

Search and Persuasion in Trademark Law

Barton Beebe[†]

Abstract

Trademark commentary and case law has long been concerned with the likelihood of two modes of harm: the likelihood of consumer *confusion*, i.e., the probability that consumers will confuse similar marks, and the likelihood of consumer *delusion*, i.e., the probability that strong marks will alter through their persuasive power consumers' preferences. In an effort to expand the *scope* of trademark protection, trademark apologists (and plaintiffs) tend to argue that there is a high likelihood of consumer confusion. Nevertheless, in an effort to defend the *basis* of trademark protection, apologists tend to argue that there is a low likelihood of consumer delusion. Trademark restrictionists (and defendants) do the inverse. In an effort to contract the *scope* of protection, they tend to argue that consumers are not easily confused, but in an effort to attack the *basis* of protection, they tend to argue that consumers are easily deluded.

This Article seeks to analyze these tensions, both doctrinal and ideological, in the trademark literature. To do so, the Article draws upon social science research in consumer behavior to urge the adoption of two conceptions of consumer sophistication: "search sophistication" and "persuasion sophistication." In analyzing these two conceptions of consumer sophistication, the Article proposes a simple, if partial, explanation for the historic expansion of trademark scope: that it is largely the result of trademark producers' willingness to assume the search costs of consumers, because, in assuming such costs, producers also garner the means to generate persuasion. Because trademark rights are essentially circular in nature, and because trademark law, a system of instrumental reason, possesses no normative inertia of its own, the law has done little more than subserve this expansionary trend. The result has been the fall of the "sovereign consumer" and the rise of the "sovereign trademark."

[†] Assistant Professor of Law, Benjamin N. Cardozo School of Law, Yeshiva University. Many thanks to Bob Brauneis, Julie Cohen, Dan Crane, Justin Hughes, Arthur Jacobsen, John McGinnis, and Amrit Singh for comments made on earlier drafts. The Article greatly benefited from presentations made to the University of Michigan Law School Intellectual Property Workshop, the George Washington University Law School Intellectual Property Speakers Series, and the Cardozo Law School Junior Faculty Workshop. Comments welcome: barton@bartonbeebe.com.

| | |
|---|----|
| I. INTRODUCTION: THE SOVEREIGN AND THE FOOL..... | 3 |
| II. THE MEANING OF TRADEMARK “DISTINCTIVENESS” | 7 |
| A. “Distinctiveness” as “Source Distinctiveness” | 9 |
| B. “Distinctiveness” as “Differential Distinctiveness” or “Strength” | 11 |
| C. Trademark “Distinctiveness” and Trademark Scope | 12 |
| III. SEARCH SOPHISTICATION AND TRADEMARK SCOPE..... | 15 |
| A. Search Sophistication and the Search Sophistication Curve..... | 15 |
| B. Self-Positioning on the Search Sophistication Curve | 19 |
| IV. PERSUASION SOPHISTICATION AND TRADEMARK SCOPE..... | 22 |
| A. Differential Distinctiveness and Persuasion | 23 |
| B. Persuasion Sophistication and the Persuasion Sophistication Curve..... | 26 |
| C. Self-Positioning on the Persuasion Sophistication Curve..... | 30 |
| V. THE RELATION BETWEEN SEARCH SOPHISTICATION AND PERSUASION SOHISTICATION..... | 34 |
| A. Persuasion and the Politics of Trademark Critique..... | 35 |
| 1. The Tensions in the Restrictionist Account of Persuasion..... | 35 |
| 2. The Tensions in the Apologist Account of Persuasion..... | 36 |
| 3. The “Cultural Populist” Strain in Trademark Commentary | 38 |
| B. The Relation Between Search Sophistication and Persuasion Sophistication..... | 39 |
| 1. The “Schizoid” Consumer..... | 40 |
| 2. Persuasion Within Information..... | 42 |
| C. The Dynamic Driving the Expansion of Trademark Scope..... | 44 |
| VI. CONCLUSION: THE SOVEREIGN TRADEMARK | 47 |

I. INTRODUCTION: THE SOVEREIGN AND THE FOOL

The consumer, we are led to believe, is the measure of all things in trademark law. Trademarks exist only to the extent that consumers perceive them as designations of source. Infringement occurs only to the extent that consumers perceive one trademark as referring to the source of another. The most “intellectual” of the intellectual properties, trademarks are a property purely of consumers’ minds.¹ The simple idealist ontology² underlying trademark law is largely responsible for the law’s characteristic instability. Since 1992, the Supreme Court has considered—and in some cases, reconsidered—seven trademark cases.³ The Court’s copyright cases garner the media and celebrity attention,⁴ but it is the trademark cases that most clearly express the unsteady state, the *entre deux temps* condition, of

¹ See Jerre B. Swann, David A. Aaker & Matt Reback, *Trademarks and Marketing*, 91 TRADEMARK REP. 787, 804 (2001) (“Brands, quite literally, are ‘hostages’ in the minds of consumers, and are thus inherently fragile.”); Jacob Jacoby, *The Psychological Foundations of Trademark Law: Secondary Meaning, Genericism, Fame, Confusion and Dilution*, 91 TRADEMARK REPORTER 1013, 1013 (2001) (“Without question, United States trademark law focuses upon consumer psychological states of mind and processes.”); Richard L. Kirkpatrick, *Forward*, in LIKELIHOOD OF CONFUSION IN TRADEMARK LAW, at xx (PLI 2000) (“[T]rademarks are intellectual or psychological in nature. It follows that the question of trademark infringement is primarily one of the psychology—cognitive and behavioral—of consumers. A mark infringes when it is likely to cause a mental state of confusion in an appreciable number of consumers.”). Cf. *Scandia Down Corp. v. Euroquilt, Inc.*, 772 F.2d 1423, 1430 (7th Cir. 1985) (Easterbrook, J.) (“The value of a trademark is in a sense a ‘hostage’ of consumers; if the seller disappoints the consumers, they respond by devaluing the trademark.”); MARGARET JANE RADIN, REINTERPRETING PROPERTY 191-202 (discussing the double meaning of “property” as expressive of a “deep fissure in liberal ideology”).

² See Wolfgang Grassl, *The Reality of Brands: Towards an Ontology of Marketing*, 58 AM. J. ECON. & MARKETING 313, 316 (1999) (“All views that regard brands as rooted in the perception of consumers may be collectively classified as idealist conceptions of branding. . . . It follows from this view that any product can potentially be branded or, in an operationalist formulation, that the conditions for a product to become a brand reside not in product space but depend only on marketing management. To be a brand, then, ultimately means to be perceived or known to be a brand or to have been forged into a brand.”).

³ See *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. ___ (2004), *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 123 S. Ct. 2041, 156 L. Ed. 2d 18 (U.S. 2003); *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003); *TrafFix Devices, Inc. v. Market Displays, Inc.*, 532 U.S. 23 (2001); *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205 (2000); *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995); and *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992). *TrafFix Devices* substantially rewrote *Qualitex*, see *TrafFix Devices*, 532 U.S. at 32-34, while *Wal-Mart Stores* significantly complicated our understanding of *Two Pesos*. See *Wal-Mart Stores*, 529 U.S. at 215 (distinguishing the mysterious “*tertium quid*” at issue in *Two Pesos*).

The situation before the European Court of Justice is little better. See S.M. Maniatis, *Whither European Trade Mark Law? Arsenal and Davidoff: The Creative Disorder Stage*, 7 MARQ. INTEL. PROP. L. REV. 99 (2003); Sebastien J. Evrard, *Trademark Law in the European Union: An Overview of the Case Law of the Court Of Justice and the Court Of First Instance (1997-2001)*, 9 COLUM. J. EUR. L. 175 (2002).

⁴ See *Eldred v. Ashcroft*, 537 U.S. 186 (2003); *N.Y. Times Co. v. Tasini*, 533 U.S. 483 (2001); and *Campbell v. Acuff-Rose Music*, 510 US 569 (1994).

current American intellectual property law. There is a reason for this. Trademark law is arguably the hardest of the intellectual property laws to think, and its outcomes when applied to facts are the hardest to predict. This is because it requires a form of what John Keats called “negative capability,”⁵ the capability, more specifically, to think *through* the consumer and see the marketplace only as the consumer sees it.⁶

From the beginning, trademark law has sought to resist the negative capability called for by its underlying idealism. It has sought to limit the dependence of the object of the law, the trademark, on the vagaries of the subject of the law, the consumer. In doing so, the law has embraced an “ideal type”⁷ of the subject. Just as copyright doctrine has based itself upon a largely mythical “author construct,”⁸ so trademark doctrine has based itself upon a largely mythical “consumer construct.” Where the former describes an impossibly romantic producer, however, the latter describes an impossibly utilitarian consumer. Both figures are conceived of as sovereigns, that is to say, as egoists, but where the “sovereign author” is inspired, even capricious in her egoism, the “sovereign consumer” is a utility-maximizing agent of unbounded rational choice.⁹ By means of “the

⁵ Keats defined “negative capability” variously. Compare JOHN KEATS, LETTERS OF JOHN KEATS 43 (Robert Gittings ed., 1970) (defining “negative capability” as “an ability to remain in mysteries, uncertainties, and doubts, without any irritable reaching after fact or reason”) with ID. at 157 (“A poet is the most unpoetical of any thing in existence, because he has no identity, he is continually in for—and filling—some other body. The sun, the moon, the sea, and men and women who are creatures of impulse, are poetical, and have about them an unchangeable attribute; the poet has none, no identity—he is certainly the most unpoetical of all God’s creatures.”). Cf. Daniel Markovits, *Legal Ethics From the Lawyers’ Point of View*, 15 YALE J. L. & HUM. 209, 272 (2003) (drawing on the notion of “negative capability” to analogize the lawyerly and the poetic).

⁶ See generally Graeme W. Austin, *Trademarks and the Burdened Imagination*, 69 BROOKLYN L. REV. 827 (2004). Cf. MICHEL DE CERTEAU, THE PRACTICE OF EVERYDAY LIFE 33 (discussing the “enigma of the consumer sphinx”).

⁷ See MAX WEBER, THE METHODOLOGY OF THE SOCIAL SCIENCES 89-95 (E. Schils & H. Finch trans., 1949) (discussing the “ideal type”). See also JOHN PATRICK DIGGINS, MAX WEBER: POLITICS AND THE SPIRIT OF TRAGEDY 123 (1996) (defining Weberian “ideal types” as “heuristic categories that serve the purpose of posing questions and clarifying concepts. Ideal types are meant to be exaggerated simplifications of the complexity of historical data so that behavior may be analyzed in view of its approximations or deviations from the model or ‘ideal,’ that is, its complete attributes”).

⁸ See generally THE CONSTRUCTION OF AUTHORSHIP: TEXTUAL APPROPRIATION IN LAW AND LITERATURE (Martha Woodmansee & Peter Jaszi eds., 1994). See also JAMES BOYLE, SHAMANS, SOFTWARE, & SPLEENS (1996). But see Mark A. Lemley, *Romantic Authorship and the Rhetoric of Property*, 75 TEX. L. REV. 873 (1997) (reviewing JAMES BOYLE, SHAMANS, SOFTWARE, & SPLEENS and criticizing the authorship hypothesis).

⁹ See Douglas A. Kysar, *The Expectations of Consumers*, 103 COLUM. L. REV. 1700, 1747-61 (2003) (discussing the concept of consumer sovereignty in the context of consumer expectations doctrine in tort law). See also J. Thomas McCarthy, *Compulsory Licensing of a Trademark: Remedy or Penalty?*, 67 TRADEMARK REP. 197, 250 (1977) (“To an economist who accepts the Marshallian economic model, irrational consumer decisions upset an ordered world of economic models peopled by consumers who resemble the character ‘Mr. Spock’ on the television series ‘Star Trek.’” (footnote omitted)). Cf. Joseph P. Liu, *Copyright Law’s Theory of the Consumer*, 44 B.C. L. REV. 397 (2003) (discussing conceptions of the consumer in copyright thinking).

mechanical procedure of search,”¹⁰ which trademarks are said to facilitate, she satisfies exogenously determined preferences, on which trademarks are said to have no effect. Her psychology is understood to be predictable, administrable, and ultimately ameliorative. The sovereign consumer is the antithesis of and eliminates the need for negative capability.

Trademark law remains firmly rooted in the concept of the sovereign consumer notwithstanding a long tradition of dissent and reaction within trademark commentary, and the recent upsurge, more generally, of the behavioral tradition in economics and now in law.¹¹ For at least the half century since Ralph Brown’s *Advertising and the Public Interest*,¹² restrictionist trademark commentary has charged, often quite comically, that the consumer is not so much the sovereign as the fool, the “Pavlovian”¹³ stooge of the advertising industry. Restrictionists have sought thereby to dethrone the sovereign in trademark as others have sought the “death of the author” in copyright.¹⁴ Trademark apologists, primarily scholar-practitioners or academics of the law and economics tradition, have countered that the consumer is not nearly so gullible. Two decades ago, in *Trademark Law: An Economic Perspective*,¹⁵ William Landes and Richard Posner dismissed “the power of brand advertising to bamboozle the public and thereby promote monopoly.”¹⁶ Citing “economics,”¹⁷ Landes and Posner argued that consumers rely on trademarks as informational devices and nothing more. This debate has also played out in appellate case law. Judges of the Seventh Circuit typically remain committed to the concept of

¹⁰ Donald McCloskey & Arjo Klamer, *One Quarter of GDP Is Persuasion*, 85 AEJ PAPERS & PROC. 191, 191 (1995). On the dichotomy between copyright’s romantic author and trademark’s utilitarian consumer, consider COLIN CAMPBELL, *THE ROMANTIC ETHIC AND THE SPIRIT OF MODERN CONSUMERISM* 36-57 (1989).

¹¹ See generally Christine Jolls, Cass R. Sunstein, Richard Thaler, *A Behavioral Approach to Law and Economics*, 50 STAN. L. REV. 1471 (1998). For a survey of behavioral research, see Jon D. Hanson & Douglas A. Kysar, *Taking Behavioralism Seriously: The Problem of Market Manipulation*, 74 N.Y.U. L. REV. 630, 640-693 (1999).

¹² Ralph S. Brown, Jr., *Advertising and the Public Interest: Legal Protection of Trade Symbols*, 57 YALE L.J. 1165, 1182 (1948) (“The classical economists who enthroned the consumer never dreamed that he would make his decisions under a bombardment of stupefying symbols.”).

¹³ Glynn S. Lunney, Jr., *Trademark Monopolies*, 48 EMORY L.J. 367, 428 (1999).

¹⁴ See, e.g., Lionel Bently, *Copyright and the Death of the Author in Literature and Law*, 57 MOD. L. REV. 973 (1994). See also Roland Barthes, *The Death of the Author*, in *IMAGE-MUSIC-TEXT* 142, 146 (Stephen Heath trans., 1977) (“The text is a tissue of quotations drawn from the innumerable centres of culture.”).

¹⁵ William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & ECON. 265 (1987), revised and reprinted in WILLIAM M. LANDES & RICHARD A. POSNER, *THE ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY LAW* 166 (2004).

¹⁶ *Id.* at 270.

¹⁷ *Id.* (“The short answer to these arguments is that they have gained no foothold at all in trademark law, as distinct from antitrust law. . . . A longer answer, which we shall merely sketch, is that the hostile view of brand advertising has been largely and we think correctly rejected by economics.”). In the revised book-chapter version of the article, this passage does not appear. See LANDES & POSNER, *supra* note ___, at 173-74.

the sovereign.¹⁸ Judges of the Second¹⁹ and Ninth Circuits²⁰ have, on occasion, been especially solicitous of the fool.

I do not intend in what follows to take sides in this debate. Rather, my purpose here is to expose and analyze the inconsistent uses that have been made of the sovereign and the fool in trademark advocacy and adjudication. The sovereign consumer has proven to be a double agent in the commentary and the case law. He serves one master, namely, the trademark apologist, in theoretical disputes over the *basis* of trademark protection and another, the restrictionist, in disputes over the *scope* of that protection. The rational consumer may justify the protection of trademarks for their informational content, but, in his perspicacity, he also justifies a narrow scope of protection as against other similar marks. The consumer as fool is a similarly double-edged construct. His susceptibility to the persuasive content of trademarks undermines the basis of trademark protection, but his lack of discernment also recommends a wide scope of protection when protection is given. The result is that trademark apologists—and plaintiffs—tend to adduce the sovereign when they speak of the basis of protection and the fool when they speak of the scope. Trademark restrictionists—and defendants—do the reverse. They adduce the fool when they speak of the basis, and the sovereign when they speak of the scope. Both camps thus suffer from, at the same time that they seek to exploit, what amounts to a dialectic in trademark theory, in which information and persuasion each contain within each other the countervailing force of the other.

¹⁸ See, e.g., *Rogers v. Keane*, 778 F.2d 334, 338 (7th Cir. 1985) (Posner, J.) (“The purpose [of trademark protection] is to reduce the cost of information to consumers by making it easy for them to identify the products or producers with which they have had either good experiences, so that they want to keep buying the product (or buying from the producer), or bad experiences, so that they want to avoid the product or the producer in the future.”).

¹⁹ See, e.g., *G.H. Mumm Champagne v. Eastern Wine Corporation*, 142 F.2d 499, 501 (2d Cir. 1944) (Hand, J.). Judge Hand explains:

Champagne is a wine especially cherished by those who seek to impress their associates with their opulence and munificence; to many its consumption is an envied mark of luxury and social importance. Those who covet a name for taste and elegance, do indeed affect discrimination in the recognition of various brands; but, especially as an evening wears on, the label, and only a very casual glance at the label, is quite enough to assure the host and his table that he remains as freehanded and careless of cost as when he began. At such stages of an entertainment nothing will be easier than for an unscrupulous restaurant keeper to substitute the domestic champagne.

Id. See also *Smith v. Chanel*, 402 F.2d 562, 567 (2d Cir. 1968) (discussing the possibility that “economically irrational elements are introduced into consumer choices” by brand advertising).

²⁰ See, e.g., *International Order of Job's Daughters v. Lindeburg & Co.*, 633 F.2d 912, 918 (9th Cir. 1980) (recognizing that “[w]e commonly identify ourselves by displaying emblems expressing allegiances. Our jewelry, clothing, and cars are emblazoned with inscriptions showing the organizations we belong to, the schools we attend, the landmarks we have visited, the sports teams we support, the beverages we imbibe.”); and *Stork Restaurant v. Sahati*, 166 F.2d 348, 359 (9th Cir. 1948) (“It may well be true that a prudent and worldly-wise passerby would not be so deceived. The law, however, protects not only the intelligent, the experienced, and the astute. It safeguards from deception also the ignorant, the inexperienced, and the gullible.”).

These tensions persist unrecognized in the commentary and continue to muddle outcomes in the courts because trademark law lacks a well-developed theory of the consumer and, specifically, of “consumer sophistication.” This Article seeks to move beyond these contradictions by drawing on economic and social science literature to conceptualize two distinct forms of consumer sophistication: “search sophistication,” which describes the consumer’s capacity during search to distinguish between similar trademark uses, and “persuasion sophistication,” which describes the consumer’s capacity during search or otherwise to resist the persuasive appeal of trademark distinctiveness. While search sophistication thus bears upon the likelihood of consumer *confusion* in search, persuasion sophistication bears upon the likelihood of consumer *delusion* in preference formation

Part II prepares the ground by analyzing the workings of the most ambiguous and also the most important concept in all of trademark doctrine: “distinctiveness.” Part III sets out the concept of search sophistication and shows how commentators and litigants seek to profit by it. Part IV considers the relation between trademark distinctiveness and persuasion and introduces into trademark commentary the notion of persuasion sophistication. The Part then shows how the concept is manipulated in the commentary and the case law. Having considered apologist and restrictionist positions on search sophistication in isolation from their positions on persuasion sophistication, I consider, in Part V, each school’s positions together. Here, my concern is to analyze not the antitheses *between* the schools, but the antitheses *within* them. These are shown to be analogous to tensions within Left and Right critiques of consumption and consumer society more generally. The Part then proposes a simple, if partial, explanation for the historic expansion of trademark scope. Trademark producers compete to assume the search costs of consumers, for in doing so, they also garner the means of persuasion. Because trademark property rights are essentially circular in nature, and because trademark law is an essentially descriptive enterprise, the law has done little more than subserve this expansionary trend. As currently expounded, trademark law possesses no normative inertia of its own, no inbuilt rationale other than to do whatever it does more efficiently. The result, as Part VI concludes, has been the rise of the “sovereign trademark.”

