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THE VIRTUES AND VICES OF CLARITY IN TRADEMARK LAW

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THE VIRTUES AND VICES OF CLARITY IN TRADEMARK LAW

DAVID S. WELKOWITZ*

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I. INTRODUCTION

Trademark law is unclear. This is not because the major statutes or even the common law principles are overly detailed or complex (although copyright is not immune to that problem), nor is it because the principles of trademark law are inherently difficult to understand. Trademark law is unclear because the governing principles are so broad and so full of multiple-factor balancing tests that giving clear advice about the likely outcome of a proposed use of something that may conjure a trademark, whether accidentally or

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purposefully, is very difficult. This is not startling news to anyone who has followed trademark law and trademark commentary recently. Trademarks are normally identifiers of the source of goods or services, yet they are much more than that. They are communicative devices. In the hands of their owners, they communicate an “identity,” a “brand,” or a set of feelings about the product or products associated with the trademark. In the hands of others, they are symbols to be commented on, parodied, or used as points of comparison or cultural concepts. In some cases, trademarks are independent products. However, not surprisingly, trademark owners would prefer to control the universe of communication emanating from the mark and the market over which the mark has influence. For a variety of reasons, vesting such total control in trademark owners would be socially undesirable.¹ But the very lack of clarity in the law gives trademark owners the ability to claim, at least colorably, the right to enormous control over uses of their marks.² There is no expedient, inexpensive way for others to test those claims; if a trademark owner threatens litigation, an early outcome is relatively unlikely, and even cases decided before trial may prove expensive.

If this lack of clarity is so problematic, why don't we change trademark law and make it clearer? It turns out that clarifying trademark law is a difficult task. Moreover, clarity is not an unfettered good thing: even the clearest of laws can lead to bad results. The questions are how much clarity we need and how to best achieve it. There have been several attempts to add clarity to trademark law over the last quarter century; this article will examine some of those efforts, as a way of seeking a path out of the present clarity conundrum.

As has been well-chronicled, classical trademark law focuses on the likelihood of confusion. Were the issue of confusion confined to the point-of-sale—whether the owner of trademark A was the source of goods B—then the lack of a precise method to determine the existence of confusion might not be a serious problem. Ordinary source confusion does not give trademark owners control over a wide spectrum of potential uses. However, trademark law has come to

1. See Robert G. Bone, *Enforcement Costs and Trademark Puzzles*, 90 VA. L. REV. 2100–01 (2004) (discussing the negative costs of enforcing trademark law and trademark lawsuits). See generally Kenneth L. Port, *Trademark Extortion: The End of Trademark Law*, 65 WASH. & LEE L. REV. 585 (2008) (discussing how trademark holders sue competitors to secure market share).

2. See James Gibson, *Risk Aversion and Rights Accretion in Intellectual Property Law*, 116 YALE L.J. 882, 907–10 (2007) (discussing how trademark rights are increased by risk averse licensees).

recognize many different kinds of confusion: confusion of sponsorship (even if A did not make goods B, A licensed or otherwise authorized the use);³ post-sale confusion (even if there was not buyer confusion at the point-of-sale, others, seeing the item, think A made or sponsored it);⁴ initial interest confusion (buyer at first thinks goods B are connected with A, but realizes the error before the sale and decides to buy goods B anyway).⁵ All of these are actionable as forms of confusion.⁶ The concept of a trademark has expanded to include the packaging and even the design of the product itself; the latter issue creates serious anti-competitive problems if we recognize a trademark monopoly in the product itself.⁷ And the issue of confusion is subject to what I will call the “circularity” problem. That is, actionable confusion occurs when a “significant” number of consumers (and this number can vary widely, adding an additional layer of opacity to the analysis) are confused. Although the law traditionally recognized that certain activities were not likely to lead to confusion, if a manufacturer can convince consumers that the law is other than it actually is—say, that all uses of a trademark must be licensed—the law of confusion usually gives credence even to confusion born of a mistaken understanding of the law. Thus, trademark law is expanded and each expansion starts a new cycle of expanded trademark protection.⁸

To make matters more complicated, courts have devised indirect tests to determine likelihood of confusion that balance six to ten factors, each of which is, in its own right, somewhat vague in content: the “strength” of the mark, the proximity of the products, the degree of similarity of the two uses, and so on.⁹

Finally, more recently the law has recognized a greater form of protection called “trademark dilution” that is normally granted to

3. J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §23:8 (4th ed. 2013).

4. See, e.g., *Ferrari S.P.A. Esercizio Fabriche Automobili E Corse v. Roberts*, 944 F.2d 1235, 1244–45 (6th Cir. 1991).

5. See *Playboy Enters., Inc. v. Netscape Commc'ns Corp.*, 354 F.3d 1020, 1024–25 (9th Cir. 2004).

6. See *Gibson*, *supra* note 2, at 908–09 (noting the many forms of actionable confusion and the ambiguous terminology used to describe them).

7. See *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 216 (2000).

8. *Gibson*, *supra* note 2, at 916–23; see William McGeeveran, *The Trademark Fair Use Reform Act*, 90 B.U. L. REV. 2267, 2273 (2010) (citing “feedback effect”).

9. See GRAEME B. DINWOODIE & MARK D. JANIS, TRADEMARKS AND UNFAIR COMPETITION: LAW AND POLICY 521–23 (4th ed. 2013) (listing the factors used in each circuit to measure likelihood of confusion).

owners of marks deemed “famous.”¹⁰ Unlike ordinary infringement, dilution dispenses with the need to show likelihood of confusion. However, dilution is itself a vague concept; it is not always clear what it is or what causes it. Furthermore, dilution is the subject of its own multifactor balancing tests.¹¹

This expansion of trademark law has led to a number of problems, three of which are of primary importance. First, because trademarks are communicative devices and cultural symbols, many unauthorized uses of trademarks raise serious free speech issues. For example, requiring a competitor to compare its goods to those of another without using the other’s trademark would be very troubling.¹² Second, although there are recognized defenses to trademark claims, the existence of significant confusion tends to water them down. That is, even if the use is one that we value highly enough to exempt it from liability, courts will be hesitant to allow the application of the defense if the use also leads to a significant level of confusion.¹³ Because the level and even the existence of confusion is difficult to predict in advance, partly due to the uncertainties built into trademark law’s test for confusion, those who would engage in valued activity must do so at significant risk. Finally, it is very difficult to resolve trademark issues early in the proceedings, even if a well-recognized defense is available. Courts often state that trademark claims are particularly unsuited to summary judgment motions (to say nothing of motions to dismiss).¹⁴ Thus, anyone defending a trademark claim must be prepared for a long and expensive litigation. This gives trademark owners additional leverage to force settlements and licenses, even when the right to such licenses is highly questionable.¹⁵

10. Lanham Act § 43(c), 15 U.S.C. § 1125(c) (2006).

11. *See id.* § 1125(c)(2)(B) (listing six factors to aid in determining “dilution by blurring”).

12. *See, e.g., Smith v. Chanel, Inc.*, 402 F.2d 562, 563 (9th Cir. 1968) (holding that truthful comparative advertising is not trademark infringement).

13. *See, e.g., KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 123 (2004) (finding that confusion is relevant to whether descriptive use is “fair”); *New Kids on the Block v. News Am. Publ’g Inc.*, 971 F.2d 302, 308 (9th Cir. 1992) (noting that confusion is relevant to nominative fair use).

14. *See, e.g., Fortune Dynamic, Inc. v. Victoria’s Secret Stores Brand Mgmt., Inc.*, 618 F.3d 1025, 1031 (9th Cir. 2010) (“This case is yet another example of the wisdom of the well-established principle that [b]ecause of the intensely factual nature of trademark disputes, summary judgment is generally disfavored in the trademark arena.”) (quoting *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1140 (9th Cir. 2002)).

15. Gibson, *supra* note 2, at 913–14.

The question is whether—and if so, how—imposing greater clarity into trademark law can rectify these problems. The first step in answering these questions is considering the distinction between rules and standards,¹⁶ as well as the possible limits on clarity of language.¹⁷ This article examines the issue through the lens of existing attempts to make trademark law clearer. To begin, a discussion of some statutory attempts at clarity further indicates the difficulty of making trademark law clear and predictable. Starting with the Trademark Law Reform Act of 1988, continuing with the Anti-Cybersquatting Consumer Protection Act of 1999, and on into the Trademark Dilution Revision Act of 2006, Congress has (at the urging of interested outside groups) passed laws that amended trademark law, while also attempting to replace broadly written, common law-based principles with more specifically drafted statutory language. To some degree, these attempts at clarity have succeeded, but in many ways they have failed. Examining these attempts at clarity sheds some light on the magnitude and complexity of the problem. Because these attempts at clarifying the law have had very mixed results, this article examines an alternative to statutory precision: the use of presumptions in trademark law as a means of simplifying trademark litigation and making it more predictable. Several presumptions already exist in trademark law and will be discussed below. As will be seen, although presumptions offer some basis for clarifying trademark law, experience with existing presumptions suggests that they are far from a solution to the problem of clarity and predictability in trademark law.

II. THE MEANING OF CLARITY

To understand why clarity is important, we need to define what clarity means. Clarity can refer to an absence of vagueness in the law,¹⁸ where the applicable legal principles are readily determined. This does not mean that the principles are easy to apply, or that they draw strict lines; it simply means that they can be discerned.¹⁹ Alternatively, it can mean that the likely outcome is clear; that is,

16. See *infra* notes 19–30 and accompanying text.

17. See, e.g., Andrei Marmor, *Varieties of Vagueness in the Law* 16 (Univ. of S. Cal. Legal Studies Working Paper Series, Working Paper No. 89, 2013), available at <http://law.bepress.com/usclwps/lss/art89>.

18. Michael J. Glennon, *The Blank-Prose Crime of Aggression*, 35 YALE J. INT'L L. 71, 82–83 (2010) (“These standards concern the prohibition on retroactivity and the requirement of legal clarity, or the absence of vagueness of the law.”).

19. See *id.* at 16–18 (discussing “extravagantly vague” terms).

the result is predictable. The idea of predictability overlaps with the concept of rules and standards.

Broadly speaking, using a “rule” that applies to a large spectrum of cases will tend to be predictable, assuming that the triggering mechanisms—the parameters of the rule’s application—are precise enough and discernible enough. Here, I acknowledge that a perfect set of rules in trademark is unattainable, even assuming it is desirable. The vagaries of language, the cost of precision (especially when the circumstances giving rise to liability are somewhat variable), and the inability to foresee developments that do not fit the assumptions underlying the rule all make absolute predictability impossible.²⁰ So when I refer to a rule, it may be more accurate to see it as referring to a legal principle with a high degree of *ex ante* predictability.²¹ By contrast, “standards” are often said to refer to principles that require a high degree of case-by-case determination.²²

Trademark infringement analysis may be viewed as a standard, in that it typically involves a case-by-case determination that will vary according to a number of circumstances: whether the parties compete; whether the plaintiff’s mark is highly recognizable, recognized, or unique; the circumstances under which the marks are used; the level of sophistication of the targeted consumers; and so on. But, as previously mentioned, analyses that are bound by a discrete set of factors are not as “standard-like,”—and thus are more “rule-like”—as analyses bounded only by what is “reasonable under the circumstances,” or other similarly broad principles.²³ Furthermore, over time the application of a standard in routine cases may become very predictable.²⁴ However labeled, a good deal of trademark law, including infringement and dilution, but also including subsidiary pieces of the analysis like secondary meaning and “fame,” is

20. See, e.g., Russell B. Korobkin, *Behavioral Analysis and Legal Form: Rules Versus Standards Revisited*, 79 OR. L. REV. 23, 30–35 (2000). As Cass Sunstein has noted, what lawmakers believe to be a “rule” may not, in practice, turn out to be a rule. Cass R. Sunstein, *Problems with Rules*, 83 CAL. L. REV. 953, 960, 984–85 (1995). Both Sunstein and Korobkin view “rules” and “standards” as representing a collection of points on a continuum, rather than as absolutes, with Sunstein, for example, referring to “ruleness.” *Id.* at 961.

21. See Sunstein, *supra* note 20, at 976 (explaining that rules give predictability to law).

22. Korobkin, *supra* note 20, at 33.

23. See Sunstein, *supra* note 20, at 964–65.

24. For example, a finding of “bad faith” in trademark confusion analysis predictably leads to liability. Barton Beebe, *An Empirical Study of the Multifactor Tests for Trademark Infringement*, 94 CAL. L. REV. 1581, 1626–31 (2006).

nonetheless “muddy”²⁵ in the sense that the outcomes are often difficult to predict and subject to case-by-case determinations.

