

THE WAGES OF UBIQUITY IN TRADEMARK LAW
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INTRODUCTION

It has become *chic* to dismiss those who claim to find an “original meaning” in text.¹ Supreme Court Justice Antonin Scalia, probably the most famous of these beleaguered “originalists,” finds his “original meaning” in the United States Constitution by examining “an enormous mass of material,” “immersing [himself] in the political and intellectual atmosphere of the time,” and asking, given this historical

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¹ As Supreme Court Justice Antonin Scalia wrote on the subject of constitutional law, “[t]hose who have not delved into the scholarly writing on constitutional law for several years may be unaware of the explicitness with which many prominent and respected commentators reject the original meaning of the Constitution as an authoritative guide.” Antonin Scalia, *Originalism: The Lesser Evil*, 57 U. CIN. L. REV. 849, 853 (1989) [hereinafter Scalia, *Originalism*]. Compare generally, e.g., ANTONIN SCALIA, A MATTER OF INTERPRETATION (Princeton Univ. Press 1997) and ROBERT H. BORK, THE TEMPTING OF AMERICA (Free Press 1990) with, e.g., LAURENCE H. TRIBE, AMERICAN CONSTITUTIONAL LAW (Foundation Press 3d ed. 2000). For a critique of “originalism” in its “strict” and “moderate” forms, see Paul Brest, *The Misconceived Quest for the Original Understanding*, 60 B.U.L. REV. 204 (1980). Cf. JACQUES DERRIDA, OF GRAMMATOLOGY 157-164 (Gayatri C. Spivak trans. 1974).

information, what the framers meant to convey by the words they selected.² This method of exegesis is foreign to the area of trademark law, in which courts tend toward relativism, asking whether this or that interpretation of the law yields a “fair” result in light of modern (read, “expansive”) notions of what a trademark is. But what would happen if one applied originalist thinking to the trademark law? The result might not lead to debates of the same intensity as those found, for example, in *Atkins v. Virginia*³—but then again, it might.

Courts and scholars have spilled a great deal of ink on the subject of trademark “dilution,” a term that has come to refer to how the singularity of a trademark⁴ is eroded when third parties use that mark on unrelated goods.⁵ Yet no one has asked whether dilution law, as presently defined, is consistent with its original conception, or whether, instead, the modern incarnation of the doctrine might be contributing to the very harms it was intended to remedy. Making an originalist inquiry into the

² Scalia, *Originalism*, *supra* note 1, at 856-857.

³ --- U.S. ---, 122 S. Ct. 2242 (2002); *see id.* at ---, 122 S. Ct. at 2260 (“The Court makes no pretense that execution of the mildly mentally retarded would have been considered ‘cruel and unusual’ in 1791. Only the *severely* or *profoundly* mentally retarded, commonly known as ‘idiots,’ enjoyed any special status under the law at that time. They, like lunatics, suffered a ‘deficiency in will’ rendering them unable to tell right from wrong.”) (Scalia, J., dissenting) (citing, *inter alia*, 4 WILLIAM BLACKSTONE, COMMENTARIES ON THE LAWS OF ENGLAND 24 (1769)).

⁴ The Trademark Act of July 5, 1946 (the “Lanham Act”), § 45, 60 Stat. 427, 443 (1946), defines the word “trademark” as “any word, name, symbol, or device ... used ... to identify and distinguish ... goods ... from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.” 15 U.S.C. § 1127 (2000). The Act contains a similar definition of “service mark.” *See id.* (“to identify and distinguish the services of one person, including a unique service, from the services of others...”). For the most part, the distinctions between these two types of identifiers are not relevant to this Article, and therefore, for ease of reference, I use the word “trademarks” to include service marks and the words “goods” and “products” to include services. Exceptions to this rule are noted throughout.

⁵ For the most part, this scholarship is either *pro* or *con*: dilution proponents applaud Congress for enacting the Federal Trademark Dilution Act of 1995, Pub. L. 104-98, 109 Stat. 985 (1995), *amending* 15 U.S.C. §§ 1125, 1127, and urge courts to apply its provisions liberally; opponents warn that granting dilution remedies, or granting them indiscriminately, is tantamount to granting property rights in trademarks. *Compare, e.g.*, Jerre B. Swann, Sr., *Dilution Redefined for the Year 2000*, 90 TRADEMARK REP. 823 (2000) [hereinafter Swann, *Year 2000*]; Steve Hartman, *Brand Equity Impairment—The Meaning of Dilution*, 87 TRADEMARK REP. 418 (1997) [hereinafter Hartman, *Brand Equity*] with Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687 (1999); Robert C. Denicola, *Some Thoughts on the Dynamics of Federal Trademark Legislation and the Trademark Dilution Act of 1995*, 59-SPG LAW & CONTEMP. PROBS. 75 (1996) [hereinafter Denicola, *Some Thoughts*]. In most cases, readers can deduce whether they are speaking to a *pro* or a *con* simply by asking what he or she does for a living. Trademark attorneys tend to be enthusiastic supporters of dilution law, while trademark professors tend to be more suspicious of the concept.

dilution doctrine is not as difficult as it may seem.⁶ As scholars, courts, and even members of Congress have acknowledged,⁷ dilution was born in 1927, when the *Harvard Law Review* published an article in which its author, Frank Schechter, warned that the distinctiveness of truly unique trademarks was in danger of being “whittled away” (diluted) by the use of those trademarks on unrelated goods, and proposed that if nothing else, the trademark law should be an instrument for the preservation of this uniqueness.⁸ In the decades that followed, courts were hostile to the “radical” theories that Schechter proposed,⁹ but in the end, scholars ultimately convinced courts that Schechter had described a harm that deserved to be

⁶ It surely is easier than making such an inquiry in constitutional law. In the words of Justice Scalia,

it is often exceedingly difficult to plumb the original understanding of an ancient text. Properly done, the task requires the consideration of an enormous mass of material—in the case of the Constitution and its Amendments, for example, to mention only one element, the records of the ratifying debates in all the states. Even beyond that, it requires an evaluation of the reliability of that material—many of the reports of the ratifying debates, for example, are thought to be quite unreliable. And further still, it requires immersing oneself in the political and intellectual atmosphere of the time—somehow placing out of mind knowledge that we have which an earlier age did not, and putting on beliefs, attitudes, philosophies, prejudices and loyalties that are not those of our day. It is, in short, a task sometimes better suited to the historian than the lawyer.

Scalia, *supra* note 1, at 856-857; *see also* Gene R. Nichol, *Justice Scalia and the Printz Case: The Trials of an Occasional Originalist*, 70 U. COLO. L. REV. 953, 968 (1999) (“The theory of original intention, like other constitutional methodologies, is plagued with difficulties,” including “[t]he frequent scarcity of ratification debate records, the difficulty of attributing a single intention to so large and diverse a group, the vagaries of constructed history...”).

⁷ *See, e.g.*, *V Secret Catalogue, Inc. v. Moseley*, 259 F.3d 464, 472-476 (6th Cir. 2001), *cert. granted*, (Apr. 15, 2002) (No. 01-1015); *Times Mirror Magazines, Inc. v. Las Vegas Sports News, L.L.C.*, 212 F.3d 157, 170 (3d Cir. 2000) (Barry, J., dissenting), *cert. denied*, 531 U.S. 1071 (2001); *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. Of Travel Dev.*, 170 F.3d 449, 453-454 (4th Cir.), *cert. denied*, 528 U.S. 923 (1999); *Viacom, Inc. v. Ingram Enters., Inc.*, 141 F.3d 886, 891 (8th Cir. 1998); *Mead Data Central, Inc. v. Toyota Motor Sales, U.S.A., Inc.*, 875 F.2d 1026, 1028-1029 (2d Cir. 1989); *Jordache Enters., Inc. v. Hogg Wyld, Ltd.*, 828 F.2d 1482, 1489 (10th Cir. 1987); *Norm Thompson Outfitters, Inc. v. General Motors Corp.*, 448 F.2d 1293, 1299 (9th Cir. 1971); *Westchester Media Co. L.P. v. PRL USA Holdings, Inc.*, 103 F. Supp. 2d 935, 973-976 (S.D. Tex. 1999), *aff’d in part and vacated in part*, 214 F.3d 658 (5th Cir. 2000); *Intermatic, Inc. v. Toeppen*, 947 F. Supp. 1227, 1236-1237 (N.D. Ill. 1996); *Bulova Watch Co. v. Stolzberg*, 69 F. Supp. 543, 546 (D. Mass. 1947); 141 CONG. REC. H14317 (daily ed. Dec. 12, 1995) (statement of Rep. Moorhead); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25 cmt. b (1995).

⁸ Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813 (1927) [hereinafter Schechter, *Rational Basis*].

⁹ *See Ringling Bros.*, 170 F.3d at 454 (“This radical dilution proposal, whose practical effect if fully adopted would be to create as the whole of trademark-protection law property rights in gross in suitably ‘unique’ marks, never has been legislatively adopted by any jurisdiction in anything approaching that extreme form.”); *infra* text accompanying notes 193-205.

remedied¹⁰—a harm that, in 1995, Congress defined as “the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of ... likelihood of confusion, mistake, or deception.”¹¹

Unfortunately, this harm was not the one that Schechter described. In promulgating and interpreting the trademark law, Congress and most courts have assumed that by “unique,” Schechter meant “distinctive and famous”¹²—in other words, that Schechter meant his dilution remedy to cover every “famous” word or phrase that happened to have acquired the ability to function as a trademark.¹³ A closer review of the Schechter “text” reveals, however, that Schechter meant his remedy to apply not to famous marks, but to a select class of highly distinctive (indeed, for the most part, inherently distinctive) trademarks that were, like most trademarks of his day, synonymous with a single product or product class.¹⁴ When viewed against the backdrop of modern marketing techniques, this definition of “uniqueness” reveals a growing state of what I term “ubiquity” in the trademark world—one in which trademark owners are deliberately destroying the uniqueness of their marks by using them to identify a diversity of products, or more generally, product “myths” and entire lifestyles.¹⁵ Worse, this ubiquity has gone unchecked, as

¹⁰ In 1976, for example, Beverly Pattishall wrote that “the [dilution] concept seemingly has remained so misunderstood or so unpalatable to the judicial taste that it largely has been ignored by the courts despite the plain dictates of the statutes and the voluminous urgings of academics.” Beverly W. Pattishall, *The Dilution Rationale for Trademark—Trade Identity Protection, Its Progress and Prospects*, 71 NW. U. L. REV. 618, 621 (1976).

¹¹ Federal Trademark Dilution Act of 1995, Pub. L. 104-98, § 4, 109 Stat. 985, 986 (1995), *amending* 15 U.S.C. § 1127.

¹² See 15 U.S.C. § 1125(c)(1) (2000); *infra* Section I(C).

¹³ Thus, under the “modern” dilution doctrine, as construed by the federal courts, a plaintiff must prove only that its mark is “distinctive and famous”; that the defendant has engaged in a “commercial use in commerce of a mark or trade name”; that “such use beg[an] after the [allegedly diluted] mark ha[d] become famous”; and that such use “causes dilution of the distinctive quality of the mark.” 15 U.S.C. § 1125(c) (2000); see *infra* Section I(C). With a few exceptions, see *infra* text accompanying notes 352-357, courts simply do not inquire into the conduct of the trademark owner.

¹⁴ Like descriptive marks, trademarks used to identify a variety of products lacked the singularity to be “whittled away” in the first instance. See Schechter, *Rational Basis*, *supra* note 8, at 825-830; *infra* Section I(B). But see 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 24:89 (4th ed. 2002) (listing elements of dilution under Federal Trademark Dilution Act) [hereinafter MCCARTHY].

¹⁵ Cf. Malla Pollack, *Your Image Is My Image: When Advertising Dedicates Trademarks to the Public Domain—With An Example From the Trademark Counterfeiting Act of 1984*, 14 CARDOZO L. REV. 1392, 1397 (1993) (“This paper argues that life-style advertising may turn trademarks into communication symbols, which dedicates them to the public...” (citations omitted)).

courts often cite ubiquitous usage as evidence that a mark is famous and thus protectible under dilution law.¹⁶ As a result, being the owner of a trademark today is much like being a parent in Lake Wobegon, where “all the children are above average”¹⁷—for under modern dilution law, nearly every trademark has become dilutable.

Schechter probably never considered that trademark owners themselves would engage in acts destructive of uniqueness, and so he spoke of the harm of “whittling away” as being accomplished by the acts of third parties.¹⁸ Nonetheless, the assumptions that Schechter made about branding practices do not change the nature of his pronouncements on uniqueness and its antithesis, dilution. In this Article, I argue that in its original conception, the dilution doctrine was intended to preserve the “uniqueness” of a select group of highly distinctive trademarks; that unlike “mere” distinctiveness, this uniqueness is destroyed when marks are used to identify a diversity of products; and that acts destructive of uniqueness include those in which *trademark owners themselves* engage. I argue that when trademark owners make “ubiquitous” uses of their marks (*i.e.*, uses destructive of uniqueness) they have surrendered their entitlement to a remedy under the dilution doctrine—at least as Schechter, the “framer” of that doctrine, intended it to function. I also argue that we should care about what Schechter intended, not only because his writings can provide us with insights into a concept that (even now) is poorly understood, but also because his “original” conception of trademark dilution simply makes more sense than the doctrine being applied by courts today.

¹⁶ See *Citigroup Inc. v. City Holding Co.*, 171 F. Supp. 2d 333, 351-352 (S.D.N.Y. 2001) (“there is no question that [the] CITI family of marks is famous” for a range of banking and financial services); *Harrods Ltd. v. Sixty Internet Domain Names*, 157 F. Supp. 2d 658, 660, 669 n.18 (E.D. Va. 2001) (HARRODS, “used on countless goods and services,” is famous based on, *inter alia*, “the use of that mark throughout the United States and worldwide in various channels of trade for diverse product lines”); *Westchester Media*, 103 F. Supp. 2d at 950 (POLO mark is “both famous and distinctive when associated with numerous and diverse items of men’s and women’s apparel, fashion accessories, fragrance, and home furnishings”), *aff’d in relevant part and vacated in part*, *Westchester Media v. PRL USA Holdings, Inc.*, 214 F.3d 658, 661 (5th Cir. 2000).

¹⁷ Garrison Keillor, *A Prairie Home Companion* radio program, produced by Minnesota Public Radio and distributed by Public Radio International (concluding with “That’s the news from Lake Wobegon, where all the women are strong, all the men are good looking, and all the children are above average.”).

¹⁸ See, e.g., Schechter, *Rational Basis*, *supra* note 8, at 825, 831-833.

In Part One of this Article, I provide a brief history of the trademark law as Schechter understood it; describe the way in which Schechter departed from and ultimately contributed to that history; and trace the acceptance (and distortion) of his theories over the last 75 years—a period that has seen sweeping change in how companies use their trademarks. In Part Two, I defend the dilution doctrine of which Schechter conceived; build upon that conception by revealing how owners of unique trademarks are capable of engaging in acts destructive of uniqueness; and propose one way in which courts might withhold a dilution remedy in cases involving ubiquitous marks: by creating an affirmative “ubiquity defense” to a claim of dilution. Finally, in Part Three, I discuss, briefly, why such a ubiquity defense “matters” in light of the increasing reach of trademark infringement law—a phenomenon that has consequences not only for dilution theory, but for the integrity of the trademark law as a whole.

I. FRANK SCHECHTER, TRADEMARK DILUTION, AND THE STATE OF UBIQUITY

In 1927, *The Harvard Law Review* published an article entitled “The Rational Basis of Trademark Protection”¹⁹—probably one of the most influential articles ever published in that law review. Its author was New York City lawyer Frank Schechter, who made his living as a corporate counsel for BVD, the underwear company.²⁰ Like a few other trademark attorneys then and now,²¹ Schechter was both a working man and a scholar. In 1925, Columbia University awarded Schechter a *Juris Doctor* degree for “advanced work and research in law”—the first such degree ever awarded by that university²²—and its Press published his dissertation on “*The Historical*

¹⁹ See Schechter, *Rational Basis*, *supra* note 8.

²⁰ Jerome Gilson, *A Federal Dilution Statute: Is it Time?*, 83 TRADEMARK REP. 108, 109 (1993).

²¹ Although there certainly are others, a list of such attorneys might include Miles J. Alexander; Theodore H. Davis, Jr.; Jerome Gilson; Julius R. Lunsford; Beverly W. Pattishall; Edward S. Rogers; and Jerre B. Swann, Sr.

²² See FRANK I. SCHECHTER, *THE HISTORICAL FOUNDATIONS OF THE LAW RELATING TO TRADEMARKS* ix (Colum. Univ. Press 1925) [hereinafter SCHECHTER, *HISTORICAL FOUNDATIONS*] (foreword by Munroe Smith, Bryce Professor Emeritus of European Legal History at Columbia University); see also *Hearings Held Before the Committee on Patents*, H.R., 72d Cong., 1st Sess. 1 (February 8-9, 1932) [hereinafter *Hearings*] (statement of Rep. Sirovich, Chairman).

Foundations of the Law Relating to Trade-Marks.”²³ This dissertation can be found in university collections today, more than 75 years later.²⁴ Contrary to what his choice of title might suggest, however, Schechter did not confine himself to the dusty subject of medieval history, although he did give it extensive treatment. He also chose to address “The Problems of the Modern Law Historically Considered”²⁵—and he had particular problems in mind. Even in 1925, it should have been obvious to his readers that Schechter was about to propose a significant transformation of American trademark law, for woven in and through his history of trademarks was a proposition that the United States Supreme Court would reject less than a year later:²⁶ that the law should treat trademarks as it does real property.²⁷ Schechter would play this refrain—with a twist—in his “Rational Basis” article two years later. Of course, one might expect a man who defended corporate trademarks for a living to advocate giving corporations (including his own) “the broadest possible protection”²⁸ in the words and symbols they used to sell their products. As a student of history, however, Schechter knew how much of a departure his ideas represented.²⁹

A. A Very Brief History of Trademark Law³⁰

There are two sources of trademark law in the United States: statutes and the common law. Congress enacted its first trademark statute in 1870 as part of “An Act

²³ See SCHECHTER, HISTORICAL FOUNDATIONS, *supra* note 22.

²⁴ I am grateful to Kenyon College of Gambier, Ohio for lending me its copy of the work.

²⁵ SCHECHTER, HISTORICAL FOUNDATIONS, *supra* note 22, at 146 *et seq.*

²⁶ See *American Steel Foundries v. Robertson*, 269 U.S. 372, 380 (1926) (“There is no property in a trademark apart from the business or trade in connection with which it is employed.”). Notwithstanding this pronouncement, the “trademarks as property” model continues to be hotly debated today.

²⁷ “Using the term property in its modern legal sense, viz., as a right having a pecuniary value which will be protected by the legal agencies of society, rights in or pertaining to trade-marks may be classified as property.” SCHECHTER, HISTORICAL FOUNDATIONS, *supra* note 22, at 171.

²⁸ See *Hearings*, *supra* note 22, at 10.

²⁹ See *id.* at 2 (“The orthodox definition of ‘the primary and proper function of a trade-mark’ is ... ‘to identify the origin or ownership of the goods to which it is affixed’.... In this definition, as in so many other things, legal evolution has not kept pace with functional change.”) (quoting *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 412 (1915)).

³⁰ The history of trademarks has been ably documented, and I have made every effort to avoid plowing the same ground. For a thorough treatment of trademark history, see Thomas D. Drescher, *The Transformation and Evolution of Trademarks—From Signals to Symbols to Myth*, 82 TRADEMARK REP. 301 (1992); Daniel M. McClure, *Trademarks and Unfair Competition: A Critical History of Legal Thought*, 69 TRADEMARK REP. 305 (1979); and Benjamin G. Paster, *Trademarks—Their Early History*, 59 TRADEMARK REP. 551 (1969).

to revise, consolidate, and amend the statutes relating to patents and copyrights,”³¹ but in 1879, the Supreme Court held that Article I, Section 8, clause 8 of the Constitution³² did not give Congress the authority to promulgate trademark legislation.³³ Chastened, Congress enacted another trademark statute in 1881, but this statute dealt only with the registration of marks that were “used in commerce with foreign nations, or with the Indian tribes”³⁴—a ridiculously narrow reach, given the local nature of most commerce at the time.³⁵ Congress did not legislate on the subject of trademarks again until 1905.³⁶ As for the several states, they were legislating on the subject of trademarks long before 1870,³⁷ but with the exception of statutes on dilution,³⁸ early state statutes did little more than codify common law doctrines.³⁹ Not surprisingly, given this underwhelming early statutory history on both the federal and state levels, the common law has contributed mightily to the content of the trademark law in this country—indeed, the common law has been the primary source of trademark doctrine for more than half as long as the United States has existed.

³¹ *United States v. Steffens* [The Trade-Mark Cases], 100 U.S. 82, 92 (1879).

³² Article I, Section 8, clause 8 of the United States Constitution gives Congress the power “[t]o 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...” U.S. CONST. Art. I, § 8, cl. 8.

³³ *Steffens*, 100 U.S. at 93-94 (“As the first and only attempt by Congress to regulate the right of trade-marks is to be found in the act of July 8, 1870, ... it is a reasonable inference that this part of the statute also was, in the opinion of Congress, an exercise of the power found in that clause of the Constitution. Any attempt, however, to identify the essential characteristics of a trade-mark with inventions and discoveries in the arts and sciences, or with the writings of authors, will show that the effort is surrounded with insurmountable difficulties.”).

³⁴ Act of March 3, 1881, § 1, 21 Stat. 502, 502 (1881).

³⁵ See Gerard N. Magliocca, *One and Inseparable: Dilution and Infringement in Trademark Law*, 85 MINN. L. REV. 949, 970-972 (2001).

³⁶ See Act of Feb. 20, 1905, 33 Stat. 724 (1905).

³⁷ Robert P. Merges, *One Hundred Years of Solicitude: Intellectual Property Law, 1900-2000*, 88 CAL. L. REV. 2187, 2208 n.92 (2000) (“but not until the late 1840s was the first state law passed ‘to prevent fraud in the use of false stamps and labels’”) (quoting Mira Wilkins, *The Neglected Intangible Asset: The Influence of the Trademark on the Rise of the Modern Corporation*, 34 BUS. & HIST. 66, 72 (1992)).

³⁸ The states led the way on enacting dilution legislation in this country. See *infra* text accompanying notes 180-191.

³⁹ See Robert C. Denicola, *Institutional Publicity Rights: An Analysis of the Merchandising of Famous Trade Symbols*, 62 N. C. L. REV. 603, 606 (1984). After Congress enacted the Lanham Act, 60 Stat. 427 (1946), codified at 15 U.S.C. § 1051 *et seq.*, state statutes tended to mirror the terms of the federal Act, see Model State Trademark Bill (1949, revised 1964, 1992), reprinted in 3 MCCARTHY, *supra* note 14, § 22.9, which in turn was based on common law principles. See *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 861 n.2 (1982) (“[T]he purpose of the Lanham Act was to codify and unify the common law of unfair competition and trademark protection.”) (citing S. Rep. No. 1333, 79th Cong., 2d Sess. (1946)) (White, J., concurring); see also 1 MCCARTHY § 5:4.

Under the common law at the turn of the (twentieth) century, the word “trademark” referred to “a distinctive mark of authenticity, through which the products of particular manufacturers or the vendible commodities of particular merchants may be distinguished from those of others.”⁴⁰ A trademark could be a word or phrase, but it did not need to take this form; it could “consist in any symbol” capable of “point[ing] out distinctively the origin or ownership of the articles to which it is affixed...”⁴¹ In other words, trademarks existed merely to aid in consumer identification of the products⁴² to which they were attached; by reference to a trademark, consumers could identify the trademarked product as coming from a particular source. If they liked the product, they could buy it again—and the trademark would act as a guarantee that consumers would enjoy the same experience.⁴³ This guarantee is what the trademark law calls “goodwill.”⁴⁴ To be sure, goodwill might not necessarily be “good”; if consumers were dissatisfied with a trademarked product, they could use the information the trademark conveyed to avoid the product in the future. In this way, trademarks gave producers ample incentive to make sure that their products achieved a consistent level of quality⁴⁵—at whatever level of quality producers could afford to provide.⁴⁶

⁴⁰ *Elgin Nat’l Watch Co. v. Illinois Watch Case Co.*, 179 U.S. 665, 673 (1901).

⁴¹ *Id.*; *see also* *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918).

⁴² Marks used to identify *services* were protectible only under the common law of unfair competition. *See* 1 MCCARTHY, *supra* note 14, § 4:14.

⁴³ SCHECHTER, *HISTORICAL FOUNDATIONS*, *supra* note 22, at 150 (“A trade-mark merely guarantees to the consumer that the goods in connection with which it is used emanate from the same source ... as certain other goods that have given the consumer satisfaction and that bore the same trade-mark.”).

⁴⁴ Or, as Professor (and novelist) Stephen L. Carter has put it:

Successful trademarks are valuable because of the information that they convey. The consumer sees the mark and knows what the mark represents: a consistent quality, a reputation for service, and any of the other things that when wrapped together are thought of as a business’s goodwill. Goodwill is intangible and often its precise source is difficult to trace, but it is one of a firm’s most valued assets because it is, by definition, a major reason for the consumer’s choice among competing brands.

Stephen L. Carter, *The Trouble With Trademark*, 99 *YALE L.J.* 759, 761 (1990) (citations omitted).

⁴⁵ *Id.*; 1 MCCARTHY, *supra* note 14, § 3:10.

⁴⁶ *See* 1 MCCARTHY, *supra* note 14, § 3:10, at 3-23 (“A consumer assumes that products or services with the same mark will be of equal quality regardless of the producing source. This does not necessarily mean high quality, but merely equal quality—whether that quality is high, low or mediocre.”).

When Congress legislated on the subject of trademarks in 1905, it incorporated this body of doctrine, providing for the federal registration of what had become known as “technical trademarks” under the common law⁴⁷ and what would be known as “inherently distinctive”⁴⁸ marks (or simply “trademarks”)⁴⁹ today. In order to qualify as a technical trademark, a word or phrase had to be arbitrary, fanciful, or at worst, suggestive⁵⁰—that is, bearing no more than a hint of a logical relation to the product it was meant to identify. “Kodak,” for example, was a technical trademark because it was coined by George Eastman,⁵¹ and it had no descriptive power for the photographic equipment and accessories on which the Eastman Kodak Company had

⁴⁷ Under the common law, a “technical trademark” was “an arbitrary, distinctive name, symbol, or device, to indicate or authenticate the origin of the product to which it is attached.” *G.W. Cole Co. v. American Cement & Oil Co.*, 130 F. 703, 705 (7th Cir. 1904); *see also Sweetarts v. Sunline, Inc.*, 380 F.2d 923, 926 (8th Cir. 1967) (technical trademarks as “arbitrary, unique, distinct, and non-descriptive”). The 1905 Act continued this requirement by precluding registration for any mark that consisted “merely in the name of an individual, firm, corporation, or association, not written, printed, impressed, or woven in some particular or distinctive manner or in association with a portrait of the individual, or merely in words or devices which are descriptive of the goods with which they are used, or of the character or quality of such goods, or merely a geographical name or term...” Act of Feb. 20, 1905, § 5, 33 Stat. 724, 726 (1905). With the 1905 Act, Congress legislated under its Commerce Clause authority. *See id.* § 1 (“That the owner of a trade-mark used in commerce with foreign nations, or among the several States, or with Indian tribes, ... may obtain registration...”).

⁴⁸ *See Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992). Such marks are termed “inherently distinctive” because from the moment of their adoption, they possess the inherent ability to “distinguish ... goods ... from those manufactured or sold by others...” 15 U.S.C. § 1127 (2000). *See infra* note 50.

⁴⁹ *See* 1 MCCARTHY, *supra* note 14, § 4:2.

⁵⁰ As Judge Friendly famously wrote in *Abercrombie & Fitch Company v. Hunting World, Incorporated*, 537 F.2d 4 (2d Cir. 1976), “The cases ... identify four different categories of terms with respect to trademark protection. Arrayed in an ascending order which roughly reflects their eligibility to trademark status and the degree of protection accorded, these classes are (1) generic, (2) descriptive, (3) suggestive, and (4) arbitrary or fanciful...” *Id.* at 9 (citations omitted). “A generic term is one that refers, or has come to be understood as referring, to the genus of which the particular product is a species...” *Id.* at 9 (citations omitted). It is not protectible as a trademark. *Id.* “A term is descriptive if it forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods.” *Id.* at 11 (quoting *Stix Prods., Inc. v. United Merchants & Mfrs. Inc.*, 295 F. Supp. 479, 488 (S.D.N.Y. 1968)). “A term is suggestive if it requires imagination, thought and perception to reach a conclusion as to the nature of goods.” *Abercrombie & Fitch*, 537 F.2d at 11 (quoting *Stix Prods.*, 295 F. Supp. at 488). Arbitrary marks are those in which “a common word ... is applied in an unfamiliar way.” *Abercrombie & Fitch*, 537 F.2d at 11 n.12. And finally, fanciful marks are “words invented solely for their use as trademarks.” *Id.* Thus, “[t]he word ‘apple’ would be arbitrary when used on personal computers, suggestive when used in ‘Apple-A-Day’ on vitamin tablets, descriptive when used in ‘Tomapple’ for combination tomato-apple juice and generic when used on apples.” *Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d 1033, 1041 (2d Cir. 1992) (quoting 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 11:22, at 498-99 (2d ed. 1984)).

