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BRANDS AS COPYRIGHT

JESSICA M. KISER*

INTRODUCTION

SOME trademarks inspire love. There are people who wear rain coats covered in pictures of McDonald's Big Mac sandwich.¹ Some join clubs where members are expected to have Harley Davidson's logo tattooed on their bodies.² Some even choose to be buried in a coffin emblazoned with NASCAR imagery.³ While it is possible to dismiss these individuals as both rare and absurd, this level of devotion by consumers makes it clear that some trademarks have fans for reasons that surpass the quality of the product or service offered. Numerous fan groups exist on websites and social media to provide consumers with the opportunity to share their love and commitment to a trademarked product or service.⁴ Communities can develop around trademarks online or in the real world in much the same way that they develop around shared geographical or cultural interests. This development of fervent fandom around a trademark, including the creation of active trademark-related social communities, demonstrates a shift in business management such that trademarks are now only one element of a larger brand development strategy. While consumers may coalesce around the trademark as a unifying symbol of

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1. See Victoria Taylor, *McDonald's Launches Big Mac Fashion and Lifestyle Line*, N.Y. DAILY NEWS (Mar. 26, 2015, 10:09 AM), <http://www.nydailynews.com/lifestyle/eats/mcdonald-launches-big-mac-fashion-lifestyle-collection-article-1.2163002> [<https://perma.cc/97F2-KYDF>].

2. See Nisha Patel, *35 Groovy Harley Davidson Tattoos*, SLODIVE, <http://slodive.com/inspiration/harley-davidson-tattoos/> [<https://perma.cc/5PRV-8ZG7>] (last visited Jan. 11, 2016).

3. See generally *15 Weird and Wacky Coffins*, CREMATION RESOURCE, <http://www.cremationresource.org/cremation/15-weird-and-wacky-coffins.html> [<https://perma.cc/TG56-L996>] (last visited Mar. 1, 2016) (showing several different coffins decorated with trademarks associated with Apple iPhones, Super Nintendo controllers, and Nokia cell phones); *Who Are Funerals Really For?*, TWO VIEWS, http://www.two-views.com/article_funerals.html [<https://perma.cc/G7S6-YSUD>] (last visited Mar. 1, 2016).

4. See Deborah R. Gerhardt, *Social Media Amplify Consumer Investment in Trademarks*, 90 N.C. L. REV. 1491, 1506 (2012) ("Social media have empowered consumers to use trademarks to gain more information, make a broader expressive impact and connect to a larger, more dispersed community.").

their fandom, they are really identifying with the brand story or brand personality that has developed in connection with that mark.

Because brands incorporate one or more trademarks, legal disputes involving brands have been addressed as trademark disputes. Trademark law has actually evolved and expanded to attempt to accommodate this larger concept of brands. Unfortunately for the brand owner seeking to cultivate loyal brand fans, brands have not fit smoothly into the strictures of trademark law. Trademark laws aiming to prevent consumer confusion and counterfeiting have inadvertently led to the stifling of non-competitive brand activities by consumers. As a result of this disconnect in the law, trademark owners may feel that they are required to stop consumer use of their marks, despite marketing scholarship that suggests consumer-initiated brand communities and other fan activities are the best way of building brand loyalty and future sales. For example, the official website for the LEGO Group (corporate owner of the LEGO brand line of toys and, relatedly, the LEGO trademark) enjoins consumer fans from using the LEGO trademark and insists that “the LEGO logo NEVER be used on an unofficial web site” or as part of an Internet address for such a website.⁵ In 2003, the LEGO Group sent a cease-and-desist letter to just such a fan-operated website that ultimately resulted in the site being shut down.⁶

More recently, IKEA’s general counsel sent a cease-and-desist letter to the operator of the website www.IKEAhackers.net.⁷ The website was created in 2006 to collect and share ideas for ways to modify or “hack” products sold by IKEA, an international retailer known for affordable and minimalist furniture and home goods.⁸ Submissions collected by the website operator (or submitted by users) ranged from minor embellishments of standard IKEA products to complete redesigns of an IKEA product to turn it into a more customized piece of furniture.⁹ The website developed a large and enthusiastic fan base. The fact that IKEA inspired this successful consumer-created website and allowed it to flourish without corporate involvement was touted as evidence of IKEA’s genius brand management strategy in marketing literature.¹⁰ However, IKEA’s recent cease-and-desist letter alleged that both the website domain name and the hacks

5. *Fair Play*, LEGO, <http://www.lego.com/en-US/legal/legal-notice/fair-play> [https://perma.cc/42L9-W3DN] (last visited Mar. 1, 2016).

6. See Deven R. Desai & Sandra L. Rierson, *Confronting the Genericism Conundrum*, 28 CARDOZO L. REV. 1789, 1840 (2007) (describing cease-and-desist letter for website “located at www.ratemylego.com” (internal quotation marks omitted)).

7. See Jules Yap, *Big Changes Coming to IKEAHackers*, *IKEAHACKERS* (June 14, 2014), <http://www.ikeahackers.net/2014/06/big-changes-coming-to-ikeahackers.html> [https://perma.cc/2JT4-JPQ6].

8. See *About, IKEAHACKERS*, <http://www.ikeahackers.net/about> [https://perma.cc/TFU8-48EF] (last visited Mar. 1, 2016).

9. See *IKEA Threatens IKEAHacker Website with Cease-and-Desist Notice*, *NEWS.COM.AU* (June 18, 2014, 7:53 AM), <http://www.news.com.au/finance/business/ikea-threatens-ikeahacker-website-with-ceaseanddesist-notice/story-fnkgdftz-1226957658920> [https://perma.cc/5K3V-HBCP].

10. See SARAH ROBINSON, *FIERCE LOYALTY: UNLOCKING THE DNA OF WILDLY*

posted on the site violated IKEA's intellectual property rights.¹¹ The operator of the website initially announced that the website would likely be shut down.¹² IKEA customers were livid and sent emails, letters, and tweets to IKEA's corporate offices, and demanded that it reconsider.¹³ A month later, IKEA withdrew its opposition to the website, which then resumed operation.¹⁴

In both of the trademark-related instances described above, the websites and communities that were threatened by trademark owners were ones that were started by fans. Participation in these fan-initiated websites encouraged and supported use of the branded products sold under the respective trademarks. One might presume that trademark owners would love and support this free publicity. Advertising and marketing firms encourage such fan-initiated efforts and often call brand communities the marketing platform of the future.¹⁵ After receiving IKEA's cease-and-desist letter, the owner of the IKEAHackers website stated, "IKEAhackers.net was set up in 2006 and truly not with the intent to exploit their mark. I was [just a] crazy fan. In retrospect, a naïve one too."¹⁶ In a time when trademark owners are routinely called "bullies"¹⁷ and mocked online and

SUCCESSFUL COMMUNITIES 59–61 (2012) (describing Ikea's decision to allow site to proliferate as intelligent from business standpoint).

11. See Drew Prindle, *Update: IKEA May Back Off on IKEAHackers Cease and Desist*, *Will Discuss New Solutions*, DIGITAL TRENDS (June 20, 2014), <http://www.digital-trends.com/home/ikea-issues-cease-desist-order-long-running-fan-blog-ikeahackers-net/> [<https://perma.cc/XSD6-VLNU>].

12. See Yap, *supra* note 7.

13. See Cory Doctorow, *Ikea Bullies Ikehackers with Bogus Trademark Claim*, BOINGBOING (June 15, 2014, 10:26 AM), <https://boingboing.net/2014/06/15/ikea-bullies-ikeahackers-with.html> [<https://perma.cc/N4G8-PLH5>]; see also Kelsey Campbell-Dollaghan, *Why Ikea Shutting Down Its Most Popular Fan Site Is a Giant Mistake*, GIZMODO (June 16, 2014, 12:05 PM), <http://gizmodo.com/why-ikea-shutting-down-its-most-popular-fan-site-is-a-g-1591401344> [<https://perma.cc/4XEW-LCZ6>]; Jennifer Karmon, *After Global Outcry, IKEA Softens Stance Against Superfan*, YAHOO! HOMES (June 18, 2014, 5:15 PM), <https://homes.yahoo.com/blogs/spaces/ikea-threatens-legal-action-against-ikea-fan-s-8-year-old-site-230646533.html?nf=1> [<https://perma.cc/82TS-7KG3>].

14. See Jules Yap, *Inter IKEA Systems BV Called Me!*, IKEAHACKERS (June 19, 2014), <http://www.ikeahackers.net/2014/06/inter-ikea-systems-bv-called-me.html> [<http://perma.cc/Q89K-ZMBJ>] (discussing IKEA's withdrawal).

15. See generally Roger Katz, *2015 Will Be the Year of the Brand Community—Here's Why*, CLICKZ (Jan. 23, 2015), <http://www.clickz.com/clickz/column/2391666/2015-will-be-the-year-of-the-brand-community-here-s-why> [<https://perma.cc/5UKU-L6F4>]; see also Kerry O'Shea Gorgone, *Why Brand Communities Are the Future of Marketing: Jordan Kretchmer of Livefyre on Marketing Smarts [Podcast]*, MARKETING PROFS (Feb. 18, 2015), <http://www.marketingprofs.com/podcasts/2015/27071/brand-communities-jordan-kretchmer-marketing-smarts> [<http://perma.cc/XF7R-WF64>].

16. See Yap, *supra* note 7.

17. See Steve Baird, *Minnesota's Legislative Answer to "Trademark Bullying"?*, DUETSBLOG (Apr. 9, 2012), <http://www.duetsblog.com/2012/04/articles/trademarks/minnesotas-legislative-answer-to-trademark-bullying/> [<http://perma.cc/3T46-LF5A>]; see also Leah Chan Grinvald, *Shaming Trademark Bullies*, 2011 Wis. L.

in the press for their aggressive responses to minor trademark infringements, it can be hard to understand why they would want to threaten their own fans publicly.¹⁸ However, such actions are a result of the uneasy way in which brands have been shoehorned into trademark law. This Article argues that brands contain expressive, creative content, and this creative content encourages a response by consumer fans. As such, brands would be better served under a copyright regime. Brand fan activities and brand communities are very similar to the fanfiction and fanfiction communities created in connection with works protected under copyright. Whether they love fanfiction or hate it, copyright owners are supported by copyright law. They can stop fanfiction by challenging it as an unlicensed derivative work, or they can ignore it and remain confident that their copyright remains unscathed. “Super fans” can also structure their activities to attempt to fall under the infringement protection of copyright fair use.

Trademark law does not offer this freedom. Trademark law has expanded over the past several decades to provide increasing protection for trademark owners and few avenues for expressive uses of trademarks by non-owners. A brand-theory approach to trademark law can account for this expansion by acknowledging the substantial investment that trademark owners make in developing a brand.¹⁹ However, that is only half of the brand story. Modern branding invites consumer involvement, and marketing literature suggests that brand communities are the future of advertising. Trademark law’s focus on the brand owner apart from the consumer ignores this push for consumer involvement in branding. Because of this disconnect, trademark law requirements are ill-suited to address brand development, and this Article advocates for a copyright-centered approach to brands. Brands are creative works deserving of copyright protection. The boundaries of copyright and the discretion granted to copyright owners better address the reality of consumer involvement in the creation of derivative brand works.

REV. 625, 642; Jessica M. Kiser, *To Bully or Not to Bully: Understanding the Role of Uncertainty in Trademark Enforcement Decisions*, 37 COLUM. J.L. & ARTS 211, 218 (2014) (describing instance in which company was “shamed” via social media for alleged trademark bullying).

18. See Timothy Geigner, *Water Company Goes Trademark Bully on Graffiti Activists over Hashtag*, TECHDIRT (May 14, 2015, 1:44 PM), <https://www.techdirt.com/articles/20150511/13595230964/water-company-goes-trademark-bully-graffiti-activists-over-hashtag.shtml> [<https://perma.cc/KHK7-MZSG>] (discussing bullying by the water company); Trevor Little, *Monster Energy Company Heads Trademark Bullies Top 10, but List Is Not All It Seems*, WORLD TRADEMARK REV. (May 27, 2015), <http://www.worldtrademarkreview.com/Blog/detail.aspx?g=7a58f3aa-6f8a-4f54-a544-c04b76539d57> [<https://perma.cc/N5CV-2MZZ>] (listing top ten trademark bullies and victims for 2014).

19. See generally Deven R. Desai, *From Trademarks to Brands*, 64 FLA. L. REV. 981 (2012) [hereinafter Desai, *From Trademarks to Brands*] (describing brand-centered approach to trademark law).

Part I of this Article explains the theoretical justifications underlying both copyright and trademark law and the evolution of trademark law over the twentieth century. Part II provides background regarding marketing research on branding, as well as how brand theory can explain the expansion of trademark law as it has attempted to recognize the substantial investments made by trademark owners engaged in branding. It also explores the ways in which trademark law conflicts with the goals of brand owners in their brand development efforts, as well as the current gap in trademark scholarship regarding the role of the consumer in the development of brands. Part III explores the similarities between brands and copyrightable works and discusses how brands may be better viewed under copyright law as something akin to creative works and their derivative fanfiction.

I. FOUNDATIONS FOR PROTECTION

In order to understand why fan activity is treated differently under copyright law and trademark law, it is crucial to trace the theoretical basis and historical development of each legal framework. While trademark law has long focused on the protection of consumers while denying explicit property rights in trademarks to their owners, copyright law began and continues as a protection granted to the copyright owner.

A. *Copyright Protection*

Federal copyright law in the United States stems from Article I, Section 8 of the United States Constitution, which states that “[t]he Congress shall have Power . . . To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”²⁰ In *The Trade-Mark Cases*,²¹ the United States Supreme Court defined the terms *authors* and *writings* as they pertained to the constitutional scope of copyright protection; for a work to receive copyright protection as a “writing” created by an “author,” the Court determined that “originality is required.”²² It is the originality that justifies the monopolistic rights authorized under copyright law: “[W]hile the word *writings* may be liberally construed, as it has been, to include original designs for engravings, prints, [etc.], it is only such as are *original*, and are founded in the creative powers of the mind.”²³

Therefore, original and creative works are rewarded with copyright protection, but courts have clarified that “[t]he copyright law, like the patent statutes, makes reward to the owner a secondary consideration.”²⁴ While the rights conferred by copyright are to be measured and balanced

20. U.S. CONST. art. I, § 8, cl. 8.

21. *In re Trade-Mark Cases*, 100 U.S. 82 (1879).

22. *See id.* at 94.

23. *Id.* (emphasis added).

24. *See United States v. Paramount Pictures, Inc.*, 334 U.S. 131, 158 (1948).

by Congress to “assure contributors to the store of knowledge a fair return for their labors,”²⁵ the true focus of the constitutional mandate establishing a federal copyright law is distributing original, creative works to the public. In *Sony Corp. v. Universal City Studios*,²⁶ the Supreme Court stated that:

[T]he limited grant [under copyright law] is a means by which an important public purpose may be achieved. It is intended to motivate the creative activity of authors and inventors by the provision of a special reward, and to allow the public access to the products of their genius after the limited period of exclusive control has expired.²⁷

In the broadest sense, copyright law aims to create an environment of expansion and creativity for the benefit of the consumer by using limited copyright ownership as an incentive for creators.

B. Trademark Protection

Whereas inventors and authors receive patent and copyright protection in order to reward and encourage their contributions to the progress of “Science and [the] useful Arts,”²⁸ trademark owners are individuals or businesses seeking protection for commercial activities, a seemingly less noble pursuit. Jurists and scholars have long distinguished trademarks from the creativity associated with patents and copyrights by suggesting that trademarks are mere menial symbols that do not “depend upon novelty, invention, discovery, or any work of the brain” and that require “no fancy or imagination, no genius, no laborious thought.”²⁹ Perhaps due to this perceived divide between the banal commercial world of trademarks and the creativity and innovation ascribed to works protected by copyrights and patents, trademarks have been described as “the overlooked stepchild of the world of intellectual property goods.”³⁰ Trademarks are seen as a tool of commerce, and their protection is typically explained in terms of economic efficiency.³¹ A trademark is a word or symbol used “to identify and distinguish” the goods or services of a person from those of another.³² J. Thomas McCarthy has identified four primary functions of trademarks that justify their legal protection:

25. See *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 546 (1985) (citing *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975)).

26. 464 U.S. 417 (1984).

27. *Id.* at 429.

28. See U.S. CONST. art. 1, § 8, cl. 8.

29. See *In re Trade-Mark Cases*, 100 U.S. at 94.

30. See Sonia K. Katyal, *Trademark Intersectionality*, 57 UCLA L. REV. 1601, 1613 (2010).

31. See WILLIAM M. LANDES & RICHARD A. POSNER, *THE ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY LAW* 167–68 (2003).

32. Lanham Act § 45, 15 U.S.C. § 1127 (2012) (defining *trademark*); see also 1 J. THOMAS MCCARTHY, *MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION* § 3:1

- (1) To identify one seller's goods and distinguish them from goods sold by others;
- (2) To signify that all goods bearing the trademark come from or are controlled by a single, albeit anonymous, source;
- (3) To signify that all goods bearing the trademark are of an equal level of quality; and
- (4) As a prime instrument in advertising and selling the goods.³³

A trademark serving these purposes will be protected “against confusingly similar commercial use.”³⁴

Scholars and jurists have long argued that trademark protection is essential to the marketplace; trademarks reduce consumer search costs because buyers and sellers can use trademarks as shorthand to refer to the source and consistent quality of goods and services.³⁵ For example, imagine a consumer looking to buy running shoes for the first time. That consumer may ask friends for recommendations and spend time reading reviews of the various running shoes available before deciding to purchase a pair of shoes sold under the NEW BALANCE trademark. If the consumer is pleased with the fit and quality of the shoes, the consumer may then seek out another pair of shoes sold under the NEW BALANCE mark in the future without having to incur the same research or search costs inherent in the initial purchase. It has been argued that the use of trademarks “makes effective competition possible in a complex, impersonal marketplace by providing a means through which the consumer can identify products which please him and reward the producer with continued patronage.”³⁶ Trademark law accomplishes this task by preventing businesses from using marks that are likely to confuse consumers about the source of the goods or services being offered.