One might reasonably ask, “Why is it important that trademark law be more predictable?”²⁶ One might even ask whether it is, in fact, unpredictable.²⁷ In routine cases, there is a large body of precedent available and one can probably predict the outcome of many potential cases. In fact, I am not advocating that all of trademark law should be exceptionally predictable, for a number of reasons. One such reason is the problem of overinclusiveness and underinclusiveness. Inevitably, when one creates sharp lines, there will be a case that reveals the rule as either severely underinclusive (and thus unfair to those few who are found liable) or overinclusive (and thus unfair to many of those found liable).²⁸ Second, trademark law traces its roots to unfair competition.²⁹ The contours of “unfairness” are deliberately fuzzy as they permit flexibility to address new forms of unfairness and reflect a sense that we do not want potential infringers to act in ways that approach the line of illegality.³⁰ Using flexible factors to analyze various aspects of trademark infringement allows courts to deal with the inclusiveness problem by incorporating sufficient factors to allow both limitation and expansion. This approach also accounts for the problem of how one deals with new forms of undesirable activity, as well as the desire not to encourage behavior that is uncomfortably close to the prohibited behavior.

Thus, my contention is not that all of trademark law should be predictable, as I am persuaded that its indeterminacy is frequently a positive and that the cost of making it more predictable may outweigh the benefits, especially the tests for core concepts such as likelihood of confusion and secondary meaning.³¹ Nevertheless, in

25. Carol M. Rose, *Crystals and Mud in Property Law*, 40 STAN. L. REV. 577, 577–78 (1988) (discussing the terms “mud” and “muddy” in the context of hard-edged rules).

26. See, e.g., Marmor, *supra* note 17, at 14–17. *But cf.* Bone, *supra* note 1, at 2102 (suggesting that trademark law uses many presumptions that extend the reach of trademark law in ways that “substantive trademark policies alone would not support” and “skew the results in favor of protecting the mark.”).

27. See Frederick Schauer, *Easy Cases*, 58 S. CAL. L. REV. 399, 423–26, 433 (1985) (noting that many cases are easy to fit into existing legal rules).

28. See Sunstein, *supra* note 20, at 990–93.

29. See Mark P. McKenna, *The Normative Foundations of Trademark Law*, 82 NOTRE DAME L. REV. 1839, 1848 (2007).

30. See Sunstein, *supra* note 20, at 993–95; see also Andrew Morrison Stumpff, *The Law is a Fractal: The Attempt to Anticipate Everything*, 44 LOY. U. CHI. L.J. 649, 667 (2013).

31. See Marmor, *supra* note 17, at 16–17 (noting that in some cases where the

some situations, greater predictability may be desirable and worth the effort. Although many situations could call for greater predictability, I would like to address primarily those situations in which trademark law clashes with other values. In those situations, the muddiness of trademark law may obscure those other values.³²

One such situation is when trademarks are used as vehicles of expression. Clearly, this category needs to be refined because all uses of trademarks are arguably expressive in some way. The types of uses that I am referring to in this category are either non-trademark uses or uses that express more than source—such as a trademark that is also a parody of another mark. Here, the argument that potential infringers should steer clear of the line of infringement is weakened by the opposing argument that we should be at least as concerned about stifling speech as we are about protecting against confusion.³³ The indeterminacy of trademark law makes it easy to threaten a lawsuit and difficult to obtain an early dismissal, even in situations that involve expressive uses. For example, the “nominative fair use”³⁴ and “descriptive fair use”³⁵ defenses exist, at least in part, to exempt certain types of expressive uses of trademarks from infringement. In other words, these defenses favor speech values over other values protected by trademark law.³⁶ However, whether a use is “fair” includes consideration of the level of confusion potentially engendered by the use, as well as whether the defendant only used as much as necessary of the plaintiff’s mark, an analysis that may not be easily determined.³⁷ Thus, a potential defendant may forego expressive activity rather than risking a lawsuit.³⁸ Solutions to the problem of

result depends on a multidimensional analysis, the law will tend to be vague).

32. Rose, *supra* note 25, at 577–78.

33. In the case of trademark dilution, where no confusion is required, the argument for favoring speech interests over other interests is even stronger.

34. See *New Kids on the Block v. News Am. Publ’g, Inc.* 971 F.2d 302, 308 (9th Cir. 1992).

35. See *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 118 (2004).

36. See *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 816 (9th Cir. 2003) (noting that the defendant’s nominative fair use implicates “free expression”); see also *Mattel, Inc. v. MCA Records*, 296 F.3d 894, 900 (9th Cir. 2002).

37. *E.g.*, *KP Permanent*, 543 U.S. at 123 (confusion relevant to whether descriptive use is “fair”); *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 222 (3d Cir. 2005); *New Kids on the Block*, 971 F.2d at 308.

38. Paul Alan Levy, *The Trademark Dilution Revision Act—A Consumer Perspective*, 16 *FORDHAM INTELL. PROP. MEDIA & ENT. L.J.* 1189, 1208–09 (2006); McGeveran, *supra* note 8, at 2275–76 (2010). See generally Samuel M. Duncan, *Protecting Nominative Fair Use, Parody, and Other Speech-Interests by Reforming*

expressive uses have been proposed, and I do not wish to focus this article on that topic, although it is one situation for which this discussion is relevant.³⁹

Free speech is not the only area where trademark law values collide with other values that may justify the task of making the law more predictable. Other policies justifying greater clarity may be gleaned from the Supreme Court's observations in *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*⁴⁰ Discussing the issue of product designs as trademarks, the Court stated that “[c]ompetition is deterred . . . not merely by successful suit but by the plausible threat of successful suit.”⁴¹ Earlier, the Court stated: “How easy it is to mount a plausible suit depends, of course, upon the clarity of the test”⁴² From *Wal-Mart*, we may infer that the Supreme Court is concerned when trademark law is used as a weapon for purposes antithetical to the general goals of trademark, which include aiding competition and consumer-deception prevention. In those situations (which, it may be noted, could include free speech cases), it may be worth attempting to inject greater predictability into the law. Furthermore, predictability is not always sufficient. It may also be desirable to make early judicial determinations in order to ameliorate the effects of overreaching suits.⁴³ Obviously, almost any trademark suit *could* be a cover for an anticompetitive, overreaching trademark claim. But the problem is most acute in certain areas of trademark law, and making the outcome sufficiently predictable—such that a court is willing to grant summary judgment or dismiss the complaint at the pleadings stage in appropriate cases—might better address the problem.

One category of cases that fits this description is that in which trademark law most closely intersects with other areas of intellectual property law, such as patent and copyright. In 1879, the Supreme Court distinguished trademark from patent and copyright, citing the latter two as the vehicles through which to encourage

the Inconsistent Exemptions from Trademark Liability, 44 U. MICH. J.L. REFORM 219 (2010) (proposing statutory reform to effectuate the policy behind federal trademark exemptions).

39. See McGeveran, *supra* note 8, at 2298–2319; Lisa P. Ramsey, *Descriptive Trademarks and the First Amendment*, 70 TENN. L. REV. 1095, 1099 (2003) (discussing the role of the First Amendment as a limitation on allowing descriptive trademarks to exist).

40. 529 U.S. 205 (2000).

41. *Id.* at 214.

42. *Id.* at 213.

43. See, e.g., Levy, *supra* note 38, at 1206.

invention and creativity.⁴⁴ Since then, the Court has reiterated its concern that trademark law should not interfere with the proper operation and scope of patent and copyright.⁴⁵ Patent and copyright grant monopolies, which are anticompetitive rights, in order to encourage innovation. Trademark law could be used in a way that essentially gives the same monopoly-like power to trademark owners that patent and copyright law give to their respective rights holders but with no limit on duration. However, the Court's pronouncements suggest not only that trademark law should circumscribe efforts to grant such rights doctrinally, but that, procedurally, litigants and potential litigants must receive assurance that they will not have to undertake an overly expensive defense to vindicate their rights. Moreover, such an assertion of trademark law would seem to be antithetical to its function as a vehicle to aid fair competition, not stifle it.⁴⁶ Product design cases in particular, and functionality cases in general, are categories ripe for such examination. Not only do they correlate with the fear of anticompetitive uses of trademark law, but they also represent areas where trademark law intersects with patent law.

Trademark dilution is another area where the overlap between anti-competitiveness concerns and patent and copyright suggest a need for greater clarity. Dilution marks off broad swaths of territory for trademark owners—in the case of federal dilution law, owners of “famous” marks—without requiring any showing of confusion. This incentivizes trademark owners to invest in their marks, exactly the type of idea that, at least to a degree, parallels the rationale of patent and copyright. Although some aspects of dilution law may be difficult to clarify, if the concept of a famous mark becomes clear, then many cases (*i.e.*, those where the mark is not famous) can be decided early and may allow defendants to judge the efficacy of cease and desist letters threatening dilution suits.⁴⁷

III. STATUTORY CLARIFICATION AS A MEANS OF IMPROVING CLARITY

If predictability and early determination of cases are the objectives of clarity, then appropriate statutory amendments would

44. *The Trade-Mark Cases*, 100 U.S. 82, 94 (1879).

45. *E.g.*, *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 33–34 (2003); *see Qualitex Co. v. Jacobson Prods. Co., Inc.*, 514 U.S. 159, 164 (1995) (“It is the province of patent law, not trademark law, to encourage invention by granting inventors a monopoly over new product designs or functions for a limited time . . .”).

46. *Port, supra* note 1, at 592.

47. *Id.* at 588–89 (discussing use of cease and desist letters to expand trademark rights).

be a logical solution.⁴⁸ This, in turn, requires that the statutory language contain enough detail to allow a lawyer to assess *ex ante* whether a given set of circumstances is highly likely to lead to liability. Of course, clarification does not ineluctably go hand-in-hand with predictability; a statute may be clear yet not predictable because it deliberately leaves important issues (like confusion) to be litigated on a case-by-case, context-sensitive basis.⁴⁹ However, even if we wish to allow context to drive certain issues, some degree of outcome predictability is desirable. Otherwise, trademark owners may use the lacunae in the law to assert rights that were not intended, are costly to defend, and could lead to an outcome dependent upon the size of the defendant's bank account rather than the legal correctness of the claim.⁵⁰ Moreover, assuming that we want to avoid unnecessary costs, clarity is useful. If judges believe that the parameters of the statute are clear then they may be more willing to decide cases on motions to dismiss or summary judgment. This would save time and money for litigants.

Finally, to the extent that legislators want to favor certain outcomes in the aggregate, even if leaving room for context to influence results, vague terms may lead to unintended consequences that are difficult to fix.

On the other hand, statutory fixes require convincing the legislature that the problem is serious enough to warrant an amendment. Moreover, a statutory clarification may introduce new interpretive problems that undermine the goals of predictability and early determination. Increasingly, statutory interpretation in the courts (especially the Supreme Court) has been literal, with little or no regard for the intent of the legislators.⁵¹ Thus, if legislators want

48. McGeveran, *supra* note 8, at 2287–89.

49. See, e.g., Sunstein, *supra* note 20, at 1003–04 (discussing when legislators might choose not to use rules); see also Ted Janger, *Crystals and Mud in Bankruptcy Law: Judicial Competence and Statutory Design*, 43 ARIZ. L. REV. 559, 582–83 (arguing that use of rules vs. standards (or crystals vs. mud) depends, at least in part, on whether there is a perceived need for judicial intervention, especially to combat abuse).

50. It might also lead some defendants to claim protection through vague defenses making the outcome also depend on the relative resources of the parties.

51. *E.g.*, *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 31–34, 37 (2003) (interpreting § 43(a)'s "origin" to mean origin of the physical goods); *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 432 (2003); see *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 117–22 (2004) (relying primarily on statutory language to conclude that descriptive fair use defense permits some confusion, although citing some legislative history); *Park 'N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 195–98 (1985) (discussing incontestability provision of the Lanham Act). For an example outside of trademark, see *Exxon Mobil Corp. v.*

courts to properly interpret their intentions, they must be careful with their language.⁵² Lawmakers have amended the Lanham Act several times over the past twenty-five years, and the results have been decidedly mixed as far as predictability and easy determination are concerned.

A. Statutory Clarification: Functionality

In 1998, Congress made a seemingly simple amendment to the Lanham Act as part of a larger statute known as the Trademark Law Treaty Implementation Act.⁵³ In a section entitled “Technical Corrections,” the amendment added functionality as a basis for denying registration and cancelling a registered mark, and as a defense to an incontestable registration.⁵⁴ It also added functionality as a basis for rejecting registration on the Supplemental Register. Because functionality is a judge-made doctrine, Congress presumably wanted to guard against a judicial interpretation of the statute that omitted the doctrine. However, the statute fails to define the term “functional.” Thus, courts must continue explicating

Allapattah Servs., Inc. 545 U.S. 546, 567–68 (2005) (allowing supplemental jurisdiction over claims clearly not intended to be permitted, according to the legislative history).

