

FINDING TRADEMARK USE: THE HISTORICAL  
FOUNDATION FOR LIMITING INFRINGEMENT  
LIABILITY TO USES “IN THE MANNER OF A MARK”

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*Abstract*

*U.S. courts and scholars are debating the existence and scope of a “trademark use” prerequisite for infringement liability, but the discussion has lacked a proper grounding in the common law and the legislative history of the Lanham Act. This Article undertakes to fill that gap. The Article first evaluates the common law of technical trademark infringement and unfair competition as it existed and developed from the late 1800s to 1946, when the Lanham Act was enacted, and demonstrates that the law imposed a form of “trademark use” limitation on both the technical trademark infringement and the unfair competition (trade name infringement) causes of action.*

*Having identified the trademark use limitation in the common law, the Article then considers whether the Lanham Act codified it. Through use of the Lanham Act’s legislative history, the Article demonstrates three different ways in which the Lanham Act can be understood to have incorporated the common law trademark use limitation: (1) through the “use in commerce” language in the infringement provisions, coupled with the Lanham Act § 45 definition of “use in commerce”; (2) through the phrase “on or in connection with” in the registered and unregistered mark infringement provisions; and (3) through implicit incorporation of the common law, even without any express statutory language to that effect.*

*Finally, the Article discusses how the trademark use requirement should be understood and defined in modern contexts. The Article reviews the policy justifications for*

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*imposing the trademark use limitation and discusses the flexibility that courts enjoy in construing and applying statutes that undertake to codify common law doctrine. It then describes three basic characteristics of a modern trademark use limitation, based on public policy considerations and the doctrine's historic formulation. To make a potentially infringing "trademark use," the infringement defendant must apply the allegedly infringing word or symbol in a manner: (1) that consumers can perceive with their senses; (2) that closely, directly associates the word or symbol with products or services that the defendant is advertising, selling, or distributing to consumers; and (3) that is likely to make a separate commercial impression on consumers.*

#### INTRODUCTION

"Trademark use" can be generally understood as use of a word or symbol in close association with goods or services being offered for sale, in a manner that is likely to communicate the source of those goods or services to consumers. A sharp debate exists today, both in the courts and in legal scholarship, about whether "trademark use" is a prerequisite to finding trademark infringement, and if it is, what should satisfy the "trademark use" requirement.

In the first four or five decades following enactment of the Lanham Act,<sup>1</sup> courts occasionally recognized "trademark use" as a necessary element of the infringement cause of action,<sup>2</sup> but in most case decisions courts identified only two major issues to be addressed in evaluating an infringement claim: (1) whether the plaintiff has enforceable trademark rights; and (2) whether the defendant's use of its mark has caused a likelihood of consumer confusion about the source, sponsorship, or affiliation of the parties' respective goods or services. These decisions thus focused on the ultimate *impact* of the defendant's use of a mark but not on the *nature* of the defendant's use.

The courts may have overlooked the nature of the defendant's use because, prior to the advent of the Internet, relatively few cases arose in which infringement defendants had engaged in actions beyond those traditionally understood to constitute trademark use. However, the recent explosion of digital media has provided defendants numerous opportunities to make innovative, unorthodox

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1. The Lanham Act provides the United States' current federal trademark and unfair competition law. Lanham Act, 15 U.S.C. §§ 1051–1141 (2006).

2. *See, e.g.*, DaimlerChrysler AG v. Bloom, 315 F.3d 932 (8th Cir. 2003); Rock & Roll Hall of Fame & Museum, Inc. v. Gentile Prods., 134 F.3d 749 (6th Cir. 1998); Holiday Inns, Inc. v. 800 Reservation, Inc., 86 F.3d 619 (6th Cir. 1996).

applications of others' marks to accomplish a range of goals: to divert on-line customers; to free-ride on the mark owner's business good will; to gripe about the mark owner's product or service; or to parody, criticize, or argue with the mark owner's social, political, or religious views.<sup>3</sup> The resulting avalanche of infringement suits threatens to undermine years of careful judicial efforts to balance the competing interests that come to bear in trademark infringement cases.<sup>4</sup> Allegations that these new, unorthodox kinds

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3. For example, "cybersquatters" register domain names consisting of a famous mark followed by a generic top level domain in hopes of selling the registration to the owner of the mark for an inflated price. *See Intermatic Inc. v. Toeppen*, 947 F. Supp. 1227 (N.D. Ill. 1996). Individuals wishing to express their dissatisfaction with a mark owner's product, or to parody the mark owner or express disagreement with the mark owner's political, social, or religious views set up websites for this purpose under domain names that incorporate the target's mark. *See People for the Ethical Treatment of Animals v. Doughney*, 263 F.3d 359 (4th Cir. 2001); *Planned Parenthood Fed'n of Am., Inc. v. Bucci*, No. 97 CIV.0629, 1997 WL 133313 (S.D.N.Y. Mar. 24, 1997), *aff'd*, 152 F.3d 920 (2d Cir. 1998). Business entities doing business on the web have placed their competitors' marks in metatags—hidden html code used by search engines in formulating search results—to get their own sites listed when customers enter their competitors' marks as search terms. *See N. Am. Med. Corp. v. Axiom Worldwide, Inc.*, 522 F.3d 1211 (11th Cir. 2008); *Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036 (9th Cir. 1999). Most recently, purveyors of advertising software and search engine services have sold their business clients opportunities to have their own advertisements appear in "pop-up" windows or banners when web users search for their competitors' mark or visit the competitors' website. *See 1-800 Contacts, Inc. v. WhenU.Com, Inc.*, 414 F.3d 400 (2d Cir. 2005); *Playboy Enters., Inc. v. Netscape Commc'ns Corp.*, 354 F.3d 1020 (9th Cir. 2004); *Gov't Employees Ins. Co. v. Google, Inc.*, 330 F. Supp. 2d 700 (E.D. Va. 2004). For in-depth discussion of a range of such cases, see Margreth Barrett, *Internet Trademark Suits and the Demise of "Trademark Use,"* 39 U.C. DAVIS L. REV. 371 (2006).

4. As I have discussed elsewhere, the ultimate purpose of trademark protection is to foster competition. *See Barrett, supra* note 3, at 376–78. ("Trademark protection does this by preventing misleading uses of marks that may confuse consumers about the source, sponsorship, or affiliation of the products or services they buy. This reduces consumer search costs, promotes marketplace efficiency, and enables producers to reap the benefits of their investment in product quality and business goodwill, thus providing an incentive to strive for quality. As the Senate Report accompanying the Lanham Act stresses, trademark law, unlike the law of patents and copyrights, does not convey monopoly rights in words and symbols because it was not created to provide an incentive to innovate. Rather, businesses have 'property' rights in their trademarks only to the extent necessary to prevent unauthorized uses that cause a likelihood of consumer confusion. Such uses increase search costs and undermine fair and efficient marketplace competition. . . . [T]rademark protection is carefully tailored to accomplish these limited purposes because it is generally understood that overprotection of marks may in itself impair

of uses infringe are especially problematic because the realm of actionable “likelihood of consumer confusion” has also expanded—from consumer confusion about product source at the point of sale, to confusion about sponsorship or affiliation, post-sale confusion, pre-sale (or “initial interest”) confusion, and even to non-confusion, where the impact on the mark owner is similar to the impact that consumer confusion might have.<sup>5</sup> These expanded notions of actionable confusion, in combination with new technological means of applying and exploiting marks, enable trademark owners to assert anticompetitive and potentially unconstitutional infringement claims—to obstruct development of new technologies; to censor and block the flow of truthful, useful market-related information to consumers; and to interfere with constitutionally protected free speech.

In searching for answers to this dilemma, litigants and courts have looked to the statutory language of the Lanham Act’s infringement provisions. Under the Lanham Act, infringement defendants must “use” marks “in commerce,” “on or in connection with”<sup>6</sup> the sale, distribution, or advertising of goods or services. Some courts have relied on this language to limit infringement relief to uses of marks in commercial or competitive contexts.<sup>7</sup> Others have gone well beyond that point, specifically recognizing codification of a “trademark use” prerequisite, which requires that infringement defendants use the allegedly infringing word or symbol “as a trademark”<sup>8</sup> to identify the source of goods or services.

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competition and First Amendment interests. For example, trademark law only protects ‘distinctive’ marks, because only distinctive marks are likely to signify product source to consumers and because effective competition requires that competitors have access to commonplace, descriptive, and generic words and symbols. Protection only extends to nonfunctional marks to ensure that trademark laws are not used to monopolize useful product and packaging features that the patent and copyright laws relegate to the public domain. Trademark law also applies the doctrine of exhaustion to ensure that marks are available for use in resales and sales of secondhand marked products. Further, in order to infringe a mark owner’s rights, the defendant must have (1) used a mark as a trademark (2) in a manner that causes a likelihood of consumer confusion about the source, sponsorship, or affiliation of the parties’ goods or services.” (citations omitted).

5. For a famous example of the latter situation, see *Brookfield Communications, Inc.*, 174 F.3d at 1036. For further discussion of the expansion of the likelihood of confusion concept see Margreth Barrett, *Domain Names, Trademarks and the First Amendment: Searching for Meaningful Boundaries*, 39 CONN. L. REV. 973, 984–85 (2007).

6. 15 U.S.C. §§ 1114(1)(a), 1125(a); see also § 1127 (defining “use in commerce”).

7. See *Bosley Med. Inst., Inc. v. Kremer*, 403 F.3d 672 (9th Cir. 2005).

8. See *1-800 Contacts, Inc.*, 414 F.3d at 400.

However, even these latter courts have differed over the scope of this “trademark use” requirement.

Thus, at this point in time, courts have begun regularly to recite a “use in commerce” and/or “use in connection with goods or services” prerequisite to infringement, along with “ownership of a valid mark” and “likelihood of confusion.” But there are notable differences among the circuits concerning the source, scope, and meaning of this “use” requirement. With regard to the *source* of the use requirement, the Second and Eighth Circuits have expressly relied on the “use in commerce” language in the Lanham Act’s registered and unregistered mark infringement provisions<sup>9</sup> to require that infringement defendants make a “trademark use” of the allegedly infringing word or symbol.<sup>10</sup> In construing “use in commerce,” these courts have looked to the definition of “use in commerce” set forth in Lanham Act section 45.<sup>11</sup> This definition narrowly circumscribes the range of qualifying mark applications—in the case of a trademark, the defendant must place the mark “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.”<sup>12</sup> By contrast, the Ninth, Tenth, and Eleventh Circuits<sup>13</sup> have expressly rejected the notion that the “use in commerce” language plays any role in defining infringement, other than to establish federal jurisdiction under the Commerce Clause.<sup>14</sup> They have construed the section 45 definition of “use in commerce” only to define the kind of use a trademark claimant must make to *acquire ownership rights* in a mark.<sup>15</sup> These courts have looked to the “on or in connection with” goods or services language to find that an infringement defendant must use the allegedly infringing mark in a commercial context.

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9. 15 U.S.C. §§ 1114(1)(a), 1125(a), 1127.

10. *See 1-800 Contacts, Inc.*, 414 F.3d at 407; *DaimlerChrysler AG v. Bloom*, 315 F.3d 932, 936 (8th Cir. 2003).

11. *See* 15 U.S.C § 1127.

12. *Id.*

13. *See Utah Lighthouse Ministry v. Found. for Apologetic Info. & Research*, 527 F.3d 1045, 1054 (10th Cir. 2008); *N. Am. Med. Corp. v. Axiom Worldwide, Inc.*, 522 F.3d 1211, 1220 n.7 (11th Cir. 2008); *Bosley Med. Inst., Inc. v. Kremer*, 403 F.3d 672, 677 (9th Cir. 2005).

14. U.S. CONST. art. I, § 8, cl. 3.

15. *See Utah Lighthouse Ministry*, 527 F.3d at 1054; *N. Am. Med. Corp.*, 522 F.3d at 1220 n.7; *Bosley Med. Inst., Inc.*, 403 F.3d at 677. While the Fourth Circuit has not expressly passed on this issue, it relies on the “on or in connection with” language, rather than on the “use in commerce” language, to find a “use” limitation on infringement claims. *People for the Ethical Treatment of Animals v. Doughney*, 263 F.3d 359 (4th Cir. 2001).

