark Act of 1905, Pub. L. No. 58-84, 33 Stat. 727 (1905), repealed by Lanham Act, Pub. L. No. 79-459, § 46(a), 60 Stat. 427, 444 (1946).

³⁰ Burrell.

³¹ §2(a).

the Lanham Act: if a mark is unregistrable, can it still be protected under either the federal protection for unregistered marks or state trademark law? If the answer is yes, then the team will have suffered a symbolic blow to its mark, but will still be able to enforce it against counterfeiters once it proves that its mark has source-identifying meaning to consumers, a showing that will not likely be difficult.³² If the answer is no, then the First Amendment challenge to §2(a) (and to the coordinate common-law rule) becomes more significant, since denying registration will be the death knell for any other form of protection. Moreover, if common-law protection is unavailable, anyone will be able to use the term, though not the unchallenged team logo or team colors. Because of the importance of merchandising to modern sports teams, the team would predictably change its name, so (paradoxically?) declaring the term free for anyone to use would eventually lead to its commercial extinction.

The argument that registration and protectability are coextensive is simple: courts have said so. Almost any symbol, the Supreme Court said in *Qualitex v. Jacobson*, can be a trademark, and if it can serve as a source identifier, it's also entitled to registration. In *Taco Cabana v. Two Pesos*, the Court likewise said that the standard for protectability under §43(a)—the provision of the Lanham Act allowing federal protection against infringement for unregistered marks—was the same as the standard for registrability under §2.³³

Of course, most of these statements have been made without explicit consideration of the non-distinctiveness-based limits in §2, including disparagement and scandalousness.³⁴ Yet there are reasons to think that the exclusions in §2 reflect public policies that also apply to unregistered marks.³⁵ The other exclusions in §2 mostly cover matter that is deceptive in one way or another, or matter that is functional; no one seriously contends that deceptive or functional marks are or should be protectable under the common law or under §43. And, although the development of the common law largely halted once federal law became available, older authorities suggest that common-law protection could be unavailable for disparaging marks or marks otherwise against

³² The NFL's contract with the team may require it to maintain trademark registrations for the team name; thus even if common-law protection is available, the team might be forced to change its name.

³³ See also Stevens, J., concurring (“§43(a) is properly understood to provide protection in accordance with the standards for registration in §2.”).

³⁴ The exclusions in §2 that arguably don't go to core trademark policy are those for immoral, scandalous, or disparaging marks; flags/coats of arms; names/signatures/portraits of living persons/deceased presidents with living spouses without written consent; geographic indications (GIs) on wine or spirits identifying someplace other than their origin; and primarily geographically deceptively misdescriptive terms. Some of these exclusions are closer to consumer significance than others. It's also worth noting that the “core” exclusions are pretty well mixed in with the non-core ones, so that “deceptive” is listed right in between “immoral” and “scandalous.” Arguably it's all congressional policy about what ought to serve as a mark.

³⁵ See *Renna v. County of Union, N.J.*, 2014 WL 2435775, No. 2:11-3328 (D.N.J. May 29, 2014) (absolute bar in §2(b) on registration of any matter that “[c]onsists of or comprises the flag or coat of arms or other insignia of the United States, or of any State or municipality, or of any foreign nation, or any simulation thereof” also precluded §43 protection; “The registration bar was not enacted to protect official prerogatives or preserve official symbols from desecration. Rather, the bar represents a more general determination that state insignia are not appropriate subjects of trademark law at all. Trademark law concerns itself with goods and services in commerce.”). The *Renna* court concluded that there was “a difference between a mark that happens to be unregistered, and one that cannot be registered as a matter of law,” and held that Section 2 was best interpreted as determining that certain marks “are inappropriate subjects for trademark protection.” It followed that an unregistrable mark was also not actionable under §43. But see *In re City of Houston*, 731 F.3d 1326, 1331 (Fed. Cir. 2013) (suggesting that city insignia could be protected under other provisions of the Lanham Act despite being unregistrable).

public policy.³⁶ This is consistent with the current conventional wisdom that §2 essentially codified the common law.³⁷

Moreover, if both registration and protection for unregistered marks are fundamentally designed to protect against consumer confusion, then it follows that “What the law does not need is a separate set of different substantive trademark rules followed in § 43(a) cases.... A plethora of different rules and standards provides neither predictability nor consistency, both hallmarks of a rational and democratic legal system.”³⁸ From today’s perspective, §43 was designed to provide unregistered marks with the same protection as registered marks—not additional protection. Thus, Washington’s football team should be out of luck: “A mark should not earn extra protection because it is not registered. The Congressional scheme would be scrambled if Section 43(a) were used to protect marks that could never have received any protection as registered marks.”³⁹

Yet, when the Lanham Act was enacted, no one seems to have considered whether there is matter that is distinctive and protectable but not registrable because of the non-deception-based exclusions in §2. At the time, registration was not considered coextensive with protectability.⁴⁰ A significant category of source identifiers that functioned as marks and that were therefore entitled to protection against unfair competition were nonetheless not considered registrable—most notably “trade dress,” or the general appearance and shape of a product. This rule had a few exceptions, but not many. Likewise, a single color (such as “Tiffany blue”) wasn’t registrable, though it was protectable. To the trademark lawyers who practiced seventy years ago, it was unremarkable that there could be distinctive but unregistrable matter. But that was because such matter fell into an ontological category—trade dress—keeping it out of the category of trade “marks.” Now that we register trade dress, surnames with secondary meaning, and other previously excluded categories of terms that once had to rely on “unfair competition” instead of “trademark” law, there’s no remaining coherent account of unregistrable matter that is nonetheless protectable.⁴¹

³⁶ Treatise writer William Henry Browne, writing in the nineteenth century, claimed that “any business conflicting with the morals of the time should not be able to enforce trademark and unfair competition rights.” See Abdel-Khalik at 186 (citing William Henry Browne, *A Treatise on the Law of Trade-Marks and Analogous Subjects (Firm-Names, Business-Signs, Good-Will, Labels, & C.)* 342 (Boston, Little, Brown, and Co. 2d ed. 1885)). Browne stated that a mark “must not transgress the rules of morality or public policy.” *Id.*

³⁷ [cite cases; articles].

³⁸ McCarthy, quoted in Renna.

³⁹ Renna; see also James C. Bartholomew, *The Scope of Protection Under §§ 2 & 43 of the Lanham Act* (student paper).

⁴⁰ See McKenna (blog post on Redskins). Roberts says, for example, that “All distinctive marks which may lawfully be used are entitled to registration on the principal register by their owners.” This implies that nothing that is valid is unregistrable. At the same time, she says that unfair competition additionally applies to “passing off” and trade dress, among other things, presumably all of which must be “lawfully used.” This implies that there are symbols that are not “marks” whose misuse is capable of confusing consumers but that are not registrable. The category of “trade names”—names under which an entity did business but with which it did not mark particular goods—would be an example. None of these distinctions exist, from the current perspective.

⁴¹ Likewise, the assimilation of protection for unregistered marks to protection for registered marks has left unclear the doctrinal basis for protecting “generic” terms—terms that identify what a thing is, not its source, and thus can never serve as trademarks—under unfair competition law. Some older cases hold that, even where a term is generic, principles of unfair competition can be used to prevent confusing uses (when the generic term has “de facto” secondary meaning). [See, e.g., *Blinded Veterans Ass’n*]. But if protectability, and infringement, under §43(a)

Even twenty years ago, when Congress passed the NAFTA amendments barring registration of “primarily geographically misdescriptive marks,” it didn’t notice the issue. Congress intended⁴² to switch geographically misdescriptive marks from registrable to unregistrable. Thus, Virginia Microchips not made in Virginia would be unregistrable, even if consumers didn’t actually care where the microchips came from and even if the term developed secondary meaning. Did Congress also intend to make such marks unprotectable under §43? Our treaty obligation was to provide the means to prevent the *use* of such misdescriptive marks, and not just the registration thereof.⁴³ Yet the legislative history contains no hint of concern that someone might evade the prohibition on registration by claiming a right under §43.⁴⁴ Again, Congress acted before the Supreme Court said, in *Qualitex* and *Taco Cabana*, that almost anything could be a trademark and that anything that could be a trademark could be registered.⁴⁵

My point here is not to argue that the REDSKINS mark should or shouldn’t be protectable under §43 or state common law. Rather, what is interesting about this question is that it has to be asked because of the modern, and historically novel, conception that anything that can be protected can be registered. Only on this view of the law does the contrapositive—something that can’t be registered can’t be protected—become a possibility.

The Supreme Court didn’t think it was doing anything significant in *Taco Cabana* or *Qualitex*; its rhetoric suggested that universal protectability and registrability were obvious consequences of Congress’s broad language in the Lanham Act. Yet if registrability and protectability are the same thing, what additional value does registration provide? If registration is about providing procedural advantages and presumptive nationwide scope (as well as assistance with Customs and eligibility for protection against counterfeiting), then it follows that a registration should have no other effect on the substantive scope of the trademark right. Of course, presumptions of validity can be incredibly important, but if that’s all, then registration merely crystallizes an otherwise existing right.

track the requirements for registration, then there seems no warrant for granting any relief with respect to a generic, unprotectable term.

⁴² An intent vitiated by the Federal Circuit in *California Innovations*, but still the intent and natural meaning of the law Congress passed. See Robert Brauneis & Roger E. Schechter, Geographic Trademarks and the Protection of Competitor Communication, 96 Trademark Reporter 1, 52-53 (2006).

⁴³ “Each party [United States, Mexico, Canada] shall provide, in respect of geographical indications, the legal means for interested persons to prevent: (a) the *use* of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a territory, region or locality other than the true place of origin, in a manner that misleads the public as to the geographical origin of the good....” NAFTA (emphasis added); see Brauneis & Schechter, *supra*, at 56 & n.181. Congress did not amend the Lanham Act to implement this provision, while it amended §2 to deal with registration. Presumably, the assumption was that false advertising law covered the situation already. However, materiality is a requirement under false advertising law—if consumers don’t presently care about origin, a misrepresentation isn’t actionable. Our trading partners wanted more, because part of the theory behind protecting all geographic indications is that different places should be encouraged to develop reputations for specific qualities. Protection should enable such reputations to develop even if they don’t exist now and therefore aren’t material now. See Justin Hughes [GIs article].

⁴⁴ Professor McCarthy (personal communication). Perhaps this is related to the fact that most of our treaty partners operate more registration-based systems, and weren’t attuned to the fact that the US now offers essentially the same protection to registered and unregistered marks.