52. There is a recent example of the confluence of literalism and a legislative error leading to unintended results. The Federal Trademark Dilution Act of 1995 (FTDA) preempted *state* law dilution claims against federally registered marks. Lanham Act § 43(c)(3), 15 U.S.C. § 1125(c)(3) (2006), *superseded by* Trademark Dilution Revision Act of 2006. When the FTDA was replaced by the Trademark Dilution Revision Act of 2006 (TDRA), Congress renumbered and altered the wording of the preemption provision, but the new wording no longer limited preemption to state law dilution claims. 15 U.S.C. § 1125(c)(6), *replaced by* Act of Oct. 5, 2012, Pub. L. No. 112-190, 126 Stat. 1436 (amending the Trademark Act of 1946 to correct an error in the provisions relating to remedies for dilution). There is no indication that Congress actually intended to expand the preemption provision by preempting *federal* dilution claims against federally registered marks. However, it took six years before this change was corrected. *See* Act of Oct. 5, 2012, Pub. L. No. 112-190, 126 Stat. 1436 (amending the Trademark Act of 1946 to correct an error in the provisions relating to remedies for dilution); DAVID S. WELKOWITZ, TRADEMARK DILUTION: FEDERAL, STATE, AND INTERNATIONAL LAW 504–09 (2d ed. 2012). Right before the correction was made, the Trademark Trial & Appeal Board ruled that the TDRA preempted federal dilution claims as well as state dilution claims against federally registered marks. *Acad. of Motion Picture Arts & Scis. v. Alliance of Prof'ls & Consultants, Inc.*, 104 U.S.P.Q.2d 1234, 1236–37 (T.T.A.B. 2012).

53. Trademark Law Treaty Implementation Act, Pub. L. No. 105-330, 112 Stat. 3064 (1998).

54. *Id.* § 201.

the concept, and they are not always consistent in their interpretations.⁵⁵ Although the amendment may have clarified the law in the sense that it ratified the judicial gloss on the statute, it made the law neither more predictable nor more easily determinable.

B. Statutory Clarification: Trademark Remedy Clarification Act

In 1992, Congress enacted a statute whose very name exuded clarity: the Trademark Remedy Clarification Act.⁵⁶ The purpose of this statute was to make states liable for trademark infringement.⁵⁷ But in 1999, the Supreme Court ruled that Congress did not have the power to require states to waive their sovereign immunity to trademark claims.⁵⁸ There was thus no “clarification,” and the statute had no lasting effect.

C. Statutory Clarification: Trademark Amendments Act

Another clarifying amendment, the Trademark Amendments Act of 1999 (TAA),⁵⁹ attempted to update the Lanham Act to account for omissions when the Federal Trademark Dilution Act (FTDA) was passed almost four years earlier. Among other things, it sought to make clear that the remedies provided in Section 35 of the Lanham Act were available for FTDA violations.⁶⁰ Prior to the TAA, Section 35(a) allowed monetary relief “[w]hen a violation of any right of the registrant of a mark . . . or a violation under section 1125(a) of this title, shall [be] established.”⁶¹ Many courts had held that defendants’ profits (one of the measures of damages specifically listed in Section 35(a)) were only recoverable if the violation was willful.⁶² However,

55. *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 32–34 (2001) (discussing the test for functionality); *Eppendorf-Netheler-Hinz GMBH v. Ritter GMBH*, 289 F.3d 351, 356 (5th Cir. 2002) (stating that *TrafFix* changes the test for functionality); *Valu Eng’g, Inc. v. Rexnord Corp.*, 278 F.3d 1268, 1276 (Fed. Cir. 2002) (holding that *TrafFix* did not change the test for functionality). *But cf.* In re *Becton, Dickinson & Co.*, 675 F.3d 1368, 1375 (Fed. Cir. 2012) (applying the test from *TrafFix*).

56. Trademark Remedy Clarification Act, Pub. L. No. 102-542, 106 Stat. 3567 (1992).

57. *Id.*

58. *Coll. Sav. Bank v. Florida Prepaid Postsecondary Educ. Expense Bd.*, 527 U.S. 666, 682–87 (1999).

59. Trademark Amendments Act of 1999, Pub. L. No. 106-43, 113 Stat. 218.

60. *Id.* § 3(b), 133 Stat. at 219.

61. Lanham Act § 35(a), 15 U.S.C. § 1117 (1994).

62. *See, e.g., George Basch Co. v. Blue Coral, Inc.*, 968 F.2d 1532, 1540 (2d Cir.);

the TAA changed Section 35(a) by inserting a reference to Section 43(c), the FTDA.⁶³ Section 35(a) then read, “When a violation of any right of the registrant of a mark . . . a violation under 1125(a) . . . of this title, or a willful violation under 1125(c) of this title . . . shall [be] established . . . [then monetary damages are available].”⁶⁴ The requirement of a willful violation in Section 43(c) (§ 1125(c)) thus reflected the FTDA: Section 43(c)(2) (originally § 1125(c)(2)) only allowed monetary damages for “willful” acts of dilution.

The amendment, however, was largely unnecessary because Section 43(c)(2) already referenced Section 35.⁶⁵ Thus, there was little danger of an odd judicial interpretation that would preclude monetary recovery for violations for the FTDA. Worse, the amendment, which legislators seemingly did not intend to alter the substance of the law as it related to ordinary infringement, caused a serious issue for claims brought under Sections 32 and 43(a). Now, it was argued, willfulness should not be a requirement for recovering defendants’ profits because the statute only referred to willfulness with respect to Section 43(c). Courts responded in different ways,⁶⁶ but the change created unneeded confusion.

In 2006, the Trademark Dilution Revision Act (TDRA) altered the “willfulness” language in Section 43(c), differentiating between types of dilution and creating different requirements for each.⁶⁷

RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 37 cmt. e (1995) (requiring bad faith).

63. Trademark Amendments Act of 1999, Pub. L. No. 106-43 § 2(b), 113 Stat. 218, 219.

64. Lanham Act § 35(a), 15 U.S.C. § 1117 (2000).

65. *Id.* § 1125(c)(5). Section 43(c)(2) has since been amended and renumbered Section 43(c)(5).

66. *See, e.g.,* *Borghese Trademarks, Inc. v. Borghese*, No. 10 Civ. 5552 (JPO) (AJP), 2013 WL 143807, at *21 n.6 (S.D.N.Y. Jan., 14, 2013); *GMA Accessories, Inc. v. BOP, LLC*, 765 F. Supp. 2d 457, 469–71 (S.D.N.Y. 2011); *Mastercard Int’l, Inc. v. First Nat’l Bank of Omaha, Inc.*, No. 02 Civ. 3691(DLC), 03 Civ. 707(DLC), 2004 WL 326708 at *11, 13 n.16 (S.D.N.Y. Feb. 23, 2004).

67. Section 43(c)(5)(B) is now the relevant provision. Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, § 2, 120 Stat. 1732. It provides in relevant part:

The owner of the famous mark shall also be entitled to the remedies set forth in sections 35(a) and 36, subject to the discretion of the court and the principles of equity if—

(B) in a claim arising under this subsection— (i) by reason of dilution by blurring, the person against whom the injunction is sought willfully intended to trade on the recognition of the famous mark; or (ii) by reason of

Thus, the general “willful violation” language of Section 35 does not accurately reflect the current language of Section 43(c), which could cause further interpretive problems.

Consequently, a statutory fix meant to clarify has, if anything, reduced the clarity and predictability of the statute.

D. Statutory Clarification: The Trademark Law Revision Act

The Trademark Law Revision Act of 1988 (TLRA)⁶⁸ was the first major revision of the Lanham Act since 1946. It made a number of significant changes to the law, most notably the introduction of intent to use applications—applications to register a mark based on a “bona fide” *intent* to use, without requiring actual use before applying.⁶⁹ Another change amended the Lanham Act’s definition of “use in commerce.” That definition reads as follows:

The term “use in commerce” means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For purposes of this chapter, a mark shall be deemed to be in use in commerce—(1) on goods when—(A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and (B) the goods are sold or transported in commerce, and (2) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services.⁷⁰

dilution by tarnishment, the person against whom the injunction is sought willfully intended to harm the reputation of the famous mark.

Id. Thus, the availability of monetary damages under § 43(c)(5)(B) does not follow simply from a general showing of willfulness. If § 35(a) were to be interpreted to allow that, then the *subsequent* revision of the dilution law would be overridden by a *prior* amendment to § 35(a), which would be anomalous.

68. Trademark Law Revision Act of 1988, Pub. L. No. 100–667, 102 Stat 3935.

69. A registration still required actual use, but an intent to use application effectively allows applicants to reserve a mark for up to three years, until actual use occurs. *Id.* § 102; *see also* 15 U.S.C. § 1051(b), (d) (allowing intent to use applications and allowing up to 3 years after notice of allowance to file statement of use).

70. 15 U.S.C. § 1127 (2006).

The definition is important because both Section 32, which proscribes any “use in commerce” of a registered mark that is likely to cause confusion, and Section 43(a)(1)(A), which similarly proscribes any “[use] in commerce” of an unregistered mark that is likely to cause confusion, incorporate that phrase.⁷¹ A disagreement arose (and was especially prevalent in keyword advertising cases) about whether an actionable use of another’s trademark must be a use *as a trademark*.⁷² Although recent cases seem to have decided that use as the defendant’s trademark is not required, dancing around the statutory language is necessary.⁷³ Thus, a statutory change that clarified one aspect of trademark law—eliminating “token use” as a basis for registration—ultimately caused additional confusion in another aspect of the law.⁷⁴

E. Statutory Clarification: The Case of Dilution

On the surface, the original federal dilution statute, the Federal Trademark Dilution Act (FTDA), contained a fair amount of detail—a definition of dilution, factors for courts to use when analyzing fame, a specific but limited preemption provision, and moderately specific provisions regarding when damages were available. But, in practice, the FTDA was woefully unclear, leading to circuit splits⁷⁵

71. *Id.* § 1114(1)(a); § 1125(a)(1)(A).

72. *See, e.g.,* Sensient Techs. Corp. v. SensoryEffects Flavor Co., 613 F.3d 754, 762–63 (8th Cir. 2010) (finding no “use in commerce”); 1-800 Contacts, Inc. v. WhenU.com, Inc., 414 F.3d 400, 412 (2d Cir. 2005) (similarly finding no use in commerce); Wells Fargo & Co. v. WhenU.com, Inc., 293 F. Supp. 2d 734, 757–64 (E.D. Mich. 2003) (finding same as above).

73. *Rescuecom Corp. v. Google, Inc.*, 562 F.3d 123, 129–30 (2d Cir. 2009); *see id.* at 131–41; 1-800 Contacts, Inc. v. Lens.com, Inc., 755 F. Supp. 2d 1151, 1169–70 (D. Utah 2010).

74. This was not the only problematic aspect of the 1988 revisions. *See, e.g.,* Warnervision Entm’t, Inc. v. Empire of Carolina, Inc., 101 F.3d 259, 261–62 (2d Cir. 1996) (interpreting the constructive use provision of the Lanham Act, which created a problem for an applicant whose registration has not yet issued).

75. Courts split over several issues, including the possibility of “niche” market fame. *Compare* Advantage Rent-A-Car, Inc. v. Enter. Rent-A-Car Co., 238 F.3d 378, 380 (5th Cir. 2001) (holding that niche fame was allowed), *and* Times Mirror Magazines, Inc. v. Las Vegas Sports News, LLC, 212 F.3d 157, 164 (3d Cir. 2000) (same), *and* Syndicate Sales, Inc. v. Hampshire Paper Corp., 192 F.3d 633, 640–41 (7th Cir. 1999) (same), *with* TCPIP Holding Co. v. Haar Commc’ns, Inc., 244 F.3d 88, 99 (2d Cir. 2001) (expressing doubt about niche market fame), *and* I.P. Lund Trading Co. v. Kohler Cop., 163 F.3d 27, 46 (1st Cir. 1998) (expressing a need for “national renown”), *and* Unique Sports Prods., Inc. v. Babolat VS, 403 F. Supp. 2d 1229, 1244–45 (N.D. Ga. 2005) (rejecting niche fame), *and* Heidi Ott A.G. v. Target Corp., 153 F.

and a Supreme Court criticism of its central definition of dilution.⁷⁶ Moreover, it was so poorly written that the Supreme Court ruled that its language did not encompass the scope of protection that its drafters probably intended.⁷⁷ In response, Congress enacted the Trademark Dilution Revision Act of 2006 (TDRA). In addition to overruling the Supreme Court decision that resulted from the FTDA's faulty wording, the TDRA attempted to clarify many of the FTDA's provisions that had caused divisions. The TDRA added a definition of a famous mark; clarified that descriptive marks with acquired distinctiveness were eligible to become famous; separately defined the categories of dilution—blurring and tarnishment; and added guiding factors for analyzing blurring.⁷⁸ Further, it amended and expanded the FTDA's "fair use" exclusion from liability to encompass a variety of uses not expressly covered in the original exclusions.⁷⁹ The TDRA also clarified the burden of proof for trademark owners seeking to demonstrate that trade dress marks were famous,⁸⁰ in addition to making several other smaller changes.⁸¹ Presumably, the drafters hoped to correct the problems

Supp. 2d 1055, 1076 (D. Minn. 2001) (same). Courts were also split on whether the likelihood of dilution or actual dilution was the statutory standard. *Compare* *V Secret Catalogue, Inc. v. Moseley*, 259 F.3d 464, 475–76 (6th Cir. 2001) (likelihood), *rev'd*, 537 U.S. 418, 432–33 (2003), *and* *Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F.3d 456, 461 (7th Cir. 2000) (same), *and* *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208, 223–25 (2d Cir. 1999) (same), *with* *Westchester Media v. PRL Holdings, Inc.*, 214 F.3d 658, 671 (5th Cir. 2000) (actual dilution), *and* *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev.*, 170 F.3d 449, 459–61 (4th Cir. 1999) (same).