The Sixth Circuit, while requiring that infringement defendants use the allegedly infringing word or symbol “as a trademark,” has cited no statutory authority for that proposition.<sup>16</sup>

With regard to the meaning and scope of the “use” requirement, the circuits have split sharply over several issues. For example, some courts have held that if a defendant incorporates a mark in a domain name for a non-commercial website, but links that site to other websites that sell or advertise goods or services, his use on the non-commercial site satisfies the requirement that he use the mark “in connection with” the sale or advertising of goods or services.<sup>17</sup> Others have rejected such a finding on the ground that the association of a mark (on the linking site) to goods or services (on the linked site) is too attenuated.<sup>18</sup> Moreover, some courts have insisted that the defendant use the mark in connection with goods or services it is itself offering for sale or advertising.<sup>19</sup> Others have found the requisite “connection” with goods or services when the defendant’s application of the mark affects the plaintiff’s sales of goods or services.<sup>20</sup> Finally, courts have disagreed about whether the defendant’s intent should be relevant in determining whether its use is actionable.<sup>21</sup>

Legal scholars have likewise divided over the existence and

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16. See *Rock & Roll Hall of Fame & Museum, Inc. v. Gentile Prods.*, 134 F.3d 749, 753 (6th Cir. 1998); *Holiday Inns, Inc. v. 800 Reservation, Inc.*, 86 F.3d 619, 623–24 (6th Cir. 1996).

17. See *People for the Ethical Treatment of Animals*, 263 F.3d 359; *Jews for Jesus v. Brodsky*, 993 F. Supp. 282 (D.N.J. 1998).

18. See *Utah Lighthouse Ministry*, 527 F.3d at 1052–53; *Bosley Med. Inst., Inc.*, 403 F.3d 672; *Taubman Co. v. Webfeats*, 319 F.3d 770 (6th Cir. 2003); *Voice-Tel Enters., Inc. v. Joba, Inc.*, 258 F. Supp. 2d 1353, 1363 (N.D. Ga. 2003); *Ford Motor Co. v. 2600 Enters.*, 177 F. Supp. 2d 661, 664 (E.D. Mich. 2001).

19. See *Utah Lighthouse Ministry*, 527 F.3d at 1053–54; *Bosley Med. Inst., Inc.*, 403 F.3d 672; *Taubman Co.*, 319 F.3d at 777; *Ford Motor Co.*, 177 F. Supp. 2d at 664–65; *Int’l Ass’n of Machinists & Aerospace Workers v. Winship Green Nursing Ctr.*, 914 F. Supp. 651, 655 (D. Me. 1996).

20. *People for the Ethical Treatment of Animals*, 263 F.3d at 365; *Faegre & Benson, LLP v. Purdy*, No. Civ.03-6472, 2004 WL 167570 (D. Minn. Jan. 5, 2004), *aff’d*, 129 F. App’x 323 (8th Cir. 2005); *Jews for Jesus*, 993 F. Supp. at 309; *Planned Parenthood Fed’n of Am., Inc. v. Bucci*, No. 97 CIV.0629, 1997 WL 133313 (S.D.N.Y. Mar. 24, 1997), *aff’d*, 152 F.3d 920 (2d Cir. 1998), *cert. denied*, 525 U.S. 834 (1998).

21. *Compare Panavision Int’l, L.P. v. Toeppen*, 141 F.3d 1316 (9th Cir. 1998), *Faegre & Benson, LLP*, 2004 WL 167570 at \*2; *Jews for Jesus*, 993 F. Supp. at 282; and *Planned Parenthood Fed’n of Am., Inc.*, 1997 WL 133313, with *Taubman Co.*, 319 F.3d at 775; *DaimlerChrysler AG v. Bloom*, 315 F.3d 932, 937–39 (8th Cir. 2003); and *Ford Motor Co. v. 2600 Enters.*, 177 F. Supp. 2d 661, 663–64 (E.D. Mich. 2001). For a third variation on this issue, see *Bosley Med. Inst.*, 403 F.3d 672.

scope of the trademark use requirement. In an earlier article, I described a doctrine of “trademark use” arising from the Lanham Act’s statutory language and that of earlier federal trademark acts, and discussed how it should prevent infringement claims against operators of gripe sites and other non-commercial “forum” websites who incorporate their targets’ marks into their domain names.<sup>22</sup> Mark Lemley and Stacey Dogan published an article advocating application of a trademark use requirement to prevent use of infringement claims to block the flow of useful marketplace information to Internet consumers.<sup>23</sup> In rebuttal, Graeme Dinwoodie and Mark Janis published an article characterizing “trademark use” as a formalistic and arbitrary restraint that would undercut the beneficial use of trademark law to police bad acting on the Internet. They rejected the suggestion that there was any basis, either in the common law or in the Lanham Act, for a trademark use requirement.<sup>24</sup> Mark McKenna has weighed in with arguments that, even if the trademark use requirement exists in trademark law, it is incapable of curbing the current excesses in infringement litigation.<sup>25</sup>

Indeed, it appears that the “trademark use” debate is not confined to the United States. Courts and scholars in a number of countries have recently addressed the issue.<sup>26</sup>

In reviewing the judicial and scholarly debate about trademark use in the United States, it becomes clear that the discussion has been hampered by a lack of important information: there has not

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22. Barrett, *supra* note 3.

23. Stacey L. Dogan & Mark A. Lemley, *Trademarks and Consumer Search Costs on the Internet*, 41 HOUS. L. REV. 777 (2004); *see also* Stacey L. Dogan & Mark A. Lemley, *Grounding Trademark Law Through Trademark Use*, 92 IOWA L. REV. 1669 (2007); Uli Widmaier, *Use, Liability, and the Structure of Trademark Law*, 33 HOFSTRA L. REV. 603 (2004).

24. Graeme B. Dinwoodie & Mark D. Janis, *Confusion Over Use: Contextualism in Trademark Law*, 92 IOWA L. REV. 1597 (2007) [hereinafter Dinwoodie & Janis, *Confusion*]; *see also* Graeme B. Dinwoodie & Mark D. Janis, *Lessons from the Trademark Use Debate*, 92 IOWA L. REV. 1703 (2007) [hereinafter Dinwoodie & Janis, *Lessons*].

25. Mark P. McKenna, *Trademark Use and the Problem of Source*, 3 U. ILL. L. REV. (forthcoming 2009).

26. *See, e.g.*, Shell Co. of Austl. v. Esso Standard Oil (Austl.) Ltd. (1963) 109 C.L.R. 407 (Austl.); Cie Generale des Etablissements Michelin-Michelin & Cie v. C.A.W.—Canada, [1996] 71 C.P.R. (3d) 348 (Can.), [1996] 124 F.T.R. 192 (Can.), [1997] 2 F.C. 306 (Can.), 1996 CarswellNat 2297 (Fed. Ct. Dec. 19, 1996) (Can.); Verimark (PTY) Ltd. v. BMW AG [2007] SCA 53 (RSA) (S. Afr.); R. v. Johnstone, [2004] E.T.M.R. 18 (H.L.) (U.K.). *See generally* Po Jen Yap, *Making Sense of Trade Mark Use*, 2007 EUR. INTEL. PROP. REV. 420 (discussing disagreement over whether the European Court of Justice has recognized a trademark use requirement).

been a sufficiently thorough evaluation of the pre-Lanham Act common law to document the existence and scope of the trademark use doctrine. Nor has there been a systematic review of the Lanham Act's legislative history to determine whether, and to what extent, Congress intended to incorporate such a common law doctrine into the federal law of trademark infringement. This Article undertakes to provide this missing information.

Section I provides a careful evaluation of the common law of technical trademark infringement and unfair competition as it existed and developed from the late 1800s to 1946, when the Lanham Act was enacted. Subsection I. A first identifies the "trademark use" limitation in the technical trademark infringement cause of action, demonstrating how turn-of-the-century law required that infringement defendants "affix" the allegedly infringing mark to their goods. The Article then discusses how, between the late 1800s and 1946, courts liberalized the early trademark use requirement, finding it to be satisfied when defendants used the mark in advertising, or affixed the mark not directly to goods, but to labels, signs, prints, packages, wrappers, or receptacles used in association with the goods' sale. (Hereafter I will refer to this liberalized requirement as the "affixation or other close association" standard.)<sup>27</sup>

Subsection I. B then turns to the common law of unfair competition and provides evidence of a trademark use requirement that was somewhat looser than the early "affixation" requirement for technical trademark infringement. It then explains how, by the late 1930s, the "trademark use" requirement in unfair competition law had become essentially equivalent to the liberalized "affixation or other close association" requirement for technical trademark infringement.<sup>28</sup> This evolution is clear from the First Restatement of Torts, published in 1938, which found that both the technical trademark infringement and the unfair competition "trade name" (or "secondary meaning mark") infringement cause of action required a showing that the defendant used the contested trademark or trade name "in the manner of a trade-mark or trade name."<sup>29</sup> The Restatement defined use "in the manner of a trade-mark or trade name" as use of the mark "so . . . that prospective purchasers are likely to regard it as the name of, or the means of identifying, [the user's] goods, services or business."<sup>30</sup>

Having located the trademark use doctrine in the common law,

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27. *See infra* Subsection I. A.

28. *See infra* Subsection I. B.

29. RESTATEMENT OF TORTS § 717 (1938).

30. *Id.* § 727.



the Article then considers whether the Lanham Act, which was enacted eight years after the Restatement of Torts was published, codified that doctrine. Through use of the Lanham Act's legislative history, Section II demonstrates three different ways in which the Lanham Act can be understood to have incorporated the common law trademark use requirement. Subsection II. D demonstrates that Congress intended the Lanham Act infringement provisions' "use in commerce" language to incorporate the liberalized "affixation or other close association" requirement of the technical trademark infringement law.<sup>31</sup> Subsection II. E demonstrates how the Lanham Act infringement provisions' "on or in connection with" the sale of goods or services language can be understood to incorporate a trademark use requirement.<sup>32</sup> Finally, Subsection II. F explains how the Lanham Act can be found implicitly to incorporate the trademark use requirement from the common law, even in the absence of any express statutory language to that effect.<sup>33</sup>

Section III then draws from the previous sections to discuss how the trademark use requirement should be understood and defined in modern contexts. After briefly reviewing the policy justifications for imposing the trademark use limitation,<sup>34</sup> Subsection III. A explains how the Lanham Act authorizes courts to construe and apply the requirement flexibly in order to accomplish those policy goals.<sup>35</sup> Subsection III. B then describes the basic characteristics of modern trademark use, in light of the doctrine's historical roots: a trademark use must be perceptible to consumers' senses; must closely associate the mark with goods or services that the defendant is advertising, selling, or distributing; and must make a separate impact, or "separate commercial impression," on consumers.<sup>36</sup>

## II. THE HISTORICAL BASIS FOR "TRADEMARK USE": TRADEMARK USE AS A COMMON LAW LIMITATION TO INFRINGEMENT LIABILITY

Understanding the common law of trademarks and unfair competition as it existed during the fifty years leading up to 1946, and enactment of the Lanham Act,<sup>37</sup> is essential to construing the Act's provisions regarding infringing trademark use.<sup>38</sup> It is also very

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31. *See infra* Subsection II. D.

32. *See infra* Subsection II. E.

33. *See infra* Subsection II. F.

34. *See infra* notes 297–98 and accompanying text.

35. *See infra* Subsection III. A.

36. *See infra* Subsection III. B.

37. Lanham Act, 15 U.S.C. §§ 1051–1141 (2006). The Lanham Act became effective on July 5, 1947.

38. Examining the pre-Lanham Act common law on the issue of trademark use can emulate the experience of the seven sightless men, who formed varying

useful to evaluate the federal trademark acts that preceded the Lanham Act. These earlier federal trademark acts were widely understood and construed only to codify the common law of trademarks, providing procedural advantages to registrants, but no new substantive rights.<sup>39</sup> To some extent, those earlier federal trademark acts can be taken as restatements of the common law standards.<sup>40</sup>

Subsection A will set the stage by describing the distinctions that the common law made between “technical trademarks,” on one hand and “trade names,” or “secondary meaning marks,” on the other.<sup>41</sup> It will focus particularly on three distinctions: (1) the requirement that secondary meaning mark (unfair competition)

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perceptions of an elephant, depending on the part they felt. The common law of trademarks and unfair competition evolved over time, emphasizing, deemphasizing, and changing principles and elements at various stages of its development. In addition, courts had an unfortunate tendency to use terms of art loosely in some decisions and often worked from unstated assumptions that might have been readily apparent to their contemporaries, but can be frustratingly obscure to researchers who are seeking to understand their decisions a century or so later.

In coming to grips with that earlier common law, I have found it useful to resort not only to individual court decisions but also to contemporary treatises and other learned commentaries on trademarks and unfair competition. These sources provide useful overviews of the legal principles as they were understood at the time, uniform definitions garnered from review of a wide range of both federal and state decisions, and discussion of some of the perspectives and assumptions underlying the case decisions of that period. For present purposes, I found the American Law Institute’s original Restatement of Torts to be a particularly useful resource—it reflects the combined knowledge and experience of some of the most eminent judges, law professors, and practitioners of the 1930s. RESTATEMENT OF TORTS §§ 711–756 (1938). Professor Harry Shulman, of the Yale University Law School, was the reporter for Division 9, which restates the law regarding Interference with Business Relations. The Advisory Group for Division 9 consisted of some of the top trademark luminaries of that day, including Judges Learned Hand and Augustus Hand of the Court of Appeals for the Second Circuit and Professor Milton Handler of the Columbia University Law School.