⁴⁵ For an example of the more restrictive pre-*Taco Cabana* approach to protecting unregistered trade dress, see *Fuddrucker, Inc. v. Doc’s BR Others, Inc.*, 826 F. 2d 837 (9th Cir 1987). I thank Jessica Litman for the example.

As the next sections show, however, registration also changes the nature of what's protected, with nationwide geographic scope regardless of actual use being only the most obvious consequence. Because a registration extracts a symbol from its context, a registrability inquiry is carried out through a series of significant abstractions. The registration's specification—its definition of the “mark” and of the goods and services for which the mark is to be registered—necessarily departs from marketplace realities, and thus from a real confusion inquiry. Rights stemming from registration therefore only imperfectly follow the articulated primary justification for trademark protection—saving consumers from confusion.

B. Likely confusion as a barrier to registration and as an independent cause of action.

[note: this section needs to be thoroughly rewritten to consider what ought to happen now.] In *B&B v. Hargis*, the Supreme Court held that a court ought to give a PTO finding that an applied-for mark is unregistrable under §2 because it's likely to cause confusion with a preexisting mark preclusive effect in a subsequent trademark infringement case under certain circumstances.⁴⁶ While a refusal of registration does not prevent use, the owner of the preexisting mark sometimes sues to prevent the applicant from continuing its unregistered use, claiming that the applicant is infringing on its mark. The Supreme Court's preclusion holding raised the stakes of contested registration proceedings, both for applicants and for opposers, in ways that are not particularly consistent with the aim of making the registration process relatively simple and low-cost.

The problem for preclusion is that the PTO's inquiry into “likely confusion” differs from judicial inquiries into “likely confusion” in significant ways, primarily deriving from the fact that registration requires a specification of what is to be registered.⁴⁷ The PTO therefore states that it decides only registrability, not infringement.⁴⁸ While the PTO only considers the applied-for matter, an infringement case looks at the overall impression created by the defendant's product or service—things like “house marks,” color, or other differences in presentation can avoid confusion even when some part of the defendant's overall look is similar to the plaintiff's

⁴⁶ Section 2(d) of the Trademark Act provides that a registration shall not issue where the applicant's designation “[c]onsists of or comprises a mark which so resembles [another] mark, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive....” 15 U.S.C. § 1052(d).

⁴⁷ See, e.g., *Levy v. Kosher Overseers Ass's of Am.*, 104 F.3d 38, 42 (2d Cir. 1997) (finding that the TTAB assessed only the fact of similarity, not “entire marketplace context”); *Light Sources, Inc. v. Cosmedico Light, Inc.*, 360 F. Supp. 2d 432, 440 (D. Conn. 2005) (distinguishing registration and registrability from use in marketplace); *Sports Authority, Inc. v. Prime Hospitality Corp.*, 89 F.3d 955, 962 (2d Cir. 1996) (“In deciding whether the marks are similar as used, we do not look just at the typewritten and aural similarity of the marks, but how they are used in the marketplace.”); Anne Gilson Lalonde, *GILSON ON TRADEMARKS* § 9.01[2][b] (2014) (jurisdiction of federal courts is “much broader” than TTAB's; “much of the evidence relevant to infringement actions...is of little or no import to T.T.A.B. practice”); 6 J. THOMAS MCCARTHY, *MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION* § 32:101 (4th ed. 2014) (“In an opposition, likelihood of confusion is determined only as to the registrability of the applicant's mark exactly as shown in the application and only as to the goods listed, regardless of actual usage. The same rules are followed in cancellation proceedings.”).

⁴⁸ *Seculus Da Amazonia v. Toyota Jidosha*, 66 U.S.P.Q.2d 1154, 1157 n.5 (T.T.A.B. 2003) (“it is well-settled that the [TTAB] is not authorized to determine the right to use, nor may it decide broader questions of infringement or unfair competition”).

mark.⁴⁹ Similarity is considered in the abstract—whether the applied-for mark is too similar to someone else’s mark, and if the previously registered mark is in standard character form, the PTO will disregard colors, fonts, and other design elements that might serve to distinguish the two in the world outside the PTO.

Consumer reaction evidence is the most persuasive kind of evidence in infringement cases,⁵⁰ but the PTO rarely considers it. Even when the PTO does consider consumer reaction evidence, it understandably requires that surveys must track the specification to be relevant. Unlike in confusion cases, the survey shouldn’t consider the applicant’s actual consumers or the context in which consumers would see the overall product.⁵¹ Thus, in order to be relevant to a registration inquiry, the survey must show the mark to respondents typed on a white card against a plain background, rather than in a marketplace context.⁵² This same procedure would make a survey inadmissible, or at the very least of minimal weight, in infringement litigation.⁵³

More broadly, in a registration case, the PTO deems certain arguments legally irrelevant because they don’t address the breadth of the prior mark as registered, or the applied-for mark as

⁴⁹ *Compare, e.g., J.T. Colby & Co. v. Apple Inc.*, No. 13-2227 (2d Cir. Sept. 29, 2014) (finding no likely confusion between Apple’s iBooks mark for electronic books and plaintiff’s iBooks mark for electronic books, because plaintiff’s mark was “frequently surrounded by contextual information that associates it with a publishing company, including the publishing company’s name and location, the title of a book and its author, and other copyright information, while Apple’s mark “appear[ed] exclusively on Apple-branded hardware.”) (citations omitted); *Alberto-Culver Co. v. Trevive, Inc.*, 199 F. Supp. 2d 1004, 1013–15 (C.D. Cal. 2002) (examining, among other things, location of additional phrases on labeling and packaging, slogans used to promote products, and color and qualities of labels); *CareFirst of Maryland, Inc. v. First Care, P.C.*, 434 F.3d 263, 271 (4th Cir. 2006) (confusion unlikely because mark was always paired or presented with other material that “will serve to lessen any confusion that might otherwise be caused by the textual similarity”); *Nabisco, Inc. v. Warner-Lambert, Co.*, 220 F.3d 43, 46 (2d Cir. 2000) (defendant’s “prominent use of its well-known house brand...significantly reduces, if not altogether eliminates, the likelihood that consumers will be confused”); *Barbecue Marx, Inc. v. Ogeden*, 235 F.3d 1041, 1044 (7th Cir. 2000) (although the marks “SMOKE DADDY” and “BONE DADDY” were similar, the presence of highly distinct nearby logos distinguished them); *with Checkpoint Systems, Inc. v. Check Point Software Technologies, Ltd.*, 2002 WL 1181046 (T.T.A.B. May 31, 2002) (“likelihood of confusion is determined only as to the applied-for mark on the applied good, regardless of the context of actual usage”); *In re New York Football Giants*, 2014 WL 3427342, at *8 (“No consideration may be given to allegedly distinguishing features which are not part of the mark sought to be registered.”); *Kimberly Clark Corp. v. H. Douglas Enters., Ltd.*, 774 F.2d 1144, 1147 (Fed Cir. 1985) (in denying registration, not considering trade dress differences between the marks because the application was only for the word mark).

⁵⁰ [cite cases; McCarthy].

⁵¹ *Abita Brewing Company, LLC v. Mother Earth Brewing, LLC*, Opposition No. 91203200 (September 11, 2014) (considering broader universe of respondents was correct because applicant sought a nationwide, geographically unrestricted registration, and marketplace conditions were irrelevant to likely confusion of two marks in standard character form).

⁵² See, e.g., *Meier’s Wine Cellars, Inc. v. Meyer Intel. Props. Ltd.*, 2008 TTAB LEXIS 678 (T.T.A.B. 2008) (noting as flawed a survey which showed entire wine bottle, including full label, rather than just the mark, stating that the TTAB “has held that surveys...which embellish the stimulus with features that are not directly involved in the determination of likelihood of confusion, have limited probative value”) (citing *Carl Karcher Enterprises Inc. v. Stars Restaurants Corp.*, 35 U.S.P.Q. 2d 1125, 1132 n.19 (T.T.A.B. 1995); *Marshall Field & Co. v. Mrs. Field’s Cookies*, 25 U.S.P.Q. 2d 1321, 1334 (T.T.A.B. 1992)).

⁵³ See, e.g., *THOIP v. Walt Disney Co.*, 690 F. Supp. 2d 218 (S.D.N.Y. 2010) (“[T]he closer the survey methods mirror the situation in which the ordinary person would encounter the trademark, the greater the evidentiary weight of the survey results.”) (quoting 6 J. Thomas McCarthy, *MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION* §§ 32:163 (4th ed. 2014)).

applied for, while they might be dispositive in an infringement lawsuit.⁵⁴ For example, differences in the parties' products and services can make confusion unlikely. But when an applicant argued that her products differed from an opposer's products because they were "made in Canada, vegan, cruelty free, hypoallergenic, fragrance free, free trade," unisex, and expensive, while the opposer's products were for women only and cheaper, the Trademark Trial and Appeal Board (TTAB) responded that none of those limitations appeared either in the application or in the opposer's registration. The application was for "skin moisturizers" and the opposer's registration was for "body lotions," and it's the list in the application that matters, not what the parties actually sell.⁵⁵ The goods listed in the specification were legally identical, and the TTAB presumed that legally identical goods travel in the same channels of trade to the same classes of consumers.⁵⁶ In infringement actions, by contrast, differences in types of products or actual channels of trade may render confusion unlikely.⁵⁷

As this example indicates, most of the PTO's rules abstracting the application from its broader context favor prior users, and therefore tilt in favor of finding likely confusion. Because the PTO doesn't consider differences of price or quality unless the application is limited (and again, it never is), the presumptive class of likely purchasers is always broader and more likely to overlap with an opposer's.⁵⁸ Courts do consider these differences.⁵⁹ Widespread use of the

⁵⁴ See, e.g., *In re New York Football Giants, Inc.*, 2014 WL 3427342 at *1 (T.T.A.B. July 3, 2014) ("While it is not unusual for an applicant to argue that...confusion is not likely because of marketplace conditions, typically such arguments fail to recognize that the TTAB is required, under applicable precedents...to analyze likelihood of confusion based on the involved identifications."); cf. *Medici Classics Productions, LLC v. Medici Group, LLC*, 683 F. Supp. 2d 304, 311 (S.D.N.Y. 2010) ("Notwithstanding [the infringement] plaintiff's argument that its registered trademark is for 'Medici Classics Productions' 'without claim to any particular font, style, size or color,' this inquiry requires looking not 'just at the typewritten and aural similarity of the marks, but how they are presented in the marketplace.'" (citations omitted).