76. *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 432 (2003) (suggesting that the definition of dilution did not include dilution by tarnishment).

77. *Id.* at 433 (finding that the FTDA required actual dilution, not likelihood of dilution).

78. Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, 120 Stat. 1730.

79. The original fair use exclusion only encompassed comparative advertising. *WELKOWITZ*, *supra* note 52, at 467. Another FTDA exclusion, for noncommercial use, arguably encompassed many uses, but its parameters were, and still are, unclear. *See id.* at 476–77. The TDRA created a broad fair use exclusion—covering "any fair use"—with specific references to nominative and descriptive fair uses, parodies, criticism, and commentary, as well as comparative advertising. Lanham Act § 43(c)(3)(A), 15 U.S.C. § 1125(c)(3)(A) (2006). The TDRA left in place the existing exclusions for news reporting and commentary and noncommercial use. *Id.* § 43(c)(3)(B), (C).

80. 15 U.S.C. § 1125(c)(4).

81. *E.g.*, *id.* § 1125(c)(6) (preempting dilution claims against federally registered marks); *id.* § 1125(c)(7) (savings clause).

that led to the revision. From the standpoint of *ex ante* clarity, this measure has enjoyed limited success.

1. Famous Marks

The revisions regarding what constitutes a famous mark have been somewhat successful. Fame is a critical limiting parameter in the scheme of dilution protection. Dilution, which protects marks without a showing of likelihood of confusion, is powerful protection, intended only for the strongest marks. If too many marks are eligible, trademark protection would become too strong and would threaten both free speech and competitive values, especially if the definition of dilution is fuzzy.⁸² Under the FTDA, the parameters of fame were unclear. In the absence of a definition, courts struggled with whether a mark, famous only to a limited group of consumers, was eligible for dilution protection.⁸³ The TDRA defined a famous mark as one “widely recognized [as a mark] by the general consuming public of the United States.”⁸⁴ With this new definition, the TDRA sought to eliminate niche market fame.⁸⁵ And this effort is perhaps the biggest success of the TDRA in terms of clarity.⁸⁶ Some ambiguities remain, however, such as the parameters of the “general consuming public.” As a result, some less-than-household brands have been found eligible for dilution protection under the TDRA.⁸⁷ Below, I discuss some ways to construe the statute to make it clearer and more predictable.⁸⁸ Despite its persisting fuzziness, the TDRA did bring a certain level of predictability and conceptual order to the

82. *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 213–14 (2000).

83. *Compare* *Syndicate Sales, Inc. v. Hampshire Paper Corp.*, 192 F.3d 633, 640 (7th Cir. 1999) (holding that niche fame was allowed by the FTDA), *and* *Advantage Rent-A-Car, Co., Inc. v. Enter. Rent-A-Car Co.*, 238 F.3d 378, 380 (5th Cir. 2001) (same), *and* *Times Mirror Magazines, Inc. v. Las Vegas Sports News, LLC*, 212 F.3d 157, 164 (3d Cir. 2000) (same), *with* *TCPIP Holding Co. v. Haar Commc'ns, Inc.*, 244 F.3d 88, 99 (2d Cir. 2001) (holding that niche fame not allowed by the FTDA).

84. 15 U.S.C. § 1125(c)(2)(A).

85. *See* H.R. REP. NO. 109-23, at 8 (2005).

86. *E.g.*, *Haynes Int'l, Inc. v. Electralloy*, No. 04-197E, 2009 WL 789918, at *18 (W.D. Pa. Mar. 29, 2009); *Bd. of Regents, Univ. of Tex. Sys. v. KST Elec., Ltd.*, 550 F. Supp. 2d 657, 678 (W.D. Tex. 2008).

87. *AVS Found. v. Eugene Berry Enter., LLC*, 101 U.S.P.Q.2d 1256, 1261 (W.D. Pa. 2011) (*Terrible Towel*); *N.Y.C. Triathlon, Inc. v. N.Y.C. Triathlon Club, Inc.*, 704 F. Supp. 2d 305, 321–22 (S.D.N.Y. 2010); *Rain Bird Corp. v. Taylor*, 665 F. Supp. 2d 1258, 1269 (N.D. Fla. 2009) (*Rain Bird*). *But see* *Coach Services, Inc. v. Triumph Learning, LLC*, 668 F.3d 1356, 1376 (Fed. Cir. 2012) (affirming TTAB finding that COACH was not famous).

88. *See infra* Part IV.

issue of fame. Unfortunately, the definition embodies a gray area that many trademark owners attempt to fit within, even when that effort is almost certain to fail.⁸⁹ Thus, although the probable outcome is clear, the defendant lacks relief from the potential expense of litigation.

2. Defining Dilution

If the attempt to define fame could be considered somewhat successful (again, from the standpoint of *ex ante* predictability), the TDRA's definitions of dilution have proven much less so. The TDRA defines two categories of dilution: blurring and tarnishment.⁹⁰ The definition of blurring contains six factors for courts to use in their analyses.⁹¹ The addition of separate definitions and factors was intended to clarify the murkiest aspect of dilution—the meaning of dilution itself. However, the revisions have not improved the predictability of outcomes. For example, courts routinely find dilution whenever there is confusion, thus transporting the clarity issues surrounding the analysis of confusion into dilution. In addition, the factors listed with the definition of blurring are no more concrete than the factors each circuit uses to analyze confusion. (They are similar to many of the circuits' confusion factors, but do offer one virtue in eliminating differences among the circuits regarding the applicable factors.) The results illustrate the fuzziness surrounding the definitions. Thus, The Gap and Rolex lost blurring cases against the use of G.A.P. Adventures and Roll-X, respectively.⁹² But the use of a basketball decorated with Louis

89. See, e.g., *Bobak Sausage Co. v. A & J Seven Bridges, Inc.*, 805 F. Supp. 2d 503, 523 (N.D. Ill. 2011) (finding "Bobak's" not famous and noting that the only evidence was a local survey and the company president's affidavit); *Oriental Fin. Grp., Inc. v. Cooperativa de Ahorro y Crédito Oriental*, 750 F. Supp. 2d 396, 404 (D.P.R. 2010) (finding that a mark that was only local was not famous), *aff'd in part, vacated in part on other grounds*, 698 F.3d 9 (1st Cir. 2012); see also *Urban Grp. Exercise Consultants, Ltd. v. Dick's Sporting Goods, Inc.*, No. 12 Civ. 3599(RWS), 2012 WL 3240442, at *8 (S.D.N.Y. Aug. 7, 2012) (holding that "Urban Rebounder" was not famous and dismissing complaint); *Timber Prods. Inspection, Inc. v. Coastal Container Corp.*, 827 F. Supp. 2d 819 832–33 (W.D. Mich. 2011) (finding that no evidence of fame was presented); *SCI Ill. Servs., Inc. v. Mitzvah Mem. Funerals, Inc.*, No. 10 C 6111, 2011 WL 1595986, at *2 (N.D. Ill. Apr. 27, 2011) (dilution claimed for local mark, but not discussed).

90. Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, 120 Stat. 1730.

91. *Id.*

92. *Gap, Inc. v. G.A.P. Adventures, Inc.*, 100 U.S.P.Q.2d 1417, 1431 (S.D.N.Y. 2011); *Rolex Watch USA Inc. v. AFP Imaging Corp.*, 101 U.S.P.Q.2d 1188, 1196–97

Vuitton-like trademarks in a Hyundai commercial and the use of JUST JESU IT as a trademark on clothing were found to dilute the Louis Vuitton and Nike JUST DO IT marks, respectively.⁹³ In large part, these results are the product of different judicial interpretations concerning the level of similarity necessary to trigger an association that diminishes the distinctiveness of a famous mark.⁹⁴ Not coincidentally, courts have found that the similarity factor has become *less* clear as a result of the TDRA than it was under the FTDA.⁹⁵ Thus, any clarity that might have resulted from the list of relevant factors is undermined by an interpretation that leaves a crucial factor to a highly case-specific analysis.⁹⁶ Furthermore, a lack of consensus about the degree of association that is relevant or necessary muddies the degree of actual association between the marks—the most directly applicable factor.⁹⁷

(T.T.A.B. 2011); see *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 736 F.3d 198, 208, 212–13 (2d Cir. 2013) (holding that “Mr. Charbucks” does not dilute “Starbucks”); *Virginia Polytechnic Inst. v. Hokie Real Estate, Inc.*, 100 U.S.P.Q.2d 1199, 1212 (W.D. Va. 2011) (finding that “Hokie Real Estate” does not dilute the “HOKIE” mark owned by Virginia Tech).

93. *Louis Vuitton Malletier, S.A. v. Hyundai Motor Am.*, No. 10 Civ. 1611(PKC), 2012 WL 1022247, at *1 (S.D.N.Y. Mar. 22, 2012); *Nike, Inc. v. Maher*, 100 U.S.P.Q.2d 1018, 1031 (T.T.A.B. 2011).

94. Compare *Rolex*, 101 U.S.P.Q.2d at 1195 (finding that the similarity factor favors AFP, not Rolex), and *Starbucks*, 736 F.3d at 208 (upholding district court finding that “Starbucks” and “Mr. Charbucks” were not very similar), with *Nike*, 100 U.S.P.Q.2d at 1030 (finding that marks “JUST DO IT” and “JUST JESU IT” were “sufficiently similar . . . to ‘trigger consumers to conjure up’ [Nike’s] mark”), and *Louis Vuitton*, 2012 WL 1022247 at *7 (finding a “high degree” of similarity).

95. Under the FTDA, courts generally required a high degree of similarity—sometimes even “identical or nearly identical” uses. *E.g.*, *Thane Int'l, Inc. v. Trek Bicycle Corp.*, 305 F.3d 894, 90–06 (9th Cir. 2002). But because the TDRA referred only to the “degree of similarity” as a relevant factor, several courts have held that no particular threshold of similarity is required. *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 633 F.3d 1158, 1169 (9th Cir. 2011); *Nike*, 100 U.S.P.Q.2d at 1029; *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97, 107–09 (2d Cir. 2007).

96. See *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 736 F.3d 198 (2d Cir. 2013).

97. I do not use “sufficient” because, as the Supreme Court has stated, association does not necessarily translate to dilution. *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 434 (2003).

3. Statutory Exclusions from Dilution

The TDRA failed to bring clarity to federal dilution law in other ways, as well. To alleviate concerns that dilution protection would inhibit free speech, both the FTDA and the TDRA contained categorical exclusions from liability. In theory, clear categorical exclusions make it easier to predict in advance whether certain conduct is actionable and provide an early basis to terminate any litigation.⁹⁸ In practice, however, the application of the exclusions in all but the simplest of cases belies the prospect of predictability.⁹⁹ Consider the exclusion for “any noncommercial use,” which the FTDA included and the TDRA retained.¹⁰⁰ Courts have struggled with the idea of a “noncommercial” use.¹⁰¹ The Ninth Circuit equates it with noncommercial *speech*,¹⁰² which it interprets broadly.¹⁰³ Other courts have not read the noncommercial use exclusion so expansively.¹⁰⁴ While the Ninth Circuit’s test is somewhat predictable, the tests used by other courts, especially their tests for commercial speech, are less predictable and are less susceptible to early determination.¹⁰⁵ Since the noncommercial use exclusion’s intent is to prevent the dilution statute from intruding into free speech, the dual level of uncertainty is particularly undesirable.

The other major dilution exclusion, fair use, fares little better. Section 43(c)(3)(A) excludes “[a]ny fair use” from dilution liability.¹⁰⁶ The exclusion is not completely open-ended, however. It goes on to

98. See Levy, *supra* note 38, at 1206–08; McGeeveran, *supra* note 8, at 2287–88.

99. See McGeeveran, *supra* note 8, at 2287–88.

100. Lanham Act § 43(c)(3), 15 U.S.C. § 1125(c)(3) (2006).

101. See *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 905 (9th Cir. 2002) (characterizing the result of the plain meaning of the statutory language as “absurd”); see also *Hoffman v. Capital Cities/ABC, Inc.*, 255 F.3d 1180, 1184 (9th Cir. 2001) (acknowledging that “the boundary between commercial and noncommercial speech has yet to be clearly delineated . . .”).

102. *Mattel*, 296 F.3d at 905–06.

103. See, e.g., *Hoffman*, 255 F.3d at 1184 (finding that commercial speech is speech that does no more than propose a commercial transaction).

104. E.g., *Davis v. Walt Disney Co.*, No. Civ.04-1729 DWF/SRN, 2004 WL 1895234, at *6 (D. Minn. Aug. 23, 2004) (holding that noncommercial use only excludes parodies); *Am. Dairy Queen Corp. v. New Line Prods., Inc.*, 35 F. Supp. 2d 727, 734 (D. Minn. 1998) (rejecting the defense in a case regarding a movie entitled “Dairy Queens”); see *Kraft Food Holdings, Inc. v. Helm*, 205 F. Supp. 2d 942, 952–53 (N.D. Ill. 2002) (rejecting the parody defense).