39. Indeed, during most of that period it was commonly believed that Congress lacked the authority, even under the Commerce Clause, to substantively alter the common law principles that created, defined, and protected rights in trademarks and other indications of source. RESTATEMENT OF TORTS § 715 cmt. f; 3 RUDOLF CALLMANN, *THE LAW OF UNFAIR COMPETITION AND TRADE-MARKS* § 67.4, at 1023 (2d ed. 1950); Walter J. Derenberg, *The Patent Office as Guardian of the Public Interest in Trade-Mark Registration Proceedings*, 14 L. & CONTEMP. PROBS. 288, 288 (1949).

40. Moreover, their particular structure and language can provide useful insights in construing the Lanham Act, which replaced them.

41. See *infra* Subsection II. A. 1.

plaintiffs prove that the defendant acted with fraudulent intent;<sup>42</sup> (2) the requirement that technical trademark *plaintiffs* “affix” their mark to their goods;<sup>43</sup> and (3) the requirement that technical trademark plaintiffs prove that the *defendant* “affixed” the allegedly confusing mark to its own goods.<sup>44</sup> Subection A will demonstrate, among other things, that the “defendant affixation” requirement constituted a “trademark use” prerequisite to infringement liability in technical trademark cases. In the nineteenth century, that “affixation” requirement was not as broad as our understanding of trademark use today. However, the requirement was liberalized during the first half of the twentieth century to encompass a number of other methods of closely associating a mark with products, beyond mere “affixation.”

Subsection B will demonstrate that the law of unfair competition possessed its own trademark use limitation, which was never as narrow as the nineteenth century “affixation” standard for technical trademark infringement, but was essentially equivalent to the liberalized “affixation or other close association” requirement, into which the early “affixation” standard had evolved by 1946, when the Lanham Act codified the common law.<sup>45</sup>

A. *The Common Law of Technical Trademarks and the Trademark Use Requirement*

1. *The Distinction between Technical Trademark Infringement and the Unfair Competition Cause of Action for Secondary Meaning Mark (or “Trade Name”) Infringement*

At common law in the late 1800s and early 1900s, courts distinguished between “technical trademarks,” which were protected through a suit for trademark infringement, and “trade names” (or “secondary meaning marks”), which were protected (if at all) through a suit for unfair competition. Understanding the distinction, and the reasoning that led courts to make it, is an important step in evaluating the extent to which pre-Lanham Act law imposed a “trademark use” prerequisite to infringement liability, and understanding some of the arguments that others have made about the extent or meaning of such a requirement.<sup>46</sup>

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42. *See infra* Subsection II. A. 2.

43. *See infra* Subsection II. A. 3.

44. *See infra* Subsection II. A. 4.

45. *See infra* Subsection II. B.

46. Understanding this development is also useful in reconciling the requirement that plaintiffs demonstrate the defendant’s trademark use as part of their *prima facie* case of infringement with the Lanham Act’s fair use

Technical trademarks were what we would call “inherently distinctive” marks today—words and symbols (or combinations of words and symbols) that were “fanciful, arbitrary, unique, distinctive, and nondescriptive in character,”<sup>47</sup> and which the claimant had physically affixed to articles of merchandise.<sup>48</sup> Trade names (including secondary meaning marks), by contrast, consisted of words and symbols (or combinations of words or symbols) that described their user’s product or service, constituted geographical terms, personal names, or designations common to the trade, or constituted business or corporate names.<sup>49</sup> While such common,

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defense. See Margreth Barrett, *Fair Use and Trademark Use* (unpublished manuscript, on file with author).

47. 3 CALLMANN, *supra* note 39, § 66.1, at 986; see also Milton Handler & Charles Pickett, *Trade-Marks and Trade Names—An Analysis and Synthesis: I*, 30 COLUM. L. REV. 168, 169 (1930) [hereinafter Handler & Pickett I]. The Restatement of Torts section 715 provided the following definition of a trademark:

A trade-mark is any mark, word, letter, number, design, picture or combination thereof in any form of arrangement, which

- (a) is adopted and used by a person to denominate goods which he markets, and
- (b) is affixed to the goods, and
- (c) is not . . . a common or generic name for the goods or a picture of them, or a geographical, personal, or corporate or other association name, or a designation descriptive of the goods or of their quality, ingredients, properties or functions, and
- (d) the use of which for the purpose stated in Clause (a) is prohibited neither by legislative enactment nor by an otherwise defined public policy.

RESTATEMENT OF TORTS § 715 (1938).

48. RESTATEMENT OF TORTS § 715 (1938).

49. 3 CALLMANN, *supra* note 39, § 66.1, at 986; Handler & Pickett I, *supra* note 47, at 169.

At the time, courts generally described the unfair competition cause of action as providing rights in “trade names.” “Trade name” was a broad term, encompassing both ordinary, descriptive, geographically descriptive, and surname *marks* for products and services, and the *names of businesses*. See RESTATEMENT OF TORTS § 716; JAMES LOVE HOPKINS, *THE LAW OF TRADEMARKS, TRADENAMES, AND UNFAIR COMPETITION*, § 3 (2d ed. 1905); 1 HARRY D. NIMS, *THE LAW OF UNFAIR COMPETITION AND TRADE-MARKS* § 185, at 512 (4th ed. 1947). However, this Article focuses primarily on the unfair competition rules regarding infringement of *marks*, rather than business names. Thus, for clarity, rather than speaking of “trade name infringement,” I will refer to “secondary meaning mark infringement.” When Congress enacted the Lanham Act, it defined the term “trademark” to include all words, names, symbols or device (or combinations thereof) used to identify the source of the user’s product, whether inherently distinction or not. 15 U.S.C. § 1127. It provided for “service marks,” which it defined as including words, names, symbols, and devices (and combinations thereof) used to identify the source of the user’s services. *Id.* It *redefined* the term “trade name” narrowly to refer *only* to the

descriptive, or “unaffixed” words or symbols could not be deemed “trademarks,” courts recognized that when a merchant employed them for a long period of time in connection with its product, the public might come to associate them with the user’s business good will and be confused upon encountering them in connection with a competitor’s product. In such cases (when the word or symbol had acquired distinctiveness, or “secondary meaning,” through long use and public exposure) courts provided some protection against the competitor’s use.<sup>50</sup> Because protection of secondary meaning marks under these circumstances served the same essential function as protection of trademarks, courts and commentators sometimes referred to secondary meaning marks as “rights analogous to trademarks.”<sup>51</sup>

The courts distinguished between technical trademarks and secondary meaning marks on the reasoning that a business could legitimately appropriate a fanciful or arbitrary word or symbol to its sole, exclusive use, with no harm to others. A technical trademark, by definition, was either made up (and thus had no meaning) or had a meaning that bore no descriptive or other logical relationship to the user’s product. Accordingly, competitors had no legitimate

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name of a business. *Id.* That is the terminology that most modern courts, practioners and scholars use today.

In this Article, I will use the term “secondary meaning mark” for common, descriptive, geographically descriptive and surname marks that might be protected under the common law cause of action for unfair competition, and try to avoid use of the (once broader) term “trade name.” However, to the extent that this Article includes quotations from courts or other pre-Lanham Act commentaries that incorporate the term “trade name,” readers should understand the reference to be directed (among other things) to secondary meaning marks.

50. *See, e.g.*, RESTATEMENT OF TORTS § 715 cmt. d; Zechariah Chafee, Jr., *Unfair Competition*, 53 HARV. L. REV. 1289, 1295–96 (1940). The Restatement of Torts section 716 defined a “trade name” (a category of indications of origin that included secondary meaning marks—see note 49, *supra*) as follows:

A trade name is any designation which

- (a) is adopted and used by a person to denominate goods which he markets or services which he renders or a business which he conducts, or has come to be so used by others, and
- (b) through its association with such goods, services or business, has acquired a special significance as the name thereof, and
- (c) the use of which for the purpose stated in Clause (a) is prohibited neither by a legislative enactment nor by an otherwise defined public policy.

RESTATEMENT OF TORTS § 716.

For a definition of secondary meaning, see *id.* at comment b. The overall appearance of a product label or its packaging often were also treated as a form of trade name.

51. *See, e.g.*, HOPKINS, *supra* note 49, § 19, at 42.

reason to adopt the same word or symbol to identify or describe their similar goods. If they did so, they likely did it for the purpose of perpetrating a fraud on the mark owner or the public.<sup>52</sup> Their action could be characterized as an invasion of the first user's property rights.<sup>53</sup>

In contrast, trade names consisted of descriptive, surname, geographic, and other words and symbols commonly used in the trade, such as colors, squares, circles, stripes, or other common shapes. Numerous competitors might legitimately want to use such words and symbols in their own marketing activities. A business that adopted such a word or symbol as its mark or name had no right to expect exclusivity. As one court put it:

The alphabet, English vocabulary, and Arabic numerals, are to man, in conveying his thoughts, feelings, and the truth, what air, light, and water are to him in the enjoyment of his physical being. Neither can be taken from him. They are the common property of mankind, in which all have an equal share and character of interest. From these fountains whosoever will may drink, but an exclusive right to do so cannot be acquired by any.<sup>54</sup>

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52. *See, e.g.,* Aunt Jemima Mills Co. v. Rigney & Co., 247 F. 407, 409 (2d Cir. 1917) ("To use precisely the same mark, as the defendants have done, is, in our opinion, evidence of intention to make something out of it—either to get the benefit of the complainant's reputation or of its advertisement or to forestall the extension of its trade. There is no other conceivable reason why they should have appropriated this precise mark.").

53. 3 CALLMANN, *supra* note 39, § 66.1, at 986 (explaining that trademarks could be appropriated for the use of one person); 1 NIMS, *supra* note 49, § 10, at 66 ("The words or insignia involved in technical trade-mark cases usually are of such a character that they may be appropriated to the use of one person exclusively, while in unfair competition cases the words or symbols involved usually are not capable of exclusive appropriation because others may rightfully use them."); Grover C. Grismore, *Fraudulent Intent in Trade Mark Cases*, 27 MICH. L. REV. 857, 863–64 (1929) (explaining that technical trademarks were property rights, unlike trade names); *see also* Robert G. Bone, *Hunting Goodwill: A History of the Concept of Goodwill in Trademark Law*, 86 B.U. L. REV. 547, 552, 560–72 (2006) (explaining the history and reasoning that led courts to consider technical trademarks as "property" for a period of time).

54. *Avery & Sons v. Meikle & Co.*, 81 Ky. 73, 90 (Ky. 1883); *see also* *Amoskeag Mfg. Co. v. Spear & Ripley*, 2 Sand. Ch. 599, 606–07 (N.Y. Sup. Ct. 1849) (Duer, J.) (One merchant "has no right . . . to appropriate a [term, signifying some fact] which . . . others may employ with equal truth."); *Petridge v. Wells*, 4 Abb. Pr. 144, 146 (N.Y. Sup. Ct. 1857) (Duer, J.) (Rights in descriptive terms would be "a species of property that . . . can be given to one—[only] by the infringement of the rights of all."); *Grafton Dulany Cushing, On Certain Cases Analogous to Trade-Marks*, 4 HARV. L. REV. 321, 322 (1891) (explaining why certain works and symbols were excluded from trademark

There were multiple reasons to prevent one merchant from acquiring exclusive rights in descriptive, geographic, or other common words and symbols. Judge Leval has explained that the rule was intended to protect important First Amendment interests.<sup>55</sup> Others have noted that the practice protected the interest in efficient marketplace competition and prevented monopolies in language that might lead to monopolies in products.<sup>56</sup> However, while the common law permitted all competitors to employ descriptive and common words and symbols in their ordinary meaning, it did not permit them to use such words or symbols *for the purpose of committing fraud*. As the Eighth Circuit put it:

Everyone has the right to use and enjoy the rays of the sun, but no one may lawfully focus them to burn his neighbor's house . . . . Every one has the right to use pen, ink, and paper, but no one may apply them to the purpose of defrauding his neighbor of his property, or making counterfeit money, or of committing forgery.<sup>57</sup>

When competitors intentionally used a secondary meaning mark for the purpose of confusing consumers about the source of their goods, thus diverting trade from an earlier user, courts would intervene—not on the ground that the plaintiff had property rights in the word or symbol (as might be the case with regard to a technical trademark),<sup>58</sup> but because the defendant/competitor was

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protection).

55. Pierre N. Leval, *Trademark: Champion of Free Speech*, 27 COLUM. J.L. & ARTS 187, 189–92 (2004).

56. *Canal Co. v. Clark*, 80 U.S. 311, 323 (1871); *Handler & Pickett I*, *supra* note 47, at 170.