⁵⁵ *Canadian Imperial Bank of Commerce v. Wells Fargo Bank, N.A.*, 1 U.S.P.Q.2d 1813 (Fed. Cir. 1987) (likely confusion must be based on the goods or services in the application compared to the goods or services in the registration, regardless of the actual facts about the nature of the goods or services, their channels of trade, or their purchasers); *In re William Hodges & Co.*, 190 U.S.P.Q. 47 (T.T.A.B. 1976) (same); *J&J Snack Foods Corp. v. McDonald's Corp.*, 18 U.S.P.Q.2d 1889 (Fed. Cir. 1991) (same).

⁵⁶ *Victoria's Secret Stores Brand Management, Inc. v. Yael Mamroud/Cummins*, Opposition No. 91201001 (August 7, 2014); see also *Kangol Ltd. v. Kangaroos USA, Inc.*, 974 F.2d 161 (Fed. Cir. 1992) (where application does not explicitly specify the channels to be considered, "likelihood of confusion is resolved by considering the 'normal and usual channels of trade and method of distribution'"); *CBS Inc. v. Morrow*, 708 F.2d 1579, 1581 (Fed. Cir. 1983) ("in the absence of specific limitations in the registration, [confusion must be decided] on the basis of all normal and usual channels of trade and methods of distribution"); *Squirtco v. Tomy Corp.*, 697 F.2d 1038, 1042-43 (Fed. Cir. 1983); *In re New York Football Giants, Inc.*, 2014 WL 3427342 at *1 (T.T.A.B. July 3, 2014).

⁵⁷ *Leelanau Wine Cellars, Ltd. v. Black & Red, Inc.*, 502 F.3d 504, 516 (6th Cir. 2007) (where defendant primarily sold its wines through its tasting rooms and plaintiff primarily sold through large retail stores, there existed "very limited overlap" in channels of trade); *M2 Software, Inc. v. Madacy Ent'ment*, 421 F.3d 1073, 1084 (9th Cir. 2005) (where one product was mainly sold through specialty music publications and not in stores, channels of trade factor tilted against confusion); *Paul Sachs Originals Co. v. Sachs*, 325 F.2d 212, 215 (9th Cir. 1963) (girls' dresses and women's dresses were sold in different stores to different customers); *Sunenblick v. Harrell*, 895 F. Supp. 616, 629 (S.D.N.Y. 1995) (recordings of obscure jazz musicians versus popular rap recordings).

⁵⁸ See *Canadian Imperial Bank v. Wells Fargo Bank*, 811 F.2d 1490, 1496 (Fed. Cir. 1992) ("The authority is legion that the question of registrability...must be determined on the basis of the identification of goods set forth in the application regardless of what the record may reveal as to...the particular channels of trade or the class of purchasers to which sales of the goods are directed."); *In re Bercut-Vandervoort & Co.*, 229 U.S.P.Q. 763, 764 (T.T.A.B. 1986) (because application lacked any restriction of the customers to "extremely sophisticated wine connoisseurs," likelihood of confusion analysis should incorporate all wine consumers); *In re New York Football*

mark by third parties can also weaken it in practice,⁶⁰ whereas the PTO usually gives little weight to third party registrations or even uses, tilting the confusion inquiry in favor of the prior claimant.⁶¹

Doubts are resolved in favor of the senior registrant,⁶² whereas the senior user bears the burden of proof in infringement cases.⁶³ Indeed, the one place where the PTO does look for marketplace evidence is where doing so helps the senior registrant: while a proliferation of similar marks can be evidence that a mark is weak, and thus shouldn't block another similar mark, the PTO doesn't consider registrations of similar marks absent evidence about their actual presence in the marketplace.⁶⁴ Another senior owner-favorable rule is that the PTO doesn't have much tolerance for parody, routinely finding parodic versions of existing marks likely to cause confusion.⁶⁵ Infringement law is far more favorable; courts often reason that the very humor of a

Giants, Inc., 2014 WL 3427342 at *10 (T.T.A.B. July 3, 2014) (because application did not limit consumers “we must presume that the t-shirts and tank tops of both Applicant and Registrant would be sold to all classes of [] consumers”).

⁵⁹ See, e.g., *Continental Plastic Containers v. Owens Brockway Plastic Products, Inc.*, 141 F.3d 1073 (Fed. Cir. 1998) (rejecting argument that consumer base should be retail consumer of bottled beverage, rather than wholesale purchaser of empty bottles; inquiry is about determining the “consumers in the market for the particular product at issue”).

⁶⁰ See, e.g., *Kate Spade LLC v. Saturdays Surf LLC*, 950 F. Supp. 2d 639, 644 (S.D.N.Y. 2013) (fact that the field of marks was crowded reduced the strength of plaintiff's mark SATURDAY SURF NYC and made confusion with KATE SPADE SATURDAY unlikely).

⁶¹ Third party registrations can be persuasive on whether a term is descriptive, see *Dade Behring Inc. v. Bio-Chem Laboratory Sys., Inc.*, Opposition No. 114, 796 (T.T.A.B. 2001); *In re Int'l Data Gp., Inc.*, S.N. 75/111,382 (T.T.A.B. June 15, 2000); *In re Edward Roth*, S.N. 75/374,375 (T.T.A.B. Feb. 23, 2001), but not on likely confusion. *In re Paradigm Health Corp.*, S.N. 74/654, 345 (T.T.A.B. June 7, 2000); *Olde Tyme Foods Inc. v. Roundy's Inc.*, 22 U.S.P.Q.2d 1542, 1545 (Fed. Cir. 1992) (“As to the strength of a mark ... registration evidence may not be given any weight.”); *American Hospital Supply Corp. v. Air Prods. & Chems., Inc.*, 194 U.S.P.Q. 340, 343 (T.T.A.B. 1997) (“It is now settled that third-party registrations are of little probative value in determining whether the marks [in a 2(d) situation] are in conflict in the marketplace. As it has often been stated, third-party registrations cannot aid an applicant in registering another confusingly similar mark.”) (citation omitted); *Sara Lee Corp. v. Goldstone Hosiery Co.*, Cancellation No. 22,732 (T.T.A.B. Feb. 22, 2011) (more than twenty third-party registrations had little probative value on confusion, as they didn't establish that the registered marks were in use or that consumers were so familiar with them that they could distinguish them); see also *Remarks of David W. Ehrlich, Trademark Prosecution in the Patent and Trademark Office and Litigation in the Trademark Trial and Appeal Board*, 8 *Fordham Intell. Prop. Media & Ent. L.J.* 451, 474-82 (1998) (noting TTAB's tendency to favor owners of prior rights and skepticism that third-party use reduces the strength of registered marks).

⁶² See *In re Shell Oil Co.*, 992 F.2d 1204, 1209, 26 USPQ2d 1687, 1691 (Fed. Cir. 1993); *In re Hyper Shoppes (Ohio), Inc.*, 837 F.2d 463, 464-65, 6 USPQ2d 1025, 1026 (Fed. Cir. 1988); *In re G.B.I. Tile & Stone, Inc.*, 92 USPQ2d 1366, 1372 (TTAB 2009).

⁶³ KP Permanent.

⁶⁴ See, e.g., *Longshore v. Retail Royalty Co.*, No. 2014-1448 (Fed. Cir. Sept. 15, 2014) (TTAB correctly rejected applicant's argument that confusion was unlikely because his mark appeared on “inspirational wear,” while opposer's mark was used only for women's clothing, because likely confusion must be based on the goods as identified in the involved application and registration; however, third-party registration for similar design was of limited probative value given the lack of evidence of actual usage of the mark).

⁶⁵ See, e.g., *Research in Motion Ltd. v. Defining Presence Mktg. Grp., Inc.*, 102 USPQ2d 1187, 1192 (TTAB 2012) (sustaining oppositions to applications for CRACKBERRY, for a variety of online computer services and clothing items, because of likely confusion and dilution with the mark BLACKBERRY, for handheld devices and related goods and services; noting that “likelihood of confusion will usually trump any First Amendment concerns”); *Starbucks U.S. Brands, LLC v. Ruben*, 78 USPQ2d 1741 (TTAB 2006) (holding LESSBUCKS COFFEE likely to cause confusion with opposer's marks, STARBUCKS and STARBUCKS COFFEE; “parody is unavailing to

parody signals that it is not the original and thus averts confusion.⁶⁶ The upshot is that, if the applicant chooses to use her mark without registering it and the opponent sues for infringement, the very arguments that failed at the PTO might secure her victory before a court.⁶⁷ Arguably the issue with parody is merely that one decisionmaking body is using the wrong standard—but the divergence highlights the practical disparity between the courts and the PTO.

The TTAB's rules are mostly sensible in the registration context. Specifications aren't limited to products sold at a particular price level, and they rarely are limited to particular channels of trade or to particular consumers;⁶⁸ therefore a registration will cover use under any version of the mark and the goods covered by the specification, even if it changes font (for a standard character mark) or the subtype of business it operates (as when a company with a mark registered for "banking services" changes from providing services to sophisticated institutions to providing services to ordinary consumers).⁶⁹ Likewise, discovery is sharply limited in TTAB proceedings in order to keep them limited and manageable.⁷⁰ The desire for greater efficiency, however, conflicts with the more fact-intensive inquiry of judicial determinations of likely confusion. These limits frame registration as a question of business management: administrative burdens are an important part of the relevant considerations for putting marks on the registry, whereas we will accept more costs to determine confusion when there is allegedly an actual conflict in the market.

applicant as an outright defense and, further, does not serve to distinguish the marks"); *Columbia Pictures Indus., Inc. v. Miller*, 211 USPQ 816, 820 (TTAB 1981) (holding CLOTHES ENCOUNTERS for clothing, and CLOSE ENCOUNTERS OF THE THIRD KIND for t-shirts, likely to cause confusion).

⁶⁶ E.g., *Louis Vuitton/Chewy Vuiton*; *Tommy Hilfiger/Timmy Holedigger* pet perfume; *Jordache/Lardache*; *Mastercard v. Nader*; *Yankee Publ'g Co. v. News America Publ'g Inc.*, *Eveready v. Coors*; *New York Stock Exchange v. New York, New York Hotel*; cite Bill McGeeveran's article on trademark parodies.