II. THE MEANING OF TRADEMARK “DISTINCTIVENESS”

In the trademark literature, courts and commentators routinely invoke without discussion the concept of “distinctiveness,” yet it has never been

altogether clear what is meant by the term. The Lanham Act's definition, to the extent it provides one, is essentially circular,²¹ as is the Supreme Court's.²² The leading circuit split in trademark law, over the issue of whether a mark must be inherently distinctive in order to qualify for federal antidilution protection under Section 43(c) of the Act, is essentially a split over the meaning of the term "distinctive" in that section.²³ A recently proposed amendment to Section 43(c) promises to resolve this split,²⁴ but also threatens to create a new one, now by defining "dilution by blurring" as an "association" between defendant's and plaintiff's mark that "impairs the distinctiveness" of the latter.²⁵ What it means to "impair. . . distinctiveness" is nowhere specified. The few circuit court opinions that have sought to analyze the concept have only complicated matters further.²⁶ Meanwhile, the dominant law-and-economic account of trademark law, otherwise totalizing in its ambition, steers clear of any discussion of the term. If even the most established theoretical edifices hide a "dangerous

²¹ The Lanham Act provides no direct definition of the term. However, section 43(c)(1) of the Act enjoins "dilution of the distinctive quality of the mark," 15 U.S.C. § 1125(c)(1), while under Section 45 of the Act, "'dilution' means the lessening of the capacity of a famous mark to identify and distinguish goods or services," 15 U.S.C. § 1127. Reading these two sections together, we are left to infer that to the extent that it is the mark's "distinctive quality" that is diluted, then distinctiveness describes the mark's "capacity . . . to identify and distinguish goods or services."

²² *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 769 (1992) ("The general rule regarding distinctiveness is clear: an identifying mark is distinctive and capable of being protected if it *either* (1) is inherently distinctive or (2) has acquired distinctiveness through secondary meaning." (emphasis in original)).

²³ Compare *TCPIP Holding Co., Inc. v. Haar Communications, Inc.*, 244 F.3d 88, 98 (2d Cir. 2001) ("[N]on-distinctive, descriptive marks do not qualify for the [FTDA]'s protection, even if famous"), and *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208, 216 (2d Cir. 1999) ("It is quite clear that the statute intends distinctiveness, in addition to fame as an essential element."), with *Times Mirror Magazines, Inc. v. Las Vegas Sports News, L.L.C.*, 212 F.3d 157, 166-67 (3d Cir. 2000) (analyzing the degree of acquired distinctiveness of a non-inherently distinctive mark to determine whether the mark qualifies for protection under the FTDA); *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 877 (9th Cir. 1999) (same); and *I.P. Lund Trading ApS v. Kohler Co.*, 163 F.3d 27, 45 (1st Cir. 1998) ("[T]he [FTDA] applies to a famous 'mark' and does not restrict the definition of that term to names or traditional marks. In the absence of such a restriction, the Act applies to all types of marks recognized by the Lanham Act, including marks derived from product designs.").

²⁴ On February 9, 2005, Rep. Lamar Smith, the Chairman of the House Judiciary Committee's Subcommittee on Courts, the Internet and Intellectual Property (CIIP), introduced the "Trademark Dilution Revision Act of 2005" (TDRA). H.R. 683. The TDRA, which is expected to pass, will amend Section 43(c) of the Lanham Act to provide antidilution protection to "the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness." H.R. 683 § 2.

²⁵ H.R. 683 § 2.

²⁶ For example, in *Ringling-Bros.-Barnum & Bailey Combined Shows, Inc., v. Utah Div. of Travel Development*, 170 F.3d 449 (4th Cir. 1999), the Fourth Circuit spoke of a mark's "distinctiveness" as such, in the narrow sense of its singularity as a word symbol," *id.* at 459, as opposed to its "selling power." *Id.* at 456. In contrast, Judge Bright's dissent in *Anheuser-Busch, Inc. v. Stroh Brewery Co.*, 750 F.2d 631, 648 (8th Cir. 1984) (Bright, J., dissenting) distinguishes between a mark's "distinctiveness," on the one hand, and its "source-identifying capacity," on the other. *Id.*

supplement,”²⁷ an area of deconstructive ambiguity and ambivalence that threatens to bring down the temple upon it, what is remarkable about trademark doctrine is that this dangerous supplement stands hidden in plain sight. “Distinctiveness,” that “crucial trademark concept,”²⁸ is as close as the doctrine comes to an “inarticulate sound.”²⁹

In an effort to bring order to the concept, I have elsewhere offered a lengthy analysis of trademark distinctiveness from the perspective of semiotic and linguistic theory.³⁰ I will happily spare the reader such an analysis here. To explain the relation between trademark distinctiveness and commercial information and persuasion, however, I must briefly review some of the doctrinal implications of that analysis. The most important of these is that distinctiveness is merely a general term which trademark lawyers have long used to refer indiscriminately—and apparently unwittingly—to one or the other of two very different species of distinctiveness. The first is *source distinctiveness*, which a trademark must possess to fall within the *subject matter* of trademark protection. The second and more important is *differential distinctiveness*, the extent of which prescribes the *scope* of trademark protection when protection is given. This is the form of distinctiveness that trademark lawyers have in mind when they speak of trademark “strength.” The difference between these two forms of distinctiveness is crucial, not only for purposes of properly understanding and applying trademark doctrine, but also for purposes of understanding how it is that trademarks generate and trademark law regulates persuasion.

A. “Distinctiveness” as “Source Distinctiveness”

The problem with the concept of trademark distinctiveness begins with the Lanham Act’s definition of the trademark: “The term ‘trademark’ includes any word, name, symbol, or device, or any combination thereof . . . used by a person . . . to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate the source of the goods.”³¹ This definition conflates two very different functions of the trademark: first, to “indicate” the source of goods, which has very little to do with persuasion, and second, to “distinguish” those goods from others’

²⁷ See JACQUES DERRIDA, OF GRAMMATOLOGY 141-64 (Gayadri Chakravorky Spivak trans. 1976).

²⁸ PF Brands v. Nabisco, 191 F.3d 208, 215 (1999) (Leval, J.).

²⁹ LUDWIG WITTGENSTEIN, PHILOSOPHICAL INVESTIGATIONS 261 (G.E.M. Anscombe trans., 1958) (“So in the end when one is doing philosophy one gets to the point where one would like just to emit an inarticulate sound.”).

³⁰ See Beebe, *supra* note ____.

³¹ 15 U.S.C. § 1127.

goods, which has everything to do with persuasion.³² I consider here for the moment the first, and increasingly obsolete,³³ function of the trademark.

To receive protection, a trademark must be distinctive of source. We say that a trademark is distinctive of source if it is recognized by consumers as a designation of the source of the product to which it is affixed rather than as, say, a decoration on or a description of that product. Certain trademarks are *inherently* source distinctive, typically those which bear no semantic relation to the product to which they are affixed. As a matter of consumer literacy, when we see the word “camel” printed on a pack of cigarettes or the image of a once-bitten apple affixed to the side of a computer, we make sense of these signs as designations of source. We need not be told that they are trademarks. They explain themselves.³⁴ Such inherently source-distinctive marks qualify for federal trademark protection from the moment they are used in commerce.

Not all trademarks are inherently source distinctive, however. When first seen, many marks may be understood to be descriptive or decorative of the products to which they are affixed—*e.g.*, AMERICAN AIRLINES, NBA, three stripes on the side of athletic shoes. Nevertheless, consumers recognize them as trademarks because, over time, they have *acquired* source distinctiveness. While their primary, literal meaning may be descriptive or decorative, their “secondary,” figurative meaning to consumers is that they denote source or origin.³⁵ Otherwise descriptive or decorative insignia acquire “secondary meaning” as source-identifiers through commercial use and promotion, and upon acquiring such secondary meaning, qualify for trademark protection.

When we speak of trademark “distinctiveness” in this context, then, we are speaking of the semantic *meaning* of the mark, its semiotic “signification.” A mark is distinctive *of* a source in the sense that it functions to *refer* to or “indicate” a source.³⁶

³² See Kevin J. Clancy & Jack Trout, *Brand Confusion*, HARVARD BUS. REV., Mar. 2002, at 3 (“A loud reminder needs to come from the top that without a clear differentiating idea attached to a brand, all you’re left with to motivate buyers is price. But your competitors can cut prices, too, so without strong branding, prices will fall, as will profits.”).

³³ See Swann, Aaker & Reback, *supra* note __, at 793 (“Source, for many experience goods, is not merely anonymous; it is irrelevant and can be counterproductive.”).

³⁴ See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 13, cmt. b (1995) (“Certain designations by their nature are likely to be perceived by prospective purchasers as symbols of identification that indicate an association with a particular source, whether known or anonymous. These designations are ‘inherently distinctive.’”).

³⁵ See *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 769 (1992) (“Marks which are merely descriptive of a product are not inherently distinctive. When used to describe a product, they do not inherently identify a particular source, and hence cannot be protected. However, descriptive marks may acquire the distinctiveness which will allow them to be protected under the [Lanham] Act . . . This acquired distinctiveness is generally called ‘secondary meaning.’”).

³⁶ See Beebe, *supra* note __, at 669-71.

B. “Distinctiveness” as “Differential Distinctiveness” or “Strength”

As perceived by a given consumer, a trademark either is or is not source distinctive; it either qualifies for protection or it does not. The difference between the mark which is source distinctive and the mark which is not is a difference of kind, not degree.³⁷ Nevertheless, trademark lawyers regularly speak of one trademark as being more “distinctive” or “stronger” than another. They do not mean by this that one mark “means” more than another. This makes no more sense than suggesting that my name refers to me more than my colleague’s name refers to her. Rather, when trademark lawyers speak of comparative distinctiveness, of strength, they are speaking of a mark’s distinctiveness *from* other marks—a name is distinctive *of* a person, but it is also more or less distinctive *from* other names. In addition to conveying distinctiveness of source, a trademark also conveys, in the language of marketing, “brand differentiation,”³⁸ or, as I am calling it here for reasons specific to trademark doctrine, “differential distinctiveness.” In short, a mark not only signifies or stands for something; it also sets that something more or less apart.

Differential distinctiveness refers, then, to the uniqueness or singularity of the mark, to the degree to which it stands out from the crowd of competing signs in the marketplace, to its “salience.”³⁹ Trademark law has traditionally held, perhaps incorrectly,⁴⁰ that marks which are inherently source distinctive possess an inbuilt degree of differential distinctiveness; inherently source distinctive marks are said to be inherently strong (a good example is YAHOO!, a bad example is SCANTICON). Inherently source distinctive marks acquire further differential distinctiveness in the same way that non-inherently source distinctive marks acquire both source

³⁷ Cf. Jacob Jacoby, *The Psychological Foundations of Trademark Law: Secondary Meaning, Genericism, Fame, Confusion and Dilution*, 91 TRADEMARK REPORTER 1013, 1031 (2001). Jacoby writes:

Recognize that these [poles corresponding to ‘possesses secondary meaning’ and ‘does not possess secondary meaning’] are the only two states that exist in a lay consumer’s mind. Unless they are trademark attorneys, consumers care not whether something is arbitrary, fanciful, suggestive, descriptive, or generic. Their cognitive networks simply tell them that the combination of features in the external environment either does or does not signify an item that they associate with a particular source.

Id.

³⁸ See, e.g., William J. McEwen, *Differentiate or Die: Resisting the Lure of Me-Too Marketing*, GALLUP MGMT. J., Jan. 15, 2001; William J. McEwen, *Building Brand Differentiation*, GALLUP MGMT. J., June 26, 2000.

³⁹ See generally COLIN McDONALD, HOW ADVERTISING WORKS: A REVIEW OF CURRENT THINKING (1992). For a different usage of the term “salience” with respect to brands, see Andrew Ehrenberg, Neil Barnard & John Scriven, *Differentiation or Salience*, J. ADVERTISING RES., Nov/Dec 1997, at 7 (defining brand “salience” as the degree to which consumers “feel positive” about a brand).

⁴⁰ I have elsewhere argued against the assumption that inherently distinctive marks are inherently “strong.” See Beebe, *supra* note __, at 672-74.

distinctiveness and differential distinctiveness: through commercial use and promotion.⁴¹ Be they inherently distinctive *of* source or not, trademarks ultimately set themselves apart as distinctive *from* other commercial signs through the acquisition of “fame”⁴² and connotation in the marketplace.

When we speak of distinctiveness in this context, we are not speaking of reference, of the equation of a sign with a meaning, of a mark with a source. Rather, we are speaking of *difference*, of semiotic “value,” of the opposition of one sign as against all other signs in a sign system.⁴³ Differential distinctiveness and source distinctiveness are closely related, but they are not the same.⁴⁴ For example, a mark that is highly distinctive from other marks (e.g., YAHOO!, NIKE) will also likely have achieved wide recognition as a designation of source, but a mark that is widely recognized as a designation of source (e.g., ACME, SUMMIT) may not be particularly distinctive from other marks. It is thus not correct to define trademark “distinctiveness,” as many courts do, as simply “the degree to which [the mark] indicates the source or origin of the product.”⁴⁵ To do so conflates the issue of whether or not the mark “indicates” source with the issue of the “degree” to which the mark is distinctive from other marks in the marketplace. It conflates a distinction of kind with a distinction of degree.

To explain one important practical implication of the difference between these two forms of distinctiveness, I turn now to a consideration of the workings of trademark scope.

C. Trademark “Distinctiveness” and Trademark Scope

In a trademark infringement inquiry, we apply the apparatus of trademark doctrine to determine the answer to two overriding questions: first, is plaintiff’s mark worthy of protection, and if so, second, does defendant’s mark infringe plaintiff’s mark? To determine whether the plaintiff’s mark is worthy of protection, we ask whether or not it is perceived by consumers as a designation of source. If we find that it is, we then ask to what extent it is perceived by those consumers as distinctive from other marks, as salient in the marketplace. The reason we do so is that

⁴¹ See *Nora Beverages, Inc. v. Perrier Group of America, Inc.*, 269 F.3d 114, 123 (2d Cir. 2001) (“Even an inherently distinctive mark can, in its commercial context, lack strength as a mark.”).

⁴² For purposes of trademark law, “fame” describes the degree of renown or notoriety of the mark in the marketplace. See MCCARTHY, *supra* note __, at § 24:92.

⁴³ See Beebe, *supra* note __, at 672-74.

⁴⁴ A consideration of speech act theory did not seem necessary in this paper; in fact, it seemed counterproductive. Even so, one is tempted to draw parallels between, on the one hand, the difficulty trademark law has experienced in distinguishing source distinctiveness from differential distinctiveness, and, on the other, the difficulty J.L. Austin experienced in distinguishing locution from illocution. See generally J.L. AUSTIN, *HOW TO DO THINGS WITH WORDS* (1975); JOHN R. SEARLE, *SPEECH ACTS: AN ESSAY IN THE PHILOSOPHY OF LANGUAGE* (1988).

⁴⁵ *Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d 1033, 1045 (2d Cir. 1992).

stronger, more differentially distinctive marks are given a wider scope of protection than weaker, less distinctive marks.⁴⁶ Trademark law, and the marketing literature with it, has long recognized that the more distinctive a trademark is from other marks, the greater is consumers' "awareness"⁴⁷ of it, the more immediately "accessible"⁴⁸ it is in their memory. If a new mark appears that is similar to a preexisting and otherwise highly accessible mark, consumers are more likely to mistake that new mark for the mark they already know, i.e., to perceive the two marks as identical (which I will call "identity confusion").⁴⁹ This problem is exacerbated by consumers' tendency to devote less attention to the process of search when they are searching for what they consider to be a familiar brand.⁵⁰ Alternatively, having successfully distinguished the new mark from the old, consumers may nevertheless infer incorrectly that, in light of their similarities, the two marks originate from and designate the same source (which I will call "inferential confusion").⁵¹ For example, a consumer may correctly perceive that a highly distinctive mark such as AMERICAN AIRLINES is not identical

⁴⁶ See, e.g., *Ameritech, Inc. v. American Information Technologies Corp.*, 811 F.2d 960, 966 (6th Cir. 1987) ("[T]he stronger a trademark, the greater the protection afforded."); *SquirtCo v. Seven-Up Co.*, 628 F.2d 1086, 1091 (8th Cir. 1980) ("[A] strong and distinctive trademark is entitled to greater protection than a weak or commonplace one"). See also *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc.*, Case C-39/97, 1998 E.C.R. I-5507, para. 18 ("Since protection of a trade mark depends, in accordance with Article 4(1)(b) of the [EU Trademark] Directive, on there being a likelihood of confusion, marks with a highly distinctive character, either per se or because of the reputation they possess on the market, enjoy broader protection than marks with a less distinctive character.").

⁴⁷ See generally DAVID A. AAKER, *MANAGING BRAND EQUITY: CAPITALIZING ON THE VALUE OF A BRAND NAME* (1991) (defining brand "awareness" as the strength of a brand's presence in consumers' minds).

⁴⁸ See KEVIN LANE KELLER, *STRATEGIC BRAND MANAGEMENT: BUILDING, MEASURING, AND MANAGING BRAND EQUITY* 105 (1998) ("When a stimulus node (a brand, an attribute, etc.) is activated, associations that are stronger are those more likely to 'come to mind' and to do so more quickly. Connections that are weaker and distal are less likely to result in ready recollection."). See also Jacoby, *supra* note __, at 1035 (strong brands have stronger "associative links" in consumers' cognitive networks and are thus more easily called to mind by similar marks); Jerre B. Swann, Sr., David A. Aaker & Matt Reback, *Trademarks and Marketing*, 91 TRADEMARK REPORTER 787, 822 (2001) ("[A] symbol, and sets of attributes/associations keyed to that symbol . . . are likely to be evoked in direct proportion to their strength.").

⁴⁹ Jacoby refers to this form of confusion as "item confusion." See Jacoby *The Psychological Foundations of Trademark Law: Secondary Meaning, Genericism, Fame, Confusion and Dilution*, 91 TRADEMARK REPORTER 1013, 1043 (2001).

⁵⁰ See V.-W. Mitchell, G. Walsh & M. Yamin, *Reviewing and Redefining the Concept of Consumer Confusion*, at 4 (working paper, dated Feb. 19, 2004, on file with the author) ("Once consumers have established a firm preference for a particular brand, they use the trademark to short-circuit the search process which may make them more easily misled by imitations because less time and attention is devoted to the purchase." (reference omitted)).