The likelihood of confusion test is the “basic test of both common-law trademark infringement and federal statutory trademark infringement.”³⁷ When evaluating whether a defendant has infringed the plaintiff's trademark under the Lanham Act (also known as the Trademark Act of 1946), the court must ask whether the defendant's use is “likely to cause confu-

(4th ed. 1998 & Supp. 2015). For the purposes of this Article, the words *mark* and *trademark* will be used interchangeably to refer to all forms of marks, registered or not, including service marks, collective marks, and certification marks. It is not necessary to highlight the distinctions between types of marks for the analysis herein.

33. 1 McCARTHY, *supra* note 32, § 3:2 (footnotes omitted).

34. *Id.*

35. See LANDES & POSNER, *supra* note 31, at 167–68. However, other justifications have been proposed. See, e.g., Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 NOTRE DAME L. REV. 1839 (2007) (arguing that trademark law historically focused on preventing trade diversion).

36. *Smith v. Chanel, Inc.*, 402 F.2d 562, 566 (9th Cir. 1968).

37. 4 McCARTHY, *supra* note 32, § 23:1 (footnote omitted).

sion, or to cause mistake, or to deceive”³⁸ Confusion is more ambiguous than one might expect, and this ambiguity has opened the door to a wide variety of infringement suits.

C. *The Historical Development of Trademark Law*

Trademark cases in the nineteenth and early twentieth centuries were interested in consumer confusion, as it was evidence of fraudulent intent on the part of the defendant.³⁹ At that time, the primary concern of trademark law was the unfair competitive practice of “passing off,” which consisted of the “sale of the goods of one manufacturer or vendor as those of another.”⁴⁰ The Supreme Court illustrated this focus in 1918 in *United Drug Co. v. Theodore Rectanus Co.*,⁴¹ when it explained that a trademark’s “function is simply to designate the goods as the product of a particular trader and to protect his good will against the sale of another’s product as his.”⁴² The Court noted the lack of bad faith on the part of the defendant in this case, where the two parties simultaneously used the same mark in different locations prior to an overlap in markets that led the plaintiff to bring suit.⁴³

This fraudulent intent was de-emphasized over time, and the attention was “shifted from the state of mind of the defendant to the state of mind of buyers.”⁴⁴ This shift of focus from the defendant to the consumer may have paved the way for the modern expansion of trademark law—which now allows redress for noncompetitive uses of a mark and other less traditional claims—including dilution, sponsorship confusion,

38. See Lanham Act § 43(a), 15 U.S.C. § 1125(a) (2012); see also Lanham Act § 32, 15 U.S.C. § 1114(1).

39. See Graeme W. Austin, *Trademarks and the Burdened Imagination*, 69 BROOK. L. REV. 827, 840 (2004) (discussing historical shift from focus on conduct of plaintiffs to evidence of fraud on part of defendants).

40. See *Lawrence Mfg. Co. v. Tenn. Mfg. Co.*, 138 U.S. 537, 546 (1891); see also *Champion Spark Plug Co. v. Sanders*, 331 U.S. 125, 131 (1947) (holding that injunction rather than damages is fair remedy for unfair competition given that “there has been no showing of fraud or palming off”); *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 419 (1916) (holding that owner of trademark used in specific geographical area only cannot enjoin good faith use of trademark by third party in different area when consumers in each area are only aware of their regional trademark as source of product), *superseded by statute*, Lanham Act (codified as amended in scattered sections of 15 U.S.C.), as stated in *Park ‘N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189 (1985).

41. 248 U.S. 90 (1918).

42. See *id.* at 97.

43. See *id.* at 101.

44. 1 MCCARTHY, *supra* note 32, § 5:2; see also, e.g., *Aunt Jemima Mills Co. v. Rigney & Co.*, 247 F. 407, 410 (2d Cir. 1917). In this early case, which focused on confusion, the court permitted the plaintiff to block the use of plaintiff’s trademark in connection with a different type of good because the public might be confused about a connection between the two.

initial interest confusion, and post-sale confusion.⁴⁵ Each new basis for trademark infringement or dilution liability deviates from the traditional notion of actionable confusion. Mark McKenna has made a strong argument that “only confusion that affects purchasing decisions should be relevant to trademark law.”⁴⁶ However, courts now “routinely say that trademark law targets ‘confusion of any kind.’”⁴⁷ This broadened view of confusion is still explained as a natural effect of focusing on trademarks as search cost optimizers.⁴⁸ McKenna argues, “Anything that can be characterized in confusion-based terms seems to raise search costs, and if search costs are the harm to be avoided, then anything that causes confusion ought to be at least *prima facie* actionable.”⁴⁹

For example, sponsorship confusion is premised on the idea that consumers may be confused about whether a third-party product or service is sponsored or endorsed by the trademark owner.⁵⁰ A plaintiff may sue based on this confusion about the relationship between the parties, even where the relationship, or lack thereof, would have no impact on consumer purchasing decisions.⁵¹ In initial interest confusion cases, the consumer is temporarily confused when the consumer seeks out the plaintiff’s good or service, only to find instead the good or service offered by the defendant.⁵² In an initial interest scenario, if the consumer purchases the

45. See Mark A. Lemley & Mark P. McKenna, *Owning Mark(et)s*, 109 MICH. L. REV. 137, 140 (2010) [hereinafter Lemley & McKenna, *Owning Mark(et)s*] (“[T]he claim that consumers are injured by the defendant’s use of a mark in an unrelated market is implausible except under specialized circumstances, circumstances that trademark plaintiffs should have to prove.”).

46. See Mark P. McKenna, *A Consumer Decision-Making Theory of Trademark Law*, 98 VA. L. REV. 67, 83 (2012) [hereinafter McKenna, *Consumer Decision-Making Theory*].

47. See *id.* at 69–70 (quoting *Kos Pharm. v. Andrx Corp.*, 369 F.3d 700, 711 (3d Cir. 2004)); see also *id.* at 70 n.6 (“The Act is now broad enough to cover the use of trademarks which are likely to cause confusion, mistake, or deception of any kind, not merely of purchasers nor simply as to source of origin.” (quoting *Kos Pharm.*, 369 F.3d at 711) (internal quotation marks omitted)).

48. See *id.* at 79 (“Because the search costs narrative is bound up with consumer confusion, this view of trademark law’s purpose has manifested itself primarily in courts’ fetishizing confusion and feeling compelled to respond whenever mark owners can characterize a defendant’s use in confusion-based terms.”).

49. See *id.* at 71 (discussing search costs and confusion-based theory of trademark law). McKenna argues that “courts should find trademark infringement only when the defendant’s use of the plaintiff’s trademark creates a risk that consumers will be deceived into buying goods or services they otherwise would not have or refraining from buying what they otherwise would have.” *Id.* at 72.

50. See 4 McCARTHY, *supra* note 32, § 23:8 (explaining sponsorship confusion); see also, e.g., *Champions Golf Club, Inc. v. Champions Golf Club, Inc.*, 78 F.3d 1111, 1116 (6th Cir. 1996) (describing relevant inquiry as whether golfer would be confused about affiliation between two golf clubs using same trademark).

51. See *Champions Golf Club*, 78 F.3d at 1116.

52. See 4 McCARTHY, *supra* note 32, § 23:6; see also, e.g., *Brookfield Commc’ns, Inc. v. W. Coast Entm’t Corp.*, 174 F.3d 1036, 1063–64 (9th Cir. 1999) (recognizing initial interest confusion); *Elvis Presley Enters. Inc. v. Capece*, 141 F.3d 188, 204 (5th Cir. 1998) (noting initial interest confusion may unfairly get customers to

defendant's product instead of continuing to seek out the plaintiff's product, the consumer is not confused at the time of purchase.⁵³ The confusion is only brief and fleeting. Post-sale confusion occurs when the consumer purchases a product (such as a pair of jeans with pocket embellishments designed to mimic those on a more expensive brand of jeans) with full knowledge that the product was sold under the defendant's trademark and not that of the plaintiff.⁵⁴ However, liability is premised on the idea that third parties will see the products after the time of the sale (being used by the purchaser, for example) and potentially be confused about the source of the good due to similarities between the plaintiff's and defendant's trademark or trade dress.⁵⁵ McKenna clarifies that in such cases, where the potential confusion does not affect the purchasing decision, "we can think of the confusion as generating search costs only if we think the mental act of wondering is the search cost."⁵⁶

The focus on reducing search costs cannot account for "unbranded" advertisements like Procter & Gamble's "Thank You, Mom" campaign, which celebrated the role of mothers without explicitly referencing the company's branded products.⁵⁷ The purpose of this kind of marketing is to deliberately increase search costs, a tactic that seems incomprehensible under traditional trademark dogma. Perhaps trademark law's focus on

enter defendant's bar and stay even though customers realize upon entering that bar is not affiliated with Elvis Presley Enterprises).

53. See 4 McCARTHY, *supra* note 32, § 23:6 (defining *initial interest confusion*).

54. See, e.g., *Mastercrafters Clock & Radio Co. v. Vacheron & Constantin-Le Coultre Watches, Inc.*, 221 F.2d 464, 466 (2d Cir. 1955) (recognizing post-sale confusion for first time); see also *United States v. Torkington*, 812 F.2d 1347, 1352 (11th Cir. 1987) (discussing applicability of likelihood of confusion test in post-sale context); *Rolex Watch U.S.A., Inc. v. Canner*, 645 F. Supp. 484, 493 (S.D. Fla. 1986) ("The fact that an immediate buyer of a \$25 counterfeit watch does not entertain any notions that it is the real thing has no place in this analysis. Once a product is injected into commerce, there is no bar to confusion, mistake, or deception occurring at some future point in time.").

55. See *Mastercrafters Clock & Radio Co.*, 221 F.2d at 466 ("This goes to show at least that some customers would buy plaintiff's cheaper clock for the purpose of acquiring the prestige gained by displaying what many visitors at the customers' homes would regard as a prestigious article.").

56. See McKenna, *Consumer Decision-Making Theory*, *supra* note 46, at 84. McKenna goes on to argue, "After all, trademark law regulates the commercial marketplace; it is not an all-purpose remedy for having to think. There are, of course, sometimes costs associated with being confused more generally, but these costs do not harm consumers as consumers if they do not affect purchasing behavior." See *id.* at 85 (footnote omitted); see also Laura A. Heymann, *Naming, Identity, and Trademark Law*, 86 IND. L.J. 381, 441 (2011) ("Name or trademark changes that make it more difficult for others to retrieve information about the person or entity are not legally prohibited, even though such changes can result in increased search costs, and even though others may have been induced to act in a way in which they would not have acted if they had known about the person's or the company's history.").

57. See Jay Bolling, *Take the Brand Out of the "Branded vs. Unbranded" Conversation*, PM360 (June 16, 2014), <http://www.pm360online.com/take-the-brand-out-of-the-branded-vs-unbranded-conversation/> [<https://perma.cc/7B5R-HFT8>].

search costs obscures instances in which consumers and trademark owners benefit from increased search cost. In fact, others have noted that “[f]ar from harming a brand by increasing search costs, practices that require consumers to exert cognitive effort benefit brands by more actively engaging consumers.”⁵⁸ This paradoxical effect cannot be explained by traditional trademark doctrine, but the paradox is resolved if trademarks are treated as brands and analyzed through the lens of brand theory.

II. BRANDS AS TRADEMARKS

As trademark law has expanded, the role of trademarks for businesses has also changed and evolved. Trademarks now add substantial value to companies as stand-alone assets. For example, Forbes recently named Google as the most valuable trademark, with a value estimated at \$44.3 billion.⁵⁹ AT&T came in as the tenth most valuable mark, with a value of \$28.9 billion.⁶⁰ Such value is due in part to the increasing roles that advertising and marketing play in both creating consumer-source associations and creating the need or desire for a particular good or service in the mind of consumers. As Laura Heymann has explained, “[w]ith the development of advertising techniques starting in the 1920s, trademarks moved from functioning primarily at the point of sale (i.e., as a heuristic for repeat customers) to having a psychological effect on consumers well before the consummation of any actual sale and a lingering effect thereafter.”⁶¹ This shift in the importance of advertising and the function of trademarks corresponds to a shift in focus from trademarks to brands (of which trademarks are only components of a larger whole).

While a trademark can be described as a symbolic indicator of the source or quality of a product, the product’s brand includes both the trademark and all the other information about the product presented to the marketplace by the trademark owner, including the product’s packaging and the various forms of marketing materials produced to sell the product.⁶² Stephen King, the former Director of WPP Group, the world’s largest communications and marketing services company, once remarked:

58. See McKenna, *Consumer Decision-Making Theory*, *supra* note 46, at 91.

59. See *The 10 Most Valuable Trademarks*, FORBES, <http://www.forbes.com/pictures/eidl45jl/google/> (last visited Mar. 2, 2016).

60. See *id.*

61. See Laura A. Heymann, *The Public’s Domain in Trademark Law: A First Amendment Theory of the Consumer*, 43 GA. L. REV. 651, 695 (2009).

62. However, some marketing theorists are so focused on the importance of the brand that they conflate the brand with the trademark. See, e.g., DAVID A. AAKER, *MANAGING BRAND EQUITY: CAPITALIZING ON THE VALUE OF A BRAND NAME* 7 (1991) (“A brand is a distinguishing name and/or symbol . . . intended to identify the goods or services of either one seller or a group of sellers, and to differentiate those goods or services from those of competitors. A brand thus signals to the customer the source of the product, and protects both the customer and the producer from competitors who would attempt to provide products that appear to be identical.”).

“A product is something that is made in a factory; a brand is something that is bought by a customer. A product can be copied by a competitor; a brand is unique. A product can be quickly outdated; a successful brand is timeless.”⁶³ A product new to the market will likely be sold under a trademark that fits the traditional role of such a mark; it indicates the source of the product. If the trademark for the new product is inherently distinctive, the trademark will receive legal protection absent any secondary meaning (or time-developed, consumer knowledge of the source of the product) in the marketplace.

However, that new product will not yet possess a brand identity. Famous brands possess numerous markers of identity that contribute to the overall brand image—including trademarked names (COCA COLA, HARLEY DAVIDSON), logos (the NIKE swoosh, the NBC peacock), and trade dress (the COCA COLA bottle shape, the round shape of a MOBIL gas pump)—but they also possess a story or history that has been shared with consumers. Douglas Holt explains:

A brand emerges as various “authors” tell stories that involve the brand. Four primary types of authors are involved: companies, the culture industries, intermediaries (such as critics and retail salespeople), and customers (particularly when they form communities). . . .

Brand stories have plots and characters, and they rely heavily on metaphor to communicate and to spur our imaginations. As these stories collide in everyday social life, conventions eventually form. . . . A brand emerges when these collective understandings become firmly established.⁶⁴

This brand “story” is developed first by the brand owner and its marketing efforts. In developing this story, the marketing team is likely creating a brand strategy for how the various branding efforts will be released to the consumer: through print advertisements, radio or television commercials, or even a viral or online campaign.⁶⁵ The first interactions that consumers have with a new product will likely occur either at a store when

63. *See id.* at 1.

64. DOUGLAS B. HOLT, *HOW BRANDS BECOME ICONS: THE PRINCIPLES OF CULTURAL BRANDING* 3 (2004).

65. Viral marketing or viral branding is a modern marketing tactic whereby consumers are invited to assist in spreading a marketing message (with the hope that it will spread from consumer to consumer like a “virus”). Viral campaigns can be beneficial in that they appear to have more authenticity and excitement for consumers. However, brand owners run the risk that the campaign will veer off in an unintended or negative direction since the brand owner is ceding significant control to consumers. *See* TILDE HEDING, CHARLOTTE F. KNUDTZEN & MOGENS BJERRE, *BRAND MANAGEMENT: RESEARCH, THEORY AND PRACTICE* 17 (2009).

the consumer is contemplating a purchase or through print or television marketing.⁶⁶

The modern approach to branding is to think of and describe the brand as if it were a person.⁶⁷ Therefore, a brand can have a personality, which is typically described as the psychological personality characteristics ascribed to a brand by consumers.⁶⁸ By conducting focus groups, brand owners can uncover the brand personality perceived by consumers and explore the personality characteristics that would cause such consumers to become more personally engaged with the brand.⁶⁹ The goal is to then further develop marketing efforts that imbue the brand with these sought-after personality traits.

Brands are also described as having an identity.⁷⁰ This is “a set of associations the brand strategist seek[s] to create or maintain” in the mind of the consumer.⁷¹ In essence, the brand identity includes the brand personality, but it also must be a more long-lasting and permanent sense of the vision and uniqueness of the brand so that it serves as the “driver of all brand-related activities.”⁷² Marketing teams are tasked with the goal of developing a brand identity and communicating it to consumers through various types of marketing campaigns and forms of advertising.

Developing a new brand can be a very expensive undertaking. However, this expense is essential, as brand positioning and advertising are seen as “[t]he most significant contributor to the development of a brand, beyond the product itself (in the splendor of all of its tangible and intangible elements)”⁷³ In 2013, for example, Unilever spent \$195 million on U.S. advertising for its DOVE line of soaps, body washes, and hair care products.⁷⁴ However, in 2002, it allegedly spent \$110 million alone on the

66. See Alexander L. Biel, *Converting Image into Equity*, in BRAND EQUITY & ADVERTISING: ADVERTISING'S ROLE IN BUILDING STRONG BRANDS 67, 74 (David A. Aaker & Alexander L. Biel eds., 1993) (“In addition to direct and indirect (e.g., word of mouth, media reports, etc.) personal experience with a brand, media advertising is an obvious source of [brand] image, both reflecting and forming the brand's gestalt.”).

67. See Katya Assaf, *Brand Fetishism*, 43 CONN. L. REV. 83, 84 (2010) (arguing that “trademark law should serve to discourage brand fetishism, and should act to restore the original informative function of trademarks”).

