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Notes

SKIING CLOSE TO THE EDGE OF TRADEMARK LAW: THE ENFORCEABILITY OF GEOGRAPHICALLY DESCRIPTIVE MARKS IN VAIL ASSOCIATES v. VEND-TEL-CO.

I. INTRODUCTION

The practice of using trademarks to indicate the source or origin of products dates back thousands of years.\(^1\) Within the past few decades, however, the economic value of trademarks and other intellectual property (IP) has sky-rocketed in comparison to traditional tangible assets.\(^2\) Given this unprecedented change, courts and legislators encounter difficulty determining the appropriate level of legal protection to accord to owners of IP.\(^3\) In the field of trademark law, courts must balance the need to enforce the rights of trademark holders against the social and economic need to foster competition and allow the free flow of information.\(^4\) The legal enforceability of geographically descriptive marks is a controversial, yet unheralded area of law where these competing interests clash.\(^5\)

In Vail Associates v. Vend-Tel-Co,\(^6\) these interests came to a head in an important and timely trademark infringement case in the Tenth Circuit.

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1. See J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 5:1 (4th ed. 2009) (noting that humans began using symbols to brand cattle in ancient Egypt, Romans used signboards in their marketplaces, and medieval sword makers used marks to identify their hand-crafted weapons).

2. See Kevin G. Rivette & David Kline, Discovering New Value in Intellectual Property, HARV. BUS. REV., Jan.-Feb. 2000, at 54, 56 (asserting that intellectual property assets, rather than tangible property, are now "principal wellsprings of shareholder wealth and competitive advantage").

3. See Mark A. Lemley, The Modern Lanham Act and the Death of Common Sense, 108 Yale L.J. 1687, 1697 (1999) (arguing that "[c]ourts seem to be replacing the traditional rationale for trademark law with a conception of trademarks as property rights, in which trademark owners are given strong rights over the marks without much regard for the social costs of such rights").


5. See Lisa P. Ramsey, Descriptive Trademarks and the First Amendment, 70 Tenn. L. Rev. 1095, 1098-99 (2003) (arguing that descriptive marks, currently valid and registrable under federal trademark law, should be eliminated from trademark protection). A descriptive mark is a "word, name, or symbol used to indicate a brand of product or service that also describes the qualities or characteristics of the product or service sold under that mark." Id. at 1097.

6. 516 F.3d 853 (10th Cir. 2008).
Vail Ski Resort, the largest ski resort in the United States and one of the most famous in the world, sued a ski marketing company for its operation of the vanity phone number “1-800-SKI-VAIL.” Vail Associates (VA) owned the registered service mark “VAIL,” while Vend-Tel-Co. (VTC) owned the registered service mark “1-800-SKI-VAIL.” VA sued VTC for service mark infringement in violation of the federal Lanham Act, claiming that the phone number was likely to cause confusion among consumers attempting to reach VA. The Tenth Circuit, in a 2-to-1 decision, held that the marketing company’s phone number did not infringe upon VA’s geographically descriptive mark.

The Vail court’s ruling sheds important light on the legal enforceability of geographically descriptive marks. With many well-known and famous marks including references to geographic location, this decision will leave holders of these marks questioning the strength of the marks and their enforceability in federal courts in the face of imitators and free riders. This Note discusses the Tenth Circuit’s ruling in Vail in light of evolving federal trademark law and contends that the decision threatens

7. See id. at 857 (describing appellant’s claim). With over 5,000 acres of skiing terrain in northern Colorado, Vail is the largest ski resort by area in the United States. See Vail.com, Vail Mountain Stats, http://www.vail.com/mountain/ex plore-mountain/stats-facts.aspx (last visited Jan. 4 2010) (describing ski terrain at Vail Ski Resort). Vail is also considered one of the most popular and renowned ski resorts in the world. See id. (describing Vail Ski Resort’s international reputation).

8. See Vail, 516 F.3d at 857 (describing facts of case). This Note will use the words “trademark” and “mark” to also encompass the “service mark,” which applies to marks identifying producers of services as opposed to goods. The Lanham Act, the federal trademark statute, covers the registration and protection of both trademarks and service marks. See 15 U.S.C. § 1053 (2006); Park ‘N Fly, Inc. v. Dollar Park & Fly, Inc., 469 U.S. 189, 191 n.1 (1985) (explaining that Lanham Act “generally applies the same principles concerning registration and protection to both trade and service marks”); Ramsey, supra note 5, at 1099 n.14 (“All Lanham Act provisions governing trademarks are applicable to service marks.”).

9. See Vail, 516 F.3d at 857 (describing appellant’s service mark infringement claim).

10. See id. at 873 (explaining that court would not “extend unwarranted service mark protection to VA on what the record tells us is first and foremost a geographical term describing a ski destination in the Colorado Rockies”).


12. See id. (stating that, in light of Vail, clients using geographically descriptive marks should be advised that “the scope of their protection will likely be very narrow, and it will be extremely difficult to stop others from using the geographically descriptive portion of the mark unless the use directly competes with the original mark”). Weakening legal protection for geographically descriptive marks is significant given the prevalence of such marks. See Robert Braunies & Roger E. Schechter, Geographic Trademarks and the Protection of Competitor Communication, 96 TRADEMARK REP. 782, 804 (2006) (explaining reasons for prevalence of geographically descriptive marks, including that famous geographic terms are memorable and enable consumers to more easily recall merchants’ goods or services, and further that well-known worldwide marks can “become standardized among people
the enforceability of valid geographically descriptive trademarks and service marks. Further, this Note argues that the failure to enforce a famous mark, which is earned through years of accumulated goodwill, successful marketing, and the continuation of a quality service, is a detriment to future federal trademark protection. Part II of this Note describes the basics of federal trademark law and trademark infringement lawsuits, and discusses the controversial trademark doctrines at the heart of the conflict in Vail. Part III provides the factual foundation in Vail and outlines both the majority and dissenting analyses. Part IV critically reviews the court’s rationales, concluding that the dissenting opinion is more persuasive because of the approaches of other federal circuits as well as the purposes of trademark law. Further, Part IV considers the potential impact of the majority opinion on other areas of trademark law. Finally, Part V discusses the impact the Tenth Circuit’s ruling will have on the enforceability of trademarks in today’s marketplace.

II. BACKGROUND

A. The Lanham Act and Federal Trademark Law Basics

A mark is a word, symbol, or phrase used to identify a person’s goods or services in commerce and distinguish them from goods or services of who speak many different languages, thus enabling merchants to build internationally memorable brands).  

13. For a critique of the Vail ruling and the potential consequences for the enforceability of geographically descriptive marks, see infra notes 115-79 and accompanying text.

14. For a discussion of how the Vail decision fits into broader debates on federal trademark protection, see infra notes 148-79 and accompanying text.

15. For a discussion of federal trademark law and the relevant legal doctrines at play in trademark infringement lawsuits, see infra notes 20-60 and accompanying text.

16. For an overview of the factual background in Vail and a synopsis of the majority and dissenting opinions, see infra notes 61-114 and accompanying text.

17. For an analysis of the Vail majority’s reasoning, a critical comparison between the approaches of the majority and the dissent, and a discussion of the Vail decision in the context of the approaches of other federal circuits and the purposes of trademark law, see infra notes 115-58 and accompanying text.

18. For a discussion of Vail’s effect on trademark infringement claims involving websites and Internet domain names, see infra notes 159-69 and accompanying text.

19. For a discussion of the potential impact of the Vail ruling on future trademark infringement disputes, see infra notes 170-79 and accompanying text.
others.20 The Trademark Act of 1946,21 commonly known as the Lanham Act, is the federal trademark statute that governs the registration and enforceability of marks.22 In order to receive legal protection, a mark must be “distinctive”—meaning it must act to identify the source of a particular good or service.23 To determine whether a disputed mark is enforceable, most courts place the mark in one of five classic categories of distinctiveness: generic, descriptive, suggestive, arbitrary, or fanciful.24 Terms found to be generic do not receive trademark protection, whereas those marks determined to be suggestive, arbitrary, or fanciful are all considered “inherently distinctive” and thus will always qualify for registration and protection.25

20. See 15 U.S.C. § 1127 (2006) (defining “trademark” to include “any word, name, symbol, or device . . . used by a person . . . to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown”). The Lanham Act defines a “service mark” as “any word, name, symbol, or device . . . used by a person . . . to identify and distinguish the services of one person, including a unique service, from the services of others and to indicate the source of the services, even if that source is unknown.” Id. A “mark” is defined to include “any trademark, service mark, collective mark, or certification mark.” Id.

21. Id. §§ 1051-1127.

22. See id. (encompassing federal statutory codification of Lanham Act). The specific Lanham Act provisions governing registration and enforceability of marks will be examined in detail throughout this Note. The Lanham Act’s legislative history provides an insight into the purposes of trademark protection:

The purpose underlying any trade-mark statute is twofold. One is to protect the public so it may be confident that, in purchasing a product bearing a particular trade-mark which it favorably knows, it will get the product which it asks for and wants to get. Secondly, where the owner of a trade-mark has spent energy, time, and money in presenting to the public the product, he [or she] is protected in his [or her] investment from its misappropriation by pirates and cheats. This is the well-established rule of law protecting both the public and the trade-mark owner.


23. See Suman Naresh, Incontestability and Rights in Descriptive Trademarks, 53 U. Chi. L. Rev. 953, 955 (1986) (describing distinctive mark as one that creates mental association in minds of consumers, whereby they understand that all goods carrying mark are connected with single source).

24. See Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 9 (2d Cir. 1976) (explaining that five categories are arranged in ascending order to reflect mark’s eligibility for trademark status and degree of protection accorded); see also Two Pesos, 505 U.S. at 768 (adopting Abercrombie’s “classic formulation” of mark distinctiveness).