⁶⁷ By contrast, registration-based systems more often engage in the same partly artificial inquiry as the PTO does when they assess infringement: looking at the specification—the mark on the page, and the goods or services listed in the registration—would the defendant's registration or use be likely to cause confusion? While courts in registration-based systems will take confusion into account,

the comparison will be somewhat artificial. Specifically, when comparing marks the owner's 'sign' will be the mark as registered. Thus if the trade mark owner has secured protection for a word mark, the plaintiff's 'sign' will be that word written in any script and reproduced in any colour; the fact that the sign actually used by the owner in the marketplace is this word in a pink cursive font will not serve to limit the scope of the owner's monopoly. The owner's sign will be compared with the sign that has been 'used' by the defendant, but this 'sign' will have to be isolated from a mass of other material. Consequently, extraneous matter such as differences in the colour, shape or get-up of goods or differences in the type of packaging or general labelling employed will be excluded from the analysis, even though in practice these things may serve to make it less likely that consumers will associate the defendant's products with those of the trade mark owner. Similarly, insofar as the 'proximity' of goods/services is a factor that may help establish infringement, the nature of the plaintiff's goods and services will be determined primarily by reference to the scope of the specification, not the scope of the plaintiff's use. If the trade mark owner has been careful to describe its products using broad terminology its monopoly will extend beyond the products it actually offers to the public.

Burrell & Handler, *supra* note [], at 12 (footnotes omitted).

⁶⁸ See Pamela Chestek, *How to Write a Good Identification of Goods for Trademark Applications*, https://docs.google.com/presentation/d/17LSmyQBv4I2Gdlbe_La_NogmI3o5m5reZS75C5fwelc/edit#slide=id.p8 (presentation, n.d.) (advising applicants not to describe characteristics or uses; channels of trade; or users).

⁶⁹ *Canadian Imperial Bank v. Wells Fargo Bank, N.A.*, 1 U.S.P.Q.2d 1813 (Fed. Cir. 1987).

⁷⁰ See TBMP at §§ 402.01, 402.02 (noting that, "in view of the [TTAB's] limited jurisdiction, the narrowness of the issues to be decided by the [TTAB], and the concerns existing with respect to excessive e-discovery, the burden and expense of e-discovery will weigh heavily against requiring production in most cases").

C. Confusion in the courts: what effect does a registration have?

When we do move to the courts, registration takes on a new character: the fact of registration itself becomes a potential factor in the likely confusion inquiry. The presumptive (and sometimes conclusive) validity of a registered mark is a legal fiction added as an element to an otherwise empirically oriented test.

While different circuits phrase their substantive multifactor likelihood of confusion tests differently, they are the same whether the plaintiff is suing for an infringement of a registered mark or an unregistered mark.⁷¹ For example, the Ninth Circuit considers (1) the strength of the mark; (2) the proximity of the goods; (3) the similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) type of goods and the degree of care likely to be exercised by the purchaser; (7) defendant's intent in selecting its mark; and (8) likelihood of expansion into other markets.⁷² The United States is unusual in treating registered and unregistered marks so similarly. Countries such as Australia, New Zealand and the United Kingdom have statutes governing registered marks that have "more or less no role to play in determining whether an unregistered mark has been infringed." Instead, unregistered marks are protected by the tort of passing off. Whereas registration entitles the registrant to various presumptions in its favor, a passing off plaintiff must meet the burden of showing each element of the "classical trinity" of "goodwill," "misrepresentation," and "damage."⁷³

Given the unitary infringement test, courts have attempted to determine the relevance of a registration, insofar as it represents the PTO's determination that a symbol is serving as a mark. Unfortunately, they have reached no consensus. Incontestably registered marks, a subcategory of registered marks, have caused even more conceptual problems.

1. Registration and Strength

In theory, a registration means that the PTO has determined that a symbol has cleared the minimum barrier to being a mark at all: it's either inherently distinctive or descriptive with secondary meaning. Arbitrary and fanciful marks such as Apple for computers and Xalatan for prescription eyedrops are inherently distinctive and conceptually strong because consumers automatically understand that such terms are trademarks. Descriptive marks, by contrast, started by describing some characteristic of the product or service, such as American Airlines for airlines, but ultimately gained secondary meaning and became valid trademarks; they're conceptually weak regardless of marketplace strength.

One court was recently called on to reconcile a PTO determination of mere distinctiveness (and thus lack of registrability in the absence of secondary meaning) with a court of appeals finding that the term at issue was actually suggestive, and thus inherently distinctive. The court ruled that a jury would not be allowed to hear evidence about the PTO's finding, since

⁷¹ [cites]

⁷² *Sleekcraft*, 599 F.2d at 348–49.

⁷³ *Reckitt & Colman Products v Borden* [1990] 1 WLR 491; Robert Burrell & Michael Handler, *Dilution and Trademark Registration* (footnotes omitted).

that would be too confusing.⁷⁴ While this relates to the deference issue at stake in *Hargis*, there is also a heads-I-win-tails-you-lose aspect to this ruling, given the presumptive weight given to registrations that actually issue.

On the spectrum from “weak” to “strong” marks, all we know from a registration is that it is somewhere on that spectrum, or, where a registration was issued without proof of secondary meaning, that the PTO determined that the mark was inherently distinctive without assessing its marketplace strength.⁷⁵ Although the language of the Lanham Act states that a registration is presumptive evidence of a registrant’s “exclusive” right to use the mark for the registered goods and services, the U.S. does not allow exclusivity for the sake of exclusivity. All trademark infringement plaintiffs must prove that a defendant’s use is likely to cause consumer confusion.⁷⁶ (By contrast, foreign registration systems generally have “double identity” rules, whereby a defendant’s use of the same mark for the same goods or services as set out in a registration automatically entitles the plaintiff to a finding of infringement, and the absence of confusion is largely irrelevant.⁷⁷)

However, there is a vein of U.S. case law that says that registration not only makes a mark presumptively valid, but also presumptively strong. This is important because the stronger a mark is, the more likely courts deem confusion to be when someone else uses a similar mark. The Second Circuit, for example, has stated that registration offers “the utmost degree of

⁷⁴ *Innovation Ventures, LLC v. NVE, Inc.*, 2015 WL 871137, No. 08–11867 (E.D. Mich. Feb. 27, 2015).

⁷⁵ *Lovely Skin, Inc. v. Ishtar Skin Care Products, LLC* (8th cir. Mar. 13, 2014) (“Whether a mark is federally registered does not bear on a mark’s strength or affect the likelihood of confusion analysis.”); *M2 Software Inc. v. M2 Commc’ns, L.L.C.*, 76 F. App’x 123, 124 (9th Cir. 2003); *Gen. Mills, Inc. v. Kellogg Co.*, 824 F.2d 622, 626 (8th Cir. 1987) (“[A] mark’s registered status is only an evidentiary tool, and the fact of registration does not affect the plaintiff’s ultimate burden of proof in an infringement action.”); *Blue Cross and Blue Shield Ass’n v. American Exp. Co.*, 1999 WL 1044825 (N.D. Ill. Nov. 16) (registration isn’t strength, which comes from distinctiveness); *S Industries, Inc. v. JL Audio, Inc.*, 29 F. Supp. 2d 878, 892 (N.D. Ill. 1998) (“[T]he fact that a trademark has been registered does not create a presumption that the mark is strong or that the mark’s coverage should be expanded to cover non-related products.”). *American Society of Plumbing Engineers v. TMB Pub., Inc.*, 109 Fed.Appx. 781, 2004 WL 1799362 (7th Cir. 2004), provides a detailed rejection of this argument. The district court in that case had presumed a registered, incontestable mark to be strong. *Id.* at 788. The court of appeals made clear that incontestability (which here means validity) and strength are separate. Incontestability is “often” a bright line, but strength is relative and exists on a spectrum. *Id.* at 788-89 (citing *McCarthy* §11:74). “A mark is not ‘strong’ just because it is not descriptive or generic.” Describing a mark as weak, then, was just another way of saying that confusion was unlikely because the public could easily distinguish slight differences in the marks or the goods at issue. *Id.*

⁷⁶ [KP Permanent]

⁷⁷ See, e.g., *Burrell & Handler*, supra note [], at 11 (Australian law); *Bently & Sherman*, supra note [], at 1038 (noting that it must be determined what the defendant’s mark *is* in an infringement case, as distinguished from a registration application where the applicant defines the mark). Article 16(1) of the TRIPS Agreement requires WTO members to create a presumption of likelihood of confusion in cases where third parties use a sign identical to a registered mark in relation to the goods or services identified in the specification. The U.S. has not specifically enacted legislation setting out a double identity rule, but there’s little doubt that this is the ordinary result of the current likelihood of confusion test. See, e.g., *Philip Morris USA, Inc. v. Shalabi*, 352 F.Supp.2d 1067, 1073 (C.D.Cal.2004) (virtually identical marks are “inherently confusing”); *Brookfield*, 174 F.3d at 1056; 4 J. Thomas *McCarthy*, *McCarthy on Trademarks & Unfair Competition* § 23:20 (4th ed. 2013) (“Cases where a defendant uses an identical mark on competitive goods hardly ever find their way into the appellate reports. Such cases are ‘open and shut’ and do not involve protracted litigation to determine liability for trademark infringement.”).

protection” and creates a presumption of an exclusive right to use the mark for the goods or services for which it is registered⁷⁸ (though it bears noting that the Second Circuit has also issued contrary decisions⁷⁹). In another typical example, the Ninth Circuit wrote that “[d]escriptive marks are generally regarded as weak and entitled to less protection than fanciful or arbitrary marks,” but registration “carries a presumption of secondary meaning,” so defendant “had the burden to prove that secondary meaning had not attached if it wished to argue that [plaintiff’s] mark was weak. To the extent that secondary meaning had attached to a descriptive mark, the mark was rendered stronger and more worthy of protection.”⁸⁰ This mistakes the legal function of secondary meaning: the minimum necessary recognition to make a descriptive term a mark.

It’s true that the test for whether a descriptive term has acquired that minimum is often unclear. The amount of secondary meaning required to register is itself uncertain and often merely guessed-at; an applicant who provides evidence of five years of exclusive use is accorded a presumption of secondary meaning for registration purposes regardless of its success or lack thereof in the marketplace.⁸¹ Once a mark is registered, however, we generally assume that it has secondary meaning, and then have to integrate that assumption into an empirical test. Registration simplifies matters of validity by allowing courts to presume that the threshold has been crossed.