⁵¹ *The Year of the Brand*, THE ECONOMIST, Dec. 24, 1988, at 95.

used the mark as of 1927.⁵² Technical trademarks not only were registrable under the Trademark Act of 1905, but they also were enforceable through a legal action for trademark infringement.⁵³

Not every producer opted to identify his goods with an arbitrary or fanciful symbol. Companies often select as trademarks words or phrases that describe the products they sell, believing that descriptive marks convey more information to consumers.⁵⁴ While descriptive marks lacked *inherent* distinctiveness, thus failing to qualify for protection under the 1905 Act,⁵⁵ the common law provided some protection for descriptive words and phrases (then known as “trade names”)⁵⁶ that had *acquired* distinctiveness—*i.e.*, had acquired the capacity to indicate the *source* of a product instead of the product itself.⁵⁷ Descriptive words and phrases that lacked this capacity to indicate source were not protectible for the same reason that the phrase “Red Delicious” for apples is not protectible as a trademark today; without evidence that consumers see the phrase “Red Delicious” on an apple box and think of a particular apple producer (as opposed to a particular apple), giving one producer trademark rights in that phrase would foreclose other apple producers from describing their apples as of the “red delicious” variety—and would do so without providing any accompanying benefit to consumers, who think of “red delicious” only as a varietal descriptor.

⁵² See United States Trademark Registration (“Reg.”) Nos. 85,423; 195,218; 291,146; 387,692; 396,694; 396,975; 398,144; 399,092; 406,762; 429,457; 692,796; and 775,200, found using the Trademark Electronic Search System (“TESS”) at <www.uspto.gov/main/trademarks.htm>. The goods identified on these registrations are too numerous to list here.

⁵³ See Act of Feb. 20, 1905, § 16, 33 Stat. 724, 728 (1905).

⁵⁴ For a description of this phenomenon today, see Carter, *supra* note 44, at 774 n.61 (quoting DAVID A. BURGE, PATENT AND TRADEMARK TACTICS AND PRACTICE 126 (2d ed. 1984)); William M. Landes & Richard A. Posner, *The Economics of Trademark Law*, 78 TRADEMARK REP. 267, 278, 294 (1988).

⁵⁵ *But see* Act of Feb. 20, 1905, § 5, 33 Stat. 724, 726 (1905) (allowing registration of marks actually and exclusively used in interstate commerce “for ten years next preceding the passage of this Act”).

⁵⁶ Again, these marks would be known simply as “trademarks” today. 1 MCCARTHY, *supra* note 14, § 4:2.

⁵⁷ *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 U.S. 315, 335-336 (1938) (“Here we have a secondary meaning to the descriptive term, ‘Nu-Enamel.’ This establishes ... the common law right of the Nu-Enamel Corporation to be free from the competitive use of these words as a trade-mark or trade name.... The right arises not from the trade-mark acts but from the fact that ‘Nu-Enamel’ has come to indicate that the goods in connection with which it is used are the goods manufactured by the respondent. When a name is endowed with this quality, it becomes a mark, entitled to protection. The essence of the wrong from the violation of this right is the sale of the goods of one manufacturer for those of another.”).

Under the common law, trade names included descriptive words and phrases,⁵⁸ surnames,⁵⁹ and geographic names,⁶⁰ each of which had to possess a “secondary” (source) meaning in addition to its common English one in order to be protectible.⁶¹ Trade names were protectible only in equity through an action for unfair competition,⁶² but in 1920, Congress took yet another cue from the common law, amending the Trademark Act to allow registration of these trade names (with a few limitations),⁶³ so long as the mark sought to be registered possessed secondary meaning.⁶⁴

By 1927, when Schechter published “Rational Basis,” actions for trademark infringement and unfair competition had important things in common.⁶⁵ In both actions, the law provided trademark protection for the same reason that it does today: “to enable the public to identify easily a particular product from a particular source.”⁶⁶ Courts understood this, and accordingly, they viewed their role as preventing imitators from conveying “false” information about their products by trading off the reputation of another. This, for example, from a court as early as 1849:

⁵⁸ See *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 U.S. 315 (1938) (“Nu-Enamel” enamel paint product); *Estate of P.D. Beckwith, Inc. v. Commissioner of Patents*, 252 U.S. 538 (1920) (“Moistair Heating System”).

⁵⁹ See *Thaddeus Davids Co. v. Davids*, 233 U.S. 461 (1914).

⁶⁰ See *Elgin Nat’l Watch Co. v. Illinois Watch Case Co.*, 179 U.S. 665 (1901) (“Elgin” watches made in Elgin, Illinois).

⁶¹ See, e.g., *Armstrong Paint*, 305 U.S. at 335-336 (defining “secondary meaning” as “the fact that ‘Nu-Enamel’ has come to indicate that the goods in connection with which it is used are the goods manufactured by the respondent”).

⁶² See, e.g., *G.W. Cole*, 130 F. at 705 (“Unfair competition is distinguishable from the infringement of a trade-mark in this: that it does not involve necessarily the question of the exclusive right of another to the use of the name, symbol, or device. A word may be purely generic or descriptive, and so not capable of becoming an arbitrary trade-mark, and yet there may be an unfair use of such word or symbol which will constitute unfair competition.”).

⁶³ One of those limitations was that a registrant under the 1920 Act was deemed to have admitted that his mark was not a technical trademark and would not be registrable under the 1905 Act. See Act of March 19, 1920, 41 Stat. 533 (1920). And unlike 1905 Act registrations, 1920 Act registrations did not constitute *prima facie* evidence of ownership. *Armstrong Paint*, 305 U.S. at 323-336; see also 1 MCCARTHY, *supra* note 14, § 5.3, at 5-9 & n.16.

⁶⁴ See Act of March 19, 1920, 41 Stat. 533 (1920).

⁶⁵ The distinctions between the two causes of action were important, too: “In a suit for unfair competition (a suit for infringement of a trade name) the plaintiff was required to prove actual deception of purchasers and fraudulent intent by the defendant...” McClure, *supra* note 30, at 317 (citations omitted). Neither showing was required of plaintiffs in trademark infringement actions. *Id.*; see generally Milton Handler and Charles Pickett, *Trade-Marks and Trade Names—An Analysis and Synthesis*, 30 COLUM. L. REV. 168 (Part I) & 759 (Part II) (1930).

⁶⁶ Lemley, *supra* note 5, at 1694; compare *Hanover Star Milling*, 240 U.S. at 412.

He who affixes to his own goods an imitation of an original trade-mark, by which those of another are distinguished and owned, seeks, by deceiving the public, to divert and appropriate to his own use, the profits to which the superior skill and enterprise of the other had given him a prior and exclusive title. He *endeavors*, by a false representation, to effect a dishonest purpose; he commits a fraud upon the public and upon the true owner of the trademark.⁶⁷

This “fraud on the public” occurred, of course, when “[t]he purchaser ... imposed upon [it] an article that [it] never meant to buy...”⁶⁸ And this fraud had consequences; it damaged the “true owner of the trademark” in the amount of its lost sales, “robb[ing] [him] of the fruits of the reputation that he had successfully labored to earn.”⁶⁹ In the (very similar) words of the Supreme Court of the United States in 1915, “[t]he essence of the wrong consists in the sale of goods of one manufacturer or vendor for those of another.”⁷⁰ If, for example, a company *other* than the Eastman Kodak Company (call it Company X) had placed the Kodak trademark on photographic chemicals in 1927, that company would have been guilty of trademark infringement—not because the Eastman Kodak Company owned the word “Kodak” as property,⁷¹ but because Company X had attempted to “pass off” its photographic chemicals as having been produced by the Eastman Kodak Company, when in fact they were not. Thus, the doctrines of trademark infringement and unfair competition both operated to safeguard the symbolic connection between a product and its source. The trademarks and trade names themselves were only the means to this end.

If, however, Company X had placed the Kodak trademark on bathtubs, again in 1927, the law would have dictated a different outcome. The Trademark Act of 1905, even as amended in 1920, proscribed the use of an existing trademark only on “merchandise of substantially the same descriptive properties as those set forth in the

⁶⁷ *Amoskeag Mfg. Co. v. Spear*, 2 Sandf. (N.Y.) Super. 599, 605-606 (1849) (emphasis in original).

⁶⁸ *Id.*

⁶⁹ *Id.*

⁷⁰ *Hanover Star Milling*, 240 U.S. at 413.

⁷¹ Edward S. Rogers made an accurate statement of the law at the time when he wrote that “there is no property in a word or name as such. It is only when it symbolizes a business good-will that the attributes of property attach to it.” EDWARD S. ROGERS, *GOOD WILL, TRADE-MARKS, AND UNFAIR TRADING* 99-100 (1914). This position increasingly is under attack by those (like Schechter) who would propertize trademarks. See, e.g., Jerre B. Swann, Sr., *An Intuitive Approach to Dilution*, 89 TRADEMARK REP. 907, 907 (1999) (“famous brands should be protected as property”).

registration,”⁷² and as Schechter repeatedly (and unhappily) pointed out, courts tended to construe this language fairly narrowly.⁷³ In a 1912 case involving use of the “Borden” trade name, for example, one court held that ice cream was not sufficiently similar to “condensed or evaporated milk, ... malted milk, ... buttermilk, ... fluid milk, ... cream, and ... malted milk ice cream” (the last of which was “especially adapted for use in hospitals”) to justify granting an injunction to the famous condensed milk company.⁷⁴ According to the courts, the reason for such a restrictive rule was simple: If two companies were using the same trademark on goods that were “so widely separated” that consumers would not assume a connection between the two, “the courts would say they are not damaged, because there is no damage of reputation.”⁷⁵ Without any deception of the public, no trade would be diverted—and therefore no actionable harm would be done.⁷⁶ Of course, the presence or absence of a “wide separation” was in the eye of the beholder, but it seems safe to say that in 1927, no court would assume a connection if a bathtub manufacturer began affixing the Kodak trademark to its plumbing products.⁷⁷

From his office in New York City, however, Schechter saw plenty of harm in tolerating such peculiarities as “Kodak bath tubs,”⁷⁸ and he began to argue for making that harm actionable. In 1925, two years before the publication of “Rational Basis,”

⁷² Act of Feb. 20, 1905, § 16, 33 Stat. 724, 728 (1905).

⁷³ See Schechter, *Rational Basis*, *supra* note 8, at 823-824.

⁷⁴ *Borden Ice Cream Co. v. Borden’s Condensed Milk Co.*, 201 F. 510, 512 (7th Cir. 1912); see also *Borden’s Condensed Milk Co. v. Eagle Mfg. Co.*, 47 App. D.C. 191, 192-193 (D.C. Cir. 1917) (finding “too much difference between dairy products and ... ice cream cones,” the latter of which consisted “of a dough, made wholly without milk or any dairy product”); Carter, *supra* note 44, at 764 (noting that the common law rule that “if no goodwill has been taken, no action will lie” has been “enforced with a vigor that might amaze modern trademark lawyers.”).

⁷⁵ *Hearings*, *supra* note 22, at 42 (statement of Edward S. Rogers).

⁷⁶ As with any general rule, there were exceptions. As Schechter observed in 1927, “[r]ecent decisions both in this country and in England have extended the doctrine of ‘unfair competition’ beyond cases where there is an actual ‘diversion of custom.’ But the process has been one of making exceptions rather than of frank recognition of the true basis of trademark protection.” Schechter, *Rational Basis*, *supra* note 8, at 821 (citing cases). These cases tended to involve evidence of bad faith, and courts tended to use “trespass” language to describe the acts alleged to constitute unfair competition. See, e.g., *Aunt Jemima Mills Co. v. Rigney & Co.*, 247 F. 407, 410 (2d Cir. 1917).

⁷⁷ See *L.E. Waterman Co. v. Gordon*, 72 F.2d 272, 273 (2d Cir. 1934) (“There is indeed a limit; the goods on which the supposed infringer puts the mark may be too remote from any that the owner would be likely to make or sell. It would be hard, for example, for the seller of a steam shovel to find ground for complaint in the use of his trade-mark on a lipstick.”)

⁷⁸ See Schechter, *Rational Basis*, *supra* note 8, at 830.

he sounded the alarm about what he termed “the problem of the protection which is being sought against the use of infringing marks upon non-competing goods.”⁷⁹ This statement of the problem was itself problematic; as we have seen, courts would not have labeled such uses “infringing” without evidence that the use of a mark (or a “colorable imitation” thereof)⁸⁰ on noncompetitive goods would mislead consumers into thinking that the quality of Good A was warranted by Company B, or vice versa. In 1925, as now,⁸¹ consumer confusion was the touchstone of trademark infringement. But Schechter had grown uncomfortable with resting the protectibility of a trademark on “the judicial estimate of the state of the public mind.”⁸² To his way of thinking, if asking whether consumers were misled failed to result in an injunction against, *inter alia*, “Kodak bath tubs,” then courts needed to find another touchstone.⁸³ As Schechter wrote in 1925, “From the standpoint of the public interest itself, there is perhaps no longer a need for regarding deception of the public as one of the bases for trade-mark protection.”⁸⁴ This must have been a startling statement⁸⁵—as if, for example, a copyright scholar had announced the natural death of the substantial similarity test.

⁷⁹ SCHECHTER, HISTORICAL FOUNDATIONS, *supra* note 22, at 169. Schechter was still sounding the alarm seven years later, by which time others in the field apparently believed that the problem was taking care of itself. *Compare Hearings*, *supra* note 22, at 9 (“There is, for instance, the problem of the use of similar marks on dissimilar goods, which is one of the most common and important questions which trade-mark litigation deals with to-day.”) (statement of Frank I. Schechter) with *id.* at 43 (“No one seems to know quite what goods of the same descriptive properties are. But the courts have interpreted it to mean goods in the same general class.... [I]f a situation is pretty good and is getting better perhaps the best thing to do is to let it alone.”) (statement of Edward S. Rogers).

⁸⁰ See Act of Feb. 20, 1905, § 16, 33 Stat. 724, 728 (1905).

⁸¹ See 3 MCCARTHY, *supra* note 14, § 23.1.

⁸² See SCHECHTER, HISTORICAL FOUNDATIONS, *supra* note 22, at 166. Schechter preferred to rest such protection on “the excellence of his product and the appeal of his advertising”—what he termed the “normal agencies for the creation of good-will.” *See id.*

⁸³ Schechter objected not only to using consumer confusion as a test for the presence of trademark injury, but to “holding deception of the public as ... in itself a basis of relief.” *Id.* at 165.

⁸⁴ *Id.* at 164.

⁸⁵ As Beverly Pattishall observed in 1953, even “Dr. Rudolph Callmann ..., the most vociferous advocate of the dilution theory writing today ... comments ... that Schechter’s proposition goes too far, since the ‘American law of unfair competition and trademarks is too deeply rooted upon the concept of passing off to attempt to divorce it completely from the doctrine of confusion and public reaction to the use of the contested mark.’ Thus, Dr. Callmann’s criticism is not directed to the validity of the Schechter theory, but to the practical possibility of applying it in the United States.” Beverly M. Pattishall, *The Case for Anti-Dilution Trade-Mark Statutes*, 43 TRADEMARK REP. 887, 889 (1953) [hereinafter Pattishall, *The Case for Anti-Dilution*] (citations omitted).

Of course, if the trademark law were to discard the consumer confusion inquiry, it would need another way to determine when trademark owners were suffering injury at the hands of others. Schechter revealed how he proposed to identify trademark violations only two years later in “Rational Basis.” His theory would rest on a simple, if unspoken premise: owners of qualifying trademarks suffered injury whenever others used those marks without permission. For Schechter, this premise not only solved the “non-competing goods” problem, but it also compensated companies for making the investments that transformed words, phrases, and symbols into agents of “selling power.”⁸⁶ Thus did Schechter propose to change the face of trademark law in America: No longer were the courts to examine the link in the public mind between a product and its producer; such an examination was beside the point. For Schechter, trademarks were not merely (or even primarily) the means by which producers identified themselves as the sources of their goods. Trademarks had become part of the “goods” themselves.

B. The Birth of Trademark Dilution

“The orthodox definition of ‘the primary and proper function of a trademark’ is that given by the Supreme Court of the United States in the leading case of *Hanover Star Milling Company v. Metcalf*: ‘to identify the origin or ownership of the goods to which it is affixed.’”⁸⁷ Schechter began his landmark article with this statement of black letter law, then proceeded—for 20 pages—to “test [its] adequacy.”⁸⁸ With Schechter doing the grading, it did not test well. “Orthodox,” to him, meant “obsolete,”⁸⁹ and dangerously so. “Four hundred years ago a trademark indicated either the origin or ownership of the goods to which it was affixed,”⁹⁰ he wrote. “To what extent does the trademark of today really function as either?

⁸⁶ See Schechter, *Rational Basis*, *supra* note 8, at 819.

⁸⁷ *Id.* at 813-814 (quoting 240 U.S. 403, 412 (1916)).

⁸⁸ See Schechter, *Rational Basis*, *supra* note 8, at 814.

⁸⁹ See *id.* at 824.

⁹⁰ *Id.* By 1932, Schechter had added a couple of centuries to this estimate; as he told the House Committee on Patents, “Five or six centuries ago it [the *Hanover Star Milling Co. v. Metcalf* definition] would have been accurate; not now.” See *Hearings*, *supra* note 22, at 2.

Actually, not in the least!”⁹¹ He was right, at least in one respect. In 1927, as Schechter pointed out, consumers often did not know the name of the company that produced their consumer goods.⁹² The same is true today.⁹³ The problem with this observation (at least on its face) was that courts had begun to recognize, even by 1927, that trademark rights exist when “the public has become accustomed to regard [a product] as emanating, if not from [the producer] by name, at least from a single, anonymous, maker, and the second is as good for these purposes as the first.”⁹⁴ Schechter knew this, of course, but he was thinking bigger than the anonymous source rule. He wanted nothing less than to redefine the modern trademark.

By 1927, courts tended to define trademarks as mere symbols of the goodwill that *producers* had accumulated in their *products* by offering consumers products of consistent quality.⁹⁵ Thus, the purpose of trademarks was to link products to producers (whether those producers were known or anonymous). The trademark that Schechter proposed was more complex than that: as something that was “creative and not merely symbolic,”⁹⁶ the modern trademark would “stimulate ... purchases”⁹⁷ and “actually *sell*[] the goods”⁹⁸—not as “merely ... a symbol of good will” or as a link to a source, but as an active participant in the creation of goodwill.⁹⁹ The modern

⁹¹ Schechter, *Rational Basis*, *supra* note 8, at 824.

⁹² *See id.* at 814 (“the source or origin of the goods bearing a well known trademark is seldom known to the consumer”).

⁹³ Jerre B. Swann, Sr., David A. Aaker & Matt Reback, *Trademarks and Marketing*, 91 TRADEMARK REP. 787, 792 (2001) (noting the common source of laundry detergents bearing the Bold, Cheer, Dash, Dreft, Era, Gain, Ivory Snow, and Tide brands).

⁹⁴ Schechter, *Rational Basis*, *supra* note 8, at 816 (quoting *Shredded Wheat Co. v. Humphrey Cornell Co.*, 250 Fed. 960, 963 (2d Cir. 1918)). By 1984, when Congress clarified that trademarks were capable of indicating the source of goods “even if that source is unknown,” *see* Trademark Clarification Act of 1984, Title I, § 103(1), Pub. L. 98-620, 98 Stat. 3335 (1984) the “anonymous source” rule had long been recognized by the courts. *See* A.J. Canfield Co. v. Honickman, 808 F.2d 291, 300 (3d Cir. 1986); 1 MCCARTHY, *supra* note 14, § 3:9.

⁹⁵ *See Steffens [The Trade-Mark Cases]*, 100 U.S. at 87 (“Trade-marks are important instrumentalities, aids, or appliances by which trade, especially in modern times, is conducted. They are the means by which manufacturers and merchants identify their manufactures and merchandise. They are the symbols by which men engaged in trade and manufactures become known in the marts of commerce, by which their reputation and that of their goods are extended and published; and as they become better known, the profits of their business are enhanced.”); *see also* 1 MCCARTHY, *supra* note 14, § 2:3.

⁹⁶ Schechter, *Rational Basis*, *supra* note 8, at 817.

⁹⁷ *Id.* at 818.

⁹⁸ *Id.* at 819 (emphasis in original).

⁹⁹ *Id.* at 818.

trademark would be an agent for the company, pulling its weight (along with the rest of the “sales force”) to help generate sales and profits.¹⁰⁰

Each sales force has its Willy Loman,¹⁰¹ and for Schechter, trademarks were no different; some were born with “selling power,” others were not. Schechter focused his attention on highly distinctive trademarks—for in his words, “the more distinctive the mark, the more effective is its selling power.”¹⁰² Distinctiveness was not a new idea; by 1927, the trademark law already had recognized the notion that some trademarks are more able to perform the task of source identification than others. Technical trademarks (e.g., Kodak) had this inherent distinctiveness; trade names, on the other hand, had to acquire distinctiveness (secondary meaning) in order to be protectible. Schechter was very familiar with this system of classification when he wrote “Rational Basis,” and his thinking undoubtedly began here.¹⁰³ In fact, he deemed “entirely sound” the “rule that arbitrary, coined or fanciful marks or names should be given a much broader degree of protection than symbols, words or phrases in common use.”¹⁰⁴ But Schechter also added something to the prevailing definition of distinctiveness by speaking of the marks he meant to protect as “unique” and “singular.”¹⁰⁵ In his view, the value of a “symbol depended in large part upon its uniqueness.”¹⁰⁶ What did he mean by this? Were distinctiveness and uniqueness the same thing?

¹⁰⁰ As Schechter would tell the House Committee on Patents, the modern trademark “is not only a symbol of good will, but is an agency for the creation and perpetuation of good will. As Mr. H.G. Wells has said, it reach[es] over the retail merchant’s shoulder and offers the goods to the customer; it is the most constant, active and extensive salesman in the employ of the manufacturer to-day.” *Hearings, supra* note 22, at 8-9.

¹⁰¹ For an interesting use of Willy Loman as the embodiment of the concept of trademark use, see Michael H. Davis, *Death of a Salesman’s Doctrine: A Critical Look at Trademark Use*, 19 GA. L. REV. 233 (1985).

¹⁰² Schechter, *Rational Basis, supra* note 8, at 819.

¹⁰³ As he wrote, “the distinction ... is gradually but surely being drawn [by the courts] between common or semi-descriptive marks or names on the one hand, and arbitrary or fanciful trademarks or tradenames on the other.” *Id.* at 826.

¹⁰⁴ *Id.* at 828.

¹⁰⁵ See *id.* at 822 (“the preservation of the uniqueness or individuality of the trademark is of paramount importance to its owner”); *id.* at 831 (“such uniqueness or singularity is vitiated or impaired by its use upon either related or non-related goods”).

¹⁰⁶ *Id.* at 826 (quoting Note, *Appropriation of Trade Symbols by Noncompetitors*, 25 COLUM. L. REV. 199, 204 (1925)).

A close reading of “Rational Basis” indicates that the uniqueness of which Schechter conceived consisted of classic trademark “distinctiveness” plus something more. Consider his examples: Marks to which Schechter attributed “very little distinctiveness in the public mind” included the laudatory¹⁰⁷ “Blue Ribbon” and “Gold Medal” and the descriptive “Simplex.”¹⁰⁸ None of these marks qualified as a technical trademark, but Schechter did not limit his reasoning to the question whether these marks were “coined” (*i.e.*, fanciful), arbitrary, or suggestive on the one hand, or whether they were descriptive on the other. Blue Ribbon not only was laudatory, but it also had been “used, with or without registration, for all kinds of commodities or services, more than sixty times”;¹⁰⁹ Gold Medal, too, had been “as extensively and variously applied”;¹¹⁰ and Simplex had been registered, in whole or in part, “approximately sixty” times by numerous parties and had been “applied to so diversified a variety of products as windows, wire, concrete piling, golf practice machines, letter openers, air brakes, ink and buttons.”¹¹¹ Contrast these marks with the ones Schechter meant to protect: “On the other hand,” he wrote,

“Rolls-Royce,”¹¹² “Aunt Jemima’s,” “Kodak,” “Mazda,” “Corona,” “Nujol,” and “Blue Goose,” are coined, arbitrary or fanciful words or phrases that have been added to rather than withdrawn from the human vocabulary by their owners, and *have, from the very beginning, been associated in the public mind with a particular product, not with a variety of products*, and have created in the public consciousness an

¹⁰⁷ See 2 MCCARTHY, *supra* note 14, § 11:17, at 11-23 (“Marks that are merely ‘laudatory’ ... of the alleged merit of a product are also regarded as being ‘descriptive.’ This includes such terms as SPEEDY, FRIENDLY, DEPENDABLE, PREFERRED, DELUXE, GOLD MEDAL, BLUE RIBBON, SUPER BUY, and the like.”).

¹⁰⁸ See Schechter, *Rational Basis*, *supra* note 8, at 826-829.

¹⁰⁹ *Id.* at 828 (citation omitted)

¹¹⁰ *Id.* at 827 (quoting *France Milling Co. v. Washburn-Crosby Co.*, 7 F.2d 304, 306 (2d Cir. 1925)). “[O]ne who takes a phrase like ‘Blue Ribbon’ or ‘Gold Medal’ must be content with that special field which he labels with so undistinctive a name.” Schechter, *Rational Basis*, *supra* note 8, at 827 (quoting *France Milling*, 7 F.2d at 306).

¹¹¹ Schechter, *Rational Basis*, *supra* note 8, at 826 (citations omitted).

¹¹² Schechter was mistaken about the origins of the Rolls-Royce mark, which was neither arbitrary nor fanciful, but was “a hyphenated combination of the family names of the two founders of the British Corporation.” See *Wall v. Rolls-Royce of America*, 4 F.2d 333, 333 (3d Cir. 1925); *infra* text accompanying notes 119, 120.

impression or symbol of the excellence of the *particular product* in question.¹¹³

Schechter had painted a picture of what, to him, was a unique trademark: “arbitrary or fanciful words or phrases . . . associated . . . with a particular product.” These were the types of trademarks Schechter proposed to protect under his new theory.

There are several concepts packed into this definition, but trademark “fame”—the headliner in litigation arising under the Federal Trademark Dilution Act¹¹⁴—is not one of them. Instead, Schechter required the mark to possess, in ascending order of “uniqueness” components: (1) a level of distinctiveness in the marketplace, also known as “secondary meaning,” or the ability to indicate source to the public (must “have created in the public consciousness an impression or symbol of the excellence of the particular product in question”); (2) a level of distinctiveness in the mark itself (must be a “coined, arbitrary, or fanciful word[] or phrase[]”); and (3) a singularity of association between the mark and the underlying product (must be “associated in the public mind with a particular product, not with a variety of products”). The “and” in this construction is important. According to his writings, Schechter thought a trademark had to possess *each one* of these qualities before it was capable of being “whittled away” by offending uses.

The first (and most obvious) element of uniqueness is secondary meaning, *i.e.*, the ability to function as a trademark in the first place. In 1927 (as today), proof of secondary meaning was essential in an action for unfair competition, and this is where Schechter began, too: “with the assumption that a trademark designates either origin or ownership—in other words, source...”¹¹⁵ Blue Goose, for example, was a mark worthy of protection from dilution because, as Schechter wrote,

When the public hears or sees the phrase “Blue Goose” it thinks, not of “a North American wild goose having a grayish plumage resembling that of the young snow goose found chiefly during its migrations in the

¹¹³ Schechter, *Rational Basis*, *supra* note 8, at 829 (emphasis added) (citations omitted).

¹¹⁴ See *infra* text accompanying notes 223-227, 245-252.

¹¹⁵ See Schechter, *Rational Basis*, *supra* note 8, at 825.

Mississippi Valley,” but of oranges or grapefruit with a certain trademark and certain meritorious qualities.¹¹⁶

Yet Schechter did not stop with secondary meaning, a low hurdle that even his examples of “commonplace marks” possessed. In addition to possessing the ability to function as a trademark, the mark itself had to be uncommon—in trademark language, it had to be a “coined, arbitrary or fanciful” word or phrase, or at worst, a highly distinctive surname (“Rolls-Royce”). To Schechter, only these highly distinctive marks, with their “impress upon the public consciousness,” were capable of being vitiated by third party uses on unrelated goods. Because his “coined, arbitrary, or fanciful” language tracks the definition of a technical trademark,¹¹⁷ Schechter probably meant to limit his dilution remedy to those marks that would have qualified for federal registration under the 1905 Act.¹¹⁸ We must content ourselves with “probably” because Schechter made a mistake in characterizing the “Rolls-Royce” mark as a “coined, arbitrary or fanciful word”; the compound phrase “Rolls-Royce” was formed by combining two surnames, and thus the mark would properly have been categorized as a trade name¹¹⁹—albeit, according to courts at the time, a highly protectible one.¹²⁰ On the whole, though, the marks Schechter believed to possess uniqueness were those that courts would term “inherently distinctive” today—including not only fanciful (“coined”) and arbitrary marks, but also suggestive marks that “require[] imagination, thought, or perception to reach a conclusion as to the nature of the goods.”¹²¹

¹¹⁶ *Id.* at 830.

¹¹⁷ *See supra* note 47.

¹¹⁸ *See* Schechter, *Rational Basis*, *supra* note 8, at 826 (approving of the line that was “gradually but surely being drawn between common or semi-descriptive marks or names on the one hand, and arbitrary or fanciful trademarks or tradenames on the other.”).

¹¹⁹ Schechter is not the only one to make this mistake. Given the highly distinctive nature of many trademarks consisting of surnames, courts, too, sometimes place them in the “inherently distinctive” category. In *Ford Motor Company v. Lloyd Design Corporation*, 184 F. Supp. 2d 665 (E.D. Mich. 2002), for example, the court wrote that the “Aston Martin,” “Ford,” and “Lincoln” marks were “either arbitrary or fanciful” because they were “names that are unrelated in everyday life to automobiles.” *Id.* at 670.

¹²⁰ *See Wall*, 4 F.2d at 333, 334 (holding the “hyphenated combination of the family names of the two founders of the British Corporation, Rolls-Royce, Limited” to be an “established, distinctive, and valuable business asset”; enjoining a junior use of the mark to identify radio tubes).