25. See Two Pesos, 505 U.S. at 768 (noting that suggestive, fanciful, and arbitrary marks are protected “because their intrinsic nature serves to identify a particular source of a product”); Park ’N Fly, Inc. v. Dollar Park & Fly, Inc., 469 U.S. 198, 194 (1985) (explaining that generic marks constitute a common descriptive name, and that generic terms “are not registrable, and a registered mark may be cancelled at any time on the grounds that it has become generic”) (citation omitted). Fanciful marks are coined or made-up words “that have been invented or selected for the sole purpose of functioning as a trademark.” See 2 McCarthy, supra note 1, § 11:5 (defining fanciful marks). Examples of fanciful marks include “Kodak” photo supplies and “Exxon” oil products. See Eastman Kodak Co. v. Rakow, 739 F.
In contrast, descriptive marks are not inherently distinctive because they directly and immediately convey information about the product or service to the consumer. Accordingly, descriptive marks may only be registered and legally protected if they have acquired "secondary meaning." Secondary meaning attaches when a mental association has been created in the minds of consumers between the mark and the particular source of the product. Further, the doctrine of incontestability will pro-

Supp. 116, 117 (W.D.N.Y. 1989) ("The Kodak trademark is perhaps one of the strongest and most distinctive trademarks in this country, if not in the world."); 2 McCARTHY, supra note 1, § 11:8 (listing "Kodak" and "Exxon" among examples of fanciful marks). Arbitrary marks include common words in the language that have nothing to do with the goods or services sold under the name. See 2 McCARTHY, supra note 1, § 11:11 (describing arbitrary marks). Examples of arbitrary marks include "Camel" cigarettes and "Saturn" cars. See Wal-Mart Stores, Inc. v. Samara Bros., Inc., 529 U.S. 205, 210 (2000) (citing "Camel" as example of arbitrary mark for cigarettes); 2 McCARTHY, supra note 1, § 11:13 (listing "Camel" and "Saturn" among examples of arbitrary marks). Suggestive marks merely suggest some quality or characteristic of the goods, leaving it to the consumer to determine their actual nature. See Ramsey, supra note 5, at 1109 (explaining that suggestive marks "require the consumer to exercise some imagination, thought, or perception to determine the type of product sold under that mark"). An example of a suggestive mark is "Tide" laundry detergent. See Wal-Mart, 529 U.S. at 212 (noting that "Tide" mark may "invoke positive connotations" in mind of laundry detergent consumers).

26. See Ramsey, supra note 5, at 1097 (defining descriptive mark as "a word, name, or symbol used to indicate a brand of product or service that also describes the qualities or characteristics of the product or service sold under that mark"); see also 2 McCARTHY, supra note 1, § 11:16 (explaining that descriptive mark might inform consumer of intended purpose, function, use, size, provider, class, nature, or desirable characteristic of goods or services).

27. See 15 U.S.C. § 1052(f) (stating that secondary meaning is acquired for descriptive mark when mark "has become distinctive of the applicant's goods in commerce"); Qualitex Co. v. Jacobson Prods. Co., 514 U.S. 159, 171 (1995) (noting that § 1052(f) "permits an ordinary word, normally used for a nontrademark purpose (e.g., description), to act as a trademark where it has gained 'secondary meaning'"); Park 'N Fly, 469 U.S. at 194 ("A 'merely descriptive' mark . . . may be registered only if the registrant shows that it has acquired secondary meaning, i.e., it 'has become distinctive of the applicant's goods in commerce.'" (quoting 15 U.S.C. § 1052(f))); see also Ramsey, supra note 5, at 1118 (explaining that even though phrase "secondary meaning" does not appear in the Lanham Act, "courts use 'secondary meaning' as a synonym for the phrase 'has become distinctive' in § 1052(f) of the Act"). Therefore, the test for registration and protection of the five categories of marks may be summarized as: "[t]he general rule regarding distinctiveness is clear: An identifying mark is distinctive and capable of being protected if it either (1) is inherently distinctive or (2) has acquired distinctiveness through secondary meaning." Two Pesos, 505 U.S. at 769.

28. See 2 McCARTHY, supra note 1, § 15:5 (explaining that mental association in buyers' minds between mark and single source of product is prime element of secondary meaning doctrine); Alan L. Durham, Trademarks and the Landscape of Imagination, 79 Temp. L. Rev. 1181, 1186 (2006) (illustrating that secondary meaning requires extensive use of descriptive term as brand over time, to create positive mental association for consumers).
vide additional protection to registered descriptive marks that have been in use for five continuous years.  

As a subset of the troublesome descriptive mark category, geographically descriptive marks pose difficult questions for courts. These marks require a showing of secondary meaning to be eligible for registration and protection. Without acquiring secondary meaning—the consumer's formation of a mental association between the mark and a specific product—geographic terms merely refer to a location, and will not receive legal protection. Thus, the central tension geographically descriptive marks create is the need for courts to protect strong marks that refer to a location or place, weighed against the necessity for other producers in the same geographic area to use their own marks to inform consumers about their products.

29. See 15 U.S.C. § 1065 (stating that registered descriptive mark receives incontestable status when "such registered mark has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce"); see also Park 'N Fly, 469 U.S. at 205 (holding that once mark has become incontestable, it may no longer be challenged as being "merely descriptive"); Naresh, supra note 23, at 973 (explaining that Lanham Act's incontestability provisions cut off challenges to registered mark's distinctiveness after five years of continuous use).

30. See 2 McCarthy, supra note 1, § 14:10 (noting that once established requirements are met, most courts will protect geographical terms in same way as any strong mark, but some other courts have held that certain geographical marks are inherently weak marks and therefore are only entitled to "narrow scope of protection"); Durham, supra note 28, at 1187-1212 (arguing that although geographic associations are powerful and useful tools for product marketers, for courts analyzing "geographic terms used as trademarks, achieving that equilibrium has proven particularly difficult").

31. See 2 McCarthy, supra note 1, § 14:9 (explaining that geographic terms must acquire secondary meaning for legal protection, and that owner of such mark must prove that customers have come to use geographically descriptive word in new and secondary sense as identifying only one source and quality of goods or services); see also id. § 14:10 ("Once proof of secondary meaning is established, a geographical term generally will be protected in the same manner as any other 'strong' mark.").

32. See id. § 14:1 (explaining that in absence of secondary meaning, geographic terms are not specific or distinctive enough to be eligible for registration and protection because consumers associate mark with geographic place, rather than mark holder's product).

33. See id. (describing "public domain" argument that every seller should have right to inform customers of geographic origin of seller's goods, unless one mark holder has built up enough goodwill and consumer recognition to qualify for legal protection and to allow mark to be taken out of public domain); see also Brauneis & Schechter, supra note 12, at 803 ("Granting trademark rights to a geographic term makes it more difficult for a competitor who is located in the place designated by the term to inform the public of its location."). The Restatement of Unfair Competition has characterized the conflicting interests between mark holders and competitors in the following way:

That a watch is Swiss, that wine is from California, that maple syrup is from Vermont, or that a dress has been designed in New York or Paris are facts in which consumers are interested and which sellers therefore wish to disclose in a prominent manner. While not all locales are of special
B. Trademark Infringement Suits in Federal Court: Battleground of Competing Interests

The Lanham Act provides legal recourse for the owner of a mark who believes another party is using an identical or confusingly similar mark, thereby infringing the owner’s rights. Remedies available to the owner for the infringement include injunctive relief (preventing the infringing party from using the mark), damages, lost profits, and attorney’s fees. In an infringement suit, the plaintiff owner must prove that a valid mark exists and that the defendant’s mark is likely to cause confusion among con-

importance to consumers, merchants should remain free to indicate the location of their place of business or the geographic origin of their goods without unnecessary risk of infringement.


34. See 15 U.S.C. § 1114. Section 1114(1), the Lanham Act’s trademark infringement provision that applies to registered marks, provides:

1. Any person who shall, without the consent of the registrant—
   (a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or
   (b) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive, shall be liable in a civil action by the registrant for the remedies hereinafter provided.

Id. § 1114(1)(a)-(b). Section 1125(a), the Lanham Act’s unfair competition provision, which applies to unregistered marks, provides:

(a) Civil action:

1. Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—
   (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or
   (B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person’s goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

Id. § 1125(a)(1)(A)-(B).

35. See id. §§ 1114(2), 1117 (listing remedies available under Lanham Act).
sumers. Accordingly, "likelihood of confusion" is the key element of a mark infringement claim.

The Tenth Circuit has adopted a six-factor test to determine whether a likelihood of confusion exists between two marks. Although different courts weigh certain factors more heavily based on the specific facts of each case, no one factor is determinative or controlling. The task of balancing the multiple factors poses difficulty for courts because there is no "precise formula" or "exact science" for judging consumer expectations and mental associations.

The first factor analyzed in the Tenth Circuit's likelihood of confusion test is the degree of visual and literal similarity between the disputed marks. Next, the second factor examines the intent of the alleged infringer in adopting a mark similar to the one already in use. The third

36. See A & H Sportswear, Inc. v. Victoria's Secret Stores, Inc., 237 F.3d 198, 210 (3d Cir. 2000) ("To prove either form of Lanham Act violation, a plaintiff must demonstrate that (1) it has a valid and legally protectable mark; (2) it owns the mark; and (3) the defendant's use of the mark to identify goods or services causes a likelihood of confusion.") (citation omitted).

37. See 15 U.S.C. § 1114(1)(a) (providing that holder of registered mark may sue anyone who uses an imitation of his mark in commerce when "such use is likely to cause confusion, or to cause mistake, or to deceive"); KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc., 543 U.S. 111, 117 (2004) (explaining that plaintiff must show that "defendant's actual practice is likely to produce confusion in the minds of consumers about the origin of the goods or services in question") (citation omitted).

38. See Sally Beauty Co. v. Beautyco, Inc., 304 F.3d 964, 972 (10th Cir. 2002) (detailing likelihood of confusion test). The six factors for likelihood of confusion are:

(1) the degree of similarity between the marks; (2) the intent of the alleged infringer in adopting its mark; (3) evidence of actual confusion; (4) similarity of products and manner of marketing; (5) the degree of care likely to be exercised by purchasers; and (6) the strength or weakness of the marks.

Id. (citation omitted); see also King of the Mountain Sports, Inc. v. Chrysler Corp., 185 F.3d 1084, 1089-90 (10th Cir. 1999) (adopter same six-factor test).

39. See Universal Money Ctrs., Inc. v. AT&T Co., 22 F.3d 1527, 1530 (10th Cir. 1994) ("This list is not exhaustive. All of the factors are interrelated and no one factor is dispositive.") (citation omitted).