105. See, e.g., *Dryer v. Nat’l Football League*, 689 F. Supp. 2d 1113, 1119–21 (D. Minn. 2010) (denying a motion to dismiss the right of publicity case based on the application of the Eighth Circuit’s three part balancing test for commercial speech).

106. Lanham Act § 43(c)(3)(A), 15 U.S.C. § 1125(c)(3)(A) (2006).

list specific examples of fair uses: descriptive and nominative fair use; comparative advertising (which is a form of nominative use); and parody, criticism, or commentary “upon the famous mark owner or the goods or services of the famous mark owner.”¹⁰⁷ These examples certainly are more specific than simply “fair use.” But if predictability is a goal of the statute, this exclusion falls short. First, the obvious problem: the specific examples do not delimit the category.¹⁰⁸ “Any fair use,” even one not specifically designated, is within the exclusion. Second, the parameters of a “fair” nominative or descriptive use are not even clear in an infringement case,¹⁰⁹ and they are less clear in a dilution case. This is partially because the standard tests for nominative and descriptive use consider the extent of resulting confusion as a factor in determining fairness, albeit not in a consistent manner.¹¹⁰ Dilution does not require confusion at all, and it is unclear how one would measure fairness in the absence of confusion. Third, even in an infringement context, there is no general agreement on the standards for nominative use; some circuits have never recognized the defense in infringement cases.¹¹¹ It is difficult to imagine a comprehensive jury instruction that could guide deliberations on this issue. Equally problematic, courts do not necessarily read the statute carefully. In *Louis Vuitton Mattetier S.A. v. Hyundai Motor America*,¹¹² the court refused to apply the fair use exclusion to a Hyundai commercial showing a

107. *Id.* § 1125(c)(3)(A)(ii). The goods or services of the mark may or may not technically be nominative uses.

108. *See id.*

109. A nominative use is one that uses the actual trademark to identify the actual trademark owner. *Compare* *Playboy Enters. v. Welles*, 279 F.3d 796, 801 (9th Cir. 2002) (finding that the nominative use test should be substituted for the usual confusion test in proper cases), *and* *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992) (three-part test), *with* *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 220–21 (3d Cir. 2005) (nominative use is an affirmative defense). That much is clear. What is not clear is the line between fair and unfair uses.

110. *Playboy*, 279 F.3d at 801 (nominative use test substitutes for usual confusion test); *Century 21*, 425 F.3d at 222–26; *see* *Gennie Shifter, LLC v. Lokar, Inc.*, No. 07-cv-01121, 2010 WL 126181, at *14 (D. Colo. Jan. 12, 2010) (explaining that the nominative use is not a defense but “goes to . . . proof of the likelihood of confusion”).

111. *See* *Rosetta Stone Ltd. v. Google, Inc.*, 676 F.3d 144, 154–55 (4th Cir. 2012) (declining to rule on the applicability of nominative use in the circuit); *Lorillard Tobacco Co. v. S & M Brands, Inc.*, 616 F. Supp. 2d 581, 588–89 (E.D. Va. 2009) (noting that the Fourth Circuit had not adopted a nominative use doctrine and declining to use it even in a dilution case).

112. No. 10 Civ. 1611(PKC), 2012 WL 1022247 (S.D.N.Y. Mar. 22, 2012).

basketball adorned with a simulation of a Louis Vuitton trade dress in order to conjure luxury.¹¹³ Quoting statutory language, the court stated that the commercial did not “criticize or comment upon” Louis Vuitton.¹¹⁴ The court, however, failed to consider whether the use was otherwise fair, seemingly, and erroneously, assuming that the listed categories were exclusive, not illustrative.

The history of trademark law amendments suggests that statutory solutions may not provide sufficient clarity or predictability. In that case, we should look elsewhere, especially for predictability.

IV. USING PRESUMPTIONS TO IMPROVE CLARITY

A. General Principles

If clarity cannot, or perhaps should not, be achieved by statutory precision, other methods should be examined. One other possible method for improving clarity, in the sense of predictability and ease of determination, is the use of presumptions. As used in this discussion, a presumption requires the finding of a presumed fact (PF) if one demonstrates the existence of a basic fact (BF).¹¹⁵ In other words, if BF then PF. Under Rule 301 of the Federal Rules of Evidence, a presumption shifts the burden of producing evidence contradicting the presumed fact to the other side, but does not remove the burden of persuasion from the original party.¹¹⁶ Obviously, presumptions simplify the proof in a case and may improve predictability, if the existence of the basic fact is relatively predictable. At a minimum, presumptions may make it easier to resolve issues at an earlier stage of the litigation. Presumptions may be statutory, or created judicially.¹¹⁷ Examining some presumptions used in trademark law may help us decide whether additional presumptions can improve the predictability or clarity of trademark law.

Presumptions, and permissible inferences, offer certain advantages over attempts to enact clear rules of law. They do not attempt to impose the same rule on all cases. Because they are rebuttable, presumptions can be made flexible enough to account for

113. *Id.* at *17.

114. *Id.*

115. Merely *allowing* a finding of the presumed fact is really a permissible inference, rather than a presumption.

116. FED. R. EVID. 301.

117. *See id.*; FED. R. EVID. 302.

those cases in which an absolute rule¹¹⁸ would lead to absurd or undesirable results. At the same time, if the presumption is well-grounded in fact, then it may be possible to decide cases at an earlier stage of the litigation; one side need only demonstrate the basic fact and, if the other side does not rebut the presumption, the case is over.¹¹⁹ Of course, early determination will depend on how easy it is for an opponent to marshal rebuttal evidence in the average case. Even if early determination is not likely, the existence of the presumption may alter the character of the litigation and make the outcome more predictable. The quantum of evidence necessary to defeat summary judgment is not the same as the quantum of evidence needed to carry the day at trial.¹²⁰ Presumptions and inferences, however, are not a panacea.

One problem is that statutes and judicial opinions do not always make clear whether something is truly a presumption. Some things that look like presumptions may only be permissible inferences.¹²¹ Although such an inference may increase the predictability of the outcome—if it does not, then there is little use for the inference—an inference usually does not have the same effect as a true presumption. The latter, if not rebutted, decides the issue.¹²² The former simply allows, but does not require, a conclusion.¹²³ Unfortunately, courts have not been careful about their terminology when describing the significance of evidence of certain basic facts, as exemplified by *TraFFix Devices, Inc. v. Marketing Displays, Inc.*,¹²⁴ where the Supreme Court described the relationship of a utility patent to a finding of trademark functionality as follows:

118. I use the phrase “absolute rule” here to avoid the possible vagueness of the term “rule,” which may refer to something less than a “rule without exceptions.” See Sunstein, *supra* note 20, at 996 (“the line between rules and factors is one of degree rather than one of kind”).

119. See FED. R. EVID. 301.

120. See FED. R. CIV. P. 56(a).

121. This is illustrated by cases discussing the relevance of intent to copy another’s mark to a finding of secondary meaning and/or confusion. See *infra* notes 173–43 and accompanying text.

122. On the other hand, an inference may remain even if there is contrary evidence; this may make it at least as useful as a presumption, and perhaps more useful than one in some situations. See, e.g., *Jay Franco & Sons, Inc. v. Franek*, 615 F.3d 855, 858–61 (7th Cir. 2010) (using the “strong evidence” standard). Indeed, it may even improve predictability.

123. Of course, if a jury is told it may infer something and no contrary evidence is proffered, that may serve the same purpose as a presumption. On the other hand, an inference may not be powerful enough to allow a court to grant summary judgment.

124. 532 U.S. 23 (2001).

A utility patent is strong evidence that the features therein claimed are functional. If trade dress protection is sought for those features the strong evidence of functionality based on the previous patent adds great weight to the statutory presumption that features are deemed functional until proved otherwise by the party seeking trade dress protection. Where the expired patent claimed the features in question, one who seeks to establish trade dress protection must carry the heavy burden of showing that the feature is not functional¹²⁵

What exactly does “strong evidence” mean? Is it a presumption, an inference, or something else? In the next sentence, the Court talks about a true presumption: an unregistered mark is presumed functional.¹²⁶ This indicates that the “strong evidence” language at best creates an inference, and more likely simply expresses the notion that a patent is an important piece of evidence to be considered together with any evidence that the trademark owner may introduce of non-functionality. The Court goes on to state, however, that the existence of an expired patent leads to a “heavy burden” on the mark’s proponent to demonstrate non-functionality.¹²⁷ That sounds like a form of presumption. In fact, it sounds like a stronger than normal presumption, in that merely offering some evidence of non-functionality would not suffice to satisfy the “heavy burden.” Several lower courts have described the language of *TrafFix* as creating a presumption.¹²⁸ In another part of the opinion, however, the Court refers to a “strong evidentiary inference of functionality based on the disclosure of the dual-spring design in the claims of the expired patents.”¹²⁹ As a practical matter, the “strong evidence” standard may be even more powerful than an ordinary presumption. It does more than just force the proponent of the mark to come forward with evidence. The patent remains in the case as “strong evidence” of functionality, meaning that the opponent must counter it with equally “strong” evidence.¹³⁰

125. *Id.* at 29–30.

126. *Id.* at 30.

127. *Id.*

128. *E.g.*, *Jay Franco & Sons, Inc. v. Franek*, 615 F.3d 855, 858 (7th Cir. 2010) (referring to “the *TrafFix* presumption of functionality”); *In re Pennington Seed, Inc.*, 466 F.3d 1053, 1060 (Fed. Cir. 2006) (stating that *TrafFix* created “a rebuttable presumption”); *Invisible Fence, Inc. v. Perimeter Techs., Inc.*, No. 1:05-CV-361, 2007 WL 273129, at *6 (N.D. Ind. Jan. 26, 2007) (also referring to the *TrafFix* presumption).

129. *TrafFix*, 523 U.S. at 30 (emphasis added).

130. *See Fuji Kogyo Co. v. Pac. Bay Int’l, Inc.*, 461 F.3d 675, 687 (6th Cir. 2006)

Although the level of evidence necessary to overcome the evidentiary value of the patent is not clear, if it turns out that most cases end with a finding of functionality, the *TrafFix* standard will have increased the predictability of such cases. Moreover, experience suggests that this presumption/inference allows courts to decide cases on summary judgment.¹³¹ Nevertheless, the Court's description of the evidentiary significance of a patent is less than a model of clarity. Although it may not have a serious effect on case outcomes because of the "strong evidence" and "heavy burden" language, other judicially and statutorily created evidentiary standards may not be as predictable.

If presumptions are to make sense, they should be grounded in both policy and fact. From a policy standpoint, presumptions and permissive inferences may represent choices about which side in a dispute the court should favor. Thus, we may wish to favor owners of registered marks, owners of famous marks, or those who make communicative, non-trademarked uses of either registered or famous marks. We can do that with explicit rules, but as discussed earlier, rules may not provide sufficient flexibility both for current and unforeseen situations. Trademark law includes both statutory and judicially created presumptions and inferences. But there is an important distinction to make between statutory presumptions and judicially created presumptions. While it may be reasonable for a legislature to choose sides using presumptions, it is less legitimate for judges to do so unless they can point to a legislative policy supporting their choice. A judicial presumption should reflect the goals of the statute in question, and, equally important, its limitations. Statutory presumptions may represent tradeoffs between different policies. Judicial presumptions may lose sight of those underlying tradeoffs, particularly those that are only evident

(upholding the district court's decision to give greater weight to the patent and certainty admissions than to the testimony of witnesses); *cf.* *Berlin Packaging, LLC v. Stull Techs., Inc.*, 381 F. Supp. 2d 792, 802 (N.D. Ill. 2005) (using *TrafFix* to say that the patent removes the presumption of validity of registration, but leaves the trademark owner with the "heavy burden of proving non-functionality"). *But cf. In re Bose Corp.*, 476 F.3d 1331, 1336 (Fed. Cir. 2007) (finding that, although *TrafFix* does not change the functionality analysis, its application supports functionality in this case).

131. *E.g.*, *Georgia-Pacific Consumer Prods. LP v. Kimberly-Clark Corp.*, 647 F.3d 723, 727 (7th Cir. 2011) (stating that functionality can be decided on summary judgment motion); *Franco & Sons*, 615 F.3d at 857–61 (affirming summary judgment); *Invisible Fence*, 2007 WL 273129, at *8 (granting summary judgment); *Berlin Packaging*, 381 F. Supp. 2d at 805 (granting summary judgment).

when one considers many cases, not just the one at bar.¹³² Moreover, judicial presumptions should be especially mindful of the policies discussed earlier: constitutional concerns, anticompetitive concerns, and concerns about trademark law encroaching on other areas of intellectual property.¹³³

Presumptions may also affect behavior outside of litigation. The knowledge that certain conduct is presumptively wrongful may deter that conduct.¹³⁴ Alternatively, it may deter the bringing of suits where the conduct in question is presumptively lawful. However, this latter effect is more dubious, given the often-disparate access to knowledge and advice between potential plaintiffs and potential defendants. Thus, courts may have to use their authority under Rule 11¹³⁵ to make the presumption fully do its job. This, however, still leaves the question of whether presumptions or inferences improve

132. Two Supreme Court cases from the early twentieth century (pre-*Erie*, it may be noted) illustrate the problem. In *Baltimore & Ohio Railroad Co. v. Goodman*, Justice Holmes, writing for a unanimous Court, imposed a rule of law in cases involving railroad crossings: if there is not an unobstructed view, a driver, upon approaching a crossing, must stop the car, get out, look, and listen for a whistle. 275 U.S. 66, 70 (1927). Although acknowledging the usual role of a jury in such situations, the Court opined that “we are dealing with a standard of conduct, and when the standard is clear it should be laid down once for all by the Courts.” *Id.* However, in *Pokora v. Wabash Railway Co.*, the Court, per Justice Cardozo, criticized the imposition of a rule of law (although agreeing with the result of the *Goodman* case):

[There is a] need for caution in framing standards of behavior that amount to rules of law. The need is the more urgent when there is no background of experience out of which the standards have emerged. They are then, not the natural flowerings of behavior in its customary forms, but rules artificially developed, and imposed from without. Extraordinary situations may not wisely or fairly be subjected to tests or regulations that are fitting for the common-place or normal.