One could imagine the rationale that courts can be more sure about their strength determinations if they’ve been endorsed by the PTO as well, but that doesn’t make sense of the PTO’s job, which is to register anything that satisfies the *minimum* standards for being a mark. Instead, and without explicitly justifying it, the courts that say that registration presumptively makes a mark strong are treating registration as an increase in strength and thus supporting a model of registration as business regulator: they will pretend, based on the registration, that

⁷⁸ Savin Corp. v. Savin Group, 391 F.3d 439, 457 (2d Cir. 2004); see also *Americana Trading Inc. v. Russ Berrie & Co.*, 966 F.2d 1284, 1287, 1290 (9th Cir. 1992) (“[Plaintiff] holds a registered and presumptively strong mark.”); *Sanrio Co., Ltd. v. J.I.K. Accessories*, 2012 WL 1366611 (N.D.Cal. Apr. 19, 2012) (“First, the Hello Kitty mark is protected on the principal register, creating a presumption that the mark is strong.”); *Pita v. Tulcingo Car Service, Inc.*, 2011 WL 1790833, at *4 (E.D.N.Y. Apr. 7, 2011) (default judgment) (“As to the first Polaroid factor, the Tulcingo mark is presumed to be strong by virtue of being registered.”); *Road Dawgs Motorcycle Club of the U.S., Inc. v. Cuse Road Dawgs, Inc.*, 679 F. Supp. 2d 259, 286 (N.D.N.Y. 2009) (registration means mark is presumptively strong); *French Transit, Ltd. v. Modern Coupon Systems, Inc.*, 818 F.Supp. 635, 637-38 (S.D.N.Y. 1993) (explaining that courts look to conceptual and marketplace strength to classify a mark’s strength, then stating that “plaintiff’s ... mark [] obtains a presumption of strength by virtue of its registration”) (citation omitted); *Choice Hotels Intern., Inc. v. Patel*, 1994 WL 621668, at *2 (N.D. Cal. Nov. 3) (“[T]he Court presumes the strength of Plaintiff’s marks since they are registered.”); *Dollar Rent A Car Systems, Inc. v. Sand Dollar Car Rentals, Inc.*, 765 F.Supp. 876, 879 (D.S.C. 1990) (“The registration of a mark creates a strong presumption that the mark is strong.”); *Polo Fashions, Inc. v. Gordon Group*, 627 F. Supp. 878, 887 (M.D.N.C. 1985) (“The fact that the Polo trademarks are the subject of U.S. trademark registrations, in addition to creating a strong presumption of validity, stands as proof of the strength of the marks.”). Sometimes courts are just confused. See, e.g., *US Risk Insurance Group, Inc. v. United States Risk Management, LLC*, 2013 WL 4504754, No. 3:11-cv-2843 (N.D. Tex. Aug. 20, 2013) (“Plaintiffs trademark’s incontestable status creates a rebutta[ble] presumption that Plaintiff’s mark is descriptive with secondary meaning and, thus, a strong mark. . . . Federal registration of a mark is prima facie evidence of the mark’s validity. Therefore, the mark is presumptively suggestive, although Defendant may rebut the presumption by establishing that the mark is merely descriptive.”) (citation omitted).

⁷⁹ See, e.g., [Parents case].

⁸⁰ *Americana Trading Inc. v. Russ Berrie & Co.*, 966 F.2d 1284, 1287 (9th Cir. 1992).

⁸¹ [cite]

confusion with some other mark is always more likely than it was before the registration. Then, courts will also weigh other factors more tied to empirical reality, but with the registration as a thumb on the scale.⁸²

In this scheme—which would be a key part of a substantive conception of registration—compared to a valid mark with exactly the same degree of inherent distinctiveness and/or marketplace strength, the registered mark has a greater scope to prevent the use of other, similar marks, and a court should more often find confusion likely when a plaintiff with a registration sues than when a plaintiff without a registration (but the identical mark) sues. This result might provide an incentive to register and thus provide a more public signal of a claim of right, but it isn't about consumer confusion. However, the multifactor likely confusion test itself is so inchoate that courts have not noticed the incommensurability between the “legal” strength of a mark and the other, market-based confusion factors.⁸³

2. Incontestability and the related puzzle of descriptive fair use

Incontestability presents courts with another opportunity to consider the effect of registration on strength. After a mark has been registered without contest for five years, the registrant can file a declaration of incontestability, which will protect its mark against invalidation on grounds of mere descriptiveness.⁸⁴ While some courts hold that incontestability creates a presumption of strength,⁸⁵ the majority of courts hold that the fact that a mark is

⁸² See, e.g., *Current Communications Group, LLC v. Current Media, LLC*, 76 U.S.P.Q.2d 1686, 2005 WL 1847215, at *7 (S.D. Ohio) (“Plaintiff’s strongest argument is that its marks are registered and therefore presumptively strong. Nevertheless, the strength of the marks is undercut because they have not been promoted extensively, because there is substantial third-party use of the word ‘current,’ and because Plaintiff’s marks are not known outside of the limited area in which it presently offers broadband services.”).

⁸³ Cf. *Barbecue Marx, Inc. v. 551 Ogden, Inc.*, 235 F.3d 1041, 1044 (7th Cir.2000) (“The likelihood of confusion test is an equitable balancing test. . . . [N]o single factor is dispositive and courts may assign varying weights to each of the factors in different cases....”).

⁸⁴ 15 U.S.C.A. § 1065; id. § 1115(b) (establishing that incontestability of a registered mark is conclusive evidence of the validity of the registered mark and of the registration of the mark, of the registrant’s ownership of the mark, and of the registrant’s exclusive right to use the registered mark in commerce); *Park ‘N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 205 (1985) (holding that a defendant in an infringement case could not challenge an incontestable mark as invalid due to descriptiveness). This statutory language sounds broader than the statement in text, but there are a number of defenses/exceptions to incontestability that cut down its effect substantially. The key benefit of incontestability is that an incontestable mark can’t be challenged on the ground that it’s merely descriptive and lacks secondary meaning. Thus, even if it’s actually not serving as a mark—a symbol consumers use to identify a particular producer—the registrant still has trademark rights, though it may have some difficulty proving infringement by other users.

⁸⁵ The Eleventh Circuit, however, holds that incontestable marks are “presumed to be at least descriptive with secondary meaning, and therefore a relatively strong mark.” *Dieter v. B & H Indus.*, 880 F.2d 322, 329 (11th Cir.1989); see also *Jet, Inc. v. Sewage Aeration Systems*, 165 F.3d 419 (6th Cir. 1999) (incontestable registration makes mark strong for infringement analysis). This could be understood merely to elevate descriptive marks with secondary meaning over inherently distinctive marks without secondary meaning, but the minority of courts following this rule have not so limited their pronouncements. Occasionally, courts even suggest that incontestability makes a mark *inherently* distinctive. See, e.g., *Aero-Motive Co. v. U.S. Aeromotive, Inc.*, 922 F.Supp. 29, 37 (W.D. Mich. 1996) (stating that the presumption of strength “may be rebutted by demonstrating that the [incontestable] mark, while inherently distinctive, is nevertheless not distinctive in the marketplace due to certain acquired characteristics” and that a defendant can disprove secondary meaning, leaving the plaintiff only with any inherent distinctiveness its mark has).

unrebuttably *protectable* does not make it *strong*.⁸⁶ Moreover, on a consumer-focused view, incontestability doesn't do very much for inherently distinctive marks, because they were never merely descriptive in the first place. But marketplace strength is the more important component of strength.⁸⁷ A mark that in fact isn't familiar to consumers isn't very strong, no matter where it falls on the conceptual spectrum.

Incontestability poses some puzzles: what could it mean to say that a mark such as "Park N Fly" is incontestably serving as a mark in a case involving alleged confusion, if we were confident that in fact consumers don't recognize those words as indicating the source of goods or services but rather deem them to describe characteristics of the relevant service? It seems paradoxical to ignore evidence of lack of function as a mark when evaluating whether someone else's use of a similar "mark" is likely to confuse consumers. Consider the limit case: when the incontestable mark at issue wasn't actually recognized as indicating the source of goods or services, and consumers were therefore never likely to be confused by anyone else's use of the same term. Thus, the registrant could *never* win a trademark infringement claim against any other user if confusion were empirically assessed. In what sense is this registrant's mark "valid"?⁸⁸ But the majority view indicates that the mark would be valid, though unenforceable.

If we operated on a more business-relations-oriented model, we could just treat the registrant's exclusive right to use the mark for the registered goods and services as settled, regardless of consumer reactions. The incontestability provision of the Lanham Act, after all, does refer to incontestability as the trademark owner's "exclusive" right to use the mark.⁸⁹ But then it wouldn't make sense to take into account the *other* factors in a conventional confusion analysis, such as whether there's been actual confusion or how careful the relevant consumers will be. Incontestability and standard likely confusion analysis are orthogonal. And this is just as true of the minority position, which says that incontestability means that a court should weigh the "strength" factor in the likely confusion test more heavily in a plaintiff's favor.⁹⁰ If the

⁸⁶ Gruner + Jahr USA Publishing v. Meredith Corp., 991 F.2d 1072, 26 U.S.P.Q.2d 1583, 1586-87 (2d Cir. 1993) (holding that an incontestable mark may be "strong" for the purpose of validity but "weak" for the purpose of infringement); 6 McCarthy on Trademarks and Unfair Competition § 32:155 (4th ed.) ("[T]he majority of courts hold that [incontestability] does not prevent defendant from questioning the *strength* and hence the scope of protection of the mark as to different goods in determining likely confusion.") (footnote omitted).

⁸⁷ A study of applications filed from 1981 through 2007 showed that the overall grant rate for use-based applications was 75% as compared with 37% of intent to use applications from 1989 through 2007; although at least as many ITUs were allowed as use-based applications, roughly half never filed a statement of use, meaning that they never matured into registrations. That is, they blocked other registrations but never had a commercial existence. Barton Beebe, *Is the Trademark Office a Rubber Stamp?*, 48 Houston L. Rev. 751 (2011).

⁸⁸ The registrant might be able to keep other people from registering similar marks, or perhaps even keep some goods out at Customs. But how this would benefit the registrant remains unclear. One might also argue that the registrant could win claims against someone using both the same term and some other features of the registrant's overall trade dress—but then we've changed what the protectable mark is, limiting it to the term used in conjunction with those other features.

⁸⁹ [cite statute]

⁹⁰ See, e.g., *Frehling Enterprises, Inc. v. International Select Group, Inc.*, 192 F.3d 1330 (11th Cir. 1999) ("Moreover, the district court failed to consider the fact that [plaintiff's] mark is incontestable and therefore constitutes a 'relatively strong mark.'"); *Wynn Oil Co. v. American Way Serv. Corp.*, 943 F.2d 595 (6th Cir. 1991) (equating strength with incontestability); *Dieter v. B & H Indus.*, 880 F.2d 322 (11th Cir. 1989) ("Because [plaintiff's] mark is incontestable, then it is presumed to be at least descriptive with secondary meaning and therefore a relatively strong mark."). *Dieter* involves a particularly odd statement in context. Descriptive with secondary

question is really whether confusion is likely, then it doesn't make sense to add in a booster that essentially pretends that confusion is more likely than the facts show it to be.