⁵¹ Jacoby refers to this form of confusion as "origin confusion." See *id.* at 1043-44. Cf. Ellen R. Foxman, Phil W. Berger & Joseph A. Cote, *Consumer Brand Confusion: A Conceptual Framework*, 9 PSYCH. & MARKETING 123, 129 (1992) ("[T]he degree of brand confusion is strictly influenced by an individual's inferential processing capability."); George Miaoulis & Nancy D'Amato, *Consumer Confusion & Trademark Infringement*, J. MARKETING, Apr. 1978, at 48, 50 (discussing and demonstrating consumers' tendency towards "stimulus generalization" when confronted with similarly-appearing products).

to a similar mark such as AMERICAN AIRWAYS, but may nevertheless incorrectly assume, in light of the strength of the former, that the latter is a spin-off brand. It is thus the very strength of the mark that is traditionally understood to conduce to identity or inferential confusion.⁵²

In order to understand trademark law's characteristically regressive principle that greater strength entails greater protection, one thing must be kept clearly in mind: increases in the differential distinctiveness of a mark must not be understood to result in increases in consumer sophistication as to that mark. Courts have occasionally reasoned that the strength of the mark sensitizes consumers to any difference between the strong mark and a mark similar to it, and have on this basis proposed that strong marks deserve comparatively *less* protection than weak marks.⁵³ The thinking is

⁵² See, e.g., *Champions Golf Club v. Champions Golf Club*, 78 F.3d 1111, 1117 (6th Cir. 1996) ("The stronger the mark, the more likely it is that encroachment on it will produce confusion."); *James Burrough, Ltd. v. Sign of Beefeater, Inc.*, 540 F.2d 266, 276 (7th Cir. 1976) ("What is intended by references to 'strong' and 'weak' marks is the effect of such marks upon the mind of the consuming public. A mark that is strong because of its fame or uniqueness, is more likely to be remembered and more likely to be associated in the public mind with a greater breadth of products and services than is a mark that is weak because relatively unknown or very like similar marks or very like the name of the product."). See also RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 21, cmt. i (Tentative Draft No. 2 1990) ("The greater the distinctiveness of the mark, the greater the likelihood that prospective purchasers will associate similar designations on other goods, services or businesses with the same source.").

⁵³ See, e.g., *Kenner Parker Toys Inc. v. Rose Art Industries, Inc.*, 963 F.2d 350, 353 (Fed. Cir. 1992). In *Kenner Parker*, the Federal Circuit reversed the Trademark Trial and Appeal Board's dismissal of an opposition filed by Kenner Parker, the owner of the trademark PLAY-DOH, against the registration of the mark FUNDOUGH. In reversing, the court wrote:

The Board erred in discounting the import of Kenner's famous prior mark. The Board acknowledged "the renown of opposer's mark with respect to modeling compound." Indeed, Rose Art conceded this fame. Yet the Board treated that fame as a liability in assessing likelihood of confusion. Reasoning that consumers might more easily recognize variances from a famous mark, the Board concluded that the fame of Kenner's mark permitted greater, rather than less, legal tolerance for similar marks.

While scholars might debate as a factual proposition whether fame heightens or dulls the public's awareness of variances in marks, the legal proposition is beyond debate. The driving designs and origins of the Lanham Act demand the standard consistently applied by this court—namely, more protection against confusion for famous marks.

See also *Merriam-Webster, Inc. v. Random House, Inc.*, 35 F.3d 65 (2nd Cir. 1994). In finding no trademark infringement, the Second Circuit explained:

The fatal flaw in Merriam-Webster's case is the unstated (for obvious reasons) premise that the "bull's-eye" logo and the very name Merriam-Webster are neither strong nor distinctive. The jury, of course, found to the contrary, and there is ample evidence of Merriam-Webster's consistent promotion of the "bull's-eye" logo and its name on a variety of reference works. Unless the circular "bull's-eye", which dominates the front cover and is displayed on six other works depicted on the back, and the name "Merriam-Webster," which is used once on the front and on the spine and numerous times on the back, are regarded as such insignificant features that confusion with an angular drawing of a house and the name "Random House" can exist, the jackets are not confusingly similar.

Id. at 71. Cf. Malaika Brengman, Maggie Geuens & Patrick de Pelsmacker, *The Impact of Consumer Characteristics and Campaign Related Factors on Brand Confusion in Print*

that consumers are so “aware” of very strong brands that they will detect even the slightest variation in the appearance of the brand (GUCCI and, say, GUCCI), thus avoiding identity confusion,⁵⁴ and recognize any unauthorized extension of the brand (GUCCI handbags and, say, GUCCI herbal tea), thus avoiding inferential confusion. This reasoning represents a fundamental threat to the trademark industries, however, if not to the whole edifice of trademark doctrine, and has remained a decidedly minority view.⁵⁵ More commonly, the relation between differential distinctiveness and the scope of protection is understood to be mutually reinforcing, if not ratchet-like. Increased differential distinctiveness results in an increased scope of protection, and that increased scope of protection acts to preserve increased differential distinctiveness. All the while, such increases in strength, the doctrine insists, have no appreciable effect on search sophistication, a concept to which I now turn in earnest.

III. SEARCH SOPHISTICATION AND TRADEMARK SCOPE

It is an irony of trademark law that the trademark plaintiff is often placed in the awkward position of arguing that its customers are ignorant and its goods commonplace, while the defendant begs to differ. The parties do so because the scope of protection the law will afford to a trademark is inversely related to the law’s estimation of the relative sophistication of the consumers of the goods to which that trademark is affixed: more consumer sophistication results in a lesser scope of trademark protection; less sophistication, in a greater scope of protection. In this Part, I explain this inverse relation and show how it plays out in litigation and the commentary.

A. Search Sophistication and the Search Sophistication Curve

For purposes of trademark law, consumer “sophistication” refers to the consumer’s capacity during search to distinguish between similar trademark uses (i.e., to avoid identity confusion), and furthermore, to recognize that

Advertising, 7 J. Marketing Communications 231, 241 (2001) (demonstrating that “[b]rands that are heavily supported by media advertising suffer less from brand confusion”).

⁵⁴ See, e.g., *Jim Beam Brands Co., Inc. v. Beamish & Crawford, Ltd.*, 852 F.Supp. 196, 199 (S.D.N.Y. 1994) (“But it is precisely this strength [of plaintiff’s JIM BEAM mark] that makes it unlikely to be confused with [defendant’s] Irish stout product.”); *B.V.D. Licensing v. Body Action Design*, 846 F.2d 727, 729 (Fed.Cir. 1988) (“The fame of a mark cuts both ways with respect to likelihood of confusion. The better known it is, the more readily the public becomes aware of even a small difference.”).

⁵⁵ After all, on this reasoning, strength and scope would work at cross-purposes: If more strength entailed *less* protection, that lesser protection would result, through encroachments by new marks, in diminished strength. This diminished strength might then justify *more* protection.

such uses designate different sources (i.e., to avoid inferential confusion). Social science research has identified a wide variety of factors that may affect a consumer's search sophistication,⁵⁶ such as age,⁵⁷ gender,⁵⁸ education level,⁵⁹ cognitive style,⁶⁰ and experience with the trademarked product and product area.⁶¹ The trademark case law has identified a similar, though more limited, set of factors.⁶²

In determining the likelihood of consumer confusion and thus of trademark infringement in any given case, trademark law typically compares the search sophistication of the relevant consumer population—i.e., the specific population of consumers exposed to the plaintiff's and defendant's marks—to the search sophistication of the consumer population generally. The distribution of consumer sophistication across the general population is implicitly understood to form a bell-curve: some consumers are highly sophisticated (e.g., professional buyers of industrial parts⁶³),

⁵⁶ See generally Joseph W. Alba & J. Wesley Hutchinson, *Dimensions of Consumer Expertise*, 13 J. CONS. RES. 411 (1987) (literature review discussing empirical results of studies relating to consumer expertise).

⁵⁷ See, e.g., George Balabanis & Samantha Craven, *Consumer Confusion From Own Brand Lookalikes: An Exploratory Investigation*, 13 J. MARKETING MANAGEMENT 299, 306 (1997) ("Correlation analysis found a significant...inverse...association between age and level of certainty about [study participants'] choice of coffee. It seems that older people are more likely to get confused by the introduction of look-alikes."); Deborah Roedder John & Catherine A. Cole, *Age Differences in Information Processing: Understanding Deficits in Young and Elder Consumers*, 13 J. CONSUMER RES. 297 (1986) (discussing the cognitive processing deficits of the young and elderly and demonstrating how contextual factors can affect the severity of these deficits).

⁵⁸ See, e.g., Peter W. Turnbull, Sheena Leek & Grace Ying, *Customer Confusion: The Mobile Phone Market*, 16 J. MARKETING MANAGEMENT 143 (2000) (demonstrating that, in mobile phone market, female consumers are more prone to confusion brought on by unclear and conflicting marketplace information); V.-W. Mitchell, G. Walsh & M. Yamin, *Reviewing and Redefining the Concept of Consumer Confusion*, at 11-12 (working paper version 3 19 Feb 2004) (reviewing literature on the relation between gender and likelihood of confusion).

⁵⁹ See generally BRIAN STERNTHAL & C. SAMUEL CRAIG, *CONSUMER BEHAVIOR: AN INFORMATION PROCESSING PERSPECTIVE* (1982).

⁶⁰ See, e.g., Ellen R. Foxman, Phil W. Berger & Joseph Cote, *Consumer Brand Confusion: A Conceptual Framework*, 9 PSYCH. & MARKETING 123, 131-32 (1992) (discussing likelihood of confusion among consumers who are "cognitive levelers" or "cognitive sharpeners" and who possess a broad or narrow equivalence range, i.e., the range within which a consumer considers similar stimuli to be the same); Elizabeth Kendall Sproles & George B. Sproles, *Consumer Decision-Making Styles as a Function of Individual Learning Styles*, 24 J. CONS. AFFAIRS 134 (1990) (demonstrating the relation between individual learning styles and consumer decision-making styles).

⁶¹ See, e.g., Ellen R. Foxman, Darrel D. Muehling & Phil W. Berger, *An Investigation of Factors Contributing to Consumer Brand Confusion*, 24 J. CONS. AFFAIRS 170, 174 (1990) ("The more familiar consumers are with the various brand offerings within a product class, the more likely they will be able to make distinctions among brands, thereby reducing likelihood of confusion.")

⁶² See Bartow, *supra* note __, at 770-792 (criticizing factors traditionally used by courts in determining consumer sophistication). See also MCCARTHY, *supra* note __, at § 23:91-103.

⁶³ See, e.g., *Astra Pharmaceutical Products, Inc. v. Beckman Instruments, Inc.*, 718 F.2d 1201, 1206 (1st Cir. 1983) (concurrent use of trademark ASTRA on medical equipment not confusing because "the decision to buy a machine worth thousands of dollars is obviously not done on an impulse, and involves a careful consideration of the reliability and dependability of the manufacturer and seller of the product"); *Hewlett-Packard Co. v. Human Performance*

some are not (e.g., American wine consumers, or so found the Northern District of California,⁶⁴ the poor, or so found the Southern District of New York⁶⁵), and most fall somewhere in between. The mean of this curve defines the reasonably sophisticated consumer. If the defendant's product is an expensive or specialty good, then the putative degree of care of the relevant consumer population is typically raised above the mean.⁶⁶ The inverse is true as well, particularly as to "impulse" goods.⁶⁷

Trademark doctrine also conceives of a spectrum of sophistication within the relevant consumer population itself, a spectrum which tends to take the form of a bell-curve as well. The law rarely confronts a situation where the entire relevant consumer population is confused, nor does the law seek to disabuse all relevant consumers of confusion when it enjoins a defendant's confusing use.⁶⁸ Rather, as stated above, it enjoins a competing use only when an appreciable *proportion* of relevant consumers are confused.⁶⁹ Some consumers within the relevant population are typically

Measurement, Inc., 23 U.S.P.Q.2d 1390, 1393 (T.T.A.B. 1991) (professional buyers of medical instruments not likely to be confused between trademarks HP and HPM because "[b]uyers of the parties' goods, as well as potential customers for the products, plainly are highly educated, sophisticated purchasers who know their equipment needs and would be expected to exercise a great deal of care in its selection").

⁶⁴ E. & J. Gallo Winery v. Consorzio Del Gallo Nero, 782 F. Supp. 457, 464-65 (N.D. Cal. 1991).
⁶⁵ Schieffelin & Co. v. The Jack Co., 1994 WL 144884 at *55 (S.D.N.Y. 1994) ("Even if some of the prospective purchasers of Dom Perignon are from low income groups, and are therefore less sophisticated shoppers than wealthier purchasers, . . ."). A later court took exception to the *Schieffelin* Court's assumption. See Reebok Intern. Ltd. v. K-Mart Corp., 849 F.Supp. 252, 268 (S.D.N.Y. 1994) ("[T]he court expressly disagrees with this statement's implication that there is a direct relationship between income and consumer intelligence. Careless shopping habits are not a necessary by-product of a low income.").

⁶⁶ See, e.g., *Heartsprings, Inc. v. Heartspring, Inc.*, 143 F.3d 550, 557 (10th Cir. 1998) (finding that purchasers of expensive care for severely physically disabled children are not likely to confuse trademarks HEARTSPRING and HEARTSPRINGS for such services).

⁶⁷ See, e.g., *Beer Nuts v. Clover Club Foods Co.*, 805 F.2d 920, 926-27 (10th Cir. 1986) (BEER NUTS and BREW NUTS likely to be confused because consumers of such "impulse items" exercise "little care"); *Lever Bros. Co. v. American Bakeries Co.*, 693 F.2d 251, 259 (2d Cir. 1982) ("The ordinary purchaser of bread and margarine is a casual buyer, and the bustling, self-service atmosphere of a typical supermarket makes careful examination of products unlikely."); and *Frisch's Restaurants v. Elby's Big Boy*, 670 F.2d 642, 648 (6th Cir. 1982) (concurrent use of BIG BOY trademark for fast-food restaurants likely to confuse impulse consumers); *Lloyd Schuhfabrik, Case C-342/97*, 1999 E.C.R. I-3819, para. 26 ("[A]ccount should be taken of the fact that the average consumer only rarely has the chance to make a direct comparison between the different marks but must place his trust in the imperfect picture of them that he has kept in his mind. It should also be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question.").

⁶⁸ See *Indianapolis Colts, Inc. v. Metropolitan Baltimore Football Club Ltd.*, 34 F.3d 410, 414 (7th Cir. 1994) ("[I]t would be undesirable to impoverish the lexicon of trade names merely to protect the most gullible fringe of the consuming public."); *Life Savers Corp. v. Curtiss Candy Co.*, 182 F.2d 4, 8 (7th Cir. 1950) ("A new competitor is not held to the obligations of an insurer against all possible confusion. He is not obligated to protect the negligent and inattentive purchaser from confusion resulting from indifference. It has been said that he is not required to make the market 'foolproof.'") (references omitted).

⁶⁹ See *International Ass'n of Machinists and Aerospace Workers, AFL-CIO v. Winship Green Nursing Center*, 103 F.3d 196, 201 (1st Cir. 1996) ("[T]he law has long demanded a showing that

seen as beyond help.⁷⁰ Even so, courts have found infringement where as little as 15 percent,⁷¹ or even 8.5 percent,⁷² of the relevant consumer population is confused.⁷³

Consumer populations with a high degree of search sophistication do not require—or justify—the ceding of as expansive a scope of protection to a given trademark use as do consumer populations with a low degree of search sophistication.⁷⁴ As Landes and Posner have argued,⁷⁵ this is essentially a matter of comparative information costs. In cases involving professional buyers, for example, courts typically limit the scope of protection they afford to the plaintiff, sometimes so severely as to allow even near-identical competing marks.⁷⁶ This likely reflects the court's implicit judgment that as between the producers of competing marks and professional buyers, the buyers are the lower-cost avoiders of confusion, i.e., their information costs are lower than those of the producers.⁷⁷ More common, however, are cases where the court assumes a very low degree of search sophistication—“recent cases have shown a willingness to believe in an astonishingly stupid consumer,” writes Professor Dreyfuss⁷⁸—with the effect that the plaintiff's scope of protection balloons out to exclude even quite dissimilar competing trademarks. In these cases, it is the producers of

the allegedly infringing conduct carries with it a likelihood of confounding an appreciable number of reasonably prudent purchasers exercising ordinary care.”); *American Ass'n for Advancement of Science v. Hearst Corp.*, 498 F.Supp. 244, 258 (D.D.C. 1980) (“While [plaintiff] must show that an ‘appreciable’ number of reasonable buyers is likely to be confused, this does not necessarily mean a majority.”)

⁷⁰ See, e.g., *Playboy Enters. v. Netscape Communications*, 55 F. Supp. 2d 1070, 1083 (C.D. Cal. 1999) (“Some people are always confused.”); *Reed-Union v. Turtle Wax, Inc.* 77 F.3d 909, 912 (7th Cir. 1996) (“Befuddlement is part of the human condition.”).

⁷¹ See, e.g., *Exxon Corp. v. Texas Motor Exchange, Inc.*, 628 F.2d 500, 507 (5th Cir. 1980) (15 percent confused); *RJR Foods, Inc. v. White Rock Corp.*, 603 F.2d 1058, 1061 (2d Cir. 1979) (15-20 percent confused); *James Burrough, Ltd. v. Sign of Beefeater, Inc.*, 540 F.2d 266, 278-79 (7th Cir. 1976) (15 percent confused).

⁷² See, e.g., *Grotrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons*, 365 F. Supp. 707, 716 (S.D.N.Y. 1973), *modified*, 523 F.2d 1331 (2d Cir. 1975).

⁷³ See generally RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 20, cmt. g (1995) (collecting cases showing percentage of consumers confused).

⁷⁴ See *Bristol-Myers Squibb Co. v. McNeil- P.P.C. Inc.*, 973 F.2d 1033, 1046 (2d Cir. 1992) (“In general, the more sophisticated and careful the average consumer of a product is, the less likely it is that similarities in trade dress or trade marks will result in confusion concerning the source or sponsorship of the communications.” (citations omitted)).

⁷⁵ See Landes & Posner, *supra* note 15, at 302 (“[T]he inputs into the sale of a product include information supplied by buyers as well as by sellers. The cheaper the buyer-produced information is—perhaps because the consumers of a particular product are particularly knowledgeable, such as business purchasers of a supply essential to their business—the less information the seller must supply, such as making more effort to distinguish the trademark from a competitor's.”)

⁷⁶ See cases cited *supra*, note 63.

⁷⁷ See Landes & Posner, *supra* note 15, at 306-07.

⁷⁸ 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).

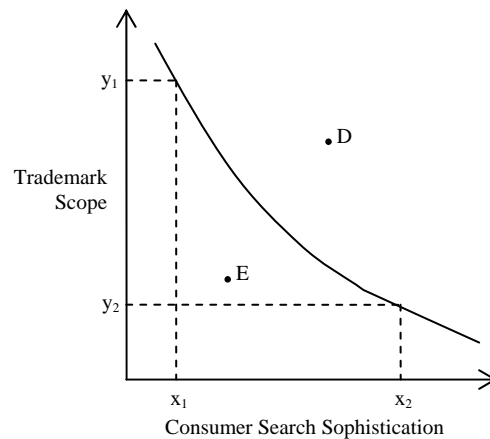


FIGURE 1: THE SEARCH SOPHISTICATION CURVE

the competing marks that are understood to be the lower-cost avoiders of confusion.

Figure 1 shows the inverse relation between a given consumer population's search sophistication and the scope of protection necessary to inform an appropriate proportion of that population of the non-identity of two trademark uses, all else remaining equal. Populations with a relatively low degree of search sophistication, x_1 , require the ceding of a relatively broad scope of protection, y_1 , to plaintiff's trademark. Consumers with a relatively high degree of search sophistication, x_2 , allow the provision to plaintiff's trademark of a relatively narrow scope, y_2 . In a situation of high search sophistication and broad rights, at a point such as D above the curve, confusion is avoided, but at unnecessary cost. The owner's broader-than-optimal scope represents a loss to the public domain or to competitors without any offsetting efficiency or informational gains. In a situation of low search sophistication and narrow rights, at a point such as E below the curve, confusion is likely to occur. Either consumers must become more sophisticated, or, as is more likely, the scope of protection must be broadened.