57. *Shaver v. Heller & Merz Co.*, 108 F. 821, 827 (8th Cir. 1901); *see also* *Cushing*, *supra* note 54, at 324 (“The distinction between the law of trademarks and of cases analogous to trade-marks [secondary meaning marks], I understand to be this: In cases of trade-mark there is a definite exclusive right, . . . which may be infringed in certain definite ways. The right is recognized as being exclusively the plaintiff's, and, indeed, it is by virtue of his exclusive right that he gets relief. Unless he has a trade-mark within these technical rules he has no exclusive right and can get no relief . . . . In cases analogous to trade-marks, the right of the plaintiff is only against a particular defendant by reason of his fraud . . .”).

58. *See* RESTATEMENT OF TORTS § 717 cmt. a (1938) (explaining that for a period of time, some courts in equity characterized the plaintiff's technical trademark as “property,” but that this view did not ultimately prevail). However, this view helped to establish the rule that fraud was not an essential element of technical trademark infringement (as opposed to secondary meaning mark infringement); 1 NIMS, *supra* note 49, §§ 10–11, at 66–70 (noting that technical trademarks often were referred to as property rights, although that characterization was also often disputed); *see also* *Bone*, *supra* note 53, at 560–

engaged in fraudulent conduct.<sup>59</sup> One court explained:

The infringement of trademarks is the violation by one person of an exclusive right of another person to the use of a word, mark or symbol. Unfair competition in trade, as distinguished from infringement of trademarks, does not involve the violation of any exclusive right to the use of a word, mark or symbol. . . . [Secondary meaning marks are] open to public use “like the adjectives of the language,” yet there may be unfair competition in trade by an improper use of such word, mark or symbol. Two rivals in business competing with each other in the same line of goods may have an equal right to use the same words, marks or symbols on similar articles produced or sold by them respectively, yet if such words, marks or symbols were used by one of them before the other and by association have come to indicate to the public that the goods to which they are applied are of the production of the former, the latter will not be permitted, with intent to mislead the public, to use such words, marks, or symbols in such a manner . . . as to deceive or be capable of deceiving the public as to the origin, manufacture or ownership of the articles to which they are applied. . . .<sup>60</sup>

Thus, when a common, descriptive, geographically descriptive or surname word or symbol acquired secondary (source-indicating) meaning by virtue of its claimant’s long or heavy use in the course of marketing its product, competitors could employ it in its “primary” sense (that is, in its common descriptive, geographic, or surname sense), but they would not be permitted intentionally to use it in its secondary (or trademark) sense.<sup>61</sup>

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72 (describing the historical development and decline of the notion that technical trademarks constitute “property”).

59. HOPKINS, *supra* note 49, § 19, at 40–41; see Milton Handler & Charles Pickett, *Trade-Marks and Trade Names—An Analysis and Synthesis: II*, 30 COLUM. L. REV. 759, 769 (1930) [hereinafter Handler & Pickett II] (stating that in unfair competition—as contrasted to technical trademark cases—fraud was said to be “the essence of the wrong”); HOPKINS, *supra* note 49, § 17, at 35 (“If the use of any words, numerals or symbols is adopted for the purpose of defrauding the public, the courts will interfere to protect the public from such fraudulent intent, even though the person asking the intervention of the court may not have the exclusive right to the use of these words, numerals or symbols.” (quoting Charles E. Coddington, Digest § 36 (1877))).

60. *Dennison Mfg. Co. v. Thomas Mfg. Co.*, 94 F. 651, 659 (C.C.D. Del. 1899).

61. In a secondary meaning mark case in which the plaintiff could demonstrate secondary meaning and the defendant’s fraudulent intent, the defendant would be required to confine his use of the word to its primary sense. See *Elgin Nat’l Watch Co. v. Ill. Watch Case Co.*, 179 U.S. 665, 674 (1901); see



Given this differing view of merchants' interests and rights in technical trademarks and secondary meaning marks, the causes of action courts developed to vindicate these interests—trademark infringement and unfair competition—differed as well. To own a valid technical trademark, a *claimant* had to “affix” the mark to the merchandise it sold, while the unfair competition *claimant* did not have to demonstrate that it physically attached its word or symbol to the good, service, or business it was used to identify.<sup>62</sup> Moreover, technical trademark claimants alleging infringement had to demonstrate that the *defendant* “affixed” (physically attached) a similar mark to similar goods, while plaintiffs in secondary meaning mark infringement cases did not have to demonstrate physical “affixation” on the defendant’s part.<sup>63</sup>

On the other hand, to assert rights in a secondary meaning mark, the claimant had to demonstrate that the public associated the mark with his or her particular goods or services (that is, that the mark had “secondary meaning” to the public—meaning as an indication of source, *in addition to* its original descriptive, geographic, or surname meaning), while the technical trademark claimant did not.<sup>64</sup> In addition, plaintiffs in secondary meaning infringement cases generally had to demonstrate that the defendant acted with fraudulent intent, while courts would presume fraud in technical trademark infringement cases.<sup>65</sup> Indeed, there was some suggestion that courts would *presume a likelihood of confusion* in technical trademark infringement cases when the defendant placed a highly similar mark on similar goods, while plaintiffs in secondary meaning mark cases always were required to demonstrate that the

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*also* 2 NIMS, *supra* note 49, § 319, at 1016 (“[U]se of a word in the public domain is unfair only when used in its trade-mark or secondary sense, not in its common or primary sense.”); Grismore, *supra* note 53, at 863–64 (explaining that the purpose of unfair competition law is “to safeguard the plaintiff in the secondary meaning which the word has acquired in relation to the goods which he puts upon the market, and also to permit the defendant to use it in its primary sense”).

62. Handler & Pickett I, *supra* note 47, at 168. It is important to note that technical trademark law only protected source-indicators for *goods*. Unfair competition extended to source indicators for goods, services, and businesses as a whole. One cannot physically attach a word or symbol to a service or a business as a whole.

63. *See infra* notes 89–128 and accompanying text. As the cited material explains, plaintiffs alleging infringement of secondary meaning marks did have to demonstrate a looser form of use “in the manner of a trade name or trademark.”

64. 1 NIMS, *supra* note 49, § 221(b), at 668; Handler & Pickett I, *supra* note 47, at 168–69.

65. Handler & Pickett I, *supra* note 47, at 168–69.

defendant's actions caused a likelihood (or even a probability) of consumer confusion.<sup>66</sup> Finally, while courts typically would enjoin the technical trademark infringement defendant from all uses of the plaintiff's mark, courts often tailored injunctive relief more narrowly in secondary meaning mark cases, to permit uses of the secondary meaning mark in its original (non-source-indicating) meaning.<sup>67</sup>

There is a certain logic to these distinctions, though they may seem somewhat artificial today (and, indeed, were often criticized as artificial even during the first half of the 1900s).<sup>68</sup> If courts were to dispense with a showing of secondary meaning, presume fraud, and (possibly) presume a likelihood of confusion in technical trademark infringement cases, it made sense to impose rather strict restrictions on the circumstances in which technical trademark infringement could be alleged, to ensure that these dispensations and presumptions could be justified. If the plaintiff had not physically placed the arbitrary or fanciful word or symbol on its goods, courts could not necessarily presume that the mark served to identify the source of the goods. If the defendant did not physically attach a highly similar mark to the same kind of goods, it could not be presumed that his purpose was fraudulent and that his actions were likely to confuse consumers. If one or both of these technical "affixation" requirements was not met, the plaintiff could always turn to an unfair competition (secondary meaning mark infringement) cause of action, which would provide relief *if* the plaintiff could meet its higher burden of proof.

Moreover, given the courts' concerns about the anticompetitive effects of removing common, descriptive, geographic, and surname words and symbols from the commons, and their reasoning that rights in such words and symbols should only be recognized to prevent fraudulent conduct, it made sense to require proof that the plaintiff's alleged source indicator had acquired secondary meaning—(1) to ensure that the plaintiff had a meaningful interest to protect against fraudulent misappropriation; (2) to ensure that the defendant's alleged fraud would actually harm consumers' reliance interests; and (3) to make it more likely that the defendant did act with a fraudulent intent. It also made sense to require a specific demonstration of fraudulent intent on the defendant's part and a likelihood of consumer confusion, thus ensuring that the

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66. 2 RUDOLF CALLMANN, *THE LAW OF UNFAIR COMPETITION AND TRADEMARKS* § 66.1, at 815 (1945); 1 NIMS, *supra* note 49, § 221(b), at 668–69; Handler & Pickett I, *supra* note 47, at 169. For additional background on this issue, see Restatement of Torts section 717 comment a; Bone, *supra* note 53, at 564–65.

67. CALLMANN, *supra* note 66, § 66.1 at 815.

68. See, e.g., Handler & Pickett I & II, *supra* notes 47 & 59 *passim*.

potential harm to the claimant and the public was sufficiently great to justify even limited removal of common, descriptive, geographic, and surname words and symbols from the commons.

The following subsections more fully explore three differences between the technical trademark infringement and unfair competition (secondary meaning mark infringement) causes of action: (a) the requirement that secondary meaning mark claimants demonstrate fraudulent intent on the defendant's part; (b) the requirement that technical trademark claimants "affix" their marks to their products; and (c) the requirement that technical trademark infringement claimants demonstrate that the defendant "affixed" the mark to its own goods.

## 2. *Fraudulent Intent in Secondary Meaning Mark (Unfair Competition) Cases*

As noted above, courts in secondary meaning mark infringement (unfair competition) cases required that the plaintiff demonstrate that the defendant acted fraudulently, with bad-faith intent to pass off its goods or services as those of the plaintiff, while courts in technical trademark infringement cases imposed no such requirement.<sup>69</sup> This "fraud rule" was reiterated in a line of Supreme Court decisions.<sup>70</sup> However, by the late 1800s, English courts had moved away from requiring fraudulent intent in unfair competition

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69. See *supra* notes 57–61 and accompanying text. For further explanation of how courts came to make this distinction between trademarks and secondary meaning marks, see Restatement of Torts section 717 comment a; HOPKINS, *supra* note 49, § 19, at 45 & nn.20–21; see also Handler & Pickett II, *supra* note 59, at 769 ("Many courts have sharply differentiated between the fraud requirement in the equitable actions of trade-mark infringement and unfair competition. In trade-mark cases fraud is said to be immaterial or 'conclusively presumed' from the fact of infringement, whereas in unfair competition, it is of the essence of the wrong.").

70. *Thaddeus Davids Co. v. Davids Mfg. Co.*, 233 U.S. 461, 468–71 (1914) (suggesting that when secondary meaning marks were federally registered under the Trade-Mark Act of 1905 "10-year rule," the registrant did not need to demonstrate wrongful intent on the defendant's part, but implying that proof of wrongful intent would be required under the common law for unregistered secondary meaning marks); *Elgin Nat'l Watch Co. v. Ill. Watch Case Co.*, 179 U.S. 665, 674 (1901) (stating that if the plaintiff has demonstrated a technical trademark infringement the defendant's wrongful or fraudulent intent is presumed; but in the case of secondary meaning marks, "such circumstances must be made out as will show wrongful intent in fact, or justify that inference from the inevitable consequences of the act complained of"); *Lawrence Mfg. Co. v. Tenn. Mfg. Co.*, 138 U.S. 537, 549, 551–52 (1891) (requiring proof of intent in cases where no fanciful trademark is involved); *McLean v. Fleming*, 96 U.S. 245, 254 (1877) (requiring proof of fraudulent intent to deceive in unfair competition cases).

cases,<sup>71</sup> as had a significant number of state courts.<sup>72</sup> As the United States progressed further into the twentieth century, courts and commentators increasingly criticized the fraud requirement, reasoning that technical trademark infringement and secondary meaning mark infringement caused the same injury to business good will and consumer reliance interests, and that the focus in such cases should be on the effect of the defendant's acts, rather than on the defendant's intent.<sup>73</sup> In secondary meaning mark cases, courts began more readily to infer fraudulent intent from the similarity of the parties' words or symbols, or from other circumstances in the case.<sup>74</sup>

In 1930, Professor Milton Handler, an acknowledged authority on trademark and unfair competition law, characterized federal courts' routine recitation of the "fraud rule" as dicta and argued that the outcome of technical trademark and secondary meaning mark

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71. See 2 NIMS, *supra* note 49, § 351, at 1087, 1089.

72. *Id.* Nims also lists and discusses some lower federal court decisions that appeared not to require a demonstration of fraud in unfair competition cases, though he suggests that this may have resulted at least in part from those courts' mistaken reliance on precedent from technical trademark decisions. *But see* Handler & Pickett II, *supra* note 59, at 770 (suggesting that while courts often recited the fraud rule in unfair competition cases, the outcome in these cases rarely differed from the outcome in technical trademark infringement cases).

73. See, e.g., RESTATEMENT OF TORTS § 717 cmt. a (1938) ("A trade name is . . . no less effective than a trade-mark as a means of identification. Whether a designation identifies the goods of one person is a question of fact necessary to be answered in determining whether the designation is a trade name. When that determination is made, there is no more reason for the requirement of 'fraud' in the trade name cases than in the trade-mark cases."); CALLMANN, *supra* note 66, § 86.1(a), at 1399, 1401 (claiming that the vital question today is not "what did defendant mean but what has he done?"); 2 NIMS, *supra* note 49, § 351, at 1087–89 (describing a gradual trend among courts to focus more on the effect of the defendant's actions, which—in cases where marks had acquired secondary meaning—was very similar to the effect of technical trademark infringement).