However, because all infringement questions are now subsumed into confusion, US trademark law is forced into a contradiction: on the one hand, the incontestable mark must be valid; on the other, it may lack both inherent distinctiveness and secondary meaning, making confusion unlikely.⁹¹ In *KP Permanent v. Lasting Impressions*, the Supreme Court was offered a path to resolve the contradiction, but it declined to do so. *KP Permanent* involved a defense known as descriptive fair use: regardless of any registration, others are entitled to use a term fairly in its descriptive sense, and not as a mark. Thus Ocean Spray could describe its juices as "sweet-tart" despite the registration of SweeTarts for candy.⁹² The Ninth Circuit held that, if confusion was likely, then no descriptive fair use defense was possible for the plaintiff's use of the term "micro colors" to describe pigment for permanent makeup.⁹³ The Supreme Court reversed, reasoning that the Ninth Circuit had stripped any meaning from the defense and wrongly put the burden of showing lack of confusion on the defendant: since confusion is a predicate to liability in the first place, no plaintiff who would have otherwise prevailed would ever be subject to the defense.⁹⁴ Instead, the descriptive fair use defense reflected a congressional judgment that some likely confusion would have to be tolerated, at least at the margin, in order to preserve others' freedom to use terms that accurately described their own goods and services.⁹⁵

This reasoning makes complete sense in the confusion-over-all paradigm. But the losing side offered an account that could have made the Ninth Circuit's rule understandable. The fact that it seemed so bizarre to the Supreme Court simply shows how far we've come from a more rule-oriented approach. The respondent in *KP Permanent* argued that, in the original understanding, incontestability really was an *exclusive* right to use the mark on the goods or services at issue. No showing of confusion was required to bar competitors' use of the same term, similar to the current "double identity" rule in Europe. When the rule is that infringement is automatic on use, the descriptive fair use defense serves a very real function even if one element of the defense is showing that confusion is unlikely. Unfortunately for the respondent in *KP Permanent*, this completely coherent system is not our current system.⁹⁶ In a completely confusion-based system, incontestability serves no appropriate function.

meaning is the *minimum* requirement for a mark; descriptive without secondary meaning isn't a mark at all. Perhaps what the court means is that having secondary meaning makes a mark stronger than being inherently distinctive without real marketplace recognition. But that only makes sense in a world in which the secondary meaning is real, rather than presumed to exist as a matter of law. Inherent distinctiveness involves exactly the same legal fiction as incontestability: because the mark satisfies some formal qualification, we treat it *as if* it serves the function of distinguishing goods or services for consumers. See [Bob Bone on inherent distinctiveness].

⁹¹ See 6 McCarthy, *supra*, § 32:155 ("The minority position ... confuses the validity of a designation as a trademark, which is incontestable under *Park 'N Fly*, with the separate issue of whether that valid trademark has sufficient strength that the junior user's usage is likely to cause confusion. The later issue is one of infringement, which should not be foreclosed by incontestable status.") (footnotes omitted).

⁹² [cite]

⁹³ [cite]

⁹⁴ [cite]

⁹⁵ [cite]

⁹⁶ See also §33(b) (1989 amendment, making incontestability subject to proof of infringement).

D. Territoriality versus specification: Extending legal rights beyond the scope of actual use

[According to standard doctrine, registration does not expand the scope of a mark in terms of its visual appearance. As mentioned in Part A, if a registrant has a standard character registration, but routinely uses the mark in a particular font or with a particular design, courts will take that into account, and those presentation differences can make confusion unlikely even if there's great similarity between the defendant's use and the standard character version of the plaintiff's mark.⁹⁷ One could indeed argue that, for the registration in standard character form to have meaning, some independent weight must be given to the fact of a registration for the standard character form, not just for a particular font/color. Almost every trademark owner has a specific font it usually uses, and yet the registration system treats a standard character mark as a different thing than a stylized mark. But this would be doctrinal innovation in an infringement case. We already give meaning to the standard character registration by blocking other attempted registrations based on the standard character form, even when the applicant's font and colors are substantially different from the way the registrant presents its mark in the marketplace. This marks one significant difference between the registration and infringement inquiries.

By contrast, registration does expand the scope of a mark in terms of its geographic reach. A registrant gets nationwide rights over all territories except in the unusual case where there's a local pre-registration senior user. As a matter of law, the registrant has rights even though it has no recognition in areas where it hasn't yet expanded.⁹⁸

Why does the treatment of the registered mark differ between territorial scope and visual scope? The predictability justification based on the rights delineated in the specification applies equally to both situations.].

E. Dilution

“Dilution” is a concept that has grown over the past few decades. It's both highly intuitive, especially to trademark owners, and extremely hard to define or prove. Trademark dilution is some sort of interference with the uniqueness or distinctiveness of a mark. Dilution is generally thought to encompass at least blurring and tarnishment. Blurring is the proliferation of trademark meanings even in the absence of confusion (e.g., Delta Airlines, Delta Dental, Delta

⁹⁷ [Discuss ECJ Specsavers case, which looked beyond the registration, which was in black and white, to the colors actually used in the marketplace as part of its assessment of likely confusion.]; <https://oami.europa.eu/ohimportal/en/news/-/action/view/1230554> (reporting on new regulations providing that EU Trade Mark Offices in member countries will treat different colors of marks).

⁹⁸ McCarthy § 26:42 (“[T]he Act is designed to grant nationwide protection to federal registrants and to minimize instances of concurrent geographic use of marks. If a federal registrant of a descriptive, geographically descriptive, or personal name mark is required to prove secondary meaning in an area before it can enjoin a junior user's use, then such marks are a kind of second-class citizen in the world of registered marks.... There is no justification in the Lanham Act for imposing the impossible requirement that the federal registrant prove secondary meaning for itself before an injunction can be obtained. All that the Act requires is a likelihood of confusion, and that will occur the moment the federal registrant is likely to enter the market with either sales or advertising.”).

Faucets), while tarnishment is the growth of negative associations surrounding the mark (e.g., associating Reese’s Peanut Butter Cups with drugs through the “Reefer Cup”⁹⁹).

Dilution began as a state-law concept and was not initially incorporated into the Lanham Act. In order to partially harmonize the law of dilution, Congress added federal protection against dilution of “famous” marks. More importantly for registration purposes, however, it also preempted state dilution claims against federally registered marks,¹⁰⁰ a significant move both because some states protect nonfamous marks against dilution and because some states arguably define “dilution” more broadly than federal law does. Thus, a federally registered mark is protected against a number of challenges that might otherwise be brought against it.

But what exactly constitutes the mark that’s registered? Recall that, when the PTO issues a registration for a word or words in standard character form, the registration isn’t limited to any particular design.¹⁰¹ So what should happen when another trademark owner claims that the design the registrant has chosen dilutes its mark under state law? Recently, Exxon has litigated this issue against Fox’s FXX network. Fox owns a registration for the standard character mark FXX. But when it adopted a version of the logo in which the Xs overlapped, Exxon sued it for dilution.



Both parties had very simple but contradictory arguments. Fox’s syllogism was (1) standard character registrations cover all forms of the mark, however stylized;¹⁰² (2) registrations

⁹⁹ <http://tushnet.blogspot.com/2014/06/pothead-of-liability-hersheys-sues.html>.

¹⁰⁰ §43(c)(6) (“The ownership by a person of a valid registration . . . shall be a complete bar to an action against that person, with respect to that mark, that—(A) is brought by another person under the common law or a statute of a State; and (B) (i) seeks to prevent dilution by blurring or dilution by tarnishment; or (ii) asserts any claim of actual or likely damage or harm to the distinctiveness or reputation of a mark, label, or form of advertisement.”).

¹⁰¹ See 37 C.F.R. § 2.52(a) (defining registration in standard character form as one “without claim to any particular font style, size, or color”).

¹⁰² See TMEP § 1207.01(c)(iii) (“[a] registrant is entitled to all depictions of a standard character mark, regardless of the font style, size, or color, and not merely ‘reasonable manners’ of depicting such [a] mark.”). When an application being considered in a 2(d) analysis is for a standard character mark without any stylizations or designs, or when a previously registered mark in standard character form is assessed for potential confusion, the Federal Circuit has held that the PTO should consider more than the “reasonable manners” in which such a mark may be displayed. In *Re Viterra Inc.*, 671 F.3d 1358 (Fed. Cir. 2012) (PTO should consider a “broader range” of displays than the “reasonable manners” standard); *Citigroup Inc. v. Capital City Bank Group, Inc.*, 637 F.3d 1344, 1353 (Fed. Cir. 2011) (“The T.T.A.B. should not first determine whether certain depictions are ‘reasonable’ and then apply the [likely confusion] analysis to only a subset of variations of a standard character mark.”). Although the court didn’t say so directly, apparently the PTO should also consider at least some unreasonable variants, though it is allowed to consider “illustrations of the mark as actually used . . . in visualizing other forms in which the mark might appear.” *Citigroup*, 637 F.3d at 1353; see also *Viterra*, 671 F.2d at [] (“In rejecting the ‘reasonable manners’ test, we are not

bar state dilution claims.¹⁰³ Any version of the word, in whatever font, is encompassed by the standard character registration, and thus protected by the preemption provision. On the other side, Exxon argued that, if that were so, McDonald's could never assert dilution claims against people who registered standard character marks including the letter M and who then imitated the Golden Arches in their designs.



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In my opinion, Fox had the better of the argument—federal dilution claims, not to mention state and federal confusion claims, would still remain available to McDonalds in the hypothetical, so the consequences of preemption are hardly catastrophic. And if a plaintiff can avoid preemption by arguing that its state-law dilution claim extends to the particular font or design in which the defendant has used its registered mark, preemption would essentially never be available, defeating Congress's attempt to protect registered marks.¹⁰⁵ Congress has even offered a justification for preemption consistent with the initial aims of registration: “the provision was designed to encourage Federal registration of trademarks, a worthy policy goal that prevents state laws from interfering with federally-protected marks and ensures that registered marks are protected nationwide.”¹⁰⁶ But if standard character marks don't cover all variations, then the incentive to register is decreased and the registry becomes even less useful as a guide to what other businesses can do. However, the legislative history is not directed at this problem; references to “complete” preemption do not directly foreclose a narrow reading of the “mark” that is “complete[ly]” protected, though I think they counsel against it.¹⁰⁷

suggesting that a standard character mark encompasses all possible design elements of the mark. We leave for future cases to determine the appropriate method of comparing design marks with standard character marks.”)