B. Self-Positioning on the Search Sophistication Curve

Opposing parties in trademark infringement litigation typically take opposing views on the sophistication of the relevant consumer population. Plaintiffs tend to argue that the relevant population possesses a relatively low degree of search sophistication.⁷⁹ The plaintiff thereby attempts to

⁷⁹ See, e.g., *Malletier v. Burlington Coat Factory Warehouse Corp.*, 2004 WL 1161167, *6 (S.D.N.Y. May 24, 2004) (plaintiff Louis Vuitton, a high-end manufacturer of hand bags, argues that the relevant consumer population is not so sophisticated as not to be confused, while defendant Burlington Coat Factory, a discount retail chain, argues that the population is highly

move as high as possible on the search sophistication curve in the hope that its trademark's scope of protection will expand to encompass defendant's trademark, thus necessitating an injunction. By arguing for the relatively high search sophistication of the relevant consumer population, the defendant attempts conversely to move down the search sophistication curve. It does so in the hope that its trademark will eventually fall outside of the plaintiff's trademark's shrinking scope of protection. A fine example of both sides of this practice is found in the curious litigation strategy of Ty, Inc., the manufacturer of Beanie Babies and a frequent trademark litigant in the Northern District of Illinois. Ty has argued, as a plaintiff, that its consumers are unsophisticated and thus easily confused,⁸⁰ and as a defendant, that its consumers are sophisticated and thus not easily confused.⁸¹ The Northern District was not amused.⁸² However, as Professor McCarthy has intimated, judges themselves are not above adjusting their finding of whether the relevant consumer population is sophisticated or unsophisticated to conform to the result they wish to achieve.⁸³ This may especially be the case in misappropriation or tarnishment situations, where the judge is forced to find confusion, however unlikely, in order to reach what it believes to be the right result.⁸⁴

sophisticated); *Toyota Motor Sales, U.S.A., Inc. v. Profile Cocktail Lounge, Inc.*, 2001 WL 123787, *4 (N.D. Ill. Feb. 13, 2001) (manufacturer of high-end LEXUS automobiles argues that its brand has gone down-market, specifically, that there has developed an "extensive market for second-hand Lexus automobiles which are sold to the general public, not just to well-educated professionals," and thus that the relevant consumer population is not highly sophisticated). *Compare* *Grupo El Prado Cervera, SL, v. OHIM*, Case T-117/02 (C.F.I. July 6, 2004), para. 30 (applicant arguing that the reference "average consumer" is "characterised by inattentive behaviour), *with id.*, at para. 33 (defendant arguing that the reference consumer is "reasonably observant and circumspect").

⁸⁰ See *Ty, Inc. v. West Highland Pub., Inc.*, 1998 WL 698922, *18 (N.D. Ill. Oct. 5, 1998) ("Ty contends that consumers would exercise little care when purchasing West's products because of their low cost.").

⁸¹ See *Imperial Toy Corp. v. Ty, Inc.*, 1998 WL 601875, at *4 (N.D. Ill. Sept. 9, 1998) ("Ty, Inc. argues that . . . Beanie Baby customers are sophisticated about the product and will not be confused and will exercise care when purchasing.").

⁸² See *TY, Inc. v. Agnes M. Ltd.*, 2001 WL 1414210, *11 (N.D. Ill. Nov. 9, 2001) (finding that Ty's efforts to distinguish cases in which it argued that its consumers were unsophisticated are not "persuasive enough to overcome the findings of previous courts on this issue"); *Ty, Inc. v. West Highland Pub., Inc.*, 1998 WL 698922, at *18 (finding that, "[q]uite apart from having taken a contrary position on this issue in 1998," the evidence suggests that Ty's consumers are highly sophisticated).

⁸³ See J. THOMAS MCCARTHY, *MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION* § 23:92 (4th ed. 1996). McCarthy writes:

In looking over the various judicial definitions, a cynic would say that the standard of care laid down varies with the result of the case. That is, when the court wants to find no infringement, it says that the average buyer is cautious and careful and would never be confused. But if the judge thinks there is infringement, the judge sets the standard lower and says the average buyer is gullible and not so discerning, and would be easily confused by the similar marks.

Id.

⁸⁴ See, e.g., *Ferrari S.P.A. Esercizio Fabriche Automobili E Corse v. Roberts*, 944 F.2d 1235 (6th Cir.1991) (finding that consumers would be confused as to source by the appearance of kit-car

As in litigation, so in the commentary, restrictionists and apologists seek to move in opposing directions along the search sophistication curve. In an effort to constrict the scope of trademark protection, restrictionists typically seek to move down the curve. They assert that consumers are more sophisticated in search than the law generally credits them to be. Two decades ago, Professor Denicola expressed his dismay at the law's conception of a consumerate of "presumptive idiots" who are "apparently befuddled by nearly everything."⁸⁵ Professors Litman,⁸⁶ Dreyfuss,⁸⁷ and Bartow⁸⁸ have more recently made this point. Meanwhile, apologists argue the contrary, that the average consumer possesses a low degree of search sophistication.⁸⁹ This is consistent with the apologist's commitment to

replicas of high-end Ferrari sports cars); *Mastercrafters Clock & Radio Co. v. Vacheron & Constantin-Le Coultre Watches, Inc.*, 221 F.2d 464 (2d Cir. 1955) (finding that consumers would be confused as to source by replica of luxury clock).

⁸⁵ Robert Denicola, *Institutional Publicity Rights: an Analysis of the Merchandising of Famous Trade Symbols*, 62 NORTH CAROLINA L. REV. 603, 630 (1984).

Such presumptive idiots are apparently befuddled by nearly everything, although one must wonder how prolonged a search would be required to identify a flesh and blood consumer who actually believes that the General Electric Corporation would manufacture or sponsor T-shirts on which the G.E. logo and the words 'Genital Electric' appear, or who assumes that a coffee mug proclaiming 'I Love E.T.' is necessarily connected with Universal City Studios, Incorporated.

Id. (Footnotes omitted).

⁸⁶ See Jessica Litman, *Breakfast With Batman*, 108 YALE L.J. 1717, 1722 (1999) ("Recently, we have seen a great deal of the extraordinarily gullible consumer.").

⁸⁷ See Dreyfuss, *supra* note 78, at 142 ("[B]ecause consumers are actually habituated to ambiguity, the degree of confusion that consumers are actually likely to suffer is less than might otherwise be thought.").

⁸⁸ See Bartow, *supra* note __, at 723. Bartow asks:

Why, in trademark litigation decisions, do judges so often write about representative members of the public as if we are astoundingly naïve, stunningly gullible, and frankly stupid? Do jurists truly believe that consumers are complete idiots? What is it about trademark law that seems to elicit from courts such offensive and humiliating views of the citizenry?

See also Stephen Carter, *THE TROUBLE WITH TRADEMARK*, 99 YALE L.J. 759, 789 (1990) ("Consumers may be more sophisticated than the Landes and Posner model assumes."); Tom Moore, *Striking a Balance in Trade Mark Protection*, *MANAGING INTELLECTUAL PROP.*, May 2004, at 25, 26 ("The basis for claiming private ownership over a real word is often a condescending attitude toward the consumer. This kind of condescension is the source of many expansive claims to trade mark rights. . . . However, consumers are not that susceptible to confusion."). *But see* Austin, *supra* note __, at 890 (counseling that "[i]t is important . . . not to press too far the point that trademark's consumer does not seem particularly astute, given the risk that marginal cases might characterize the middle. Every case finding unlikely confusion to be actionable can be matched by cases where confusion that seems as likely was not actionable." (footnotes omitted)).

⁸⁹ See, e.g., Landes & Posner, *supra* note 15, at 284.

Even if the firm that is using a trademark in one part of the country never expands to other parts, consumers are not fixed in one place, and in traveling around the country or in moving from one part of the country to another they may be confused if different brands of the same product are sold under the same name.

Id. Professor Carter questions whether consumers are so peripatetic as to be confused in this manner. See Carter, *supra*, at 776.

maintain if not expand the scope of trademark protection by moving up the curve.

It is unsurprising that the apologist-plaintiff should attempt to move up the curve (in order to expand scope) and the restrictionist-defendant should attempt to move down it (in order to constrict scope). Yet each camp encounters in its own thinking countervailing pressures to move in the opposite direction. For example, at the same time that apologists move up the curve by arguing that consumers are generally not sophisticated in search, they base their justification for trademark rights on the model of the rational sovereign consumer. At some point moving left along the sophistication axis, a consumer may be understood to be so unsophisticated, so “befuddled,” as to have abdicated any claim to rational “sovereignty.” The risk of crossing this divide tends to weigh on the apologist as she moves up the search sophistication curve. Meanwhile, restrictionists seek to move down the curve by arguing that consumers are generally competent users of trademarks as informational tools, but the restrictionists’ recognition, however grudging, of the salutary function of trademarks is in significant tension with their overall suspicion of trademarks and the trademark system. This tension tends to pull the restrictionists back up the search sophistication curve.

Strangely, then, neither side appears willing entirely to follow through on their position as to search sophistication, even if doing so might push them farther along the search sophistication curve towards the narrower or expanded scope of protection they seek. There is a reason for this, and it relates to an altogether different and unacknowledged curve in trademark thinking: the persuasion sophistication curve.

IV. PERSUASION SOPHISTICATED AND TRADEMARK SCOPE

It is well-accepted in the trademark literature that trademarks facilitate the process of search, and that strong marks facilitate that process more than weak marks. The more distinctive a trademark is from other trademarks, the less costly it is for consumers, be they sophisticated or unsophisticated in search, to process that distinction.⁹⁰ It is also less costly

⁹⁰ See Luk Warlop & Joseph W. Alba, *Sincere Flattery: Trade-Dress Imitation and Consumer Choice*, 14 J. CONS. PSYCH. 21, 21 (2004) (“Visual uniqueness of a brand enhances the speed with which it can be identified in crowded purchase environments and the accuracy with which it can be differentiated from its competitors.”). See generally Steven M. Shugan, *The Cost of Thinking*, 7 J. CONS. RES. 99 (1980) (discussing information processing costs in the context of consumer decision making).

for consumers unaidedly to recall the mark.⁹¹ In enhancing differential distinctiveness, the trademark producer thus internalizes some of the search costs of its consumers.⁹²

But differential distinctiveness arguably does more than simply inform. Trademark restrictionists have long asserted that it also persuades,⁹³ that at the same time that it reduces consumer confusion as to source, it also induces consumer delusion as to needs and/or wants. On this basis, restrictionists have argued, as a matter of policy, that the law should restrict the scope of trademark protection. Apologists have responded to this argument, if they respond at all, with a certain degree of derision. They grant that trademarks have the capacity to persuade, or at least, that trademark producers seek through their brand strength to alter preferences, but assert that consumers are generally able to resist such persuasion. The debate has come to turn on a concept well-developed in the marketing literature, but never explicitly invoked or analyzed in the trademark literature: the concept of “persuasion sophistication.” I consider the workings of this concept here.

A. Differential Distinctiveness and Persuasion

In 1927, at a time when the technology of branding and advertising began truly to consolidate its power over the American mass market,⁹⁴ the practitioner-scholar Frank Schechter wrote what remains the most influential work on American trademark law, “The Rational Basis of Trademark Protection.”⁹⁵ In it, he argued that “the value of the modern trademark lies in its selling power” and that “this selling power depends for its psychological hold upon the public, not merely upon the merit of the goods upon which it is used, but equally upon its own uniqueness and singularity.”⁹⁶ As Schechter took great pains to emphasize, the mark’s “selling power” originates not so much in the mark’s meaning, its semantic content, but in the degree to which the mark “is actually unique and

⁹¹ See Joseph W. Alba & Amitava Chattopadhyay, *Saliency Effects in Brand Recall*, 23 J. MARKETING RES. 363 (1986) (demonstrating that increasing the saliency of a single brand significantly impairs unaided recall of competing brands).

⁹² Cf. Henry E. Smith, *The Language of Property: Form, Context, and Audience*, 55 STANFORD L. REV. 1105, 1114 (2003) (discussing the externalization of information processing costs).

⁹³ Cf. A.G. Papandreou, *The Economic Effects of Trademarks*, 44 CAL. L. REV. 503, 503 (1956) (“A trade-mark always conveys some information. Generally, however, it does much more than that. It suggests, influences, persuades.”).

⁹⁴ See GARY CROSS, AN ALL-CONSUMING CENTURY: WHY COMMERCIALISM WON IN AMERICA 17-65 (2000); SUSAN STRASSER, SATISFACTION GUARANTEED: THE MAKING OF THE AMERICAN MASS MARKET (1996). See generally JACKSON LEARS, FABLES OF ABUNDANCE: A CULTURAL HISTORY OF ADVERTISING IN AMERICA (1994); ROLAND MARCHAND, ADVERTISING THE AMERICAN DREAM: MAKING WAY FOR MODERNITY, 1920-1940 (1986).

⁹⁵ Frank Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813 (1927).

⁹⁶ *Id.* at 831.

different *from* other marks.”⁹⁷ In a statement that was for the trademark bar of the time revolutionary, Schechter declared that “[t]he mark actually *sells* the goods. And, self-evidently, the more distinctive the mark, the more effective is its selling power.”⁹⁸

Schechter was the first trademark commentator to take trademark distinctiveness seriously, to see it as more than merely a means of informing consumers of source. He recognized that the “distinctiveness” of the trademark, by which he meant its “uniqueness or individuality,”⁹⁹ also generates persuasion, i.e., affects preferences, and that greater distinctiveness may have a greater persuasive effect. More essentially, he recognized what empirical work has since demonstrated: that consumers will pursue distinctiveness, even “meaningless differentiation,”¹⁰⁰ for its own sake.¹⁰¹ Schechter’s view was taken up by many who came after him. Most famously, Justice Frankfurter wrote broadly of the trademark’s “commercial magnetism.”¹⁰²

A trade-mark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of a mark exploits this human propensity by making every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. Whatever the means employed, the aim is the same—to convey

⁹⁷ *Id.* (emphasis supplied).

⁹⁸ *Id.* at 819.

⁹⁹ Schechter, *supra* note ___, at 822.

¹⁰⁰ See Gregory S. Carpenter, Rashi Glazer & Kent Nakamoto, *Meaningful Brands from Meaningless Differentiation: The Dependence on Irrelevant Attributes*, 31 J. MARKETING RESEARCH 339 (1994). The authors explain:

Our results show that meaningless differentiation [i.e., differentiation on an irrelevant attribute] is valued by consumers in a surprising number of situations. For example, meaningless differentiation is valued even if the differentiated brand is priced above all others and, more surprisingly, in some cases increasing price actually can increase preference for the differentiated brand. Furthermore, the competitive advantage created by adding an irrelevant attribute can be sustained even if consumers acknowledge the differentiating attribute is irrelevant.

Id. at 340. The authors note that “[o]ur results are somewhat disquieting for the model of rational choice.” *Id.* at 348. See also Gregory S. Carpenter & Kent Nakamoto, *Reflections on “Consumer Preference Formation and Pioneering Advantage,”* 31 J. MARKETING RESEARCH 570, 572 (1994) (suggesting that “[m]eaningless differentiation can also simplify consumer choice; it provides a simple way to distinguish between otherwise similar brands.”). But see Ajay Kalra & Ronald Goodstein, *The Impact of Advertising Positioning Strategies on Consumer Price Sensitivity*, 35 J. MARKETING RESEARCH 210, 223 (1998) (“We do not find that meaningless differentiation increases brand equity.”); Susan M. Broniarczyk & Andrew D. Gershoff, *Meaningless Differentiation Revisited*, 24 ADV. IN CONSUMER RESEARCH 223, 228 (1997) (“Our results show that a meaninglessly differentiated attribute can lead to alternative preference, even if subjects are aware of the differentiation’s irrelevance, but only under certain circumstances.”).

¹⁰¹ See Swann, Aaker & Reback, *supra* note ___, at 826 (discussing the “[i]nherent [v]alue of [u]niqueness”).

¹⁰² *Mishawaka Rubber & Woolen Mfg. Co. v. S. S. Kresge Co.*, 316 U.S. 203, 205 (1942). See also Brown, *supra* note 12, at 1188 (discussing the “commercial magnetism” of the trademark).

through the mark, in the minds of potential customers, the desirability of the commodity upon which it appears.¹⁰³

This is the same view that led others to recognize trademarks as “but a species of advertising.”¹⁰⁴

As a measure of Schechter’s continued, if not expanded, influence, trademark law has proven willing in recent decades to protect differential distinctiveness precisely because it is seen to generate “selling power.” The law has done so under the banner of antidilution protection, a form of protection that Schechter first proposed. Trademark dilution is thought to occur when a senior and a junior mark are identical or highly similar, but are nevertheless perceived to refer to two different sources (e.g., EBAY and, say, BARGAINBAY or BLINGBAY).¹⁰⁵ Because there is no confusion as to source, no action for trademark infringement will lie. Nevertheless, the appearance of the junior mark is thought to harm, however slightly, the senior mark by impairing its “uniqueness or individuality” in the marketplace and rendering it less commercially persuasive. Fearing that the senior mark will be pushed along a slippery slope towards indistinctiveness and “perlocutionary failure,”¹⁰⁶ antidilution protection seeks to forestall any such impairment. As the House Report accompanying the Federal Trademark Dilution Act of 1995 stated, “[c]onfusion leads to immediate injury, while dilution is an infection, which if allowed to spread, will inevitably destroy the advertising value of the mark.”¹⁰⁷ Though the law-and-economics theory of trademark law has tried to explain antidilution protection at least in part in terms of search costs,¹⁰⁸ their view has had little

¹⁰³ *Id.*

¹⁰⁴ *Northam Warren Corp. v. Universal Cosmetic Co.*, 18 F.2d 774, 774 (7th Cir. 1927). *See also* *Houbigant, Inc. v. Fed. Insur. Co.*, 374 F.3d 192, 201-202 (3d Cir. 2004) (discussing the trademark’s status as a form of advertising).

¹⁰⁵ These examples are taken from Mark A. Lemley, Testimony before the House Judiciary Subcommittee on Courts, the Internet, and Intellectual Property, Feb. 23, 2005.

¹⁰⁶ Geoffrey Leech, *Principles of Pragmatics* 204-05 (1983) (describing perlocutionary failure as a failure to achieve an intended perlocutionary effect).

¹⁰⁷ H.R.Rep. No. 104-374, p. 3 (1995), U.S.Code Cong. & Admin.News 1995, pp. 1029, 1030, reprinted in 1996 U.S.C.C.A.N. 1029, 1032.

¹⁰⁸ *See* *Ty Inc. v. Perryman*, 306 F.3d 509 (7th Cir. 2002), in which Judge Posner writes:

Suppose an upscale restaurant calls itself “Tiffany.” There is little danger that the consuming public will think it’s dealing with a branch of the Tiffany jewelry store if it patronizes this restaurant. But when consumers next see the name “Tiffany” they may think about both the restaurant and the jewelry store, and if so the efficacy of the name as an identifier of the store will be diminished. Consumers will have to think harder—incur as it were a higher imagination cost—to recognize the name as the name of the store.”