¹²¹ *See Abercrombie & Fitch*, 537 F.2d at 11 (quoting *Stix Prods.*, 295 F. Supp. at 488). Schechter gave one such suggestive mark a nod when he approved of an injunction prohibiting a junior use of the

Having confined his discussion to those marks deemed most distinctive under existing law, Schechter added one more layer to his definition of uniqueness: in order to qualify for protection against dilution, he wrote, a mark must “have, from the very beginning, been associated in the public mind with a particular product, not with a variety of products.” Schechter returned to this theme throughout his article, suggesting that its appearance was not an accident. Once again, consider his examples: Simplex was a “commonplace” mark not only because Schechter apparently deemed the mark itself descriptive (“Simplex,” meaning “simple” to use), but also because it had been applied, by various users, on “so diversified a variety of products as windows, wire, concrete piling, golf practice machines, letter openers, air brakes, ink and buttons.”¹²² Blue Ribbon was in the same category; yes, it was laudatory, and thus merely descriptive, but Schechter also took the trouble of noting that the mark had been used “for all kinds of commodities and services, more than sixty times.”¹²³ If Schechter considered only classic distinctiveness to be relevant, there was no reason for him to note the ubiquitous usage of these two marks; given their lack of distinctiveness, presumably Simplex and Blue Ribbon would have been ineligible for his dilution remedy even if they had been used, “from the very beginning,” to identify a “particular product.”

Perhaps the most interesting among his examples, though, involved the use of animal imagery as trademarks: on the one hand, the phrase “blue goose” to identify fruits and vegetables; and on the other, the image of a lion to identify linen and iron.¹²⁴ Because blue geese and lions do not “forthwith convey[] an immediate idea

“Duro” mark—suggestive, perhaps, of “durability” or strength—after that word had “come to represent the Duro Company and its [pneumatic pressure systems] to the public.” See Schechter, *Rational Basis*, *supra* note 8, at 827-828 (quoting *Duro Pump & Mfg. Co. v. Cal. Cedar Prods. Co.*, 11 F.2d 205, 206 (D.C. Cir. 1926)).

¹²² Schechter, *Rational Basis*, *supra* note 8, at 826.

¹²³ *Id.* at 828.

¹²⁴ The example of the lion used to identify linen and iron comes from a famous English hypothetical in which a man “carries on a trade in linen, and stamps a lion on his linen.” *Ainsworth v. Walmsley*, (1865-1866) L.R. 1 Eq. 518, 524 (Ch. 1866). If the man “does not carry on a trade in iron,” the Court of Chancery observed that “another person may stamp a lion on iron”—the reasoning being that trademarks acquired value only upon being “appropriated to a particular species of goods,” and not by becoming “property ... *per se.*” *Id.* at 524-525. While Schechter certainly disagreed with the “property” conclusion, he agreed with the hypothetical result—that “another person may stamp a lion on iron.” Like the

of the ingredients, qualities or characteristics of [these] goods,”¹²⁵ *both* marks properly would be categorized as suggestive at the least. But Schechter believed the two cases to be different. As we have seen, he approved of the Blue Goose mark and warned that “[t]his entirely arbitrary symbol would soon lose its arresting uniqueness and hence its selling power if it could also be used on pianos, shaving cream, and fountain pens.”¹²⁶ The lion, however, he described as “timeworn” and “commonplace”; because it had “not become associated in the public mind with the excellence of any single product, ... its use on various products, such as linen and iron, in no way impairs its individuality.”¹²⁷ Dilution, to Schechter, was the “dissociation” of a mark “from the particular product in connection with which it has been used.”¹²⁸ In the case of the lion mark, there was no “particular product,” and thus there could be no dissociation or dilution.

Judging by his writings, Schechter understood that trademarks standing for one thing were both valuable and vulnerable to those who would make them stand for more than one thing. They were the trademarks he deemed “most in need of protection.”¹²⁹ Indeed, he wrote that “the preservation of the uniqueness of a trademark should constitute the *only* rational basis for its protection...”¹³⁰ As for marks standing for many things, they had already been “vitiating”—for them, as for the lion, it was too late to preserve uniqueness through the application of the dilution doctrine.

It is worth noting that when the *Harvard Law Review* went to press in 1927, the marks Schechter lauded as particularly worthy of legal protection were not

“diversely applied” Blue Ribbon, Gold Medal, and Simplex marks, “the lion being a timeworn and commonplace symbol of regal or superb quality, it has not become associated in the public mind with the excellence of any single product, hence its use on various products, such as linen and iron, in no way impairs its individuality.” Schechter, *Rational Basis*, *supra* note 8, at 830.

¹²⁵ See *Abercrombie & Fitch*, 537 F.2d at 11 (quoting *Stix Prods.*, 295 F. Supp. at 488).

¹²⁶ Schechter, *Rational Basis*, *supra* note 8, at 830.

¹²⁷ *Id.*

¹²⁸ *Id.* at 825.

¹²⁹ *Id.* at 818. Schechter reached this conclusion based in large part on developments in German trademark law. See *id.* at 831-833.

¹³⁰ *Id.* at 831 (emphasis added). Yet as one observer has noted, “even the most ardent proponents of the dilution theory are hardly inclined to such an extreme.” Pattishall, *The Case for Anti-Dilution*, *supra* note 85, at 888.

without protection under existing law. As technical trademarks under the Trademark Act of 1905—or, at worst, as surnames that had acquired a high degree of distinctiveness¹³¹—these marks entitled their owners to a remedy in the event a defendant used or colorably imitated the marks on goods “of substantially the same descriptive properties.” The problem arose when the offending goods had *different* descriptive properties. As we have seen, the trademark law at the time would not punish a defendant who entered a field “so widely separated” that consumers would not assume a connection between him and the plaintiff. Most courts, in fact, would have denied a trademark remedy if the parties could not strictly be described as “competing.”¹³² Thus, in a case involving “widely separate” goods, the owner of a Kodak or a Blue Goose would find itself without a remedy—a problem that had bothered Schechter since at least 1925. Nor was the problem simply academic; to Schechter, the *status quo* was causing trademark owners concrete harm.¹³³

As harms go, it might not have been particularly widespread.¹³⁴ As Schechter noted in “Rational Basis,” a few courts had stretched to find an infringement remedy

¹³¹ Highly distinctive surnames can possess a significant degree of singularity. As one court wrote of the trademark “Aston Martin,” it is “highly distinctive because, even though it is not purely fanciful, the name is unlikely to signify anything in commerce but the automobiles and accessories bearing the name.” *Ford Motor Co. v. Lloyd Design Corp.*, 184 F. Supp. 2d 665, 679 (E.D. Mich. 2002). See also text accompanying *supra* notes 119, 120.

¹³² See, e.g., *Hanover Star Milling*, 240 U.S. 403; *Borden*, 201 F. at 512; but see *Aunt Jemima Mills Co. v. Rigney & Co.*, 247 F. 407, 409-410 (2d Cir. 1917) (“[W]e think that goods, though different, may be so related as to fall within the mischief which equity should prevent. [Pancake] [s]yrup and [self-rising] flour are both food products, and food products commonly used together. Obviously the public, or a large of it, seeing this [Aunt Jemima] trade-mark on a syrup, would conclude that it was made by the complainant.”).

¹³³ See Schechter, *Rational Basis*, *supra* note 8, at 825 (“[T]he use of trademarks on entirely non-related goods may of itself *concretely* injure the owner of the mark even in the absence of those elements of damage noted above.”) (emphasis added).

¹³⁴ There is evidence to suggest that even in 1927, these cases were not much of a problem. One practitioner was confident enough to write in that year, “It is now established *beyond controversy* that the products need not be the same, in order that relief may be granted. There need not be confusion in the narrow sense that one article would be mistaken for the other, nor competition...” Edward C. Lukens, *The Application of the Principles of Unfair Competition to Cases of Dissimilar Products*, 75 U. PA. L. REV. 197, 200 (1927) (emphasis added) (citing cases). Lukens did note some “conservative” exceptions, but noted that the “same descriptive properties” language tended to be applied narrowly in cases in which the mark the plaintiff sought to protect was a “descriptive word[.]” See *id.* at 202 & n.28. Even then, courts had come to recognize that a trademark or trade name could be infringed by its use (or use of a confusingly similar mark) on “related” goods. *Id.* at 202. Schechter admitted as much before Congress, testifying that by 1932, judges already had “completely upset a lot of what seemed to many of us obsolete decisions on this question of similar marks on dissimilar goods...” *Hearings*, *supra* note 22, at 26 (citing *Long’s Hat Stores Corp. v. Long’s Clothes, Inc.*, 231 N.Y.S. 107, 224 A.D. 497 (N.Y. App. Div. 1928)).

even on facts suggesting the absence of consumer confusion¹³⁵—a development he termed “keep[ing] abreast of and ... serv[ing] the needs of modern business.”¹³⁶ “In each instance the defendant was not actually diverting custom from the plaintiff, and where the courts conceded the absence of diversion of custom they were obliged to resort to an exceedingly laborious spelling out of other injury to the plaintiff in order to support their decrees.”¹³⁷ But creative judging, while evidence that the rule needed to be changed, was too sporadic to provide trademark owners with a meaningful remedy.

Schechter believed it was high time for courts to remedy the “real injury in ... such [unrelated goods] cases,” which was

the gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use upon non-competing goods. The more distinctive or unique the mark, the deeper is its impress upon the public consciousness, and the greater its need for protection against vitiation or dissociation from the particular product in connection with which it has been used.¹³⁸

¹³⁵ It is open to question whether Schechter was being entirely honest in how he characterized the cases he cited in support of his dilution theory. As scholars have pointed out, the cases on which Schechter relied in “Rational Basis” were not quite as they seemed; cases that Schechter had cited as evidence of a dilution remedy in its incipiency seemed, in the end, to have been decided based on consumer confusion after all. In the English case of *Eastman Kodak Company v. Kodak Cycle Company*, 15 Rep. Pat. Cas. 105 (1898) (cited in Schechter, *Rational Basis*, *supra* note 8, at 821 n.37), often cited by Schechter as evidence of a fundamental shift in the law, “it was held that the defendant should not be permitted to sell ‘Kodak Bicycles,’ because the plaintiff sold cameras attachable to bicycles and called them ‘Bicycle Kodaks.’” Lukens, *supra* note 134, at 201 (citations omitted). This suggestion of sponsorship would constitute classic evidence of trademark *infringement* today. Even in the watershed *Tiffany & Co. v. Tiffany Productions, Inc.*, 264 N.Y.S. 459, 147 Misc. 679 (N.Y. Super. Ct.), *aff’d*, 260 N.Y.S. 821, 237 A.D. 801 (N.Y. App. Div. 1932), *aff’d*, 188 N.E. 30, 262 N.Y. 482 (1933), the record was replete with evidence that the defendant’s use of diamond imagery as well as the Tiffany name caused consumer confusion as to whether “plaintiff was connected with the production of defendant’s pictures.” *Id.* at 461, 237 A.D. at 681. In that case, the court even concluded that the defendant chose the Tiffany name solely “to trade on plaintiff’s reputation and to reap the benefit of the public belief that plaintiff was connected with defendant.” *Id.* (emphasis added). Indeed, “[s]ome vague element of confusion is also readily discovered in the other cases in which the dilution theory was invoked.” Walter J. Derenberg, *The Problem of Trademark Dilution and the Antidilution Statutes*, 44 CAL. L. REV. 439, 450 (1956).

¹³⁶ See Schechter, *Rational Basis*, *supra* note 8, at 813.

¹³⁷ *Id.* at 825.

¹³⁸ *Id.* He also wrote that “[q]uite apart from the destruction of the uniqueness of a mark by its use on other goods, ... once a mark has come to indicate to the public a constant and uniform source of satisfaction, its owner should be allowed the broadest scope possible for ‘the natural expansion of his trade’ to other lines or fields of enterprise.” *Id.* at 823.

As Schechter warned, if “‘Kodak’ may be used for bath tubs and cakes, ‘Mazda’ for cameras and shoes, or ‘Ritz-Carlton’ for coffee, these marks must inevitably be lost in the commonplace words of the language, despite the originality and ingenuity in their contrivance...”¹³⁹ Of equal concern, the “vast expenditures” each producer spent in advertising those marks would be lost as well.¹⁴⁰ This set of harms would come to be known as trademark “dilution”¹⁴¹—a remedy that Schechter termed “the very essence of any rational system of individual and exclusive trade symbols.”¹⁴²

Schechter had defined a new linkage for trademark law: one between a unique, singular trademark and the “particular product” on which it appeared. Source, the old preoccupation of the trademark law, no longer was part of the equation—except, of course, to indicate the party who would reap the benefits of uniqueness.¹⁴³

C. Dilution Gets Watered Down

Like many scholars, Schechter probably was pleased with publication but not entirely satisfied. Being read (and cited) is one thing; being responsible for changing the law is quite another. Schechter wanted change. Five years after his article was published, he sought this change by taking his dilution “show” on the road—to the United States Congress. In his testimony on a bill to revise the Trademark Act of 1905 (the “Vestal Bill”)¹⁴⁴ before the Committee on Patents of the United States

¹³⁹ *Id.* at 830. Similarly, the “entirely arbitrary” trademark Blue Goose, linked to fruits and vegetables, “would soon lose its arresting uniqueness and hence its selling power if it could also be used on pianos, shaving cream, and fountain pens.” *Id.*

¹⁴⁰ *Id.*

¹⁴¹ Interestingly enough, Schechter himself did not use that word. It likely was taken from a German case he cited in his article in which “[t]he court held that the use of the mark ‘Odol’ [used by the complainant on mouthwash] even on non-competing goods was ‘*gegen die guten Sitten*’ [‘one who designedly injures another in a manner violating good morals’], pointing out that, when the public hears or reads the word ‘Odol,’ it thinks of the complainant’s mouth wash.... Consequently, conclude[d] the court, complainant has ‘the utmost interest in seeing that its mark is not diluted [*verwässert*]: it would lose in selling power if everyone used it as the designation of his goods’...” *Id.* at 831-832 (italics in original). Schechter clarified, too, that this dilution injury also resulted from acts of trademark infringement already punishable under the Trademark Act of 1905: “such uniqueness or singularity is vitiated or impaired by its use upon either related or non-related goods...” *Id.* at 831.

¹⁴² *Id.* at 833.

¹⁴³ *See id.* at 822 (“[T]he *creation and retention of custom*, rather than the designation of source, is the primary purpose of the trademark today...”) (emphasis in original).

¹⁴⁴ The Vestal Bill, H.R. 7118, 72d Cong., 1st Sess. (1931), was drafted by the Patent Section of the American Bar Association in an effort to “remedy [the] manifest deficiencies” of the Federal Trademark Act of 1905 through a wholesale revision, without engendering the “confusion” that so often accompanies

House of Representatives, Schechter proposed his dilution remedy as a means of granting what he viewed as indispensable rights to owners of qualifying trademarks—those trademarks showing “originality in their contrivance” and enjoying “vast expenditures in advertising.”¹⁴⁵ He was careful not to use obvious “property” language,¹⁴⁶ but he hardly needed to. After Schechter warmed up his congressional audience by describing the dilution theory from “Rational Basis”—often quoting his article *verbatim*—Committee Chairman Sirovich was eating out of his hand:

Mr. SCHECHTER. If “Kodak” may be used for bathtubs and cakes, “Mazda” for cameras and shoes, “Corona” for bicycles, or “Ritz Carlton” for coffee, these marks must inevitably be vitiated and lost in the commonplace words of the language, despite the originality in their contrivance and those vast expenditures in advertising...

The CHAIRMAN. And it denatures and dilutes the original value?

Mr. SCHECHTER. It does, exactly.¹⁴⁷

Before long, the Chairman had even proposed that, “in deference to men and women, and corporations and companies, that spend millions of dollars in advertising,” Congress should pass a law prohibiting anyone from using a trademark, except, of course, “that company which is using it.”¹⁴⁸ Schechter agreed.¹⁴⁹

This new doctrine, with its “propertized”¹⁵⁰ vision of trademarks, had its detractors. Edward Rogers, the future father of the Trademark Act of 1946 (the “Lanham Act”), was tepid on the subject. While he, too, was of the view that the trademark law needed improving, he believed that the law was doing much of the job on its own; as he put it, “the courts have gone pretty far in stating that the thing we all have in mind ought to be stopped...”¹⁵¹ For Rogers, it was prudent to draw the liability “line” as it had been drawn in infringement cases—*i.e.*, between those uses

targeted amendments. Edward S. Rogers, *The Lanham Act & The Social Function of Trademarks*, 14 LAW & CONTEMP. PROBS. 173, 179 (1949); see also 1 MCCARTHY, *supra* note 14, § 5:4.

¹⁴⁵ *Hearings, supra* note 22, at 11 (statement of Frank I. Schechter).

¹⁴⁶ See *id.* at 9 (“I am not going into the controversy here as to whether a trade-mark is or is not property...”) (statement of Frank I. Schechter).

¹⁴⁷ *Id.* at 11.

¹⁴⁸ *Id.* at 13 (statement of Rep. Sirovich).

¹⁴⁹ See *id.* at 13.

¹⁵⁰ See generally Glynn S. Lunney, Jr., *Trademark Monopolies*, 48 EMORY L.J. 367 (1999).

¹⁵¹ *Hearings, supra* note 22, at 43 (statement of Edward S. Rogers).

that deceive consumers, and those that do not. “If a mark misrepresents the origin of the goods, it ought to be stopped,” he testified. “If it doesn’t, nobody is hurt...”¹⁵² Martin Dies of Texas went even further, remarking that the broad protection of which Schechter spoke would “give combinations, or large organizations who have great resources, and who are able to advertise all over the United States, an unfair strength as against those who are seeking a fair opportunity.”¹⁵³

On the whole, however, the Committee on Patents appeared to be in favor of a dilution law, probably because it seemed to make so much sense—at least when its remedy was limited to the unique and singular marks that Schechter used as examples:

Take Coca-Cola, for instance. Suppose that I wanted to make a cigar and call it the Coca-Cola cigar. Why should I be permitted to do that? As Mr. Justice Holmes pointed out in the Coca-Cola case before the Supreme Court,¹⁵⁴ the mark designates a drink, just as much as the drink designates the mark. It has become so ingrained in the public consciousness as a certain sort of drink...¹⁵⁵

After discussing whether such a law would be constitutional,¹⁵⁶ Committee Chairman Sirovich asked Schechter if he would mind drafting legislation reflecting his views. Schechter did not mind at all.¹⁵⁷

Unfortunately for Schechter, he never got the opportunity. The Vestal Bill on which Schechter offered testimony was condemned to be the subject of fruitless

¹⁵² *Id.* (statement of Edward S. Rogers).

¹⁵³ *Id.* at 11 (statement of Martin Dies).

¹⁵⁴ Schechter was referring to *Coca-Cola Company v. Koke Company of America*, 254 U.S. 143 (1920). *See id.* at 146 (“It [the Coca-Cola mark] means a single thing coming from a single source, and [is] well known to the community. It hardly would be too much to say that the drink characterizes the name as much as the name the drink.”)

¹⁵⁵ *Hearings, supra* note 22, at 12 (statement of Frank I. Schechter). Notwithstanding the uniqueness of one of the most famous trademarks in the world, Dies, at least, maintained that the protection of which Schechter spoke would impair competition: “to permit an owner who had reaped a tremendous fortune out of Coca-Cola to extend that and have a monopoly of that name on dissimilar products it seems to me is going further and further along the direction of great combinations.” *Id.* at 13 (statement of Martin Dies).

¹⁵⁶ *See Hearings, supra* note 22, at 32. In 1932, Members of Congress apparently were worried that a revision like the one Schechter proposed would be unconstitutional because it would grant substantive rights in addition to regulating registration procedure. More than 60 years after the Supreme Court decision in *United States v. Steffens [The Trade-Mark Cases]*, 100 U.S. 82 (1879), Congress remained hesitant to enact a “substantive” trademark law, even under its Commerce Clause power. These worries eventually faded; in 1946, Congress passed what everyone agreed was a “substantive” trademark law in the Lanham Act. *See infra* text accompanying note 159.

¹⁵⁷ *See Hearings, supra* note 22, at 21.

hearings and revisions through 1937, when the American Bar Association produced a draft of the bill that—for the first time since 1870¹⁵⁸—“created substantive law rights as well as procedural advantages to trademark registrants.”¹⁵⁹ Despite its promise, however, the Vestal Bill never became law. In 1937, when the patchwork of state laws was threatening to burden interstate commerce, Representative Lanham of Georgia, then Chairman of the House Committee on Patents, summoned Rogers to Washington, D.C. where Lanham asked Rogers “if anywhere around there was a skeleton draft of a new act that could be used as a sort of clotheshorse to hang things on.”¹⁶⁰ Rogers handed Lanham his own draft, believing that Lanham would study the draft and hold more hearings; instead, Lanham introduced the draft as proposed legislation (H.R. 9041) on January 19, 1938.¹⁶¹ The Lanham Act would not become law for eight more years (years that included a world war), but when, in 1946, Congress finally tossed out the Trademark Act of 1905, the dilution rationale that Schechter had championed before the Committee on Patents was conspicuously absent from the replacement legislation. Just as he had done in 1932, Rogers had drawn the line between trademark right and wrong at “misrepresentation.”¹⁶² The common law emphasis on consumer confusion remained the touchstone of the trademark law.

The Lanham Act did make significant changes to the law. The old “same descriptive properties” language was replaced by the “related goods” rule¹⁶³—a significant victory for those (like Schechter) who were concerned about the “non-competing goods” problem. But this change merely reflected a shift in thinking that had begun decades before in the courts.¹⁶⁴ In the 1928 decision of *Yale Electric*

¹⁵⁸ See *United States v. Steffens* [The Trade-Mark Cases], 100 U.S. 82 (1879).

¹⁵⁹ 1 MCCARTHY, *supra* note 14, § 5:4, at 5-10; see also Rogers, *supra* note 144, at 177-184.

¹⁶⁰ Rogers, *supra* note 144, at 180.

¹⁶¹ *Id.*

¹⁶² See *Hearings*, *supra* note 22, at 43.

¹⁶³ See 4 MCCARTHY, *supra* note 14, § 24:2.

¹⁶⁴ Even in 1937, one practitioner observed that “most courts have ... granted an injunction against the use of plaintiff’s mark on non-competing goods, where the public would be likely to believe that the defendant’s goods were made by the plaintiff.” John Wolff, *Non-Competing Goods in Trademark Law*, 37 COLUM. L. REV. 582, 591 (1937). Indeed, “the first traces of [this] broader view [were] discernible prior to the announcement of the strict rule in the *George and Borden* cases” in 1892 and 1912, respectively. See

Corporation v. Robertson,¹⁶⁵ for example, Judge Learned Hand himself had declared that the “same descriptive properties” language “should be taken as no more than a recognition that there may be enough disparity in character between the goods of the first and second users as to insure against confusion,” an inquiry which he wrote “depend[ed] much upon trade conditions.”¹⁶⁶ And if that reading did “some violence to the language,” as he acknowledged it did, Judge Hand was confident that “the statute meant to make it the test, despite the language used.”¹⁶⁷ In the end, though, the courts got new language with which to work and the trademark constituency got a statute that, according to Congress, served two laudable purposes: first, to enable the public to “get the product which it asks for and wants to get”; and second, to protect the investment of the trademark owner who “has spent energy, time, and money ... from its misappropriation by pirates and cheats.”¹⁶⁸ Once again, the common law roots of trademark were showing; not only had Congress confirmed the identification function of trademarks, but it also had recognized the incentives that identification created for trademark owners—*i.e.*, incentives to invest in producing products of consistent quality.

None of these pronouncements would have satisfied Schechter, who believed strongly that even the most divergent (nonconfusing) use of a unique and singular trademark tended to whittle away its hold upon the public consciousness—its “selling power.” But dilution was by no means dead. Many scholars believe that the dilution revolution began with Judge Hand in *Yale Electric*, but as a confusion case (albeit one featuring a liberal reading of “same descriptive properties”), it hardly represented a watershed moment for the dilution doctrine.¹⁶⁹ That moment (if we must limit

id. at 590-591 (citing *George v. Smith*, 52 F. 830 (S.D.N.Y. 1892) and *Borden Ice Cream Co. v. Borden’s Condensed Milk Co.*, 201 F. 510 (7th Cir. 1912)).

¹⁶⁵ 26 F.2d 972 (2d Cir. 1928).

¹⁶⁶ *Id.* at 974.

¹⁶⁷ *Id.*

¹⁶⁸ S. REP. NO. 1333, 79th Cong., 2d Sess., *reprinted in* 1946 U.S. Code Cong. Serv. 1274; *see also* Rogers, *supra* note 144, at 182-183.

¹⁶⁹ The case is most often cited for the following proposition—which, of course, expands the scope of the confusion inquiry, but does not discard it:

[I]t has of recent years been recognized that a merchant may have a sufficient economic interest in the use of his mark outside the field of his own exploitation to justify

ourselves to one)¹⁷⁰ instead may have come in 1932 with the decision in *Tiffany & Company v. Tiffany Productions, Inc.*¹⁷¹ In that case, Tiffany & Company, the famous jeweler, sought an injunction restraining Tiffany Productions, Inc., a “moving picture” company, from using the word “Tiffany”¹⁷²—which it had “arbitrarily” selected¹⁷³—to identify and advertise its movie business. The defendant was not shy about its advertising; not only did it use the word “Tiffany,” but it also used “the representation of a diamond with a light radiating therefrom, in conjunction with the name ‘Tiffany;’ a diamond in a ring in connection with the name ‘Tiffany’ on advertising matter, and such phrases as ‘20 Gems from Tiffany,’ ‘Tiffany, It’s a Gem,’ ‘Tiffany Presents,’ ... [and] ‘Controlled by Tiffany’....”¹⁷⁴ While there was evidence that consumers were confused as to whether there was a connection between the parties,¹⁷⁵ and the court gave that evidence “considerable weight,”¹⁷⁶ it opined, quoting Schechter, that

[t]he real injury in such cases of non-competitive products “is the gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use upon non-competing goods. The more distinctive or unique the mark the deeper is its impress upon the public consciousness and the greater its need for protection against

interposition by a court. His mark is his authentic seal; by it he vouches for the goods which bear it; it carries his name for good or ill. If another uses it, he borrows the owner’s reputation, whose quality no longer lies within his own control. This is an injury, even though the borrower does not tarnish it, or divert any sales by its use; for a reputation, like a face, is the symbol of its possessor and creator, and another can use it only as a mask. And so it has come to be recognized that, unless the borrower’s use is so foreign to the owner’s as to insure against any identification of the two, it is unlawful.

Id. at 974.

¹⁷⁰ See also *Allied Maintenance Corp. v. Allied Mechanical Trades, Inc.*, 369 N.E.2d 1162, 42 N.Y.2d 538, 399 N.Y.S.2d 628 (N.Y. 1977), discussed *infra* in text accompanying notes 209-219.

¹⁷¹ 264 N.Y.S. 459, 147 Misc. 679 (N.Y. Super. Ct.), *aff’d*, 260 N.Y.S. 821, 237 A.D. 801 (N.Y. App. Div. 1932), *aff’d*, 188 N.E. 30, 262 N.Y. 482 (1933).

¹⁷² The “Tiffany” mark, of course, is another example of a surname that has acquired a high degree of distinctiveness. See *In re Tiffany’s Estate*, 285 N.Y.S. 971, 975, 157 Misc. 873, 876 (N.Y. Surr. Ct. 1935) (Charles Louis Tiffany, the father of the deceased, was “founder of the well-known business of Tiffany & Co., retail jewelers, silversmiths, and goldsmiths ... founded as a partnership in 1837 and ... incorporated in 1868.”); see also text accompanying notes 119, 120, 131.

¹⁷³ *Tiffany*, 264 N.Y.S. at 460, 147 Misc. at 680.

¹⁷⁴ *Id.* at 461, 147 Misc. at 680.

¹⁷⁵ *Id.* at 461, 147 Misc. at 681.

¹⁷⁶ *Id.* at 462, 147 Misc. at 682.

vitiation or dissociation from the particular product in connection with which it has been used.”¹⁷⁷

When the defendant complained that this rationale gave Tiffany & Company a monopoly in the word “Tiffany,” the court returned to Schechter:

“The owner of a distinctive mark or name invoking the protection of equity for it, obtains thereby no monopoly of goods or services; these may be freely sold on their own merits and under their own trade symbols... ‘All the rest of infinity is open to defendant.’ So limited a ‘monopoly’ as that cannot affect legitimate competition, and is of the very essence of any rational system of individual and exclusive trade symbols.”¹⁷⁸

On appeal, Judge Sherman, in dissent, attempted to put the horse back in the barn,¹⁷⁹ but by then, it was too late. The “rational system” of dilution had been recognized, albeit in *dictum*, by a New York state court.

Encouraged, dilution proponents turned to the states. The years following the passage of the Lanham Act saw state legislatures in key states enact legislation prohibiting what they termed “injury to business reputation or of dilution of the distinctive quality”¹⁸⁰ of a mark, notwithstanding the absence of consumer confusion

¹⁷⁷ *Id.* at 462, 147 Misc. at 681-682 (quoting Schechter, *Rational Basis*, *supra* note 8, at 825).

¹⁷⁸ *Tiffany*, 264 N.Y.S. at 463, 147 Misc. at 682-683 (quoting Schechter, *Rational Basis*, *supra* note 8, at 833).

¹⁷⁹ “There are other enterprises in New York city in which business is transacted under a title containing the word ‘Tiffany,’” he wrote.

There is a street in that city of like name. In my opinion its use does not denote that plaintiff is interested in every business with which that word may be associated. Let us suppose the incorporation, for instance, of the Tiffany Butcher Shop to deal in meats. Would any one be justified in concluding therefrom that plaintiff was interested in that business?