68. See HEDING ET AL., *supra* note 65, at 117–19 (describing brand personality approach).

69. See *id.*

70. See *id.* at 12 (describing formation of brand identity).

71. See *id.* (citation omitted) (internal quotation marks omitted).

72. See *id.* at 13.

73. See RICHARD D. CZERNIAWSKI & MICHAEL W. MALONEY, CREATING BRAND LOYALTY: THE MANAGEMENT OF POWER POSITIONING AND REALLY GREAT ADVERTISING 8 (1999); see also HOLT, *supra* note 64, at 7 (“Most iconic brands have been built through the mass media, usually with television advertising.”).

74. See Alexandra Bruell, *Unilever to Review Massive Media Buying and Planning Account*, ADVERTISING AGE (Jan. 22, 2015), <http://adage.com/article/agency-news/unilever-review-massive-media-buying-planning-account/296720/> [<https://perma.cc/S4RS-PMFS>].

marketing launch of its new line of DOVE hair care products.⁷⁵ Marketing executives and researchers agree that advertising is a necessary expense:

Advertising . . . is a critically essential plank for establishing in the minds of your customers how and what to think about your offering in the absolute and relative to other products in the marketplace. Advertising contributes to the development and establishment of the brand. Really great advertising helps establish great brands and, of course, brand loyalty.⁷⁶

In spite of the cost of developing a brand, a company benefits greatly from the brand equity that is produced. While the monetary value of trademark assets has been said to encompass the “goodwill” of a business, it may be more accurate to say that it is a shorthand reference for all of the value contained within the relevant brand. This is the brand equity: “[T]he value, usually defined in economic terms, of a brand beyond the physical assets associated with its manufacture or provision.”⁷⁷ Possessing a well-developed and well-known brand name translates into numerous benefits to the brand owner, including the ability to spend less money introducing new product extensions.⁷⁸ Established brands have also been found to be more immune to competitor price fluctuations and promotions: “Brand loyalty, long a central construct in marketing, is a measure of the attachment that a customer has to a brand. . . . As brand loyalty increases, the vulnerability of the customer base to competitive action is reduced.”⁷⁹

Brand loyalty is especially important to companies now that there is significantly more competition and significantly more products and services than ever before. Marketers routinely use price promotions and sales to encourage fickle customers to try the next new product in a category. To combat this competitive environment, companies must either enter into this battle of price promotions or develop brand loyalty.⁸⁰ The varied benefits stemming from solid brand development are recognized in

75. See *Dove: Brand Profile*, ADBRANDS.NET, http://www.adbrands.net/us/dove_us.htm [<https://perma.cc/NLS6-BB9J>] (last visited Mar. 1, 2016).

76. CZERNIAWSKI & MALONEY, *supra* note 73, at 9.

77. See Biel, *supra* note 66, at 69.

78. See Rajeev Batra, Donald R. Lehmann & Dipinder Singh, *The Brand Personality Component of Brand Goodwill: Some Antecedents and Consequences*, in BRAND EQUITY & ADVERTISING: ADVERTISING’S ROLE IN BUILDING STRONG BRANDS, *supra* note 66, at 83, 83 (“Brand names are regarded among the most valuable assets owned by a company. A well-known and well-regarded brand name—one with a high level of equity or goodwill—can often be extended into new product categories, in a way that saves the extending company many of the expenses of establishing a new brand name. As a consequence, companies acquiring others pay significant asset valuation premiums for the portfolio of brand names that are acquired.” (emphasis added) (citation omitted)).

79. See AAKER, *supra* note 62, at 39.

80. See CZERNIAWSKI & MALONEY, *supra* note 73, at xix.

merger and acquisition scenarios, whereby investors and purchasers will pay a premium that reflects brand equity.⁸¹ Currently, Forbes ranks Apple as the most powerful brand: it is valued at \$145.3 billion.⁸² Apple's yearly advertising spending of \$1.2 billion was significantly less than the \$4 billion spent by Samsung (ranked as the seventh most powerful brand by Forbes), which demonstrates the financial impact of brand loyalty since Apple is said to "rel[y] on its avid fan base more than Madison Avenue to promote its products."⁸³

A. *Brands and Marketing Theory*

Marketing scholars began studying brands in earnest in the 1990s, drawing on a variety of scientific disciplines, including economics, consumer research, organizational behavior, psychology, sociology, and anthropology.⁸⁴ The earliest brand research was based on economic theory and studied brands with the goal of determining how to optimize sales. Under this approach, it was believed that optimal sales would result from the correct marketing mix of the "Four Ps": price, product, place, and promotion.⁸⁵ The goal of a brand manager was to study economic theory to determine the proper balance of costs and revenue related to these four factors. In this model of branding, consumers played a passive role and were assumed to simply receive marketing messages and then respond in a rational fashion to those messages in determining whether to buy the relevant product at the set price point.⁸⁶

Subsequent research recognized that consumers are not always so passive or so rational in making purchasing decisions. The economic approach struggled to explain why a consumer may pay a higher price for a brand name product when there is an equivalent, cheaper product sold next to it on the same shelf in the grocery store. Therefore, the next wave of branding research focused more on the relationship between the consumer and the brand.

As part of this focus on the consumer, brand identity became an essential focus, and it included both an understanding of consumer perceptions of the brand owner (or corporate identity) as well as an analysis of

81. See David A. Aaker & Alexander L. Biel, *Brand Equity and Advertising: An Overview*, in BRAND EQUITY & ADVERTISING: ADVERTISING'S ROLE IN BUILDING STRONG BRANDS, *supra* note 66, at 1, 1 ("Philip Morris purchased Kraft for more than six times its book value. In his 1989 keynote address to the Advertising Research Foundation, Hamish Maxwell, the man behind the acquisition, emphasized that he was buying strong brands.").

82. See *The World's Most Valuable Brands*, FORBES, <http://www.forbes.com/powerful-brands/list/> (last visited Mar. 1, 2016).

83. See Kurt Badenhausen, *Apple and Microsoft Head the World's Most Valuable Brands 2015*, FORBES (May 13, 2015, 9:57 AM), <http://www.forbes.com/sites/kurtbadenhausen/2015/05/13/apple-and-microsoft-head-the-worlds-most-valuable-brands-2015/>.

84. See HEDING ET AL., *supra* note 65, at 4.

85. See *id.* at 37.

86. See *id.* at 31.

how consumers are personifying the brand (and developing its perceived brand personality).⁸⁷ To study this dyadic relationship between brand and consumer, researchers began to use both quantitative and qualitative techniques, which added detailed interviews and home studies to the traditional use of consumer surveys and quantitative focus group testing.⁸⁸ The underlying assumption is that a strong and well-developed brand personality can help to increase consumer attachment to a brand.⁸⁹ In order to create this strong personality and brand identity, brand owners must engage with consumers in an ongoing discourse to determine how the brand is perceived.⁹⁰ The brand owner is then able to change its marketing message in order to change consumer perceptions in a manner that will increase sales and consumer loyalty.⁹¹

Recent research into brand communities takes the brand–consumer relationship a step further by also incorporating the relationship between consumers.⁹² Focus is now on the “brand triad.”⁹³ This approach recognizes that other consumers can impact how a single consumer views a brand; consumers receive official messages from brand owners, as well as numerous unofficial messages about the brand from other consumers.⁹⁴ As discussed in more detail below, this is a more complex view of branding that is heralded as providing insights into the future of branding, and a robust theory of trademark law should be able to account for it.

B. *A Brand Theory of Trademark Law*

In order to better understand modern trademark law’s evolution and expansion, trademark law must be viewed through brand theory. According to Deven Desai in his foundational work explaining the brand theory approach to trademark law, “trademarks have moved far beyond the commercial sphere. Trademarks have become brands; that is, they now are more about allowing corporations to protect reputation and persona than preventing unfair competition and advancing consumer protection.”⁹⁵ While this statement reflects the new role of the brand as a reputational asset to a corporation, the brand encompasses more than just product or corporate reputation. Desai continues elsewhere:

The noncorporate dimension of branding involves consumers and communities as stakeholders in brands. Consumers

87. *See id.* at 23.

88. *See id.*

89. *See id.* at 118.

90. *See id.* at 118–20.

91. *See id.*

92. *See id.* at 182.

93. *See id.* at 183.

94. *See id.* at 182–85.

95. *See* Deven R. Desai, *Speech, Citizenry, and the Market: A Corporate Public Figure Doctrine*, 98 MINN. L. REV. 455, 475 (2013) [hereinafter Desai, *Speech, Citizenry, and the Market*].

often buy branded goods not for their quality but as badges of loyalty, ways to express identity, and items to alter and interpret for self-expression. Some consumers form brand communities which either evangelize or police brand meaning and corporate practices. From the perspective of trademark law, this behavior presents a problem; from the perspective of brand scholarship, it is both ordinary and expected.⁹⁶

When trademark law is analyzed using brand theory, two things become clear. First, brand theory helps to explain the expansion of trademark law with regard to initial-interest confusion, post-sale confusion, and dilution. By widening one's understanding of trademarks from simple symbols for source differentiation to components of a larger brand, one can better understand the creation of these causes of action and their logical boundaries. Second, brand theory also highlights a current weakness in trademark law with regard to its view of the role of consumers: "[T]rademark law champions corporations as the sole custodians of trademark meaning. . . . Trademark law thus clings to the model of the firm as the one with the exclusive power to develop the brand and to control its meaning."⁹⁷ Instead, trademark law must recognize the active role that consumers now play in the development of brands. In doing so, it will need to allow for more interplay between the trademark owner and the consumer in order to accurately reflect modern marketing reality.

C. *Brand Theory and Trademark Expansion*

Viewing trademarks through the lens of brand theory, initial-interest confusion, post-sale confusion, and dilution can be conceptualized as developments that assist trademark owners in protecting their brand. Rather than simply preventing source confusion or reducing consumer search costs, these causes of action recognize the investments being made by trademark owners in the larger notion of the trademark-affiliated brand. For example, initial-interest confusion has been maligned by some commentators because it allows an action for infringement when the consumer is not actually confused at the time of the purchase of the good or service.⁹⁸ Initial-interest confusion is said to occur, for example, when a consumer is drawn to a store by advertisements for a well-known trademarked good. Upon arriving at the store, the trademarked good is not available, so the consumer decides to buy a competitor's product instead.

96. See Desai, *From Trademarks to Brands*, *supra* note 19, at 986 (footnotes omitted).

97. See *id.* at 983–84.

98. See, e.g., Glynn S. Lunney, Jr., *Trademarks and the Internet: The United States' Experience*, 97 TRADEMARK REP. 931, 936 (2007) (arguing against initial-interest confusion as "muddle[d]" over-expansion of trademark law); Jennifer E. Rothman, *Initial Interest Confusion: Standing at the Crossroads of Trademark Law*, 27 CARDOZO L. REV. 105 (2005) (arguing for "pre-sale confusion" instead of initial-interest confusion).

The consumer may have been misled about the availability of the trademarked good (and may have incurred some transaction costs in seeking out this particular store), but the consumer is not mistaken about the source of the product purchased. The consumer has the option of leaving the store but opts to buy the competitor's product instead.

Under some circumstances, courts have permitted trademark owners to obtain damages for trademark infringement based solely on this initial pre-sale confusion.⁹⁹ However, a brand-centric view of trademark law recognizes that initial-interest confusion is a form of unfair competition that can directly harm the truthful advertising efforts of the trademark owner. Substantial investment in truthful advertising is necessary to the development of an iconic brand. As such, initial-interest confusion can be seen as addressing a commercial injury to that brand investment.¹⁰⁰

Post-sale confusion, on the other hand, occurs when a consumer buys counterfeit merchandise. Even though the consumer is aware of the fact that the item is counterfeit and therefore is not confused as to the source of the good, courts have found infringement in post-sale confusion cases based on the fact that third parties unconnected to the actual sale may mistakenly believe that the item is a genuine, trademarked good.¹⁰¹ As such, the trademark owner may be harmed by the mental association of the potentially inferior counterfeit good with the trademark, thereby lessening the perceived prestige of the trademark and its genuinely affiliated goods. Again, the actual consumer in such a scenario was not confused about the source of the good, so this cause of action does not reflect the original underpinnings of trademark law. Liability for post-sale confusion does not prevent consumer confusion or reduce consumer search costs. However, it does support branding efforts. By allowing trademark owners to sue for such counterfeiting where direct consumers are not confused, courts are again supporting the investment of business owners in the larger concept of a brand.¹⁰²

Dilution might be the most criticized of the recent expansions of trademark law.¹⁰³ It has been called "a fundamental shift in the nature of

99. See, e.g., *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1405 (9th Cir. 1997) ("Sixth, the use of the Cat's stove-pipe hat or the confusingly similar title to capture initial consumer attention, even though no actual sale is finally completed as a result of the confusion, may be still an infringement."); *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254, 260 (2d Cir. 1987) ("As explained above, the district court's concerns focused upon the probability that potential purchasers would be misled into an initial interest in Pegasus Petroleum. Such initial confusion works a sufficient trademark injury.")

100. See Desai, *From Trademarks to Brands*, *supra* note 19, at 1025 ("[T]he [initial-interest confusion] doctrine has little to do with rational choice problems that traditionally animate trademark law.")

101. See *supra* note 54.

102. See Desai, *From Trademarks to Brands*, *supra* note 19, at 1025.

103. See, e.g., David J. Franklyn, *Debunking Dilution Doctrine: Toward a Coherent Theory of the Anti-Free-Rider Principle in American Trademark Law*, 56 HASTINGS L.J. 117, 131 (2004) ("There is scant empirical evidence that multiple uses of a famous

trademark protection”¹⁰⁴ and may signal an expansion of trademark rights at the expense of the public domain.¹⁰⁵ Under the federal Trademark Dilution Revision Act of 2006, the holder of a “famous mark”¹⁰⁶ may now bring a dilution claim against a junior user of a mark if the junior user’s use is “likely to cause dilution by blurring or dilution by tarnishment of the famous mark”¹⁰⁷ The statute expressly states that a dilution claim may be brought “regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.”¹⁰⁸ Given the broad nature of this cause of action, critics of dilution liability note that “holders of famous marks can sue junior users even when the junior user does not compete with the mark holder, there is no likelihood of confusion, or there is no quantifiable economic harm.”¹⁰⁹

These criticisms all highlight the underlying problem that dilution law does not easily follow from a traditional, consumer-focused theory of trademark protection. Dilution is not about reducing search costs or increasing the amount or quality of information available to consumers. Instead, it is explicitly about protecting the trademark owner: “[D]ilution law is producer-focused rather than consumer-focused: It seeks to prevent diminution in the value of a famous mark stemming from the use of the mark by someone other than the trademark holder.”¹¹⁰ Congress took a brand view of trademarks when it drafted and passed this federal dilution act; such focus can be clearly seen in Congress’s explanation that the law was intended to protect “the substantial investment the owner has made in the mark and the commercial value and aura of the mark itself.”¹¹¹ If trademark law is reframed as a law of brand protection, dilution law becomes less incongruous. Dilution law expressly protects the owners of fa-

mark dilute the selling power of the mark in connection with the first class of products to which it was attached.”); Mary LaFrance, *No Reason to Live: Dilution Laws as Unconstitutional Restrictions on Commercial Speech*, 58 S.C. L. REV. 709, 711 (2007) (arguing federal and state dilution states are unconstitutional restraints on commercial speech); Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687, 1698 (1999); Margaret Jane Radin & R. Polk Wagner, *The Myth of Private Ordering: Rediscovering Legal Realism in Cyberspace*, 73 CHI-KENT L. REV. 1295, 1305 (1998) (“Owners of ‘famous’ marks can use this statute to capture the domain name they want, even if someone else got it first, but owners of non-famous marks seem to be out of luck.”).

104. See Lemley, *supra* note 103, at 1698.

105. See Radin, *supra* note 103, at 1305.

106. A famous mark is statutorily defined as a mark that is “widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark’s owner.” 15 U.S.C. § 1125(c)(2)(A) (2012).

107. See *id.* § 1125(c)(1).

108. See *id.*

109. See Deven R. Desai & Spencer Waller, *Brands, Competition, and the Law*, 2010 BYU L. REV. 1425, 1459.

110. See Clarisa Long, *Dilution*, 106 COLUM. L. REV. 1029, 1034 (2006) (presenting empirical evidence of judicial dissatisfaction with dilution law).

111. See Desai & Waller, *supra* note 109, at 1460 (quoting H.R. REP. NO. 104-374, at 3 (1995)) (internal quotation marks omitted).

mous marks, and those famous marks became well-known enough to justify this protection through the use of substantial branding techniques.¹¹² Therefore, dilution law encourages substantial investment in branding and rewards those companies that have made such an investment by allowing them to safeguard their brand from the more subtle blurring or tarnishment injuries that may be caused by non-competitors.

D. *Brand Theory and Consumer Involvement*

While brand theory can be used to better understand the legal shifts in modern trademark law, it also highlights the fact that trademark law turns a blind eye to the changing relationship between brands (and thus trademarks) and consumers. Traditionally, trademark law placed consumers in the role of passive parties needing protection from confusing advertising tactics. The law's focus on the likelihood of confusion highlights this approach. However, brand owners are increasingly asking consumers to engage with their brands, including by participating in market research to help develop boundaries on the brand's perceived "personality," as well as by actively spreading marketing information through viral or word-of-mouth campaigns.¹¹³ Noting this growing role for consumers in branding efforts, Laura Heymann argues, "If trademark law recognized the active work that consumers do in engaging with trademarks, it would incorporate a theory of the consumer that sees him as capable of engaging with these trademark associations without the law's interference."¹¹⁴

While it is true that a brand concept is initially developed by the brand owner and that initial communications regarding the brand will come from that owner, consumers will have a variety of interactions with and influence on that brand once the product and its brand image are made public. At the very least, the consumer must be recognized as someone who "not only perceives the trademark as a source identifier but who also can call to mind (and then accept or reject) the various associations the mark comprises."¹¹⁵

112. *See id.* ("In other words, criticisms that dilution is far removed from trademark law's search-cost and consumer-focused foundations are accurate but miss the point that trademark law has already imported a brand perspective into its doctrine. Dilution, like the other brand-based extensions of trademark law in recent times, can be seen as merely the most obvious iteration of that view.")