Id. at 511. *Compare* LANDES & POSNER, *supra* note __, at 207. *See also* Brian A. Jacobs, *Trademark Dilution on the Constitutional Edge*, 104 COLUM. L. REV. 161 (2004) (arguing that an “efficiency loss” test for the grant of antidilution protection will inoculate federal antidilution protection from potential constitutional infirmity).

influence in the courts.¹⁰⁹ More commonly, when courts discuss the basis for antidilution protection, they recognize that it was conceived of and legislated for the purpose of protecting the “selling power”¹¹⁰ and “advertising value”¹¹¹ of trademark distinctiveness.¹¹²

B. Persuasion Sophistication and the Persuasion Sophistication Curve

Of course, differential distinctiveness does not have the same persuasive effect on all consumers. Some consumers have higher “persuasion costs” than others. That is, it is more costly to affect the preferences of some consumers than it is to affect the preferences of others. This is because some consumer have greater “persuasion sophistication” than others.

Persuasion sophistication refers to a consumer’s ability to resist commercial persuasion attempts. An important component of persuasion sophistication is what Marian Friestad and Peter Wright have termed, in groundbreaking research, “persuasion knowledge.”¹¹³ A consumer’s

¹⁰⁹ *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 429 (2003) (“Unlike traditional infringement law, the prohibitions against trademark dilution are not the product of common-law development, and are not motivated by an interest in protecting consumers.”).

¹¹⁰ *See, e.g., Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 903 (9th Cir.2002) (giving examples of conduct that “dilute[s] the selling power of . . . trademarks by blurring their ‘uniqueness and singularity’” (quoting Schechter, supra note __, at 831)); *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208, 217 (2d Cir. 1999) (“Even when an unauthorized use of the mark does not cause consumer confusion, it can reduce the public’s perception that the mark signifies something unique, singular, or particular. The junior use thereby diminishes the selling power that a distinctive mark or name with favorable associations has engendered for a product in the mind of the consuming public.” (citations and alterations omitted)); *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Development* 170 F.3d 449, 456 (4th Cir. 1999) (“[F]requently alluding to Schechter’s identification of the senior mark’s ‘selling power,’ and the ‘whittling away’ of that power as the ultimate concerns of dilution’s special protective function, the courts seem generally to have assumed that loss of that power, and the economic value it represents, was the end harm at which the antidilution statutes were aimed.”).

¹¹¹ *See, e.g., Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 427 (2003) (quoting the House Report); *Sally Gee, Inc. v. Myra Hogan, Inc.*, 699 F.2d 621, 625 (2d Cir.1983) (defining dilution as “an act which threatens two separable but related components of advertising value. Junior uses may blur a mark’s product identification or they may tarnish the affirmative associations a mark has come to convey.” (quotation omitted)).

¹¹² *See* RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25 cmt. c (1995). The *Restatement* explains:

The antidilution statutes have been invoked against two distinct threats to the interests of a trademark owner. First, a mark may be so highly distinctive and so well advertised that it acts as a powerful selling tool. Such a mark may evoke among prospective purchasers a positive response that is associated exclusively with the goods or services of the trademark owner. To the extent that others use the trademark to identify different goods, services, or businesses, a dissonance occurs that blurs this stimulant effect of the mark. The antidilution statutes protect against this dilution of the distinctiveness and selling power of the mark.

Id.

¹¹³ *See* Marian Friestad & Peter Wright, *The Persuasion Knowledge Model: How People Cope with Persuasion Attempts*, 21 J. CONS. RES. 1, 15 (1994) [hereinafter Friestad & Wright,

persuasion knowledge consists of her commonsense beliefs and experiential hypotheses about the motives, tactics, and efficacy of commercial persuasion agents, such as advertisements, salespeople, and brands.¹¹⁴ These beliefs and hypotheses, often amounting to “persuasion heuristics”¹¹⁵ or schema, enable the consumer to “cope”¹¹⁶ with marketplace persuasion. Consumers may also draw upon a variety of more or less successful “resistance mechanisms”¹¹⁷ that mediate persuasion attempts. As it has with search sophistication, social science research has identified a wide variety of factors, many of them interrelated, that may enhance or impair a consumer’s persuasion sophistication: cognitive capacity,¹¹⁸ knowledge of the topic of persuasion and capacity to generate topic-related “counter persuasion,”¹¹⁹ susceptibility to affect,¹²⁰ self-confidence or self-esteem,¹²¹

Persuasion Knowledge Model]. See also Marian Friestad & Peter Wright, *Everyday Persuasion Knowledge*, 16 PSYCH. & MARKETING 185 (1999); Marian Friestad & Peter Wright, *Persuasion Knowledge: Lay People’s and Researchers’ Beliefs about the Psychology of Advertising*, 22 J. CONS. RES. 62 (1995); Peter Wright, *Schemer Schema: Consumers’ Intuitive Theories About Marketers’ Influence Tactics*, 13 J. CONS. RES. 1 (1986) (proposing research into consumers’ views of marketers’ influence tactics); Brendan Gail Rule, Gay L. Bisanz & Melinda Kohn, *Anatomy of a Persuasion Schema: Targets, Goals and Strategies*, 48 J. PERSONALITY AND SOC. PSYCH. 1127 (1985) (studying consumer knowledge of persuasion schema). Cf. Sarah C. Haan, *The Persuasion Route of the Law: Advertising and Legal Persuasion*, 100 COLUM. L. REV. 1281, 1320 (2000) (discussing persuasion knowledge in the context of legal persuasion).

¹¹⁴ Friestad and Wright explain:

We propose that persuasion knowledge is a set of interrelated beliefs about (a) the psychological events that are instrumental to persuasion, (b) the causes and effects of those events, (c) the importance of the events, (d) the extent to which people can control their psychological responses, (e) the temporal course of the persuasion process, and (f) the effectiveness and appropriateness of particular persuasion tactics. At some stage of development, adults’ persuasion knowledge will resemble a model or theory of a ‘common sense psychology’ of persuasion.

Friestad & Wright, *Persuasion Knowledge Model*, supra note 113, at 6.

¹¹⁵ See Shelly Chaiken, Akiva Liberman & Alice H. Eagly, *Herustitic and Systemic Information Processing Within and Beyond the Persuasion Context*, in UNINTENDED THOUGHT 212 (James A. Uleman & John A. Bargh eds. 1989); Shelly Chaiken, *The Heuristic Model of Persuasion*, 5 SOC. INFLUENCE 3 (1987). See also S. Ratneshwar and Shelly Chaiken, *Comprehension’s Role in Persuasion: The Case of its Moderating Effect on the Persuasive Impact of Source Cues*, 18 J. CONS. RES. 52 (1991).

¹¹⁶ See Friestad & Wright, *Persuasion Knowledge Model*, supra note 113, at 3 (“This term implies resourcesful participants who pursue their own goals and have the ability to select response tactics from their own repertoire, akin to the way agents select persuasion tactics.”).

¹¹⁷ See generally Rohini Ahluwalia, *Examination of Psychological Processes Underlying Resistance to Persuasion*, 27 J. CONS. RES. 217 (2000).

¹¹⁸ See Margaret C. Campbell & Amna Kirmani, *Consumers’ Use of Persuasion Knowledge: The Effects of Accessibility and Cognitive Capacity on Perceptions of an Influence Agent*, 27 J. CONS. RES. 69 (2000) (analyzing relation between cognitive capacity and persuasion resistance). See also Peter L. Wright, *The Cognitive Processes Mediating Acceptance of Advertising*, 10 J. MARKETING RES. 53 (1973) (modeling cognitive responses to advertising).

¹¹⁹ See generally George J. Szybillo & Richard Heslin, *Resistance to Persuasion: Inoculation Theory in a Marketing Context*, 10 J. MARKETING RES. 396 (1973); Stewart W. Bither, Ira J. Dolich & Elaine B. Nell, *Application of Attitude Immunization Techniques in Marketing*, 9 J. MARKETING RES. 56 (1971); William J. McGuire, *Inducing Resistance to Persuasion: Some Contemporary Approaches*, 1 ADV. EXP. SOC. PSYCH. 192 (1964).

“impulsivity,”¹²² susceptibility to “peripheral cues,”¹²³ gender,¹²⁴ culture,¹²⁵ and age.¹²⁶

Trademark case law and commentary has long acknowledged the concept of persuasion sophistication, albeit without speaking of it explicitly. The law has operated according to the assumption that, as in search sophistication, the distribution of persuasion sophistication across

¹²⁰ See Baba Shiv & Alexander Fedorikhin, *Heart and Mind in Conflict: The Interplay of Affect and Cognition in Consumer Decision Making*, 26 J. CONS. RES. 278 (1999) (demonstrating that limiting consumers' processing resources results in spontaneous affective reactions having greater impact on choice than does cognition); Ellen C. Garbarino and Julie A. Edell, *Cognitive Effort, Affect, and Choice*, 24 J. CONS. RES. 147 (1997); Mary Frances Luce, *Choosing to Avoid: Coping with Negative Emotion-Laden Consumer Decisions*, 24 J. CONS. RES. 409 (1998); Mary Frances Luce, James R. Bettman & John W. Payne, *Choice Processing in Emotionally Difficult Decisions*, 23 J. EXP. PSYCH.: LEARNING, MEMORY AND COGNITION 384 (1997). See generally Rajeev Batra and Douglas M. Stayman, *The Role of Mood in Advertising Effectiveness*, 17 J. CONS. RES. 203 (1990); Julie A. Edell and Marian Chapman Burke, *The Power of Feeling in Understanding Advertising Effects*, 14 J. CONS. RES. 421 (1987).

¹²¹ See Jeffrey A. Barach, *Self-Confidence and Reactions to Television Commercials*, in RISK TAKING AND INFORMATION HANDLING IN CONSUMER BEHAVIOR 428 (Donald F. Cox ed., 1968); Stewart W. Bither & Peter L. Wright, *The Self-Confidence-Advertising Response Relationship: A Function of Situational Distraction*, 10 J. MARKETING RES. 146 (1973); William J. McGuire, *Some Internal Psychological Factors Influencing Consumer Choice*, 2 J. CONS. RES. 302 (1976); Richard E. Nisbett & Andrew Gordon, *Self-Esteem and Susceptibility to Social Influence*, 5 J. PERSONALITY AND SOC. PSYCH. 268 (1967); Peter Wright, *Factors Affecting Cognitive Resistance to Advertising*, 2 J. CONS. RES. 1 (1975) (finding that “general social confidence,” “information-processing confidence,” and “peer-designated topical opinion leadership” positively affected persuasion resistance).

¹²² See Gordon D. Logan, Russell J. Schachar & Rosemary Tannock, *Impulsivity and Inhibitory Control*, 8 PSYCH. SCI. 60 (1997); Radhika Puri, *Measuring and Modifying Consumer Impulsiveness: A Cost-Benefit Accessibility Framework*, 5 J. CONS. PSYCH. 87 (1997); Dennis W. Rook and Robert J. Fisher, *Normative Influences in Impulsive Buying Behavior*, 22 J. CONS. RES. 305 (1995).

¹²³ See generally Richard E. Petty and John T. Cacioppo, *The Elaboration Likelihood Model of Persuasion*, 19 ADV. EXP. PSYCH. 123 (1986) (setting forth model of consumer influence from cues peripheral to the persuasion argument). See also Richard E. Petty, John T. Cacioppo & David Schumann, *Central and Peripheral Routes to Advertising Effectiveness: The Moderating Role of Involvement*, 10 J. CONS. RES. 135 (1983) (evaluating effects of interaction of processing involvement, quality of advertising claims, and type of product endorser).

¹²⁴ See generally Alice H. Eagly, *Sex Differences in Influencibility*, 85 PSYCH. BULL. 86 (1978) (literature review showing that 32 percent of pre-1970 persuasion studies found women to be more influenceable than men whereas only 8 percent of 1970-1977 persuasion studies found the same).

¹²⁵ See Jennifer L. Aaker, *Accessibility or Diagnosticity: Disentangling the Influence of Culture on Persuasion Processes and Attitudes*, 26 J. Cons. Res. 340 (2000) (evaluating perceived diagnosticity and accessibility in persuasion appeals across cultures); Jennifer L. Aaker & Durairaj Maheswaran, *The Effect of Cultural Orientation on Persuasion*, 24 J. CONS. RES. 315 (1997) (evaluating persuasion reactance across cultures); Hazel R. Markus & Shinobu Kitayama, *Culture and the Self: Implications for Cognition, Emotion, and Motivation*, 98 PSYCH. REV. 224 (1991) (suggesting that members of cultures mandating “independent construals of self” respond to persuasion differently than do members of cultures mandating “interdependent construals of the self”).

¹²⁶ See David M. Boush, Marian Friestad, & Gregory Rose, *Adolescent Skepticism toward TV Advertising and Knowledge of Advertising Tactics*, 21 J. CONS. RES. 165 (1994) (demonstrating that level of skepticism towards and ability to resist commercial persuasion attempts increases with age).

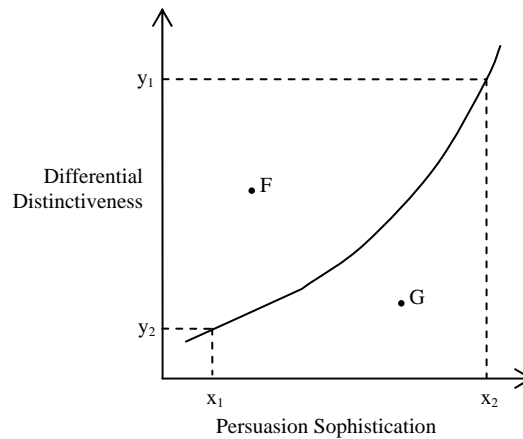


FIGURE 2: THE PERSUASION SOPHISTICATION CURVE

the general consumer population forms a bell-curve. Some consumers have low persuasion sophistication and are especially susceptible to the persuasive power of distinctive brands (e.g., children and adolescents¹²⁷), some have high persuasion sophistication and are not (e.g., professional buyers¹²⁸), and most consumers fall somewhere in between. The mean of this curve defines the reasonably susceptible—or, depending on your point of view, reasonably insusceptible—consumer. Though the case law and commentary are not as clear on this point, one may also assume the existence of a bell-curve of persuasion sophistication within the specific consumer population relevant to the facts of the case. If we are worried about the persuasive effects of a strong mark, it is not because we assume that the trademark is persuading *all* relevant consumers, but simply an appreciable proportion.

Figure 2 sets forth, albeit in a highly schematic form, the law's understanding of the relation between a given consumer's persuasion sophistication and the degree of differential distinctiveness necessary to affect that consumer's preferences, all else remaining equal. Consumers with a relatively low degree of persuasion sophistication, x_1 , will be

¹²⁷ See, e.g., *Toys 'R Us, Inc. v. Canarsie Kiddie Shop, Inc.*, 559 F. Supp. 1189, 1199 (E.D.N.Y. 1983) ("A common, if not nagging, experience of parenthood is the coercion of children that their clothing be of a current style and purchased in a designated place. These vigorous promptings of children to which parents not infrequently succumb make the children, in reality, the true purchasers with the resultant lowering of the level of sophistication."). See also A.G. Papandreou, *The Economic Effect of Trademarks*, 44 CAL. L. REV. 503, 505 (1956) ("It should be clear, of course, that the influential use of trade-marks is limited to a certain type of market—namely a market in which the buyers lack expertness.").

¹²⁸ See, e.g., *Castle Oil Corp. v. Castle Energy Corp.*, 26 U.S.P.Q.2d 1481, 1484 (E.D. Pa. 1992). See also Papandreou, *supra* note 127, at 506 ("In market in which the consumers tend to be experts, the use of trade-marks will tend to be either informative or ineffective—but not influential. This misappropriation aspect of trade-mark simulation, therefore, is particularly if not exclusively relevant for products sold in markets of inexpert consumers.").

persuaded by even a relatively low degree of differential distinctiveness, y_2 , and its attendant “selling power.” Inversely, consumers with a relatively high degree of persuasion sophistication, x_2 , will only be persuaded by a relatively high degree of differential distinctiveness, y_1 . In a situation where a highly distinctive mark confronts a consumer with little persuasion sophistication, that is, in a situation above the curve at point F, the mark’s selling power is thought to be highly effective. The vertical distance between point F and the persuasion curve itself measures the extent to which the differential distinctiveness of the mark no longer merely effectuates preferences by serving as an informational device, but rather constructs those preferences or serves as their object. In a situation below the curve at Point G, the persuasiveness of the mark is thought to have insufficient effect.

C. Self-Positioning on the Persuasion Sophistication Curve

Litigants typically decline to invoke the concepts of persuasion and persuasion sophistication in trademark litigation, preferring instead to focus on what may appear to be the dispositive issue, whether consumers are confused, not whether they are deluded. Litigants do so at their peril. Judges have not hesitated to volunteer in their opinions¹²⁹—and their public

¹²⁹ Compare *Pebble Beach Co. v. Tour 18 I, Ltd.*, 942 F.Supp. 1513, 1545-1546 (S.D.Tex. Sept. 10, 1996) (finding that defendant’s replica golf course hole designs infringe plaintiffs’ designs), and *Schieffelin & Co. v. Jack Co. of Boca, Inc.*, 850 F.Supp. 232, 236 (S.D.N.Y. Mar. 31, 1994) (finding that DOM POPIGNON popcorn infringes DOM PERIGNON mark), with *Prudential Ins. Co. of America v. Gibraltar Financial Corp. of California*, 694 F.2d 1150, 1153 (9th Cir. 1982) (“To read the Act more broadly invites anticompetitive and irrational market behavior.”) (no infringement found); *Int’l Order of Job’s Daughters v. Lindeburg and Co.*, 633 F.2d 912, 918 (9th Cir. 1980) (“We commonly identify ourselves by displaying emblems expressing allegiances. Our jewelry, clothing, and cars are emblazoned with inscriptions showing the organizations we belong to, the schools we attend, the landmarks we have visited, the sports teams we support, the beverages we imbibe.”) (no infringement found), *Smith v. Chanel*, 402 F.2d 562, 567 (1968) (“The primary value of the modern trademark lies in the ‘conditioned reflex developed in the buyer by imaginative or often purely monotonous selling of the mark itself.’ Derring, *Trademarks on Noncompetitive Products*, 36 Or. L. Rev. 1, 2 (1956). To the extent that advertising of this type succeeds, it is suggested, the trademark is endowed with sales appeal independent of the quality or price of the product to which it is attached; economically irrational elements are introduced into consumer choices; and the trademark owner is insulated from the normal pressures of price and quality competition. In consequence the competitive system fails to perform its function of allocating available resources efficiently.”) (no infringement found), *Standard Brands v. Smidler*, 151 F.2d 34, 41 (2d Cir. 1945) (Frank, J., concurring) (“Non-economic snobbish desires of consumers (of the kind analyzed by Veblen) and the satisfaction of their desires engendered by ignorance have been said to be entitled to judicial protection, at least in the Federal Trade Commission cases. It is perhaps not inappropriate to ask whether snobbism and catering to ignorance are important social interests deserving governmental assistance.”), and *Eastern Wine Corp. v. Winslow-Warren, Ltd.*, 137 F.2d 955, 958 (2001) (Frank, J., reversing lower court and finding no infringement) (“The protection of such monopolies in names seems, then, to rest on the social interest in protecting primarily, not the consumer, but the businessman who has gained a strategic advantage, through building up of good will.”). See also *Arsenal Football Club PLC, v. Matthew Reed*, Case C-206/01 (Op. Adv. Gen. June 13, 2002), para. 43 (“[D]istinctive signs may

lectures¹³⁰—their own views on the costs and benefits of the persuasive function of trademarks, and these views arguably affect outcomes. Where views have differed on the issue, appellate courts have reversed lower courts¹³¹ or reported dissents.¹³² The judiciary’s concern with persuasion is especially evident in its adjudication of antidilution claims. Empirical work has confirmed that courts do not like to enforce antidilution statutes.¹³³ The explanation traditionally given is that courts are reluctant to grant broad “rights in gross” in words, images, or product features.¹³⁴ Courts suffer, in other words, from a condition common to centuries of trademark thinking: “monopolophobia.”¹³⁵ But this explanation is incomplete. It does not do justice to the implicit social welfare analysis underlying the courts’ “phobia.” Courts routinely grant “in gross” property rights in patentable and copyrightable subject matter because they believe that to do so will “promote the Progress.”¹³⁶ The difference with trademarks is that when

indicate provenance as well as quality, the reputation or the renown of the producer or the provider, while trade marks may also be used for advertising purposes in order to inform and persuade the consumer.” (footnotes omitted)); Ralf Sieckmann, Case C-273/00 (Op. Adv. Gen. Nov. 6, 2001), para. 19 (“The manufacturer gives the consumer information in order to make him aware of the goods, and sometimes persuades him as well.”).