40. See LOUIS ALTMAN & MALLA POLLACK, 3 CALLMANN ON UNFAIR COMPETITION, TRUSTS AND MONOPOLIES § 21:11 (4th ed. 2009) (asserting that "on one hand, the court applies legal reasoning, and, on the other, abandons its legal expertise in an attempt to place itself in the shoes of a prospective purchaser").

41. See Sally Beauty, 304 F.3d at 972 (noting that degree of similarity between two marks in question compares their relative "sight, sound, and meaning"); Universal Money, 22 F.3d at 1531 ("In evaluating similarity, we must not engage in 'side-by-side' comparison. Rather, 'the court must determine whether the alleged infringing mark will be confusing to the public when singly presented.'" (quoting Beer Nuts, Inc. v. Clover Club Foods Co. (Beer Nuts I), 711 F.2d 934, 940 (10th Cir. 1983))).

42. See King of the Mountain, 185 F.3d at 1091 ("The proper focus under this factor is whether defendant had the intent to derive benefit from the reputation or goodwill of plaintiff." (quoting Jordache Enters., Inc. v. Hogg Wyld, Ltd., 828 F.2d 1482, 1485 (10th Cir. 1987))); see also Beer Nuts I, 711 F.2d at 941 ("One who
factor evaluates evidence of actual consumer confusion in the marketplace caused by the two marks.\textsuperscript{43} Fourth, the court must consider the similarities between the products or services carrying the marks and the parties' respective manners of marketing.\textsuperscript{44} The fifth factor considers the relative degree of care exercised by consumers when purchasing or searching for products in the relative market.\textsuperscript{45} Finally, for the sixth factor, the court must determine the level of distinctiveness and legal strength of the mark, including applying the secondary meaning doctrine if the mark is deemed descriptive.\textsuperscript{46}

Decisions from other federal circuit courts on the enforceability of geographically descriptive marks have provided mixed guidance.\textsuperscript{47} In geographically descriptive infringement cases, the outcome will often turn on the court's determination of the mark's secondary meaning.\textsuperscript{48} In \textit{Boston Beer Co. v. Slesar Bros. Brewing Co.}, 9 F.3d 175, 181 (1st Cir. 1993) (holding that "secondary meaning has been established in a geographically descriptive mark where the mark no longer causes the public to associate the goods with a particular place, but to associate the goods with a particular source") (citation omitted).
Boston Beer Co. v. Slesar Brothers Brewing Co., 49Boston Beer Company, the manufacturer of Samuel Adams Boston Lager, sued Slesar Brothers Brewery for its use of the mark “Boston Beer Works.” 50 In the First Circuit’s analysis, the deciding factor was whether secondary meaning existed for the plaintiff’s geographically descriptive marks “Boston Beer” and “Boston.” 51 The court found insufficient evidence to show that consumers associated “Boston Beer” with anything other than a geographic location; therefore, because the plaintiff failed to prove secondary meaning, the court found no need to address the likelihood of confusion question. 52

In contrast, in Resorts of Pinehurst, Inc. v. Pinehurst National Corp., 53 the Fourth Circuit enforced the service mark of Pinehurst, a world-famous golf resort, in a service mark infringement case. 54 Although Resorts of Pinehurst owned the federally registered mark “Pinehurst” for golf resort services, the mark is also geographically descriptive because Pinehurst is the name of a North Carolina town where the golf resort is located. 55 Resorts of Pinehurst sued the defendant for naming its two competing golf courses “Pinehurst National Golf Club” and “Pinehurst Plantation.” 56

To determine whether the defendant’s similarly named golf courses infringed the geographically descriptive “Pinehurst” mark, the Fourth Cir-

49. 9 F.3d 175 (1st Cir. 1993).
50. See id. at 179-80 (explaining that Boston Beer Co. sued Slesar Brothers Brewing for trademark infringement under Section 1125(a) instead of Section 1114 of Lanham Act because marks “Boston” and “Boston Beer” are not registered). Slesar Brothers used the marks “Boston Red” and “Boston Beer Works” in its restaurant and brew pub in downtown Boston. See id. at 177 (describing facts of case).
51. See id. at 181-82 (holding that Boston Beer Co. must prove that “when read or heard by consumers in connection with beer, ‘Boston’ no longer means that the beer was brewed in Boston or by a Boston-based brewer” but is produced specifically by appellant’s brewery); see also id. at 182 (holding that with respect to mark “Boston Beer” as part of its name, “The Boston Beer Company . . . must prove that a substantial portion of the consuming public associates those words specifically with appellant’s business”) (citation omitted).
52. See id. at 189 (holding that appellant’s consumer survey evidence did not show secondary meaning, and because no trademark protection is given for geographically descriptive mark without secondary meaning, court does not need to address likelihood of confusion question).
53. 148 F.3d 417 (4th Cir. 1998).
54. See id. at 420 (noting that Pinehurst No. 2, one of eight golf courses at resort, is “internationally famous” in world of golf).
55. See id. (explaining that golf resort and village community were built in 1890s, and then golf developer later named the area “Pinehurst”). Resorts of Pinehurst registered the service mark “Pinehurst” in 1990. See id. (describing facts of case).
56. See id. at 422 (explaining that Resorts of Pinehurst sued for service mark infringement, based on likelihood of confusion under §§ 1125(a) and 1114(1), claiming that their mark was entitled to protection both under common law and as federally registered mark); see also id. (emphasizing that “[l]ikelihood of confusion” is the basic test of both common law trademark infringement and federal statutory infringement” (quoting 3 McCarthy, supra note 1, § 23:1)).
The court held that the mark had acquired secondary meaning, relying on Resorts of Pinehurst’s multi-million dollar marketing campaigns, survey evidence indicating world-renowned acclaim for its golf courses, and the several major professional golf tournaments held at its courses. The mark’s strong secondary meaning, combined with evidence of actual consumer confusion, led the court to protect the “Pinehurst” mark by permanently enjoining the defendant from using the mark in connection with its golf courses. The Fourth Circuit’s enforcement of a world-famous recreational service provider’s geographically descriptive mark in Pinehurst provides an insightful contrast to the Tenth Circuit’s approach in evaluating a similar type of mark in Vail.

III. THE TENTH CIRCUIT LOSSES A GEOGRAPHICALLY DESCRIPTIVE MARK IN A SNOW STORM OF TRADEMARK LAW IN VAIL

The federal courts’ struggle to delineate clear guidance on the enforceability of geographically descriptive marks reached a peak in Vail. Vail Associates (VA), owner of Vail Ski Resort and the registered mark “VAIL,” sought to protect its service mark by suing Vend-Tel-Co. (VTC) for infringement for operating the phone number “1-800-SKI-VAIL.” VA

57. See id. at 421 (explaining that Resorts of Pinehurst must first prove that its mark is valid and protectable before it can succeed in trademark infringement claim, and asserting that this determination will depend on whether mark has acquired secondary meaning).

58. See id. at 421-22 (emphasizing importance of certain factors in secondary meaning determination). Such factors include significant publication and marketing efforts by Resorts of Pinehurst, establishment of a famous reputation through survey evidence, continuous and exclusive use of marks for several decades, numerous books and articles written about Resorts of Pinehurst’s golf courses (particularly Pinehurst No. 2 course), positive recognition in golf magazines, and selection as a host course for major professional tournaments in the past. See id. (noting evidence of strong secondary meaning).

59. See id. at 422 (noting that factors for consumer confusion included testimony of employee of defendant’s course stating that she answered phone calls from people attempting to reach Resorts of Pinehurst to book tee times, and that packages and shipments intended for Resorts of Pinehurst mistakenly were sent to defendant’s courses); see also id. at 423 (holding that defendant failed to confine its use of disputed mark to merely inform public of geographic location, thus constituting infringement and providing grounds for permanent injunction).

60. See id. (holding that “Pinehurst” mark is strong and will be protected against confusingly similar use by defendant golf courses). For a discussion of the approach taken by the Tenth Circuit in the majority opinion in Vail, see infra notes 75-99 and accompanying text.

61. For a discussion of the evolving nature of trademark law and its application by federal courts, see supra notes 47-60 and accompanying text.

62. See Vail Assoc. v. Vend-Tel-Co., 516 F.3d 853, 857 (10th Cir. 2008) (describing facts of case). VA’s federal registration of its “VAIL” mark, registered by its subsidiary company Vail Trademarks Inc., “encompasses ‘downhill skiing facilities, ice skating facilities, cross-country ski trails and expeditions, hiking and back-packing trails, and horseback riding . . . resort hotel and restaurant services, and retail store services in the field of recreational equipment.’.” Id. (quoting U.S.
brought three Lanham Act actions against VTC in the U.S. District Court for the District of Colorado. The district court dismissed all three claims in favor of VTC, finding that VTC did not infringe on the ski resort’s mark by using its vanity 1-800 number. The Tenth Circuit, under a clearly erroneous standard of review, affirmed the district court’s ruling and held that VA failed to prove a likelihood of consumer confusion.

The essence of VA’s claim was that the geographically descriptive term “Vail,” combined with the verb “Ski” in VTC’s phone number, constituted infringement of VA’s “VAIL” mark. Under VA’s theory, VTC’s phone number was likely to cause consumers to mistakenly believe that VA, or its ski resort, was the source of the number. As a result, consumers were more likely to dial the 1-800 number when attempting to reach VA’s ski resort, causing wrongfully diverted business from VA to competi-

Patent and Trademark Office, Reg. No. 1,521,276 (Jan. 17, 1989)). VTC’s federally registered “1-800-SKI-VAIL” mark “offers ‘marketing services related to the ski industry, namely providing an automated phone switching system to offer services available in or near Vail, Colorado and nearby resort locations.” Id. (quoting U.S. Patent and Trademark Office, Reg. No. 2,458,894 (June 12, 2001)).