113. *See, e.g.,* TOMI T. AHONEN & ALAN MOORE, COMMUNITIES DOMINATE BRANDS: BUSINESS AND MARKETING CHALLENGES FOR THE 21ST CENTURY 220–22 (2005) (citing examples of consumer involvement in marketing of Ford Escape and Firefox web browsers); *see also* Luis V. Casaló, Carlos Flavián & Miguel Guinalfú, *Promoting Consumer's Participation in Virtual Brand Communities: A New Paradigm in Branding Strategy*, 14 J. MARKETING COMM. 19, 19–20 (2008) ("Indeed, more and more firms are starting to use several online tools (e.g. chats, forums, etc.) to contact their consumers and to allow interaction among them.")

114. *See Heymann, supra* note 61, at 655.

115. *See id.* at 654.

Deven Desai notes the many ways that a brand may be used by these intersecting stakeholders:

A company uses brands to provide product information to consumers, but it also uses brands to enhance the overall corporate image as the company pursues a full range of business goals. Consumers may, of course, use brands to find products. But consumers may simultaneously use brands as expressions of individuality and identity as they take a brand and alter it to match what they see as the meaning of the brand and how that meaning relates to their self-image or message. Communities may also engage with a brand as a symbol about which they wish to comment and share both positive and negative information.¹¹⁶

This connection between brands and consumers can be valuable for the consumer as well as for the brand owner.

Some customers develop intense emotional connections with brands and with the trademarks connected to those brands. Douglas Holt has conducted research on iconic brands and found that:

Customers value some products as much for what they symbolize as for what they do. For brands like Coke, Budweiser, Nike, and Jack Daniel's, customers value the brand's stories largely for their *identity value*. Acting as vessels of self-expression, the brands are imbued with stories that consumers find valuable in constructing their identities.¹¹⁷

In this way, consumers find emotional and psychological value in associating with certain brands. Some consumers even join brand communities to further cement these connections within the larger community of consumers. A brand community is defined as "a specialized, non-geographically bound community, based on a structured set of social relationships among admirers of a brand."¹¹⁸ Frequently these communities form online as virtual communities.¹¹⁹ Branded communities are unique when compared to more traditional communities founded based on shared geography or shared affinities, because at the center of the community is a

116. See Desai, *From Trademarks to Brands*, *supra* note 19, at 988–89.

117. See HOLT, *supra* note 64, at 3.

118. See Albert M. Muniz, Jr. & Thomas C. O'Guinn, *Brand Community*, 27 J. CONSUMER RES. 412, 412 (2001); see also Marcelo Royo-Vela & Paolo Casamassima, *The Influence of Belonging to Virtual Brand Communities on Consumers' Affective Commitment, Satisfaction and Word-of-Mouth Advertising: The ZARA Case*, 35 ONLINE INFO. REV. 517, 519 (2011).

119. See Royo-Vela & Casamassima, *supra* note 118, at 518 ("A virtual community is defined as the integration of a group of individuals using the internet to maintain social relations around a common interest." (citation omitted)). See generally HOWARD RHEINGOLD, *THE VIRTUAL COMMUNITY: HOMESTEADING ON THE ELECTRONIC FRONTIER* (1993).

branded good or service.¹²⁰ However, the psychological factors that bring the members together to form the community, the foundational principles required to identify such a group as a community, and the benefits received by members¹²¹ are all consistent with other, more traditional types of communities: “Like other communities, [a brand community] is marked by a shared consciousness, rituals and traditions, and a sense of moral responsibility.”¹²²

The first indicator of community, “[c]onsciousness of kind[,] is the intrinsic connection that members feel toward one another, and the collective sense of difference from others not in the community.”¹²³ It is a shared sense of belonging.¹²⁴ In their 2001 ethnographical study that laid the foundation for modern brand community research, Albert Muniz Jr. and Thomas O’Guinn investigated three brand communities through interviews conducted with community members located in a Midwestern town.¹²⁵ They found evidence of all three community characteristics, listed above, in the brand communities studied.¹²⁶ With regard to consciousness of kind, the investigators noted that community members felt a strong connection to the brand but an even stronger connection to one another.¹²⁷ Members felt that they could describe other members without having met them.¹²⁸

This statement encompasses ideas of “legitimacy” and “oppositional brand loyalty”—two ways in which members establish themselves as insiders versus outsiders.¹²⁹ In the brand community formed around Saab cars in the study mentioned above, members felt that “legitimate” members were ones who purchased the car for the right reasons: in appreciation of the durability of the car.¹³⁰ More recent purchasers, those who purchased based on trends or current advertising, were not “making a long-term commitment” and thus were deemed illegitimate.¹³¹ Additionally, oppositional brand loyalty was one of the strongest ways in which community members defined themselves.¹³² Members of the Macintosh computer brand community were fervently opposed to Microsoft and its products.¹³³ Community websites would frequently lambast and demonize Bill Gates

120. See Muniz & O’Guinn, *supra* note 118, at 412.

121. See HOLT, *supra* note 64, at 4 (“Conventional branding models largely ignore how brands buttress consumer identities.”).

122. See Muniz & O’Guinn, *supra* note 118, at 412.

123. See *id.* at 413.

124. See *id.*

125. See *id.* at 415.

126. See *id.* at 426.

127. See *id.* at 418.

128. See *id.*

129. See *id.* at 419–20; see also HEDING ET AL., *supra* note 65, at 189.

130. See Muniz & O’Guinn, *supra* note 118, at 419.

131. See *id.*

132. See *id.* at 420.

133. See *id.*

and Microsoft as evidence of the website developer's (and the community's) dedication to the community's core beliefs.¹³⁴ If a community member violates this oppositional brand loyalty by purchasing a competing product, the member's legitimacy as part of the community will be questioned.¹³⁵

The second indicator of community is the existence of shared rituals and traditions. Rituals and traditions "perpetuate the community's shared history, culture, and consciousness."¹³⁶ Rituals also "help to reproduce and transmit the community's meaning in and outside of the community."¹³⁷ The rituals in brand communities may be small undertakings, such as honking or flashing one's lights when a Saab brand community member encounters another Saab driver on the road.¹³⁸ However, these are shared rituals, and they work to reinforce community values and strengthen the consciousness of kind discussed above.¹³⁹ Another common ritual among brand communities is repetitive story-telling regarding the brand's history or origin. Saab brand community members were found to often repeat the same basic origin story (focused on the fact that Saab first developed airplanes) at both meetings and on the numerous community-created websites.¹⁴⁰ Members show evidence of their legitimacy by reciting the agreed-upon history of the brand, where such a story may have been gleaned from the original community members or may result from the brand owner's own marketing efforts.¹⁴¹

The third and final indicator used to define a community is a perceived sense of moral responsibility, which manifests as "a felt sense of duty or obligation to the community as a whole, and to its individual members."¹⁴² A shared sense of moral responsibility helps communities to recruit new members and retain current members. In brand communities, "[m]oral responsibility also includes looking out for and helping other members in their consumption of the brand."¹⁴³ Members of the Saab and Macintosh communities indicated that they felt a responsibility to help other users of Macintosh computers or Saab cars—whether they were current members or not—when their computer or car was malfunctioning.¹⁴⁴ This responsibility included an obligation to share information and resources related to the brand, such as details about newly released

134. *See id.*

135. *See id.* at 420–21.

136. *See id.* at 413.

137. *See* Royo-Vela & Casamassima, *supra* note 118, at 520.

138. *See* Muniz & O'Guinn, *supra* note 118, at 422.

139. *See id.*

140. *See id.*

141. *See id.*

142. *See id.* at 413.

143. *See id.* at 425.

144. *See id.*

products or opinions regarding the best repair businesses.¹⁴⁵ This moral responsibility provides a virtually free way for companies to distribute information among customers and to encourage consumer engagement.

Moreover, marketing research indicates that companies should consider setting up brand communities as a way to enhance consumers' levels of satisfaction and commitment to brands.¹⁴⁶ In studies of brand communities, including online virtual brand communities, simply registering for the community boosts consumer satisfaction, stated levels of affective commitment to the brand, and the likelihood of positive word-of-mouth activities by the registered consumer.¹⁴⁷ Active participation in the brand community brings higher levels of satisfaction and commitment than merely passive belonging.¹⁴⁸ This is an especially exciting finding for brand owners, as other studies have found that consumers are increasingly likely to mistrust and dislike traditional forms of advertising.¹⁴⁹ Perhaps this research underlies the current enthusiasm among marketing professionals regarding brand communities, with some marketing websites calling 2015 "the year of the brand community."¹⁵⁰

Numerous studies have shown that participation in a brand community influences participants' behaviors. For example, members feel obligated to disparage other similar products by competitors.¹⁵¹ Participation increases consumer loyalty toward the brand around which the community is developed, and that loyalty can result in a greater likelihood of repeat purchases for the brand owner.¹⁵² Additionally, a high level of satisfaction stemming from brand community participation has been shown to lead to an increase in the amount of positive word-of-mouth ad-

145. *See id.*

146. *See* Royo-Vela & Casamassima, *supra* note 118, at 538.

147. *See id.*

148. *See id.*

149. *See* Michael Trusov, Randolph E. Bucklin & Koen Pauwels, *Effects of Word-of-Mouth Versus Traditional Marketing: Findings from an Internet Social Networking Site*, 73 J. MARKETING 90, 90 (2009) (noting that, when comparing surveys of consumer perceptions from 2002 to 2004, "40% fewer people agree that advertisements are a good way to learn about new products, 59% fewer people report that they buy products because of their advertisements, and 49% fewer people find that advertisements are entertaining").

150. Katz, *supra* note 15; *see also* Kerry O'Shea Gorgone, *Why Brand Communities Are the Future of Marketing: Jordan Kretchmer of Livefyre on Marketing Smarts [Podcast]*, *supra* note 15.

151. *See* John W. Schouten & James H. McAlexander, *Subcultures of Consumption: An Ethnography of the New Bikers*, 22 J. CONSUMER RES. 43, 53 (1995) (noting that community of Harley-Davidson owners bond over shared sense of heritage or tradition that leads to criticism of Japanese motorcycles because of "perceived disdain of Japanese manufacturers for tradition, as demonstrated by the frequent introduction of new models and the extinction of others after only a few years. Harley-Davidson, in contrast, emphasizes a continuity that connects its newest motorcycle in a direct line of ancestry to its earliest prototype").

152. *See* Casaló et al., *supra* note 113, at 31; *see also* Royo-Vela & Casamassima, *supra* note 118, at 520.

vertising that is shared by community members about the product or company.¹⁵³ Word-of-mouth (WOM) advertising has been shown to be more effective at persuading purchasers and to have a significant positive effect on post-purchase product perceptions.¹⁵⁴ Overall, word-of-mouth communication among brand community members has been found to be much more effective than traditional advertising activities in stimulating sales.¹⁵⁵

Additionally, some research suggests that brand owners would receive more of the benefits described above if they allowed consumers to develop their own brand communities independent of the brand owner. Past consumer behavior research suggests that consumers tend to view corporations' marketing strategies (including corporate-sponsored brand community development) in a cynical fashion and assign exploitative motivation to even purely altruistic promotions.¹⁵⁶ However, research has also shown that consumer-created online brand communities engender higher intrinsic motives of altruism than a similar marketer-created online brand community.¹⁵⁷ By allowing consumer-created brand communities to develop and flourish, brand owners can receive numerous benefits without suffering from the negative connotations consumers ascribe to traditional, corporate-generated marketing.¹⁵⁸

E. *The Trademark–Brand Disconnect*

If consumer-initiated branding is as beneficial to brand owners as the marketing research suggests, it seems incongruous that brand owners like IKEA would take actions to stop it. However, trademark law contains en-

153. See Trusov et al., *supra* note 149, at 90; see also Ángel Millán & Estrella Díaz, *Analysis of Consumers' Response to Brand Community Integration and Brand Identification*, 21 J. BRAND MGMT. 254, 255 (2014).

154. See Royo-Vela & Casamassima, *supra* note 118, at 522.

155. See, e.g., Trusov et al., *supra* note 149, at 91 (“[W]e find that WOM referrals strongly affect new customer acquisitions and have significantly longer carry-over than traditional forms of marketing used by the firm (21 days versus 3 to 7 days). We estimate a long-term elasticity for WOM of .53—approximately 20–30 times higher than the elasticities for traditional marketing.”); see also *id.* at 95–96 (“[T]he WOM effect on sign-ups remains significantly different from zero for approximately three weeks. In contrast, the effects of media and events . . . lose significance within just a few days. Compared with traditional marketing activities, the WOM referrals induce both a larger short-term response and a substantially longer carryover effect.”).

156. See, e.g., Doohwang Lee, Hyuk Soo Kim & Jung Kyu Kim, *The Impact of Online Brand Community Type on Consumer's Community Engagement Behaviors: Consumer-Created vs. Marketer-Created Online Brand Community in Online Social-Networking Web Sites*, 14 CYBERPSYCHOLOGY, BEHAV. & SOC. NETWORKING 59, 60 (2011).

157. See *id.* at 61.

158. See *id.*; see also *id.* at 62 (“[M]arketers may have to employ a passive role when facilitating online brand communities such as being merely a sponsor of consumer-created online brand communities. It is certainly plausible that corporations can sponsor charity events or activities for members in consumer-created communities.”).

meshed duties and burdens placed on trademark owners that cause them to fear the loss of their trademark rights if they fail to take action against use of their mark by any third parties, including the trademark owner's own fans. These risks include the potential for genericide and abandonment for failure to police a mark or failure to maintain quality control if the mark is licensed. Moreover, consumer-initiated brand activities are increasingly likely to be characterized as "confusing" (and thus infringing) because of the way trademark confusion has been broadened to protect brand owner interests in other contexts.

1. *Genericide and the Duty to Police*

While trademark law may be expanding in an attempt to protect the investment interests of brand owners, it is still ill-suited to address the push for greater consumer involvement in branding and in brand community development. Trademark owners have long been advised to monitor and "police" third-party uses of trademarks identical to or similar to their own. This obviously would include consumer-initiated activities involving the owner's trademarks. The advice to trademark owners to police such use is intended to prevent genericide and abandonment and to stop infringement.¹⁵⁹ Trademark owners feel that they must remain vigilant in this regard in order to avoid a determination by a court or by the United States Patent and Trademark Office (USPTO) that they have abandoned their trademark.

A trademark will be deemed "abandoned" under Section 1127 of the Lanham Act when "its use has been discontinued with intent not to resume such use" or when "any course of conduct of the owner, including acts of omission as well as commission, causes the mark to become the generic name for the goods or services on or in connection with which it is used or otherwise to lose its significance as a mark."¹⁶⁰ When broken down into its bare elements, Section 1127 indicates that abandonment can occur in three ways:

- (1) a trademark owner intends to abandon the mark and thus discontinues its use,
- (2) a trademark owner, through overt acts or omissions, allows the mark to become the generic name for the good or service with which it has been used, or
- (3) a trademark owner, through overt acts or omissions, allows the mark to lose its significance as a mark (such that it no longer identifies the source of the good or service to a consumer).¹⁶¹

159. See William T. Gallagher, *Trademark and Copyright Enforcement in the Shadow of IP Law*, 28 SANTA CLARA COMPUTER & HIGH TECH. L.J. 453, 490 (2012) ("The interviewed lawyers often cited a need to 'police' their clients' trademarks and copyrights. They explained that the failure to do so on any particular occasion could lead to difficulties in enforcing rights against other targets in the future.").

160. 15 U.S.C. § 1127 (2012).

161. See Kiser, *supra* note 17, at 225.

The resulting “duty to police” third-party trademark usage that was spawned from these grounds for abandonment is now considered a bedrock principle of trademark law.¹⁶² Some scholars have argued that the uncertain boundaries of trademark law’s duty to police have led to aggressive and exaggerated responses by some trademark owners to minor, perceived threats by third parties—activity that has been called “trademark bullying” in trademark scholarship and the popular media.¹⁶³

When brand owners attempt to stop consumer-initiated brand activities, they are often called trademark bullies.¹⁶⁴ IKEA was barraged with intense criticism from both consumers and the press when it sent its cease-and-desist letter to the owner of the IKEAhackers website.¹⁶⁵ However, brand owners often describe their actions as a necessary response dictated by trademark law’s duty to police.¹⁶⁶ Setting aside brand owners intending to abandon a mark under Section 1127, brand owners are concerned with consumer activities that may lead to genericide or may cause the mark to lose its source-identifying significance.¹⁶⁷ *Genericide* is a term used to describe the process through which a distinct trademark loses its ability to signify the source of the good or service product with which it has been previously connected because the mark is now known by consumers as a generic term.¹⁶⁸ When genericide occurs, the trademark comes to be

162. See generally 6 MCCARTHY, *supra* note 32, § 31:38.

163. See Irina D. Manta, *Bearing Down on Trademark Bullies*, 22 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 853, 869, 866–71 (2012) (“A significant amount of trademark bullying stems from bullies’ impression that to maintain a mark, it is the owner’s duty to aggressively police it. Thus, many bullying situations involve mark owners who have taken this perceived duty to extreme levels.”); see also Grinvald, *supra* note 17, at 628–30; Kiser, *supra* note 17, at 225; Jeremy N. Sheff, *Fear and Loathing in Trademark Enforcement*, 22 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 873, 873 (2012); Sara Marie Andrzejewski, Note, “Leave Little Guys Alone!”: *Protecting Small Businesses from Overly Litigious Corporations and Trademark Infringement Suits*, 19 J. INTELL. PROP. L. 117, 118 (2011); Angus Loten, *New Tool in Trademark Fights*, WALL ST. J., Feb. 23, 2012, <http://online.wsj.com/article/SB10001424052970203358704577237473534179392.html> [<https://perma.cc/5S5X-47KN>] (discussing small business strategy in making these matters public and the desired effects of shaming).

164. See Manta, *supra* note 163, at 854 (“[A] trademark bully is usually a large company that seeks to put an end to behavior by individuals and small businesses that it perceives as a danger to its own intellectual property even though its legal claims against these other parties are spurious or non-existent.”); see also, e.g., Loten, *supra* note 163 (discussing instance of trademark bullying).