74. See, e.g., CALLMANN, *supra* note 66, § 86.1(a), at 1398 (In secondary meaning mark cases, "the early law of this country read that fraud on the part of the defendant was the essence of the wrong and that proof thereof was a condition precedent to relief. As the law developed, the concept of 'fraud' was enlarged."); 2 NIMS, *supra* note 49, § 351, at 1089 (describing a trend on the part of courts to place less emphasis on the distinction between technical trademark infringement and unfair competition and to stress evidence on which inferences of fraudulent intent might be based when no direct evidence of intent was available); Grismore, *supra* note 53, at 864–65 (noting a tendency in the courts to modify the fraud requirement in unfair competition cases "by relaxing the requirements in regard to the character and the quantum of the proof necessary to make out a case of fraudulent intent," and providing examples).

infringement cases was almost always the same.<sup>75</sup> Notwithstanding the “fraud rule,” courts routinely granted injunctions in unfair competition cases even in the absence of meaningful evidence that the defendant intended to trade on the plaintiff’s business good will.<sup>76</sup> Handler and his co-author noted that the “fraud” required for a finding of unfair competition was not equivalent to technical deceit and had come to mean little more than a conscious use of a confusingly similar mark.<sup>77</sup>

Eight years later, the American Law Institute published the Restatement of Torts, which found that there was no longer any meaningful distinction, with regard to fraud, between trademark and secondary meaning mark infringement.<sup>78</sup> Eight years after the Restatement was published, Congress enacted the Lanham Act, which consolidated the law governing technical trademarks and secondary meaning marks and dispensed with the fraudulent intent requirement in all infringement cases, whether they involved inherently distinctive marks or “secondary meaning” marks, and regardless of whether the plaintiff’s mark was registered<sup>79</sup> or unregistered.<sup>80</sup>

### 3. *The Requirement that Technical Trademark Claimants “Affix” Their Marks to Their Products*

As noted above, in the late 1800s and the first half of the 1900s, a technical trademark was defined as an inherently distinctive word or symbol that the plaintiff physically “affixed” to its articles of merchandise, or its containers, to indicate their source.<sup>81</sup> A claimant who failed to “affix” its mark would have no cause of action against

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75. Handler & Pickett II, *supra* note 59, at 770.

76. *Id.* at 770–75.

77. *Id.* at 770.

78. RESTATEMENT OF TORTS § 717, cmt. a. The Restatement noted, however, that the issue of deliberate fraud was not irrelevant, as its presence may substantially affect the scope of relief afforded in either a trademark or a secondary meaning mark infringement case. *Id.*

79. Lanham Act, 15 U.S.C. § 1114(1)(a) (2006).

80. *Id.* § 1125(a). The requirement that defendants act with fraudulent intent to trade on the plaintiff’s good will may explain, in part, why the trademark use requirement was looser in the unfair competition cases than in technical trademark infringement cases. *See supra* note 63 and accompanying text. Moreover, the common law requirement of fraudulent intent in cases alleging infringement of common, descriptive, geographic and surname words and symbols is also relevant to understanding and construing the Lanham Act’s fair use defense, 15 U.S.C. § 1115(b)(4), and its modern common law equivalent. *See Barrett, supra* note 46.

81. CALLMANN, *supra* note 66, § 98.6, at 1696–98; 1 NIMS, *supra* note 49, § 218, at 636–37; Handler & Pickett II, *supra* note 59, at 759–62.

others for technical trademark infringement.<sup>82</sup>

However, such a claimant could assert a claim for unfair competition because the law of unfair competition did not require a plaintiff's physical "affixation" as a prerequisite to relief.<sup>83</sup> This difference between technical trademark infringement and unfair competition made sense, because the law of unfair competition protected a broader range of indications of origin—not just marks for physical products, but also marks for intangible services and the names of businesses as a whole. Physical affixation was not possible in many unfair competition cases. And the law's requirement that the plaintiff demonstrate secondary meaning as a prerequisite to relief alleviated any concerns about whether the claimant had effectively used the mark to indicate source.<sup>84</sup> Finally, as noted earlier, the common law of unfair competition primarily focused on the fraudulent nature of the defendant's conduct, rather than on recognition of property rights in the plaintiff.

"Affixation," as it was defined in early common law, was a narrow, technical requirement. The purpose of requiring a plaintiff's affixation clearly was to ensure that the claimant had used the word or symbol as a trademark, to indicate source, and thus was in legitimate need of protection.<sup>85</sup> There are, of course, other ways to use a word or symbol to indicate product source, but affixation to goods or containers can be characterized as the most obvious, certain way to utilize a word or symbol to indicate source and safely to assume that consumers will rely upon it for that purpose. Thus, courts may have conditioned technical trademark protection on the plaintiff's affixation in order to ensure that the law's presumptions of fraud and consumer confusion, and its dispensation with any secondary meaning requirement, were warranted.<sup>86</sup> In 1930, Professor Handler argued that the affixation

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82. *See, e.g.*, *Parsons Trading Co. v. Hoffman*, 177 N.Y.S. 713, 715 (Sup. Ct. 1919), *aff'd*, 192 N.Y.S. 942 (App. Div. 1922) (holding that use of mark on invoices did not constitute affixation); *St. Louis Piano Mfg. Co. v. Merkel*, 1 Mo. App. 305 (Ct. App. 1876) (finding that plaintiff failed to state cause of action for technical trademark infringement because it had not affixed its mark to its pianos, even though it had used the mark extensively to identify the pianos in advertisements).

83. RESTATEMENT OF TORTS §§ 715 cmt. a, 718 cmt. a.

84. *Id.* § 716 cmt. a.

85. *See, e.g.*, 1 NIMS, *supra* note 49, § 218, at 637 (pointing out that the plaintiff's affixation must be "appropriate to the fulfillment of the purpose of the trade-mark. It must be so attached as to enable it to function as a trade-mark. It must be reasonably permanent, visible, and placed so that purchasers of the goods can use it to identify their origin").

86. The Restatement of Torts notes that while one might demonstrate adoption and use of a mark without affixation, the common law's technical

requirement was antiquated and unnecessary and advocated its elimination.<sup>87</sup> However, the Restatement of Torts retained the “plaintiff affixation” requirement for trademarks, and the Lanham Act also retained it, albeit in a somewhat more relaxed form.<sup>88</sup> Indeed, in the course of consolidating registration and legal protection for technical trademarks and secondary meaning marks, the Lanham Act extended the “plaintiff affixation” requirement to secondary meaning marks.

A final point to stress is that the common law requirement that the *plaintiff* affix a technical trademark is entirely separate from the requirement that the *defendant* “affix” the mark, or make some other “trademark use” of it. The latter requirement is discussed below.

#### 4. *Affixation as a Prerequisite for Technical Trademark Infringement Liability*

A final difference between technical trademark infringement and secondary meaning mark infringement under the law of unfair competition was that in order to prevail in technical trademark infringement, the plaintiff had to demonstrate that the *defendant* “affixed” a confusingly similar word or symbol to his or her own merchandise. As this requirement was *originally* stated and construed, a defendant’s use of the word or symbol in advertising, on business-related documents, or as a business name or service mark generally, would not suffice to demonstrate technical trademark infringement.<sup>89</sup>

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affixation requirement avoids the necessity of resolving sharply disputed issues of fact. RESTATEMENT OF TORTS § 718 cmt. a. Professor Handler agreed that “the act of affixation is objective evidence of adoption, proof of which can easily be adduced for purposes of corroboration in the event that priority of appropriation is disputed.” Handler & Pickett II, *supra* note 59, at 760. However, he suggested that the courts’ main motivation in requiring affixation was a desire to avoid monopolization of markets through use of marks. *Id.* at 761. The Restatement also notes historical reasons why courts required affixation—because trademarks developed from production marks, which were necessarily affixed to the goods. RESTATEMENT OF TORTS § 718 cmt. a.

87. Handler & Pickett II, *supra* note 59, at 759–62.

88. Lanham Act, 15 U.S.C. §§ 1051, 1127 (2006).

89. See, e.g., Ball v. Broadway Bazaar, 87 N.E. 674, 675–76 (N.Y. 1909). Plaintiff used the word “Lilliputian” both in its business name and as a mark for its products. The defendant incorporated “Lilliputian” into its business name and advertisements but did not use it as a mark for its own merchandise. Drawing on the affixation distinction, the court found that the plaintiff could recover for unfair competition, but not trademark infringement. *Id.* See also New York Mackintosh Co. v. Flam, 198 F. 571, 573 (S.D.N.Y. 1912), where the defendant made an exact copy of the defendant’s distinctive picture trademark

A large portion of the cases that stated and applied this proposition were federal cases considering infringement claims brought by trademark owners who had registered their marks pursuant to the federal trademark acts that preceded the Lanham Act.<sup>90</sup> These early trademark acts all expressly imposed the affixation requirement in their infringement provisions.<sup>91</sup> However,

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on cards, letterhead, and order forms. The court noted that the defendant's picture "would clearly have infringed" if it had been attached to the defendant's merchandise. However,

[a] trade-mark is something attached to the goods, or the receptacles containing them, which the buyer sees, and by which the goods become known to the buyer. . . . [U]se of [the mark on defendant's] business papers, while affording strong proof of unfair competition in trade, is, in my opinion, no proof of infringement of the trade-mark.

*Id.*; see also *Dwinell-Wright Co. v. Nat'l Fruit Prod. Co.*, 140 F.2d 618, 621 (1st Cir. 1944); *Pure Oil Co. v. Puritan Oil Co.*, 127 F.2d 6, 8 (2d Cir. 1942) (finding that the plaintiff's trademark infringement claim is sufficient because the defendant "does affix an 'imitation' of the mark to 'receptacles intended to be used . . . in connection with the sale' of gasoline"); *James Heddon's Sons v. Millsite Steel & Wire Works, Inc.*, 128 F.2d 6, 8 (6th Cir. 1942) (finding applicable rule of law to be that one must affix the trademark of another to similar articles in order to be liable for trademark infringement); *Walgreen Drug Stores, Inc. v. Obear-Nester Glass Co.*, 113 F.2d 956, 961 (8th Cir. 1940); *Gold Dust Corp. v. Hoffenberg*, 87 F.2d 451, 452 (2d Cir. 1937) ("Infringement of a trade-mark consists in the unauthorized use or colorable imitation of the mark already appropriated by another, upon goods of a similar class.") (quoting *Block v. Jung Arch Brace Co.*, 300 F. 308, 309 (6th Cir. 1924)); *Ironite Co. v. Guarantee Waterproofing Co.*, 64 F.2d 608, 610 (8th Cir. 1933) (requiring showing that defendant affixed objectionable mark to packages in an action at law for trademark infringement); *Block*, 300 F. at 309 ("Infringement of a trade-mark consists in the unauthorized use or colorable imitation of the mark already appropriated by another, upon goods of a similar class."); *Diederich v. W. Schneider Wholesale Wine & Liquor Co.*, 195 F. 35, 37 (8th Cir. 1912) (holding that to be liable for trademark infringement, the defendant must affix the mark to his merchandise); *Augstein v. Saks*, 69 F. Supp. 547, 549 (N.D. Ca. 1946) ("Infringement of a trade-mark consists of the unauthorized use of an identical mark, or a colorable imitation of a mark which has already been appropriated by another, by affixing such a mark to goods of the same or a similar class."); *Thomas A. Edison, Inc., v. Shotkin*, 69 F. Supp. 176, 179 (D. Colo. 1946), *appeal dismissed*, 163 F.2d 1020 (10th Cir. 1947), *cert. denied*, 332 U.S. 813 (1947); *Postal Tel. Cable Co. v. Netter*, 102 F. 691, 692 (C.C.E.D. Pa. 1900) (finding no cause of action for trademark infringement because the defendant had "not affixed the trade-mark complained of to any 'merchandise'"); *Air-Brush Mfg. Co. v. Thayer*, 84 F. 640, 641 (C.C.N.D. Ill. 1897) (finding no cause of action for trademark infringement because defendants had not "affixed complainant's registered mark to merchandise").

90. See Trade-Mark Act of 1881, ch. 138, 21 Stat. 502; Trade-Mark Act of 1905, ch. 592, 33 Stat. 724; Trade-Mark Act of 1920, ch. 104, 41 Stat. 533.