63. See id. (describing procedural posture of case). VA sued for service mark infringement under 15 U.S.C. § 1114(1)(a), alleging likelihood of confusion between the marks. See id. (emphasizing that infringement claim based on likelihood of confusion is “factual inquiry upon which VA bore the burden of proof at trial”). For a discussion of likelihood of confusion, see supra notes 34-46 and accompanying text. VA’s second claim alleged that VTC violated § 1125(a) for “false designation of origin” in its use of the phone number. See Vail, 516 F.3d at 858 n.4 (noting that district court had rejected VA’s false designation of origin claim). For the statutory text creating a false designation of origin claim, see supra note 34. VA brought a third claim, under the Lanham Act’s mark cancellation provision, asking the court to cancel VTC’s service mark for two allegedly fraudulent misrepresentations in VTC’s registration application. See Vail, 516 F.3d at 858 n.4 (noting that district court had rejected VA’s cancellation claim); see also 15 U.S.C. § 1064(3) (2006) (providing for cancellation of mark if “obtained fraudulently”). Both the district court and Tenth Circuit found little merit in VA’s second and third claims, and the Tenth Circuit devoted very little time to these claims in its analysis. See Vail, 516 F.3d at 858 n.4 (holding that district court appropriately rejected cancellation claim based on “scant record” of evidence provided by VA).

64. See id. at 857-58 & 858 n.4 (explaining that “the district court found VA failed to prove VTC’s use of its 1-800 service mark posed a likelihood of consumer confusion between the services offered by VA and VTC,” and that district court also rejected VA’s other two claims).

65. See id. at 873 (affirming district court’s judgment). The Tenth Circuit viewed all evidence “in a light most favorable to the district court’s finding.” Id. at 858 (citing Sanpete Water Conserv. Dist. v. Carbon Water Conserv. Dist., 226 F.3d 1170, 1178 (10th Cir. 2000) (“[W]e view the evidence in the light most favorable to the district court’s ruling and must uphold any district court finding that is permissible in light of the evidence.”)). The court further stated: “On appeal from a bench trial, we may not set aside the factual findings of the district court ‘unless clearly erroneous.’ A court bound by the clearly erroneous standard cannot simply reject findings with which it does not agree.” Id. (quoting Fed. R. Civ. P. 52(a)).

66. See id. at 857 (explaining VA’s theory of case).

67. See id. (describing claim of direct consumer confusion).
tors offering ski vacations, ski packages, and lodging near Vail Ski
Resort.68

In support of its claim, VA introduced evidence that Vail Ski Resort,
owned by VA, is the only ski mountain in Vail, Colorado.69 VA exclusively
provides consumers with skiing facilities, although VA's expert witness ac-
knowledged that there were "hundreds of uses of the letters V-A-I-L in the
names of businesses in the Vail Valley."70 Nonetheless, a local travel
agent, who took calls from 1-800-SKI-VAIL in an agreement with VTC, tes-
tified that she received "ten to twenty calls" per week from callers who
asked about "the price of a season pass, . . . the weather, grooming, . . . ski
rental," and other general questions related to the ski resort.71

Turning to the legal status of the geographic mark, an expert witness
for VTC stated that in the specific context of ski resort services, the "VAIL"
mark "was very strong, probably world renowned."72 On the other hand,
the expert concluded that as a geographically descriptive mark, "Vail" is a
"weak term"—one that "members of the commercial public have a right to

68. See id. at 859 (describing facts of case). Vail Ski Resort, owned by VA,
provides skiers with exclusive access to the ski mountain and offers hotels, con-
dominiums, and other ski-related services. VTC, the owner of the number "1-800-
SKI-VAIL," used the number to route callers to a variety of businesses and travel
agencies. The purpose of the business is to use the number as a "conduit for
pointing consumers to ski-related services in Colorado, among other places" and
to connect consumers with travel agencies and ski lodging operations other than
the actual Vail Ski Resort. See id. at 859-62 (describing nature of each party's busi-
ness operations).

69. See id. at 861 ("Vail Pass was named in 1945 in honor of Charles Vail, a
Colorado state engineer. Seventeen years later in 1962, the Vail ski area opened.
The Town of Vail was incorporated in 1965. VA registered the word Vail in 1989.").

70. Id. at 859. VA's general counsel testified that local businesses such as "Vail
Sports, Vail Snow Board Supply, Vail Trail, Vail Mountain Lodge and Spa, and Ski
Club Vail" used the word "Vail" in their names with VA's permission. Id. at 863
n.6. The dissenting opinion also gave examples of local businesses, seemingly un-
related to the ski services industry, that used the word "Vail" in their names. See id.
at 884 n.11 (Tymkovich, J., dissenting) (noting that VA does not contest valid geo-
graphical uses of its mark by numerous businesses, including "Vail Limo," "Vail
Daily," "Vail Valley Music Festival," and "Vail Golf Club").

71. See id. at 859 (majority opinion) (describing testimony). A signed affidavit
by the travel agent stated:

When Vacation Coordination originally began answering calls to the 1-
800-SKI-VAIL telephone number some callers indicated that they were calling
Vail Mountain or Vail the place to ski. Some individuals would inquire
regarding the purchase of season ski passes, ski lift tickets, ski instruction
at Vail Mountain or Vail the place to ski.

Since December of 2001, callers have occasionally indicated that they were
attempting to reach Vail Mountain or Vail the place to ski.

Id. at 860.

72. See id. at 862 (recounting witness testimony). The expert was an attorney
practicing in trademark law and unfair competition and is an adjunct law profes-
sor. See id. at 861 (describing witness qualifications).
use."73 After reviewing the trial evidence, the Tenth Circuit declared that VA failed to prove likelihood of confusion because "the ordinary consumer sees Vail as a place to ski, i.e., as a ski destination, without associating it with any particular entity or service provider."74

A. The Majority Analysis: Leaving a Geographically Descriptive Mark Out in the Cold

To arrive at its holding, the Vail majority applied the six-factor test for likelihood of confusion, which was articulated in Sally Beauty Co. v. Beautyco, Inc.75 The court first addressed the actual confusion factor, singling it out as the most important factor in its analysis.76 Here, the court focused heavily on the testimony of the travel agent who stated that only "some callers" and "some individuals" might have been confused about the source of the phone number.77 The court also rejected VA's argument that because consumers asked skiing-related questions when calling the 1-800 number, the consumers intended to contact VA itself.78

In "the second most important" of the six factors, the strength of the "VAIL" service mark, the court reasoned that it was not a strong mark and therefore was not entitled to protection.79 The court acknowledged that

73. See id. at 862-63 (detailing expert testimony). The expert further testified that VTC's use of the "VAIL" mark was "a reasonable, competitively necessary thing" to inform consumers of the nature of its businesses. See id. at 862 (describing expert's conclusions). Finally, when asked if VTC had to use the word "Ski" as part of its mark, the expert stated, "[w]ell, skiing is kind of what people do in Vail. It is the main attraction. . . . I think skiing of course is a generic term in the area. I mean, it's what one does. So it makes perfect sense to use it." Id. at 863.

74. See id. (holding that district court took permissible view of evidence in finding no likelihood of confusion). The Tenth Circuit seemed to find the lack of solid evidence presented by VA as its major flaw, rather than its infringement theory in general. See id. ("As an appellate court, we are not empowered to disturb [the district court's] view despite what we believe the evidence, properly gathered and presented, might have shown.").

75. See id. at 863-73 (citing Team Tires Plus, Ltd. v. Tires Plus, Inc., 394 F.3d 831, 838 (10th Cir. 2005)) (applying six non-exhaustive factors as test for likelihood of confusion between two marks); see also Sally Beauty Co. v. Beautyco, Inc., 304 F.3d 964, 972 (10th Cir. 2002) (citing King of the Mountain Sports, Inc. v. Chrysler Corp., 185 F.3d 1084, 1089-90 (10th Cir. 1999)) (listing six-factor test for likelihood of confusion).

76. See Vail, 516 F.3d at 864 ("[E]vidence of actual confusion in the marketplace may be the best indication of likelihood of confusion." (quoting Sally Beauty Co., 304 F.3d at 974)) (emphasis omitted).

77. See id. (asserting that "some" is vague and unspecific, and adopting reasoning from King of the Mountain Sports that proving probable confusion must go beyond showing that "at someplace, at sometime, someone made a false identification" (quoting King of the Mountain Sports, Inc., 185 F.3d at 1092)).

78. See id. at 865 ("That consumers phoning the number sought information about skiing in Vail, Colorado tells us . . . nothing about whether those same consumers identified the name 'Vail' with the ski resort or the geographic designation.").

79. See id. at 866 (finding that district did not clearly err in finding "VAIL" mark not particularly strong).
the "VAIL" mark had acquired secondary meaning and that it had attained incontestable status. It also recognized that VA spent about three million dollars per year marketing and promoting the Vail Resort and its lodging facilities. These aspects were outweighed, however, by the lack of actual confusion evidence, the geographically descriptive nature of the mark, and the use of the word "Vail" by numerous businesses in the area. The majority opined that it might have agreed that "VAIL" was a strong mark with secondary meaning, but VA failed to present enough evidence of that at trial.

Next, the court turned its attention to the third factor, the alleged infringer's intent in adopting its mark. The court relied upon VTC's president's testimony that neither his company nor any of his employees intended to unfairly derive any benefit from VA's established reputation or goodwill. The majority also rejected the dissent's assertion that the court should "infer a wrongful intent" on VTC's part to capitalize on Vail Resort's strong reputation. Thus, the court held that the phone number trades on Vail only as a popular "geographic ski destination," rather than trading on Vail as a mark identifying the actual owner of the ski mountain and provider of the ski services.