¹⁰³ Defendant's Reply Brief in Support of Rule 12(b)(6) Motion to Dismiss Count V of Plaintiff's Amended Complaint, Exxon Mobil Corp. v. FX Networks LLC, 13-cv-02906 (S.D. Tex. filed Feb. 4, 2014).

¹⁰⁴ Plaintiff's Response to Defendant's Rule 12(b)(6) Motion to Dismiss Count V of Plaintiff's Amended Complaint, Exxon Mobil Corp. v. FX Networks LLC, 13-cv-02906 (S.D. Tex. filed 2014), at 7.

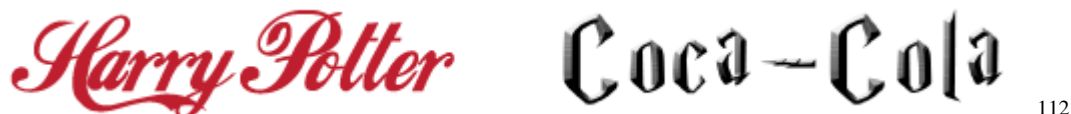
¹⁰⁵ [Xalatan v. Travatan example: state dilution claim dismissed on preemption grounds, but plaintiff's challenge included the similar coloration of the parties' marks on the packages.] The legislative history is silent on this issue, in part because the House's initial version of the bill did not include a preemption provision. See H. Rpt. 104-374, Federal Trademark Dilution Act of 1995, P.L. 104-98, 109 Stat. 985, (Enacted Bill) 104 H.R. 1295 at 6, 8. The enacted version did include a preemption provision. Pub. L. 104-98 sec. 3(c)(3) (signed Jan. 16, 1996) (preempting state claims “with respect to that [registered] mark”). The pattern repeated with the Trademark Dilution Revision Act of 2006. See H. Rpt. 109-23, P.L. 109-312, 120 Stat. 1730, (Enacted Bill) 109 H.R. 683, at 8 (no preemption provision); Pub. L. 109-312 Sec. 2(1)(c)(6) (similar in relevant part to previous preemption provision). A probable drafting mistake made the preemption provision extend to federal dilution claims; the numbering of the provision was fixed, again without discussion of the meaning of “that mark.” Trademark Act of 1946 Correction, P.L. 112-190, 126 Stat. 1436, (Enacted Bill) 112 H.R. 6215.

¹⁰⁶ Committee on the Judiciary of the House of Representatives, H. Rpt. 112-647, at 3, Trademark Act of 1946 Correction, P.L. 112-190, 126 Stat. 1436, (Enacted Bill) 112 H.R. 6215.

¹⁰⁷ See *id.* at 5. Earlier testimony had likewise argued for national uniformity, a goal that could support reading the preemption provision broadly, but did not specifically engage with the scope of a registered mark. See Hearing, HRG-1995-HJH-0054, “Madrid Protocol Implementation Act and Federal Trademark Dilution Act of 1995,” Hearing before the Subcommittee on Courts and Intellectual Property of the Committee on the Judiciary of the

Nonetheless, the court agreed with Exxon’s position.¹⁰⁸ Exxon argued that it could challenge the FXX *design*, because Fox didn’t own a registration for that design, and preemption by its explicit terms only covered the mark that was registered.¹⁰⁹ The court reasoned that, while Fox could show its entitlement to a standard character registration by making use of the term “FXX” in any font or design, that didn’t entitle it to preemption against state dilution claims for all possible fonts or designs.¹¹⁰

And Exxon’s position is not without its attractions. If the standard character mark really does include all possible fonts, then what are we to make of the PTO’s common practice of issuing registrations for a distinctive standard character mark and for a stylized version of that same mark, when the PTO also says it doesn’t issue duplicate registrations?¹¹¹ More conceptually, if a standard character registration is evidence that the registrant has the right to use the mark in any design, then shouldn’t almost all standard character marks encroach on marks with famous fonts? Consider the effect of this switch:



So HARRY POTTER shouldn’t be entitled to a standard character registration; it should only be entitled to register stylized versions that don’t infringe or dilute other marks. Likewise, consider this result from a Snickers online image generator that would take any word and convert it into the Snickers coloring and font:¹¹³

House of Representatives, July 19, 1995, P.L. 104-98, 109 Stat. 985, (Enacted Bill) 104 H.R. 1295, at 122, 128 (Statement of Thomas E. Smith, Chair, Section of Intellectual Property Law, American Bar Association) (supporting continued state antidilution protection, but noting that “the existing patchwork of state antidilution statutes, each of which comes with its own idiosyncracies, renders it difficult for businesses to implement a truly national brand management strategy” and claiming that a federal dilution law “is likely to ‘level’ the nationwide playing field in much the same manner as the Lanham Act has produced a truly national body of likelihood of confusion law”); *id.* at 209-10 (Statement of Michael K. Kirk, Executive Director, The American Intellectual Property Law Association, arguing for strong preemption on national uniformity grounds). Nothing in the subsequent revisions changed the preemption situation, as far as witnesses noticed. See Trademark Dilution Revision Act of 2006, P.L. 109-312, 120 Stat. 1730, (Enacted Bill) 109 H.R. 683, House Hearing, HRG-2005-HJH-0147, “Trademark Dilution Revision Act of 2005,” Hearing before the Subcommittee on Courts, the Internet, and Intellectual Property of the Committee on the Judiciary of the House of Representatives, at 17 (Prepared Statement of Anne Gundelfinger, President, International Trademark Association, stating that registration is and should remain “a complete bar” to a state dilution claim).

¹⁰⁸ Exxon Mobil Corp. v. FX Networks LLC, 13-cv-02906 (S.D. Tex. Aug. 18, 2014)

¹⁰⁹ 15 U.S.C. 1115(c)(6) (preemption is available “with respect to that [registered] mark”).

¹¹⁰ Opinion at 6 (preemption doesn’t encompass “unregistered stylized variations of a registered standard character mark”).

¹¹¹ TMEP §703 (stating policy against issuing duplicate registrations).

¹¹² Roundpeg, *Font Swap*, <http://www.roundpeg.biz/2012/02/font-swap/>.

¹¹³ See <http://adage.com/article/creativity-news/snacklash-snickers-online-effort-brandjacked-a-familiar-face/135030/>.



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It would be odd to say that Nescafe’s standard character mark registration covered this display. Moreover, Fox’s position would imply that, in assessing whether a standard character mark ought to be registered, the PTO ought to imagine it in every possible font, and deny the registration if any of those fonts were likely to cause confusion.¹¹⁵ It’s hard to imagine many standard character mark registrations issuing under that standard.

Making matters possibly more confusing, the Federal Circuit has said that the PTO is supposed to consider a standard character mark broader than as if it were presented in every reasonable font—but it hasn’t explicitly instructed the PTO to always consider the mark in the Coca-Cola font.¹¹⁶ [Add further discussion of X-Ceed]

This immediate question about dilution is an echo of a broader one: dilution explicitly eschews any consumer protection purpose. It is about protecting trademark owners, whether that protection is framed as rewarding investment, protecting property rights, or safeguarding dignity. As a result, confusion serves no function in delineating the boundary of the trademark right at issue. Since, in the rest of trademark law, confusion is now the *only* thing that matters (absent functionality or free speech concerns), it’s very hard to figure out where the dilution right should end or what should count as dilutive. Indeed, the tests for whether dilution is “likely” are essentially meaningless, since it isn’t really an empirical concept. Dilution is not something to be proven. Instead, it is a regulatory issue: how far should a trademark owner’s rights extend beyond the specification of the mark and the goods and services to which it applies?¹¹⁷

F. Deadwood on the Register Revisited

[More discussion of the deadwood problem: marks not in use; really abandoned but capable of creating legal rights. Interfering with ex ante searches, but little use ex post because any actual confusion inquiry will discover there isn’t use, making confusion very difficult. Not justified either in consumer protection or business management terms. If registration is to be meaningful—whether as providing notice or providing substantive rights—needs to be cleaned up.

IV. Rationalization or Continued Uncertainty?

Registration’s core problem is that it tries to serve two goals that are only partially compatible: helping businesses order their affairs and matching rights with consumer understanding. Registration seems obviously desirable, but we haven’t given enough thought to

¹¹⁴ http://www.freakingnews.com/images/contest_images/snickers-nescafe.jpg

¹¹⁵ Cf. Op. at 7 (suggesting that under Fox’s interpretation mark owners would have to oppose any potentially overlapping standard character applications).

¹¹⁶ [X-Ceed].

¹¹⁷ See Robert Burrell & Michael Handler, Dilution and Trademark Registration.

what role we want it to play in the larger trademark system now that infringement is such a broad concept. Confusion expanded and contributed to making the registration system stop working for what it used to do. The registration system was a casualty of this expansion, but can be part of the solution.

We should register fewer marks (and cancel more). This is appropriate whether we decide to make registration stronger or weaker in infringement matters. “Deadwood” on the register harms either type of system. This solution should involve requiring more proof of use on the listed goods and services,¹¹⁸ as well as more proof of secondary meaning before registering descriptive marks—and the PTO should be very willing to find marks to be descriptive instead of inherently distinctive.¹¹⁹ Right now, the PTO has the burden of proof in finding an applied-for symbol to be descriptive; shifting the burden would be a small step towards preventing the register from being clogged.¹²⁰

Robert Burrell and Michael Handler contend that the best reason to have a registration system, not just a trademark system, is to allow businesses to determine what they can and cannot do in their own operations.¹²¹ Yet combining registration with general protection against confusion interferes with this function, because looking at the specifications in the registry cannot on its own assure a business that it will have freedom to operate.¹²² Handler and Burrell advocate for two baselines: First, nothing should be registered whose use could be enjoined, since there’s no point in putting an unusable mark on the register where it could interfere with other registrations. Second, any mark that could get some kind of protection, even a narrow amount, should be registrable.¹²³ However, if the registration and infringement inquiries differ, and must differ, then this reconciliation will still have patches that don’t work. There will be marks refused registration that could be used, and marks allowed registration that turn out to infringe. We could solve this problem by making our infringement inquiry track the more artificial registration approach, but only at the cost of ignoring more of the contextual evidence and thus possibly both under- and over-protecting consumers from confusion. [Central versus peripheral claiming: you register only your actual design, then resolve scope case by case in confusion disputes?]

One could attempt to defend registration simply as another way of getting at consumer understanding, but from a rule-based perspective rather than a fact-specific standards regime.