Tiffany, 260 N.Y.S. at 822, 237 A.D. at 801 (Sherman, J., dissenting). After acknowledging the evidence of record that “defendant ... had advertised in such a way as might suggest to an uninformed public that its moving pictures might have had some connection with the jewelry business of plaintiff,” Judge Sherman recommended the issuance of a less sweeping injunction, one “modified to provide that the defendant be restrained from employing in its advertising, words, phrases or trade-marks calculated to emphasize the similarity of names of the plaintiff and defendant companies so forcibly as to suggest to the public an identity of origin or management.” *See id.* at 823, 237 A.D. at 802 (Sherman, J., dissenting).

¹⁸⁰ *See infra* notes 184, 188-190. This language permitted the assertion of two types of dilution: (1) tarnishment (“injury to business reputation”); and (2) blurring (“dilution of ... distinctive quality”). “A trademark may be tarnished when it is ‘linked to products of shoddy quality, or is portrayed in an unwholesome or unsavory context,’ with the result that ‘the public will associate the lack of quality or lack of prestige in the defendant’s goods with the plaintiff’s unrelated goods.’” *Hormel Foods Corp. v. Jim*

“as to the source of goods or services.”¹⁸¹ In enacting these dilution laws,¹⁸² state legislatures borrowed from Schechter, but (intentionally or not)¹⁸³ failed to adopt the remedy he had prescribed. When Massachusetts passed such a law in 1947,¹⁸⁴ it did so only after amending the original bill, in which the Massachusetts House of Representatives—like Schechter—had proposed to protect “only a ‘coined or peculiar word’ or ‘unique symbol.’”¹⁸⁵ When the bill went to the Massachusetts Senate, however, that body removed all references to “peculiar” and “unique” marks, then passed the much broader “dilution of the distinctive quality” language.¹⁸⁶ The Governor signed this broader legislation in May, 1947.¹⁸⁷ After Massachusetts led the way, Illinois followed with a longer (but equally broad) version in 1953.¹⁸⁸ In 1955,

Henson Productions, Inc., 73 F.3d 497, 507 (2d Cir. 1996) (quoting *Deere & Co. v. MTD Prods., Inc.*, 41 F.3d 39, 43 (2d Cir. 1994)). By contrast, dilution by blurring “occurs when ‘[c]ustomers or prospective customers ... see the plaintiff’s mark used on a plethora of different goods and services.’” *Hormel*, 73 F.3d at 506 (quoting 3 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 24.13[1][a][i], at 24-106 (3d ed. 1995)). Obviously, this Article concerns the latter type of dilution.

¹⁸¹ See *infra* notes 184, 188-190.

¹⁸² Jerome Gilson has persuaded me to refer to these statutes as “dilution laws” and not “antidilution laws”:

Banish the term “antidilution” from your vocabulary. It has been widely used in court decisions and commentary, but today it is archaic. We do not call [s]ection 32 of the Lanham Act the “anti-infringement” section. Why should we refer to the state laws and a federal law as “antidilution laws”? Call them dilution laws. Since we have “trademark infringement,” let us have, simply, “trademark dilution.”

Gilson, *supra* note 20, at 109.

¹⁸³ There is some evidence to suggest that the states intended to codify the theory to which Schechter had given birth in 1927—and to which the *Tiffany* court had given credibility. While the legislative histories of the earliest of the state dilution statutes are meager (if not nonexistent), they tended to warn of such hypothetical products as Buick aspirin tablets, Schlitz varnish, Kodak pianos, and Bulova gowns, each of which (proponents warned) might legally be sold in the absence of dilution legislation. See N.Y. Legis. Ann., 1954 at 49 (memorandum in support of the New York dilution statute); Derenberg, *supra* note 135, at 452 & n.68 (citing examples including the marks “‘Kodak,’ ‘Philco,’ ‘Aunt Jemima,’ ‘Tiffany,’ and numerous others”). If Schechter was not the source of these examples, he undoubtedly was their inspiration.

¹⁸⁴ See Massachusetts Act of May 2, 1947, 1947 Mass. Acts 300. The current version of the statute may be found at MASS. ANN. LAWS ch. 110B, § 12 (Law. Co-op. 1995).

¹⁸⁵ Derenberg, *supra* note 135, at 452-453.

¹⁸⁶ *Id.*

¹⁸⁷ *Id.*

¹⁸⁸ The Illinois statute provided that:

Every person, association, or union of working men adopting and using a mark, trade name, label or form of advertisement may proceed by suit, and the circuit court shall grant injunctions, to enjoin subsequent use by another of the same or any similar mark, trade name, label, or form of advertisement if there exists a likelihood of injury to

New York and Georgia followed; New York adopted a law identical to the one in Massachusetts,¹⁸⁹ while Georgia chose the Illinois version.¹⁹⁰ And when a similar dilution provision found its way into the Model State Trademark Act in 1963,¹⁹¹ the floodgates opened. By 1994, the year before Congress enacted its federal dilution statute, 25 states had adopted some form of legislation outlawing the dilution of the “distinctive quality” of marks—whatever that meant.¹⁹²

Legislation, of course, is not always synonymous with acceptance. With a few exceptions,¹⁹³ courts refused to enforce the plain language of the dilution statutes.¹⁹⁴ To judges comfortable with trademark infringement, dilution was a radical remedy.

business reputation or of dilution of the distinctive quality of the mark, trade name, label, or form of advertisement of the prior user, notwithstanding the absence of competition between the parties or of confusion as to the source of goods or services; except that this Section shall not deprive any party of any vested lawful rights acquired prior to the effective date of this Act.

See Act of June 24, 1955, § 1, 1953 Ill. L. 455 (codified, as amended, at 765 ILL. COMP. STAT. ANN. 1035/15 (West 1993), since repealed and replaced by 765 ILL. COMP. STAT. ANN. 1036/65 (West 2001)). Writing in 1953, Chicago attorney Beverly Pattishall wrote about the Massachusetts and Illinois statutes: “It cannot be denied that both statutes are strong plaintiff’s trade-mark legislation.” Pattishall, *The Case for Anti-Dilution*, *supra* note 85, at 888.

¹⁸⁹ See Act of Apr. 18, 1955, ch. 453, § 1, 1955 N.Y. Laws 466 (codified, as amended, at N.Y. GEN. BUS. LAW § 368-d (McKinney 1996), since renumbered as N.Y. GEN. BUS. LAW § 360-l).

¹⁹⁰ See 1955 Ga. Laws 453, 1 (codified, as amended, at GA. CODE ANN. § 10-1-451(b) (2000)).

¹⁹¹ The Model State Trademark Bill was “first promulgated by the United States Trademark Association ... in 1949 to promote uniformity among state trademark laws.” Andrew L. Goldstein, *Bringing the Model State Trademark Bill into the 90s and Beyond*, 83 TRADEMARK REP. 226, 226 (1993). It provided that:

Likelihood of injury to business reputation or of dilution of the distinctive quality of a mark registered under this Act, or a mark valid at common law, or a trade name valid at common law shall be a ground for injunctive relief notwithstanding the absence of ... confusion as to the source of goods or services.

Model State Trademark Bill § 12 (U.S. Trademark Ass’n 1964). After Congress enacted the Federal Trademark Dilution Act in 1995, the International Trademark Association amended its Model Bill to mirror the language of the federal Act—as if, by then, it mattered. See Model State Trademark Bill § 13 (International Trademark Association 2002) (found at <www.inta.org/policy/mstb.shtml>).

¹⁹² For a list of these statutes, see Jerre B. Swann, Sr. & Theodore H. Davis, Jr., *Dilution, An Idea Whose Time Has Gone: Brand Equity as Protectable Property, the New/Old Paradigm*, 1 J. INTELL. PROP. L. 219, 219-220 & n.2 (1994). For a thorough discussion of the early state statutes and the cases interpreting them, see generally Derenberg, *supra* note 135.

¹⁹³ See, e.g., *Polaroid Corp. v. Polaroid, Inc.*, 319 F.2d 830 (7th Cir. 1963); *Tiffany & Co. v. Boston Club, Inc.*, 231 F. Supp. 836 (D. Mass. 1964); *Bulova Watch Co. v. Stolzberg*, 69 F. Supp. 543 (D. Mass. 1947); *Clairol, Inc. v. Cody’s Cosmetics, Inc.*, 353 Mass. 385, 231 N.E.2d 912 (Mass. 1967).

¹⁹⁴ See *Allied Maintenance Corp. v. Allied Mechanical Trades, Inc.*, 369 N.E.2d 1162, 1165, 42 N.Y.2d 538, 543, 399 N.Y.S.2d 628, 631 (N.Y. 1977) (“Generally, courts which have had the opportunity to interpret an anti-dilution statute have refused to apply its provisions literally.”) (citing cases).

Its most vocal critics charged that the dilution doctrine gave trademark owners “rights in gross”—*i.e.*, exclusive rights in a trade symbol regardless of how (or even whether) it was being used to identify goods.¹⁹⁵ This accusation was not entirely fair. Schechter obviously viewed classic “trademark use”¹⁹⁶ as the first requirement that a mark would have to satisfy in order to benefit from protection against dilution. Nonetheless, the question remained: If the uniqueness and singularity of a qualifying trademark could be “whittled away” by *any* other use of that mark, even on widely divergent goods (*e.g.*, chewing gum and iron¹⁹⁷), what junior use would be permissible? The answer seemed to be “none.” Schechter certainly had drawn no line separating diluting uses from those that were too remote in commerce to cause any “whittling away.” Once a unique mark had “impressed itself on the public mind through the ingenuity and investment of its owner,” Schechter was prepared to grant it “the broadest possible protection.”¹⁹⁸

This was too much for many judges, who wanted to see some trademark injury before handing out a trademark remedy—even to the owners of a select group of marks.¹⁹⁹ Courts were (usually) willing to find consumer confusion even when the products at issue were not “the same,” or even particularly similar. But they were not willing to dispense with the need to show consumer confusion altogether.²⁰⁰ As a

¹⁹⁵ See *American Footwear Corp. v. General Footwear Co.*, 609 F.2d 655, 663-664 (2d Cir. 1979) (“[T]rademark rights, unlike statutory copyrights or patents, are not rights in gross or at large.... The right, therefore, to exclusive use of a trademark derives from, and is limited by, its actual use in the marketplace.”) (citing *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918)); *Universal City Studios, Inc. v. Nintendo Co.*, 578 F. Supp. 911, 922 (S.D.N.Y. 1983) (“Trademark rights do not exist in the abstract, to be bought and sold as a distinct asset. They exist only in connection with a business or a product....”); 4 MCCARTHY, *supra* note 14, § 24:11.

¹⁹⁶ “Trademark use” refers to the use of a word or symbol in connection with goods to “identify and distinguish the goods of one seller.” See 2 MCCARTHY, *supra* note 14, § 10:3, at 10-8.

¹⁹⁷ See *Yale Electric*, 26 F.2d at 973-974 (under the traditional “law of unfair trade, [w]hat harm did it do a chewing gum maker to have an ironmonger use his trade-mark?”).

¹⁹⁸ See *Hearings*, *supra* note 22, at 10.

¹⁹⁹ Lukens encapsulated the problem in 1927, the same year in which Schechter published “Rational Basis,” when he wrote: “It was never the law that one who adopted a name for one kind of goods could prevent others from using the name at all, regardless of whether it would cause injustice or not. The right to prevent the use of a name is therefore restricted to cases in which the complainant can show that the use of the name tends to produce confusion and to injure his business. Where there are no circumstances that would cause the public to think the products bearing the same name were made by the same party, no wrong is done.” Lukens, *supra* note 134, at 198.

²⁰⁰ See *id.* at 202 & n.28.

consequence, even 50 years after “Rational Basis” was published, courts continued to misconstrue the state statutes²⁰¹—often by reading into them an infringement requirement, namely, that the trademark owner prove the allegedly dilutive use was likely to confuse consumers as to source.²⁰² Notwithstanding the fact that Schechter conceived the dilution doctrine as a way to provide a remedy in the *absence* of consumer confusion,²⁰³ courts were searching for a way to limit statutes that seemed to be limitless. They felt, intuitively, that “[n]ot every use of a mark by another is dilutive, for otherwise the standard for dilution would be strict liability”²⁰⁴—a standard that courts were unwilling to impose. And as for which uses were dilutive and which were not, requiring consumer confusion seemed the brightest line to draw.²⁰⁵ Even today, courts continue to struggle with the question of “injury” in dilution cases.²⁰⁶ In the pending case of *Moseley v. V Secret Catalogue, Inc.*,²⁰⁷ for

²⁰¹ See Beverly W. Pattishall, *Dawning Acceptance of the Dilution Rationale for Trademark-Trade Identity Protection*, 74 TRADEMARK REP. 289, 290 (1984) (“the statutes, or basic provisions of them, were being widely ignored or curiously misconstrued and emasculated by the courts”) (citation omitted) [hereinafter Pattishall, *Dawning Acceptance*]; see also Derenberg, *supra* note 135, at 451 (“[T]he courts generally have not regarded dilution as a common law tort in its own right, although they have occasionally used it as a makeweight in cases where confusion or its likelihood was the *ratio decidendi*. So far as I know no case has turned on dilution alone.”) (quoting George E. Middleton, *Some Reflections on Dilution*, 42 TRADE-MARK REP. 175, 187 (1952)).

²⁰² See Swann & Davis, *supra* note 192, at 242 n.107 (“Courts have read into state [antidilution] statutes such extra-textual requirements for relief as likelihood of confusion, predatory intent, or lack of competition between the parties.”) (citations omitted).

²⁰³ See Pattishall, *Dawning Acceptance*, *supra* note 201, at 299 (“use of the same or a closely similar mark on different goods traditionally has been considered the gravamen of a dilution problem”); see generally Schechter, *supra* note 8.

²⁰⁴ See Hartman, *Brand Equity*, *supra* note 5, at 418.

²⁰⁵ The Chief Trademark Counsel of (then) Nabisco, Inc. (now part of Kraft) has attempted to draw the line(s) between mere use and association and dilution thusly: “[t]here must be some impact, even if unconscious or subliminal, beyond that caused by the mere knowledge of another usage, on the famous mark for a reduction in distinctiveness to occur, although that impact need not rise to the level of confusion.” *Id.* A foray into the subliminal is enough to make one crave the “bright line” of the likelihood of confusion test. *But see infra* Section III.

²⁰⁶ In *Ringling Brothers*, for example, the Fourth Circuit Court of Appeals required a plaintiff seeking to establish “dilution” under the Federal Trademark Dilution Act of 1995 to prove not only that the similarity between the marks is “sufficient ... to evoke an ‘instinctive mental association’ of the two by a relevant universe of consumers,” but also that the association is “the effective cause of ... an actual lessening of the senior mark’s selling power, expressed as ‘its capacity to identify and distinguish goods and services’”—in other words, a reduction in the “economic value” of the mark. *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. Of Travel Dev.*, 170 F.3d 449, 453 (4th Cir.), *cert. denied*, 528 U.S. 923 (1999). Other circuits have rejected this analysis. See, e.g., *V Secret Catalogue, Inc. v. Moseley*, 259 F.3d 464, 475 (6th Cir. 2001), *cert. granted*, (Apr. 15, 2002) (No. 01-1015); *Nabisco Inc. v. PF Brands Inc.*, 191 F.3d 208, 223 (2d Cir. 1999).

²⁰⁷ *Cert. granted*, (Apr. 15, 2002) (No. 01-1015).

example, the United States Supreme Court has been asked to decide whether “a plaintiff seeking an injunction under the Federal Trademark Dilution Act of 1995 ... must establish present dilution or whether a showing of a likelihood of future dilution is sufficient.”²⁰⁸

Perhaps the second watershed moment for the dilution doctrine occurred in 1977, when the New York Court of Appeals decided *Allied Maintenance Corporation v. Allied Mechanical Trades, Incorporated*,²⁰⁹ a case in which the plaintiff sought to enjoin the defendant from “using the word ‘Allied’ in any way in connection with its business”²¹⁰—an uphill trademark battle, to say the least. The New York Supreme Court (the trial court) had found that the similar trade names caused a likelihood of confusion among the relevant consumers, but the Appellate Division had reversed, “finding an absence of either competition or confusion, actual or potential.”²¹¹ The New York Court of Appeals went in another direction. It announced (more than twenty years after the fact) that “New York ... has adopted an anti-dilution statute,”²¹² the purpose of which is to prevent “the whittling away of an established trade-mark’s selling power and value through its unauthorized use by others upon dissimilar products.”²¹³ Unlike in actions for trademark infringement and unfair competition—both of which required proof of likely confusion among purchasers²¹⁴—the “evil” that the New York legislature had sought to remedy by enacting the dilution statute “was not public confusion caused by similar products or services sold by competitors, but a

²⁰⁸ Brief for the United States as *Amicus Curiae* at (I), *Moseley v. V Secret Catalogue, Inc.*, *cert. granted*, (Apr. 15, 2002) (No. 01-1015). *See also* *Moseley v. V Secret Catalogue, Inc.*, 259 F.3d 464 (6th Cir. 2001). The Court heard the case on November 12, 2002.

²⁰⁹ 369 N.E.2d 1162, 42 N.Y.2d 538, 399 N.Y.S.2d 628 (N.Y. 1977).

²¹⁰ *Id.* at 1163, 42 N.Y.2d at 541, 399 N.Y.S.2d at 630.

²¹¹ *Id.* (citing *Allied Maintenance Corp. v. Allied Mechanical Trades, Inc.*, 390 N.Y.S.2d 101, 102, 55 A.D.2d 865, 866 (N.Y. App. Div.), *aff’d*, 369 N.E.2d 1162, 42 N.Y.2d 538, 399 N.Y.S.2d 628 (N.Y. 1977)).

²¹² *Allied Maintenance*, 369 N.E.2d at 1163-1164, 42 N.Y.2d at 541, 399 N.Y.S.2d at 630 (citing N.Y. GEN. BUS. LAW § 368-d (since renumbered as N.Y. GEN. BUS. LAW § 360-1)).

²¹³ *Allied Maintenance*, 369 N.E.2d at 1164, 42 N.Y.2d at 542, 399 N.Y.S.2d at 630 (quoting N.Y. Legis. Ann., 1954, at 49).

²¹⁴ *See Allied Maintenance*, 369 N.E.2d at 1165, 42 N.Y.2d at 543, 399 N.Y.S.2d at 631.

cancer-like growth of dissimilar products or services which feeds upon the business reputation of an established distinctive trade-mark or name.”²¹⁵

As for the “Allied” mark, it may have been “weak” and “a common word in English usage,”²¹⁶ but the court seemed to think it might have been dilutable had it not been “generic or descriptive”²¹⁷—*i.e.*, so long as it possessed the ability to function as a trademark. The New York Court of Appeals concluded by urging other courts to construe the New York statute literally, thereby protecting “those trade names which are truly of distinctive quality.”²¹⁸ The verdict was for the defendant, but the case “galvanized” the trademark bar.²¹⁹ It certainly provided no comfort for those who sought to realize the original Schechter conception of dilution—if indeed anyone of this description existed.

For trademark owners, the problem with *Allied Maintenance* was that the case could be used as binding precedent only in New York. Not surprisingly, the ensuing decade saw increasing calls for a federal dilution statute.²²⁰ By 1987, the Trademark

²¹⁵ *Id.* at 1165, 42 N.Y.2d at 544, 399 N.Y.S.2d at 632.

²¹⁶ *Id.* at 1166, 42 N.Y.2d at 545, 399 N.Y.S.2d at 632. The mark certainly was not one of the coined, arbitrary, or fanciful words or phrases of which Schechter had written in 1927. Nor was it a highly distinctive surname.

²¹⁷ *Id.*; *see also id.* at 1166, 42 N.Y.2d at 545-546, 399 N.Y.S.2d at 632-633 (observing that “Allied” had not even acquired the ability to distinguish the goods and services of the plaintiff from those of the other “300 business entities in the metropolitan area incorporating the word ‘allied’ in their trade name”). Interestingly enough, even after acknowledging facts that would make the “Allied” mark generic, Judge Cooke argued in dissent that nothing in the antidilution statute (not even, presumably, the phrase “distinctive quality”) supported restricting its application “in the manner suggested by the majority.” *See id.* at 1167, 42 N.Y.2d at 547, 399 N.Y.S.2d at 633 (Cooke, J., dissenting). He went on to write, “Dilution does not occur only in the case of a name that is widely known.... [A] less well-known name can also be diluted, perhaps in a more harmful and direct manner.” *See id.*; *but see* 15 U.S.C. § 1125(c) (2000) (extending federal dilution remedy only to “owner[s] of ... famous mark[s]”).

²¹⁸ *Id.* at 1166, 42 N.Y.2d at 546, 399 N.Y.S.2d at 633.

²¹⁹ *See Gilson, supra* note 20, at 110 (“Then, out of the blue, from an unexpected source, the New York Court of Appeals, dilution became galvanized [by the decision in] *Allied Maintenance Corp. v. Allied Mechanical Trades, Inc.*....”); *but see id.* (“Over the years, in writing trademark decisions the courts often tacked on a few paragraphs at the end, giving short shrift to the dilution count. Almost all found that it did not change the result, which they typically reached on other grounds.”).

²²⁰ For a discussion of the events leading up to the passage of the Trademark Law Revision Act of 1988, *see Gilson, supra* note 20. At least one commentator has opined that “[j]udicial acceptance of dilution should not be overstated, as courts had, by the end of 1996, granted relief solely on state antidilution grounds in only sixteen cases.” Robert N. Klieger, *Trademark Dilution: The Whittling Away of the Rationale Basis for Trademark Protection*, 58 U. PITT. L. REV. 789, 820-821 (1997). This statistic may be true, but it is misleading; more than a decade before the dawning of 1996, forces were at work that would lead to widespread acceptance of the dilution doctrine. And now, almost seven years after the

Review Commission of the United States Trademark Association (now the International Trademark Association) had spent two years discussing a number of changes to the trademark law, including how a dilution cause of action might fit within the system of trademark protection in the United States.²²¹ After heated debate, this “diverse national group of [29] experienced trademark practitioners from corporations, private practice and academia”²²² approved of what the Commission termed a “limited” federal statute that extended a dilution remedy to only those registered marks (which, by definition, had at least acquired distinctiveness) deemed “truly famous.”²²³ In its view, trademarks that were “truly famous and registered” deserved national protection from dilution precisely because they were “most likely to be harmed by reduced distinctiveness”—the most likely to suffer “irreversible injury from promiscuous use.”²²⁴ Yet the Commission opted to protect only famous marks for two other, more practical reasons: first, the Commission believed (mistakenly)²²⁵

effective date of the Federal Trademark Dilution Act of 1995, such acceptance (if not understanding) is here.

²²¹ See *The United States Trademark Association Trademark Review Commission Report and Recommendations to USTA President and Board of Directors*, 77 TRADEMARK REP. 375, 375 (1987) [hereinafter *Commission Report*]; Gilson, *supra* note 20, at 112.

²²² See *Commission Report*, *supra* note 221, at 380.

²²³ *Id.* at 455; see also *id.* at 459 (“dilution protection should be confined to marks which are both distinctive, as established by federal registration at a minimum, and famous, as established by separate evidence”); Gilson, *supra* note 20, at 112.

²²⁴ See *Commission Report*, *supra* note 221, at 455. As some observers have pointed out, however, if dilution occurs when the distinctive quality of a mark is “whittled away,” there is no reason to think that famous marks suffer more harm from dilution than obscure ones. That is, “if the ... erosion metaphor [is] correct, dilution should occur whenever there is an authorized use of an existing mark, whether or not the senior mark is famous. Yet virtually no one favoring enactment of federal dilution legislation favors extending protection to all marks, regardless of their economic value: a result that would thoroughly transform trademark law into something akin to copyright or patent.” *Hearings Held Before the United States House of Representatives Subcommittee on Courts and Intellectual Property*, H.R., 104th Cong., 1st Sess. (July 19, 1995) (statement of Jonathan E. Moskin). Economic value, of course, may be found not only through fame but also through uniqueness, but by 1995, the trademark community appears to have forgotten how the marks in “Rational Basis” acquired what Schechter termed their “selling power.”

²²⁵ In fact, those treaties obliged the United States to protect famous marks against *confusion*, not dilution. See Paris Convention for the Protection of Industrial Property, Mar. 20, 1883, *as revised* July 14, 1967 (Stockholm), *as amended* Oct. 2, 1979, art. 6*bis* (offering protection to “well-known” marks against uses “liable to cause confusion”); Agreement on Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods [“TRIPS”], Apr. 15, 1994, art. 16 (offering protection to “well-known” marks against uses that “would result in a likelihood of confusion” or “would indicate a connection between [dissimilar] goods or services and the owner of the ... trademark”); see also Denicola, *Some Thoughts*, *supra* note 5, at 84 n.40; Paul J. Heald, *Trademarks and Geographical Indications: Exploring the Contours of the TRIPS Agreement*, 29 VAND. J. TRANSNAT’L L. 635, 642 (1996) (“TRIPS protection of

that granting a dilution remedy to famous marks was in keeping with our international treaty obligations;²²⁶ and second, the Commission hoped that such a limitation might encourage courts to “adopt[] a more enthusiastic view of [the] proposed statute than they have of the state dilution laws.”²²⁷

In August, 1987, the Commission completed its Report, which recommended several amendments to the Lanham Act—including an amendment to add its dilution provisions to section 43 of the Lanham Act.²²⁸ “Then things really picked up speed.”²²⁹ On November 19, 1987, Senator Dennis DeConcini of Arizona introduced the Trademark Law Revision Act of 1988,²³⁰ which was based heavily on the Commission Report and which adopted the proposed dilution remedy “almost verbatim.”²³¹ Under the bill, a new section 43(c) proscribed “dilution of the distinctive quality” of a “famous mark registered under the Acts of 1881 or 1905 or on the principal register”; it also provided courts with a list of seven factors probative of “whether a mark is distinctive and famous” under the meaning of the statute.²³² “Dilution,” in turn, was defined as “the lessening of the capacity of registrant’s mark to identify and distinguish goods or services, regardless of the presence or absence of

well-known marks against uses on dissimilar goods appears limited to situations involving what the Lanham Act describes as ‘confusion ... as to ... sponsorship’”).

²²⁶ See H.R. REP. NO. 104-374, 104th Cong., 1st Sess. 4 (Nov. 30, 1995), *reprinted in* 1996 U.S.C.C.A.N. 1029, 1031 (“[T]he recently-concluded [TRIPS Agreement] ... includes a provision designed to provide dilution protection to famous marks. Thus, enactment of this bill will be consistent with the terms of the agreement, as well as the Paris Convention, of which the U.S. is also a member. Passage of a federal dilution statute would also assist the executive branch in its bilateral and multilateral negotiations with other countries to secure greater protection for the famous marks owned by U.S. companies. Foreign countries are reluctant to change their laws to protect famous U.S. marks if the U.S. itself does not afford special protection for such marks.”).

²²⁷ See *Commission Report*, *supra* note 221, at 455; see also *id.* at 457 (discussing how a fame requirement “bears a rational relationship to several legitimate trademark protection interests”). One suspects that at least a few members of the Commission entertained other reasons for including a fame requirement, not the least of which was the fact that the United States Trademark Association counted among its membership the wealthiest trademark owners in the United States. As every trademark owner knows, it is difficult to achieve “fame” without spending significant sums on advertising—a fact that the Lanham Act recognizes in one of its “fame factors.” See 15 U.S.C. § 1125(c) (2000) (including, *inter alia*, “the duration and extent of advertising and publicity of the mark”).

²²⁸ See Gilson, *supra* note 20, at 113.

²²⁹ *Id.* at 114.

²³⁰ Trademark Law Revision Act of 1988, Title I, § 132, Pub. L. 100-667, 102 Stat. 3935, 3946 (Nov. 16, 1988).

²³¹ See Gilson, *supra* note 20, at 114.

²³² *Id.* (quoting *Commission Report*, *supra* note 221, at 458-459). The Act as enacted may be found at Pub. L. 100-667, 102 Stat. 3935 (1995).

(a) competition between the parties, or (b) likelihood of confusion, mistake or deception.”²³³ But there was a problem: Citing concerns that dilution law would stifle parodies protected by the First Amendment (including the “American comedy institution” Saturday Night Live), Representative Kastenmeier of Wisconsin forced a deal that deleted the dilution provision from the Act.²³⁴ On November 16, 1988, Congress passed the Trademark Law Revision Act of 1988—without its section 43(c).

This defeat was only temporary. With support for a federal dilution statute increasing²³⁵ (and following the electoral defeat of Representative Kastenmeier), Congress returned to dilution in 1995. Once again, the topic of discussion was the section 43(c) drafted by the Commission—the very section that had been such a subject of controversy in 1988. This time, though, the timing was right. With the addition of provisions carving out defenses for First Amendment activities, the proposed dilution legislation generated little, if any, controversy.²³⁶ In most substantive respects, the language of the bill was identical to the language that had been deleted in 1988; as before, the bill proscribed dilution of the “distinctive quality” of a famous mark, which was defined as “the lessening of the capacity of a famous mark to identify and distinguish goods or services.”²³⁷ Schechter was invoked repeatedly throughout the proceedings. In the House Report supporting passage of the Federal Trademark Dilution Act of 1995 (H.R. 1295), the old examples of dilutive uses—“DUPONT shoes, BUICK aspirin, and KODAK pianos”—made their appearance, as did the Schechter principle that dilution was meant to protect only “mark[s] ... that ... signific[e] something unique, singular, and particular.”²³⁸ And if the language of the new section 43(c) indicated a preoccupation with fame, those involved in the legislative process clearly believed themselves to be enacting the

²³³ Gilson, *supra* note 20, at 114 (quoting *Commission Report*, *supra* note 221, at 459).

²³⁴ Gilson, *supra* note 20, at 114-115 (describing both the public and the “political, horse-trading reasons” why dilution was dropped from the 1988 Act).