165. See Campbell-Dollaghan, *supra* note 13; Doctorow, *supra* note 13; Karmon, *supra* note 13.

166. See, e.g., Gallagher, *supra* note 159, at 490.

167. See Kiser, *supra* note 17, at 239 (“[T]rademark law imposes limitations on what bullies feel are acceptable settlement terms, as they [] must also protect against genericide.”); Manta, *supra* note 163, at 858 (“Trademark bullying is a touchy problem because the law does require owners to police their marks if they want to maintain exclusive rights in their marks and prevent so-called ‘genericide.’”).

168. See Desai & Rierson, *supra* note 6, at 1790.

known as the generic term used to describe the whole category of goods in which that particular product exists.¹⁶⁹

The history of the Aspirin trademark is one of the most commonly cited examples of genericide. Aspirin was once used by Bayer Company as a fanciful trademark in connection with its acetyl salicylic acid pain reliever.¹⁷⁰ When a defendant in an infringement suit argued that the mark had become the generic term used by consumers to refer to all such pain relievers produced by any manufacturer, the court in *Bayer Co. v. United Drug Co.*¹⁷¹ held that the trademark Aspirin had lost its source-identifying significance.¹⁷² That holding meant that *aspirin* had become a generic term available in the public domain to any of Bayer's competitors producing acetyl salicylic acid.¹⁷³

In addition to the risk posed by genericide, a mark can also be deemed abandoned under the Lanham Act if it loses its significance as a mark.¹⁷⁴ A mark that has lost such significance can no longer identify the source of a particular good or service to consumers. It is not the generic label for the product class, as is the case for marks that have become generic, but it fails to serve the foundational purpose of a trademark, which is to provide the shorthand link between the product and its source.¹⁷⁵ The direct link between product or service and its source has been severed. Trademark significance, as it pertains to abandonment, has been explained by the Court of Appeals for the Federal Circuit:

Without question, distinctiveness can be lost by failing to take action against infringers. If there are numerous products in the marketplace bearing the alleged mark, purchasers may learn to ignore the "mark" as a source identification. When that occurs, the conduct of the former owner, by failing to police its mark, can be said to have caused the mark to lose its significance as a mark.¹⁷⁶

169. *See id.* at 1789–90.

170. *See generally* *Bayer Co. v. United Drug Co.*, 272 F. 505 (S.D.N.Y. 1921).

171. 272 F. 505 (S.D.N.Y. 1921).

172. *See id.*

173. *See id.*

174. *See* 15 U.S.C. § 1127 (2012).

175. *See* *Nat'l Football League v. Governor of Del.*, 435 F. Supp. 1372, 1389–90 (D. Del. 1977). The "loss of significance" grounds for abandonment is often confused with the defense of acquiescence (a defense that can be raised when a plaintiff was aware of the defendant's infringing use of a mark and failed to take action for an unreasonable period of time). *See id.* Treatise author Thomas McCarthy once explained the distinction as follows: "Acquiescence should not be confused with abandonment of trademark rights. The defense of abandonment results in a loss of rights as against the world, while the defense of acquiescence merely results in a loss of rights as against one defendant." *Id.* at 1389 (quoting 6 McCARTHY, *supra* note 32, § 31:14).

176. *Wallpaper Mfrs., Ltd. v. Crown Wallcovering Corp.*, 680 F.2d 755, 766 (C.C.P.A. 1982).

This duty to police serves as a justification for bully-like behavior by trademark owners.¹⁷⁷ However, the risk of losing one's trademark as a result of insufficient policing of the mark is quite low. Courts have frequently held that failure to police third-party use of a trademark is not sufficient to cancel protection of the mark absent genericide or substantial loss of trademark significance.¹⁷⁸ The dispositive factor in cases where courts have terminated trademarks is not a lack of policing, but whether the trademark owner demonstrated intent to abandon the mark or allowed the mark to be used so freely that it no longer was a distinct source indicator.¹⁷⁹ Courts must find facts sufficient to meet a "high burden of proof" when deciding whether abandonment has occurred, and that burden is rarely met.¹⁸⁰

However, trademark owners and their counsel are likely aware of the few instances in which genericide and loss of significance abandonment have occurred.¹⁸¹ Those instances, while incredibly rare and based on unique factual circumstances, remain salient. Given the risk-averse nature of attorneys and the cognitive biases that may amplify perceptions of such risk, many brand owners are hesitant to allow consumer-initiated brand activities, even though marketing research advocates their encouragement.¹⁸²

This disconnect between perceived duties under trademark law and the marketing interests of brand owners is evidence of the uneasy manner in which trademark law has attempted to accommodate the growth of brands in the modern economy. When consumers associate themselves

177. See, e.g., Gallagher, *supra* note 159, at 490.

178. See, e.g., *Wallpaper Mfrs.*, 680 F.2d at 766.

179. See, e.g., *Saxlehner v. Eisner & Mendelson Co.*, 179 U.S. 19 (1900) (confirming Second Circuit's holding that plaintiff could no longer enforce her rights in mark HUNYADI for bottled water because mark had become generic in eyes of consumers); *Acme Valve & Fittings Co. v. Wayne*, 386 F. Supp. 1162, 1167 (S.D. Tex. 1974) (finding intent to abandon due to discontinuance of manufacture, selling off of all inventory, and failure to renew trademark registration).

180. See *STX, Inc. v. Bauer USA, Inc.*, No. C 96-1140 FMS, 1997 WL 337578, at *10 (N.D. Cal. June 5, 1997) ("A party seeking to prove abandonment has a high burden of proof."); see also *Citibank, N.A. v. City Bank of S.F.*, No. C 79 1922, 1980 WL 30239, at *16 (N.D. Cal. Mar. 23, 1980) ("Abandonment places a strict burden of proof upon the party seeking to prove abandonment. The party seeking to prove abandonment must prove an intent to abandon on the part of the trademark owner.").

181. See Kiser, *supra* note 17, at 230 ("Between the date of registration of the mark in 1905 and the start of the cancellation proceeding on June 25, 1924, the defendant trademark owner in this case had allowed numerous competitors to sell high quantities of the same basic product under the 'Milk of Magnesia' mark. The Second Circuit determined that the defendant 'had taken no steps whatever to assert its rights, and had really ignored the extensive use by others.' Such blatant disregard for the trademark allowed it to become abandoned, because the mark 'no longer indicat[ed] [sic] the origin of the goods sold under it.'" (footnotes omitted) (citing *McKesson & Robbins, Inc. v. Charles H. Phillips Chem. Co.*, 53 F.2d 342, 344-45 (2d Cir. 1931))).

182. See *id.* at 225.

with a brand community or engage in brand-related activities (like hosting brand fan websites), they are not detracting from the original source identifying nature of the mark; rather, the mark is still being used by the brand owner to identify itself as the source of the good or service. Often, consumer-initiated activity supports the brand owner's desired source identification because brand fans are quick to highlight the benefits of that specific source and to direct other consumers to the brand owner's official resources.¹⁸³ In this way, consumer-initiated brand activity builds the strength of the brand and the source-related associations made in the mind of new consumers or new fans of the brand.

Additionally, the risk of genericide for brand owners that allow brand communities and other consumer-initiated activity is likely the same as the risk faced by more conservative businesses. Genericide has long been seen as a risk faced by companies that become popular or famous.¹⁸⁴ If you are an early entrant into a product category (like Xerox) or control the majority of the market share in that category (like Google), consumers may conflate your trademark with that product class. These scenarios posed a risk long before the advent of modern branding, and that risk remains relatively unchanged. However, brand owners may be able to use brand communities and loyal brand fans to combat this risk. Currently, trademark owners use marketing and informational campaigns to combat this problem.¹⁸⁵ In such campaigns, trademark owners routinely ask customers for help in preventing genericide. They explain the proper and improper ways to use the company's marks. This seems like a ripe opportunity for enlisting the help of one's brand community filled with loyal consumers willing to help lessen the risk of genericide. While logic and marketing literature would suggest that consumer involvement in branding may strengthen a company's trademarks, trademark law's abandonment rules and duty to police are not aligned with this aspect of branding.

2. *Criticism of Trademark Expansion*

While trademark law can be described as having expanded to protect the investments trademark owners are making into their brands, there are numerous reasons to question whether this expansion was in the best interest of branding or of trademark law in general. Numerous scholars have argued that the expansion of trademark law to allow remedies for dilution, initial-interest confusion, sponsorship confusion, and post-sale

183. For a discussion of Saab and Macintosh owners who perform this function, see *supra* notes 125–44 and accompanying text.

184. See Kiser, *supra* note 17, at 225–26 (discussing how cognitive biases may lead to overly aggressive litigation tactics of trademark owners).

185. See Megan Garber, *Kleenex Is a Registered Trademark' (and Other Desperate Appeals)*, ATLANTIC (Sept. 25, 2014), <http://www.theatlantic.com/business/archive/2014/09/kleenex-is-a-registered-trademark-and-other-appeals-to-journalists/380733/> [https://perma.cc/B66Z-DLCE] (containing examples of these sorts of print advertisements).

confusion has broadened the idea of confusion to absurd levels.¹⁸⁶ As federal trademark law gets its congressional authority through the Commerce Clause, trademarks should be protected as a means of preventing trade diversion and consumer deception (which was the historical goal in preventing “passing off”).¹⁸⁷ However, as trademark law has grown to protect the property-like investment interests of brand owners, it has veered away from this focus. Trademark law’s likelihood of confusion standard now allows trademark owners to sue for any confusion, even when it is irrelevant to the purchasing consumer, because any confusion could potentially increase search costs for that consumer.¹⁸⁸ Some scholars have argued that this paternalistic approach to trademark law, which protects consumers from all manners of possible confusion, is not supported by current cognitive science research on consumer decision-making.¹⁸⁹ Consumers simply do not need to be coddled in this fashion.¹⁹⁰

186. See, e.g., Lemley, *supra* note 103, at 1708 (“But when trademark law reaches beyond that—when it precludes a haberdasher from selling a hat with the ‘Cowboys’ logo, even when the circumstances preclude a finding of consumer confusion—it has left its theoretical foundations.”); Mark A. Lemley & Mark McKenna, *Irrelevant Confusion*, 62 STAN. L. REV. 413, 414 (2010) [hereinafter Lemley & McKenna, *Irrelevant Confusion*] (“[T]rademark law has taken the concept of confusion too far.”); William McGeeveran, *Rethinking Trademark Fair Use*, 94 IOWA L. REV. 49, 51 (2008) [hereinafter McGeeveran, *Rethinking Trademark Fair Use*] (“Many observers warn that this increased scope of trademark protection threatens free speech, including both dissemination of useful commercial information and discussion, critique, or parody about famous brands and the culture they embody.”); McKenna, *Consumer Decision-Making Theory*, *supra* note 46, at 70 (“Thus, over the course of the last century, we have moved from a system in which confusion was actionable only insofar as it related to the particular end of trade diversion to one in which confusion itself defines the cause of action. Trademark law, in other words, now abstracts away from consumer decisions and targets confusion ‘in the air.’”).

187. See Lemley, *supra* note 103, at 1708 (“The point of trademark law has never been to maximize profits for trademark owners at the expense of competitors and consumers.”).

188. See Lemley & McKenna, *Irrelevant Confusion*, *supra* note 186, at 414 (“[C]ourts expanded the range of actionable confusion beyond confusion over the actual source of a product—trademark law’s traditional concern—to include claims against uses that might confuse consumers about whether the trademark owner sponsors or is affiliated with the defendant’s goods.”); see also McKenna, *Consumer Decision-Making Theory*, *supra* note 46, at 72 (arguing that trademark liability should only be permitted based on consumer confusion that would affect purchasing decision).

189. See, e.g., Austin, *supra* note 39, at 829–31 (arguing that “ordinary prudent consumer” in trademark cases needs to be reimagined to better reflect actual prudent consumer); Barton Beebe, *Search and Persuasion in Trademark Law*, 103 MICH. L. REV. 2020 (2005) (analyzing inconsistent ways in which consumer is being used and defined as either sovereign or fool in trademark cases); Rebecca Tushnet, *Gone in Sixty Milliseconds: Trademark Law and Cognitive Science*, 86 TEX. L. REV. 507 (2008) (arguing against cognitive model of dilution law).

190. See Beebe, *supra* note 189, at 2024 (“Trademark apologists, primarily scholar-practitioners or academics of the law and economics tradition, have countered that the consumer is not nearly so gullible.”).

Another effect of this expansion of trademark confusion is that brand owners are often able to sue for trademark infringement when they have suffered little to no harm from the defendant's actions.¹⁹¹ Mark McKenna and Mark Lemley have argued that there is little empirical support for the argument that trademark owners require expanded confusion liability in order to prevent "free riding" by third parties.¹⁹² Instead, the data indicate that the alleged free rider may benefit from a non-competitive association with another party's trademark, but often that trademark owner does not suffer any harm from this association.¹⁹³ As such, trademark owners are being given the ability to block others from a commercial benefit without actually proving any harm underlying their infringement claim. Trademark owners are, in essence, being granted trademark monopolies with all of the "unjustified and inappropriate market power" that entails.¹⁹⁴

Branding is now a snake eating its own tail. By expanding trademark law to protect the investments made by businesses into their brands, trademark law has made it easier to determine that a third party's activity is infringing. This development means that consumer-initiated brand activities will more likely fall under the umbrella of confusion and be prohibited or deterred, even though consumer activities rarely rise to the level of "passing off." That outcome goes against marketing research that indicates consumer-initiated branding is especially effective at developing brand loyalty, increasing word-of-mouth advertising, and thus increasing sales.

3. *Quality Control and the Licensing Dilemma*

If unauthorized use of a brand owner's marks can cause abandonment issues, one may wonder why the consumer-involved uses are not simply authorized in the first place. Can licensing save a brand owner from the duty to police and abandonment problems? This approach is an option available to brand owners. When IKEA changed direction and allowed the continued operation of the IKEAhackers website, it is likely that IKEA entered into some form of contractual licensing arrangement such that the website owner would be required to operate within certain parameters regarding IKEA's intellectual property. In this way, IKEA can show

191. See Lemley & McKenna, *Owning Mark(et)s*, *supra* note 45, at 141 (proposing "'trademark injury' requirement [in trademark law] is akin to the 'antitrust injury' requirement currently used to weed out undeserving anti-trust plaintiffs"). See generally Mark P. McKenna, *Testing Modern Trademark Law's Theory of Harm*, 95 IOWA L. REV. 63 (2009) (arguing that there should be no presumption of harm from uses of marks for non-competing goods but presumption of harm in context of market expansion may be justified).

192. See Lemley & McKenna, *Owning Mark(et)s*, *supra* note 45, at 156–65.

193. See *id.*

194. See Lunney, *supra* note 98, at 373 (discussing property justification for trademark protection as pertains to evolution of trademark law and rise of anti-competitive trademark monopolies).

evidence that it is exercising some control over this now-authorized third-party use of its marks. However, this option is hard to manage on a large scale. Due to the quality control requirements imposed under trademark law, it would be inefficient and potentially unmanageable for a brand owner to allow large numbers of consumers to make licensed uses of the brand owner's marks.

Licensing consists of an arrangement, typically contractual, under which a third party is authorized to use the trademark owner's marks under specific conditions. This arrangement may occur when the trademark owner wants to outsource production of the trademarked good to a cheaper, third-party manufacturer, rather than manufacture the product themselves. It can also occur when a trademark owner wants to allow a third party to create a new (and likely related) line of goods under the established trademark, such as when the brand owner of OREO cookies decides to authorize a third party to utilize the OREO mark in connection with its line of ice cream flavors. Corresponding with the growth of modern branding, some companies also enter into license agreements to produce merchandise like clothing and keychains that bear the licensed trademark. In these instances of promotional trademark licensing, the consumer is seeking products that announce the consumer's affinity for and association with the brand. Trademark law in the United States has evolved from a time when licensing of a trademark was not permitted at all. It was prohibited under common law and the Trademark Act of 1905 because licensing was thought to be misleading in that it hid the true origin of a good or service.¹⁹⁵ As such, it went against the trademark's primary role of indicating the source of a good or service for a consumer. As licensing increasingly became a business necessity, the Lanham Act (the Trademark Act of 1946) finally allowed the licensing of trademarks, but contained several limitations on the practice.

For instance, Section 5 of the Lanham Act states that a registered mark may be used "legitimately by related companies" where the use shall "inure to the benefit of the registrant" and such use "shall not affect the validity of such mark . . . provided such mark is not used . . . to deceive the public."¹⁹⁶ This provision indicates that licensing is permitted if the parties are "related companies" and consumers are not misled. The Lanham Act further defines a "related company" in Section 45 as "any person whose use of a mark is controlled by the owner of the mark with respect to the nature and quality of the goods or services on or in connection with which the mark is used."¹⁹⁷ Based on the language of these provisions, courts have indicated that a trademark owner must exercise control over a

195. See FRANK I. SCHECHTER, *THE HISTORICAL FOUNDATIONS OF THE LAW RELATING TO TRADE-MARKS* (1925); Sidney A. Diamond, *The Historical Development of Trademarks* (pt. 1), 65 *TRADEMARK REP.* 265 (1975).

196. 15 U.S.C. § 1055 (2012).

197. *Id.* § 1127.

licensee in order to monitor the quality of the product being produced under the licensed mark so that consumers will not be deceived.¹⁹⁸

However, the statute does not specify the amount of control necessary or the manner in which that control must be exercised. If trademark owners fail to exercise this quality control over licensees, then they have entered into an invalid “naked license” that can lead to consumer confusion.¹⁹⁹ Naked licensing and insufficient quality control could potentially lead to abandonment and forfeiture of the mark if it is determined that the mark has lost its significance and ability to serve its source-identifying function.²⁰⁰ Irene Calboli has made a persuasive argument that this quality control requirement has been greatly minimized by courts that will rarely order a mark to be forfeited.²⁰¹ Courts have found minimal control to be sufficient or have upheld licenses upon proof that product quality remained consistent.²⁰² Calboli advocates for a revision of the Lanham Act that would allow licensing “with or without ‘quality control’” in light of the modern realities of the business of trademark licensing.²⁰³ However, Calboli acknowledges that despite this growing acceptance of minimal or de facto licensing by the courts, “the traditional view that lack of control will result in naked licensing has nonetheless continued to be included in the language of most judicial decisions, proving courts are generally reluctant to abandon quality control as the theoretical standard for valid licensing.”²⁰⁴ As such, the actual licensing requirements under the Lanham Act are uncertain and ambiguous.