91. See Trade-Mark Act of 1881 § 7: "[a]ny person who shall reproduce, counterfeit, copy or colorably imitate any trade-mark registered under this act



it was generally understood that these early trademark acts only codified the common law rights of trademark owners and made no attempt at substantive alterations.<sup>92</sup> Indeed, it was widely believed at the time that Congress had no authority to enact substantive

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and affix the same to merchandise of substantially the same descriptive properties as those described in the registration, shall be liable . . .”;

Trade-Mark Act of 1905 § 16:

“[a]ny person who shall, without the consent of the owner thereof, reproduce, counterfeit, copy or colorably imitate any such trademark and affix the same to merchandise of substantially the same descriptive properties as those set forth in the registration, or to labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in connection with the sale of merchandise of substantially the same descriptive properties as those set forth in such registration, and shall use, or shall have used, such reproduction, counterfeit, copy, or colorable imitation in commerce among the several States, or with a foreign nation, or with the Indian tribes, shall be liable . . .”;

Trade-Mark Act of 1920 § 4:

“[a]ny person who shall without the consent of the owner thereof reproduce, counterfeit, copy, or colorably imitate any trademark on the register provided by this Act, and shall affix the same to merchandise of substantially the same descriptive properties as those set forth in the registration, or to labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in connection with the sale of merchandise of substantially the same descriptive properties as those set forth in such registration, and shall use, or shall have used, such reproduction, counterfeit, copy, or colorable imitation in commerce among the several States, or with a foreign nation, or with the Indian tribes, shall be liable . . .”

92. See *E.F. Prichard Co. v. Consumers Brewing Co.*, 136 F.2d 512, 518 (6th Cir. 1943); *Dwinell-Wright Co.*, 129 F.2d at 851 (“Registration of a trademark under the Trade-Mark Act of 1905 neither enlarges nor abridges the registrant’s substantive common-law rights in the mark. The [Act], without changing the substantive law of trade-marks, provided . . . for the registration of marks . . . which, without the statute, would be entitled to legal and equitable protection.”); CALLMANN, *supra*, note 66, § 97.3(a), at 1670–73; 1 NIMS, *supra*, note 49, § 185, at 511; Bartholomew Diggins, *Federal and State Regulation of Trade-Marks*, 14 L. & CONTEMP. PROBS. 200, 202 (1949) (“The benefits of [the 1905 Trademark] Act were procedural only, and the nature and scope of the right in a registered trade-mark remained a common-law . . . [right] in all trade-marks, whether registered or unregistered.”).

Random perusal of contemporary state trademark registration statutes reveals language that is similar to the “defendant affixation” language in the Federal Acts. See, e.g., Arkansas Stats., ch. CL, § 7352 (1883) (“affixation” required for infringement of state-registered marks); Conn. Gen. Stat. § 4904 (1902) (“affixation” required for infringement of state-registered marks); Indiana Stats. § 8685 (1901) (prohibiting use of mark “upon” similar goods); Main Rev. Stat., ch. 39, § 41 (1905) (“affixation” on similar goods required for infringement of state-registered mark); Mo. Rev. Stats. ch. 169, §10366 (1899) (defendant’s “affixation” required to infringe).

regulation of marks.<sup>93</sup> Presumably, then, the affixation limitation originated in the common law.<sup>94</sup>

One finds little substantive discussion of the origin and purpose of the defendant affixation requirement either in the judicial decisions or in the legal treatises. It seems to be taken as a given. The limitation flows naturally and logically from the limited purposes of trademark law and the courts' undertaking to balance the conflicting interests in prohibiting consumer deception, on the one hand, and ensuring competitors' free access to language, on the other. Imposing a "defendant affixation" requirement ensures that the defendant made a source-indicating, or "trademark use," of the plaintiff's mark, and thus clearly threatened to deceive consumers.<sup>95</sup>

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93. *A. Leschen & Sons Rope Co. v. Am. Steel & Wire Co.*, 55 F.2d 455, 459 (C.C.P.A. 1932); CALLMANN, *supra* note 66, § 97.2, at 1668–70; Derenberg, *supra* note 39, at 288 (“[T]he Act of 1905 was based on the theory that the Federal Government could not under the commerce clause of the Constitution enact legislation granting substantive statutory rights to the owner of a trademark.”).

94. *Cf. Handler & Pickett II*, *supra* note 59, at 762 (noting that it “is difficult to discover the basis of the [defendant affixation] rule, although the indecisive wording of the English and the early [U.S.] Federal statutes may be partly responsible”). If, for some reason, Congress misunderstood the common law requirements for technical trademarks in drafting its statutory language, the practical effect likely was to introduce the affixation requirement into the common law.

95. Professors Dinwoodie and Janis have argued that requiring affixation of a mark to goods is not equivalent to requiring “trademark use.” Dinwoodie & Janis, *Confusion*, *supra* note 24, at 1614–16. They point out that it would be possible to attach a mark to a product or its packaging in a manner that does not signal source to consumers, because, perhaps, it is too small for the consumers to see, or otherwise is clearly present for some purpose other than indicating source. This argument is technical, at best. In both the acquisition of rights and the defendant infringement context, the courts and Congress clearly intended that the “affixation” requirement would limit rights in trademarks to the purpose for which the rights were given. Congress and the courts repeatedly stressed that trademark rights are not broad property rights, like copyrights or patents. The only legal significance of a trademark lies in its role in indicating the source of products or services to consumers. Trademark rights are limited to trademark use—use to indicate source. *See, e.g.*, S. Rep. No. 1333, 79th Cong., 2d Sess., 1-17 (1946); *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918); *Visa U.S.A., Inc. v. Birmingham Trust Nat'l Bank*, 696 F.2d 1371, 1375 (Fed. Cir. 1982). The affixation language, in the infringement context, assures a close association between the defendant's mark and the goods the defendant is offering for sale. As a general matter, the close association will lead consumers to rely on the technical trademark for information about the source of the defendant's goods. That, in turn, will make it possible for consumers to be deceived about the source of goods, due to similarities in the plaintiff's and defendant's marks. If a defendant were to place a tiny mark on its product that would not be noticed, a court would

Affixing a mark to an article of merchandise being offered for sale is the clearest form of source-indicating use. Of course, there are other ways that a defendant might use a mark “as a trademark” to indicate product source—for example, by incorporating the plaintiff’s mark into its business name, or employing it in price lists or sales documents, or in advertising. Affixation (when defined strictly as physical placement of a mark on goods) may be viewed as the “core” of trademark use, but it is a significantly narrower concept than “trademark use.”

Why would courts wish to limit technical trademark infringement to this narrow subset of trademark uses? One possible answer relates back to the presumptions that courts incorporated into technical trademark infringement—presumptions of fraudulent intent on the defendant’s part, presumptions about consumer confusion. Because those presumptions made it easier to prevail in a technical trademark infringement case, courts may have wanted to restrict the cause of action to the clearest cases of unauthorized trademark use, where there could be little doubt about the likely impact of the defendant’s actions. Trademark owners could always resort to an unfair competition cause of action against non-affixing defendants, if they were able to meet the higher burden of proof. The rule might also represent a response to concerns that broad trademark rights enable monopolies—a concern that was frequently voiced in the literature during that time.<sup>96</sup>

As noted above, the unfair competition cause of action did not require that the defendant “*affix*” an allegedly infringing mark or trade name to its goods.<sup>97</sup> However, as I will discuss in the next

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probably find that the application was insufficient to constitute “affixation” or that, under the circumstances, the affixation caused no likelihood of confusion.

It is logical that the courts and Congress would intend the affixation language to restrict technical trademark infringement liability to defendants making a clear “trademark use” of the mark, because (as Dinwoodie and Janis acknowledge) non-trademark uses are unlikely to lead to serious consumer confusion. It is not logical to assume that Congress or the courts required affixation as an end in itself.

96. See, e.g., Peter H. Behrendt, *Trademarks and Monopolies—Historical and Conceptual Foundations*, 51 TRADEMARK REP. 853, 860 (1961); Bone, *supra* note 53, at 589–92, 599–602; Handler & Pickett I, *supra*, note 47, at 170–71; Mark Bartholomew, *Advertising and the Transformation of Trademark Law*, 38 N.M. L. REV. (forthcoming 2008) (manuscript at 5).

97. See, e.g., *Walter Baker & Co. v. Slack*, 130 F. 514, 517–19 (7th Cir. 1904) (defendant’s advertising of plaintiff’s mark in connection with another producer’s goods and filling orders for plaintiff’s goods with other producer’s goods constituted unfair competition); *Collier v. Jones*, 120 N.Y.S. 991, 992 (Sup. Ct. 1910) (holding defendant’s use of trade name similar to plaintiff’s in advertisement constituted unfair competition); *Atlas Assur. Co. v. Atlas Ins.*

subsection, lawyers and judges at that time clearly understood the unfair competition secondary meaning mark infringement cause of action to be limited to a defendant's "trademark or trade name uses" of words and symbols and saw this as a distinct element of that cause of action, apart from the likelihood of confusion issue.<sup>98</sup>

The distinction to be drawn between technical trademark infringement and secondary meaning mark infringement at the turn of the century thus was not "affixation vs. no trademark use limitation," but rather "affixation vs. general trademark use," or "narrow, technical trademark use vs. wider, non-technical trademark use limitation."<sup>99</sup>

While the contemporary commentators did not devote a great deal of attention to the technical trademark infringement "defendant affixation" requirement, they were critical of the *early* versions of it.<sup>100</sup> However, it is important to note that the early "affixation" requirement broadened over time. This is evidenced in the language of the federal registration statutes. While the 1870 and 1881 Trademark Acts required that the defendant "affix" the mark *to its merchandise*,<sup>101</sup> the 1905 and 1920 Acts provided that it would infringe to "affix" the mark to merchandise or "to labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in connection with the sale of merchandise."<sup>102</sup> (As noted earlier, I call the 1905 and 1920 Act versions the "affixation or other close association" requirement). Case decisions applying the 1905 Act infringement provision construed this language even more

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Co., 112 N.W. 232, 233 (Iowa 1907) (claiming that to limit protection to uses in connection with manufactured articles of commerce would "leave large financial interests engaged in other lines of business wholly without the protection of the court"); *Manitowoc Malting Co. v. Milwaukee Malting Co.*, 97 N.W. 389, 390 (Wis. 1903) (finding unfair competition when defendant used trade name similar to plaintiff's on sample cans, bill heads, cards and letterhead).

98. See *infra* Subsection B, notes 107–10 and accompanying text. As defined in the Restatement of Torts section 727, "trademark use" and "trade name use" were essentially the same thing. See *infra* note 106.

99. That may explain why courts and commentators devoted relatively little attention to the "defendant affixation" difference between the two causes of action—it was not a stark difference, but a more modest difference of degree.

100. See, e.g., CALLMANN, *supra* note 66, § 98.6, at 1698 (characterizing the defendant affixation requirement as "fallacious" and "manifestly obsolete"); *Handler & Pickett II*, *supra* note 59, at 762 (characterizing defendant affixation requirement as "hypertechnical").

101. Trade-Mark Act of 1870, ch. 230, § 79, 16 Stat. 198, 211; Trade-Mark Act of 1881, ch. 138, § 7, 21 Stat. 502, 503–04.

102. Trade-Mark Act of 1905, ch. 592, § 16, 33 Stat. 724, 728 (emphasis added); Trade-Mark Act of 1920, ch. 104, § 4, 41 Stat. 533, 534 (emphasis added).

broadly, finding that a defendant's use of the plaintiff's mark in advertising would also constitute infringement.<sup>103</sup> These developments led one set of commentators to suggest that technical trademark infringement no longer required defendant affixation, as such.<sup>104</sup> What began as a narrow "affixation" requirement had evolved into a broader, more generous "trademark use" requirement. It is useful to note, as well, that the 1905 Act and subsequent federal pre-Lanham Act provisions permitted certain secondary meaning marks to be federally registered, and when they were, federal courts extended the same infringement rules to them as for technical trademarks, defendant "affixation or other close association" requirement, and all.<sup>105</sup>

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103. See *Mishawaka Rubber & Woolen Mfg. Co. v. Panther-Panco Rubber Co.*, 153 F.2d 662, 666–67 (1st Cir. 1946), *cert. denied*, 329 U.S. 722 (1946) (emphasis added):

[The lower court] assumed, without discussion, that the display of plaintiff's registered mark in defendant's advertising would constitute an infringement under 15 U.S.C.A. § 96. We think that assumption is correct, though the precedents are not so clear as they might be. Some cases have held that, to come within the Trade-Mark Act, defendant's accused mark must in some way be impressed upon or affixed to the goods or the wrapper or container thereof. . . . We agree with Sanborn, J., dissenting, in the *Diederich* case . . . that however much such holding may have been justified under the earlier versions of the Trade-Mark Act, the broader language of the present Act does not require any such limited view. . . .

. . . .

The use of a copy or colorable imitation of plaintiff's trade-mark in an advertisement of defendant's product might well amount to affixing said mark "to labels, signs, (or) prints," intended to be used "in connection with the sale of merchandise" within the meaning of the Act. . . . Manifestly the essential wrong of trade-mark infringement, the appropriation of the good will of another's established mark, may be effectively accomplished by advertising matter associating *that other's distinguishing mark with the product of defendant*.