²³⁵ The trademark community increasingly viewed the “patchwork” of state dilution statutes as “inadequate and inconsistent,” *see* Gilson, *supra* note 20, at 117, not the least because state courts arguably lacked the authority to grant nationwide injunctive relief. *See* H.R. REP. NO. 104-374, *supra* note 226, at 3, 1996 U.S.C.C.A.N. at 1030; 4 MCCARTHY, *supra* note 14, at 24:74.

²³⁶ *See generally* H.R. REP. NO. 104-374, *supra* note 226.

²³⁷ *See* 15 U.S.C. § 1127 (2000).

²³⁸ *See* H.R. Rep. 104-374, *supra* note 226, at 3, 1996 U.S.C.C.A.N. at 1030.

remedy of which Schechter had conceived. In fact, the sponsor of the bill, Representative Carlos Morehead of California, gave the late Frank Schechter credit for conceiving of the doctrine that soon would become law.²³⁹

On December 12, 1995, H.R. 1295 was adopted by the House in an amended form.²⁴⁰ The amended bill passed the Senate 17 days later.²⁴¹ On January 3, 1996, Congress sent the bill to President Clinton, who signed it on January 16.²⁴² After almost a decade of trying, the trademark bar finally had its dilution remedy, codified in section 43(c) of the Lanham Act.²⁴³

²³⁹ 141 CONG. REC. H14317 (daily ed. Dec. 12, 1995) (statement of Rep. Moorhead).

²⁴⁰ 1995 US H.B. 1295 (SN) (United States Bill Tracking), found on the Westlaw service. Representative Patricia Schroeder of Colorado proposed to amend H.R. 1295 to remove the requirement that a mark be the subject of a federal registration before qualifying for protection against dilution. “The Patent and Trademark Office [had] made a compelling case that limiting the federal remedy against trademark dilution to those famous marks that are registered is not within the spirit of the United States’ position as a leader setting the standards for strong worldwide protection of intellectual property.” H.R. REP. NO. 104-374, *supra* note 226, at 3, 1996 U.S.C.C.A.N. at 1031. The Subcommittee adopted the amendment and presented an amended H.R. 1295 to the full House. The amended H.R. 1295 was the one adopted by the House and presented to the Senate. *See id.* The question “whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register” became the eighth “fame” factor under section 43(c). *See* 15 U.S.C. § 1125(c) (2000).

²⁴¹ 1995 US H.B. 1295 (SN), *supra* note 240.

²⁴² *Id.*

²⁴³ That section provides, in relevant part:

(c) Remedies for dilution of famous marks

- (1) The owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another person’s commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark, and to obtain such other relief as is provided in this subsection. In determining whether a mark is distinctive and famous, a court may consider factors such as, but not limited to—
 - (A) the degree of inherent or acquired distinctiveness of the mark;
 - (B) the duration and extent of use of the mark in connection with the goods or services with which the mark is used;
 - (C) the duration and extent of advertising and publicity of the mark;
 - (D) the geographical extent of the trading area in which the mark is used;
 - (E) the channels of trade for the goods or services with which the mark is used;
 - (F) the degree of recognition of the mark in the trading areas and channels of trade used by the marks’ owner and the person against whom the injunction is sought;
 - (G) the nature and extent of use of the same or similar marks by third parties; and
 - (H) whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

15 U.S.C. § 1125(c) (2000).

Like the state dilution statutes before it, the Federal Trademark Dilution Act initially met with problems.²⁴⁴ Within a few years, however, at least the outlines of a *prima facie* dilution case had emerged. Courts generally required a plaintiff seeking a dilution remedy to prove that: it owned a “distinctive and famous” mark,²⁴⁵ its mark became famous before the defendant began its allegedly dilutive use; and the defendant, by making a commercial use of the mark (or a similar one) in interstate commerce, had either (a) caused (“consummated”) dilution of the mark, or merely (b) made such dilution “likely” to occur.²⁴⁶ Courts knew how to determine whether a mark was “distinctive and famous”: they simply made reference to the eight “fame factors” in section 43(c). Unfortunately, these factors raised more questions than they answered. Did the terms “distinctive” and “famous” mean the same thing, or did they describe separable characteristics of a mark? How distinctive must a trademark be in order to qualify for a remedy under section 43(c)?²⁴⁷ And what did the remedy itself say about the meaning of “dilution?” In the absence of the context provided by an originalist approach to dilution, these questions admitted of no clear answers.

²⁴⁴ In interpreting its provisions, courts tended to make mistakes, usually when it came to deciding whether the mark in suit was famous; whether it was distinctive; or whether its “distinctive quality” had been diluted. See Lori Krafte-Jacobs, *Judicial Interpretation of the Federal Trademark Dilution Act of 1995*, 66 U. CIN. L. REV. 659 (1998).

²⁴⁵ 15 U.S.C. § 1125(c) (2000).

²⁴⁶ See 4 MCCARTHY, *supra* note 14, § 24:89; *supra* text accompanying notes 207, 208.

²⁴⁷ State courts struggled with this question as well, many of them ultimately requiring that a mark be “highly distinctive.” In Florida, for example, the Supreme Court explained its requirement that a dilutable mark be “highly distinctive” as follows:

“The cause of action for dilution protects the selling power of the mark.... To possess the selling power protected by the anti-dilution statutes, the mark must have a degree of distinctiveness beyond that needed for the designation to function as a valid trademark.” A trademark is sufficiently distinctive to be diluted by a nonconfusing use “if the mark retains its source significance when encountered outside the context of the goods or services with which it is used by the trademark owner.”

Great S. Bank v. First S. Bank, 625 So.2d 463, 470 n.20 (Fla. 1993) (quoting RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25, cmt. e (Tent. Draft No. 2, 1990)). The court went on to list a number of factors relevant to “high” distinctiveness—factors very similar to those probative of secondary meaning, with the addition that the mark be “unique.” See *Great S. Bank*, 625 So.2d at 470. While the court did not define uniqueness in terms of *product*, it did choose, as its example, a mark that Schechter deemed unique: “[T]he trademark KODAK evokes an association with the cameras sold under that mark whether the word is displayed with the cameras or used in the abstract.” *Id.* at 470 n.20 (quoting RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25, cmt. e (Tent. Draft No. 2, 1990)).

Not surprisingly, each circuit has crafted its own solution to the problem of distinctiveness in dilution cases. The Second Circuit Court of Appeals has recognized, correctly, that “[d]istinctiveness in a mark is a characteristic quite different from fame.”²⁴⁸ Other courts, however, have struggled to distinguish the two concepts.²⁴⁹ Courts also have struggled over the *quantum* of distinctiveness required of marks that would be diluted. The Third Circuit Courts of Appeals has held that to be dilutable, a mark need only possess the acquired distinctiveness that flows from secondary meaning²⁵⁰—a positive development for owners of such descriptive marks as “The Sporting News,” which is used to identify (what else?) a sporting newspaper.²⁵¹ While the Ninth Circuit Court of Appeals appears to agree with this interpretation of “distinctive,” it has interpreted “famous” to require “a showing greater than mere [acquired] distinctiveness.”²⁵² The Second Circuit Court of Appeals has required the most rigorous showing of all, requiring plaintiffs in dilution cases to demonstrate that their marks possess what the court termed a “significant degree of distinctiveness,”²⁵³ which it defined as inherent distinctiveness.²⁵⁴ In the words of

²⁴⁸ *Nabisco Inc. v. PF Brands Inc.*, 191 F.3d 208, 215 (2d Cir. 1999).

²⁴⁹ *See, e.g., Elvis Presley Enters., Inc. v. Capece*, 950 F. Supp. 783, 792 (S.D. Tex. 1996) (“Defendants concede that the worldwide fame ... that the Elvis or Elvis Presley name has acquired enhance Plaintiff’s claim that its trademark is a strong mark”), *rev’d on other grounds*, 141 F.3d 188 (5th Cir. 1998); *Clinique Labs., Inc. v. Dep Corp.*, 945 F. Supp. 547, 552 (S.D.N.Y. 1996) (“Dep’s expert conceded that Clinique is a famous brand. Moreover, the Clinique marks have remained the same since their introduction in 1968. Clinique’s marks therefore have achieved secondary meaning.”) (citations omitted). Whether or not he intended to do so, Professor McCarthy has added to this confusion by arguing that Congress left the word “distinctive” in the Federal Trademark Dilution Act as the result of a drafting error. *See* 4 MCCARTHY, *supra* note 14, § 24:91.

²⁵⁰ *See Times Mirror Magazines, Inc. v. Las Vegas Sports News, L.L.C.*, 212 F.3d 157 (3d Cir. 2000), *cert. denied*, 531 U.S. 1071 (2001).

²⁵¹ *See Times Mirror*, 212 F.3d at 160; *see also Lexington Management Corp. v. Lexington Capital Partners*, 10 F. Supp. 2d 271 (S.D.N.Y. 1998) (granting dilution remedy to mark used in conjunction with a “minuteman” logo despite widespread third party use of mark and geographic linkage to the Revolutionary War battlefield town of Lexington, Massachusetts).

²⁵² *See Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 877 (9th Cir. 1999).

²⁵³ *See TCPIP Holding Co. v. Haar Communications Inc.*, 244 F.3d 88, 95 (2d Cir. 2001).

²⁵⁴ *See id.* at 98 (“We therefore understand Clause (A) of § 1125(c)(1) to invite two inquiries: (1) Has the plaintiff’s mark achieved a sufficient degree of consumer recognition (‘acquired distinctiveness’) to satisfy the Act’s requirement of fame? (2) Does the mark possess a sufficient degree of ‘inherent distinctiveness’ to satisfy the Act’s requirement of ‘distinctive quality.’ The latter requirement cannot be satisfied by the mere fact that the public has come to associate the mark with the source. Thus, weak, non-distinctive, descriptive marks do not qualify for the Act’s protection, even if famous.”). This holding has created some problems of its own, among them an apparent *per se* rule in the Second Circuit that there can be no dilution of trade dress consisting of the design of a product. *Compare Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205 (2000) *with TCPIP*, 244 F.3d at 98.

Judge Leval, descriptive marks that merely had *acquired* distinctiveness (such as the famous marks “American” and “United” for airline services)²⁵⁵ were “lacking the very attribute that the antidilution statute seeks to protect.”²⁵⁶ And while no court has required a plaintiff to demonstrate the third component of uniqueness (that “from the very beginning,” their marks have been “associated in the public mind with a particular product”),²⁵⁷ the Second Circuit Court of Appeals might as well have done: To date, it has granted a federal dilution remedy only to a certain “orange, cheddar cheese-flavored, fish-shaped cracker” sold by Pepperidge Farm as “Goldfish” since 1962.²⁵⁸

If nothing else, these cases indicate that the Federal Trademark Dilution Act need not be interpreted to eviscerate the uniqueness on which Schechter based his new remedy. Throughout its Report proposing the enactment of section 43(c), the Trademark Review Commission acknowledged the debt it owed Schechter for his “seminal article,” noting that he was the first to “lament[] ‘the gradual whittling away

²⁵⁵ *TCPIP*, 244 F.3d at 96; *see also* *New York Stock Exchange, Inc. v. New York, New York Hotel, LLC*, 293 F.3d 550, 557 (2d Cir. 2002) (holding the New York Stock Exchange mark to be ineligible for a dilution remedy because it simply combined “a geographic term with a generic term”). Schechter would have added Blue Ribbon, Gold Medal, and Simplex as well. *See* Schechter, *Rational Basis*, *supra* note 8, at 826-829.

²⁵⁶ *Nabisco*, 191 F.3d at 216; *see also id.* at 217 (“As the distinctiveness of the mark is the quality that the statute endeavors to protect, the more distinctiveness the mark possesses, the greater the interest to be protected. And conversely, the more the senior mark tends toward the weak, common, quality-claiming, or prominence-claiming type, the more strongly that weakness would argue against a finding of dilution, especially if the senior use is in a distinctly different field.”).

²⁵⁷ *But see* *Hasbro, Inc. v. Clue Computing, Inc.*, 66 F. Supp. 2d 117, 131 (D. Mass. 1999) (refusing to grant remedy to Hasbro, owner of “Clue” mark, because as a “common word with a variety of meanings,” Clue was “not ... entitled to protection from dilution by use consistent with that [its] usage as a common word”), *aff’d*, 232 F.3d 1 (2000).

²⁵⁸ *Nabisco*, 191 F.3d at 212. The Patent and Trademark Office issued a registration evidencing the Goldfish Design under section 2(f) of the Lanham Act, *i.e.*, only after requiring PF Brands, Inc. to demonstrate secondary meaning as a condition of registration. *See* Reg. No. 1,640,659. To the extent this requirement was a matter of Patent and Trademark Office policy, this policy anticipated the decision of the United States Supreme Court in *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205 (2000), which held that the design of a product cannot be inherently distinctive because “consumer predisposition to equate the feature with the source does not exist. Consumers are aware of the reality that, almost invariably, even the most unusual of product designs ... is intended not to identify the source, but to render the product itself more useful or more appealing.” *Id.* at 212-213. In crafting this rule, the Court never pretended to find its authority in the Lanham Act, but instead acted out of a desire to safeguard competition. *See id.* at 213-214. In the absence of such a *per se* rule, the Goldfish design probably would be deemed arbitrary, as there is no logical relationship between a fish and a cheddar cheese cracker. *See Abercrombie & Fitch*, 537 F.2d at 11 n.12 (arbitrary marks are those in which “a common word ... is applied in an unfamiliar way”).

or dispersion of the identity and hold upon the public mind of [a] mark or name by its use upon noncompeting goods.”²⁵⁹ The evidence suggests, too, that the Commission was aware that the strength of the hold a mark enjoyed upon the public mind depended on its degree of distinctiveness. In 1993, Jerome Gilson—a member of the Commission—provided a number of examples of marks that “would probably qualify” for protection under the Commission draft of section 43(c).²⁶⁰ Not only is each mark highly distinctive—most of them inherently so²⁶¹—but each mark also identifies a “particular product” in the minds of consumers,²⁶² thus making it “unique” as Schechter defined that term.

²⁵⁹ *Commission Report, supra* note 221, at 454 (quoting Schechter, *Rational Basis, supra* note 8, at 825); *see also Commission Report, supra* note 221, at 455, 456.

²⁶⁰ Those examples were: Marlboro (cigarettes); Coca-Cola (carbonated cola beverages); Budweiser (beer); Pepsi-Cola (carbonated cola beverages); Nescafé (coffee beverages); Kellogg (cereals and breakfast foods); Winston (cigarettes); Pampers (disposable diapers and baby wipes); Camel (cigarettes); and Campbell (canned soups and vegetables). Gilson, *supra* note 20, at 119. Since 1993, when Gilson wrote, owners of at least two of the listed trademarks have sought to diversify their product offerings under those marks: (1) Société des Produits Nestlé S.A. has stated its intention to use the Nescafé mark in connection with a host of other beverages, other food products, restaurant and hotel services, and even business management, including “business consultation services in the field of preparing and maintaining business records for others” (*see* United States Trademark Application Serial Number (“App. Ser. No.”) 75/757,171); and (2) Procter & Gamble has stated its intention to use the Pampers mark in connection with a host of goods whose only connection appears to be infants. *See, e.g.,* App. Ser. Nos. 75/866,725 and 78/002,528 (towels, sheets, clothing, and dolls); and 78/097,642; 78/069,051; and 78/136,872 (cleaning products). (The applications were located using the Trademark Electronic Search System (“TESS”) at <www.uspto.gov/main/trademarks.htm>.) *See infra* Part II for the implications of these branding decisions.

²⁶¹ As family names, the “Campbell” and “Kellogg” marks probably would have been categorized as “trade names” under the law as it existed in 1927—but then, Schechter included at least one family name (Rolls-Royce) in his definition of “coined, arbitrary or fanciful words or phrases” that had become “unique,” and therefore were “most in need of protection.” *See* Schechter, *Rational Basis, supra* note 8, at 818, 829; *supra* notes 119, 120, 131; *see also supra* note 172. As for “Winston,” Reynolds Tobacco (now the R.J. Reynolds Tobacco Company) introduced cigarettes under that trademark in 1954—25 years after the company located its headquarters in Winston-Salem, North Carolina. Accordingly, the mark has a geographic “flavor,” but it does not merely describe the city of Winston-Salem. (Reynolds Tobacco introduced Salem brand cigarettes in 1956.) *See* <http://www.rjrt.com/IN/Cowhoweare_corpfactbook.asp?Nav=IN#history>.

²⁶² This statement should not be taken to mean that the owners of these marks have used them *only* to identify the products listed in parentheses, *supra* note 260. The Budweiser mark, for example, means “beer” to consumers, but it also is the subject of subsisting registrations and applications for use on such disparate goods as headbands, wrist bands, and visors (Reg. No. 1,360,746); radios and sunglasses (Reg. No. 1,402,016); matches and keychains (Reg. No. 1,443,856); restaurant services (Reg. No. 1,528,930); and even “inflated model vehicles; namely, blimps” (Reg. No. 1,852,499). What these goods and services have in common is their purpose—*i.e.*, promotion of the “core” product: beer. *But see* Reg. No. 2,077,379 (barbecue sauce). Promotional products *reinforce* the linkage between a trademark and a core product, and as a result, they do not interfere with the ability of a mark to identify a “particular product” in the minds of consumers. *See infra* text accompanying note 308. Of course, to the extent a mark is not being used to promote a core product, but to extend a brand into product lines viewed as compatible with its “myth,” *see*

Of course, this is not to say that the Commission meant to codify the uniqueness framework that Schechter developed in “Rational Basis.” Section 43(c) is so poorly drafted as to make the definition of the word “distinctive” elusive at best, but according to Congress, “a mark may be deemed ‘famous’ even if not inherently distinctive, that is, even if the mark is not arbitrary, fanciful, or coined.”²⁶³ One might reasonably conclude, nonetheless, that Congress (like Schechter) meant to provide a dilution remedy to the owners of a class of “highly distinctive” marks,²⁶⁴ but given this pronouncement in the legislative history, it seems too clever to hold—as the Second Circuit Court of Appeals has done—that a mark must be inherently distinctive to satisfy the *first* half of “distinctive and famous.”²⁶⁵ As for the “particular product” association, the Commission clearly failed to reflect this component of what Schechter termed “uniqueness” in the language of its proposed section 43(c)—most likely because everyone assumed (as they do to this day) that when Schechter spoke of uniqueness, he was referring to acquired distinctiveness or even to fame,²⁶⁶ the latter of which he never mentioned as a criterion for dilution protection.²⁶⁷ The pervasiveness of this assumption means, as a practical matter, that while the Federal Trademark Dilution Act and the Schechter conception of uniqueness are by no means incompatible, they do not make a good fit, either. (But then, one might say the same of the Federal Trademark Dilution Act and the cases decided under it.)

infra Part I(D), uniqueness—the touchstone of the dilution doctrine as Schechter conceived of it—is compromised. *See, e.g.*, Reg. No. 2,109,301 (registration of Marlboro Country Cooking for use in connection with “mail order catalog services featuring cookbooks, recipes, and cooking utensils”); *infra* Part II.

²⁶³ *See* H.R. REP. NO. 104-374, *supra* note 226, at 7, 1996 U.S.C.C.A.N. at 1034 (“The first [fame] factor makes it clear that a mark may be deemed ‘famous’ even if not inherently distinctive, that is, even if the mark is not arbitrary, fanciful, or coined.”).

²⁶⁴ *See* 4 MCCARTHY, *supra* note 14, § 24:91.1, at 24-157 (“a designation [that] ... has achieved trademark status only through the acquisition of secondary meaning is certainly capable of acquiring a greater degree of distinctiveness and achieving the status of ‘famous’ mark”).

²⁶⁵ *See* TCPIP, 244 F.3d at 98.

²⁶⁶ *See, e.g.*, Swann, *Year 2000*, *supra* note 5, at 836 (“Schechter’s insistence on elevated protection for famous brands has been substantially addressed by now prevailing confusion-factor analysis.”); Wolff, *supra* note 164, at 602 (“Schechter’s statement that a famous trademark, if permitted to be used on dissimilar goods will, in fact, gradually lose its distinctiveness, cannot be challenged; with his conclusion that such use should not be permitted, we agree.”).

²⁶⁷ *See generally* Schechter, *Rational Basis*, *supra* note 8.

Where are we left? A few courts have used the dilution doctrine to protect the selling power of unique trade symbols²⁶⁸—but these cases are the exception, not the rule. Since the effective date of the Federal Trademark Dilution Act, the dilution remedy in section 43(c) has been used most often to reward wealthy trademark owners for achieving trademark fame. Satisfying the distinctiveness half of the protectibility equation has proved to be no more onerous than it is in infringement cases—but with fewer demands on the liability side of the equation. It is no wonder that “Schechter’s article ... has become a talisman to members of the trademark bar who seek to expand the protection available to their clients.”²⁶⁹ As we shall see in Part II, however, dilution was not meant for this kind of work.

D. The Increasing Ubiquity of the Brand

It is tempting to conclude, as others have, that modern brands are “far more complex” than were the technical trademarks Schechter knew.²⁷⁰ The modern brand, after all, is not just an indicator of source, but something that can “deliver emotional and ... expressive benefits” to purchasers, who often feel “a strong attachment to the brand.”²⁷¹ Nor is the modern trademark merely a means by which companies can make sales and grow profits; it is, instead, an asset, and its value “frequently exceeds bricks-and-mortar value.”²⁷² As it happens, though, trademarks were much the same in 1927. As Schechter wrote then, the “modern trademark” was not just a symbol, but something that had a “psychological hold upon the public.”²⁷³ It was “itself an asset, often of far greater value than the physical property of the business in connection with which it is used.”²⁷⁴ Given the words he chose to describe trademarks, Schechter could have been writing in a marketing publication about, say, the wave of trademark

²⁶⁸ See, e.g., *Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F.3d 456 (7th Cir. 2000) (“Prozac”); *CSC Brands LP v. Herdez Corp.*, 191 F. Supp. 2d 1145 (E.D. Cal. 2001) (“V8”); *Mattel, Inc. v. Adventure Apparel*, 2001 WL 1035140 (S.D.N.Y. 2001) (“Barbie”).

²⁶⁹ Swann & Davis, *supra* note 192, at 241 (citation omitted).

²⁷⁰ Swann, *Year 2000*, *supra* note 5, at 843.

²⁷¹ Swann, Aaker & Reback, *supra* note 93, at 800.

²⁷² *Id.* at 814 (citing DAVID A. AAKER, *MANAGING BRAND EQUITY* 15-16 (1991) [hereinafter AAKER, *MANAGING*]).

²⁷³ Schechter, *Rational Basis*, *supra* note 8, at 814, 831. See also Ralph S. Brown, Jr., *Advertising and the Public Interest: Legal Protection of Trade Symbols*, 57 *YALE L.J.* 1165 (1948); *infra* note 285.

²⁷⁴ SCHECHTER, *HISTORICAL FOUNDATIONS*, *supra* note 22, at 38.

acquisitions that swept the globe in 1988—more than 60 years after his article was published.²⁷⁵

One reason Schechter seems so relevant today is that he was writing at the beginning of a new generation of advertising in America. Until the second half of the nineteenth century, trade (indeed, life) had been conducted within relatively isolated geographic areas, with consumers buying the goods and services they needed from small “local producers that were well known to them.”²⁷⁶ More significantly, these local producers generally sold only one type of good or service.²⁷⁷ The modern corporation, with production technologies that created economies of scale, began to emerge only at the end of the nineteenth century.²⁷⁸ As this type of production increased, and commerce began to cross city, county, and state lines, producers began to use trademarks and trade names to differentiate their goods from those of others.²⁷⁹ But producers soon learned that trademarks were valuable not just for identification purposes; they also could, as Schechter wrote, “sell the goods”²⁸⁰ by becoming subtle (or not so subtle) advertisements in their own right.²⁸¹ If consumers could be made to feel comforted in the presence of Aunt Jemima or Uncle Ben or even the Jolly Green Giant, they would be less likely to buy products bearing a competing brand. By 1927, advertisers had become so aware of the value of trademarks that registering and enforcing them had become a growth industry²⁸²—as, in fact, it continues to be today.

²⁷⁵ See *infra* note 286.

²⁷⁶ Magliocca, *supra* note 35, at 970 (illustrating his point by telling the story of “the paradigmatic mark owner during this period[,] ‘Spark the Blacksmith’”); see also SCHECHTER, HISTORICAL FOUNDATIONS, *supra* note 22, at 130.

²⁷⁷ Magliocca, *supra* note 35, at 970-974.

²⁷⁸ *Id.*

²⁷⁹ Klieger, *supra* note 220, at 796.

²⁸⁰ See Schechter, *Rational Basis*, *supra* note 8, at 819.

²⁸¹ See Klieger, *supra* note 220, at 796 (“[B]y the 1920s, trademarks were fast becoming vessels for the creation of brand personas, anchoring the tangible and intangible associations cultivated through persuasive advertising. Trademarks no longer simply identified a product; the marks ‘actually sold the goods.’”); Drescher, *supra* note 30, at 328 (“At one level, the mark signals the product; at another level, it symbolically advertises the product.”).

²⁸² See SCHECHTER, HISTORICAL FOUNDATIONS, *supra* note 22, at 134 (“Up to 1870 only sixty-two trade-mark cases in all were decided by American courts. An idea of the growth of the importance of trade-marks to their owners may be gathered from the fact that in 1870 only one hundred and twenty-one trade-marks were registered under the Trademark Act, ... while in 1923 almost fifteen thousand were registered.”). This progression should sound familiar to anyone who has practiced in the area of trademark law. See, e.g., Patent and Trademark Office Annual Report, Fiscal Year 2001, at Table 17, available at

Even so, something very important about the trademark has changed within the last 75 years. In 1927, the vast majority of trademarks identified only a single good, or, at most, a single class of goods.²⁸³ A trademark meant something singular in *product* language, just as surely as Buick meant (and continues to mean) cars. As John Wolff, a rough contemporary of Schechter, wrote in 1937, “No proof is required to show that *Tiffany* has acquired secondary significance for jewelry, *Dunhill* for pipes, *Kodak* for cameras, *Rolls-Royce* for automobiles and *Waterman* for fountain pens.”²⁸⁴ This was the power of brands; they said one thing, and they did so in a loud voice. Powerful brands like these were particularly adept at creating and maintaining preferences. If a consumer wanted a Buick, for example, a mere “car” did not measure up.²⁸⁵

What changed, and why? Most marketing scholars locate the shift in branding philosophy in 1988, when a series of trademark acquisitions made it obvious that brands had significant value.²⁸⁶ This value has come to be known as “brand equity”: “[b]roadly defined, ... the set of assets and liabilities that a trademark adds to or subtracts from the value provided by a product or service to a business or its

<<http://www.uspto.gov/web/offices/com/annual/2001/01accompinfo.pdf>> (in the fiscal year ending September 30, 2001, reporting the filing of 510,512 trademark applications for goods and services in 684,493 classes).

²⁸³ See HAL MORGAN, *SYMBOLS OF AMERICA* (1986) (listing and reproducing trademarks from roughly 1890 through 1930).

²⁸⁴ Wolff, *supra* note 164, at 606-607.

²⁸⁵ This phenomenon began to seem anticompetitive to a contingent of scholars, led by Harvard Law School professor Edward Chamberlin, who (along with others) warned that trademarks were monopolistic barriers to entry. See EDWARD CHAMBERLIN, *THE THEORY OF MONOPOLISTIC COMPETITION* (1933); JOE S. BAIN, *BARRIERS TO NEW COMPETITION* (1956); Brown, *supra* note 273. This “Harvard School” view of trademarks lingered for a few decades, but in the end, legal scholars from the University of Chicago (the “Chicago School”) used economic theory to demonstrate that trademarks actually promote market entry, among other benefits. See Jessica Litman, *Breakfast With Batman: The Public Interest in the Advertising Age*, 108 *YALE L.J.* 1717 (1999); Landes & Posner, *supra* note 54, at 267.

²⁸⁶ In 1988, Philip Morris, the tobacco company, bought Kraft for \$12.9 billion—then four times its “tangible” assets. See Swann, Aaker & Reback, *supra* note 93, at 814-815. Other acquisitions followed, and 1988 was dubbed “The Year of the Brand” by *The Economist* magazine. See *The Year of the Brand*, *supra* note 51, at 95-100. Suddenly, everyone was aware that trademarks had real value, in dollars—value that was calculable simply by subtracting the book value of, say, Kraft, from the price that someone was willing to pay for it. “For a single product firm, the calculation can be as simple as subtracting book value from market value.” See Swann, Aaker & Reback, *supra* note 93, at 815 (citing DAVID A. AAKER & ERICH JOACHIMSTHALER, *BRAND LEADERSHIP* 22 (2000)). This calculus is optimistic, in part because it ignores the premium a buyer might be willing to pay for a corporation depending on, say, an estimate of its annual growth in sales for reasons other than the trademarks.

customers.”²⁸⁷ Once companies understood that their brands had “equity” that could be valued and included as assets on balance sheets, advertising—and indeed, trademarks themselves—underwent enormous change. The first task for companies was to decide how to make the most of their trademark assets.²⁸⁸ The obvious choice for many was “brand-stretching”:²⁸⁹ engaging in “brand extensions” (often through licensing)²⁹⁰ that put the trademark on an ever wider variety of products,²⁹¹ some of which were only tangentially linked to the type of product on which the trademark originally appeared.²⁹² But brand extensions did more for a company than vary its branded offerings; extensions also were perceived to save money and reduce risk. As *The Economist* observed, “Before a penny has been spent in advertising, an old name

²⁸⁷ Hartman, *Brand Equity*, *supra* note 5, at 419 n.3. This definition, though more efficiently worded, appears to have been based heavily on a definition by Aaker. See DAVID A. AAKER, BUILDING STRONG BRANDS 7-8 (1996) [hereinafter AAKER, BUILDING]; AAKER, MANAGING, *supra* note 272, at 15-16. Marketing experts have conceived of several factors comprising brand equity: (1) brand name awareness; (2) brand associations (including “experiential” associations); (3) brand loyalty; and (4) the perceived quality of the brand. See AAKER, BUILDING at 7-8; AAKER, MANAGING at 15-16. Obviously, taking this measure is not an exact science. And while these factors may seem to render the product itself irrelevant (a conclusion which the literature may reinforce), some experts have included within the brand awareness factor not only awareness of the brand itself, but also “the memorability of a trademark in a particular product class...” Hartman, *Brand Equity*, *supra* note 5, at 424. This stands to reason; obviously, the more consumers associate the Philadelphia brand with cream cheese (to take a Kraft brand), the more likely they are to remember that particular product when they make a purchasing decision.