Because failure to meet this uncertain quality control requirement could potentially lead to forfeiture of a mark (and has done so on several occasions²⁰⁵), trademark owners are routinely advised to include extensive

198. See 3 McCARTHY, *supra* note 32, § 18:42; see also *Dawn Donut Co. v. Hart’s Food Stores, Inc.*, 267 F.2d 358, 367 (2d Cir. 1959).

199. See 3 McCARTHY, *supra* note 32, § 18:42; see also *Dawn Donut Co.*, 267 F.2d at 367.

200. See 3 McCARTHY, *supra* note 32, § 18:42; see also *Dawn Donut Co.*, 267 F.2d at 366–67.

201. See Irene Calboli, *The Sunset of “Quality Control” in Modern Trademark Licensing*, 57 AM. U. L. REV. 341, 366–74 (2007).

202. See, e.g., *Land O’Lakes Creameries, Inc. v. Oconomowoc Canning Co.*, 330 F.2d 667, 670 (7th Cir. 1964) (finding sufficient quality control based on parties’ long relationship and lack of consumer complaints about quality); *Embedded Moments, Inc. v. Int’l Silver Co.*, 648 F. Supp. 187, 194 (E.D.N.Y. 1986) (upholding license based on history of trouble-free manufacture by licensee); *Hurricane Fence Co. v. A-1 Hurricane Fence Co.*, 468 F. Supp. 975, 987–89 (S.D. Ala. 1979) (finding sufficient control based on the fact that licensor and licensee were brothers); *Joseph Bancroft & Sons Co. v. Shelley Knitting Mills, Inc.*, 212 F. Supp. 715, 740 (E.D. Pa. 1962) (holding licensor exercised sufficient quality control such that consumers were unlikely to be deceived).

203. See Calboli, *supra* note 201, at 396.

204. See *id.* at 376.

205. See, e.g., *Ritchie v. Williams*, 395 F.3d 283, 290 (6th Cir. 2005) (holding band promoter abandoned trademark by granting naked license); *Barcamerica Int’l USA Trust v. Tyfield Imps., Inc.*, 289 F.3d 589, 596 (9th Cir. 2002) (finding

quality control provisions in all license agreements.²⁰⁶ A licensor may be advised to add quality control language in the license agreement that would include specific guidelines for use of the mark, detailed specifications for the production of the product, product inspection and approval requirements and procedures, a right on behalf of the licensor to inspect the manufacturing facilities, and penalties for violating these terms. For example, a licensee could be obligated to submit to random inspections by the licensor and to send product samples to the licensor every few months or each time a new “batch” of the product is produced.

This is a burden on both parties. Monitoring the quality of products produced by licensees can be an onerous and time-consuming prospect when imposed on traditional business-to-business transactions. However, the same uncertain quality control requirements would apply to any license that a brand owner enters into with its consumers. IKEA is not terribly burdened by having to monitor the use of its trademarks on the IKEAHackers website, but this is not a feasible solution to allow widespread consumer involvement in branding. If IKEA were to enter into individual licenses with each brand fan seeking to engage in brand-related activities, it would incur substantial initial transaction costs and then the more burdensome costs of monitoring all of those licensees. Entering into a blanket “fan license” would make monitoring trademark use more difficult given the fact that the brand owner would not know the name, location, and type of uses made under all of these de facto authorizations. Such a blanket license would open the door to numerous future defendants raising naked licensing as a defense in any infringement actions brought by the brand owner.

Even if the company were to win on a finding of sufficient quality control, the transaction costs incurred make this option untenable. It is simply easier for a brand owner to comply with current trademark law by sending numerous cease-and-desist letters to discourage consumers from

trademark for wine abandoned due to lack of contractual or actual quality control by licensor); *Halo Mgmt., LLC v. Interland, Inc.*, 308 F. Supp. 2d 1019, 1028–30 (N.D. Cal. 2003) (holding license was naked due to lack of contractual right to monitor or enforce quality); *Stanfield v. Osborne Indus.*, 839 F. Supp. 1499, 1504–05 (D. Kan. 1993) (finding naked license due to lack of actual quality control).

206. See, e.g., KENNETH L. PORT, JAY DRATLER, JR., FAYE M. HAMMERSLEY, TERENCE P. McELWEE, CHARLES R. McMANIS & BARBARA A. WRIGLEY, *LICENSING INTELLECTUAL PROPERTY IN THE INFORMATION AGE* 303 (2d ed. 2005). See generally R. CHARLES HENN JR., ALICIA GRAHN JONES, LAUREN SULLINS RALLS & LAUREN A. LINDER, *INTELL. PROP. DESK REFERENCE, TRADEMARK LICENSING BASICS* 69 (2015), available at <https://clients.kilpatricktownsend.com/IPDeskReference/Documents/Trademark%20Licensing%20Basics.pdf> [<https://perma.cc/NS4L-RVR6>]; Timothy J. Kelly, *Trademark Licensing Consideration Checklist*, 69 *TRADEMARK* 475 (2005), available at http://www.pli.edu/emktg/toolbox/TM_Licensing14.pdf [<https://perma.cc/PQA4-38ER>]; Monique L. Ribando & Michael S. Pavento, *Quality Control in Trademark Licensing*, 15 *METRO. CORP. COUNSEL*, Aug. 2007, at 1, available at http://www.kslaw.com/library/publication/mcctrademarklicensing_ribandopavento.pdf [<https://perma.cc/5P2R-VB79>].

engaging with the owner's marks. Additionally, licensing a consumer's brand-related activity may make it "official" or "authorized" in the minds of other consumers. As discussed above, this could result in more consumer cynicism about such activity and less of the brand loyalty benefits realized by purely consumer-initiated efforts.

4. *Brands and Trademark Fair Use*

Finally, it must be stated that the First Amendment is not irrelevant to the world of trademarks. However, it is rarely helpful to those consumers looking to create brand communities or make non-parody uses of trademarks.²⁰⁷ Robert Denicola once reasoned that limits on commercial speech were exempt from constitutional scrutiny because "[t]he information conveyed through the use of a trademark generally relates not to the momentous philosophical or political issues of the day, but rather to the details of prospective commercial transactions—the source or quality of specific goods or services."²⁰⁸ However, it is clear that this statement is overly simplistic in light of the modern world of brands: "Corporations no longer exist in a purely commercial world."²⁰⁹ Given the highly creative nature of brand development, it follows that the rights of brand owners may conflict at times with the expressive interests of consumers wanting to align themselves with or comment somehow upon that creative content. The consumer's increasing role in brand development is just one part of this puzzle. If a brand owner is unwilling to allow consumer expression related to the brand, then one must look to the First Amendment safe-

207. See generally Stacey L. Dogan & Mark A. Lemley, *Parody as Brand*, 47 U.C. DAVIS L. REV. 473 (2013) (arguing trademark fair use may excuse brand parodies from liability in some cases); William McGeveran, *The Imaginary Trademark Parody Crisis (and the Real One)*, 90 WASH. L. REV. 713 (2015) (arguing that reforms aimed at unsubstantiated and threatening pre-litigation tactics would ensure protection for trademark parodies better than trademark doctrine reform). More free speech protection is generally granted to parodies under both trademark and copyright law. See generally Dogan & Lemley, *supra*. Parodies utilize some amount of a copyrighted work or trademark in order to comment on or criticize the protected work or mark. *Id.* For this reason, parodies are generally described as being closer to the heart of the First Amendment and the underlying purpose of the fair use defense. *Id.*

208. See Desai, *Speech, Citizenry, and the Market*, *supra* note 95, at 480 (quoting Robert C. Denicola, *Trademarks as Speech: Constitutional Implications of Emerging Rationales for the Protection of Trade Symbols*, 1982 WIS. L. REV. 158, 158–59) (internal quotation marks omitted); see also Heymann, *supra* note 61, at 696 ("[T]rademarks have recently taken on yet another communicative function: as an element of cultural discourse. Trademarks are now used as a linguistic shorthand in addition to an economic one, as a way of describing something more efficiently or creating a shared discourse through a common cultural referent. When we hear about something being as difficult as 'nailing Jell-O to the wall' or refer to something as the 'Cadillac of its class,' those of us who are familiar with the product and its advertising persona understand what the speaker is saying." (footnote omitted)).

209. See Desai, *Speech, Citizenry, and the Market*, *supra* note 95, at 456 (arguing that corporations should be treated as public figures when analyzing corporate speech under First Amendment).

guards built into trademark law to see if they provide adequate avenues for the balancing of these competing interests.

Fair use, under both trademark and copyright law, is often described as a means of integrating those doctrines with the broad expression and speech rights guaranteed by the First Amendment. However, the trademark fair use doctrine has been described as another example of “trademark law’s inability to handle the consumer dimension of brands.”²¹⁰ While it is generally conceded in the abstract that purely expressive, non-competitive uses of trademarks should be permitted as fair uses of the marks, case law indicates that this is often not true in practice.²¹¹ The Ninth Circuit went so far as to state, “Trademarks are part of our common language, and we all have some right to use them to communicate in truthful, non-misleading ways.”²¹² However, courts struggle to determine what constitutes an “expressive use of a mark and what constitutes fair use” in this “unclear and unstable area of trademark law.”²¹³ Additionally, the expansion of trademark rights in favor of brand owners may have encouraged aggressive tactics by brand owners faced with third-party uses; as a result, much expressive use of brands is stopped before a suit is ever filed.²¹⁴

On its face, the fair use defense to trademark infringement falls into one of two categories: descriptive fair use or nominative fair use. Descriptive fair use applies when the defendant uses the plaintiff’s trademark in a descriptive fashion in good faith in order to describe its own goods or services.²¹⁵ In *Zatarains v. Oak Grove Smokehouse*,²¹⁶ the court held that competitors were permitted to use the term “fish fry” to describe a type of seasoned breading for use when making fried fish recipes under the doctrine of descriptive fair use, despite the fact that Zatarains possessed a trademark for the phrase “Fish Fri” for use with its own products.²¹⁷

210. See Desai, *From Trademarks to Brands*, *supra* note 19, at 1031.

211. See, e.g., *Anheuser-Busch, Inc. v. Balducci Publ’ns*, 28 F.3d 769, 774–78 (8th Cir. 1994); *Deere & Co. v. MTD Prods., Inc.*, 41 F.3d 39, 43–45 (2d Cir. 1994); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 204–05 (2d Cir. 1979); *Am. Dairy Queen Corp. v. New Line Prods., Inc.*, 35 F. Supp. 2d 727, 727–35 (D. Minn. 1998).

212. See *Toyota Motor Sales U.S.A., Inc. v. Tabari*, 610 F.3d 1171, 1185 (9th Cir. 2010).

213. See Desai, *From Trademarks to Brands*, *supra* note 19, at 1031.

214. See generally McGeeveran, *Rethinking Trademark Fair Use*, *supra* note 186 (arguing that even when courts reach right decision on fair use, trademark law’s uncertainty in area could still chill expressive speech).

215. See 15 U.S.C. § 1115(b)(4) (2012). See generally *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111 (2004); *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786 (5th Cir. 1983), *abrogated by KP Permanent Make-Up*, 543 U.S. 111 (2004).

216. 698 F.2d 786 (5th Cir. 1983), *abrogated by KP Permanent Make-Up*, 543 U.S. 111 (2004).

217. See *id.* at 796.

Nominative fair use allows a party to use a trademark owned by another when that use is needed to refer to the trademark owner or its products.²¹⁸ In *New Kids on the Block v. News America Publishing, Inc.*,²¹⁹ for instance, the Ninth Circuit determined that a newspaper's use of the trademarked name of the plaintiff band was a non-infringing nominative fair use, as the newspaper was using the trademark in a truthful manner to conduct a survey that required making a reference to the trademark.²²⁰ In *Toyota Motor Sales U.S.A., Inc. v. Tabari*,²²¹ Chief Judge Kozinski explained that when the nominative fair use defense is raised in the Ninth Circuit, a court must ask whether "(1) the product was 'readily identifiable without use of the mark; (2) defendant used more of the mark than necessary; or (3) defendant falsely suggested he was sponsored or endorsed by the trademark holder.'²²² This test is intended to balance the rights of the defendant to be able to make expressive or descriptive uses of a trademarked word or phrase with the interests of the trademark owner in preventing consumer confusion.²²³ If the defendant used the mark when it was unnecessary in violation of prong one, used the mark more than necessary in violation of prong two, or confused consumers into thinking there was a sponsorship relationship in place between the defendant and the trademark owner in violation of prong three, then the defendant does not receive the benefit of the fair use defense.

The Third Circuit applies a modified version of this test with the same basic first and second prongs, but the third prong asks instead whether the "defendant's conduct or language reflect[s] the true and accurate relationship between plaintiff and defendant's products or services."²²⁴ At its heart, the nominative fair use defense, in either formulation, is still concerned first and foremost with trademark law's purported goal of preventing consumer confusion. Whenever a consumer creates a brand community or uses a mark in a similar non-competitive fashion, there will always be the possibility that some unaffiliated consumers will be confused as to the brand community's sponsorship or affiliation with the brand owner.²²⁵ Therefore, given the broad allowance for confusion by most

218. See 4 McCARTHY, *supra* note 32, § 23:11.

219. 971 F.2d 302 (9th Cir. 1992).

220. See *id.* at 310.

221. 610 F.3d 1171 (9th Cir. 2010).

222. See *Toyota Motor Sales U.S.A., Inc.*, 610 F.3d at 1175–76.

223. See *id.* at 1176–77 ("This test 'evaluates the likelihood of confusion in nominative use cases.' It's designed to address the risk that nominative use of the mark will inspire a mistaken belief on the part of consumers that the speaker is sponsored or endorsed by the trademark holder." (citation omitted)).

224. See *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 222 (3d Cir. 2005).

225. Parodies regarding brands may be the exception. See Dogan & Lemley, *supra* note 207, at 508 ("If, as we believe, trademark parodies are a unique and non-replicable form of speech about trademark holders, then they resemble the sorts of uses that nominative fair use seeks to protect. They involve speech about

modern courts, courts will rarely permit consumers to utilize trademarks for the community-building and identity-reinforcing activities inherent in brand communities once an action by a trademark owner has been initiated. The current boundaries on trademark fair use simply ignore “what brand management literature acknowledges and exploits: people use brands in ways that are beyond source identification and beyond legal conceptions of speech.”²²⁶

III. BRANDS AS COPYRIGHTS

Because brands serve creative and expressive purposes beyond the source identification function of trademarks, brands are better conceptualized under the framework of copyrights. Copyright protection is founded on the idea of balancing the interests of the creator of works with the expressive and informational interests of the public. As such, it provides a strong foundation for understanding the full potential of brands as creative works that invite the expressive involvement of consumers.

A. Brands as Copyrightable Works

Brands, as creative undertakings, fit neatly under copyright law. Copyright protection automatically attaches to “original works of authorship fixed in any tangible medium of expression.”²²⁷ In *Feist Publications v. Rural Telephone Service*,²²⁸ Justice O’Connor stated that “[t]he *sine qua non* of copyright is originality.”²²⁹ However, it is not difficult to meet this originality requirement; the work must be independently created by the author and possess a minimal amount of creativity.²³⁰ Again in *Feist*, the Court

the trademark holder, and they cannot serve their inherent function—indeed, they can’t be a parody—without borrowing from the original.”).

226. See Desai, *From Trademarks to Brands*, *supra* note 19, at 1032.

Community dimensions of brands fare no better under trademark law than consumer dimensions and are possibly in worse shape. By their nature, community brand situations involve a group of consumer enthusiasts who take it upon themselves to define the brand. This group may engage in one or more activities, including building Web sites, holding meetings, writing polemics, creating artwork, and producing branded merchandise. The mark in question will be prominently displayed, discussed, and distributed. In many cases the mark will appear as or near how it was originally displayed precisely because of the power of that context. Trademark law, however, asks whether these acts are likely to cause confusion, and the nature of the test for that question does not provide room for this sort of community action.

Id. (footnotes omitted).

227. 17 U.S.C. § 102(a) (2012).

228. 499 U.S. 340 (1991).

229. See *id.* at 345; see also L. Ray Patterson & Craig Joyce, *Monopolizing the Law: The Scope of Copyright Protection for Law Reports and Statutory Compilations*, 36 UCLA L. REV. 719, 763 & n.155 (1989) (“The originality requirement is *constitutionally mandated* for all works.”).

230. See *Feist*, 499 U.S. at 345; see also Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 547 (1985).

clarified, “To be sure, the requisite level of creativity is extremely low; even a slight amount will suffice. The vast majority of works make the grade quite easily, as they possess some creative spark, ‘no matter how crude, humble or obvious’ it might be.”²³¹

This originality requirement is so minimal that the Supreme Court has said that “[c]reation of a nonfiction work, even a compilation of pure fact, entails originality.”²³² However, that compilation of pure fact would require originality in the selection, coordination, or arrangement of the non-protectable factual information.²³³ Therefore, courts have held that the creators of photographs may claim copyright in their work,²³⁴ as can the creator of a taxonomy listing dental insurance billing codes,²³⁵ and the author of real estate maps of a Texas county.²³⁶ While it is obvious that the originality standard presents only a small hurdle for those seeking copyright protection, such protection has been denied if this minimal requirement is not met. The phone book at issue in *Feist* was denied copyright protection based on a lack of originality due to the typical, alphabetical manner in which it presented factual information.²³⁷ Similarly, in *Southco, Inc. v. Kanebridge Corp.*,²³⁸ copyright was denied for a listing of codes used in a replacement parts catalog that used a conventional organizational system.²³⁹

While it has been said, as mentioned above, that trademarks do not “depend upon novelty, invention, discovery, or any work of the brain” and require “no fancy or imagination, no genius, no laborious thought,”²⁴⁰ this statement is simply not true regarding brands (and may have never been entirely true of trademarks). Advertisers and brand owners view brand efforts as storytelling. Through advertisements in print, online, on television, and other media, the company tells the story of the brand as they want it to be seen by consumers. These brand stories have all of the elements needed to justify copyright protection.