See also *Hygienic Prods. Co. v. Judson Dunaway Corp.*, 81 F. Supp. 935, 943–44 (D.N.H. 1948), *vacated*, 178 F.2d 461 (1st Cir. 1949), *cert. denied*, 339 U.S. 948 (1950) ("The protection which is to be accorded the legal owner of a valid trade-mark extends beyond the sole use thereof in the marketing of his product by various forms of container merchandising. Even though the statute does not include the term 'advertising,' it has been construed that 'signs' and 'prints' used in advertising constitute a use of such material 'in connection with the sale of merchandise.' There is ample authority to the effect that leaflets, display cards, and newspaper advertising will support a claim of infringement.")

104. *Handler & Pickett II*, *supra* note 59, at 762–63.

105. Trade-Mark Act of 1905 § 5. Federal registration had been limited to technical trademarks, but the "ten-year clause" of the 1905 Act permitted secondary meaning marks to be registered if they had been used exclusively for a period of ten years preceding 1905. The apparent reasoning was that marks

As will be discussed in more depth in the next subsection, the Restatement of Torts, published in 1938, found that any remaining distinction between the elements of trademark infringement and secondary meaning mark infringement was no longer meaningful. It provided that plaintiffs in both trademark and trade name infringement claims must demonstrate that the defendant used its indication of origin “in the manner of a trade-mark or trade name.”<sup>106</sup>

*B. The Trademark Use Requirement in the Law of Unfair Competition*

We have seen how technical trademark infringement required trademark use in the form of an “affixation” requirement that gradually expanded to include application of a mark not only to the defendant’s merchandise, itself, but also to labels, signs, prints, packages, wrappers, or receptacles intended to be used “on or in connection with the sale” of that merchandise and in advertising the merchandise. We have further noted that, under the 1905 Act’s ten-year clause, some secondary meaning marks were registered and thus brought under the same infringement prerequisite. It remains

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that were not inherently distinctive, but had been in exclusive use for ten or more years could be presumed to have acquired secondary meaning and thus could be equated to technical trademarks in function and interest. See CALLMANN, *supra* note 66 at § 98.7, at 1701–02; 2 NIMS, *supra* note 49, § 229(a), at 790; Handler & Pickett II, *supra* note 59, at 783–84.

In *Thaddeus Davids Co. v. Davids Manufacturing Co.*, 233 U.S. 461 (1914), the Supreme Court held that while registered secondary meaning marks could still be used in their primary meaning, the registrant of a secondary meaning mark under the ten-year rule would not be required to “show wrongful intent in fact on the part of the defendant, or facts justifying the inference of such an intent” as it would have been required to do in the case of an unregistered secondary meaning mark. *Id.* at 471. According to the Court, “[t]he applicant, who by virtue of actual and exclusive use is entitled to register his mark under [the ten-year] clause, becomes on due registration the ‘owner’ of a ‘trade-mark’ within the meaning of the [1905] [A]ct, and he is entitled to be protected in its use as such.” *Id.* at 469.

Thus, the expanded statutory defendant “affixation or other close association” requirement would also apply to registered secondary meaning marks, although (as noted above), the 1905 Act’s expanded affixation requirement, as construed by the courts, now roughly stated a more general “trademark use” requirement. And as discussed in the next section, a more general “trademark use or trade name use” requirement would have applied in common law unfair competition cases, anyway.

106. RESTATEMENT OF TORTS §§ 717, 727 (1938). Under section 727, one uses a designation of origin “in the manner of a trade-mark or trade name . . . if he so uses it . . . as the name of, or the means of identifying, his goods, services, or business.” *Id.* § 727.

to be discussed the extent to which (during the roughly fifty years leading up to enactment of the Lanham Act) the common law of unfair competition subjected secondary meaning mark infringement claims to a similar “defendant trademark use” requirement.

There are several grounds on which to demonstrate that the common law of unfair competition did, in fact, limit the cause of action for secondary meaning mark infringement to a defendant’s trademark or trade name use. First, that limitation can be inferred from the rule that businesses could only assert rights in a mark’s secondary (source-indicating) meaning, and not in its primary (descriptive, geographical, surname, or common) meaning:<sup>107</sup> infringement would only be found when the defendant used the plaintiff’s mark name *in its secondary meaning—as an indication of source*, rather than in its original descriptive, geographic, surname, or other meaning.<sup>108</sup> This is an implicit trademark use requirement.

A trademark use limitation might also be inferred from the lack of discussion in the case law and literature about the technical trademark “affixation” requirement.<sup>109</sup> On the face of it, one might expect that courts, and particularly commentators, would have more to say about the fact that technical trademark infringement

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107. See *supra* notes 52–61 and accompanying text.

108. See CALLMANN, *supra* note 66, §§ 85.1–85.1(a), at 1352–53 (“Trademark use is that use which is patently purposed at calling the public’s attention to the symbol of the advertised article. The purchaser is thus advised that the article bearing that mark is the same as that with which he has already become familiar; he is also assured thereby that any article so trade-marked will be similar to the article he previously bought. Non-trade-mark use, on the other hand, is that use which is designed to inform the public that the article is of a particular quality or [geographic] origin. . . . [T]he defendant shall not be deprived of the use of a descriptive word ‘in a primary sense . . . it is within the court’s province to determine whether the particular usage is referable to its primary or secondary sense.”); Daniel M. McClure, *Trademarks and Unfair Competition: A Critical History of Legal Thought*, 69 TRADEMARK REP. 305, 318–19 (1979) (“[A] trademark did not give a monopoly in language that would allow the owner to prevent the ordinary use of the word, . . . the only right of the trademark owner was to prevent use of the word as the trademark of another manufacturer’s goods.”); see also Handler & Pickett I, *supra* note 47, at 170–71 (arguing that only trademark uses of words and symbols will infringe and that a trademark use occurs when the word or symbol is “employed to denominate or designate a definite species of commodity or a particular business” and is “used commercially”); *id.* at 184 (“When it is said that a word is used as a mark, what is meant, among other things, is that it is being used as a name for the product of a given person . . .”).

109. Both Dinwoodie & Janis and McKenna remark on the dearth of discussion about the “affixation” requirement for technical trademark infringement. See Dinwoodie & Janis, *Confusion*, *supra* note 24, at 1618–19; McKenna, *supra* note 25 (manuscript at 20–22).

required affixation, or “affixation or other close association,” while secondary meaning mark infringement did not. Yet, one finds very little on the subject. Rather, one finds repeated comments to the effect that the important (and by implication, *only* noteworthy) difference between the two causes of action was the requirement that trade name plaintiffs demonstrate the defendant’s fraudulent intent.<sup>110</sup> Why did courts and commentators not take greater note of the “defendant affixation” difference? The likely explanation is that there really *was no significant difference*, as the technical trademark affixation requirement was relaxed to include not just placement on products, but also use on labels, signs, prints, packages, wrappers, receptacles, and in advertising of the defendant’s products. As expanded, the technical trademark “affixation or other close association” requirement did not pose a significantly greater limitation on the plaintiff’s rights than already existed under the law of unfair competition. Handler and Pickett stated as much in 1930, when they commented that the Trademark Act of 1905’s expansion of the affixation requirement appeared to extinguish the distinction between technical trademarks and secondary meaning marks on this issue.<sup>111</sup>

Review of the unfair competition decisions themselves affirms that courts only recognized liability for “trademark or trade name uses” of words and symbols. Contemporary treatise commentators divided unfair competition cases into predictable categories: defendants incorporating allegedly infringing words or symbols into their business names (that generally were prominently displayed on, in, or in close proximity to their shop);<sup>112</sup> defendants placing and emphasizing confusingly similar words or symbols on their products

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110. See HOPKINS, *supra* note 49, § 19, at 45–46 (stating that with the exception of the fraud rule, “the same general rules of law and procedure prevail” in both unfair competition and trademark infringement cases); Chafee, Jr., *supra* note 50, at 1296–97, 1301 (noting the uniformity of the law governing technical trademark infringement and unfair competition); Handler & Pickett II, *supra* note 59, at 787–88 (Distinctions stated by courts to exist between technical trademark and secondary meaning mark infringement find little support in the actual decisions. Amalgamation of the law of technical trademark and trade name infringement is well underway, even without the assistance of legislation.).

111. Handler & Pickett II, *supra* note 59, at 763.

112. Contrary to the suggestion in Dinwoodie and Janis, *Confusion*, *supra* note 24, at 1627–28, use of a word or symbol in a business name could be deemed an infringing trademark use, for purposes of unfair competition law, because it signified product or service source, closely associating the contested word or symbol with goods or services the user is offering for sale. See CALLMANN, *supra* note 66, § 85.1(a), at 1354; 1 NIMS, *supra* note 49, § 221(n), at 724.



or product packaging; defendants displaying allegedly infringing words or symbols on business-related papers, such as letterhead, price lists, and cards; defendants displaying allegedly infringing words or symbols in circulars and advertisements<sup>113</sup>—all for the purpose of indicating the source of their own business, products, or services.<sup>114</sup> One finds no cases recognizing “in gross” rights in words or symbols—only rights against a defendant’s *close association of an allegedly infringing word or symbol with goods or services it is offering for sale, or with its business as a whole*.<sup>115</sup>

The legal scholarship of that time more expressly recognized a trademark or trade name use limitation—in unfair competition/secondary meaning mark infringement, as well as technical trademark infringement cases—in the course of addressing the potential anticompetitive effects of trademarks. For example, Milton Handler and Charles Pickett, in their duo of 1930 Columbia Law Review articles, extensively surveyed the U.S. case law and concluded that *both forms of mark infringement* were limited to cases in which the defendant makes a “trademark use,” as

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113. See, e.g., CALLMANN, *supra* note 66, ch. 21; HOPKINS, *supra* note 49, at 277–80; 1 NIMS, *supra* note 49, ch. XV–A, at 667; WILLIAM HENRY BROWN, A TREATISE ON THE LAW OF TRADEMARKS AND ANALOGOUS SUBJECTS §§ 528–529, 531–533, 535–538, 541 (2d ed. 1898).

114. See 1 NIMS, *supra* note 49, § 221(m), at 723–24 (noting the alignment of the common law and the federal trademark act in this regard).

115. The only category of decisions that catches the eye as arguably involving non-trademark uses are the cases in which consumers enter a shop asking for brand X, and the merchant gives them brand Y instead. See 1 NIMS, *supra* note 49, § 221(o), at 725. In these cases, the merchant may not visually associate the contested word or symbol with the product and may not even speak the plaintiff’s word or symbol to the customer. However, courts were careful to explain that this situation did, in fact, approximate trademark use and constitute an indication of product source. As one court put it, such actions constitute an assertion by the merchant that the product it is providing is the product that was requested:

If acts speak louder than words, then this assertion [is] more positive and emphatic than if it had been spoken aloud. The result is that an article manufactured by A. has been successfully palmed off upon an innocent purchaser as an article manufactured by B., and as the article for which the purchaser made inquiry; and this has been accomplished by a deception arising from and based upon what must be held to be an unlawful use of a trade-mark or word-symbol.

Enoch Morgan’s Sons Co. v. Wendover, 43 F. 420, 421 (D.N.J. 1890). It would be better to resolve this kind of case through the “fraudulent marketing” or “passing off” causes of action described in the Restatement of Torts and the Restatement (Third) of Unfair Competition, as described in the next subsection, *infra* notes 129–37 and accompanying text. Those causes of action rest on misrepresentations about product source that do not entail an unauthorized use of the plaintiff’s mark or trade name.

opposed to a descriptive, or “non-trademark” use.<sup>116</sup> They defined “trademark use,” for this purpose, as involving two things: (1) “[t]he word must be employed to denominate or designate a definite species of commodity or a particular business”; and (2) “the mark [must] be used commercially.”<sup>117</sup>

In discussing the requirement that the defendant’s use be denominative, the authors explained that: “Affixation of the word to an article . . . is unnecessary. ‘Kodak’ stamped upon a camera, ‘Kodak’ used as the flare-head in an advertisement of the same article, ‘Kodak’ in a price-list enumerating different brands of cameras, are all examples of denominative uses of the term ‘Kodak.’”<sup>118</sup> These examples of “denominative” use are consistent with the “affixation or other close association” requirement of technical trademark law.

In undertaking to restate the law of trademarks and unfair competition as it existed just eight years later, the American Law Institute clearly recognized “use in the manner of a trade-mark or trade name” as a separate element *in both the cause of action for technical trademark infringement and the unfair competition cause of action for secondary meaning mark infringement*.<sup>119</sup> The accompanying comments explained:

A person having a trade-mark or trade name does not have the exclusive right to use the designation which constitutes the

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116. Handler & Pickett I, *supra* note 47, at 170. Specifically, they described two possible uses of word marks, which they called “use as a mark, or trademark use,” and “descriptive use or use in a non-trademark sense.” *Id.*

117. *Id.* at 170–71.