²⁸⁸ See Elizabeth C. Bannon, *The Growing Risk of Self-Dilution*, 82 TRADEMARK REP. 570, 585 (1992) (“Companies view trademark rights as key corporate assets which must be fully exploited to meet the challenges of an increasingly competitive environment.”). What Bannon termed “self-dilution” was not ubiquity, as defined herein, but the condition that “occurs when a trademark owner has licensed the mark without maintaining adequate control of quality, thereby causing the mark to lose its meaning in the consumer’s mind as an indicator of quality and in turn destroying its business interest.” See *id.* at 592.

²⁸⁹ See *Brand-Stretching Can Be Fun—And Dangerous*, THE ECONOMIST, May 5, 1990, at 77-79.

²⁹⁰ See Bannon, *supra* note 288, at 589. By the end of the 1980s, for example, “the GUCCI name could be found on 22,000 items, including handbags (350 styles), shoes, men’s and women’s fashions, keychains, ties, tumblers, and cutlery.” *Id.* at 588 (citing, *inter alia*, Lisa Anderson, *Born-Again Status*, CHICAGO TRIBUNE, Jan. 15, 1992, at Section 7, pp. 5, 6). The result of this extension “was an overexposed trademark[,] ... a cheapened image [and] a twenty-five percent decline in sales.” To rebuild its trademark, the owner of Gucci reduced its product line “to 7,000 items, from 22,000.” Bannon, *supra* note 288, at 588 (citing, *inter alia*, Lisa Anderson, *Born-Again Status*, CHICAGO TRIBUNE, Jan. 15, 1992, at Section 7, pp. 5, 6, 13).

²⁹¹ See Drescher, *supra* note 30, at 330 (defining brand extension as “the application of a mark to a product other than the one for which it was originally famous”).

²⁹² In 1990, for example, *The Economist* reported that “Chicago’s Quaker Oats recently unveiled a range of microwavable sandwiches under its crusty old porridge-oats name.” See *Brand-Stretching*, *supra* note 289, at 77.

can dress up a new product with all sorts of (it is hoped) favourable associations.”²⁹³ If advertisers and lawyers have questioned the wisdom of this practice, they have done so only when the “extended” product was perceived to clash with the image of the brand—as if, for example, consumers were faced with “a Pepsi single malt whisky or Chanel galoshes.”²⁹⁴

Brand extension is controversial among marketing scholars,²⁹⁵ but it continues to thrive to such an extent that most new products now bear existing brands.²⁹⁶ And in the absence of someone they trust warning them *not* to stretch their brands, more and more companies are doing so—increasingly as a matter of calculated corporate strategy.²⁹⁷ First, companies are using their trade names as trademarks, often, like General Electric, using those “organizational brands” (e.g., GE) to identify themselves as the source of every product they make.²⁹⁸ These organizational brands, along with other “range brands”—brands that range over product classes—are, in the words of Professor Aaker, *designed* to “break[] through ... existing categorization

²⁹³ See *id.* (“The advertising and promotion costs per customer persuaded to try out each new product were 36% less for stretched brands than for completely new ones. Not only did stretched products need less advertising, but consumers were also more willing to give names they already knew an initial trial.”).

²⁹⁴ See *id.* (“Stretching a brand can be lucrative, but it can also be dangerous. This trick—using the recognition value and reputation of a brand name in a new product area—is often a quick and cheap way for a company to invade a new market. But brands are not endlessly elastic. Stretching can also undermine the credibility of the original product. Consumers either may not believe that the new product shares any of the cachet or characteristics of the old, or they may simply forget what was attractive about the original item.”); see also Drescher, *supra* note 30, at 330; Swann & Davis, *supra* note 192, at 232.

²⁹⁵ JACK TROUT, DIFFERENTIATE OR DIE: SURVIVAL IN OUR ERA OF KILLER COMPETITION 80 (John Wiley & Sons, Inc. 2000); see also Siew M. Leong, Swee H. Ang & Janet Liao, *Dominance and Dilution: The Effects of Extending Master Brands*, 14 J. CONSUMER MARKETING 380, 382 (1997) (“Given its extremely strong association with the original product category, the risk of dilution of a master brand is high, regardless of whether the extension was successful or not.... Essentially, this implies that master brands will be diluted [as a result of brand extension] no matter what the outcome of the extension is.”).

²⁹⁶ See TROUT, *supra* note 295, at 80 (“about 70 percent of new products [are] being launched with existing brand names”) (citing *The Logic of Product Line Extension*, HARVARD BUS. REV. (Nov.-Dec. 1994)); Swann & Davis, *supra* note 192, at 227 n.28 (“Of the 6,125 new products placed on shelves in the first five months of 1991, just 5% bore new brand names...””) (quoting Mark Landler et al., *What’s in a Name? Less and Less*, BUS. WEEK, July 8, 1991, at 66, 67).

²⁹⁷ See AAKER, BUILDING, *supra* note 287, at 292.

²⁹⁸ See *id.* at 116, 211; see also LYNN B. UPSHAW & EARL L. TAYLOR, THE MASTERBRAND MANDATE: THE MANAGEMENT STRATEGY THAT UNIFIES COMPANIES AND MULTIPLIES VALUE 189 (John Wiley & Sons, Inc. 2000) (“[T]he Virgin, Volvo, and Xerox brand names are used for virtually all products and services marketed by those companies.”). This organizational branding strategy may be an import from Japan, where Professor Aaker reports that “firms often put their name on a wide variety of products, making their corporate brand the ultimate range brand (the general name for a brand that ranges over product classes).” AAKER, BUILDING, *supra* note 287, at 110.

structures” (*i.e.*, lose their ties to particular products) so that the brands will “work[] across product classes...”²⁹⁹ Some experts even advocate the creation of “company-of-the-whole” range brands known as “masterbrands,” to which “the priorities of individual product brands should be subservient...”³⁰⁰ Harrods, the London department store, has incorporated its masterbrand philosophy into its motto: “*Omnia, Omnibus, Ubique*”—“all things for all people, everywhere.”³⁰¹

Efforts like these seem to be motivated by a desire to leave the product behind and to reinforce, instead, the more intangible “myths” in which companies hope to shroud their brands.³⁰² “EVIAN, for example, is simply water. By, however, using evocative visual imagery and the slogan ‘Another day, another chance to feel healthy,’ EVIAN associates itself not only with working out, but also with the feeling of satisfaction that comes from (completed) exercise.”³⁰³ These myths have been elevated in importance to such an extent that, as one scholar has observed, “[i]f a market segment can be defined for a particular product, [and] if the myth structure ... of that market segment can be known, *then it seems a waste to limit ... advertising to one particular product.*”³⁰⁴ If Evian is about the completed exercise myth instead of “simply water,” one can easily imagine not only Evian brand water, but Evian brand exercise clothing or Evian brand spa vacations. Indeed, Evian might be ahead to

²⁹⁹ See AAKER, BUILDING, *supra* note 287, at 110, 292.

³⁰⁰ See UPSHAW & TAYLOR, *supra* note 298, at 188. Other writers have called these “megabrands” which are used “to expand brand positions and maximize the trademark’s appeal across market segments.” See Bannon, *supra* note 288, at 590 (complaining that such megabrands are “not being used in integrated marketing strategies to support a single, unified image.”).

³⁰¹ See *Harrods Ltd. v. Sixty Internet Domain Names*, 157 F. Supp. 2d 658, 660 (E.D. Va. 2001) (listing such goods and services as “[a]n entire floor of ... sports, fitness, and health and beauty goods and services”; an “extensive toy department”; its “grocery trade”; its “Food Hall,” featuring “foods and groceries from around the world”; its “food services for dinner parties and special occasions”; a “complete wine shop, offering wines from around the world, as well as its own label”; books about food and wine; “Air Harrods”; “a full-service travel agency”; “banking services”; “financial, brokerage, insurance, mutual funds, investments, and loan services”; and “real estate services”).

³⁰² See AAKER, BUILDING, *supra* note 287, at 107 (“Companies have to wake up to the fact that they are more than a product on a shelf. They’re behavior as well.”) (quoting Robert Haas of Levi Strauss); *see also id.* at 25.

³⁰³ See Swann, Aaker & Reback, *supra* note 93, at 801.

³⁰⁴ Drescher, *supra* note 30, at 333 n.105 (quoting CHARLES GOODRUM & HELEN DALRYMPLE, ADVERTISING IN AMERICA: THE FIRST 200 YEARS 45 (Harry N. Abrams, Inc. 1990)) (emphasis added). “The next logical step is to shift the emphasis from the product to the myth, or, in other words, to market not the product but the myth. In this way, one could market many different products under a single trademark, which we might call a ‘myth-mark.’” Drescher, *supra* note 30, at 333 n.105.

forget the branded product entirely. This is no flight of fancy. Taking the myth trend to its logical conclusion, companies are engaging in “brand leveraging”—selling, for example, shirts, hats, and other promotional goods bearing the Evian trademark. This practice gives consumers the chance to identify publicly with a brand even without buying the core goods to which that brand is affixed.³⁰⁵ As a result, the modern trademark now “has a value independent of the good it identifies and itself is a good.”³⁰⁶ The brand has become the product. This state of affairs has led Judge Alex Kozinski to observe that “in our culture, trademarks are doing all kinds of work they weren’t originally meant to do.”³⁰⁷

With the exception of promotional goods, which only strengthen the association between a trademark and the product for which it has become known,³⁰⁸ these branding strategies have something in common: each one seeks to sever the link in the minds of consumers between the brand and any one product. For modern marketers, that link simply has become too restrictive.³⁰⁹ “A brand like Kleenex, for example, has such a close association with one product class that it has a reduced ability to stretch into other product classes.”³¹⁰ According to Aaker, however, the more general linkage between the Contadina brand and “Italians” (to the extent consumers are aware of this link in the first place) provides “more flexibility.”³¹¹ In his words, “[a]n identity that is based upon intangible associations or brand personalities provides the brand with more strategic scope.”³¹² According to Aaker, if, for example, the Eastman Kodak Company has any hope of expanding its business under the Kodak brand, it must “break through existing categorization structures”—

³⁰⁵ See Swann & Davis, *supra* note 192, at 227 (citations omitted).

³⁰⁶ Landes & Posner, *supra* note 54, at 283 n.32.

³⁰⁷ Alex Kozinski, *Trademarks Unplugged*, 68 N.Y.U. L. REV. 960, 977 (1993); see also *id.* at 962 (citations omitted); Lemley, *supra* note 5, at 1706-1709.

³⁰⁸ See Robert C. Denicola, *Trademarks As Speech: Constitutional Implications of the Emerging Rationales for the Protection of the Trade Symbols*, 1982 WIS. L. REV. 158, 187 (“If the defendant has merely utilized the mark as a means of referring to the plaintiff or its products, the threat to distinctiveness would appear to be nil. The trademark continues to be associated only with the plaintiff.”) [hereinafter Denicola, *Speech*].

³⁰⁹ See AAKER, BUILDING, *supra* note 287, at 76 (“Strong product-attribute associations, while potentially providing a source of advantage, can be limiting with respect to brand extension strategies.”)

³¹⁰ *Id.* at 254.

³¹¹ *Id.* at 76.

³¹² *Id.*

i.e., break consumers of the nasty habit of linking Kodak with the product class of photography. For a time, the Eastman Kodak Company attempted just such a “breakthrough”; as one writer observed in 2000, “the KODAK promise as to the faithfulness of its reproductions has been carried beyond cameras to copiers.”³¹³ Indeed, the Eastman Kodak Company even flirted, briefly, with selling Kodak brand computers.³¹⁴

The obvious danger in all of this is that the “modern brand” will become, to consumers, nothing more than a general indicator of source, meaning nothing at all in *product* terms. Take, for example, the Virgin trademark, which appears on a host of goods and services from an airline to jellies and jams to a bridal store.³¹⁵ If the word “Virgin,” standing alone, triggers any associations in the minds of consumers (other than the obvious association with the English word), it probably does no more than conjure up an image of Sir Richard Branson, the flamboyant founder of the company by that name. Of the judges sitting and the lawyers practicing in 2003, many probably do not remember precisely how advertising was conducted before, say, 1980; of those who do, few can be engaging in serious comparisons with the advertising of today. As a result, the state of ubiquity in which we live increasingly passes for “normal,” not only among consumers, but among judges and lawyers (who, of course, are consumers, too). But this state of ubiquity, this “diffuse,” “shallow” vision of the brand as a company or even a personality³¹⁶ is the very antithesis of the singularity that Schechter championed at the birth of his dilution doctrine. As Aaker reported in 1996, “There was a time, not too long ago, when most brands were singular symbols that stood for discrete products or services.... Today the situation is far different.”³¹⁷

³¹³ Swann, *Year 2000*, *supra* note 5, at 843 (citations omitted).

³¹⁴ See Reg. No. 2,040,245 (listing such goods as “computer hardware and software for entering, scanning, storing, retrieving, displaying, manipulating, transmitting, and printing images and data; photocopying apparatus and machines; and blank magnetic and optical data carriers in the form of blank discs, blank video tapes and blank video cassettes”).

³¹⁵ See Swann, Aaker & Reback, *supra* note 93, at 811 (quoting AAKER & JOACHIMSTHALER, *supra* note 286, at 34-39); *infra* note 364.

³¹⁶ See Hartman, *Brand Equity*, *supra* note 5, at 419.

³¹⁷ AAKER, BUILDING, *supra* note 287, at 240.

In 1932, Schechter told the House Committee on Patents a story about one “old Doctor Johnson,” who in 1759 declared, “with characteristic vehemence, ... that ‘the trade of advertising is now so near to perfection that it is not easy to propose any improvement.’”³¹⁸ Schechter clearly meant to say that advertising *had* improved and would continue to do so—a development that required the law to do the same. In the decades since Schechter, Congress and the courts have learned to take their cue from trademark owners, amending and interpreting the law to provide trademark owners with the sort of protection they claim to need.³¹⁹ But none of this activity has translated into stronger trademarks. Nielsen, the marketing research firm, has found that “of America’s top 22 brands back in 1925, 19 still led their product categories 60 years later.”³²⁰ Why? The top brands (then and now) have a message that revolves around *the product*—not a product “range,” not an organization, not a celebrity, but a product.³²¹ Perhaps it is time for the trademark law to stop reacting to corporate branding policy and start *dictating* it. For when companies require too much (and, at the same time, too little) of their trademarks, when those companies stuff their trademarks with intangible “myth” (and, at the same time, starve them of the more tangible linkages to product), the trademarks enter a dangerous state, one that I term the state of ubiquity. As we shall learn in Part II, pursuing ubiquity at the expense of uniqueness comes at a price—and the law should require trademark owners to pay it.

II. WILL THE REAL DILUTION DOCTRINE PLEASE STAND UP?

A. Ubiquity as a Form of Dilution

The United States Supreme Court has observed that if legal training is good for anything, it produces men and women who are adept at “constru[ing] ... written

³¹⁸ *Hearings*, *supra* note 22, at 18.

³¹⁹ Schechter termed this “keep[ing] abreast of and ... serv[ing] the needs of modern business.” Schechter, *Rational Basis*, *supra* note 8, at 813.

³²⁰ *Brand-Stretching*, *supra* note 289, at 77; *see also* TROUT, *supra* note 295, at 112 (“A survey of twenty-five leading brands from the year 1923 proves this point. Today, twenty-one of those brands are still in first place. Three are in second place, and one is in fifth place.”).

³²¹ *See Brand-Stretching*, *supra* note 289, at 77 (“In an over-communicated society you are lucky if your brand can mean one thing. Almost never can it mean two or three things.”) (quoting Al Ries).

instruments.”³²² Schechter was a prolific writer and lecturer, and his writings are among the most studied in trademark law. That being the case, one might expect his writings about the nature of uniqueness to have been the subject of scholarly debate, if not hundreds of judicial decisions. Unfortunately, the opposite is true. The dilution doctrine has become a feature of American trademark law, and those in the trademark community give the credit (or the blame) to Frank Schechter for importing a doctrine that, in 1927, was accepted only in Europe. But surprisingly few (if any) of those charged with debating and even enforcing his ideas have returned to “Rational Basis” to discover what, to Schechter, made a mark dilutable.

As a result, the concepts comprising the modern dilution doctrine have been poorly understood by most courts, who have held that the doctrine protects (a) famous (or sometimes, not so famous) marks that (b) are highly distinctive (or sometimes, not so distinctive) from (c) third party uses that cause dilution (or sometimes, that merely make dilution likely). Courts and commentators also disagree as to how dilution can be detected and measured,³²³ or even whether this is possible.³²⁴ While disagreements about how to measure dilution (such as the disagreement before the Supreme Court in *Moseley v. V Secret Catalogue, Inc.*³²⁵) are, at bottom, disagreements about the nature of dilution itself,³²⁶ courts and observers are on the same page when it comes to the

³²² *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 388 (1996).

³²³ *Compare Nabisco Inc. v. PF Brands Inc.*, 191 F.3d 208, 215 (2d Cir. 1999) with *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. Of Travel Dev.*, 170 F.3d 449, 453-454 (4th Cir. 1999). See also Alexander F. Simonson, *Dilution Law: At a Crossroad? How and When Do Trademarks Dilute: A Behavioral Framework to Judge ‘Likelihood’ of Dilution*, 83 TRADEMARK REP. 149 (1993).

³²⁴ See *Hearings Held Before the United States House of Representatives Subcommittee (of the Committee on the Judiciary) on Courts and Intellectual Property*, H.R., 104th Cong., 1st Sess. (July 19, 1995) (“Although dilution is intuitively plausible, it is empirically unverifiable.”) (statement of Jonathan E. Moskin).

³²⁵ *Cert. granted*, (Apr. 15, 2002) (No. 01-1015).

³²⁶ The wording of the question presented in *Moseley*—loosely, how to define the “causes dilution” language in section 43(c) of the Lanham Act, 15 U.S.C. § 1125(c) (2000)—might suggest that its resolution will “fix” the Federal Trademark Dilution Act. One can hope for such a fix, of course. Unfortunately, though, the wiggle room in *each component* of what the Act calls “dilution” has enabled owners of less famous, less distinctive trademarks to argue for (and receive) “equal protection” under the trademark law—a phenomenon that Professor Lemley has called “doctrinal creep.” See Lemley, *supra* note 5, at 1698 (“If Congress creates a new statute that protects some but not all trademark owners, every trademark owner will want his or her mark to be included in the new group and will seek to receive the added protections of the new rule. If courts are not careful to restrain the new doctrine, it will soon take on a life of its own.”). The unhappy result of this phenomenon is that dilution law, as presently construed, is “broken” in more ways than one.

dictionary definition of “dilution,” which (by now) should sound familiar: Dilution consists of “the gradual whittling away or dispersion of the identity and hold upon the public mind of [a unique] mark or name by its use upon non-competing goods.”³²⁷ It is “the whittling away of ... selling power and value” through the unauthorized use of an “established trademark” “by others upon dissimilar products,”³²⁸ thus “giving the same mark several different associations”³²⁹ and compromising “its ability to serve as a unique identifier”³³⁰—that is, to “signif[y] anything unique, singular or particular.”³³¹ Dilution is “the watering down of the potency of a mark,”³³² causing a “loss of distinctiveness,” as a result of which “a particular mark signif[y]ing ‘a single thing coming from a single source’ becomes instead ... [an] awareness that the mark signifies various things from various sources.”³³³ “The paradigmatic dilution case involves the situation where the same or very similar marks are being used on vastly different products,’ thus diminishing the mental association once made between a specific trademark and a certain line of goods”³³⁴—resulting in the “kind of dissonance that would be produced by selling cat food under the name ‘Romanoff,’³³⁵ or baby carriages under the name ‘Aston Martin.’”³³⁶ Even *The Economist* magazine understands the fundamental nature of dilution: “Imagine a Pepsi single malt whisky or Chanel galoshes.”³³⁷

The problem is, we *can* imagine these things—or almost. Marketing experts tell us not to worry about encountering a Pepsi brand single malt whisky or Chanel

³²⁷ Schechter, *Rational Basis*, *supra* note 8, at 825.

³²⁸ Hartman, *Brand Equity*, *supra* note 5, at 426 (quoting Mead Data Central, 875 F.2d at 1031 (citation omitted)).

³²⁹ Lemley, *supra* note 5, at 1704.

³³⁰ Hartman, *Brand Equity*, *supra* note 5, at 427 (quoting Deere & Co. v. MTD Prods., Inc., 41 F.3d 39, 43 (2d Cir. 1994)).

³³¹ Pattishall, *Dawning Acceptance*, *supra* note 201, at 308 (citation omitted).

³³² *Id.* at 296 (citation omitted).

³³³ *Id.* at 300.

³³⁴ *Elvis Presley Enters.*, 95 F. Supp. at 798 (quoting Jordache Enterprises v. Hogg Wyld, Ltd., 625 F. Supp. 48, 56 (D.N.M.1985), *rev'd and remanded on different grounds*, 141 F.3d 188 (5th Cir. 1998)).

³³⁵ Pattishall, *Dawning Acceptance*, *supra* note 201, at 297 (citation omitted). Pattishall may have been referring to the mark used to identify caviar and vodka sold, at one time, by the Romanoff Caviar Company. The caviar mark since has been assigned to Iroquois Grocery Products, Inc., *see* Reg. No. 806,430, while the vodka mark has been assigned to Chatham Imports, Inc. *See* Reg. No. 670,001.

³³⁶ Pattishall, *Dawning Acceptance*, *supra* note 201, at 297 (citation omitted).

³³⁷ *Brand-Stretching*, *supra* note 289, at 77.

brand galoshes because Pepsico, Inc. and Chanel, Inc. would never market these products; single malt whisky and galoshes would be inconsistent with the “myths” surrounding Pepsi and Chanel, respectively. Some trademark scholars, taking their cue from the marketers, have defined dilution in terms of this myth disturbance; dilution is, to them, “the impairment of brand equity caused by a use of the mark that creates associations and images inconsistent with the equity.”³³⁸ Thus (the argument goes), if Pepsi were to make single malt whiskey, it would risk diluting its myth (youth), but if it made spandex “midriff” tops in candy colors, it would not. Not only is this interpretation of dilution inconsistent with the writings of Schechter, but more importantly, this interpretation ignores—and thus devalues—the *product* associations that the Pepsis of the world possess. When dilution, as Schechter conceived it, “happens,” it not only disturbs the source signal broadcast by every distinctive mark, but it also disturbs the product signal—the one that links the Pepsi mark to carbonated cola beverages.

While they may not admit it, this link is important to even the most ardent defenders of what dilution has become. Prominent members of the International Trademark Association, for example, explained the dilution concept to the United States Supreme Court in *Moseley* by writing that the use of the “Kodak” trademark on pianos “would be ‘actionable’ because it would instantly lessen the mark’s distinctiveness (its *singularity*) for film, and KODAK would be more exposed to *accumulated* uses for ‘washing powders [and] cosmetics,’ further eroding its ‘capacity to identify.’”³³⁹ According to the Solicitor General of the United States (also in *Moseley*), dilution happens when “consumers ... view the two marks as the *same mark* and associate *a new product* with that mark.”³⁴⁰ Thus, the Solicitor General has advised the Court that the Patent and Trademark Office tests for dilution in administrative proceedings by asking “whether target customers are likely to associate two different products with the mark”—an inquiry that it characterizes as

³³⁸ See Hartman, *Brand Equity*, *supra* note 5, at 421.

³³⁹ Brief of the International Trademark Association as *Amicus Curiae* at 15, *Moseley v. V Secret Catalogue, Inc.*, *cert. granted*, (Apr. 15, 2002) (No. 01-1015) (emphasis in original).

³⁴⁰ Brief of the United States as *Amicus Curiae* at 20, *Moseley v. V Secret Catalogue, Inc.*, *cert. granted*, (Apr. 15, 2002) (No. 01-1015) (emphasis in original).

“also relevant in a judicial proceeding.”³⁴¹ The dilution concept also has its proponents in the realm of international law. As one such proponent has observed, dilution law “serves to forestall erosion of the exclusive association between a mark and the *particular goods or services* in relation to which it is used”³⁴²—that is, the ability of a trademark “to call to mind a *specific product* is at issue.”³⁴³ “Dilution” manifestly means something in *product* terms.

To be sure, a unique (and therefore dilutable) trademark does not possess *only* a product association; unique trademarks are highly distinctive as well, which makes them able to identify a single, if anonymous, source. Unique trademarks thus possess the ability to create *two* types of associations in the minds of consumers: a source association (*e.g.*, Pepsico, Inc.) and a product association (carbonated cola beverages). “Pepsi” is dilutable because, like Coke, Pepsi “means a *single thing* coming from a *single source*.... It hardly would be too much to say that the drink characterizes the name as much as the name the drink.”³⁴⁴ This ability to create source *and* product associations is what Schechter termed “selling power.” When a mark is diluted, *both* associations are disturbed. If, for example, the Pepsi mark were used by Company X in connection with a single malt scotch, “Pepsi” not only would come to mean two sources (Pepsico, Inc. and Company X), but it also would come to mean two products (carbonated cola beverages and single malt scotch). Pepsico, Inc. would be able to safeguard the source identification function of its mark under infringement law, of course, but it also would have recourse to dilution law, which would enable the company to protect the link between mark and “particular product” as well.

Schechter was absolutely right when he wrote that without uniqueness, there can be no “selling power”; without selling power, there can be no “dissociation from

³⁴¹ *Id.* at 7.

³⁴² Frederick W. Mostert, *Well-Known and Famous Marks: Is Harmony Possible in the Global Village?*, 86 TRADEMARK REP. 103, 134 (1996); *see also id.* at 115 (noting that dilution protection is afforded to marks that are “known to a substantial segment of the relevant public in the sense of being associated with the particular goods or services [which they are used to identify]”); *id.* at 134 (noting that “[t]he advertising function of a trademark is reflected in the ability of the mark to call to mind the specific product and to evoke associations of satisfaction and desirability with that product”).

³⁴³ *Id.* at 134 (emphasis added).

³⁴⁴ *See Coca-Cola Co. v. Koke Co. of America*, 254 U.S. 143, 146 (1920) (emphasis added).

the particular product in connection with which [the mark] has been used”;³⁴⁵ and without this “whittling away,” there can be no dilution. What Schechter did not address, but what necessarily follows, is that when a mark is not unique—when it is not able to create source *and* product associations—dilution cannot have much to disturb.³⁴⁶ To the extent the distinctiveness of a mark alone is impaired, infringement offers a remedy (assuming, of course, the trademark owner can prove that consumer confusion is likely). But when a mark possesses “mere” distinctiveness, when a mark has plenty to say about source but nothing to say about product, when a mark does not possess uniqueness, there simply is nothing to “dilute.”

To date, the trademark law has not asked the ubiquity question: what if the party diluting the association between a distinctive trademark and the “particular product” on which it originally appeared is the trademark owner itself? What if the trademark owner is the one transforming a unique symbol into a ubiquitous one? Judges, lawyers, and even scholars appear to have assumed that trademark owners are incapable of diluting their own trademarks—that trademark owners are perfectly free to engage in acts that, if perpetrated by others, would be held to cause dilution or the likelihood thereof, even under the doctrine as presently applied. Worse, courts have held that ubiquity only adds to the “fame” of the mark³⁴⁷—an element of the modern dilution cause of action that, contrary to popular belief, never was part of the doctrine as Schechter conceived it. Yet nothing about the harm caused by dilution is limited to instances in which that harm is caused by third parties. To the contrary: if we believe what we have been saying about what dilution “is,” then we must acknowledge that the acts of trademark owners can have the same dilutive effects as can the acts of third parties. The *source* association that a mark possesses may be left intact, or even

³⁴⁵ Schechter, *supra* note 8, at 825.

³⁴⁶ See Mostert, *supra* note 342, at 134 (finding it “obvious[]” that “the more a trademark is used on a wide variety of goods, becoming saturated in the process, the less the particular mark will call to mind and focus the public’s attention on the plaintiff’s particular product”); *id.* (using, as an example, “the TIFFANY mark [which] has become well-known in connection with jewelry” and noting that if that mark were “used on a plethora of other goods such as chocolates, clothing, a motion picture house, and a restaurant, the likelihood that the TIFFANY mark will still exclusively call to mind its owner’s jewelry products becomes increasingly diminished”).

³⁴⁷ See *supra* note 16.

strengthened, when the owner of that mark engages in ubiquitous branding practices, but the *product* association is destroyed—and with it, uniqueness.

If, for example, consumers could purchase both consumer electronics and bleach under the Sony trademark, Sony “would come to have two meanings, not one, and upon hearing the word in an advertisement, the consumer could not register an immediate ... impression [of consumer electronics], but would have to await context in order to ascertain whether a more mundane commodity was being promoted.”³⁴⁸ The author of this passage posited that a “third party” had adopted the Sony trademark for bleach, but if the Sony Corporation had decided to market bleach as well as televisions, the result would be the same. The word “Sony” would have lost its “communicative clarity”³⁴⁹—if that clarity has not already been lost to ubiquity.³⁵⁰ The word “Sony” would mean nothing more to consumers than the name of a Japanese company (which may already be the case), just as the word “Virgin” primarily refers to the British multimillionaire. Each mark would consist, at most, of a general indicator of source, an identification function that *infringement* law—not dilution law—is designed to protect.