292 U.S. 98, 105–06 (1934).

133. The latter is of special concern because other areas of intellectual property may reflect different policy balances, and the encroachment of trademark law may upset those balances. See *Specialized Seating, Inc. v. Greenwich Indus., L.P.*, 616 F.3d 722, 727 (7th Cir. 2010) (“Another goal [of functionality], as *TrafFix* stressed, is to separate the spheres of patent and trademark law, and to ensure that the term of a patent is not extended beyond the period authorized by the legislature.”).

134. Of course, that may result in an unwanted chilling effect, so it should be considered when creating a presumption.

135. FED. R. CIV. P. 11 (Rule 11 sanctions can be levied against a party who intentionally mischaracterizes a presumption if it rises to a violation of the rule).

clarity. Answering that question requires an examination of some existing presumptions.

B. Statutory Presumptions

1. Abandonment

An example of a statutory presumption in trademark law is the definition of abandonment found in Section 45 of the Lanham Act. If a trademark owner fails to use the trademark for three consecutive years, the law presumes that the mark has been abandoned.¹³⁶ This presumption is rebuttable.¹³⁷ If the trademark owner demonstrates that it did not intend to abandon the mark, no abandonment will occur.¹³⁸ From a factual standpoint, such a presumption is probably fairly consistent with reality.¹³⁹ This presumption should simplify proof of abandonment, but trademark owners do not lightly relinquish their rights.¹⁴⁰ A number of legitimate excuses can help justify a temporary failure to use. These excuses create factual issues that usually make it difficult to resolve the abandonment issue early in the proceedings.¹⁴¹ Thus, the relative ease with which the presumption can be rebutted, combined with the reluctance of courts to forfeit rights, make this at best a moderate vehicle for enhancing predictability.

2. Presumption of Validity from Registration

Another statutory trademark presumption is the presumption of validity given to registered marks. According to Sections 7(b) and

136. The definition in Section 45 provides that three consecutive years of nonuse is "prima facie evidence of abandonment." Lanham Act § 45, 15 U.S.C. § 1127 (2006) (definition of abandonment).

137. See *Emergency One, Inc. v. Am. FireEagle, Ltd.*, 228 F.3d 531, 537 (4th Cir. 2000).

138. *Id.*

139. Of course, that is dependent upon what "intent to abandon" really means. Most trademark owners would probably say that they never intend to abandon marks, even if they do not use them. Nonetheless, courts tend to say that, in order to overcome the statutory presumption, one must demonstrate an intent to resume use in the reasonably foreseeable future. *E.g., id.*; *Silverman v. CBS, Inc.*, 870 F.2d 40, 46 (2d Cir. 1989).

140. See *Cumulus Media, Inc. v. Clear Channel Commc'ns, Inc.*, 304 F.3d 1167, 1175 (11th Cir. 2002) (citing a "strict" standard of proof for abandonment).

141. *Emergency One*, 228 F.3d at 537-38 (holding that abandonment is a jury question, and "what is meant by the 'reasonably foreseeable future' will vary depending on the industry and the particular circumstances of the case").

33(a) of the Lanham Act, registration is “prima facie evidence of the validity of the registered mark.”¹⁴² Perhaps even more than the abandonment presumption, this presumption seems well-grounded in fact. Assuming that the PTO does its job (and even if the examiner is somehow lax, an interested party can bring an opposition in the TTAB), a proper examination should weed out the majority of insufficient applications to register. This presumption would appear to simplify at least the questions of distinctiveness and non-functionality (in the case of trade dress), both of which are aspects of validity. However, experience indicates that this presumption is often a very weak barrier against a demonstration of non-validity.¹⁴³ Thus, although it is a fairly clear provision on its face, its value in creating early or predictable outcomes in actual cases is limited. If the virtues of clarity include enhancing predictability, although that may not be the intent, the clear presumption of validity does not successfully accomplish its task.

C. Judicially Created Presumptions

In some cases, courts have created presumptions that appear designed to improve predictability and promote the earlier resolution of cases.¹⁴⁴ As discussed above, the Supreme Court created a presumption, or at least an inference, in *Traffix Devices, Inc. v. Marketing Displays, Inc.*¹⁴⁵ *Traffix* involved a product design trademark; the crucial question was the proper test for determining

142. Lanham Act § 33(a), 15 U.S.C. § 1115(a) (2006); accord 15 U.S.C. § 1057(b) (stating that a certificate of registration is prima facie evidence of the validity of the mark). If the registration has become incontestable, see 15 U.S.C. § 1065, then the registration is “conclusive evidence” of validity, rather than prima facie evidence. 15 U.S.C. § 1115(b). That is a rule of law, not a rebuttable presumption (although incontestability is subject to several delineated defenses). But incontestability cannot occur until at least five years after registration. 15 U.S.C. § 1065.

143. See, e.g., *Georgia-Pacific Consumer Prods., LP v. Kimberly-Clark Corp.*, 647 F.3d 723, 727 (7th Cir. 2011) (“the presumption ‘evaporates as soon as evidence of invalidity is presented’”); *Burke-Parsons-Bowlby Corp. v. Appalachian Log Homes, Inc.*, 871 F.2d 590, 593–96 (6th Cir. 1989) (applying the presumption of validity from registration, but still finding the mark descriptive and lacking secondary meaning); *Burke-Parsons-Bowlby*, 871 F.2d at 597 (Krupansky, J., concurring) (finding that where the defendant showed that the mark was geographically descriptive and used only a short time, the presumption of validity was rebutted); MCCARTHY, *supra* note 3, § 32:138 (collecting cases).

144. Cf. Timothy R. Holbrook, *Patents, Presumptions, and Public Notice*, 86 IND. L.J. 779, 812 (2011) (noting that the Supreme Court has established presumptions in patent cases to balance “certainty with fairness”).

145. 532 U.S. 23, 29–30 (2001).

whether a product design is “functional,” and therefore ineligible for protection.¹⁴⁶ Functionality is an important issue, as it keeps trademark from encroaching on the territory of patent; it also keeps trademark from inhibiting competition by monopolizing the best, or one of a few best product designs.¹⁴⁷ The specific question in *TrafFix* was the effect of the plaintiff’s expired utility patent on the issue of functionality.¹⁴⁸ The Court characterized the patent as “strong evidence” of functionality that imposed a “heavy burden” on the mark’s proponent to demonstrate non-functionality.¹⁴⁹ Whether one views the Court’s assertion as a presumption or an inference,¹⁵⁰ it adds to the predictability of the law. In practice, it is difficult to “carry the heavy burden” of showing non-functionality.¹⁵¹ Thus, a finding that a utility patent claims the feature will often end the case, and a court can make this finding on a summary judgment motion without extensive discovery since it only requires the patent.¹⁵²

TrafFix created a presumption, or inference, that limits the scope of trademark law. Other recent examples represent an expansion of trademark law. Oddly, two examples arose from separate decisions in the same case. The first of these presumptions grew out of the original FTDA. In *Moseley v. V Secret Catalogue, Inc.*,¹⁵³ the Supreme Court held that the original language of the dilution statute required a showing of “actual dilution,” not just “likelihood of dilution.”¹⁵⁴ The Court further stated that actual dilution could be demonstrated by “circumstantial evidence—the obvious case is one

146. *Id.* at 29.

147. *See id.*

148. *Id.*

149. *Id.* at 29–30.

150. *See* cases cited *supra* note 128.

151. *Jay Franco & Sons, Inc. v. Franek*, 615 F.3d 855, 858–60 (7th Cir. 2010); *Fuji Kogyo Co. v. Pac. Bay Int’l, Inc.*, 461 F.3d 675, 686–88 (6th Cir. 2006); *Georgia-Pacific Consumer Prods., LP v. Kimberly-Clark Corp.*, 749 F. Supp. 2d 787, 795–98 (N.D. Ill. 2010), *aff’d sub nom.*, *Dippin’ Dots, Inc. v. Frosty Bites Distrib., LLC*, 369 F.3d 1197 (11th Cir. 2004). If there is no patent, then the analysis is more complicated. *See, e.g.*, *Too Marker Prods., Inc. v. Shinhan Art Materials, Inc.*, No. CV09-1013-PK, 2010 WL 4781531, at *3–9 (D. Or. Oct. 1, 2010) (denying summary judgment and demonstrating that even in cases involving patents, the burden is difficult to carry).

152. *See Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 391 (1996) (explaining that the construction of a patent, including the terminology within its claim, is an issue of law, not fact).

153. 537 US 418 (2003).

154. *Id.* at 433.

where the junior and senior marks are identical.”¹⁵⁵ Taking its cue from the Court’s language, the Second Circuit subsequently held that where a dilution claim involved identical marks, actual dilution would be presumed.¹⁵⁶

Because it is difficult to demonstrate actual dilution directly (one would need a proper survey, for example), the presumption significantly eases the proof problem, but only in the limited circumstance of identical marks.¹⁵⁷ Whether the presumption survives the TDRA, which added six specific factors to guide the analysis of blurring, is not clear.¹⁵⁸

As stated earlier, a presumption should reflect a legitimate relationship between the existence of the basic fact (here, the use of identical marks) and the existence of the presumed fact (dilution—a diminishment of the distinctiveness of a famous mark). Apparently, the Supreme Court believed that an identical mark necessarily diminishes the other mark, although some empirical evidence suggests the contrary.¹⁵⁹ The other caveat is that, to be helpful in clarifying or making the law predictable, it should be reasonably simple to determine whether the basic fact exists. One would think that it would be easy to judge whether two marks are “identical,” but experience demonstrates that this is not as straightforward as it might seem.¹⁶⁰

The second presumption arose following the remand of the Supreme Court’s decision in the *Moseley* case and, most notably, after a change in the applicable law. In *V Secret Catalogue, Inc. v. Moseley*,¹⁶¹ the Sixth Circuit revisited the tarnishment claim by Victoria’s Secret against the small store in Kentucky—called

155. *Id.* at 434.

156. *Savin Corp. v. Savin Grp.*, 391 F.3d 439, 453 (2d Cir. 2004). Other courts followed the Second Circuit’s lead. *See Horphag Research Ltd. v. Garcia*, 475 F.3d 1029, 1036 (9th Cir. 2007). In a subsequent dilution case, the Second Circuit refused to create a presumption of association from a finding that the defendant intended to cause association between its mark and the famous mark. *Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 736 F.3d 198 208–09 (2d Cir. 2013). The court noted that such a presumption would render one of the dilution factors—evidence of actual association—superfluous whenever intent to associate was found. *Id.* at 209.

157. *Ty, Inc. v. Softbelly’s, Inc.*, 353 F.3d 528, 536 (7th Cir. 2003) (“The Court did not explain and no one seems to know what ‘circumstantial evidence’ might be.”).

158. *Visa Int’l Serv. Ass’n v. JSL Corp.*, 610 F.3d 1088, 1090 (9th Cir. 2010) (referring to the presumption as “circumstantial evidence of dilution”).

159. *See, e.g., Maureen Morrin & Jacob Jacoby, Trademark Dilution: Empirical Measures for an Elusive Concept*, 19 J. PUB. POL’Y & MARKETING 265, 274 (2000).

160. *See Omega S.A. v. Omega Eng’g*, No. 3:01 CV 2014 SRU, 2005 WL 3307277, at *2 (D. Conn. Dec. 6, 2005).

161. 605 F.3d 382 (6th Cir. 2010).

“Victor’s Little Secret”—that sold, among other things, adult, sexually-oriented novelty items.¹⁶² Victoria’s Secret sued for infringement and dilution; eventually only the tarnishment claim remained.¹⁶³ When reviewing the tarnishment claim, the court established a presumption: if the claim was founded on conduct that was sexual in nature, the court would presume a likelihood of tarnishment.¹⁶⁴ One danger of this presumption (apart from whether it is well-grounded in fact) is its effect on remedies. Courts should not readily conclude that because sexually oriented uses are so obviously tarnishing that they merit a presumption, they also merit a finding (presumptive or not) of willfulness (allowing damages) and/or exceptionality (allowing attorney’s fees).¹⁶⁵

In some situations, courts appear uncertain about the proper characterization of some types of evidence.¹⁶⁶ A notable example is the treatment of evidence that the defendant copied the plaintiff’s mark.¹⁶⁷ Arguably, such evidence is at least relevant to two inquiries: whether the plaintiff’s mark has secondary meaning and whether there is a likelihood of confusion between the defendant’s

162. *Id.* at 384.