Proceeding to the next step in its analysis, the majority examined the degree of similarity between the marks "VAIL" and "1-800-SKI-VAIL." The court focused on the lack of evidence indicating whether a typical consumer would associate the word "Vail" with VA's specific ski resort, thus reducing the chances that the number would cause confusion. In

80. See id. at 867 (explaining that secondary meaning and incontestability are evidence of strength of mark, but are not determinative, without more, in likelihood of confusion suit).
81. See id. (referencing testimony from VA marketing executive).
82. See id. at 867-68 (finding that "VAIL" mark is weak).
83. See id. at 867 ("VA and the dissent suggest the word 'Vail' 'conjures a mental association with ski resort services in buyers' minds.' Perhaps so, but VA did not prove it.") (citation omitted).
84. See id. at 868 (explaining that intent factor depends on whether VTC intended to unfairly trade on VA's mark or deceive public into thinking that operator of Vail Ski Resort was associated with VTC's phone number).
85. See id. (noting that trial court was competent to determine credibility of witness, and that appellate court is not free to reject district court's assessment under clearly erroneous standard).
86. See id. (concluding that record did not show evidence of wrongful intent).
87. See id. at 869 (affirming district court's finding that VTC did not act with wrongful intent).
88. See id. (explaining that test for similarity between two marks "turns upon sight, sound, and meaning").
89. See id. (critiquing VA's argument that using word "Ski" in phone number "brings to mind the very downhill skiing facilities for which Plaintiff's VAIL mark is world renowned"). The majority reasoned that potential consumers who were unfamiliar with Vail Ski Resort or unaware of its reputation therefore could not be confused about VA's mark for its specific ski mountain. See id. at 870 ("VA's position, which the dissent readily accepts, presupposes two critical facts, neither of which VA offered into evidence: (1) consumers calling 1-800-SKI-VAIL know that only
another strong point of disagreement with the dissent, the majority rejected the notion that placing the word “Ski” before VA’s “VAIL” mark created similarity between the marks.\(^90\) The court also stressed the literal and visual differences between the two marks.\(^91\) Finally, in one of its most poignant statements, the majority rebuffed VA’s entire claim by stating, “VA essentially asks us to grant it a new service mark—‘Ski Vail.’”\(^92\)

For the fifth factor in the likelihood of confusion test, the court considered the nature of the services VA and VTC provide and the two companies’ respective means of marketing.\(^93\) The court found that instead of competing with each other to sell ski-related services, VTC’s phone number actually benefited VA by attracting consumers to the ski area.\(^94\) After comparing VA’s sophisticated, multi-million dollar marketing against the “pauper” VTC and its “cost effective” strategies, the majority concluded that consumers would not believe the marks emanated from the same business source.\(^95\)

Finally, in the sixth step of its analysis, the court weighed the likely degree of care consumers would use in selecting the relevant services.\(^96\) It reasoned that because ski vacations to Vail are expensive, both unsophisticated and sophisticated consumers would exercise great care, and therefore would not be confused between VA’s and VTC’s services.\(^97\) Further, the court rejected the argument that even sophisticated consumers familiar with VA’s ski resort would be initially confused by the phone number.\(^98\)

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90. See id. (emphasizing that VA has no proprietary rights in generic term “ski” and that VA could have sought service mark protection under Lanham Act for entire phrase “Ski Vail,” but did not).

91. See id. (“Needless to say, the word Vail is not a long distance telephone number. VA’s mark does not contain the word ski and contains no numbers or hyphens.”).

92. See id. (asserting that VA seeks overly broad mark protection).

93. See id. at 871 (explaining that nature of respective services and marketing factor depends on extent to which parties compete with each other in consumer markets).

94. See id. (concluding that VTC is not specifically in ski resort business, and that its services are “at least one step removed” from VA’s services and thus not in direct competition).

95. See id. (noting stark difference in marketing budgets and methods of attracting consumers between two businesses).

96. See id. at 872 (explaining that “[w]hen consumers exercise a high degree of care in selecting services, the likelihood of confusion shrinks”) (citation omitted).

97. See id. (asserting that high cost of ski vacation forces both types of consumers to exercise care in selecting service providers).

98. See id. (reasoning that more sophisticated consumers would not “phone 1-800-SKI-VAIL at all” but “would be more apt to contact the Vail Resort directly”). Initial interest confusion, which acts to confuse consumers when they mistakenly contact the wrong service provider based on a confusingly similar mark, is described by the court: “Initial interest confusion is a ‘bait and switch’ tactic that permits a competitor to lure consumers away from a service provider by passing off
After reasoning that all of the factors for likelihood of confusion favored VTC, the court held that the geographically descriptive "VAIL" mark is not enforceable against VTC's "1-800-SKI-VAIL" phone number.99

B. The Dissenting Analysis: An Attempt to Plow Away the "Confusion"

At the outset, the dissent stated that it disagreed with the majority's findings on each of the six factors for likelihood of confusion.100 Thus, the dissenting opinion argued that VA should prevail because VTC's phone number did infringe the ski resort's service mark.101 In his dissent, Judge Tymkovich employed a "totality of the factors" analysis and characterized VTC's use of the phone number as an attempt "to lure customers based on the reputation of the Vail Resort for skiing."102 Accordingly, the dissent strongly argued for enforcement of the geographically descriptive "VAIL" mark.103

The dissenting opinion first took issue with the majority's finding that the two marks were not similar.104 Judge Tymkovich reasoned that the inclusion of the word "Ski" in VTC's vanity number "goes to the heart of [VA]'s business" because "a consumer calling VTC can only have one thing in mind: skiing at the Vail Resort."105 The dissent also criticized the majority's reliance on the VTC president's testimony regarding his subjective intent in using the phone number.106

99. See id. at 873 (holding that VA failed to prove likelihood of confusion between its mark and VTC's vanity phone number).
100. See id. at 873-74 (Tymkovich, J., dissenting) (arguing that VA met its burden of proving likelihood of confusion, even with narrow standard of review under which Tenth Circuit must review district court's findings).
101. See id. at 874 (concluding that district court erred in its analysis of six factors).
102. Id. at 883-84 (applying six-factor likelihood of confusion test and concluding that VTC attempted to unfairly trade off of VA's ski resort reputation).
103. See id. at 883 (arguing that district court erred by "deeming the mark weak simply because Vail is also a geographic location" and refusing to enforce it).
104. See id. at 874-75 (discussing similarity between marks factor).
105. See id. at 875 (reasoning that use of word "Ski" in specific context directly links VTC's business in consumers' minds to Vail Ski Resort, rather than general geographic area of Vail).
106. See id. at 876-77 (discussing intent of alleged infringer in adopting mark). The dissent extended its analysis beyond the testimony of VTC's president on the company's subjective intent in adopting its phone number mark, arguing that "[b]y combining the terms 'ski' and 'Vail' in a phone number, VTC could only have intended to evoke the particular skiing experience at the only ski resort in Vail and named Vail." Id. at 877. Further, the dissent asserted that putting aside subjective intent, VTC objectively competes with VA and is able to take advantage of VA's international reputation and goodwill in the ski resort business. See id. (discussing objective implications of trading on ski resort's reputation).
Further, the dissent argued that the district court and the majority failed to properly interpret the travel agent’s testimony regarding evidence of actual consumer confusion.107 Judge Tymkovich reasoned that the weekly callers who asked about ski passes, ski trail grooming, and ski rental were attempting to reach Vail Ski Resort itself, as the most likely and reliable source of this information.108 According to the dissent’s analysis, when these callers reached VTC’s marketing services instead of the ski resort, VTC could divert consumers to VA’s competitors in the Vail area for hotel and ski accommodations.109 Therefore, because VTC was a direct competitor for the same pool of customers—people seeking ski vacations to Vail—it unfairly benefitted from any confusion caused by the number.110

Finally, the dissent squarely addressed the issue of VA’s mark as geographically descriptive when it analyzed the strength of the mark factor.111 It acknowledged that the strength of the “VAIL” mark turns on whether it had acquired secondary meaning and established the requisite mental association in consumers’ minds.112 In finding that “VAIL” was a strong mark with authoritative secondary meaning, the dissent focused on the ski resort’s “world renowned” reputation, its repeated ranking as America’s best ski resort by a popular skiing publication, and its multi-million dollar efforts to promote its reputation and build its brand.113 The dissenting

107. See id. at 878-80 (noting that travel agent who answered VTC’s number received weekly calls regarding ski passes, ski trail grooming, and ski rental).

108. See id. at 879 (“People primarily seeking specific information about ski conditions or tickets would naturally try to call the ski resort. This is what callers to 1-800-SKI-VAIL did.”).

109. See id. at 879-80 (arguing that “initial interest confusion” caused by phone number harmed VA because VTC routed callers seeking hotel and lodging accommodations to VA’s competitors, whereas VTC routed only questions about ski conditions to ski resort). As further evidence of the impact of initial interest confusion on both sophisticated and unsophisticated consumers, the dissent points to the ease and care-free nature with which consumers would dial a 1-800 number in search of specific services. See id. at 882 (reasoning that once VTC had diverted potential consumers of VA’s hotel services to competitors, VA “will never see those consumers who thought they were calling the resort” or those who wanted to buy package of lift tickets and accommodations that only VA itself can offer).

110. See id. at 881 (noting that VTC and VA compete in hotel and accommodation market and emphasizing overlapping aspects of parties’ services that attract same consumer base).

111. See id. at 882-84 (discussing strength of mark factor and categories of marks).

112. See id. at 882 (explaining significance of secondary meaning). In describing how a mental association could be formed in this case, the dissent stated that “a consumer need not recognize that a particular company, or any company at all, operates the ski runs at Vail; a consumer need only associate VAIL with that particular skiing experience.” Id. at 883.

113. See id. (noting that VTC’s own expert testified to resort’s world renowned reputation, Ski Magazine ranked Vail number one ski resort in thirteen of last seventeen years, and VA’s marketing efforts for its marks totaled $13 million in 2003 and over $100 million since 1989).
opinion forcefully argued for the geographically descriptive mark's protection because not only had "VAIL" achieved prestigious status in the ski resort context, but VTC's efforts to trade off of that established reputation were unfair.\footnote{114}

IV. Rescuing Geographically Descriptive Marks from the Legal Snow Storm in Vail

By refusing to enforce VA's mark in the face of the confusingly similar and opportunistic use of a vanity phone number, the Tenth Circuit cast doubt on the enforceability of all valid geographically descriptive marks.\footnote{115} The majority analyzed the likelihood of confusion—the touchstone of mark infringement lawsuits—through a narrow lens.\footnote{116} This contrasted with the dissent's holistic "totality of the factors" approach, which was more in tune with business realities and the mindset of a typical consumer of ski vacations.\footnote{117} The majority's approach is questionable in light of Tenth Circuit precedent and the specific facts of the case, the approaches taken by other federal circuits, and the congressional and economic purposes behind federal trademark protection.\footnote{118} Critically

\footnote{114. See id. at 882 ("The mere fact that Vail is also a geographical location does not prevent Vail Associates from creating a strong mark when 'Vail' is associated with skiing.").}

\footnote{115. See id. 873 (majority opinion) (declining protection for geographically descriptive mark in ski resort context); Gold, supra note 11, at 2547 (stating that, in light of Vail, clients using geographically descriptive marks should be advised that "the scope of their protection will likely be very narrow, and it will be extremely difficult to stop others from using the geographically descriptive portion of the mark unless the use directly competes with the original mark").}