Quite simply, the doctrine that Schechter gave to the trademark law does not permit any principled distinction between ubiquity (that is, the deliberate use, by a trademark owner, of its mark on products other than the one for which the mark became known to consumers) and dilution. Ubiquity *is* dilution, for in each case, the “uniqueness” of the mark, as Schechter defined that term, is vitiated. Using, as his examples, such (then) unique marks as Kodak and Blue Goose, Schechter warned that “there is not a single one of these fanciful marks which will not, if used on different classes of goods, or to advertise different services, gradually but surely lose its effectiveness and unique distinctiveness in the same way as has ... ‘Blue Ribbon’....”³⁵¹ This turned out to be prophetic, but not in the way that Schechter

³⁴⁸ Swann, *Year 2000*, *supra* note 5, at 851.

³⁴⁹ *See id.* at 824.

³⁵⁰ A structured search for trademarks owned by Sony Kabushiki Kaisha (the Sony Corporation) of Tokyo, Japan and containing the word “Sony” yielded 120 registrations and applications for a wide variety of goods too numerous to list here, even in part. *See* <www.uspto.gov/main/trademarks.htm>.

³⁵¹ Schechter, *Rational Basis*, *supra* note 8, at 830.

envisioned. Hundreds, perhaps thousands of trademarks are in danger of losing their “unique distinctiveness” every day, and not because of anything trademark pirates are doing. Trademark owners are doing the damage to themselves.

This thesis is not as radical as one might think; the law already punishes trademark owners for using their marks in a way that impairs the ability of those marks to identify a single source of goods or services. If, for example, a trademark owner licenses the use of its marks to third parties without controlling the quality of the licensed products that result, it can be held to have forfeited the right to use its trademark.³⁵² There is a simple reason for this “naked licensing” rule: “[I]f a trademark owner allows licensees to depart from his quality standards, the public will be misled, and the trademark will cease to have utility as an informational device.”³⁵³ A trademark owner also can destroy its trademark rights through advertising, as when it fails to give the public a generic name for the product (*e.g.*, “pain reliever”) and the public begins to use the trademark itself (*e.g.*, “Aspirin”) generically, thus failing to associate the word with any one producer.³⁵⁴ Trademark owners also engage in death by advertising when they advertise products in which they claim “trade dress”³⁵⁵ protection so as to highlight the functional benefits of those products.³⁵⁶

³⁵² See 15 U.S.C. §§ 1055, 1115(b)(2), 1127 (definitions of “abandonment,” “related company”) (2000); *Exxon Corp. v. Oxxford Clothes, Inc.*, 109 F.3d 1070 (5th Cir. 1997).

³⁵³ *Exxon Corp.*, 109 F.3d at 1079 (quoting *Kentucky Fried Chicken Corp. v. Diversified Packaging Corp.*, 549 F.2d 368, 387 (5th Cir. 1977)); see also *Dawn Donut Co. v. Hart’s Food Stores, Inc.*, 267 F.2d 358, 367 (2d Cir. 1959) (“Without the requirement of control, the right of a trademark owner to license his mark separately from the business in connection with which it has been used would create the danger that products bearing the same trademark might be of diverse qualities.”).

³⁵⁴ See *Bayer Co. v. United Drug Co.*, 272 F. 505 (D.N.Y. 1921). After asking, “What do the buyers understand by the word for whose use the parties are contending?”, *id.* at 509, Judge Hand found that consumers understood the word “Aspirin” to indicate the generic name of a product—not a product made by Bayer, its source. *Id.* at 512 (“it was too late in the autumn of 1915 to reclaim the word which had already passed into the public domain”). See also 2 MCCARTHY, *supra* note 14, § 12:18 (citing cases).

³⁵⁵ “‘The ‘trade dress’ of a product is essentially its total image and overall appearance.’ It ‘involves the total image of a product and may include features such as size, shape, color or color combinations, texture, graphics, or even particular sales techniques.’” *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 764 n.1 (1992) (quoting *Taco Cabana Int’l, Inc. v. Two Pesos, Inc.*, 932 F.2d 1113, 1118 (5th Cir. 1991)); see also *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 980 (11th Cir. 1983); and RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 16, comment a (Tent. Draft No. 2, Mar. 23, 1990).

³⁵⁶ The law refuses to afford trademark protection to “functional” product features, such as the spiral shape of french fried potatoes, that other producers need to use in order to compete effectively. See *Universal Frozen Foods Co. v. Lamb-Weston, Inc.*, 697 F. Supp. 389 (D. Or. 1987) (describing how the plaintiff had touted in its advertising the efficiencies of the spiral shape of its french fried potatoes; holding the shape functional). If the owner of these functional features wishes to protect them from being copied

Notwithstanding the fact that trademark owners themselves engage in such behaviors, the law does not shrink from punishing naked licensing, “genericide,” or functionality. Accordingly, trademark lawyers do whatever they can to keep their clients from shooting themselves in the foot.³⁵⁷ When it comes to the practice of ubiquity, however, those same lawyers have done nothing, believing that the more products bear the trademark, the more protectible it is, at least under what dilution law has become—not a means of safeguarding “arresting uniqueness,” but a means of rewarding fame.

If “dilution” is to mean what we say it means, the trademark law must assign consequences to the damage caused by deliberate acts of ubiquity. If a trademark owner has chosen to place a “unique” trademark, as Schechter defined that term, on products that are somehow “different” from the products for which the mark became known to consumers, that trademark may continue to be distinctive, but it has lost its uniqueness—that is, it has come to be associated not with a particular product, but with a variety of products. Without this uniqueness, it cannot lay claim to the selling power the whittling away of which dilution seeks to prevent, and without this selling power, it cannot qualify for a dilution remedy. “[D]espite the originality and ingenuity in [its] contrivance,” it has, like the image of the lion used on linen and iron, become “lost in the commonplace words of the language.”³⁵⁸ This necessarily means that “its use on various products”—*even products sold by others*—can “in no way impair[] its individuality.”³⁵⁹ Let us see how this might work in practice.

by others, it must seek a patent—and satisfy the rigors of the patent law. See 35 U.S.C. § 101 *et seq.* Obviously, the presence of a patent on a product feature is “strong evidence that the features therein claimed are functional,” and therefore unprotectible. *Traffix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 30 (2001). But a trade dress owner need not secure a patent to “functionalize” that which he seeks to protect; courts have held that even advertising the features of the product as conferring functional benefits can defeat a later claim that those same features serve only to indicate source. See I MCCARTHY, *supra* note 14, § 7:74 (citing cases).

³⁵⁷ Cf. Carter, *supra* note 44, at 774 (“The unhappy truth is that firms try consistently (often against their attorneys’ advice) to find marks that, while perhaps not generic, are a long way from being fanciful.”).

³⁵⁸ See Schechter, *Rational Basis*, *supra* note 8, at 830.

³⁵⁹ See *id.*

B. The Ubiquity Defense

Suppose a plaintiff with a ubiquitous trademark were to sue a defendant in federal court for using that mark (or a colorable imitation of it) in connection with the sale of goods. As in many, if not most of the trademark cases brought after the passage of the Federal Trademark Dilution Act, our plaintiff would plead a cause of action for trademark dilution. What if our defendant were to raise the issue of ubiquity by pleading and proving it as an affirmative defense? At least one set of defendants already has tried such a thing, appropriately enough in a case brought by Virgin Enterprises, the owner of the Virgin trademark. In that case, the defendants (who were using the trademarks “Virgin” and “Virgin Earth” to identify, among other things, mineral supplements and “soil conditioner”³⁶⁰) argued that “to the extent Mr. Branson controls the licensing of the [Virgin] mark to a willy-nilly group of licensees,” that conduct had led to the “self-blurring” of the mark.³⁶¹ The case did not appear in an official reporter, and apparently the parties are in the process of settling the dispute. Nonetheless, the case suggests a framework for evaluating the “ubiquity defense.”

At least one issue of proof is straightforward enough: proving that the trademark owner—here, Virgin Enterprises—has placed the mark (or authorized its placement) on a diversity of products. One way in which the defendant might prove these “other uses” would be to introduce copies of subsisting trademark registrations of the Virgin mark. Another would be to introduce evidence of the products and services that Virgin Enterprises offers for sale under the Virgin mark.³⁶² Surveys, too, might be relevant on this issue. If, for example, the Virgin mark had been used

³⁶⁰ See *Virgin Enters. v. American Longevity*, No. 99 Civ. 9854 (CSH), 2001 U.S. Dist. LEXIS 2046 at **1-5 (S.D.N.Y. Feb. 28, 2001) (relating the facts of the case). The “soil conditioner” “claimed to comprise ‘organically bound earth elements no longer found in farm and range soils,’” making one wonder where American Longevity found them. See *id.* at *3 (quoting Complaint ¶ 15).

³⁶¹ *Virgin Enters. v. American Longevity*, No. 99 CIV. 9854 (CSH), 2001 WL 237279 at *1 (S.D.N.Y. Mar. 8, 2001) (quoting “defendants’ letter brief” at 4).

³⁶² See *id.* at *2 (to the extent the Virgin mark had been diluted by “the licensing of the mark to a willy-nilly group of licensees,” this fact would be “readily provable by a compilation of other uses of the mark”) (quoting “defendants’ letter brief” at 4). Of course, in so writing, the court may simply have been supporting its holding, namely, that the defendants were not entitled to depose Richard Branson to probe his “personal knowledge” of the acts he took with respect to the Virgin trademark. See *generally id.*

on a variety of products in the past, but Virgin Enterprises recently had tried to confine the use of its mark to a “particular product,” the defendant might introduce a survey demonstrating that despite these efforts, Virgin Enterprises had not changed the ubiquitous perception of “Virgin” in the minds of the public³⁶³—that is, that consumers continued to identify the mark with a diversity of products, albeit products flowing from a single source. Virgin Enterprises, too, might seek to introduce its own survey of consumer perception.³⁶⁴

³⁶³ It may be possible to measure this perception. One scholar has proposed to measure what he calls “typicality dilution,” or “the ‘whittling away’ phenomenon,” by using a computer program to compile and time responses to questions such as “what, if anything, comes to mind when you hear the word Sony?” See Simonson, *supra* note 323, at 152-153, 169-170; see also *id.* at 152-153 (“Typicality refers to the ability to classify instances (here, brands) into categories (here, product lines). In other words, dilution in this context refers to a reduction in a brand’s typicality, or its ability to conjure up a particular product category. For example, if one were told to think of Sony and were asked what Sony product category first comes to mind, this is an example of testing the typicality of Sony.”) (citations omitted).

³⁶⁴ One might reasonably ask whether, in this case, the mind of the public should matter. The court in *Virgin Enterprises* thought it should, suggesting in *dictum* that “[s]elf-dilution ... of a trademark can take place only to the extent that the conduct causing such effects is publicly known.” *Virgin Enters.*, No. 99 CIV. 9854 (CSH), 2001 WL 237279 at *1. Presumably the court meant to make the *defendant* prove what was in the public mind. While public perceptions seem clearly relevant to show that a mark has become ubiquitous, however, there may be good reasons to restrict such evidence. One such reason is the incentives it might create if courts were to allow a plaintiff to shift the burden of proving “public perception” onto the defendant. Virgin Enterprises, for example, has secured dozens of federal registrations of marks including as their sole or dominant feature the word “Virgin,” and the goods and services listed in those registrations read like a catalogue of consumerism. Using *only* goods bearing the Virgin mark, one could outfit oneself in “articles of underclothing,” “sports clothing,” “outer clothing,” and “footwear” (see Reg. Nos. 1,591,952 and 1,597,386); listen to “sound records” on cassettes or discs (see Reg. Nos. 1,039,574; 1,469,618; and 1,517,801); consume a number of foods and beverages, including “jellies and jams, coffee, tea, bakery items and candy, beer, ale, mineral and aerated waters,” “soft drinks,” and alcoholic beverages including “wines, spirits and liqueurs” (see Reg. Nos. 1,851,817; 1,852,776; and 2,507,654); use tobacco (see Reg. Nos. 1,851,817 and 1,852,776); consult a host of products made out of paper, including “printed sheet music,” books, and stationery of every description (see Reg. Nos. 1,591,952 and 1,597,386); and use some “playing cards” (see *id.*) to pass the time at any one of a number of branded nightclubs and bars, hotels and resorts (see Reg. Nos. 1,851,817 and 1,852,776)—but only after remembering the “articles of luggage” (see Reg. No. 2,586,162). If one were interested in Virgin branded services, the selection would be just as vast: not only could one experience “retail store services” and purchase goods ranging from cosmetics to sewing supplies (see Reg. Nos. 1,851,817; 1,852,776; and 1,863,353); but one also could sample, simply, “air travel services” (see Reg. No. 1,413,664) or the more detailed “transportation of goods and passengers by road, rail, air and sea” and the “tourist agency services” to go with it (see Reg. Nos. 1,851,817; 2,237,092; 2,482,726; and 2,488,605); and “advertising and promotional services for others” by “aircraft, airships and air balloons” as well as billboards (see Reg. Nos. 1,851,817 and 1,852,776). Virgin even is in the business of providing “computer programming ... [and] artwork and graphic design services for others” (see *id.*); and “underwriting ... insurance” and other financial services (see Reg. No. 2,094,460).

In order to secure these registrations, Virgin Enterprises was required to submit an affidavit stating that the corresponding marks were “in use in commerce,” and therefore we can be reasonably certain that the Virgin marks are being used in commerce as described. See 15 U.S.C. § 1051(a)(3)(C) (2000); see also TRADEMARK MAN. EXAMINING P. § 901 (Pat. & Trademark Ofc., 3d ed. 2002) (“The application must include a verified statement (*i.e.*, a statement supported by an affidavit or declaration under 37 C.F.R.

The more difficult issue of proof relates to the range of goods on which a trademark must be used before it is deemed “ubiquitous.” The Virgin mark presents the easy case, but the hard cases are easy to imagine: May a baker of sourdough loaves decide to put the same mark on sourdough dinner rolls without destroying its uniqueness? Are loaves and dinner rolls simply types of the same “particular product” (bread)? If so, may the baker put the same mark on sandwich meats, too? What about restaurants? What about frozen foods?

The established body of infringement law might seem to be a good source for the definition of “particular product,” for courts in infringement cases routinely assess the proximity of the products at issue when deciding whether consumer confusion is likely.³⁶⁵ Unfortunately, however, the question asked by courts in infringement cases (“Are the products similar enough?”) is significantly different from the “particular product” question (“Are the products in the same product class?”). One aspect of this difference is obvious: Goods bearing like trademarks may be sufficiently “similar” to cause confusion among consumers, but may be so different in classification that nobody would call them examples of a “particular product.” This phenomenon is the most evident in cases decided after the Lanham Act, which replaced the “non-competing goods” rule that so preoccupied Schechter with the “related goods” rule. In the broad definition of deceit now found in sections 32(1) and 43(a) of the Lanham Act, infringement can be found based on conduct “likely to cause confusion, or to cause mistake, or to deceive.”³⁶⁶ Courts interpreting this broad language have found such disparate goods as ballpoint pens and “rubber and plastic products” to be similar enough to impose liability,³⁶⁷ but these goods plainly are not members of the same product class.³⁶⁸

§ 2.20) that the mark is in use in commerce. If the verification is not filed with the original application, the verified statement must allege that the mark was in use in commerce on or in connection with the goods or services listed in the application as of the application filing date.”) (citing 37 C.F.R. § 2.34(a)(1)(i)). Thus, because the company has deliberately placed its mark before the public—and on a wide variety of goods and services—it seems inequitable to permit Virgin Enterprises to argue that the very public it targeted is unaware of how ubiquitous the mark has become.

³⁶⁵ See, e.g., *Polaroid Corp. v. Polarad Elec. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961).

³⁶⁶ 15 U.S.C. §§ 1114(1), 1125(a) (2000). *But see infra* Section III.

³⁶⁷ See *Waterman-Bic Pen Corp. v. Beisinger Indus. Corp.*, 321 F. Supp. 178 (S.D.N.Y. 1970). In that case, the defendant sought to use an acronym of its trade name to identify “[h]eels, soles, unit soles and like

What of cases decided *before* the Lanham Act? As we have seen, the Trademark Act of 1905 provided that products were proximate enough to trigger trademark infringement liability only if they shared “substantially the same descriptive properties”³⁶⁹—a more restrictive test than the “related goods” rule.³⁷⁰ This body of law at least brings us closer to the trademark law that Schechter knew—and the law that formed his impressions about what a trademark was. Perhaps (the reasoning might go) if Product A and Product B were related enough for courts interpreting the “same descriptive properties” language of the 1905 Act, then Product A and Product B are related enough to qualify as members of a single product class, such that a producer placing the same mark on both Product A and Product B would not be in danger of making its mark ubiquitous. Unfortunately, however, this reasoning continues to ignore the critical difference between the infringement question (“Are the products similar enough?”) and the ubiquity question (“Are the products in the same product class?”). Like courts in infringement cases today, 1905 Act courts were asking the former question; they simply had a stricter notion of how “similar” was “similar enough.”

products for the shoe industry ... industrial rubber and plastic sheets, rods, tubes ... used primarily in the chemical, communication, x-ray and defense areas[, and] ... specialty chemicals and other items.” *Id.* at 179. Other such examples are legion. *See* 4 MCCARTHY, *supra* note 14, § 24:61 (citing cases). In fairness, one should not try to find consistency in likelihood of confusion cases. As McCarthy has warned,

one must keep in mind that inconsistencies of result can often be explained by the date of the case, the strength of the mark, or peculiar facts of the case. However, there is no doubt that two courts will often come to inconsistent results on the same mark which even the most skilled ‘case distinguisher’ cannot explain away.”

Id. § 24:61, at 24-100.2.

³⁶⁸ The Trademark Review Commission was motivated by similar concerns when it decided not to define fame by reference to trademark infringement decisions using the phrase “appreciable number” (*e.g.*, a mark is “famous” when it is or should be well known to an “appreciable number” of the relevant purchasers of the goods or services). Such a definition was inappropriate because “[u]nder these [infringement] decisions the threshold [for how many confused purchasers it takes to create a “likelihood of confusion”] is quite low. We believe that a higher standard should be employed to gauge the fame of a trademark eligible for this extraordinary remedy.” *See Commission Report, supra* note 221, at 461 (citation omitted).

³⁶⁹ Act of Feb. 20, 1905, § 16, 33 Stat. 724, 728 (1905).

³⁷⁰ Indeed, before 1905, the standard arguably was more restrictive yet: Only the use of a similar mark on “competing goods” would lead to liability for infringement. *See* 4 MCCARTHY, *supra* note 14, §§ 24:4, 24:5.

Even if the analogy between “substantially the same descriptive properties” and “particular product” were perfect, there is another, very human reason why infringement analysis would be a poor source from which to draw a rule governing ubiquitous marks. The ubiquity question comes at the *protectibility* end of the inquiry, before the court has decided whether a remedy is appropriate. The infringement question, by contrast, comes at the *liability* end of the inquiry, after the court has crossed the threshold of protectibility. As a result, in trademark infringement cases of any vintage, courts asking the infringement question necessarily are charged with judging the propriety of allegedly misappropriative behavior; and not surprisingly, the natural tendency is to punish misappropriation—notwithstanding how proximate (or not) the products may be.³⁷¹ This tendency is as obvious today as it was in 1927.³⁷² An inquiry so suffused with temptation to punish cannot provide much of a reliable guide for deciding what constitutes a “particular product” as opposed to a “variety of products.”

The only way to answer the ubiquity question is to reason by analogy—that is, to return to the trademarks that Schechter knew and deemed “unique” in 1927: (1) Aunt Jemima, which was the subject of federal registrations evidencing trademark use in connection with cereals and oils used to make breakfast breads³⁷³ (as well as

³⁷¹ See, e.g., Lukens, *supra* note 134, at 204 (“It seems apparent that the test of relationship [in infringement cases] is properly a mere rule of thumb for applying a principle of law and is not a real principle of law in itself, and that it must be discarded whenever it ceases to be a fair and convenient measure.”).

³⁷² Compare *Bacardi & Co. v. Bacardi Mfg. Jewelers Co.*, 174 U.S.P.Q. (BNA) 284 (N.D. Ill. 1972), *aff’d mem.*, 475 F.2d 1406 (7th Cir. 1973) (Bacardi for rum and jewelry) with *Wall v. Rolls-Royce of America*, 4 F.2d 333 (3d Cir. 1925) (Rolls-Royce for cars and radio tubes).

³⁷³ See Reg. Nos. 17,825 and 51,056 (“self-raising [or “-rising”] flour”); Reg. No. 120,160 (“pancake, and wheat flours”); Reg. No. 344,873 (“grits, white and yellow cornmeal, ready-mix buckwheat, wheat flour, and ready-mix pancake flour”); Reg. No. 522,386 (“pancake and buckwheat ready-mix, grits, wheat flour, white cornbread ready-mix, corn muffin ready-mix, all for human consumption.”); Reg. No. 523,167 (“pancake and buckwheat ready-mix, grits, wheat flour, white cornbread ready-mix, corn muffin ready-mix, all for human consumption”); Reg. No. 146,681 (“cooking and salad oils”); and Reg. No. 182,320 (“dolls”). Certain of these registrations, as shown on the Trademark Electronic Search System (“TESS”), contain bracketed information in the listing of goods and services. According to a Customer Service Representative at the United States Patent and Trademark Office, the brackets indicate information that has been deleted from the registration. There is no way to determine when those deletions occurred.

for dolls, most likely for promotional purposes)³⁷⁴; (2) Blue Goose, which was registered for use in connection with fruits and vegetables;³⁷⁵ (3) Corona, which was used (but apparently not registered) in connection with cigars;³⁷⁶ (4) Kodak, which was registered for use in connection with cameras and other photographic equipment;³⁷⁷ (5) Mazda, which was registered for use in connection with “electric lamps”;³⁷⁸ (6) Nujol, which was registered for use in connection with mineral oil;³⁷⁹ and (7) Rolls-Royce, which was registered for use in connection with cars and parts thereof.³⁸⁰ In each example, the mark that Schechter deemed to be “associated in the public mind with a particular product” may indeed be matched with a particular product or, at worst, a product class such as photographic equipment.

One might reasonably wish for a more precise definition of “particular product” (or, as I have used it, “product class”), but as Gilson has observed, “[i]f you crave precise meaning in legal terminology, avoid trademark law.”³⁸¹ Like it or not,

³⁷⁴ As noted, promotional goods (such as Aunt Jemima dolls) only serve to *strengthen* consumer associations between a mark and the product for which it is known. As a consequence, promotional goods do not present a threat to uniqueness. See *supra* note 262, text accompanying note 308.

³⁷⁵ See Reg. Nos. 212,033 and 375,506 (“fresh citrous [sic] fruits, fresh deciduous fruits, fresh berries, fresh grapes, watermelons, cantaloupes, casaba melons, honeydew melons, pineapples, canned fruits, fresh figs and dates, and fresh vegetables”); and Reg. Nos. 715,168; 715,169; and 715,869 (“fresh fruits, vegetables, dates, grapes, melons, tomatoes, avocados; canned fruits and vegetables; frozen fruits, citrus juice, vegetables, berries, and french fry potatoes”).

³⁷⁶ See *Havana Cigar & Tobacco Factories, Ltd. v. Oddenino*, 41 Rep. Pat. Cas. 47, 61 (1923) (cited in Schechter, *Rational Basis*, *supra* note 8, at 829 n.78).

³⁷⁷ See Reg. Nos. 85,423; 291,146; 399,092; 692,796; and 396,694 (“photographic cameras, photographic lenses,” numerous “photographic ... attachments, ... photographic camera-carrying cases,” and numerous pieces of “photographic darkroom” equipment); Reg. No. 195,218 (“photographic prints and enlargements”); Reg. No. 387,692 (“monthly magazines, periodicals containing news of photographic goods and products, monthly house organ, data books for photographic goods and materials, and photographic reference handbook”); Reg. No. 387,692 (numerous photographic “chemicals”); Reg. No. 398,144 (compounds “for use in coloring photographs”); Reg. Nos. 399,092 and 692,796 (“photographic films and photographic papers” of every description); Reg. No. 406,762 (“albums, blotting paper, folders for photographs and the like, lens cleaning paper, folding pocket cases, pocket folders, wax paper, photogravure tissue, pencils, loose-leaf binders and fillers therefor”); Reg. No. 429,457 (“paste, glue, adhesive tape for general use, film cement, mounting cement, and photo paste powder”); and Reg. No. 775,200 (“ink for numbering devices,” almost certainly of a photographic nature).

³⁷⁸ See Reg. No. 77,779.

³⁷⁹ See Reg. No. 221,640 (“mineral oil for chemical, medicinal, and pharmaceutical purposes”); Reg. No. 302,905 (“mineral oils and compounds, emulsions, and mixtures of mineral oils with other substances for medicinal purposes”); and Reg. No. 325,904 (“the same “oils, compounds, emulsions, and mixtures” for “chemical, medicinal, and pharmaceutical purposes, and for battery sealing compounds”).

³⁸⁰ See Reg. Nos. 197,089 and 325,195 (“automobiles and chassis”); and Reg. No. 325,316 (“internal combustion engines and parts thereof”).

³⁸¹ Gilson, *supra* note 20, at 117.

as with the copyright issue of substantial similarity, the presence or absence of ubiquity is defined by “increasing patterns of generality.”³⁸² The Kodak trademark did not cease to mean something singular to consumers merely because the Eastman Kodak Company put that mark on cameras and film, darkroom supplies and chemicals, for all of these products easily can be filed under “photography.” Likewise, the decision by the Aunt Jemima Mills Company (later, the Quaker Oats Company) to put the Aunt Jemima mark on flours and mixes for making both cornbread and pancakes did not destroy the uniqueness of the mark; “Aunt Jemima” nonetheless meant, to consumers, breakfast food staples. Of course, companies with unique trademarks can (and do) generalize their product offerings under a single mark to such an extent that consumers come to associate those marks with “a variety of products.” At that point, uniqueness becomes ubiquity. When, in 1971, the Eastman Kodak Company began using the Kodak mark to identify computers and photocopy machines,³⁸³ Kodak no longer meant simply “photography” (or photographic supplies);³⁸⁴ the mark had come “to have two [or even three] meanings, not one.”³⁸⁵ The only remaining link between these meanings (apart from source) was not a product class, but a more general characteristic—the Kodak “myth,” faithful

³⁸² As Judge Learned Hand wrote in *Nichols v. Universal Pictures Corporation*, 45 F.2d 119 (2d Cir. 1930),

“Upon any work, and especially upon a play, a great number of patterns of increasing generality will fit equally well, as more and more of the incident is left out. The last may perhaps be no more than the most general statement of what the play is about, and at times might consist only of its title; but there is a point in this series of abstractions where they are no longer protected, since otherwise the playwright could prevent the use of his ‘ideas,’ to which, apart from their expression, his property is never extended...”

Id. at 121. Levels of generality apparently plague other areas of the law as well. See Laurence H. Tribe & Michael C. Dorf, *Levels of Generality in the Definition of Rights*, 57 U. CHI. L. REV. 1057 (1990).

³⁸³ See Reg. No. 2,040,245.

³⁸⁴ “The theory of dilution stems from a recognition that there are some marks that are so famous and distinctive that they deserve special protection.... The classic examples are BUICK, DUPONT and KODAK. When you say the word BUICK, the car automatically comes to mind. Similarly, saying KODAK brings film to mind. Whereas, with an ordinary mark like UNITED or FIRST NATIONAL, there is no specific image that comes to mind.” *Hearings Held Before the United States House of Representatives Subcommittee on Courts, the Internet, and Intellectual Property*, H.R., 107th Cong., 2d Sess. (Feb. 14, 2002) (statement of Ethan Horwitz).

³⁸⁵ See Swann, *Year 2000*, *supra* note 5, at 851.

reproduction.³⁸⁶ Schechter was interested in protecting marks that demonstrated more uniqueness than this.

Let us return to our hypothetical ubiquity defense. If, as seems likely, the defendant were successful in proving that the Virgin mark had become ubiquitous, then the plaintiff would find itself without a dilution remedy. That is, having deliberately chosen not to nurture a link between its trademark and a “particular product,” Virgin Enterprises would have sacrificed what Schechter termed the “selling power” of its Virgin mark—and along with it, the heightened protection offered to unique marks by dilution law. It does not follow, however, that the Virgin mark would be free for the taking; the ability of that mark to identify a single *source* of goods or services would remain very much intact.³⁸⁷ As Schechter noted in 1927, “the primary and proper function of a trademark” continues to be “to identify the origin or ownership of the goods to which it is affixed.”³⁸⁸ Thus, Virgin Enterprises could continue to prevent confusingly similar uses by third parties under infringement law (as if, for example, another airline began using the mark “Virginia,” in white script on a red background, to identify its airline services), and to the extent Virgin Enterprises placed its mark on a proliferation of products, more and more third party uses would be adjudged “confusingly similar.”³⁸⁹ Perhaps, for those companies determined to engage in ubiquity, this would be reward enough.

Yet what of the “masterbrand,” the brand as myth, the brand as lifestyle? A ubiquity defense would not preclude Ralph Lauren, for example, from using its “‘aspirational’ style of advertising, ... evok[ing] ‘lifestyle images’ that resonate with elegance, luxury, and distinctively American imagery,” so long as that company was content to use the trademark law only to stop third parties from selling products of a type that consumers were likely to confuse with Polo brand “fashions, accessories,

³⁸⁶ The Eastman Kodak Company since has returned to its roots, shedding computers and photocopiers and concentrating on photography. See <<http://www.kodak.com/productInfo/productInfo.shtml>>.