¹³⁰ See, e.g., Pierre N. Leval, *Trademark: Champion of Free Speech*, 27 COLUM. J.L. & ARTS 187 (2004); Richard A. Posner, *Misappropriation: A Dirge*, 40 HOUS. L. REV. 621 (2003); Alex Kozinski, *Trademarks Unplugged*, 68 N.Y.U. L. REV. 960 (1993).

¹³¹ See, e.g., *Hermes Intern. v. Lederer De Paris Fifth Avenue, Inc.*, 50 F.Supp.2d 212, 226 (S.D.N.Y. Mar. 19, 1999) (Scheidlin, J.) (“I am not convinced that defendants’ activity harms the public in the post-sale context.”), reversed by *Hermes Intern. v. Lederer de Paris Fifth Ave., Inc.*, 219 F.3d 104, 108-109 (2d Cir. 2000) (“Such a practice does harm the public, however, by creating post-sale confusion, not just among high-end consumers, but among the general public, which may believe that the knockoff is actually the genuine article.”); *Mastercrafters Clock & Radio Co. v. Vacheron & Constantin-Le Coultre Watches, Inc.*, 119 F.Supp. 209, (S.D.N.Y. Mar 01, 1954) (finding no post-sale confusion), reversed by *Mastercrafters Clock & Radio Co. v. Vacheron & Constantin-LeCoultre Watches, Inc.*, 221 F.2d 464, 466 (2d Cir. 1955) (finding post-sale confusion).

¹³² See, e.g., *White v. Samsung Elecs. Am.*, 989 F.2d 1512 (9th Cir. 1993) (Kozinski, J., dissenting from the order rejecting the suggestion for rehearing en banc). Cf. *Esercizio v. Roberts*, 944 F.2d 1235, 1248 (6th Cir. 1991) (Kennedy, J., dissenting).

¹³³ See Clarissa Long, *Dilution* (working paper) (demonstrating through review of 1996-2004 federal case law a substantial decline in enforcement rates of claims brought under the FTDA). On the recognition of judicial hostility to antidilution statutes, see, e.g., *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Development*, 170 F.3d 449, 457 (4th Cir. 1999) (noting a “period of general judicial hostility to the whole statutory dilution concept”); Note, *Dilution: Trademark Infringement or Will-O’-the-Wisp?*, 77 HARV. L. REV. 520, 528 (1964) (noting that courts’ “drawing the teeth” of antidilution laws).

¹³⁴ See, e.g., *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 875 (9th Cir. 1999) (“Dilution causes of action, much more so than infringement and unfair competition laws, tread very close to granting ‘rights in gross’ in a trademark.”).

¹³⁵ See Simone A. Rose, *Will Atlas Shrug? Dilution Protection for “Famous” Trademarks: Anti-Competitive “Monopoly” or Earned “Property” Rights?*, 47 FLA. L. REV. 653, 673-682 (discussing “monopolophobia” in trademark thinking).

¹³⁶ U.S. CONST. art I. § 8 cl. 8.

courts weigh the costs of monopoly rights in signs against the benefits of “selling power,” they apparently see no good reason to protect the latter.¹³⁷

In the scholarly commentary, persuasion sophistication is a concept of central importance, particularly for restrictionists. Indeed, their low estimation of the average consumer’s persuasion sophistication appears to form the basis of their belief that trademark rights should be restricted.¹³⁸ Ralph Brown, the late dean of the restrictionists, first spoke of persuasion sophistication in 1948, when he listed consumers’ “‘sales resistance,’ a compound of realism, skepticism, and apathy,” as one possible force that could counter “advertising propaganda.”¹³⁹ Brown set little store in “sales resistance,” however. He viewed consumers as essentially defenseless victims of modern advertising who had lost control of their preferences.¹⁴⁰ Some recent restrictionist commentators have been especially severe in the presentation of this view,¹⁴¹ while others express uneasiness about

¹³⁷ See Ellen P. Winner, *Right of Identity: Right of Publicity and Protection for a Trademark’s “Persona,”* 71 TRADEMARK REP. 193, 212 (1981) (noting that whereas courts may be willing to protect personal celebrity, they “do not sympathize as readily with commercial interests as with personal interests.”). *But see* Ty, Inc. v. Perryman, 306 F.3d 509, 511-513 (7th Cir. 2002) (Posner, J.) (discussing economic justifications for antidilution protection).

¹³⁸ See, e.g., Lunney, *supra* note 13. Lunney writes:

Some advertising and associated trademarks serve as a form of blackmail. Such advertising seeks to persuade us by first creating or exacerbating our insecurities and self-doubts. It tells us that we are not pretty enough, not popular enough, not hip enough, not rich enough. Only after it has shaken our self-image and disturbed our self-contentment does this type of advertising step forward to offer a remedy. Many consumers are susceptible to these ads and will take the remedy offered. This advertising can therefore persuade consumers to purchase a good they would not otherwise have bought or pay more for a good than they would otherwise have paid. This increased willingness to buy does not, however, reflect an aggregate increase in utility, even if we limit our consideration to those consumers who are persuaded to purchase. In many cases, the consumer may pay the higher price simply to restore her pre-advertisement satisfaction level.

Id. at 421 n.12.

¹³⁹ Brown, *supra* note 12, at 1183. Later commentators have impliedly spoken of the concept as well. See, e.g., Litman, *supra* note 86, at 1727 (“At some level, most consumers know [about various marketing tactics]; most of them have nonetheless settled on their own favorite advertised brands.”).

¹⁴⁰ See Brown, *supra* note 12, at 1180-83.

¹⁴¹ See, e.g., Lunney, *supra* note 13, at 421 n.12 (“[T]o the extent that advertising and a trademark successfully generate an unthinking buying response—a trained reaction to the presence of a trademark where perception of the mark stimulates hand to wallet without conscious thought—does that represent a legitimate form of welfare enhancement? Were Pavlov’s dogs happier after they had been trained to salivate at the sound of a dinner bell?”) Cf. Ronald K.L. Collins & David M. Skover, *Commerce & Communication*, 71 Tex.L.Rev. 697, 698 (1993) (“[I]n the real marketplace, there is a free trade in commercial images that encourages fantasized decisions by the consumer. . . it is a place where the consumer exchanges money for magic, where commercial communication promises fantasy more than utility.”); Mark Hager, *Against Liberal Ideology: A Guide to Critical Legal Studies*, 37 AM. U. L. REV. 1051, 1074 (1988) (questioning whether consumer sovereignty is possible in a “quasi-totalitarian system of propaganda about what is worth having in life”).

trademarks' persuasive power but are less willing to condemn induced preferences outright.¹⁴²

Trademark apologists, in contrast, typically attribute to consumers a high degree of persuasion sophistication, or at least argue that commercial persuasion does not unduly affect consumer preferences. Of course, Landes and Posner adopt this view.¹⁴³ Other commentators do as well.¹⁴⁴ To their credit, the highly influential treatise-writers J. Thomas McCarthy and Jerome Gilson and Anne Gilson LaLonde, who are generally apologist in orientation, also acknowledge the issue of consumer susceptibility. Yet they decline to attribute to it any doctrinal significance, presenting it instead as beyond the bounds of their treatises and thus, by implication, as exogenous to the model of trademark law they espouse.¹⁴⁵

Apparently in the alternative, apologists conduct a kind of co-optation or subtending maneuver, in which consumers are understood not to resist

¹⁴² See, e.g., Robert G. Bone, Enforcement Costs and Trademark Puzzles, 90 Va. L. Rev. 2099, 2116 (2004) ("Just because advertising creates new preferences in addition to supplying information to help satisfy preferences already formed does not mean that the induced preferences are 'irrational' or 'bad' or that they should count as a social cost in considering whether to protect a mark."); Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L. J. 1687, 1709 ("Nor should we be particularly concerned that consumers seem to want to treat trademarks as things in themselves. Most sociologists would look at the premium prices paid for certain brand logos as 'irrational' preferences. If the consumer really is king, however, this may not be a fair judgment."); Litman, *supra* note 86, at 1727 ("Anecdotal evidence suggests that many consumers don't feel duped, or, in any event, don't mind being duped.").

¹⁴³ See LANDES & POSNER, *supra* note 15, at 173 ("This concern [that trademarks "bamboozle the public] has gained no foothold in trademark law. The implicit economic model that guides that law is our model, in which trademarks lower consumers' search costs by providing them with valuable information about brands and encourage quality control rather than create social waste and consumer deception.").

¹⁴⁴ See, e.g., Jerre B. Swann, Sr., *Dilution Redefined for the Year 2002*, 92 TRADEMARK REP. 585, 616 (2002) (citing survey evidence in which consumers listed "high quality and reliability" as their most important purchase criterion and "advertising" as their ninth most important); Jerre B. Swann, David A. Aaker & Matt Reback, *Trademarks and Marketing*, 91 TRADEMARK REP. 787, 791 (2001) ("Today, however, it has been demonstrated that consumers are not easily misled."); Peter S. Mennell, *Intellectual Property: General Theories*, in 2 ENCYCLOPEDIA OF LAW AND ECONOMICS 129, 149 (Boudewijn Bouckaert & Gerrit De Geest eds. 2000) ("Some early industrial organization economists were critical of advertising (and hence marking) on the ground that they 'unnaturally' stimulated demand, thereby fostering and perpetuating oligopoly through 'artificial' product differentiation. This view has been largely supplanted by theoretical arguments and empirical evidence supporting the view that advertising and trademarks are an efficient means of providing information in the marketplace." (citations omitted)); Rose, *supra* note 135 (advocating antidilution protection in order to protect the trademark's "advertising value").

¹⁴⁵ See, e.g., J. THOMAS MCCARTHY, 1 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 2:36 (4th ed.) ("If the public wishes to buy a popular brand of aspirin that costs more rather than a lesser-known brand of allegedly identical aspirin that costs much less, that is the consumer's choice. . . who is to say where the line lies between rational and irrational consumer choices? Can the law ignore the real psychological benefits of consumer buying habits based upon motivations not measured in dollars and cents?"); JEROME GILSON & ANNE GILSON LALONDE, GILSON ON TRADEMARK PROTECTION AND PRACTICE § 1.03 2004 ("[The consumer] can thus distinguish between the products and choose one for whatever reason, logical or illogical, motivates him: quality, price, servicing, advertising, premiums, financing terms, or salesman persistence.); *id.* at § 1.03 ("The reasons *why* the consumer selects one brand over another are beyond the scope of this treatise.").

persuasion, but to embrace it. The differential distinctiveness of the mark is redefined as a component of the product itself, a component for which the rational consumer knowingly and willingly pays.¹⁴⁶ Persuasion, on this view, becomes information; the performative becomes the constative.¹⁴⁷ It is “knowledge, whether real or fancied,”¹⁴⁸ that functions as an input, with goods, time, and other inputs, in one’s own production of higher-order “commodities.”¹⁴⁹

V. THE RELATION BETWEEN SEARCH SOPHISTICATED AND PERSUASION SOPHISTICATED

So far, I have discussed the schools’ antithetical positions on search sophistication in isolation from their antithetical positions on persuasion sophistication. Here, I bring each school’s positions together. If the schools are antithetical to each other, they are also internally antithetical. Each school seeks essentially to have its cake and eat it too, to argue that the average consumer is either sovereign or fool in search and the other in preference formation. This would be of merely academic interest, if that, but for the progress all the while of the law itself. In the political economy of trademark law, there are not merely apologists and restrictionist forces or plaintiffs and defendants before the bar. There are also trademark producers, and these producers have exploited the dialectical relation between search and persuasion—the very dialectic that has so embroiled the academic schools—to bring about a slow, steady expansion in the scope of trademark protection.

¹⁴⁶ See, e.g., MCCARTHY, *supra* note 83, at § 2.36; Swann, Aaker & Reback, *supra* note ___, at 802 (“Consumers who so use brands [as means of self-expression] have not been ‘duped’; rather, they simply appreciate that life encompasses more than quality and price, and utilize brands as another form of communication and self-satisfaction. Consumers, today, pay brand premiums for a whole host of benefits that transcend functionality.”); Nicholas S. Economides, *The Economics of Trademarks*, 78 TRADEMARK REP. 523, 535 (1988) (“[P]erception advertising provides consumers with products (mental images) that they value, and which would have been scarce in its absence.”). Cf. Brown, *supra* note 12, at 1181 (“The buyer of an advertised good buys more than a parcel of food or fabric; he buys the pause that refreshes, the hand that never lost its skill, the priceless ingredient that is the reputation of its maker. All these may be illusions, but they cost money to create, and if the creators can recoup their outlay, who is the poorer? Among the many illusions which advertising can fashion are those of lavishness, refinement, security and romance.”), *quoted in* Federal Trade Comm’n v. Borden Co., 383 U.S. 637, 652 (1966) (Stewart, J., dissenting).

¹⁴⁷ On the “constative” and “performative,” see J.L. AUSTIN, HOW TO DO THINGS WITH WORDS 1-24 (1962).

¹⁴⁸ George J. Stigler & Gary S. Becker, *De Gustibus Non Est Disputandum*, 67 AM. ECON. REV. 76, 84 (1977). See also Gary S. Becker & Kevin M. Murphy, *A Simple Theory of Advertising as a Good or Bad*, 108 Q.J. ECON. 941 (1993). Douglas Kysar reviews this work in Kysar, *supra* note 9, at 1756.

¹⁴⁹ See Stigler & Becker, *supra* note 148, at 77 (describing a “utility function of objects of choice, called commodities, that [households] produce with market goods, their own time, their skills, training and other human capital, and other inputs.”).

To prepare the way for this discussion, however, I turn first to a brief consideration of the politics underlying trademark critique.

A. Persuasion and the Politics of Trademark Critique

Any account of intellectual property is invariably grounded in a politics, i.e., a set of broader ideological assumptions and commitments.¹⁵⁰ This is certainly true of trademark law. The restrictionist view of trademark protection emerges out of the Left's generally suspicious view of consumption as a social practice, whereas the apologist view emerges out of the Right's generally tolerant, even quietist view of consumption. In the past quarter-century, British and American cultural studies have expressed and then identified in their own work basic conceptual tensions within the Left and Right views of consumption.¹⁵¹ These tensions have reappeared in the trademark literature, and I briefly identify them here.

1. The Tensions in the Restrictionist Account of Persuasion

The tensions in the restrictionist critique are familiar, particularly to those schooled in Marxist theories of culture.¹⁵² The restrictionist critique of trademark law grows out of a half-century tradition of "manipulationist" or "hypodermic" views of advertising and the mass media.¹⁵³ On one level, this tradition has held that advertising works subliminally to create specific wants,¹⁵⁴ or as one court once speculated, "the average purchaser undergoes, while in the supermarket, an experience not unlike that of hypnosis."¹⁵⁵ On another level, the tradition laments the

¹⁵⁰ Cf. Pamela Samuelson, *Towards a New Politics of Intellectual Property*, 44 COMM. ACM 98 (2001); James Boyle, *A Politics of Intellectual Property: Environmentalism for the Net?*, 47 DUKE L.J. 87 (1997).

¹⁵¹ See generally THE CONSUMER SOCIETY READER (Martyn J. Lee ed., 2000); THE CONSUMER SOCIETY (Neva R. Goodwin, Frank Ackerman, & David Kiron eds., 1997); CELIA LURY, CONSUMER CULTURE (1996); ROBERT BOCOCK, CONSUMPTION (1993); MARTYN J. LEE, CONSUMER CULTURE REBORN: THE CULTURAL POLITICS OF CONSUMPTION (1993).

¹⁵² See generally DAVID MCLELLAN, MARXISM AFTER MARX (1998) (surveying twentieth century Marxist schools of thought); Cary Nelson & Lawrence Grossberg, *Introduction: The Territory of Marxism*, in MARXISM AND THE INTERPRETATION OF CULTURE 1 (Cary Nelson & Lawrence Grossberg, eds. 1988) (surveying Marxist theories of culture); Michael Denning, *The Special American Conditions?: Marxism and American Studies*, 38 AMER. Q. 356 (1986) (surveying and encouraging American Studies to come to terms with Marxist theories of culture).

¹⁵³ On this tradition, see CAMPBELL, *supra* note 10, at 36-57.

¹⁵⁴ See, e.g., RUSSELL LYNES, THE TASTEMAKERS (1955) (discussing the construction of tastes in American culture); VINCE PACKARD, THE HIDDEN PERSUADERS (1957) (discussing the advertising industry).

¹⁵⁵ *Pickle-Rite Co. v. Chicago Pickle Co.*, 171 F. Supp. 671, 676 (N.D. Ill. 1959), *quoted in* Justin Hughes, *"Recoding" Intellectual Property and Overlooked Audience Interests*, 77 TEX. L. REV. 923, 994 (1999).

“hypersuggestability of consumers to the tiniest information input.”¹⁵⁶ In any case, consumer wants are conceived of as manufactured rather than instinctive,¹⁵⁷ as “situational” rather than “dispositional.”¹⁵⁸

But this attack on the inauthenticity of consumer wants draws its standard of authenticity from a most unlikely source. The manipulationist tradition, and the restrictionist critique of trademark law with it, assumes that the consumer is somehow being manipulated if (1) her choice is informed to some degree by emotion or imagination, rather than purely by rational calculation (as when one restrictionist commentator laments that “the purchase of many advertised articles . . . has a raw emotional origin”¹⁵⁹), or (2) she is persuaded to buy a product for reasons other than its intrinsic utility (as when another questions whether product “atmospherics” deserve legal protection).¹⁶⁰ The restrictionists’ standard of authenticity is, of course, neo-classical in orientation. Their critique appears to aspire to the condition that the neo-classical theory simply assumes. It posits the existence of a pre-trademark, prelapsarian state of nature, where only instinctive wants, i.e., those that precede culture, are genuine,¹⁶¹ and imagines as the ideal consumer in that state what is the rational, utility-maximizing sovereign consumer by any other name.

2. The Tensions in the Apologist Account of Persuasion

The tensions in the apologist account of trademark law are also familiar. The economic theory of trademark law, as of consumption, is essentially free-market libertarian. It is also emphatically populist. It urges the efficient supply of what the people demand. It does not pass judgment on people’s preferences, even if those preferences would appear to be irrational, immoral, or, in ecological terms, suicidal. In this political economic scheme, “[t]he key value to be realized by consumer sovereignty

¹⁵⁶ See GILLIAN DYER, *ADVERTISING AS COMMUNICATION* 72 (1982).

¹⁵⁷ See JOHN KENNETH GALBRAITH, *THE AFFLUENT SOCIETY* 127 (1958) (“[S]o it is that if production creates the wants it seeks to satisfy . . . then the urgency of the wants can no longer be used to defend the urgency of the production. Production only fills a void that it has itself created.”).