\footnote{116. See Vail, 516 F.3d at 863-72 (outlining reasoning on each of six factors for likelihood of confusion). The likelihood of confusion analysis is the heart of a trademark infringement suit, and the court's central focus should be on the relationship between consumers and their possible confusion between two similar marks. See Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 780 (1992) (Stevens, J., concurring) (identifying significance of likelihood of confusion test). For a discussion of the likelihood of confusion test, see supra notes 34-46 and accompanying text.}

\footnote{117. See Vail, 516 F.3d at 882 (Tymkovich, J., dissenting) (framing six-factor analysis on basis of "totality of factors"). A holistic approach allows the court to remain focused on the overarching key inquiry of whether potential consumers seeking the source of a product would be confused by encountering a competitor's similar mark. See Two Pesos, 505 U.S. at 780 (Stevens, J., concurring) ("[T]he ultimate test is whether the public is likely to be deceived or confused by the similarity of the marks. . . . Whether we call the violation infringement, unfair competition or false designation of origin, the test is identical—is there a 'likelihood of confusion?'" (quoting New West Corp. v. NYM Co. of Cal., Inc., 595 F.2d 1194, 1201 (9th Cir. 1979))).}

\footnote{118. For a critical analysis of the decision in Vail grounded in the specific facts of the case as well as Tenth Circuit precedent, see infra notes 120-34 and accompanying text. For a comparison between the majority's analysis in Vail and that of other circuits, see infra notes 135-47 and accompanying text. Finally, for a discussion of how the majority opinion in Vail fails to further the purposes underlying trademark law, see infra notes 148-58 and accompanying text.}
assessing the *Vail* precedent is particularly important given its potential to spill over into other areas of trademark law such as the commercial Internet context.119

A. *Rethinking the Tenth Circuit's Likelihood of Confusion Analysis*

Under Tenth Circuit precedent, the likelihood of confusion test must be applied as a whole, and none of the six factors alone are determinative of the outcome of an infringement suit.120 The majority in *Vail*, however, gave significant weight to single factors favorable to its analysis, while overlooking other equally important factors that might lean in the opposite direction.121 For example, the majority paid the most attention to VA's lack of evidence of actual consumer confusion.122 While this factor is important to the analysis, the plaintiff generally does not have to prove that the marks caused confusion to any consumer in the past for the court to ultimately find in its favor.123 Testimony revealed that callers had asked specifically about ski passes and ski rentals, arguably showing that some callers were in fact confused, in spite of the majority adamantly refusing to recognize actual confusion.124

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119. For a discussion of *Vail*’s impact on trademark infringement claims stemming from cyberspace, see *infra* notes 159-69 and accompanying text.
120. *See* Team Tires Plus, Ltd. v. Tires Plus, Inc., 394 F.3d 831, 833 (10th Cir. 2005) (“As with so many of our multi-factor tests, we have emphasized that this list of factors is not exhaustive, that no single factor is dispositive, and that all factors must be considered as an interrelated whole.”) (citation omitted); Heartspring, Inc., v. Heartspring Inc., 143 F.3d 550, 554 (10th Cir. 1998) (noting that final consideration must be based on all relevant factors); Universal Money Ctrs., Inc. v. AT&T Co., 22 F.3d 1527, 1530 (10th Cir. 1994) (emphasizing that six factors are interrelated).
121. *See Vail*, 516 F.3d at 863-72 (describing six factors and relative importance of each to overall analysis). The majority focuses most of its attention on the actual confusion and strength of the mark factors, while devoting significantly less of its reasoning efforts to the remaining four factors. *See id.* at 863-68 (asserting that first two factors are most significant).
122. *See id.* at 864 (noting that evidence of actual confusion may be best indication of overall likelihood of confusion).
123. *See* ALTMAN & POLLACK, supra note 40, § 21:82 (“Likelihood of confusion can be established without any evidence of actual confusion. . . . [T]he required proof is likelihood of confusion, not actual confusion.”); 4 McCARTHY, supra note 1, § 23:3 (4th ed. 2009) (“Likelihood of confusion is synonymous with ‘probable’ confusion—it is not sufficient if confusion is merely ‘possible.’”).
124. *See Vail*, 516 F.3d at 865 n.9 (asserting that dissent overstated importance of callers asking ski-related questions). The travel agent who testified about the calls, however, said that she would redirect those calls directly to Vail Ski Resort because they would not generate revenue for her agency in terms of selling condominiums and accommodations. *See id.* at 866 n.10. The dissent interprets this testimony as proof that callers were seeking specific information about services that only VA provides, thus confusing consumers even if they were not particularly aware that VA owns the ski resort. *See id.* at 879 n.5 (Tymkovich, J., dissenting) (noting that VA did not need to show that callers were trying to reach particular company; instead VA must “demonstrate callers were trying to reach a particular source of services”); see also *Restatement (Third) of Unfair Competition* § 20
Further, the *Vail* dissent posed a strong argument that, based on Tenth Circuit precedent, the court could infer VTC's intent to trade on the ski resort's reputation, rather than take VTC's word that no such intent existed.\(^{125}\) The *Vail* majority was hesitant to question the unsavory business motives VTC might have had in connecting VA's mark to skiing within its phone number.\(^{126}\) Had the majority engaged in a more practical analysis, it could have recognized that VTC's strategic use of the phone number to enter a ski services market where the "VAIL" mark already has strong meaning differs sharply from the understandable and economically productive use of the geographic term "Vail" by many local businesses.\(^{127}\) Such an analysis would acknowledge that rather than "ski" a geographic location, consumers actually "ski" at facilities owned and operated to provide the skiing experience; thus, VTC used the verb "ski" to link its services directly to the Vail Ski Resort.\(^{128}\) Those stores, newspapers, and other businesses in the town of Vail that do not overlap with VA's core skiing business should be distinguished from ski-related services—a commercial market where the "VAIL" mark does deserve legal protection.\(^{129}\)

Furthermore, regardless of whether VTC actually intended to confuse consumers, the court should have further considered the potential con-

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\(^{125}\) See *Vail*, 516 F.3d at 877 (Tymkovich, J., dissenting) (arguing that by adding the word "ski" to VA's existing mark for Vail Ski Resort, VTC "could only have intended to evoke the particular skiing experience at the only ski resort in Vail and named Vail"); see also id. at 876 (stating that "court should infer intent from similar marks" (citing Beer Nuts, Inc. v. Clover Club Foods Co. (Beer Nuts II), 805 F.2d 920, 928 (10th Cir. 1986))). In accordance with Tenth Circuit case law, a person who knowingly adopts a mark similar to another mark already in use in the same commercial context "does so at his peril" because "[a]ll doubts must be resolved against him." Beer Nuts, Inc. v. Clover Club Foods Co. (Beer Nuts I), 711 F.2d 934, 941 (10th Cir. 1983) (describing Tenth Circuit's methodology).

\(^{126}\) See *Vail*, 516 F.3d at 866-69 (relying on record of testimony by VTC's president that VTC never intended to derive any benefit from VA's reputation or goodwill). The majority interpreted the record to mean that VTC intended to "trade on Vail as a geographic ski destination, rather than on Vail as a mark identifying VA and/or its ski resort." *Id.* at 869.

\(^{127}\) See *id.* at 884 n.11 (Tymkovich, J., dissenting) (noting that numerous businesses such as "Vail Limo," "Vail Daily," and "Vail Valley Golf Club" all incorporate geographically descriptive term into business names without infringing VA's "VAIL" mark).

\(^{128}\) See *id.* at 879-82 (explaining how 1-800 number diverted business away from Vail Ski Resort).

\(^{129}\) See Michael Fuller, *Fair Use Trumps Likelihood of Confusion in Trademark Law* the Supreme Court Rules in KP Permanent v. Lasting Impression, 2006 B.C. INTELL. PROP. & TECH. F. 011001 (2006), http://www.bc.edu/bc_org/avp/law/st_org/iptf/articles/content/2006011001.html (arguing that courts' "c'est la vie" attitude towards the complaints of descriptive mark owners" puts those businesses using descriptive marks at disadvantage, and that not protecting descriptive marks goes against policies of federal trademark law).
consumers' general knowledge of skiing and ski resorts. Using a more functional analysis, the dissent persuasively argued that for an experienced skier, mentioning both Vail and skiing together would evoke the required mental association for legal protection. Many potential consumers of ski vacation resorts—the hypothetical basis for the likelihood of confusion analysis—would presumably be familiar with Vail Ski Resort, as one of the most famous ski mountains in the world.

Finally, the factor that considers the similarity between the marks provides another example of the majority's overly formalistic approach to likelihood of confusion analysis. As the dissent reasoned, the numerical prefix in VTC’s mark does not change the overall meaning and impression created for potential consumers when the act of skiing is linked to VA’s mark.

B. Secondary Meaning Doctrine in Federal Court: A Tale of Two Geographically Descriptive Marks

The majority's crucial finding that the “VAIL” mark was weak deviates from existing law and practical analysis. The majority acknowledged that “VAIL” had acquired secondary meaning, had achieved statutory incontestable status, and had a reputation for “world-class ski resort services,” yet these facts failed to satisfy the court. A mark that a service

130. See Vail, 516 F.3d at 876 (Tymkovich, J., dissenting) (emphasizing that VTC's intent to create confusion was directed toward consumers seeking ski vacations, and that court must use these “potential consumers” as standard for determining confusion).

131. See id. at 874 (asserting that district court erred by “ignoring the overall meaning of VTC's mark for the consumer”); see also id. at 876 (noting that VTC’s expert witness who testified about strength of VA’s mark admitted that he was not a skier, had never visited Vail in winter, and was not aware of whether people could ski in Vail, Colorado other than at VA’s resort).

132. See id. (arguing that combination of “ski” and “Vail” creates “specific, non-generic meaning” for consumers of ski vacations); see also 4 McCarthy supra note 1, § 23:5 (explaining that “[a] potential customer is one who might some day purchase this kind of product or service and pays attention to brands in that market” and person with no knowledge of or interest in market is not relevant for confusion analysis).

133. See Vail, 516 F.3d at 869-70 (holding that marks “VAIL” and “1-800-SKI-VAIL” are not similar based on sight, sound, and similarity test).