³⁸⁷ Even the Blue Ribbon mark enjoyed “narrow protection” under the unfair competition law in 1927, and it continues to enjoy such protection today. See, e.g., Reg. No. 314,440 (application to register Blue Ribbon filed by the predecessor to the Pabst Brewing Company on March 14, 1934, *after* the passage of the 1920 Act).

³⁸⁸ *Hanover Star Milling*, 240 U.S. at 412.

³⁸⁹ *But see infra* Section III.

home furnishings, [and] fragrances.”³⁹⁰ Having chosen to offer a lifestyle instead of the clothing that bore the “Polo” mark in 1967,³⁹¹ Ralph Lauren would be sacrificing any claim to a dilution remedy (although, of course, it could continue to claim an infringement remedy). As a result of this sacrifice, Ralph Lauren might find defendants like *Polo* magazine—the “official magazine for the only American polo association,” which features “articles on equestrian sports” and “an abundant mix of elegant fashion, romantic travel, witty observations, [and] world-class reporting”³⁹²—to be tough nuts to crack, thanks to the ubiquity defense. But this is precisely as it should be.

III. WHY A UBIQUITY DEFENSE MATTERS

Dilution has become the claim of choice in trademark law, even in cases in which the goods are related and infringement would be relatively straightforward to prove. As a consequence, many observers believe that dilution law has “swallowed” infringement law.³⁹³ But dilution has done more than upstage infringement as a cause of action; it also has influenced the way in which courts interpret the touchstone of

³⁹⁰ See *Westchester Media Co. v. PRL USA Holdings, Inc.*, 103 F. Supp. 2d 935, 941 (S.D. Tex. 1999). Moreover, if a third party placed the “Polo” mark on goods of “shoddy quality,” or goods that “portrayed [the mark] in an unwholesome or unsavory context,” *Hormel Foods Corp. v. Jim Henson Productions, Inc.*, 73 F.3d 497, 507 (2d Cir. 1996) (citation omitted), Ralph Lauren would have recourse to a remedy under the tarnishment type of dilution, “a separate form of legal wrong” that owes nothing to Schechter, but is a creature of state (and now federal) law. See *Commission Report*, *supra* note 221, at 455 n.134 (“The Commission believes that trademark tarnishment and disparagement are a separate form of legal wrong, and recommends amending Section 43(a) to deal with them.”); H.R. REP. 104-374, *supra* note 226, at 2, 1996 U.S.C.C.A.N. at 1029 (the Federal Trademark Dilution Act is intended “to protect famous trademarks from subsequent uses that ... tarnish or disparage [them]”); RESTATEMENT (THIRD) OF UNFAIR COMPETITION, *supra* note 7, § 25, at 267; *supra* notes 180, 184, 188-190.

³⁹¹ See, e.g., Reg. No. 978,166 (evidencing registration of mark “Polo by Ralph Lauren” for “men’s suits, slacks, ties, sweaters, shoes, shirts, hats, belts, socks; and ladies’ blouses, skirts, suits and dresses,” first used in commerce in May, 1967); Reg. No. 1,363,459 (similar goods under “Polo” mark, likewise dating back to May, 1967); see also Reg. No. 990,395 (evidencing registration of mark “Polo by Ralph Lauren” for “retail clothing store services,” first used in commerce in 1969).

³⁹² See *Westchester Media*, 103 F. Supp. 2d at 941.

³⁹³ See Magliocca, *supra* note 35, at 952; David S. Welkowitz, *Reexamining Trademark Dilution*, 44 VAND. L. REV. 531, 536, 546 & n.82 (1991) (“Courts have expressed reservations that a stringent application of antidilution statutes would swallow up much of the law of trademark and unfair competition....”) (citing cases). Conversely, others believe that *dilution* law no longer is necessary because the remedy Schechter devised for unique marks “has been substantially addressed” by the increasingly lower standards governing likelihood of confusion. See Swann, *Year 2000*, *supra* note 5, at 836; Terry R. Bowen, *The Federal Trademark Dilution Act of 1995—Does It Address the Dilution Doctrine’s Most Serious Problems?*, 7 DEPAUL-LCA J. ART & ENT. L. 75 (1996) (terming dilution “redundant”); *infra* Section III.

infringement law itself—the likelihood of confusion standard. Trademark infringement cases require courts to address three questions relating to confusion: (1) Whose confusion do we care about?; (2) When must they be confused?; and (3) What must they be confused about? Since the Lanham Act was enacted in 1946, the answer to each of these questions has grown ever broader, with courts punishing, as “confusion,” acts that cause nothing more than an association in the minds of consumers. This “dilutification” of infringement law has obvious consequences for the vitality of any ubiquity defense—a development that requires us to examine, briefly, how and why this could have happened.

In the early days of the Lanham Act, the “who” and “when” questions were easy enough to answer. Section 32(1) of the Act, which concerns the infringement of registered marks, originally prohibited those uses “likely to cause confusion or mistake or to deceive purchasers as to the source or origin of ... goods or services.”³⁹⁴ Courts charged with interpreting the word “purchasers” generally included not only actual purchasers—*i.e.*, purchasers who had intended to buy Good A but *actually bought* Good B—but also those (often hypothetical) people who were considering making a purchase, but had not done so.³⁹⁵ In 1962, Congress codified this common sense interpretation in a “housekeeping measure” (H.R. 4333) designed to “refine[]” the language of the Lanham Act.³⁹⁶ In its amendment of section 32(1), which Congress noted “actually relates to potential purchasers as well as to actual purchasers,”³⁹⁷ it simply deleted the word “purchasers” and the words appearing after it, leaving the section to prohibit those uses “likely to cause confusion or mistake or to deceive.”³⁹⁸ As its explanation of the amendment to section 32(1) suggests, Congress

³⁹⁴ 15 U.S.C. § 1114(1) (2000).

³⁹⁵ *See, e.g.*, *Gamlen Chemical Co. v. Gamlen*, 79 F. Supp. 622, 634 (W.D. Pa. 1948) (“The test of identity is whether an ordinarily prudent purchaser would be liable to purchase the goods of the defendant believing them to have been made by the plaintiff”).

³⁹⁶ S. REP. NO. 2107 on H.R. 4333, 87th Cong., 2d Sess. (1962), *reprinted in* 1962 U.S.C.C.A.N. 2844, 2844, 2851.

³⁹⁷ *Id.* at 2847.

³⁹⁸ *Id.* at 2850. Congress made a parallel change to section 2(d), which (before the amendment) provided “that a mark is to be refused registration if it so resembles a mark registered in the Patent Office or a mark previously used by another, as to be likely when applied to the goods of the applicant, ‘to cause confusion or mistake or to deceive purchasers.’” *See id.* at 2847.

offered its amendments to *clarify* existing law, not to overhaul it. Indeed, Congress decided not to include in the bill other, “substantive changes” proposed by the Federal Trade Commission because H.R. 4333 was “designed to make minimal substantive changes in the trademark law.”³⁹⁹ Agency officials who submitted reports in support of the bill appeared to understand the nature of the amendments on the table; they termed the bill “administrative, clarifying and correcting”⁴⁰⁰ and otherwise referred to the bill as being “of a technical nature.”⁴⁰¹ To the extent the trademark bar (which urged the amendment) hoped that the bill would work a substantive change in the law, it did not make its hopes clear to Congress.

Once it reached the courts, however, the 1962 amendment looked like anything but “housekeeping.” In *Syntex Laboratories, Inc. v. Norwich Pharmacal Company*,⁴⁰² the first case to interpret the amended language, the Second Circuit Court of Appeals held it to be “clear” (despite the clear legislative history to the contrary)⁴⁰³ that Congress had offered its amendment “to outlaw 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.”⁴⁰⁴ Other courts cited the amendment as support for a test asking whether the defendant had placed a product “in commerce” that was likely to cause confusion “in the market place at large,”⁴⁰⁵ even among consumers *post sale*.⁴⁰⁶ For these courts, confusion among purchasers

³⁹⁹ *Id.* at 2851.

⁴⁰⁰ *Id.* at 2853 (report of Robert E. Giles, General Counsel of the Department of Commerce, Aug. 15, 1961).

⁴⁰¹ *Id.* at 2854 (report of William B. Macomber, Jr., Assistant Secretary of State, Sept. 2, 1959).

⁴⁰² 437 F.2d 566 (2d Cir. 1971).

⁴⁰³ See Steven Hartman, *Subliminal Confusion: The Misappropriation of Advertising Value*, 78 TRADEMARK REP. 506, 514 n.32 (1988) [hereinafter Hartman, *Subliminal Confusion*] (“section 32(a)(1) as amended clarifies that coverage extends to prospective purchaser confusion, but does not support the position that Congress intended to expand liability to confusion of any kind”) (citations omitted).

⁴⁰⁴ *Id.* at 568 (emphasis added).

⁴⁰⁵ *Rolex Watch U.S.A., Inc. v. Canner*, 645 F. Supp. 484, 492 (S.D. Fla. 1986); see also *Ferrari S.P.A. Esercizio Fabriche Automobili e Corse v. Roberts*, 944 F.2d 1235 (6th Cir. 1991).

⁴⁰⁶ See, e.g., *Payless Shoesource, Inc. v. Reebok Int’l Ltd.*, 998 F.2d 985, 989 (Fed. Cir. 1993) (“Reebok contended [successfully] that such confusion occurs ... when a consumer observes someone wearing a pair of Payless accused shoes and believes that the shoes are Reebok’s. As a consequence, the consumer may attribute any perceived inferior quality of Payless shoes to Reebok, thus damaging Reebok’s reputation and image.”); *Ferrari*, 944 F.2d at 1245 (“the survey evidence in this case [using photographs of the cars from which identifying markings were removed] showed that members of the public, but not necessarily purchasers, were actually confused by the similarity of the products.”); *Lois Sportswear*,

and potential purchasers at the point of sale had become “irrelevant”—and caring about it was nothing more than a symptom of “statutory myopia.”⁴⁰⁷ Infringement doctrine thus has come a long way from asking whether purchasers were confused at the point of sale; now, the answers to the “who” and “when” questions often mean that actionable confusion can happen at any time during the life of a product, from purchase to disposal, and can cloud the minds of every innocent bystander along the way. Never mind that in the absence of confusion among *purchasers*, “there is generally little threat of either diversion of trade through deception or harm to reputation.”⁴⁰⁸

Just as it had for the “who” and “when” questions, the Lanham Act of 1946 provided a clear answer to the “what” question—what type of confusion was relevant to claims of infringement of registered marks? As of 1946 (and indeed until 1962), section 32(1) prohibited those uses that were “likely to cause confusion or mistake or to deceive purchasers as to the source or origin of ... goods or services.”⁴⁰⁹ As we have seen, after 1962, the section prohibited those uses that simply were “likely to cause confusion or mistake or to deceive.” Given the judicial response to this change on the subjects of “who” and “when,” it seems only fair that courts should have interpreted the 1962 “housekeeping” amendment to broaden the *types* of actionable confusion as well. The *Syntex Laboratories* court was the first to announce that the longtime focus on source confusion was a thing of the past; instead, courts were to punish those acts causing “confusion, mistake, or deception of any kind, not merely of purchasers *nor simply as to source of origin.*”⁴¹⁰ In the wake of this statement and

U.S.A., Inc. v. Levi Strauss & Co., 799 F.2d 867, 874 (2d Cir. 1986) (“[I]n the post-sale context a consumer seeing appellants’ jeans on a passer-by might think that the jeans were appellee’s long-awaited entry into the designer jeans market segment. Motivated by this mistaken notion ... the consumer might then buy appellant’s jeans even after discovering his error.”); *Rolex Watch*, 645 F. Supp. at 495 (in counterfeiting case brought under the Lanham Act, holding that infringement liability depends on “whether there is a likelihood of confusion in commerce”); *but see Nike, Inc. v. “Just Did It” Enters.*, 6 F.3d 1225, 1229 (7th Cir. 1993) (“That a person cannot tell the difference between the two [shirt logos] from across the room matters little. We are dealing here with customer confusion when choosing to purchase, or not purchase, the items, not public confusion at viewing them from afar.”).

⁴⁰⁷ *Rolex Watch*, 645 F. Supp. at 488; *see also Payless*, 998 F.2d at 989-990.

⁴⁰⁸ Denicola, *Speech*, *supra* note 308, at 166-167.

⁴⁰⁹ 15 U.S.C. § 1114(1) (2000).

⁴¹⁰ *Syntex*, 437 F.2d at 568 (emphasis added).

others, courts expanded the list of conditions about which people might be confused. Courts held—and Congress agreed—that confusion now included situations in which the public might believe that the trademark owner sponsored, endorsed, or was otherwise affiliated with the product sold by the defendant.⁴¹¹ But the courts went even further, punishing conduct that punished association under the guise of confusion.

Consider, for example, the growing acceptance of the doctrine of “subliminal confusion” (also known by the oxymoronic “associational confusion”⁴¹²), in which courts have imposed liability not when a defendant creates “overt or obvious” confusion, but merely “a subliminal association in the minds of consumers” that

⁴¹¹ See Trademark Law Revision Act of 1988, Title I, § 132, Pub. L. 100-667, 102 Stat. 3935, 3946 (Nov. 16, 1988) (amending section 43(a) to prohibit acts causing confusion “as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person”). This doctrine, known by the shorthand “sponsorship confusion,” makes good sense given the explosion in trademark licensing, where the licensor plays its “source” role not by manufacturing products, but by controlling the quality of goods manufactured by others under the licensed mark. Of course, even the soundest statutory language is subject to being applied too enthusiastically, and the language governing sponsorship confusion is no exception. According to Jerome Gilson, for example, the classic examples of “DUPONT shoes, BUICK aspirin tablets, SCHLITZ varnish, KODAK pianos, and BULOVA gowns,” taken from the legislative history of the New York dilution statute, “all seem to be good candidates for likely confusion, since many would believe the product marketer to be a trademark licensee.” Gilson, *supra* note 20, at 119-120 (citing Mead Data Central, Inc. v. Toyota Motor Sales, U.S.A., Inc., 875 F.2d 1026, 1031 (2d Cir. 1989)). One might reasonably ask whether even the most credulous consumer would conclude, upon being presented with a Kodak brand piano, that the Eastman Kodak Company had entered the piano business, whether as manufacturer or licensor—unless, of course, the piano bore the classic gold “K” on a red background. Finding (or even hypothesizing) the presence of confusion in cases like these require one to believe in an “extraordinarily gullible,” “astonishingly stupid” consumer. See Litman, *supra* note 285, at 1722; Rochelle Cooper Dreyfuss, *We Are Symbols and Inhabit Symbols, So Should We Be Paying Rent? Deconstructing the Lanham Act and Rights of Publicity*, 20 COLUM.-VLA J.L. & ARTS 123, 133 (1996). And this when marketing studies indicate that consumers are becoming increasingly sophisticated, probably as a result of being bombarded with advertising images. See Swann, Aaker & Reback, *supra* note 93, at 791 (citations omitted). As Judge Kozinski has put it, “Trademarks are often selected for their effervescent qualities, and then injected into the stream of communication with the pressure of a firehose by means of mass media campaigns.” Kozinski, *supra* note 307, at 973.

This sophistication has other, less desirable consequences, of course. As consumers are increasingly being presented with an array of “officially licensed” products in collateral markets—*e.g.*, markets for promotional goods like hats, clothing, and plush toys—they are more likely to believe that *any* use of a trademark must be approved by the trademark owner. See Lemley, *supra* note 5, at 1707; Denicola, *Speech*, *supra* note 308, at 168-169 (citations omitted). Trademark scholars have pointed out the circularity problem here: “The public will continue to believe that the appearance of a mark in such contexts indicates the participation of its owner only as long as the law maintains such an exclusive right.” Denicola, *Speech*, *supra* note 308, at 168-169 (citations omitted). But the law maintains such a right precisely because “an appreciable percentage of consumers do in fact believe that every appearance of a trademark must be specifically authorized.” *Id.*

⁴¹² See Richard L. Kirkpatrick, *Principles of Likelihood of Confusion*, 663 PLI/PAT 299, 322 (Aug. 28, 2001); Klieger, *supra* note 220, at 808-809.

happens to coincide with other “associations” created by the plaintiff.⁴¹³ In many cases, courts have applied this “subliminal confusion” doctrine even after acknowledging that there was no confusion in the traditional sense; it was enough that the consumer might unconsciously “identify the properties and reputation of one product with those of another, although he can identify the particular manufacturer of each.”⁴¹⁴

Obviously “subliminal confusion” and dilution bear a striking resemblance to one another. Unlike the law of infringement, neither doctrine protects the identification function of a trademark, protecting instead “its advertising value, that is, its selling power or its capacity to attract customers and sell goods as a symbol of product desirability and consumer satisfaction—a characteristic of marks described by Justice Frankfurter as ‘commercial magnetism.’”⁴¹⁵ But recognizing subliminal confusion is not the only way in which courts in infringement cases have ventured into the land of dilution. The *Syntex Laboratories* language concerning confusion “of any kind” is strongly reminiscent of what the Germans called “confusion in a wider sense”—a concept that inspired Schechter to create the dilution doctrine.⁴¹⁶ Using this “wider” confusion, the court in *Syntex Laboratories* went on to punish mere association by finding that, although the evidence suggested that pharmacists could differentiate between the two medications at issue, the products were “likely to be

⁴¹³ See *Dreyfus Fund Incorporated v. Royal Bank of Canada*, 525 F. Supp. 1108, 1123 (S.D.N.Y. 1981) (citing *Londontown Mfg. Co. v. Cable Raincoat Co.*, 371 F. Supp. 1114, 1118 (S.D.N.Y. 1974)).

⁴¹⁴ *Farberware, Inc. v. Mr. Coffee, Inc.*, 740 F. Supp. 291, 302 (D. Del. 1990) (citations omitted); see also *Stern’s Miracle-Gro Prods., Inc. v. Shark Prods., Inc.*, 823 F. Supp. 1077, 1090 (S.D.N.Y. 1993) (“even if consumers do not consciously assume that the defendant’s product is somehow affiliated with plaintiff’s product, there is the likelihood that consumers will be attracted to defendant’s product on the strength of the goodwill and positive image established by plaintiff...”); Hartman, *Subliminal Confusion*, *supra* note 403, at 519 (“It would seem ... that a conclusion of source confusion may be based almost entirely on a finding of subliminal association in view of the fact that the Second Circuit’s ultimate finding of source confusion in the Playboy case was based on a factual record of no product confusion and a likelihood of source confusion of no more than ten percent.”) (citing *Playboy Enters., Inc. v. Chuckleberry Pub’g, Inc.*, 486 F. Supp. 414 (S.D.N.Y. 1980)).

⁴¹⁵ Hartman, *Subliminal Confusion*, *supra* note 403, at 508 (quoting *Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co.*, 316 U.S. 203, 205 (1942)); see also Kirkpatrick, *supra* note 412, at 335 (noting that in post-sale confusion cases, “[t]he trademark owner’s interest is to protect the mark in its role as a constant advertisement”); Hartman, *Subliminal Confusion*, *supra* note 403, at 508 (“Analytically, the term subliminal confusion refers to the mechanism through which the misappropriation of advertising value occurs without source confusion.”).

⁴¹⁶ See Schechter, *Rational Basis*, *supra* note 8, at 831-833; see also Wolff, *supra* note 164, at 600-602.

closely associated in the minds of those who prescribe and dispense them.”⁴¹⁷ This was held sufficient to justify infringement liability.⁴¹⁸ Courts finding confusion to be likely *after* the accused product is purchased also have been “flexible”⁴¹⁹ in applying the traditional test so as to protect the advertising power (and not the identification function) of trademarks.⁴²⁰ And like the court in the *Dreyfus* case, some courts in these cases have not been shy about using the word “dilution” to describe the harm that they seek to remedy using infringement law.⁴²¹ As Professor Denicola has observed, “at some point it becomes apparent, despite the judicial harangues on the evils of deception, that a quite different game is afoot.”⁴²²

Looking at what has become of the likelihood of confusion doctrine, it is a wonder that defendants ever prevail in trademark litigation.⁴²³ But that is precisely the point. As members of the trademark bar have argued for an infringement law made in the image of dilution, courts have obliged, interpreting the confusion doctrine so as to punish association—the “*sine qua non* of dilution.”⁴²⁴ This interpretation, in turn, has enabled trademark owners to exclude others from making *any* profitable use

⁴¹⁷ *Syntex*, 437 F.2d at 569 (quoting *Syntex Labs., Inc. v. Norwich Pharmacal Co.*, 315 F. Supp. 45, 50 (S.D.N.Y. 1970), *aff’d*, 437 F.2d 566 (2d Cir. 1971)).

⁴¹⁸ *Syntex*, 437 F.2d at 568-569; *see also* Denicola, *Speech*, *supra* note 308, at 167-168.

⁴¹⁹ *See Lois Sportswear*, 799 F.2d at 872.

⁴²⁰ *See, e.g., Ferrari*, 944 F.2d at 1251 (writing that by expanding the confusion “target group,” the majority effectively had “read such a [dilution] cause of action into the [federal trademark] statute”) (Kennedy, J., dissenting).

⁴²¹ *See, e.g., Rolex Watch*, 645 F. Supp. at 495 (“the Lanham Act [is] ...not just designed for the protection of customers,” but also “for the protection of trademarks themselves and for the prevention of the cheapening and dilution of the genuine product”).

⁴²² Denicola, *Speech*, *supra* note 308, at 166-167.

⁴²³ *See Litman*, *supra* note 285, at 1722 (“Courts’ increased willingness to find an actionable likelihood of confusion has meant that, as a practical matter, nearly any unauthorized use of a trade symbol with the potential to undermine the symbol’s trademark distinctiveness may persuade a federal judge to grant an injunction [under infringement law].”).

⁴²⁴ Swann, *Year 2000*, *supra* note 5, at 860; *see also* *Ringling Bros.*, 170 F.3d at 453 (a showing of dilution under the Federal Trademark Dilution Act requires a showing of “sufficient similarity of marks to evoke in consumers a mental association of the two”); *Fruit of the Loom Inc. v. Girouard*, 994 F.2d 1359, 1363 (9th Cir. 1993) (“Whittling away will not occur unless there is at least some subliminal connection in a buyer’s mind between the two parties’ uses of their marks.... Such connection is not the same as likelihood of confusion but it does require a threshold showing of some mental association between the protected mark and the alleged diluter.”) (citation omitted); *Mead Data Central*, 875 F.2d at 1031 (for dilution to be present, “[t]here must be an association between plaintiff’s and defendant’s marks” (citation omitted)); 4 MCCARTHY, *supra* note 14, § 24.70 at 24-124 (“[I]f a reasonable buyer is not at all likely to think of the senior user’s trademark in his or her own mind, even subtly or subliminally, then there can be no dilution.... [D]ilution theory presumes some kind of mental association in the reasonable buyer’s mind between the two parties and the mark.”).

of their marks.⁴²⁵ Obviously, to the extent infringement law is stretched to remedy dilution harms, the ubiquity defense would have less impact on trademark litigation, and producers would have less incentive to preserve the linkages between their trademarks and the “particular products” on which those marks appear. But the damage is not limited to ubiquity; if courts come to view confusion and dilution as “states of mental association existing on a *continuum* that begins with a mistake as to origin and ends with a gradually diminishing appreciation of the original,”⁴²⁶ then we will have witnessed the erosion of the only trademark doctrine (infringement) that exists primarily for the welfare of the public.⁴²⁷

If trademark law is to retain its historical ability to weigh competing interests fairly, courts must recognize that “[c]onfusion and dilution involve ‘distinct and inconsistent’ states of mind.”⁴²⁸ Consider a world in which Producer A is the source of Good A, Producer B is the source of Good B, and so on. Infringement law uses the confusion requirement to punish uses that cause consumers to believe that a relationship exists between Good B and Producer A, when in fact Good B comes from Producer B. Dilution law, for its part, is properly interpreted to punish uses that cause consumers to make “a mental connection” between Good B and a unique trademark previously used (by Producer A) only to identify Good A—even as consumers recognize that the respective uses are unrelated.⁴²⁹ These are very different harms justifying very different remedies.

⁴²⁵ See Cooper Dreyfuss, *supra* note 411, at 130-131 (“[A]s courts have increasingly handled the consumer confusion requirement with the assumption that consumers are very unsophisticated, confusion has come to serve as a rather minor impediment to according plenary control to purveyors of images. Dissimilar features—and even disclaimers—are often discounted.”) (citations omitted).

⁴²⁶ Swann, *Year 2000*, *supra* note 5, at 841.

⁴²⁷ Compare *TCPIP*, 244 F.3d at 95 (“[t]he Dilution Act offers no benefit to the consumer public—only to the owner”) with *Coach House Restaurant, Inc. v. Coach and Six Restaurants, Inc.*, 934 F.2d 1551, 1564 (11th Cir. 1991) (in infringement case, “the public interest in preventing confusion around the marketplace is paramount to any inequity caused the [trademark owner]”); *James Burrough Ltd. v. Sign of Beefeater, Inc.*, 540 F.2d 266, 274 (7th Cir. 1976) (in infringement case, “[a] third party, the consuming public, is present and its interests are paramount”).

⁴²⁸ Kirkpatrick, *supra* note 412, at 325.

⁴²⁹ See RESTATEMENT (THIRD) OF UNFAIR COMPETITION, *supra* note 7, § 25 cmt. f & Reporter’s Note on cmt. f (dilution occurs when the mark previously “associated with [Producer A] is now also in use as an identifying symbol by [Producer B]”); see also Kirkpatrick, *supra* note 412, at 325.

In the end, “[w]e do not need new legal rules” to protect trademarks; “what we need is the principled and vigorous application of the old rules.”⁴³⁰ Courts must apply the confusion doctrine for which Congress provided in the Lanham Act—not the body of law that Congress “inadvertent[ly]” spawned when it made “a number of corrections and other minor changes” to the Act.⁴³¹ As “overly intellectualized and expensive to prove” as likelihood of confusion may be,⁴³² it is the best objective evidence we have that a trademark harm is occurring.⁴³³ If, in the end, the task of applying a ubiquity defense were to cause courts to honor (or at least wonder about) the boundary between confusion and dilution, that defense not only would “matter”—it would have a significant salutary effect above and beyond the preservation of uniqueness.

CONCLUSION

The history of trademark law is one in which the definition of its principal object—the “trademark”—has been relentlessly expanded, largely (if not entirely) at the behest of trademark owners. Where, for example, a court once could find trademark infringement only if products of the plaintiff and defendant shared “substantially the same descriptive properties,”⁴³⁴ a plaintiff now can prove infringement if the respective products are related enough to cause likely confusion, or even if they trigger an association in the minds of consumers who may or may not have been present at the point of purchase. Likewise with dilution: In 1927, Frank

⁴³⁰ Lemley, *supra* note 5, at 1713; *cf.* David Skeel & William Stuntz, *Another Attempt to Legislate Corporate Honesty*, N.Y. TIMES, July 10, 2002 (opinion editorial).

⁴³¹ See *Commission Report*, *supra* note 221, at 378 (citations omitted). Thus, for example, courts must stop discounting disclaimers and must trust consumers to recognize what in many cases are significant differences between marks and products. Not only do disclaimers train consumers to spot these differences (thus reducing confusion and the harm that flows from it), but disclaimers also would help to cure consumers of the delusion that every use of a trademark must be authorized by its owner—a delusion that courts have actively encouraged. Denicola, *Speech*, *supra* note 308, at 168-169 (citations omitted). Courts also must rely more upon objective measures of confusion, such as consumer surveys, and less on subjective measures of confusion. See, e.g., *Rolex Watch*, 645 F. Supp. at 495 (“But I know it [confusion] when I see it”) (quoting *Jacobelis v. Ohio*, 378 U.S. 184, 197 (1964)).

⁴³² See *Hearings Held Before the United States House of Representatives Subcommittee on Courts and Intellectual Property*, H.R., 104th Cong., 1st Sess. (July 19, 1995) (“Without dilution legislation, the owner of a famous trademark must establish a likelihood of confusion that is overly intellectualized and expensive to prove in real world conflicts.”) (statement of James K. Baughman).

⁴³³ Swann & Davis, *supra* note 192, at 255-256.

⁴³⁴ Act of Feb. 20, 1905, § 16, 33 Stat. 724, 728 (1905).

Schechter saw a gap in infringement law and proposed a broader remedy for a narrow class of marks—those highly distinctive marks that “have, from the very beginning, been associated in the public mind with a particular product, not with a variety of products.”⁴³⁵ In his view, only these marks were vulnerable to “vitiation or dissociation from the particular product in connection with which [they had] been used.”⁴³⁶ Notwithstanding this pronouncement, it took only 70 years and an organized trademark lobby to convert the dilution doctrine into a broad remedy for a broad class of marks—the product of which is a bonanza for trademark owners, most of whom have not given any thought to whether their marks say anything in *product* terms.

Unless the trademark law is to become an instrument merely to “keep abreast of and to serve the needs of modern business,”⁴³⁷ the actors who make and interpret that law must stop surrendering to demands for “more rights”—each of which, when granted, changes the very nature of the trademark. “There was a time, not too long ago, when most brands were singular symbols that stood for discrete products or services”⁴³⁸ and when trademark rights were defined so as to balance the interests of trademark owners, consumers, and even “trademark users” (often known as “defendants”) alike. When it comes to dilution, courts can restore this balance by confining the dilution remedy to the narrow class of marks (those “singular symbols”) for which Schechter intended it. In 1927, Schechter urged the law to preserve the trademark value that he termed “uniqueness.” These 75 years later, the only way to do so is to assign wages to the “sin” of ubiquity.

⁴³⁵ Schechter, *Rational Basis*, *supra* note 8, at 829.

⁴³⁶ *Id.* at 825.

⁴³⁷ *See id.* at 813.

⁴³⁸ AAKER, BUILDING, *supra* note 287, at 240.