¹¹⁸ The PTO has itself suggested possible reforms for further exploration, including requiring more proof of use, a streamlined non-use procedure for eliminating previously claimed goods and services from a registration, and further random audits of the register. See USPTO, Post Registration Proof of Use Status Report, *supra* note [], at 2-3.

¹¹⁹ [cf. Ramsey]

¹²⁰ *In re Merrill Lynch, Pierce, Fenner & Smith, Inc.*, 4 U.S.P.Q.2d 1141, 1143 (Fed. Cir. 1987) (PTO has burden of proof on mere descriptiveness rejections).

¹²¹ Burrell & Handler, *supra* note [], at 7 (“The best explanation for why we provide a facility for trade mark registration is that the existence of a trade mark register provides the business community with a valuable source of information. Most importantly, a trade mark register helps reduce business ‘clearance costs,’ that is, it helps traders to discover which signs are already owned by third parties, thereby assisting them in choosing marks that can be used safely. In order to perform this function effectively it is essential that the register provides as accurate a source of information as possible.”) (footnotes omitted).

¹²² See *id.* at 7 n.20.

¹²³ Handler & Burrell [Fed. L. Rev.], *supra* note [], at [].

There are occasional attempts to explain parts of the trademark system as setting forth rules that, we hope, overall minimize consumer confusion at an acceptably low administrative cost even when they get a specific confusion determination wrong. Professor Robert Bone has argued that the distinction between descriptive and inherently distinctive marks in particular works this way—we predict that “inherently distinctive” marks are so likely to be understood as marks that it’s not worth making a claimant prove that consumers actually understand her particular symbol as a mark.¹²⁴ While a tradeoff between avoiding confusion and spending an efficient amount on administration can be used to explain some of these rules, it doesn’t address all of them. Rules excluding scandalous and disparaging marks from registration, for example, raise administrative costs without any payoff in avoiding confusion. Rules allocating geographic priority to an entire country when we know for a fact that a registrant only operates in a tiny corner also aren’t just about avoiding confusion.¹²⁵

As Handler and Burrell say of the Australian system, we need to consider “the relative weight we want to assign to registration and use in determining rights between competing traders.” No matter what, some businesses will lose out in ways that seem unfair. The best we can do is to identify the parts of the system that work least well, usually because they haven’t acknowledged the fundamental conflict between certainty and assessment of consumer understanding.¹²⁶

Procedural: We could determine that registration should be conformed to the “quick and dirty prediction” rationale often given for it—the rules versus standards idea. This would mean that registration would only be presumptive, and it should likewise lead to the removal of incontestability. Any presumption raised by registration should be rebuttable very easily, and we might require the registrant to prove use as part of its prima facie case in order to avoid holdup costs.

Substantive view: We could even reject registrations of descriptive marks, even descriptive marks with secondary meaning, which would encourage producers to adopt marks that are less likely to interfere with others’ competitive needs.¹²⁷ [Would need to limit holdup risks somehow; remove constructive notice function or make it irrelevant to confusion analysis if

¹²⁴ See Robert G. Bone, *Enforcement Costs and Trademark Puzzles*, 90 Va. L. Rev. 2099, 2132 (2004) (“Because of the high probability that these marks already have or will soon acquire secondary meaning, the conclusive presumption is very likely to be correct most of the time. Moreover, the conclusive presumption saves the litigation costs of actually proving secondary meaning in individual cases.”).

¹²⁵ One could argue that blocking registration of marks from other areas prevents confusion in the long run when one or another business expands and then encounters a similarly named competitor, but (1) most businesses never expand in that way, so this is a very expensive solution to a rare problem, and (2) of course, barring registration doesn’t bar use, so the problem of colliding expansion can still exist, and is especially likely for entities that start small and, usually, without trademark counsel. So, while it is possible to imagine an empirical story defending nationwide priority in confusion terms, and while courts have accepted worse confusion theories, I consider this reasoning a back-formation from the true explanation, which is that nationwide registration is extremely useful for businesses ordering their affairs.

¹²⁶ *Id.* at [].

¹²⁷ Cite P&G case [Leval, J., arguing that accepting highly descriptive marks leads to a crowded field that does not aid consumers]; Lisa Ramsey article.

not to nationwide rights?¹²⁸] If we keep an empirical likely confusion test, we should abandon registration as having any role in the likely confusion analysis.

Right now we have the worst of both worlds for weak and strong registrations: among other things, a registry check doesn't protect a new user, and the register is also clogged with unused marks. Registration may make people feel secure, but that means we've stopped caring about confusion.

Possible reforms:¹²⁹ [What about shifting more determinations to the PTO, rather than to courts? Would shifting more to agency make the rights broader or narrower? Would it change allowable uses? (E.g., would an agency be more willing to find no infringement if the use wouldn't constitute registrable use—opposite of position taken in 1-800-Contacts, return of TM use requirement?)]

We could also make registration more powerful, as it is in other countries, converting the PTO's hypothetical confusion inquiry into the infringement inquiry (and therefore justifying deference to PTO findings). Explicitly gold-plating registered marks would require us to admit that business predictability is the aim of the system over and above consumer confusion, but it's not out of the question. Especially if deadwood is a big problem, we should charge a lot for registration and for maintaining a registration, and we should also charge more for broader rights (colors or other forms of trade dress, standard character marks, ITUs).¹³⁰ This would be similar to certain proposals to make the Copyright Office charge more to bigger registrants.

But we'd need to change rights to make registration a reasonable choice/incentivize it, which would require pushing down the level of rights for unregistered marks. In this view, there should be a strength gap between registered and unregistered marks, but because overall trademark strength is currently so strong, increasing protection for registered marks would mainly have anticompetitive and/or free speech-suppressing effects. Aside from creating a double identity rule removing the formal requirement to prove confusion where the same mark is used on the same goods, any serious gap should be opened up by decreasing the protection for unregistered marks beyond the current difference of putting the burden of proof on the plaintiff to prove that an unregistered mark is protectable as a mark. If we give up on a harm requirement generally (not necessarily a good idea), we could resume the historical practice of requiring a showing of actual harm in infringement claims involving unregistered marks, rather than the presumption of harm used in most infringement cases today. We could require intentional copying in the case of unregistered marks. We could also limit liability in unregistered mark cases to actual confusion about *source*, rather than the more attenuated "association" confusion now regularly actionable. This would give bite to a registration not by expanding the rights of registered mark owners, but by cutting back on the enormous expansion of rights in unregistered

¹²⁸ Cf. experiences with "cybersquatting." Holdup risks are quite real where a registrant can credibly threaten suit, absent some strong penalties for abuse of rights.

¹²⁹ Often reform proposals have to deal with potential effects on our treaty obligations. The good news here is that most imaginable changes to our registration system will be acceptable, since many other countries in the IP treaty regime have a registration-only system; whether we make registration stronger or weaker, we are unlikely to go outside the boundaries of what's permissible.

¹³⁰ Dilution registry: discuss Burrell, doesn't work well. Could be for "fame among general consuming public" with no identification of goods or services at all. Nike perhaps, but not Apple.

marks. [Everyone would want to be on the register—expansion is natural, just as with trade dress and color eventually getting on.][Manage with fees for renewal and proof of use?]

We could also try to deal with the problem of abusive cease and desist letters by being clear about the strength of registration and focusing more on the specification in identifying trademark owners' rights. Trademark owners often claim that they "have" to police unauthorized uses in order to preserve their marks against abandonment. While this is a useful tactic for deflecting charges of bullying when a trademark owner threatens an individual who designed a funny T-shirt and offered it for sale online, it's not really entailed by current law.¹³¹ But a more registration-focused system could make very clear that failure to police uses on T-shirts was absolutely irrelevant to a mark whose specification is for anything other than T-shirts.

Scholars of American trademark law have long argued that, by accepting "avoid confusion" as trademark's proper goal and then defining "confusion" extremely broadly, trademark law has expanded far beyond where it should go. When some courts are willing to enjoin movies because they share a name with a trademark owner,¹³² and when bringing a trademark owner to mind can justify liability, "confusion" is a proxy for some other concept of unfairness—and it's a proxy whose use risks harm to free speech and free competition.

Scholars have been less united about what to do about this problem. Registration-based systems, with their rigid rules and historical intolerance for practices like parody and comparative advertising, don't regularly seem to do better. Those systems do often set aside confusion-based theories to apply conceptual restrictions on what can be registered (for example, a "mark" must be visually rendered in the specification,¹³³ excluding smells) or on what can infringe (for example, a defendant that made toy cars didn't "use" the plaintiff's trademark "as a mark").¹³⁴ Nonetheless, registration-based systems too are under ongoing pressure to let "unfair competition" take up any slack left, and they do generally provide trademark claimants with some sort of remedy for "confusing" unauthorized uses of unregistered marks and unauthorized uses for goods or services other than those offered by the trademark owner.

We need to admit formally that the system is not just about avoiding confusion, and that rewarding producers specifically entails restricting others' freedoms even in the absence of actual confusion, as well as consequences that ignore real risks of confusion that we have nonetheless decided to tolerate.¹³⁵ Most criticisms of expansive confusion doctrines have been ignored by judges and practitioners, unless there is a direct competitive or First Amendment need for the particular use at issue. We need to show that ordering producer relations is central to trademark and that therefore asking non-confusion-related questions is legitimately dispositive in situations that protect subsequent users, not just in situations that protect existing trademark

¹³¹ [cite work on C&D letters]

¹³² [Dairy Queens case]

¹³³ [cite ECJ case]

¹³⁴ [Opel]

¹³⁵ E.g., 33(b): absolute rule trading off with confusion: explicit in Thrifty that confusion avoidance isn't only goal; descriptive fair use/KP Permanent.

owners. Producer focus can be used to limit trademark owners' rights, even though it has been more regularly used to expand them in the past.¹³⁶

Thinking more explicitly about the function of registration could help improve U.S. trademark law by making clear that we do not have a unitary, confusion-focused system. Not in limit cases but at the heart of our system, we regularly dispense with concerns over confusion in order to serve other aims. This recognition could provide a useful new path to limiting bad extensions of confusion-based reasoning. In addition, if we more explicitly used non-confusion-based concerns, we could harmonize the various doctrines now in disarray, or at least explain why some privilege confusion and others don't.

We have decided to create a number of legal fictions surrounding trademark registration, but also to retain empirical inquiries. Since this mixed approach involves bearing the costs of both and lessening the benefits of both, we should carefully consider the balance we have accepted.

¹³⁶ Cf. accounts of using property law to limit intellectual property rights, since property rights are actually much more limited than IP expansionists admit. [Fagundes, etc.]