134. See id. at 874 (Tymkovich, J., dissenting) (emphasizing overall significance of combination of words “Ski” and “Vail” for potential consumers of ski vacations).

135. See id. at 866 (majority opinion) (holding that “VAIL” mark is not particularly strong). One commentator quipped that the Tenth Circuit’s ruling offered only a “Vail” of protection for VA’s registered mark and argued that the Vail court effectively held that a geographically descriptive mark is inherently not distinctive. See Daniel J. Sherwinter, Top Intellectual Property Cases of 2008, 38 Colo. Law. 49, 49 (2009) (discussing Vail case).

136. See Vail, 516 F.3d at 866 (noting that “VAIL” has secondary meaning, has established a world-class reputation, and has reached incontestable status); see also 15 U.S.C. § 1065 (2006) (describing rights for owners of incontestable marks). For
provider has used for four decades to build its brand into one of the most famous in the world for that specific market segment makes a significantly good case to be deemed a strong mark, and furthers the exact purpose that secondary meaning serves.\textsuperscript{137} Although the town's economic viability primarily depends on the ski resort, the court was unwilling to enforce the legal rights flowing from trademark law that allowed the resort to build its strong name brand.\textsuperscript{138}

The Fourth Circuit's approach in \textit{Pinehurst}, another case concerning the geographically descriptive mark of a "world famous" recreational sports service provider, better implements the secondary meaning doctrine.\textsuperscript{139} Relying on considerable evidence, similar to that presented in \textit{Vail}, the Fourth Circuit found "Pinehurst" to be a strong mark despite its geographically descriptive nature.\textsuperscript{140} In particular, the evidence of actual confusion in \textit{Vail} and \textit{Pinehurst} involves strikingly similar sporting contexts: In \textit{Vail}, callers to the 1-800 number inquired about ski passes, trail grooming, and ski rental, and in \textit{Pinehurst}, callers mistakenly called the defendant's phone number when attempting to book tee times at Resorts of Pinehurst's golf course.\textsuperscript{141}

a discussion of how incontestability cuts off challenges to the distinctiveness of descriptive marks, see supra note 29 and accompanying text.


\textsuperscript{139} See Resorts of Pinehurst, Inc. v. Pinehurst Nat'l Corp., 148 F.3d 417, 422 (4th Cir. 1998) (holding that geographically descriptive mark "Pinehurst" has acquired secondary meaning and is strong mark in context of golf resort services). Resorts of Pinehurst owns the service mark "Pinehurst" for its golf resort, however, Pinehurst is also the name of the town in North Carolina where the resort is located. See id. at 420. For a discussion of the facts in \textit{Pinehurst} and the Fourth Circuit's analysis, see supra notes 53-60 and accompanying text.

\textsuperscript{140} Compare \textit{Pinehurst}, 148 F.3d at 421-22 (holding that "Pinehurst" mark was strong, based on combination of expert testimony that golf resort is "world famous," Resorts of Pinehurst's extensive marketing campaigns, and recognition as one of country's best golf courses in leading golf publications), \textit{with Vail}, 516 F.3d at 866-68 (holding that "VAIL" mark was not strong, after being presented with evidence that ski resort is "world famous," VA spent $13 million in one year marketing its resort, and ski resort has been recognized by skiing publication as best in country).

\textsuperscript{141} See \textit{Pinehurst}, 148 F.3d at 422 (describing testimony of receptionist who received calls from people mistakenly attempting to make tee times at plaintiff's courses); see also \textit{Vail}, 516 F.3d at 865 (describing testimony of VTC's travel agent.
Beyond the evidentiary similarities, the Pinehurst court displayed less steadfast reluctance to enforcing the geographically descriptive mark of a famous service provider than the Vail court. The ski town of Vail expanded in congruence with the ski mountain and now thrives in response to the increased tourism generated by Vail Ski Resort. Likewise, the golf village of Pinehurst grew alongside with Resorts of Pinehurst’s golf courses and enjoys similar resulting economic rewards. This relationship between luxury recreational service provider and geographic area is symbiotic, providing mutual benefits. As demonstrated by the Pinehurst analysis, the goodwill created by the economic driver of this relationship would be protected under trademark doctrine when appropriate. The Fourth Circuit recognized that strong secondary meaning was the vehicle for legal protection of a valid geographically descriptive mark—an approach that sharply contrasts with the scant attention the Tenth Circuit gave to the secondary meaning of the “VAIL” mark.

who received calls and the re-routed them to VA from people who asked about season passes, grooming, and ski rentals).

142. See Pinehurst, 148 F.3d at 421-24 (holding that “Pinehurst” golf resort mark is protectable and enforceable, even when Pinehurst is geographic name of town in North Carolina that is also home to dozens of other golf courses not owned by Resorts of Pinehurst).

143. See Bill Pennington, Ski Guide: Vail Ski Resort, N.Y. TIMES, Dec. 2008, available at http://travel.nytimes.com/2008/03/21/travel/escapes/00vail.html (“Calling Vail a ski resort is like calling Paris a city in France. Vail is not only the biggest and the most popular snow sports destination in the United States, it is an American institution, a beacon at the cultural nexus of sport, winter family travel and high society.”).


145. See Pinehurst, 148 F.3d at 421 (describing relationship between geographically descriptive mark and particular source).

146. See id. at 420-21 (noting that Pinehurst golf resort had been connected to the Pinehurst village for nearly one hundred years, and holding that descriptive “Pinehurst” mark came to signify particular source of golf services, rather than general geographic location). But see KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc., 543 U.S. 111, 122 (2004) (holding that some confusion by consumers will be tolerated to prevent mark holder from grabbing monopoly under descriptive term by denying competitors “the ordinary utility of descriptive words”).

147. See Pinehurst, 148 F.3d at 422 (finding strong secondary meaning for Pinehurst resort).
C. Geographic Marks and Economic Competition

Interestingly, the Vail court’s reluctance to enforce a geographically descriptive mark seemed to be an effort to promote competition among businesses in Vail, Colorado.148 In this vein, the majority convincingly paints VA’s infringement suit as an effort to squelch competition.149 Yet, this reasoning fails to acknowledge that many businesses legitimately relying on the town’s name to attract customers are not connected to ownership of the town’s single, exclusive ski resort.150 Conversely, when a business in Vail directly competes with the sole ski resort in the ski services market, customers and income are unfairly diverted to competitors who trade off of the well-known mark.151 Therefore, when VTC attempted to divert potential consumers from VA’s hotel and lodging services to its own clients, the court should have provided relief from this economic injury by enforcing VA’s incontestable mark.152 Such a result better follows Tenth Circuit case law addressing competition for goods and services and the effect these producers’ marks have on the mental impressions of consumers.153 Despite the majority’s purported efforts to promote competition, its holding does more damage to the legal doctrines of incontestability and secondary meaning—the purposes of which are to protect economically valuable descriptive marks.154

148. See Vail, 516 F.3d at 873 (asserting that legally protecting “VAIL” service mark would “imperil the countless number of retailers, merchants, and innkeepers” in Vail who must use town’s name to promote their businesses).

149. See id. (reasoning that VA’s lack of evidence of likelihood of confusion shows that VA’s purpose for bringing suit was to stifle competition). The court candidly stated its view of VA’s suit:
   In the end, VA’s lack of evidence suggesting a likelihood of confusion could lead one to suspect VA’s concern is really about “disconnecting” an alphanumeric phone line which provides easy access to VA’s actual service competitors. The record evidence simply belies any notion that VA’s Lanham Act claim is about the likelihood of confusion. Rather VA’s claim appears more about limiting access to its competition by squelching a conduit which provides easy, free, and readily available access to that competition through use of a vanity or alphanumeric phone number.

Id.

150. For examples of many local businesses that use the “Vail” term merely to reference the town’s geographic location in connection with their services, as well as ski-related businesses that use their marks with VA’s permission, see supra note 70 and accompanying text.

151. See Vail, 516 F.3d at 878-80 (Tymkovich, J., dissenting) (discussing wrongly received calls regarding ski passes, ski trail grooming, and ski rental for Vail resort).

152. See Fuller, supra note 129 (arguing that courts should not broadly allow fair use defense by competitor when original descriptive mark is incontestable, has secondary meaning, and is otherwise strong mark in commercial context).

153. See Team Tires Plus, Ltd. v. Tires Plus, Inc., 394 F.3d 831, 833-34 (10th Cir. 2005) (noting that federal trademark law provides protection against use of mark on both goods that are competing and those that are non-competing but “related” goods in the minds of consumers).

154. See Vail, 516 F.3d at 873 (asserting that “[i]f some confusion exists, such is the risk VA accepted when it decided to identify its services with a single word that
Indeed, enforcing VA's service mark as a registered mark, with incontestable status and recognition of its world-renowned reputation for skiing, better captures the essential purposes of trademark law.\textsuperscript{155} The dissent's holistic approach, focusing on both the strong economic interest VA had in its "VAIL" mark and on potential consumers of ski vacations, allowed it to properly address the twin purposes of trademark law: protecting businesses' goodwill from misappropriation and preventing consumer confusion.\textsuperscript{156} Under this practical analysis, the dissent could view the geographically descriptive mark in its proper business and consumer contexts, rather than unduly focusing on one or two single factors of the Tenth Circuit's multi-factor test.\textsuperscript{157} The Tenth Circuit's refusal to enforce the geographically descriptive mark of a world-famous service provider may erode federal trademark protection in future similar cases.\textsuperscript{158}

D. An Emerging Challenge for Likelihood of Confusion Analysis: Trademark Infringement in Cyberspace

Not only does the Vail ruling put holders of geographically descriptive marks on notice that their legal rights are on shaky ground, but the impact could spill over to other industries and areas of law.\textsuperscript{159} One emerging area where the Vail precedent may have an impact is in the context of

\textsuperscript{155} See Vail, 516 F.3d at 867 (recognizing that VA holds registered and incontestable mark). Protecting this type of mark in the commercial context of ski resort and lodging services, even considering the mark's geographically descriptive nature, would better fit with the underlying purposes of federal trademark law. See Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 781-82 (1992) (describing purpose of Lanham Act). The Lanham Act's legislative history reinforces the appropriateness of such a result. See id. (discussing legislative history of Act). Senator Lanham, the sponsor of the Trademark Act of 1946, stated, "The purpose of [the Act] is to protect legitimate business and the consumers of the country." Id. (quoting 92 Cong. Rec. 7524 (1946) (statement of Sen. Lanham)).