¹⁵⁸ See generally Jon Hanson & David Yosifon, *The Situation: An Introduction to the Situational Character, Critical Realism, Power Economics, and Deep Capture*, 152 U. PENN. L. REV. 129 (2003).

¹⁵⁹ See, e.g., Brown, *supra* note __, at 1635. See generally CAMPBELL, *supra* note 10, at 36-57 (discussing the influence of utilitarianism on manipulationist views of advertising).

¹⁶⁰ Litman, *supra* note 86, at 1728-1731.

¹⁶¹ See Daniel Miller, *Consumption as the Vanguard of History: A Polemic by Way of an Introduction*, in *ACKNOWLEDGING CONSUMPTION* 1, 24 (Daniel Miller ed., 1995) (“Behind many of these [criticisms of consumer culture as inauthentic] lies the idea that at some earlier period humanity lived in a firm relationship to the world around it, within which it was socialised as part of larger cosmological, moral and utilitarian projects. Today by contrast, we simply choose/purchase our worlds with a largely ephemeral and irrational lack of genuine concern.”).

[is] not welfare maximization of any sort, but rather the simple tolerance of the desires of others.”¹⁶² The ultimate goal, in other words, is liberty, not efficiency; the latter is merely a felicitous incident of the pursuit of the former. In the name of liberty, the apologist is deeply suspicious of any effort to take from consumers “the freedom to decide, even if imperfectly,”¹⁶³ and impose on them their authentic preferences.

But because trademarks are also cultural forms, they force an encounter between two uncertain relatives: conservative thought on the market, which is generally libertarian, and accuses restrictionists of being “moralists”¹⁶⁴ or “puritanical,”¹⁶⁵ and conservative thought on culture, which is generally anti-commercial, if not authoritarian.¹⁶⁶ The latter typically subscribes to traditional truths, absolute values, and universal hierarchies.¹⁶⁷ This sets it on a collision course with the relativism of the market, of which the trademark is a distilled form. What remains ultimately to resolve this tension in Right thought on trademark law, as on the market and culture generally, is a selective and unstable form of radical populism.¹⁶⁸

¹⁶² Joseph Persky, *Consumer Sovereignty*, 7 J. ECON. PERSP. 183, 189 (1993). Cf. HANNAH ARENDT, *MEN IN DARK TIMES* (1968) (discussing “many periods of dark times in which . . . people have ceased to ask any more of politics than it show due consideration for their vital interests and personal liberty.”).

¹⁶³ Samuel Issacharoff, *Can There Be a Behavioral Law and Economics?*, 51 VAND. L. REV. 1729, 1745 (1998). See also RICHARD POSNER, *FRONTIERS OF LEGAL THEORY* 286-87 (2001) (suggesting that the appointment of experts to “determin[e] the populace’s authentic preferences . . . sounds totalitarian”).

¹⁶⁴ Jerre B. Swann, Sr., *Dilution Redefined for the Year 2002*, 92 TRADEMARK REPORTER 585, 618 (2002) (referring to “moralists among us [who] sometimes decry experiential marketing”).

¹⁶⁵ Jerre B. Swann, Sr., *Dilution Redefined for the Year 2000*, 90 TRADEMARK REP. 823, 865 (2000) (criticizing a commentator’s “almost puritanical judgments about promotional appeals to consumer emotions without understanding that there are an infinite variety of emotionally valid reasons, beyond avoidance of risk, why consumers buy goods.”). Cf. Brown, *supra* note __, at 1635. Brown writes:

The nature of the satisfaction [for an advertised brand] is of concern only to the moralist. Though this argument can easily be pushed to absurdity—suppose it was to the interest of the advertisers to consume half the national product in persuasion?—it seems plausible if it is based on the dogma of consumer autonomy. Then anyone who questions the untrammelled use of influence by the seller and its uncoerced acceptance by the buyer is at best a Puritan, at worst a Fascist. The debate seems to end in a defense of freedom, for the advertiser as well as for the consumer.

Id.

¹⁶⁶ On this encounter, see Allan Bloom, *Commerce and Culture*, in *GIANTS AND DWARFS: ESSAYS, 1960-1990*, at 192 (1991) (“[T]he very notion of ‘culture’ was formed in response to the rise of commercial society.”). See also ALLAN BLOOM, *THE CLOSING OF THE AMERICAN MIND* 185-216 (1987); F.A. HAYEK, *THE FATAL CONCEIT: THE ERRORS OF SOCIALISM* (W.W. Bartley ed., 1991); F.R. LEAVIS, *MASS CIVILIZATION AND MINORITY CULTURE* (1930). See generally D.N. McCloskey, *Bourgeois Virtue*, 63 AMER. SCH. 177 (1994).

¹⁶⁷ See, e.g., EDMUND BURKE, *REFLECTIONS ON THE REVOLUTION IN FRANCE* (Frank M. Turner & Darrin M. McMahon eds., 2003) (1790). See also the more congenial Matthew Arnold, *Culture and Anarchy: An Essay in Political and Social Criticism*, in *ARNOLD: CULTURE AND ANARCHY AND OTHER WRITINGS* 53 (Stefan Collini, Raymond Geuss & Quentin Skinner eds., 1993).

¹⁶⁸ See, e.g., AYN RAND, *PHILOSOPHY: WHO NEEDS IT?* (1984).

3. The “Cultural Populist” Strain in Trademark Commentary

In recent years, a kind of “third way”¹⁶⁹ in trademark critique has emerged, one which may be termed, borrowing from the label given to a similar movement in British cultural studies, a “cultural populist” school of critique.¹⁷⁰ Like its cultural studies analogue, of whose work it appears to be unaware, the cultural populist school of trademark critique is attentive to the tensions in its account of consumption as a social practice. Whether it manages to resolve these tensions, however, is another matter.

The cultural populist school refuses to conceive of the consumer as the dupe of advertising. On the contrary, it is committed to the view that the consumer is active and critical, both in search and preference formation. Furthermore, it endorses differential distinctiveness and any other form of commercial affect. But it claims this affect as the property of consumers themselves, on the ground that consumers are largely responsible for its creation. In a memorable passage, Jessica Litman sets out this approach:

It may well increase the total *utils* in our society if every time a guy drinks a Budweiser or smokes a Camel, he believes he's a stud. We may all be better off if, each time a woman colors her hair with a L'Oreal product, she murmurs to herself “and I'm worth it.” If that's so, however, Warner Brothers, Anheuser-Busch, R.J. Reynolds, and L'Oreal can hardly take all the credit. They built up all that mystique with their customers' money and active collaboration.¹⁷¹

This is, among other things, a basic “reader response” theory of the trademark,¹⁷² in which, in the words of the cultural theorist Paul Willis, consumer goods are merely “raw materials” for the consumer’s “symbolic work.”¹⁷³ It is of a piece with a more general effort in American intellectual property criticism on the Left to dissolve authorship, to redistribute ownership of the means and ends of intellectual production.¹⁷⁴ Premised on a sweat-of-the-brow theory of property rights, it seeks to free up the

¹⁶⁹ Cf. ANTHONY GIDDENS, *THE THIRD WAY: THE RENEWAL OF SOCIAL DEMOCRACY* (1998).

¹⁷⁰ See generally DE CERTEAU, *supra* note 6; Jim McGuigan, *Cultural Populism Revisited*, in *CULTURAL STUDIES IN QUESTION* 140-5 (1998); John Fiske, *Commodities and Culture*, in *UNDERSTANDING POPULAR CULTURE* 26 (Unwin Hyman ed., 1989). See also John Clarke, “*Mine Eyes Dazzle*”: *Cultures of Consumption*, in *NEW TIMES AND OLD ENEMIES: ESSAYS ON CULTURAL STUDIES AND AMERICA* (1991).

¹⁷¹ See Litman, *supra* note 87, at 1729.

¹⁷² See generally *READER-RESPONSE CRITICISM: FROM FORMALISM TO POST-STRUCTURALISM* (Jane P. Tompkins ed., 1980). Cf. Linda M. Scott, *The Bridge from Text to Mind: Adapting Reader-Response Theory to Consumer Research*, 21 J. CONS. RES. 461 (1994).

¹⁷³ See PAUL WILLIS WITH SIMON JONES, JOYCE CANAAN, & GEOFF HURD, *COMMON CULTURE: SYMBOLIC WORK AT PLAY IN THE EVERYDAY CULTURES OF THE YOUNG* 85 (1990).

¹⁷⁴ See generally Justin Hughes, *supra* note 155 (critiquing the “deconstructionist” view that “would liberate the word from the speaker’s control and give everyone freedom to recode intellectual property”).

affective content of trademarks for purposes of cultural and political expression. Its ideal consumer is the appropriationist artist.

A hybrid of the Left and Right critiques, the cultural populist view represents the best of both worlds, and also the worst. It appears to be appealingly democratic and optimistic. It shares with the school of cultural populism in British cultural studies the view that, as John Fiske wrote, “the audience, from being a commodity, now becomes a producer, a producer of meanings and pleasures.”¹⁷⁵ It also shares with the cultural theorist Daniel Miller the view that consumer society has caused “a shift in power from production to consumption,”¹⁷⁶ whereby it is the “productive” capacity of consumers that is the driving force in the market and culture. But the cultural populist strain does no better than neo-classical economic thought in answering the charge that consumer culture is inauthentic and corrosive of non-commercial values. In other words, it declines to explain whether the empowerment of the consumer is a progressive or regressive phenomenon.

In this sense, the cultural populist strain in trademark critique comports with the general character of trademark law. It is ultimately descriptive rather than prescriptive. A “what is good” theory of consumer culture and of trademark law’s complicity in it, the cultural populist strain seeks to make a virtue of necessity.

B. The Relation Between Search Sophistication and Persuasion Sophistication

The tensions in the restrictionist and apologist views of consumption recapitulate themselves in each school’s attempt to reconcile its position on search sophistication with its position on persuasion sophistication. Consider first the schools’ differing analyses of the *basis* of trademark protection. The restrictionist critique of the basis of trademark protection has long been that consumers are easily deluded by the persuasive use of strong marks, and that the costs of this delusion tend to outweigh any gains that may arise from the informational use of such marks. The apologist response has long been the contrary, that consumers are *not* easily deluded by the persuasive use of strong marks, and that, at any rate, the gains that may arise from the informational use of such marks far outweigh any

¹⁷⁵ Fiske, *supra* note 170, at 30. See also JOHN FISKE, *READING THE POPULAR* 97 (“If [Madonna’s] fans are not ‘cultural dopes’, but actively choose to watch, listen to, and imitate her rather than anyone else, there must be some gaps or spaces in her image that escape ideological control and allow her audiences to make meanings that connect with *their* social experience.”).

¹⁷⁶ Daniel Miller, *Consumption as the Vanguard of History*, in *ACKNOWLEDGING CONSUMPTION* 1, 7 (Daniel Miller ed., 1995).

supposed persuasional costs. The restrictionist view of the basis of trademark protection thus emphasizes persuasion and the unsophistication of the consumer. The apologist view emphasizes information and the sophistication of the consumer.

The tension arises when the two schools' attempt to reconcile their arguments as to the *basis* of trademark protection with their arguments as to the appropriate *scope* of trademark protection. The restrictionist critique of the scope of trademark protection has long been that consumers are not so easily confused by similar marks as the law believes, and thus that the average scope of protection should be contracted. Apologists have responded to the contrary, that consumers are in fact easily confused, and thus that the scope of protection should be maintained if not expanded. Here, then, the restrictionist view emphasizes information and the sophistication of the consumer. The apologist view emphasizes the unsophistication of the consumer.

Note the tension: Restrictionists argue that the average consumer is not easily confused, but easily deluded; consumers have low persuasion sophistication and high search sophistication. Apologists argue that the average consumer is easily confused, but not easily deluded; consumers have high persuasion sophistication and low search sophistication. Each school's view underwrites its policy goal: The restrictionist can argue that to the extent that the average consumer is search smart, any contraction in the scope of protection will not cause confusion, but will minimize delusion. The apologist can argue that to the extent that the average consumer is persuasion smart, any expansion in the scope of protection will not cause delusion, and will minimize confusion.

1. The "Schizoid" Consumer

The reader may respond by questioning whether there really is any tension within either of the school's views. That is, search sophistication need not imply persuasion sophistication, and persuasion sophistication need not imply search sophistication. One can imagine, and, in fact, one frequently encounters in the case law, if not also in popular cultural representations of the consumer, a prototypical consumer whose very susceptibility to the affective power of the brand is understood to increase that consumer's perspicaciousness in search.¹⁷⁷ Brett Easton Ellis's description in *American Psycho* of Patrick Bateman's morning routine

¹⁷⁷ See, e.g., *Cartier, Inc. v. Deziner Wholesale, L.L.C.*, 2000 WL 347171, *6 (S.D.N.Y. Apr. 3, 2000) ("[T]he sophistication of consumers[] weighs in plaintiff's favor. Cartier customers, as consumers of luxury items, are presumed to be sophisticated buyers who can and will distinguish between Deziner and Cartier sunglasses, despite any confusing references on Deziner's packages.").

offers an especially chilling representation of such a consumer, so deluded by the power of commodity signs as to sacramentalize their every detail.¹⁷⁸ Here, to the extent that the consumer is persuasion dumb, he is search smart. At the same time, one can imagine a consumer who cares little about the meaning of brand *x* as opposed to the meaning of brand *y*, and who buys solely on price or simply on whim. As Ann Bartow has recently shown, this image of the consumer is strikingly prevalent in the federal case law.¹⁷⁹ Here, to the extent that the consumer is persuasion smart, or simply persuasion immune, he is search dumb.

There are two responses to this challenge: the first, empirical, the second, theoretical. As an empirical matter, search sophistication appears to correlate positively with persuasion sophistication.¹⁸⁰ It is well-established that consumers with low search sophistication are also more likely to have a low degree of persuasion sophistication.¹⁸¹ Though there may be a colorful example to the contrary in the figure of the media-savvy because media-saturated consumer, it also appears to be the case that consumers with high search sophistication are also more likely to have high persuasion sophistication.¹⁸²

The theoretical response is more profound. To formulate a theory of the consumer as sovereign in one sense and fool in the other is to formulate a theory not just of the consumer, but of the citizen. One's theory of trademark law, it must be emphasized, is a species of one's theory of politics. And as a theory of politics, the apologists and restrictionist schools offer us in the schizoid consumer the worst of each of their worlds. The political-economic subject is either confused or deluded; he either chooses on instinct but mistakenly chooses other than what his instinct instructed him to choose, or he chooses what he intended but chooses it according to external command.¹⁸³ In either case, the subject may be said to have lost

¹⁷⁸ See BRETT EASTON ELLIS, *AMERICAN PSYCHO* 28-34 (2000).

¹⁷⁹ See Bartow, *supra* note __, at 770-796.

¹⁸⁰ See generally Joseph W. Alba & J. Wesley Hutchinson, *Dimensions of Consumer Expertise*, 13 J. CONS. RES. 411 (1987) (literature review discussing empirical results of studies relating to consumer expertise).

¹⁸¹ See, e.g., Deborah Rodder John, *Consumer Socialization of Children: A Retrospective Look at Twenty-Five Years of Research*, 26 J. Cons. Res. 183 (1999) (literature review concluding, *inter alia*, that children are generally unsophisticated in search and, while aware of the persuasive intent of advertising, have a low ability to resist commercial persuasion).

¹⁸² See generally Campbell & Kirmani, *supra* note __; Wright, *supra* note __.

¹⁸³ Cf. Fredric Jameson, *Postmodernism and Consumer Society*, in *ADVERTISING AND CONSUMER CULTURE* 91 (Jody Baker ed., 1996) (discussing the experience of the schizophrenic subject in consumer culture); Dick Hebdige, *A Report on the Western Front: Postmodernism and the 'Politics' of Style*, in *ART IN MODERN CULTURE: AN ANTHOLOGY OF CRITICAL TEXTS* 323, 340 (Francis Frascina & Jonathan Harris eds., 1992) ("The subject of advertising is not the rational sovereign subject of Descartes, the subject of 'consumer sovereignty' nor is it the manipulated dupe of some 'critical' analyses of advertising signs: the malleable wax to the thumbprint of either commerce or the Law. Rather it is Deleuze and Guattari's 'body without organs'—the absolute

control over the *ends* of his actions, i.e., to have lost his sovereignty. This is of, course, an outcome that both the Right and the Left are otherwise committed to avoiding, each in their own way, in the name of “liberty” and “authenticity.” Not even the empirical argument that this is simply the way consumers are can save the critic from running contrary to the underlying theoretical commitments driving her critique. The “schizoid”¹⁸⁴ consumer simply cannot form the basis of a coherent politics, and, it follows, of a coherent theory of trademark law.

The political untenability of both schools of thought has led, I think, to the emergence in the trademark literature of the cultural populist view described above, that consumers are not so much passive objects as active subjects of persuasion, and that they should, for this reason, share in the ownership of the cultural forms they have created. It is certainly pretty to think that this redemptive reading of the trademark consumer could actually lead to the freeing up of cultural resources. It is more realistic, however, to assume that no such course of action will ever be followed. Ultimately, the cultural populist account expresses a sort of forced “optimism of the will.”¹⁸⁵ On the ground, however, in pragmatic effect, it does little more than make excuses for commercial persuasion—and the all too sovereign Patrick Bateman as the ideal and amoral type of the modern political-economic subject.

2. Persuasion Within Information

What, then, if we hold, as some courts have,¹⁸⁶ that a consumer’s degree of search sophistication implies and is implied by a corresponding degree of persuasion sophistication, and thus that neither schools’ views are

decentered subject, the irresponsible, unanchored subject: the psychotic consumer, the schizophrenic consumer.”).

¹⁸⁴ See DON SLATER, *CONSUMER CULTURE & MODERNITY* 33 (1997) (“The consumer is a schizoid character in modern thought.”).

¹⁸⁵ See ANTONIO GRAMSCI, *SELECTIONS FROM THE PRISON NOTEBOOKS OF ANTONIO GRAMSCI* 175 (Quintin Hoare & Geoffrey Nowell Smith eds. & trans., 1971) (discussing “pessimism of the intellect, optimism of the will”). See also Joseph A. Buttigieg, *Introduction*, in ANTONIO GRAMSCI, *PRISON NOTEBOOKS* 1, 12 (Joseph A. Buttigieg ed. & trans., 1991) (discussing Gramsci’s sense of optimism and pessimism).

¹⁸⁶ See, e.g., *Grotrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons*, 523 F.2d 1331, 1341-42 (2d Cir. 1975) (sophisticated buyers of prestige pianos are more likely mistakenly to associate piano manufacturers using similar trade names); *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 875 (2d Cir. 1986) (“[I]t is a sophisticated jeans consumer who is most likely to assume that the presence of appellee’s trademark stitching pattern on appellants’ jeans indicates some sort of association between the two manufacturers. Presumably it is these sophisticated jeans buyers who pay the most attention to back pocket stitching patterns and their ‘meanings.’”); *In re Leslie Fay Companies, Inc.* 216 B.R. 117, 132 (Bkrcty. S.D.N.Y. 1997) (“Assuming, arguendo, the purchasers are sophisticated, many courts have found that purchasers of designer goods are often more vulnerable to confusion by similar marks because of their strong awareness of the status of the brand name.” (citations omitted)).