First, brand stories are based on independent marketing campaigns that are created by the marketing firms or in-house marketing depart-

231. See *Feist*, 499 U.S. at 345 (quoting 1 M. NIMMER & D. NIMMER, COPYRIGHT § 1.08(C)(1) (1990)).

232. See *Harper & Row*, 471 U.S. at 547.

233. See *Feist*, 499 U.S. at 345.

234. See *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53, 58 (1884) (establishing precedent that photographs are original works capable of receiving copyright protection).

235. See *Am. Dental Ass’n v. Delta Dental Plans Ass’n*, 126 F.3d 977, 981 (7th Cir. 1997).

236. See *Mason v. Montgomery Data, Inc.*, 967 F.2d 135, 142 (5th Cir. 1992) (establishing precedent that real estate maps are capable of receiving copyright protection).

237. See *Feist*, 499 U.S. at 362–63.

238. 390 F.3d 276 (3d Cir. 2004).

239. See *id.* at 285.

240. See *In re Trade-Mark Cases*, 100 U.S. 82, 94 (1879).

ments, which are employed by the brand owner.²⁴¹ Each print advertisement, commercial, or website is therefore independently created and, as creativity is a low bar, they each possess the minimal amount of creativity required for copyright protection. If copyright can be obtained for a photograph or a taxonomic listing of billing codes, then it follows that print advertisements and television or radio commercials would also possess the requisite creativity. However, this was not always so settled. In 1891, the Supreme Court in *Higgins v. Keuffel*²⁴² held that commercial writings like product labels would not be eligible for copyright protection if they could have “no possible influence upon science or the useful arts,” based on the wording of the Constitution granting federal authority over the copyright system.²⁴³ The Court asserted that copyright protection was available only for works that had value “as a composition” apart from the product which it advertised or described.²⁴⁴ For copyright protection to attach, the writing must serve a purpose other than that of a “mere advertisement.”²⁴⁵

However, the Court’s view of the copyrightability of advertising changed course shortly thereafter. In 1903, the Supreme Court upheld copyright protection for an illustration used in an advertisement for a circus in *Bleistein v. Donaldson Lithographing Co.*²⁴⁶ The Court reiterated that the pictorial works in question were original and creative enough to justify copyright protection, as they contained more originality than “directories and the like, which may be copyrighted.”²⁴⁷ The use of the article does not change its nature as a creative work. Therefore, “[a] picture is none the less a picture and none the less a subject of copyright that it is used for an advertisement.”²⁴⁸

Subsequent cases recognized that this was a significant change in the treatment of advertising: “The *Bleistein* Case established a new and liberal standard with respect to the originality or artistic merit required to entitle illustrated advertising matter—now frequently referred to as ‘commercial

241. It is not necessary to go into a detailed discussion of ownership of the resulting work for the purposes of this Article. Absent a contract assigning ownership of the advertising work to the brand owner, it is likely that the outside marketing firm would be considered an independent contractor with ownership of the resulting work. However, under the works made for hire provision of the Copyright Act, advertising created by in-house marketing employees would automatically be owned by the brand owner’s employer. 17 U.S.C. § 201(b) (2012).

242. 140 U.S. 428 (1891).

243. *See id.* at 431; *see also* Lisa P. Ramsey, *Intellectual Property Rights in Advertising*, 12 MICH. TELECOMM. & TECH. L. REV. 189, 216 (2006) (questioning utilitarian justifications of copyright protection for advertising).

244. *See Higgins*, 140 U.S. at 431.

245. *See id.*

246. *See Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 252 (1903).

247. *See id.* at 250.

248. *See id.* at 251; *see also* SHL Imaging, Inc. v. Artisan House, Inc., 117 F. Supp. 2d 301, 311 (S.D.N.Y. 2000) (“That the photographs were intended solely for commercial use has no bearing on their protect[a]bility.”).

art’—to the protection of copyright statutes.”²⁴⁹ Based on this low originality requirement and new liberal approach to advertising materials, the court in *Ansehl v. Puritan Pharmaceutical Co.*²⁵⁰ upheld the validity of a copyright on an advertisement for cosmetic and toilet articles.²⁵¹ This more liberal standard was implemented again when the Ninth Circuit in *Drop Dead Co. v. S.C. Johnson & Son, Inc.*²⁵² upheld copyright protection for the label of a commercial cleaning product. The eligibility of copyright protection of advertising is widely accepted now.²⁵³ In *Ets-Hokin v. Skyy Spirits, Inc.*,²⁵⁴ the Ninth Circuit went so far as to grant copyright protection to photographs of a vodka bottle taken for advertising purposes while refusing to extend such protection to the underlying bottles themselves, based on its determination that the bottle was a purely utilitarian “useful article” incapable of copyright protection.²⁵⁵

While courts are now willing to accept print and television advertisements as original works of authorship deserving of copyright protection, those advertisements must still be “fixed in any tangible medium of expression”²⁵⁶ Fixation is sufficient if the work “can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device.”²⁵⁷ The work must be capable of being “perceived, reproduced, or otherwise communicated for a period of more than transitory duration.”²⁵⁸

Again, this is not a difficult requirement to meet for most advertising. Printed advertisements, whether they are contained in newspapers, magazines, or even standalone pamphlets, are all clearly fixed on paper. Television and radio commercials (that are not broadcast live) are fixed as a “motion picture” or “sound recording” (as those terms are used in the

249. See *Ansehl v. Puritan Pharm. Co.*, 61 F.2d 131, 134–35 (8th Cir. 1932) (emphasis added).

250. 61 F.2d 131 (8th Cir. 1932).

251. See *id.* at 136.

252. 326 F.2d 87 (9th Cir. 1963).

253. See, e.g., *Comptone Co. v. Rayex Corp.*, 251 F.2d 487, 488 (2d Cir. 1958) (extending copyright protection to sunglass display cards and leaflets); *Griesedieck W. Brewery Co. v. Peoples Brewing Co.*, 56 F. Supp. 600, 606 (D. Minn. 1944) (extending copyright protection to portion of beer can label); *Advertisers Exch., Inc. v. Bayless Drug Store, Inc.*, 50 F. Supp. 169, 169 (D.N.J. 1943) (extending copyright protection to advertisements).

254. 225 F.3d 1068 (9th Cir. 2000).

255. See *id.* at 1080. Under the Copyright Act, a useful article “is an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information.” 17 U.S.C. § 101 (2012) (defining *useful article*). A useful article is only eligible for copyright protection “if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.” *Id.* (defining *pictorial, graphic, and sculptural works*).

256. See 17 U.S.C. § 102(a).

257. See *id.*

258. See *id.* § 101 (defining *fixed*).

Copyright Act) in the same manner as other works falling under these definitions.²⁵⁹ Even websites and online advertisements are fixed in electronic computer memory and are thus protectable.²⁶⁰

However, this requirement may exclude less structured forms of advertising from protection. For example, live promotional events and campaigns would not be fixed in a tangible medium of expression. This has long held true for live musical and dramatic performances, but such performances may receive copyright protection in other ways. If the live performance is based on a written script, then the script is fixed and protectable, which indirectly protects the performance.²⁶¹ Brand owners could also use this strategy. Additionally, “[a] work consisting of sounds, images, or both, that are being transmitted” will be considered fixed under the Copyright Act if “fixation of the work is being made simultaneously with its transmission.”²⁶² Thus, recording live promotional activities would allow brand owners to receive copyright protection. This will be of special concern to brand owners engaged in nontraditional or viral marketing.

While copyright protection is denied to advertising activities that fail to meet the fixation requirement, it will also not prevent third parties from using and repeating some of the information contained in protected advertisements. Copyright protection will not be afforded to purely factual information or to the ideas contained within a work. In *Harper & Row, Publishers v. Nation Enterprises*, the Court stated with certainty that “[n]o author may copyright his ideas or the facts he narrates.”²⁶³ This is codified in Section 102(b) of the Copyright Act, which states:

In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.²⁶⁴

259. *See id.* (defining *motion pictures* and *sound recordings*). Motion pictures and sound recordings are both listed as works of authorship expressly falling under the subject matter of copyright. *See id.* § 102(6)–(7).

260. These would likely be classified under the Copyright Act as “audiovisual works,” which are defined as “works that consist of a series of related images which are intrinsically intended to be shown by the use of machines, or devices such as projectors, viewers, or electronic equipment, together with accompanying sounds, if any, regardless of the nature of the material objects, such as films or tapes, in which the works are embodied.” *See id.* § 101 (defining *audiovisual works*).

261. *See id.* § 106(5). Public performance of written work (i.e., “literary, musical, dramatic, and choreographic works”) is one of the exclusive rights granted under copyright. *Id.*

262. *See id.* § 101.

263. *See Harper & Row, Publishers, Inc. v. Nation Enters., Inc.*, 471 U.S. 539, 556 (1985).

264. 15 U.S.C. § 102(b).

Therefore, factual information contained in an advertisement, such as facts pertaining to product specifications, qualities, or prices, will not be protected and may be freely repeated by consumers and competitors.

Additionally, copyright protection only extends to the expressive or creative aspects of the advertisement and would not protect the ideas contained therein. In *Reed-Union Corp. v. Turtle Wax, Inc.*,²⁶⁵ the Seventh Circuit refused to extend copyright protection to the general idea or theme of polishing an old car and the idea of making claims based on laboratory testing, as such ideas were used in similar, competing car wax commercials.²⁶⁶ In *Perma Greetings, Inc. v. Russ Berrie & Co.*,²⁶⁷ the court refused to extend copyright protection to items displaying the general ideas of friendship, sunshine, and flowers where the defendant sold products containing similar images and wording to convey the same themes.²⁶⁸ It follows that a brand owner cannot prevent a competitor from, for example, using the general idea of a cartoon character as a brand mascot in advertising for children's cereal.²⁶⁹

Furthermore, copyright cannot be used to grant monopolies over commonly used phrases, slogans, or short expressions lacking sufficient originality, or over any specific word necessary to express a particular point. The Copyright Office has specifically clarified that certain types of works are excluded from copyright eligibility, including “[w]ords and short phrases such as names, titles, and slogans”²⁷⁰ In *Perma Greetings*, the court also addressed this issue and denied copyright protection for the short phrases, like “hang in there,” that the plaintiff had included on its mug-type coasters.²⁷¹ Based on these copyright limitations, brand owners would not be able to rely on copyright protection for short phrases and slogans used in branding materials. However, such short phrases might be eligible for trademark protection if they were used to signify the source of the good or service being offered.

Additionally, the judicially created “merger doctrine” denies copyright protection to any work where the wording of the work represents the only way, or one of but a few ways, of expressing the idea underlying the work.²⁷² In such cases, the idea and its expression are said to merge to-

265. 77 F.3d 909 (7th Cir. 1996).

266. *See id.* at 913–14.

267. 598 F. Supp. 445 (E.D. Mo. 1984).

268. *See id.* at 449.

269. This is clearly an example of an unoriginal idea, given all of the cartoon mascots currently being used for children's cereal, including, for example, Trix Rabbit, Tony the Tiger, Boo Berry, Franken Berry, Lucky the Leprechaun, Count Chocula, Sonny the Cuckoo Bird, Dig ‘Em Frog, Snap, Crackle, Pop, and Toucan Sam.

270. *See* 37 C.F.R. § 202.1(a) (2015).

271. *See Perma Greetings*, 598 F.Supp. at 448–49 (internal quotation marks omitted).

272. *See Morrissey v. Procter & Gamble Co.*, 379 F.2d 675, 678–79 (1st Cir. 1967).

gether; therefore, the First Amendment interests of those seeking to convey that particular idea would be harmed by the protection of the merged expression.²⁷³ Similar reasoning led to the denial of copyright protection for the baked goods preparation and serving directions at issue in *Kitchens of Sara Lee, Inc. v. Nifty Foods Corp.*²⁷⁴ There are very few ways to express the underlying idea that one should thaw a frozen cake and then slice it into individual servings.²⁷⁵ Therefore, routine phrases and formulaic wording, like that used by brand owners in promotional descriptions or sweepstakes rules, would not be protected due to the merger doctrine.²⁷⁶

While each fixed advertising work is copyrightable, subject to the limitations discussed above, each work is part of a larger brand campaign or overall strategy. They are all part of the larger brand story that is being told in pieces, in various media, to consumers. As these pieces are not explicitly created as “serial works” (such that they lack the requisite sequential numbering that one would find in a daily edition of a newspaper or a single issue of a comic book series), they cannot be registered as serial works under the Copyright Act.²⁷⁷ However, courts can still consider all of the pieces of the brand story as a whole in an infringement analysis. Applying such a big picture approach to advertising would be novel, but this approach has been taken with regard to television programs or books written as a series. For example, the Second Circuit decided to treat the eighty-six copyrighted episodes of the *Seinfeld* television series as a single work for the purposes of determining infringement in *Castle Rock Entertainment, Inc. v. Carol Publishing Group, Inc.*²⁷⁸ The court in *Warner Brothers Entertainment, Inc. v. RDR Books*²⁷⁹ followed the reasoning established in *Castle Rock* when it analyzed infringement of the seven *Harry Potter* books as a whole rather than analyzing the infringement of each individual novel.²⁸⁰

273. Melville B. Nimmer, *Does Copyright Abridge the First Amendment Guarantees of Free Speech and Press?*, 17 UCLA L. REV. 1180 (1970).

274. 266 F.2d 541, 545 (2d Cir. 1959).

275. *See id.*

276. *Compare Morrissey*, 379 F.2d at 678–79 (employing merger doctrine), with *Cont'l Cas. Co. v. Beardsley*, 253 F.2d 702, 706 (2d Cir. 1958) (granting insurance forms thin copyright protection against purely duplicative copying).

277. *See Copyright Registration for Single Serial Issues*, CIRCULAR 62.0811 (U.S. Copyright Office, Wash., D.C.), Aug. 2011, at 1, available at <http://www.copyright.gov/circs/circ62.pdf> [<https://perma.cc/QVY8-43ZZ>]. Serial works are “works issued or intended to be issued in successive parts bearing numerical or chronological designations and intended to be continued indefinitely.” *Id.* This would include works such as newspapers, journals, and bulletins. In some instances, serial works may be registered as a group (rather than individually) thereby saving the author some registration costs.

278. 150 F.3d 132, 138 (2d Cir. 1998).

279. 575 F. Supp. 2d 513 (S.D.N.Y. 2008).

280. *See id.* at 535 n.14 (analyzing “the amount of expression copied from the *Harry Potter* series in the aggregate, rather than from each individual novel in the series” and finding that defendant’s encyclopedia of *Harry Potter* terminology and characters infringed copyrighted works).

However, one could also view all of the branding messages produced by a brand owner as interconnected pieces rather than a unitary whole. Subsequent brand activities that follow an initial branding effort could be viewed as derivative works of that first copyrightable work. For an example of how derivative branding could play out, one could look to Apple's now iconic "Get a Mac" campaign, in which numerous commercials contrasted the personification of a PC-type computer, portrayed by comedian and author John Hodgman, with Apple's Mac computer, portrayed by actor Justin Long.²⁸¹ The first "Get a Mac" commercial aired in 2006 and was intended to communicate a clear branding story to consumers: Mac computers are fun, innovative, and user-friendly, and Mac users are young, energetic, and hip, in contrast to the traditional, stuffy, older users of Microsoft (i.e., PC) computers.²⁸² This same message was continued through the other sixty-six commercials in the campaign, which ran until 2009.²⁸³ Each of these subsequent commercials was likely registered under an individual copyright, but each could also be seen as a derivative work of that first commercial. The Copyright Act defines a derivative work as

a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted. A work consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship, is a "derivative work[.]"²⁸⁴

This distinction between an independently copyrighted work and a copyrightable derivative work may not have much practical effect when the works at issue all arise from the brand owner directly. In both cases, the brand owner owns any possible copyrights and controls use of the works. However, the distinction becomes much more important when the derivative work is consumer-initiated. Such is the case with websites like the IKEAHackers site, which was created by an IKEA customer for the benefit of the website owner and other IKEA brand fans.

281. See Tim Nudd, *Apple's 'Get a Mac,' the Complete Campaign: Hodgman and Long, Ad Characters for the Ages*, ADWEEK (Apr. 13, 2011, 6:49 PM), <http://www.adweek.com/adfreak/apples-get-mac-complete-campaign-130552> [<https://perma.cc/MCN7-J7X7>]; see also Lindsay Kolowich, *Mac or PC? A Brief History of Apple & Microsoft's Ad War*, HUBSPOT BLOGS (Jan. 9, 2015, 8:00 AM), <http://blog.hubspot.com/marketing/mac-pc-advertising-history> [<https://perma.cc/236P-H9C7>].

282. See Nudd, *supra* note 281; see also Eric Jaffe, *How Apple's Famous "I'm a Mac" Ads Branded Fanboys for Life*, FAST CO. (Feb. 26, 2014, 8:00 AM), <http://www.fastcodesign.com/3026521/evidence/apples-famous-ads-created-an-im-a-mac-effect> [<https://perma.cc/3MWL-AP46>].

283. See Nudd, *supra* note 281.

284. 17 U.S.C. § 101 (2012).