163. The district court dismissed the infringement claims prior to the Supreme Court’s decision, finding no confusion. *V Secret Catalogue, Inc. v. Moseley*, No. 3:98CV-395-S, 2000 WL 370525, at *4, 54 U.S.P.Q.2d 1092 (W.D. Ky. Feb. 9, 2000), *aff’d*, 259 F.3d 464 (6th Cir. 2001), *rev’d on other grounds*, 537 U.S. 418 (2003). Following the Supreme Court’s decision, discussed above, the case returned to the Sixth Circuit, where it sat until after the TDRA changed the dilution standard in 2006. *See V Secret Catalogue, Inc. v. Moseley*, 558 F. Supp. 2d 734, 737 (W.D. Ky. 2008), *aff’d*, 605 F.3d 382 (6th Cir. 2010). The Sixth Circuit remanded the case to the district court, which found against Victoria’s Secret on the blurring claim, but upheld the tarnishment claim, now using a likelihood of dilution standard. *Id.* at 748–50.

164. *Moseley*, 605 F.3d at 388. A concurring judge indicated that a permissible inference, rather than a presumption, was intended. *Id.* at 390 (Gibbons, J., concurring). Because her vote was necessary to form a majority (the third member of the panel dissented), technically her view should prevail. The difference is significant in that a presumption conclusively decides the issue in the absence of contrary evidence. A permissible inference could still allow a court to send the case to a jury if it believed that the jury could rationally disdain the permissible inference and draw a different conclusion. Moreover, a presumption shifts the burden of production (although in a practical sense, an inference may effectively shift the burden as well). The opinion for the court spoke alternatively of “a very strong inference.” *Id.* at 388. For a critique of the *Moseley* presumption, see generally Greg Horn & Matthew Malm, *Sex Changes Everything, But the Trademark Dilution Revision Act Shouldn’t: V Secret Catalogue, Inc. v. Moseley and the Burden of Proof in Trademark Dilution Actions*, 79 U. CIN. L. REV. 1583 (2011).

165. Lanham Act § 35, 15 U.S.C. § 1117 (2006).

166. MCCARTHY, *supra* note 3, § 15:38.

167. *Id.*

use and the plaintiff's mark.¹⁶⁸ Most courts regard evidence of intentional copying as relevant, but do not regard it as triggering a presumption of secondary meaning.¹⁶⁹ Within that group, it appears that some courts regard such evidence as creating a permissible inference of secondary meaning, though their language is not clear on this point.¹⁷⁰ At least one circuit treats copying as creating a presumption of secondary meaning,¹⁷¹ and another circuit appears internally split about whether copying creates a presumption.¹⁷²

A similar but more complicated analysis occurs with respect to the relevance of intent to deceive or cause confusion. In most circuits, a finding of intent to deceive creates a presumption of likelihood of confusion.¹⁷³ But this approach is far from universal: the Third, Fifth, Seventh, and Eleventh Circuits all appear to accept such evidence as relevant but not presumptive of confusion.¹⁷⁴ However, direct evidence of intent to deceive is not normally readily available. Thus, courts often use indirect evidence to find intent to deceive, and then invoke the presumption or inference.¹⁷⁵ Once crucial piece of indirect evidence is an intent to copy, discussed above in relation to secondary meaning. Some courts have created a presumption of intent to confuse from an intent to copy¹⁷⁶ (which is a

168. *Id.*

169. *Id.*

170. *E.g.*, *Clicks Billiards, Inc. v. Sixshooters, Inc.*, 251 F.3d 1252, 1264 (9th Cir. 2001); *Vision Sports, Inc. v. Melville Corp.*, 888 F.2d 609, 615 (9th Cir. 1989) (stating that "proof of copying strongly supports an inference of secondary meaning"); *Hartford House Ltd. v. Hallmark Cards Inc.*, 647 F. Supp. 1533, 1541-42 (D. Colo. 1986), *aff'd*, 846 F.2d 1268 (10th Cir. 1988); *see Ideal Toy Corp. v. Plawner Toy Mfg. Corp.*, 685 F.2d 78, 82 (3d Cir. 1982) (finding that "admission of copying is itself persuasive evidence of secondary meaning").

171. *Larsen v. Terk Techs. Corp.*, 151 F.3d 140, 148 (4th Cir. 1998); *M. Kramer Mfg. Co. v. Andrews*, 783 F.2d 421, 447-48 (4th Cir. 1986).

172. *Compare Ferrari S.P.A. Escercizio Fabriche v. Roberts*, 944 F.2d 1235, 1239 (6th Cir. 1991) (indicating that it creates a presumption), *with Gen. Motors Corp. v. Lanard Toys, Inc.*, 468 F.3d 405, 419 (6th Cir. 2006) (copying "does not alone establish secondary meaning," citing the circuit's seven factor test for secondary meaning).

173. MCCARTHY, *supra* note 3, § 23:111 (collecting cases).

174. *Frehling Enters., Inc. v. Int'l Select Grp., Inc.*, 192 F.3d 1330, 1340 (11th Cir. 1999) (using intent as a permissible inference); *Sunbeam Prods., Inc. v. W. Bend Co.*, 123 F.3d 246, 258 (5th Cir. 1997) (finding it to be a permissible inference); *Computer Care v. Serv. Sys. Enters. Inc.*, 982 F.2d 1063, 1070 (7th Cir. 1992) (deliberate copying is "an important factor"); *Am. Home Prods. Corp. v. Barr Labs., Inc.*, 834 F.2d 368, 371 (3d Cir. 1987).

175. *See, e.g., Frehling*, 192 F.3d at 1340.

176. *See, e.g., Paddington Corp. v. Attiki Imps. & Distribs., Inc.*, 996 F.2d 577,

questionable presumption in trade dress product design cases).¹⁷⁷ Others allow an inference of confusion.¹⁷⁸ Although this combination of presumption and inference still provides a certain level of predictability, it also creates an additional level of disuniformity regarding intent and confusion that makes counseling a national client problematic.

The preceding examples illustrate some of the limitations of judicial presumptions. First, courts are not clear about the evidentiary effect of various basic facts. *Traffix* can be read to create a presumption or an inference. In *Moseley*, the Sixth Circuit was unsure whether to characterize the effect as a presumption or a “strong inference.”¹⁷⁹ Second, unless the Supreme Court creates the presumption, there may be disuniformity among the circuits. The evidentiary effects of copying are very uneven, and the Sixth Circuit, as of this writing, is alone in effecting a presumption or “strong inference” of tarnishment from a sexually oriented use of another’s mark. This lack of uniformity makes outcome prediction more difficult unless a potential defendant can also predict the forum of the suit.

Courts are also understandably hesitant to create formal presumptions where a statute has not, lest they appear to usurp authority from Congress.¹⁸⁰ However, inferences, if uniformly applied, can improve predictability and may increase the chances of an early resolution. On the other hand, if courts waver between inference and “relevant evidence,” the likelihood is that multifactor analyses will stymie early resolution in many cases.

D. Judicial Clarifications

Presumptions are not the only judicial means of facilitating clarity. Although not technically a presumption, the test articulated

586 (2d Cir. 1993). *But cf.* *Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 588 F.3d 97, 117 (2d Cir. 2009) (distinguishing intent to copy from intent to deceive).

177. *See, e.g.*, *Duraco Prods., Inc. v. Joy Plastic Enters.*, 40 F.3d 1431, 1450, 1453 (3d Cir. 1994).

178. *E.g.*, *John Allan Co. v. Craig Allen Co.*, 540 F.3d 1133, 1139 n.4 (10th Cir. 2008); *AutoZone, Inc. v. Strick*, 543 F.3d 923, 934 (7th Cir. 2008); *see also* *Rockland Exposition, Inc. v. Alliance of Auto Serv. Providers of N.J.*, 894 F. Supp. 2d 288, 329 (S.D.N.Y. 2012) (use of a mark that is identical to one that is well-known allows an inference of bad faith).

179. *See* *V Secret Catalogue, Inc. v. Moseley*, 605 F.3d 382, 388 (6th Cir. 2010). The concurring judge opted for an inference, without mentioning whether it was a “strong” one. *Id.* at 390 (Gibbons, J., concurring).

180. *See, e.g.*, *V Secret Catalogue*, 605 F.3d at 390 (Gibbons, J., concurring).

in *Rogers v. Grimaldi*¹⁸¹ illustrates how a court can clarify a statute to incorporate free speech interests.¹⁸² Considering the extent to which movie titles should be exempt from trademark law, the court stated that it would balance free expression against avoidance of consumer confusion.¹⁸³ The Second Circuit went on to state that this “balance will *normally* not support application of the [Lanham] Act unless the title has no artistic relevance to the underlying work whatsoever, or, if it has some artistic relevance, unless the title explicitly misleads as to the source or the content of the work.”¹⁸⁴ The court also stated that the artistic relevance component was a “low threshold of minimal artistic relevance,”¹⁸⁵ and reiterated that titles that were only “implicitly misleading” were free from liability.¹⁸⁶

While couched in “balancing” terms, the actual test closely resembles a presumption, or perhaps a strong inference. If the defendant demonstrates that a title has at least minimal artistic relevance, it will not violate the Lanham Act unless shown to be “explicitly misleading.”¹⁸⁷ Presumably, although not clearly, the plaintiff should have to make the latter showing, if it is not evident on its face.¹⁸⁸

Applied strictly, *Rogers* provides a test that enhances both predictability and early determination. Because of the low threshold of relevance, it should be possible to predict whether the court will find the title artistically relevant. And because “explicitly misleading” normally will not implicate the multifactor balancing test for trademark confusion, it should be possible to obtain dismissal at the summary judgment or even the pleading stage.¹⁸⁹ Moreover, courts have not just applied *Rogers* to titles, but also to the substance of a work, like a lithograph or a video game.¹⁹⁰

181. 875 F.2d 994 (2d Cir. 1989).

182. *See id.* at 998 (“Because overextensions of Lanham Act restrictions in the area of [movie] titles might intrude on First Amendment values, we must construe the Act narrowly to avoid such a conflict.”).

183. *Id.* at 999.

184. *Id.* (emphasis added).

185. *Id.*

186. *Id.* at 1000.

187. *Id.* at 999.

188. In many cases, the issue of explicit misleading should be clear just from the title and the movie content, making it unnecessary for the plaintiff to “rebut” the “presumption.”

189. *See Rogers*, 875 F.2d at 1005 (affirming summary judgment); *see also* *Mattel, Inc. v. MCA Records*, 296 F.3d 894, 902 (9th Cir. 2002) (applying *Rogers* to song title and affirming summary judgment).

190. *E.g.*, *Brown v. Elec. Arts, Inc.*, 724 F.3d 1235, 1246–47 (9th Cir. 2013)

Although courts' application of *Rogers* is not always as stringent as its language appears to require,¹⁹¹ its general acceptance at least improves the predictability of certain aspects of trademark law.

Courts may also interpret statutes to create more absolute rules of law that can improve clarity. In *Dastar Corp. v. Twentieth Century Fox Film Corp.*,¹⁹² the Court interpreted the term "origin" in Section 43(a) to mean the origin of the physical goods rather than the origin of the material—such as the video or story line—contained within the physical goods.¹⁹³ That interpretation created a rule of law that allowed courts to resolve some cases at an early stage.¹⁹⁴ Another example is *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*¹⁹⁵ There, the Court instructed lower courts that, if uncertain about whether a product feature is part of the product design or its packaging, they should assume that it is part of product design (thus requiring the production of secondary meaning).¹⁹⁶ This rule makes it easier to predict when a case will require secondary meaning (one should expect courts to require it whenever there is any question about whether a mark is product design or packaging) and may make it

(applying *Rogers* to use of likeness in college football video game and affirming grant of motion to dismiss); *E.S.S. Entm't 2000, Inc. v. Rock Star Videos, Inc.*, 547 F.3d 1095, 1099–101 (9th Cir. 2008) (applying *Rogers* to the *body* of the work—a video game—and affirming summary judgment); *ETW Corp. v. Jireh Publ'g, Inc.*, 332 F.3d 915, 920–21, 937 (6th Cir. 2003) (applying *Rogers* to a lithograph of Tiger Woods labeled with his name and affirming summary judgment).

191. See, e.g., *Parks v. LaFace Records*, 329 F.3d 437, 458 (6th Cir. 2003) (finding an issue of fact as to artistic relevance of Rosa Parks's name to rap song). See generally Thomas M. Byron, *Spelling Confusion: Implications of the Ninth Circuit's View of the "Explicitly Misleading" Prong of the Rogers Test*, 19 J. INTELL. PROP. L. 1 (2011).

192. 539 U.S. 23 (2003).

193. *Id.* at 37.