\textsuperscript{156} See Vail, 516 F.3d at 884 (Tymkovich, J., dissenting) (arguing that "totality of the factors strongly confirms that VTC's mark is likely to cause consumer confusion"). For a discussion of the Lanham Act's legislative history that articulates the twin aims of trademark protection, see supra note 22 and accompanying text.

\textsuperscript{157} See Vail, 516 F.3d at 884 (Tymkovich, J., dissenting) (finding consumer confusion when analyzing factors as a whole).

\textsuperscript{158} See id. at 873 (majority opinion) (declining protection of geographically descriptive mark in ski resort context); Gold, supra note 11, at 2547 (stating that, in light of Vail, clients using geographically descriptive marks should be advised that "the scope of their protection will likely be very narrow, and it will be extremely difficult to stop others from using the geographically descriptive portion of the mark unless the use directly competes with the original mark").

\textsuperscript{159} See, e.g., David M. Klein & Daniel C. Glazer, Reconsidering Initial Interest Confusion on the Internet, 93 TRADEMARK REP. 1035, 1035 (2003) (identifying Internet as area of trademark law where consumer confusion occurs).
websites and Internet domain names. As demonstrated by the recent influx of trademark infringement disputes in Internet contexts, courts are beginning to show a willingness to protect the rights of trademark holders in online commerce. For instance, the Tenth Circuit recently recognized that initial interest confusion can constitute trademark infringement on the Internet when a competitor uses another's mark to lure consumers to its own unaffiliated website.

Applying trademark law to the Internet may be controversial, given the inherent differences between online commerce and the traditional real-world marketplace. Nonetheless, in the commercial Internet context, the chances for consumers to fall victim to initial interest confusion from competing websites are great. The less care the consumer exercises in investigating and making a purchase, the greater chance he or she will become confused by the similar mark of a competitor. Moreover, the ease with which Internet consumers can visit websites without much thought can be analogized to callers of 1-800 numbers who are seeking goods or service providers, like those in Vail. Other circuit courts have recognized this similarity between domain names and vanity phone numbers.

160. See generally id. (discussing issues with initial interest confusion in Internet context).

161. See Klein & Glazer, supra note 159, at 1039 ("Courts have widely embraced the initial interest confusion doctrine as well-suited to addressing the unauthorized use of another's trademark as a domain name for a website promoting or offering for sale products or services."); see also Nissan Motor Co. v. Nissan Computer Corp., 378 F.3d 1002, 1019 (9th Cir. 2004) (holding that automobile company's trademark "Nissan" was infringed by Internet websites "Nissan.com" and "Nissan.net" when websites offered links to other automobile-related sites).

162. See Australian Gold, Inc. v. Hatfield, 436 F.3d 1228, 1239 (10th Cir. 2006) (explaining that "[i]nitial interest confusion in the [I]nternet context derives from the unauthorized use of trademarks to divert [I]nternet traffic, thereby capitalizing on a trademark holder's goodwill") (citation omitted). The court held that the defendant violated the Lanham Act by using the plaintiff competitor's marks to improperly attract consumers' attention and drive Internet traffic to its own websites. See id. (holding that using goodwill associated with plaintiff's marks to lure consumers to defendant's website constituted trademark infringement).

163. See David J. Franklyn, Owning Words in Cyberspace: The Accidental Trademark Regime, 2001 WIS. L. REV. 1251, 1251-55 (2001) (arguing that federal trademark system is incompatible with Internet practice of commodifying domain names and granting absolute exclusivity to only one person who owns specific domain name).

164. See Brookfield Commc'ns, Inc. v. W. Coast Ent. Corp., 174 F.3d 1036, 1057 (9th Cir. 1999) (noting that initial interest confusion is applicable to Internet because "web surfers are more likely to be confused as to the ownership of a website than traditional patrons of a brick-and-mortar store would be of a store's ownership").

165. See Sally Beauty Co. v. Beautyco, Inc., 304 F.3d 964, 975 (10th Cir. 2002) (noting that sophisticated consumer exercising high degree of care in purchase is less likely to be confused).

166. See Vail Assocs. v. Vend-Tel-Co., 516 F.3d 853, 857 (10th Cir. 2008) (describing defendant's use of 1-800 number).
bers. Even if a competing phone number or website provides a disclaimer stating that it is not the true source of the goods or services, the damage might already have been done under the initial interest theory. Thus, if an Internet domain name includes a geographically descriptive mark—a class of marks with an already tenuous legal status—courts might be even more reluctant to enforce the mark.

V. Conclusion

Trademarks and service marks, key components in the rapidly growing field of intellectual property law, provide valuable benefits in the marketplace and accordingly should receive legal protection. Yet, a federal system that overextends trademark protection beyond its economic and social purposes can harm competition. Given this delicate balancing act in trademark law, it is not surprising that federal courts have had trouble applying these competing principles to the facts of specific cases. If applied appropriately, though, courts can protect the geographic marks of producers that have, over time, delivered quality products to consumers and cultivated strong and trusted reputations.

While the Tenth Circuit’s decision in Vail added some authoritative clarity to the troublesome issue of geographically descriptive marks, it also unfortunately threatens the enforceability of these marks. The aspects

167. See Bird v. Parsons, 289 F.3d 865, 878 (6th Cir. 2002) ("[A] useful analogy exists between domain names and vanity telephone numbers... Like domain names, telephone numbers can be used... for the purpose of identification, in which case infringement might occur...") (internal citations omitted); Panavision Int’l L.P., v. Toeppen, 141 F.3d 1316, 1325 (9th Cir. 1998) ("A domain name is similar to a ‘vanity number’ that identifies its source.").

168. See Australian Gold, Inc. v. Hatfield, 436 F.3d 1228, 1238-39 (10th Cir. 2006) (emphasizing that when consumer mistakenly visits confusingly similar domain name, he or she may stay with competitor and therefore mark holder has been unfairly deprived of potential visitors or customers).

169. See Jason K. Levine, Contesting the Incontestable: Reforming Trademark’s Descriptive Mark Protection Scheme, 41 Gonz. L. Rev. 29, 63-68 (2006) (noting that absolute-exclusivity nature of domain name registration poses problems especially for descriptive marks because only owner of specific domain name will be able to effectively prove secondary meaning).

170. See Landes & Posner, supra note 4, at 269-70 (discussing decreased consumer search costs and increased incentives for producers to create quality products and build goodwill as economic benefits of trademark protection).

171. See Carter, supra note 4, at 760 (arguing that Lanham Act can overextend trademark protection to detriment of consumers and prevent competitors from entering market).

172. See Lemley, supra note 3, at 1697 (noting courts’ difficulty in balancing rights of trademark holders against social and economic costs of protection).

173. See Durham, supra note 28, at 1224 (arguing that trademark law has “too much ignored the powerful symbolic uses of geography in marketing goods and services” and instead should protect mark holder’s “opportunity to enhance the allure of the product by associating it... with a meaningful place”).

174. See Sherwint, supra note 135, at 49 (arguing that Vail decision could affect legal protection of geographically descriptive marks in future).
of the *Vail* majority's reasoning that characterize the ski resort's efforts to protect its mark as anticompetitive draw from the "trademark monopoly" theory, which aims to significantly limit the reach of federal trademark protection and is detrimental to valid, protectable marks.\textsuperscript{175} If future courts consistently apply this general rationale, the legal enforceability of otherwise valid and strong marks may be in jeopardy.\textsuperscript{176}

The *Vail* decision's lasting impact may be the Tenth Circuit's principled denial of the strength of a world-famous geographic mark.\textsuperscript{177} Yet enforcing these marks, when appropriate, would not stifle competition.\textsuperscript{178} Instead, it would reward producers for creating quality products associated with a geographic place and prevent confusion among consumers seeking those products.\textsuperscript{179} These economic and social benefits are deserving of legal protection, not nebulous and uncertain positions in federal trademark law.

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\textsuperscript{175} See Vail Assocs. v. Vend-Tel-Co., 516 F.3d 853, 873 (10th Cir. 2008) (asserting that some confusion to consumers caused by VTC's phone number will be tolerated because it is undesirable to "allow anyone to obtain a complete monopoly on use of a descriptive term simply by grabbing it first"). Proponents of the trademark monopoly theory argue that the current federal system of protection unreasonably gives marks legal rights analogous to real property rights. See Glynn S. Lunney, Jr., *Trademark Monopolies*, 48 EMORY L.J. 367, 567 (1999) (discussing viewpoint that "trademark protection can effectively cede control over distinct product markets to individual producers and thereby generate for trademark owners the downward sloping demand curve of a monopolist"). But see Frank H. Easterbrook, *Intellectual Property Is Still Property*, 13 HARV. J.L. & PUB. POL'Y 108, 118 (1990) ("Rights to exclude are not monopolies just because the property involved is an intangible rather than something you can walk across or hold in your hand."). Specifically, trademark monopoly theory explains that a "property-based" trademark system is harmful to competition by creating higher prices, deadweight losses, and inefficiently allocating resources. See Lunney, Jr., *supra*, at 371-72 (discussing issues with "property-based" trademark system). Further, under this theory, preventing consumer deception and confusion are not realistic justifications for strong trademark protection. See id. at 478-87 (explaining how trademark monopoly theory applies to federal law).

\textsuperscript{176} See Gold, *supra* note 11, at 2547 (stating that, in light of *Vail*, clients using geographically descriptive marks should be advised that "the scope of their protection will likely be very narrow, and it will be extremely difficult to stop others from using the geographically descriptive portion of the mark unless the use directly competes with the original mark").

\textsuperscript{177} See *Vail*, 516 F.3d at 873 (explaining that court will not "extend unwarranted service mark protection to VA on what the record tells us is first and foremost a geographical term describing a ski destination in the Colorado Rockies").

\textsuperscript{178} See Landes & Posner, *supra* note 4, at 269-70 (arguing in favor of strong protection for trademarks).

\textsuperscript{179} See *id.* (arguing that strong protection of marks allows holders to garner goodwill with consuming public and creates incentives for delivering quality goods and services).