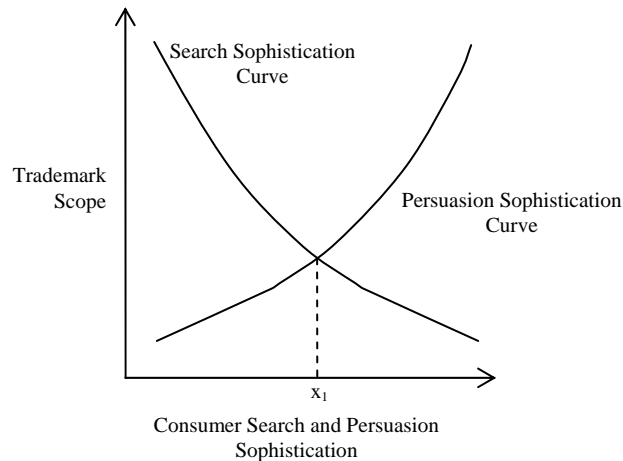


FIGURE 3: THE SEARCH SOPHISTICATION AND PERSUASION SOPHISTICATION CURVES

coherent? Where does this leave us, as restrictionists, as apologists, or even as neutral parties? Figure 3 places the search sophistication and persuasion sophistication curves on the same axes. This figure makes two assumptions. First, with respect to the sophistication axis, it assumes that search sophistication and persuasion sophistication are positively related. An increase (decrease) in one correlates with an increase (decrease) in the other. Second, with respect to the scope axis, it assumes that the scope of protection afforded to a trademark has both informational and persuasive effects. In preventing similar marks from entering the marketplace, increased scope results in a lesser likelihood of consumer confusion; in simultaneously preserving, if not expanding, the mark's distinctiveness, increased scope also results in a greater likelihood of consumer persuasion.

The apologists and restrictionists will agree on at least one implication of this figure. Recall that with respect to the search sophistication curve, for a given level of consumer sophistication, any level of scope on or above the search sophistication curve is understood to prevent consumer confusion. Both schools accept that for a given level of sophistication, scope must be set above or, optimally, at the level of the search sophistication curve.

But once the persuasion sophistication curve is taken into consideration, the schools quickly part company. Recall that at least in the restrictionists' view, for a given level of sophistication, any level of scope on or above the persuasion sophistication curve is understood to cause consumer delusion, i.e., an alteration in preferences. Thus, for purposes of avoiding confusion *and* delusion, the restrictionist is forced to argue that, as an empirical matter, consumers are more sophisticated than the level of sophistication called for by the point, x_1 , at which the two curves intersect.

The restrictionist is forced to do so because if consumers are less than or equal to x_1 in sophistication, persuasion is simply inevitable. This is because, for such consumers, the scope of protection necessary to prevent confusion will always be in excess of the scope of protection necessary to generate persuasion.¹⁸⁷ Indeed, as a general matter, for any trademark critic who worries about “selling power,” if her argument is to have any purchase, it must assume that consumers are more sophisticated than x_1 . Otherwise, in minimizing scope, what is gained on the persuasion side is lost on the confusion side, and it is with the latter side of the ledger that trademark law has traditionally been most concerned.¹⁸⁸ Thus, restrictionists are pulled to the right on the sophistication axis, where the scope of protection that generates “selling power” may be conceived of as in excess of the scope of protection that prevents confusion.¹⁸⁹

C. The Dynamic Driving the Expansion of Trademark Scope

The tradeoff between information and persuasion described above goes far towards explaining one dynamic that has driven the expansion of trademark scope since the beginning of the twentieth century. At the heart of this dynamic is the trademark producer’s willingness to assume the costs of search in order to gain the benefits of persuasion.

So far, I have spoken of consumer search sophistication and persuasion sophistication as the independent variables and of the scope of protection as the dependent variable. I have done so only for clarity’s sake in introducing the concepts and explaining their duplicity. In fact, in trademark law, the scope of protection and consumer sophistication are closely interdependent variables; scope affects sophistication just as sophistication affects scope. Trademark rights are essentially circular in nature, and not just in the sense in which all property rights are circular,¹⁹⁰ but in a sense much more

¹⁸⁷ Cf. Brown, *supra* note 12, at 1205 (“As we have seen, [the trade symbol] may at once represent: (1) the source of goods[,] (2) the reputation of that source[,] (3) satisfaction with the goods themselves[,] (4) persuasive advertising value[,] (5) intrinsic symbol value. We have agreed that the first three are desirable private interests, entitled to protection. The last two are not. But if they are all combined in a single symbol, the degree of exclusive use permitted as a safeguard against confusion of source, reputation, or goods, necessarily carries the rest along with it.”).

¹⁸⁸ See Jerre B. Swann, *The Economic Approach to Genericism: A Reply to Folsom and Teply*, 70 TRADEMARK REP. 243, 252 (1980) (“[A]ny limitation on the irrational differentiating propensities of trademarks may prove futile or destructive of their legitimate differentiating and other competition inducing values.”).

¹⁸⁹ See Rochelle Cooper Dreyfuss, *Expressive Generosity: Trademarks as Language in the Pepsi Generation*, 65 NOTRE DAME L. REV. 397, 402 (1990) (discussing “surplus value”).

¹⁹⁰ See Felix S. Cohen, *Transcendental Nonsense and the Functional Approach*, 35 COLUM. L. REV. 809, 815 (1935). Rosemary Coombe rephrases Cohen’s argument: “Protected because it is valuable, [the mark] is valuable primarily because it is protected.” ROSEMARY COOMBE, *THE CULTURAL LIFE OF INTELLECTUAL PROPERTIES* 71 (1998).

specific to trademark doctrine. The scope of trademark protection is based largely on the law's assessment of the degree of actual search sophistication among consumers in the marketplace, yet the degree of search sophistication consumers bring to the marketplace depends largely on the scope of trademark protection they expect to find there.¹⁹¹ The law thus sets the consumer expectations that are purportedly the gauge of the law's grant. As the Tenth Circuit has acknowledged, the consumer confusion basis for trademark protection results in a "self-fulfilling prophecy."¹⁹²

This circularity of trademark rights is, I suggest, vicious in nature, tending towards an ever broader scope of protection and ever less sophistication among consumers. This is because the circularity of trademark rights involves more than simply a two-way relation between consumer perception and legal right. There is a third party, namely, the trademark producer. Producers, particularly of strong marks, have proven willing to assume the search costs of consumers, for, as we have seen, in assuming such costs, producers also generate persuasion. Rational, cost-minimizing consumers, meanwhile, are quite willing to transfer such costs, *i.e.*, to direct their attention to activities other than search.¹⁹³ Because it sees itself as essentially descriptive, the law has not acted as a check upon this shifting of search costs. Instead, it has merely confirmed each new stage of the dynamic by which (1) greater distinctiveness (a shift up on the

¹⁹¹ See Robert C. Denicola, *Freedom to Copy*, 108 YALE L.J. 1661, 1668 (1999) ("There is more than a little circularity in basing a legal right to control unauthorized ornamental use on the assumptions that consumers make about the official sponsorship of the ornamented items assumptions that rest in turn on consumers' views about whether trademark owners have the legal right to control such use."); Keith Aoki, *Authors, Inventors and Trademark Owners: Private Intellectual Property and the Public Domain*, 18 COLUM.-VLA J.L. & ARTS 191 (1994) ("There is also a circularity to this quasi-authorial investment by the trademark owner, in that the more valuable a mark becomes, the more legal protection it receives, and thus the mark becomes more valuable and receives more legal protection."). See also MCCARTHY, *supra* note 83, at § 24.9.

If consumers think that most uses of a trademark require authorization, then in fact they will require authorization because the owner can enjoin consumer confusion caused by unpermitted uses or charge for licenses. And if owners can sue to stop unauthorized uses, then only authorized uses will be seen by consumers, creating or reinforcing their perception that authorization is necessary. This is a "chicken and the egg" conundrum.

Id.

¹⁹² *Vornado Air Circulation Systems, Inc. v. Duracraft Corp.*, 58 F.3d 1498, 1509 (10th Cir. 1995) ("We recognize also that consumer confusion resulting from the copying of product features is, in some measure, a self-fulfilling prophecy. To the degree that useful product configurations are protected as identifiers, consumers will come to rely on them for that purpose, but if copying is allowed, they will depend less on product shapes and more on labels and packaging."). See also *Duraco Products, Inc. v. Joy Plastic Enterprises, Ltd.*, 40 F.3d 1431, 1451 (3d Cir. 1994) ("We acknowledge that, to a large extent, how courts resolve the inherent distinctiveness inquiry could, theoretically at least, cause a snowballing effect. If product configurations are easily protected, consumers might learn to rely on configurations as source designators; if protection is rare, consumers will disregard product configurations as source designators, and no confusion will result.").

¹⁹³ See Alba & Hutchinson, *supra* note ___, at 412 (discussing the assumption that "consumers generally have a disutility for cognitive effort").

y-axis) has led the law to require lower levels of search sophistication (a shift left on the x-axis), and (2) and resulting lower levels of search sophistication have led the law to grant a broader scope of protection (a shift up on the y-axis). Ultimately, it is the scope of protection that becomes the independent variable and sophistication that is dependent upon it.

Of course, what should act as a check on this process are the actions of other producers or the intervention of strong judges. Neither force, however, has proven to be effective. For their part, trademark producers have only quickened the dynamic. Producers of strong marks compete to be more, not less differentially distinctive. They compete to take on more of the search costs of the consumer than their rivals, that is, to be even easier to find, to be even higher up on the y-axis. They seek, in short, to accumulate distinction, to stand out from the “clutter” of the marketplace at the same time that they add to it. The resulting inflation in distinctiveness has not restrained the law’s stupefaction of the consumer, but rather facilitated it. The story of American trademark law is a story in which producers have been encouraged to bring ever more information to the marketplace, inside of which is persuasion, and consumers have been allowed to bring ever less, inside of which might have been persuasion sophistication.

What then of judicial intervention? Here, truly, is the rub. As currently understood, trademark law is a primarily descriptive enterprise, one which seeks simply to insure that market information is accurately conveyed and comprehended. This is especially the case in the context of the consumer confusion inquiry. The law commands that courts assess whether or not consumers are actually confused, not whether or not they *should* be confused.¹⁹⁴ As Judge Neaher of the Eastern District of New York put it many decades ago,

In weighing the evidence of likelihood of confusion, the court must strive to place itself in the shoes of a prospective purchaser. In this role, the court does not act as an enlightened educator of the public but takes into account the mythical ordinary purchaser's capacity to discriminate as well as his propensity for carelessness.¹⁹⁵

¹⁹⁴ See MCCARTHY, *supra* note __, at § 23.58 (“Courts do not sit to decide trademark disputes in order to tell customers how they *ought* to or *should* perceive marks.” (emphasis in original)).

¹⁹⁵ E. I. Du Pont de Nemours & Co. v. Yoshida International, Inc., 393 F. Supp. 502, 510 (E.D.N.Y. 1975). See also Calvin Klein Cosmetics Corp. v. Lenox Laboratories, Inc., 815 F.2d 500, 504 (8th Cir. 1987) (“A realistic evaluation of consumer confusion must attempt to recreate the conditions in which buying decisions are made, and the court should try to determine not what it would do, but what a reasonable purchaser in market conditions would do.”).

To be sure, judges occasionally chafe at such a standard, as when one court declared that “there simply must be some limits to the claimed asininity”¹⁹⁶ of the consumer. But more often, the court accepts that the “reasonable consumer” standard is a *descriptive* standard based on the average level of consumer sophistication in the relevant population, rather than a *prescriptive* standard based on what *ought* to be a reasonable level of sophistication in that population.¹⁹⁷ To the extent that the court does so even when that average level is inconsistent with what is otherwise “reasonable,” the court merely furthers the dynamic of ever more trademark protection and ever less consumer sophistication.

VI. CONCLUSION: THE SOVEREIGN TRADEMARK

The received orthodoxy that trademark law exists to minimize our search costs elides a fundamental question: are we searching for trademarks or are trademarks searching for us? Is trademark law dedicated to the minimization of their search costs or ours? At the core of any politics of trademark law is a theory of agency. The commentator proceeds from an initial assumption about the degree to which consumers act or are acted upon, about the degree to which they are the creative subjects or the created objects of the trademark system, if not of the political-economic system more generally. The apologist commentator traditionally assumes that consumers act, the restrictionist, that consumers are acted upon. The debate has essentially been one over agency.

Sometime in the 1980s or ‘90s, American trademark law began to change, and the terms of this debate began to change with it. Trademarks grew stronger, and consumers grew weaker. The Trademark Law Revision Act of 1988¹⁹⁸ instituted an intent-to-use registration process.¹⁹⁹ The use in commerce and affixation requirements were liberalized.²⁰⁰ The scope of Section 43(a) protection expanded enormously.²⁰¹ Meanwhile, consumers

¹⁹⁶ *Pocket Books, Inc. v. Dell Publishing Co.*, 268 N.Y.S.2d 46, 47 (1966). See also *McGregor-Doniger, Inc. v. Drizzle, Inc.*, 599 F.2d 1126, 1138 (2d Cir. 1979) (“The purchasing public must be credited with at least a modicum of intelligence.”).

¹⁹⁷ See generally MCCARTHY, *supra* note __, at § 23:91-103.

¹⁹⁸ Pub. L. No. 100-667, 102 Stat. 3935 (Nov. 16, 1988).

¹⁹⁹ See 15 U.S.C. § 1051(b). See generally Kenneth L. Port, *The Congressional Expansion of American Trademark Law: A Civil Law System in the Making*, 35 WAKE FOREST L. REV. 827 (2000); Stephen L. Carter, *The Trouble with Trademark*, 99 YALE L.J. 759 (1999).

²⁰⁰ See Theodore H. Davis, *Annual Review: The Fifty-Second Year of Administration of the Lanham Trademark Act of 1946*, 90 TRADEMARK REP. 1, 68-70 (2000) (discussing cases liberalizing trademark use and affixation requirements); *The United States Trademark Association Trademark Review Commission Report and Recommendations To USTA President and Board of Directors*, 77 TRADEMARK REP. 375, 396 (1987) (“There is already considerable relaxation of the affixation requirement in Section 45.”).

²⁰¹ See generally J. Thomas McCarthy, *Lanham Act § 43(a): The Sleeping Giant Is Now Wide Awake*, 59 L. & CONTEMP. PROBS. 45 (1996).

began frequently to experience “initial interest” as well as “post-sale” confusion.²⁰² Users of the new medium of the internet were seen as largely unsophisticated.²⁰³ During this period, trademarks began to supplant the consumer as the subject of trademark law. With the passage into law of the Federal Trademark Dilution Act of 1995, the revolution was nearly complete. With the Trademark Dilution Revision Act of 2005 (TDRA), trademarks, or at least those that are “famous,” will finally become sovereign.

Trademark law was once emphatically consumer-centric. Now, no longer. Formerly, the beauty of the doctrine was that it emphasized empirical knowledge of the consumer; the court did not act except upon an estimation of actual consumer perception in the marketplace. Where the consumer and the marketplace went, the law followed. The ugliness of the doctrine, however, has always been that it possesses no inbuilt rationale for *leading* the consumer and the marketplace, rather than merely following it. It has no normative inertia of its own. Particularly as it is expounded by the law and economics school, modern trademark doctrine is essentially a system of instrumental reason. It is dedicated to the most efficient means to a given end. It is not concerned with what that end is—so long as it be efficient or, at least, efficiently achieved—and is not troubled by the possibility that a rationalization of the means might alter the end sought and ultimately produce, however efficiently, an irrational end.²⁰⁴ Trademarks, the orthodoxy reminds us, do not affect preferences. Meanwhile, the Lanham Act has become a marketing statute, and the trademark literature, a marketing literature.

The upshot of all of this is the institution—or the tolerance of—a new formalism in trademark law. The plaintiff may pursue two bases for expanding the scope of protection for its trademark. First, it may argue that defendant’s trademark confuses consumers as to source. This has always brought on a messy, multi-factored, and unpredictable inquiry.²⁰⁵ Such are

²⁰² On initial interest confusion, see Note, *Confusion in Cyberspace: Defendant and Recalibrating the Initial Interest Confusion Doctrine*, 117 HARV. L. REV. 2387 (2004), and Jennifer Rothman, *Initial Interest Confusion, Trademarks, and the Lanham Act* (working paper, Jan. 13, 2005 draft). On post-sale confusion, see David M. Tichane, *The Maturing Trademark Doctrine of Post-Sale Confusion*, 85 TRADEMARK REP. 399 (1995).

²⁰³ See Bryce J. Maynard, Note, *The Initial Interest Confusion Doctrine and Trademark Infringement on the Internet*, 57 WASH. & LEE L. REV. 1303, 1333-36 (2000) (discussing “continuing judicial view that Internet users lack sophistication”).

²⁰⁴ Cf. MAX HORKHEIMER & THEODOR W. ADORNO, *DIALECTIC OF ENLIGHTENMENT* 3-42 (John Cumming trans., 1990).

²⁰⁵ As early as the 1920s, Schechter cited the vagaries of the consumer confusion test to support his argument for antidilution protection:

Any theory of trade-mark protection which . . . does not focus the protective function of the court upon the good-will of the owner of the trade-mark, inevitably renders such owner dependent for protection, not so much upon the normal agencies for the creation of goodwill, such as the excellence of his product and the appeal of his advertising, as

the limitations of empiricism, and of the consumer-centric approach more generally.²⁰⁶ Second, it may argue that defendant's trademark dilutes the distinctiveness of its own trademark. With the TDRA, this will largely be a formal inquiry. If plaintiff's and defendant's marks are identical or highly similar, then defendant's mark will likely be enjoined.²⁰⁷ The question of search sophistication is simply irrelevant to the inquiry, and so apparently is the question of persuasion sophistication.

If there is such a thing as the postmodern condition,²⁰⁸ then the crisis in subjectivity that is understood to characterize it²⁰⁹ is writ small in American trademark law. The consumer, once sovereign, has been deposed, deprived, decentered; the language has displaced its speaker. Our concern now is with the subjectivity of the trademark. We compare trademarks against other trademarks, signs against other signs. Our goal all the while is to enhance the power of the sign system. Perhaps, then, the true ideal type of the trademark system is neither the sovereign consumer nor the fool, but the professional auto racer and all those like him, covered over with trademarks as if with the lesions of a parasitic disease, and the "negative capability" that is called for now is the capability to see the world not as the consumer sees it, but as the trademark sees it.

upon the judicial estimate of the state of the public mind. This psychological element is in any event at best an uncertain factor, and "the so-called ordinary purchaser changes his mental qualities with every judge.

See FRANK SCHECHTER, *THE HISTORICAL FOUNDATIONS OF THE LAW RELATING TO TRADE-MARKS* 166 (1925).

²⁰⁶ See Austin, *supra* note __, at 866 (discussing trademark law's "[i]nchoate [e]mpiricism").

²⁰⁷ The TDRA lists six factors that courts should consider in determining dilution. H.R. 683. Arguably the most important of these will be the first, "[t]he degree of similarity between the designation of source and the famous mark." *Id.* The sixth factor, which asks the court to consider "any actual association between the designation of source," invites anecdotal and survey evidence on the issue of "association." Even so, it is hard to imagine a case in which the sixth factor would override the first.

²⁰⁸ See generally JEAN-FRANCOIS LYOTARD, *THE POSTMODERN CONDITION: A REPORT ON KNOWLEDGE* (Brian Massumi trans. 1985).

²⁰⁹ See, e.g., FREDERIC JAMESON, *POSTMODERNISM, OR, THE CULTURAL LOGIC OF LATE CAPITALISM* (1991); Donna J. Hathaway, *A Cyborg Manifesto: Science, Technology, and Socialist-Feminism in the Late Twentieth Century*, in SIMIANS, CYBORGS, AND WOMEN: THE REINVENTION OF NATURE 149 (1990).