194. See, e.g., *Eastland Music Corp. v. Lionsgate Entm't, Inc.*, 707 F.3d 869, 870 (7th Cir. 2013) (affirming grant of Rule 12(b)(6) motion); *Mahmoodian v. Pirnia*, No. 3:11-cv-00005, 2012 WL 4458160, at *7 (W.D. Va. June 7, 2012) (denying damages despite default, based on *Dastar*); *Dutch Jackson IATG, LLC v. Basketball Mktg. Co.*, 846 F. Supp. 2d 1044, 1047–49 (E.D. Mo. 2012) (dismissing on Rule 12(b)(6) motion). *But cf.* *Pearson Educ., Inc. v. Boundless Learning, Inc.*, 919 F. Supp. 2d 434, 438–39 (S.D.N.Y. 2013) (denying Rule 12(b)(6) motion in false advertising case). For an examination of some possible effects of *Dastar* in terms of eliminating certain claims, see Mark P. McKenna, *Dastar's Next Stand*, 19 J. INTELL. PROP. L. 357, 363 (2012) ("*Dastar* should be understood . . . to rule out categorically Lanham Act claims that are based on the content of the defendant's creative work.>").

195. 529 U.S. 205 (2000).

196. *Id.* at 215.

possible to decide it earlier; this was, in fact, the Supreme Court's goal in the case.¹⁹⁷

1-800 Contacts, Inc. v. Lens.com, Inc. illustrates a different sort of clarification.¹⁹⁸ The plaintiff in that case alleged that the defendant's keyword advertising through Google's AdWords program constituted trademark infringement.¹⁹⁹ Upholding a grant of summary judgment to the defendant, the Tenth Circuit stated that, based on prior precedent, a survey demonstrating less than 7.5% confusion could not support a finding of infringement.²⁰⁰ However, two considerations blur this somewhat clear line. First, the 7.5% line does not absolutely bar relief—it permits a court to ignore the survey in its balancing of confusion factors, but other factors may still permit relief.²⁰¹ Second, 7.5% is a very small number; this threshold will not affect a large number of cases and thus will not lead to a substantial improvement in predictability.²⁰²

V. CAN WE CREATE USEFUL, PREDICTABLE PRESUMPTIONS?

Although presumptions and inferences are not without their flaws, they offer some hope for predictability. As noted above, the *Traffix* presumption/inference of functionality has been useful, even if imperfect. One area where a presumption could be useful is the fair use exclusion for dilution. If one purpose of the exclusion is to give breathing space for free expression, then making its application more predictable would be helpful. The fair use exclusion lists several categories of potential fair uses: descriptive, nominative, comparative advertising, parody, and commentary.²⁰³ The problem, as discussed earlier, is that the parameters of a fair use are uncertain. Suppose we create the following presumption: if a use is either descriptive or nominative, or if it fits any other *listed* category,

197. *Id.* at 213–14.

198. 722 F.3d 1229 (10th Cir. 2013).

199. *Id.* at 1234.

200. *Id.* at 1247–49.

201. *Id.*

202. If used the way the Tenth Circuit did here—to judge the relevance of click through data from online ads—it may prove more applicable, but only because the court misperceived the significance of an apparently low absolute number. In fact, low click through rates appear to be typical. Eric Goldman, *Tenth Circuit Kills the Initial Interest Confusion Doctrine*—1-800 Contacts v. Lens.com, TECH. & MARKETING BLOG (July 18, 2013), http://blog.ericgoldman.org/archives/2013/07/tenth_circuit_k.htm (noting that the rate in this case was at least normal, if not higher than normal).

203. Lanham Act § 43(c)(3), 15 U.S.C. § 1125(c)(3) (2006).

we will presume fairness. This would shift the burden of producing evidence of unfairness to the plaintiff.²⁰⁴ Judicial creation of such a presumption can be justified if it is reasonable to assume that most descriptive and nominative uses are fair. What would make such uses unfair? It cannot be true that a likelihood of dilution would foreclose the conclusion that the use was fair. Otherwise, the spirit, and probably the letter, of the Supreme Court's decision in *KP Permanent Make-up, Inc. v. Lasting Impression I, Inc.*,²⁰⁵ that the existence of confusion does not preclude the descriptive fair use defense of Section 33(b)(4), would be violated.²⁰⁶ Logically, an *intent* to cause confusion, a *very significant* level of confusion (greater than 50%), or an *intent* to cause *dilution* by blurring would be the likely candidates for unfairness.²⁰⁷ There is an even stronger possible alternative. We can use the same presumption—that any listed use is a fair use under the exclusion—but require evidence of *actual* harm as well as intent to cause harm, to rebut the presumption. That would eliminate arguments over fairness unless the use is not a listed one, and it would place the focus on harm. The problem with this latter interpretation is that one might be able to show actual tarnishment for parody or commentary and usually such actions often at least resemble a case of intent to cause harm. Thus, the exclusion, which should operate even if there is dilution, would be less effective as protection for speech interests.²⁰⁸

204. In truth, it would be preferable to create a presumption that shifts the burden of *persuasion* to the plaintiff, thus solidifying the effect of the exclusion. However, the Federal Rules of Evidence provide only for a burden of production shift, and it is unlikely that a court would feel comfortable creating a stronger presumption than the rules generally provide.

205. 543 U.S. 111 (2004).

206. *Id.* at 121–22; see *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 220–21 (3d Cir. 2005) (applying *KP Permanent* to nominative uses).

207. In *Deere & Co. v. MTD Prods., Inc.*, the Second Circuit, applying New York dilution law, held that an altered version of Deere's logo in a comparative advertisement by MTD constituted dilution. 41 F.3d 39, 45 (2d Cir. 1994). One might argue that *Deere* presages a finding of unfairness from using an altered version of a competitor's famous mark. But New York's dilution law has no exclusions or defenses, and the confusion surrounding the rationale for the decision, *compare Deere*, 43 F.3d at 44 (finding that the use in question was neither blurring nor tarnishment), *with Hormel Foods Corp. v. Jim Henson Prods, Inc.*, 73 F.3d 497, 507 (2d Cir. 1996) (reinterpreting *Deere* as a tarnishment claim), makes it a thin reed to import into federal law, which only recognizes blurring and tarnishment, and which has limits foreign to New York law.

208. See Graeme B. Dinwoodie, *Developing Defenses in Trademark Law*, 13 LEWIS & CLARK L. REV. 99, 152 (2009) (noting chilling effects and enforcement costs as considerations in creating defenses).

Another issue that might benefit from a presumption or strong inference²⁰⁹ is whether a mark is famous under the TDRA. The TDRA does not require a survey to demonstrate fame, permitting the use of indirect measures such as advertising quantity and reach, sales, and whether the mark is registered.²¹⁰ But one may reasonably expect the owner of a “famous” mark to conduct a survey. After all, a nationally famous mark is a valuable asset and should justify the necessary expense.²¹¹ If that expectation makes sense, then the absence of any survey on fame should lead to a presumption, or strong inference, that the mark is not famous. Of course, since the plaintiff already has the burden of production and persuasion on the issue, this begs the question of how to rebut the presumption without simply resorting to the usual indirect forms of evidence. One could require exceptionally strong indirect evidence showing national advertising and national sales *plus* strong evidence of third-party recognition of the mark through non-survey evidence—a cartoon featuring the mark, for example.²¹² On the other side of the issue, a survey²¹³ showing 80% or greater recognition could trigger a presumption that the mark is famous.²¹⁴

Both of these presumptions encourage a mark owner to conduct a survey, and because a survey is the most direct evidence of fame, such encouragement should be welcome. Moreover, surveys allow fame to serve the appropriate function of gatekeeper for dilution claims.

Another dilution presumption would involve the issue of similarity. Courts have held that the TDRA does not mandate that the marks at issue be “substantially” or “highly” similar.²¹⁵ However, that does not mean that similarity is not a crucial factor in

209. I use “strong inference” because that appears most likely to allow early resolution of a case, based on the results in the Supreme Court and the Sixth Circuit. See *Traffix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23 (2001); *V Secret Catalogue, Inc. v. Moseley*, 605 F.3d 382 (6th Cir. 2010).

210. Lanham Act § 43(c)(2)(A), 15 U.S.C. § 1125(c)(2)(A) (2006).

211. Indeed, one might imagine that the mark owner’s marketing department would want to have data about the recognition of the mark.

212. If, in order to understand the cartoon, one must recognize the mark and its significance, that would be relevant evidence of fame.

213. The survey must be methodologically sound and include a wide variety of people to satisfy the concept of the “general consuming public.”

214. This number is somewhat arbitrary, but a minimum of 75% should be required for a presumption to be consistent with the definition of fame, which requires a “widely recognized” mark.

215. *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 633 F.3d 1158, 1172 (9th Cir. 2011); *Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 588 F.3d 97, 108 (2d Cir. 2009).

determining dilution; quite the contrary is true. In some cases, a lack of similarity seems to be the major reason for a finding of no dilution.²¹⁶ It would be consistent with these cases to presume or strongly infer that no dilution exists without highly similar marks.²¹⁷ Such a presumption would preserve the interpretation of the TDRA that dilution is possible without a high degree of similarity while recognizing that it is unlikely. Again, because the plaintiff already has the burden of proof on the issue of dilution, a presumption would have to do more than shift the burden of production, or even persuasion, to the plaintiff.²¹⁸ As with fame, a plaintiff subject to the presumption should have to produce particularly strong evidence of dilution, perhaps evidence of actual harm to the distinctiveness of the mark. This condition may militate in favor of a “strong inference,” which can remain in the case against the evidence that is put forth by the plaintiff.²¹⁹

VI. CONCLUSION

This article began with the goal of making trademark law somewhat clearer. But, at the end of the day, we may find that it is fated to be always unclear, or at least fairly unpredictable. The many permutations of infringement (and this article has not even considered cybersquatting as a separate form of confusion)²²⁰ make

216. *Rolex Watch USA, Inc. v. AFP Imaging Corp.*, 101 U.S.P.Q.2d 1188, 1196–97 (T.T.A.B. 2011), *appeal dismissed*, 480 Fed. App'x 998 (Fed. Cir. 2012); *see Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 736 F.3d 198, 212–13 (2d Cir. 2013).

217. Technically, only dilution by blurring should be subject to this analysis, because the six-factor test in the TDRA that led courts to downgrade similarity from a threshold issue to a factor is only applicable to blurring. Lanham Act § 43, 15 U.S.C. § 1125(c)(2)(B), (C) (2006). Tarnishment claims should still be subject to a threshold test for similarity that creates an absolute bar if the marks are not substantially or highly similar.

218. *See* Lanham Act § 43(c)(4), 15 U.S.C. § 1125(c)(4).

219. One may be tempted to allow very strong evidence of actual association with the mark to rebut this presumption or inference. However, as the Supreme Court has stated, “[b]lurring’ is not a necessary consequence of mental association.” *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 434 (2003). Technically, only dilution by blurring should be subject to this analysis, because the six-factor test in the TDRA that led courts to downgrade similarity from a threshold issue to a factor is only applicable to blurring. Lanham Act § 43, 15 U.S.C. § 1125(c)(2)(B), (C). Tarnishment claims should still be subject to a threshold test for similarity that creates an absolute bar if the marks are not substantially or highly similar. Perhaps a combination of a high degree of association, say 75% or more, plus evidence of the defendant’s intent to cause association, should be the appropriate level of evidence.

220. Although the Anticybersquatting Consumer Protection Act, or ACPA, has

it difficult and probably undesirable to establish a large number of clear rules to govern trademark law. However, courts, and perhaps Congress, can make the law somewhat more predictable, especially where greater predictability serves larger goals. Those goals would include preventing the overreaching of trademark law and avoiding the chilling effect on free expression of expensive lawsuits.

But trademark law is also overly unpredictable in other areas. In particular, the use of survey evidence to demonstrate a variety of issues—secondary meaning, confusion, fame, and association—suffers from a central problem. Namely, almost no rules address the use of such surveys (apart from proper methodology), so courts operate under very broad rules. I speak here not of admissibility in the sense of proper methodology, which is a separate issue, but of relevance. No guidelines exist to help courts decide what level of recognition, confusion, or association they should deem relevant to the task. As a result, there are wide disparities in the levels considered probative by courts.²²¹ Perhaps such an important policy decision is best left to Congress, but this is an area that could use additional clarity.

The purpose of this article was not to solve all of the vagueness and inconsistency of trademark law. It was simply to suggest some further avenues that could improve clarity while preserving the availability of fact sensitive inquires when warranted. The solution can include presumptions and inferences, provided that courts are more precise about their goals and about the evidentiary effect they seek to achieve. There is a long way to go, and this article is the crawl—before the walk, before the run—of trademark clarity.

its own ambiguities, such as a nine-factor test for bad faith intent to profit, it also offers positive features. It has taken much of the burden of policing cybersquatting away from the federal dilution statute and put it into a statutory scheme directed at this issue. Whether it has been successful is a discussion worthy of a separate article. See generally Anticybersquatting Consumer Protection Act, 15 U.S.C. § 1125(d) (1999).

221. MCCARTHY, *supra* note 3, § 32:185; see Gibson, *supra* note 2, at 911–12.