While it is generally true that the Copyright Act “grants the author of a derivative work copyright protection in the incremental original expression he contributes” to the original work,²⁸⁵ copyright protection will only attach to that original expression if the derivative work was created with the consent of the original copyright owner.²⁸⁶ This means that “[t]o be copyrightable, a derivative work must not be infringing.”²⁸⁷ The owner of the copyright to the original, underlying work possesses the exclusive rights to (1) reproduce the work; (2) prepare derivative works based upon the work; (3) distribute copies of the work to the public; (4) perform the work publicly; (5) display the work publicly; and (6) perform the work publicly by means of a digital audio transmission in the case of sound recordings.²⁸⁸ Violating any of these exclusive rights would constitute infringement of the copyright; therefore, it constitutes infringement if a fan creates a derivative work based on copyrighted brand material without the brand owner’s consent. For example, in *Anderson v. Stallone*,²⁸⁹ the plaintiff was denied copyright protection for his screenplay for *Rocky IV*.²⁹⁰ The court held that the plaintiff lacked the consent of the owner of the copyright to the original three *Rocky* films and therefore could not receive copyright protection for the original elements he added in his derivative work.²⁹¹

This is an important aspect of copyright law from the perspective of brand owners. Consumers will not possess a copyright on any of their derivative works created using the copyrightable brand materials or, as argued herein, the copyrightable expression contained within the larger brand story. Thus, brand owners need not worry about genericide and risks of abandonment in the same way that they worry when consumer involvement in branding is viewed under the umbrella of trademark law. Consumers are not creating competing copyrightable content based on the owner’s trademark and brand. If such consumer-initiated branding

285. *Schrock v. Learning Curve Int’l, Inc.*, 586 F.3d 513, 518 (7th Cir. 2009).

286. *See id.* at 523 (“This means the author of a derivative work must have permission to make the work from the owner of the copyright in the underlying work.”); *see also* *Gracen v. Branford Exch.*, 698 F.2d 300, 302 (7th Cir. 1983) (“[E]ven if Miss Gracen’s painting and drawings had enough originality to be copyrightable as derivative works *she* could not copyright them unless she had authority to use copyrighted materials from the movie.”).

287. *See Schrock*, 586 F.3d at 522; *see also* *Pickett v. Prince*, 207 F.3d 402, 406–07 (7th Cir. 2000) (stating plaintiff did not have permission to make derivative work based on defendant’s copyrighted design and was therefore infringing).

288. *See* 17 U.S.C. § 106.

289. No. 87–0592 WDKGX, 1989 WL 206431 (C.D. Cal. Apr. 25, 1989).

290. *See id.* at *5–6. Additionally, this case reiterates that individual characters within a work may be afforded copyright protection. This is relevant to brand since well-defined characters in advertising campaigns could potentially be copyrightable. *See Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 121 (2d Cir. 1930) (noting copyright protection can be granted to a character if the character is developed with enough specificity so as to rise to level of protectable expression).

291. *See Anderson*, 1989 WL 206431, at *5–6.

occurs without the express consent of the brand owner, then the brand owner has the option under copyright law to bring suit for infringement of the derivative work right. In this way, consumer branding activities can be viewed and treated in the same way that copyright owners currently treat fanfiction.

Fanfiction has been characterized as non-professional writing by a fan that uses as its source an identifiable cultural work such as a novel or a movie.²⁹² An author has the freedom to bring a copyright suit against the creator of fanfiction based on the author's work or to turn a blind eye to such activities altogether without the risks of genericide and abandonment built into trademark law.²⁹³ Neil Gaiman, author of numerous best-selling books, explicitly allows fanfiction based on his books explaining, "I don't believe I'll lose my rights to my characters and books if I allow/fail to prevent/turn a blind eye to people writing say Neverwhere fiction, as long as those people aren't, say, trying to sell books with my characters in."²⁹⁴ He sees the benefit to his fans: "[G]iven how much people enjoy it, it's obviously doing some good. It doesn't bother me."²⁹⁵ However, other copyright owners take a different view of fanfiction, which constitutes an unlicensed derivative work of their own creation. Author Anne Rice explained, "I do not allow fan-fiction. The characters are copyrighted. It upsets me terribly to even think about fan-fiction with my characters. I advise my readers to write your own original stories with your own characters. It is absolutely essential that you respect my wishes."²⁹⁶ Diana Gabaldon, author of the *Outlander* series, thinks fanfiction is immoral and has said that she "want[s] to barf whenever [she has] inadvertently encountered some of it involving [her] characters."²⁹⁷

Copyright owners have the discretion to allow fanfiction. As fanfiction and branding both entail consumers engaging with a product in an

292. See Rebecca Tushnet, *Legal Fictions: Copyright, Fan Fiction, and a New Common Law*, 17 LOY. L.A. ENT. L.J. 651, 655 (1997) ("'Fan fiction,' broadly speaking, is any kind of written creativity that is based on an identifiable segment of popular culture, such as a television show, and is not produced as 'professional' writing."). See generally Stacey M. Lantagne, *The Better Angels of Our Fanfiction: The Need for True and Logical Precedent*, 33 HASTINGS COMM. & ENT. L.J. 159 (2011).

293. However, copyright owners who ignore fanfiction creations based on their work could run the risk of having a future claim against the fanfiction author dismissed under the equitable defense of laches. This defense can be raised when a plaintiff is said to have unreasonably delayed in asserting a claim, and a court may hold that delay unfairly prejudices the defendant. See 30A C.J.S. EQUITY § 138 (2015).

294. See Neil Gaiman, *Neil Gaiman's Opinion on Fanfiction*, TUMBLR (Apr. 24, 2012, 6:46 PM), <http://neil-gaiman.tumblr.com/post/21746253134/neil-gaimans-opinion-on-fanfiction> [<https://perma.cc/G2RY-SCPV>].

295. See *id.*

296. See George R.R. Martin, *Book Post: How Authors Feel About Fan-fiction*, ONTD (Apr. 19, 2012, 12:04 PM), <http://ohnotheydidnt.livejournal.com/68332629.html#ixzz3HrLzXDJr> [<https://perma.cc/55KM-8FB8>] (internal quotation marks omitted).

297. See *id.* (internal quotation marks omitted).

expressive fashion, and both could lead to increased sales for the underlying copyright or brand owner, it seems logical that the discretion about when to stop such activity should be reserved for the copyright or brand owner. Branding is an expressive activity entitled to copyright protection, so it follows that brand owners should be able to exercise discretion regarding any infringement of their copyrightable brands. If consumer-initiated brand activities occur without the brand owner's consent, then brand owners have the choice under copyright law to turn a blind eye to the activity, to bring suit for infringement of the derivative work right, or to enter into a blanket or individual license with such consumers on terms acceptable to the brand owner.

B. *Applying Copyright Fair Use to Brands*

Where brand owners deny consumers the ability to use branded materials, consumer-initiated branding activities would be a violation of copyright law. Copyright infringement occurs whenever any one of the exclusive rights of a copyright owner is violated. However, some violations are expressly excused in the interest of the First Amendment and the public domain. The constitutional mandate that a federal system of copyright protection be created to promote the progress of science and the arts has long instructed courts that “copyright is intended to increase and not to impede the harvest of knowledge.”²⁹⁸

Therefore, there is a natural tension that exists between increasing knowledge and hindering it. This tension is played out in the balance that is struck between the Copyright Act and the First Amendment. The Supreme Court has acknowledged “that some restriction on expression is the inherent and intended effect of every grant of copyright”²⁹⁹ However, the refusal of copyright law to protect facts and ideas, as well as the statutory fair use defense, are recognized as copyright law's limitations that balance the restriction on expression granted with a copyright monopoly with the free speech requirements of the First Amendment.³⁰⁰ The Supreme Court routinely praises this balance: “All reproductions of the work, however, are not within the exclusive domain of the copyright owner; some are in the public domain. Any individual may reproduce a copyrighted [work] for a ‘fair use’[;] the copyright owner does not possess the exclusive right to such a use.”³⁰¹ The fair use defense was codified in

298. *See Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 545 (1985).

299. *Golan v. Holder*, 132 S. Ct. 873, 876 (2012).

300. *See Eldred v. Ashcroft*, 537 U.S. 186, 219 (2003); *see also Golan*, 132 S. Ct. at 890.

301. *See Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 433 (1984); *see also Harper*, 471 U.S. at 549 (“Fair use was traditionally defined as ‘a privilege in others than the owner of the copyright to use the copyrighted material in a reasonable manner without his consent.’”).

the Copyright Act and states that courts analyzing the defense should consider the following factors:

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- (2) the nature of the copyrighted work;
- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market for or value of the copyrighted work.³⁰²

In a fair use analysis, the court must first determine “the purpose and character of the use” of the copyrighted work.³⁰³ The purpose of the use refers to whether the new work was created for commercial or for nonprofit reasons.³⁰⁴ “If a new work is used commercially rather than for a nonprofit purpose, its use will less likely qualify as fair.”³⁰⁵ Additionally, courts must determine the character of the use by asking whether the nature of the work has changed, meaning whether the alleged infringer has created something fundamentally different from the original work.³⁰⁶ The fair use doctrine has long been thought to preclude a use that would simply supersede the use of the original.³⁰⁷ Courts have stated that “the more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use.”³⁰⁸ To be transformative, the new work must add “something new, with a further purpose or different character, altering the first [work] with new expression, meaning or message.”³⁰⁹ This first factor will entail a case-by-case factual analysis if applied to consumer branding activities and brand communities. Many brand communities, like the community formed around the IKEAhackers website, are not created as commercial undertakings.

However, the ease of adding revenue-generating advertisements to a brand community website may result in some commercial aspect to these otherwise non-profit groups. For example, the IKEAHackers website creator eventually added advertising to the site in order to compensate for the time commitment of running the community once it became larger and

302. See 17 U.S.C. § 107 (1)–(4) (2012).

303. See *id.* § 107(1).

304. See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 584 (1994).

305. *Video Pipeline, Inc. v. Buena Vista Home Entm’t, Inc.*, 342 F.3d 191, 198 (3d Cir. 2003).

306. See *Campbell*, 510 U.S. at 579 (discussing degree of transformation and how it factors into analysis).

307. See *Folsom v. Marsh*, 9 F. Cas. 342, 344–45 (C.C.D. Mass. 1841) (No. 4,901); *accord Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 551 (1985).

308. See *Campbell*, 510 U.S. at 579.

309. See *id.*

more complex. Commercial activity such as this may tilt the scales against a finding of fair use. However, this one factor alone would not be dispositive, so courts would be asked to undertake a more nuanced analysis.

The same uncertainty is present regarding whether consumer-branding activities could be considered transformative. If they are determined to be transformative, that would lessen the effect of any commercial aspect of their use. It is certainly possible that some consumers would build upon a brand's trademarks and brand story to create "something new," which could include a new direction for the brand to take. In the example of the Saab brand community discussed above, the community members actively displayed the Saab trademark and circulated Saab promotional and educational materials. This use of copyrighted materials seems very straightforward and not very transformative in the traditional sense. However, the infringing use could certainly entail a new purpose or meaning. As brand communities have been studied and shown to possess the same social characteristics of other types of communities, the purpose underlying such communities could be described as social and psychological, rather than the sales-oriented commercial purpose motivating the brand owner. It is unclear whether this would be enough to call brand communities transformative. If so, this would lessen the fair use impact of any commercial revenue generated and cause this factor to weigh in favor of the fair use defense.

Under an analysis of the second statutory fair use factor, the court must take into consideration the nature of the copyrighted work.³¹⁰ An examination of this factor recognizes the reality that "some works are closer to the core of intended copyright protection than others."³¹¹ For example, *Feist* held that creative works are entitled to more stringent copyright protection than factual works because there is a presumptively greater need to disseminate facts to the public.³¹² However, simply because a work is creative in nature does not preclude the fair use defense. Additionally, "the scope of fair use is narrower with respect to unpublished works" in order to protect the author's exclusive right to first publication.³¹³ As discussed above, when analyzing the copyrightability of branding activities taken by the brand owner, most brand activities can be seen as creative in nature. As they are produced specifically to inform and persuade consumers, it is clear that they are not subject to the increased protection granted to unpublished works. However, the protectable, creative expression contained in branding works would be entitled to the enhanced protection for creative works. Therefore, this factor would consistently tilt in favor of the brand owner over the infringing consumer.

310. See 17 U.S.C. § 107(2) (2012).

311. See *Campbell*, 510 U.S. at 586.

312. See *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 363 (1991) (holding copyright protects works with *de minimus* level of creativity).

313. See *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 564 (1985).

Analysis of the “amount and substantiality of the portion used,” under the third fair use factor, requires consideration of both the quantity as well as the quality and importance of the portion of the copyrighted work used “in relation to the copyrighted work as a whole”³¹⁴ There is no bright-line rule specifying exactly how much copying is “too much” to be considered fair use. Courts have found that taking a few seconds from several minutes of video footage was substantial copying,³¹⁵ yet the use of an entire copyrighted Barbie doll in artistic parody photographs was deemed permissible.³¹⁶

In *Harper*, taking only a small number of quotations from an autobiographical book was found to be unfair due to the fact that the portions taken captured the commercial heart or essence of the copyrighted work.³¹⁷ Therefore, courts must determine in each instance whether the use made by the defendant was reasonable and fair in terms of both quantity and quality. This will also need a fact-intensive, case-by-case analysis. In the case of the IKEAHackers website, which included some reference to IKEA’s trademarks and goods for sale, most of the content was user-generated, so the extent of copyrighted content used might be considered rather small. Conversely, the Saab brand community actively circulated copyrighted materials produced by the brand owner for informational and community membership purposes, so their level of use might be considered more extensive.

The fourth fair use factor is “the effect of the use upon the potential market for or value of the copyrighted work.”³¹⁸ In *Harper*, the court said “This last factor is undoubtedly the single most important element of fair use.”³¹⁹ In order to determine the effect on the market for a plaintiff’s copyrighted work, the court must consider the extent of the market harm caused by the alleged infringer as well as the magnitude of harm that could be caused if such infringement was widespread.³²⁰ The extent of harm refers not only to the obvious harm caused if an infringing use takes some of the original market, but also harm to the market for derivative works that could have been rightfully produced by the copyright holder.³²¹ Courts must attempt to “strike a balance between ‘the benefit

314. See 17 U.S.C. § 107(3); see also *Harper*, 471 U.S. at 564–65.

315. See *L.A. News Serv. v. CBS Broad., Inc.*, 305 F.3d 924, 940–42 (9th Cir. 2002).

316. See *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 804 (9th Cir. 2003).

317. See *Harper*, 471 U.S. at 566; see also *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 587 (1994) (“[T]aking the heart of the original and making it the heart of a new work [i]s to purloin a substantial portion of the essence of the original.” (internal quotation marks omitted)).

318. See 17 U.S.C. § 107(4).

319. See *Harper*, 471 U.S. at 566.

320. See *Campbell*, 510 U.S. at 602–03.

321. See *Harper*, 471 U.S. at 541.

the public will derive if the use is permitted and the personal gain the copyright owner will receive if the use is denied.”³²²

Since this fourth factor has been called the most important factor in the fair use analysis, it is noteworthy that consumer-initiated branding has been shown to have positive effects on the market for the brand owner’s products. Analysis of this factor is imperfect, as brand-related copyrighted works generally do not have value in and of themselves. A commercial or branded website may cost the brand owner a substantial amount to create, and that cost is not recouped by sales of the commercial or through website memberships in the way that might apply to sales of copyrighted books or films. For the purposes of branding works, the relevant market value is the marketing value. The brand owner is looking for a return on its branding investment in the form of increased sales of the affiliated product. If consumer-initiated branding activities assist in this effort to increase product sales, then this factor should weigh heavily in favor of a finding of fair use.

In any copyright fair use analysis, there is bound to be uncertainty about how the various factors will balance out in the eyes of a court. However, consumer-initiated brand uses seem to have a greater likelihood of success under copyright fair use than under trademark fair use. The multi-factor test under copyright fair use allows for a more nuanced assessment of whether a consumer’s use of a brand story is unfairly taking advantage of the underlying work or likely to replace the market for the underlying work. In many instances, the branded work would receive a benefit from the consumer’s derivative work, and fair use should prevail. A wise brand owner would only challenge these consumer derivative works in rare instances; therefore, the concerns of trademark scholars regarding the potential of trademark fair use to chill free speech would be minimized as well.

IV. CONCLUSION

A copyright framework for brands offers a number of benefits to brand owners, consumers, and those seeking to reign in the expansion of trademark law. Because brands are a modern phenomenon, there will always be some inconsistencies when trying to accommodate brand development under established legal paradigms.³²³ Copyright law may need time and modifications to adjust to brands, but this adjustment should be less disruptive than the expansion being forced upon trademark law. As it stands, copyright law is well-suited to recognize the original and creative work that is invested in the development of a brand. Individual advertis-

322. *See* *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 804–05 (9th Cir. 2003) (quoting *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1403 (9th Cir. 1997)).

323. In a forthcoming project, I explore whether an entirely new “brandright” regime would better address the needs of brand owners and respect the established boundaries of trademark and copyright law.

ing works already receive some protection under copyright law, so incorporating branding more generally is a logical next step. Additionally, reframing brands as copyrighted works allows for the treatment of consumer-initiated brand activities in a fashion similar to fanfiction. Brand owners recognize the value of consumer involvement in their marketing efforts and desire the ability to utilize brand communities to further develop brand loyalty. Copyright law allows brand owners to encourage consumer involvement in branding without the fear of losing one's rights, which brand owners currently experience under trademark law. Copyright law allows brand owners to have discretion over the kinds of consumer activities that will be permitted or ignored, while also allowing some freedom for unauthorized expressive uses of a brand story through copyright fair use. This is a better approach for both brand owners and consumers.

Reframing brands as copyrightable works is also better for trademark law. Brand theory explains how the modern expansion of trademark law, which has been maligned by numerous trademark scholars and practitioners, is an effort to accommodate brands under the rubric of trademark. However, trademark law has adopted a conception of brands that is dated and that does not recognize the high level of consumer involvement in modern branding efforts. Trademark law now faces the paradoxical dilemma of protecting brand owners' investment in developing brands while stifling the ability of those owners to pursue consumer involvement in branding, which has been described in marketing research as the required next step for companies seeking to respond to a cluttered marketplace and increasing consumer cynicism. Trademark law's established requirements that prevent genericide, police third-party trademark use, and monitor quality control in licenses all reflect the role of trademarks in identifying the source of goods and protecting consumers from deception in the marketplace. However, these rules are ill-suited to address the fundamental needs of brand owners. Brands are not simply large trademarks. They are creative works that invite consumer participation and encourage consumers to engage in expressive uses of the brand. Marketing scholarship has already recognized this and noted that the future of branding will entail brands as the center of communities and cultural discourse. It is time for trademark law to release its grip on brands and allow them to be adopted under the umbrella of copyright law.