118. *Id.* at 170.

119. Section 717(1) provided a “general statement of conditions” necessary for infringement. With regard to a *trade name* (which includes a secondary meaning mark), the Restatement found infringement by an actor if:

- (a) without a privilege to do so, he uses in his business, *in the manner of a trade-mark or trade name*, a designation which is identical with or confusingly similar to the other’s trade name, though he does not use the designation for the purpose of deception, and
- (b) the other’s interest in his trade name is protected with reference to
  - (i) the goods, services or business in connection with which the actor uses his designation, and
  - (ii) the markets in which the actor uses his designation.

RESTATEMENT OF TORTS § 717(1) (1938) (emphasis added). Section 717 then stated that one infringes a *trademark* if the *same conditions* for infringing a trade name were satisfied, the other had affixed his mark to the goods before the actor, and the other’s trademark was not a clear likeness of a third person’s prior and subsisting trademark in substantially the same market for the same or clearly related goods. *Id.* § 717(2).

trade-mark or trade name. He has only the exclusive right, subject to the limitations stated in [section 717], to use the designation in commerce for particular purposes. . . . It is only when the designation *is used by others in such a manner as to appear to denominate their goods, services or business to prospective customers* that infringement may result.<sup>120</sup>

The Restatement of Torts section 727 provided the official definition of this “use in the manner of a trademark or trade name” element of the infringement cause of action: “One uses a designation in the manner of a trade-mark or trade name, under the rule stated in § 717, if he so uses it that prospective purchasers are likely to regard it as the name of, or the means of identifying, his goods, services or business.”<sup>121</sup>

Comment b explained that one may use a designation in the manner of a trademark or trade name:

*[W]hether he affixes the designation to goods or otherwise uses it in such a way as to convey the impression to prospective purchasers that it identifies his goods, services or business. This impression he may give by using the designation in various ways such as in his advertising, or on his signs or letterheads, or in his correspondence or speech, or even by non-verbal conduct. Thus if a prospective purchaser, pointing to a box of soap, asks the actor, “Is this the ‘Ridge’ brand?” and the actor replies “Yes,” the actor is using the word “Ridge,” under the rule stated in this Section, just as if he had placed over the box a sign reading “Ridge Soap.”*<sup>122</sup>

Comment c stressed that under this definition of trademark and trade name use, “the likelihood that prospective purchasers will regard the use of the designation in the manner stated *must be substantial. That there is a very remote possibility that prospective purchasers generally will so regard the use is not enough.*”<sup>123</sup> Thus, while the Restatement’s definition of “use in the manner of a trademark or trade name” is not as exacting or succinct as the “affixation or other close association” requirement, as codified in the Trade-Mark Act of 1905, both sources describe essentially the same conceptual limitation to the infringement cause of action.

The Restatement of Torts treated the question of whether the

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120. *Id.* § 717 cmt. c (emphasis added).

121. *Id.* § 727 (emphasis added). Comment a elaborated that:

The right of a person having a trade-mark or trade name is not to the exclusive use of the designation in all circumstances, but only to its exclusive use for the performance of the functions of a trade-mark . . . . Other persons may use the designation if their use does not involve a performance of those functions.

122. *Id.* § 727 cmt. b (emphasis added).

123. *Id.* § 727 cmt. c (emphasis added).

defendant's mark was "confusingly similar" to the plaintiff's as a completely separate inquiry.<sup>124</sup> Thus, as described by the Restatement of Torts, less than ten years before the Lanham Act was enacted, the common law had come to view secondary meaning marks and trademarks as performing essentially the same function in essentially the same way, and thus entitled them to essentially the same protection.<sup>125</sup> The only important remaining difference was that the law defined ownership and priority in secondary meaning marks by means of secondary meaning, as it continues to do today.

The Restatement recognized that, as a practical matter, the case law no longer imposed a meaningful requirement of fraudulent intent in trade name infringement claims, and thus explicitly stated that infringement could be found, in both technical trademark and unfair competition cases, even if the defendant "does not use the designation for the purpose of deception."<sup>126</sup>

To summarize, the Restatement expressly recognized a separate and distinct "defendant use in the manner of a trademark or trade name" requirement for both trademark and secondary meaning mark infringement causes of action.<sup>127</sup> This "trademark/trade name use" requirement was separate from the "confusingly similar" issue. The Restatement's definition of "use in the manner of a trademark or trade name" was stated more generally than the "affixation or other close association" standard of the Trademark Acts of 1905 and 1920, but was nonetheless clearly conceptually consistent with that statutory limitation. Given the Restatement's requirement of a *substantial* likelihood that consumers would understand the defendant's use to indicate source, and the flexibility courts had demonstrated in construing the 1905 and 1920 Acts' language, any substantive differences were likely to be quite minor.<sup>128</sup>

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124. *Id.* §§ 728–731. Section 728 defines "confusingly similar," providing that a designation "is confusingly similar to a trade-mark or trade name under the rule stated in section 717 if prospective purchasers are likely to regard it as indicating the source identified by the trade-mark or trade name." *Id.* § 728.

125. *Accord* Bartholomew, *supra* note 96 (manuscript at 15); Chafee, *supra* note 50, at 1296–1301; Handler & Pickett I & II, *supra* notes 47 & 59, *passim*; *see id.* § 717 cmt. a (discussing similar functions).

126. RESTATEMENT OF TORTS § 717(1)(a).

127. *See, for example, Brooks Bros. v. Brooks Clothing of California, Ltd.*, 60 F. Supp. 442, 450 (S.D. Cal. 1945): To demonstrate infringement of either a trade mark or a trade name, a plaintiff must demonstrate that the defendant used a designation in the manner of a trademark or a trade name, that is, that he used it so that prospective purchasers are likely to regard it as the name of, or means of identifying his goods, services or business. This showing must be made regardless of whether the plaintiff's mark is registered or unregistered.

128. This understanding regarding trademark use is carried forward in the Restatement (Third) of Unfair Competition, though with less fanfare. The

C. *Liability in the Absence of Trademark Use: Fraudulent Marketing*

In recognizing this “trademark use” limitation on trademark and secondary meaning mark infringement causes of action, the Restatement noted that liability for causing “confusion of source” *might be imposed in some cases in which the defendant made no use of a mark or trade name at all*. First, it recognized indirect infringement causes of action for inducing one’s purchasers to infringe on resale<sup>129</sup> and for contributory infringement.<sup>130</sup> These causes of action, of course, would only be available when the defendant’s actions led to trademark use and direct infringement by a third party. Second, the Restatement recognized an additional cause of action that it described under the separate title, “Fraudulent Marketing.”<sup>131</sup>

The “fraudulent marketing” cause of action addressed fraudulent misrepresentations that an actor might make in the course of marketing his goods: to suggest that he is the plaintiff or the plaintiff’s agent or successor; to suggest that his goods are produced, processed, designed, or distributed by the plaintiff; or to suggest that his services are those rendered by the plaintiff.<sup>132</sup> Liability under this section might be imposed even if the defendant made no reference to the plaintiff’s mark or trade name at all. To state a cause of action for fraudulent marketing, the plaintiff must

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Restatement (Third), section 20, comment b specifies that: “An actor is subject to liability for infringement *only if it uses another’s mark or name in identifying the actor’s own goods, services, or business . . . .* This Section does not apply to the use of another’s protected designation for other purposes.” RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 20, cmt. b (1995) (emphasis added).

129. RESTATEMENT OF TORTS § 738 (1938).

130. *Id.* § 739.

131. *Id.* §§ 712–714. The Restatement also recognized, under a separate subtitle, a very limited cause of action that it called “Imitation of Appearance,” which was the forerunner of today’s product feature trade dress infringement cause of action. *Id.* §§ 741–743. The Restatement’s definition of this cause of action was narrowly circumscribed by the functionality doctrine, as set forth in section 742. During the last two decades of the twentieth century, the courts moved away from the Restatement’s conservative definition of functionality, tending to shrink the concept of functionality and thus to greatly expand protection of the appearance of products and product features. *See, e.g., In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332 (C.C.P.A. 1982). In 2001, the Supreme Court essentially directed lower courts to revert to the earlier Restatement of Torts section 742 definition of functionality. *Traffix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 29–35 (2001); *see* Margreth Barrett, *Consolidating the Diffuse Paths to Trade Dress Functionality: Encountering Traffix on the Way to Sears*, 61 WASH. & LEE L. REV. 79, 110–37 (2004).

132. RESTATEMENT OF TORTS § 712.

demonstrate: (1) that the defendant made a *fraudulent misrepresentation* for the purpose of inducing persons to purchase the goods or services he was marketing; and (2) that the circumstances were such that his audience was *likely to rely on the misrepresentation, to the commercial detriment of the plaintiff*.<sup>133</sup>

The key to the fraudulent marketing cause of action was that (unlike the related trademark infringement and unfair competition causes of action) it *retained its "fraudulent intent" requirement*. Moreover, the Restatement stressed that the cause of action required a showing of *genuine* fraudulent intent, specifying that a section 712 misrepresentation would be deemed fraudulent under the circumstances set forth under Restatement of Torts sections 526–29, which defined the general business tort of fraudulent misrepresentation.<sup>134</sup>

The Restatement (Third) of Unfair Competition recognizes a form of this fraudulent marketing cause of action (which it calls “passing off”) that is available even without a showing of fraudulent intent. However, the Restatement (Third) expressly *excludes* from this cause of action misrepresentations that merely *consist of the unauthorized application of a mark*.<sup>135</sup>

133. *Id.*

134. *Id.* § 712 cmt. b. Under those provisions, a misrepresentation will be deemed fraudulent if the maker:

- (1) knows or believes the matter to be otherwise than as represented;
- or
- (2) knows that he has not the confidence in its existence or non-existence asserted by his statement of knowledge or belief, or
- (3) knows that he has not the basis for his knowledge or belief professed by his assertion.

135. The Restatement (Third) of Unfair Competition provides a chapter, apart from its chapter on trademarks, entitled “Deceptive Marketing.” There it provides causes of action for a range of non-trademark-related misrepresentations that a defendant might make about its own products or services. RESTATEMENT (THIRD) OF UNFAIR COMPETITION §§ 2–8 (1995). In particular, the Restatement (Third) describes a cause of action for “Passing Off” at section 4, against a defendant who:

in connection with the marketing of goods or services, makes a representation likely to deceive or mislead prospective purchasers by causing the mistaken belief that the [defendant’s] business is the business of the [plaintiff], or that the [defendant] is the agent, affiliate, or associate of the [plaintiff], or that the goods or services that the [defendant] markets are produced, sponsored, or approved by the [plaintiff].

*Id.* § 4 (emphasis added).

Unlike its “fraudulent marketing” predecessor in Restatement of Torts section 712, this provision recognizes liability even absent a showing of fraudulent intent. *Id.* § 4 cmt. d. It merely requires: (1) a misrepresentation, in the course of marketing goods or services, about the defendant’s own goods or services or commercial activities; (2) that is likely to deceive or mislead

In cases alleging misrepresentation by virtue of the unauthorized use of a mark, relief must be sought under the *specific rules of trademark infringement*.<sup>136</sup> Thus, Restatement (Third) of Unfair Competition section 4 may give relief against misrepresentations that cause source confusion, without a showing of trademark use or fraudulent intent, but the plaintiff must demonstrate the *defendant's specific act of misrepresentation that does not merely consist of the unauthorized application of a mark*.<sup>137</sup>

Professors Dinwoodie and Janis have argued that, in order to police a range of dishonest marketplace conduct in new technological settings such as the Internet, courts must be able to apply trademark infringement law without the limitations posed by the trademark use requirement.<sup>138</sup> However, the fraudulent marketing and deceptive marketing/passing off causes of action described in the Restatement (Second) of Torts and the Restatement (Third) of Unfair Competition seem well constituted to police such dishonest conduct without converting trademark rights into rights in gross in words and symbols, which is essentially what sacrifice of the

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prospective purchasers: and (3) is likely to cause commercial detriment to the plaintiff. *See id.* §§ 2–4. The cause of action is limited to commercial speech. *Id.* § 2 cmt. a.

136. *Id.* § 4 cmt. b. Comment b expressly provides that if “a misrepresentation of source or sponsorship arises solely from the unauthorized use of a trademark or other indicia of identification, relief must be sought” under the specific rules of trademark infringement, rather than under the section 4 passing off provisions. *Accord* *Bird v. Parsons*, 289 F.3d 865, 877 (6th Cir. 2002) (“[A] claim of unfair competition, unlike a claim of trademark infringement, does not require that a defendant use the plaintiff’s trademark.”). However, when the plaintiff’s allegations “relate to the defendant’s alleged use of his trademark, rather than any other actions that might have misled the public,” the claim will fail unless the plaintiff can demonstrate that the defendant “actually used [the plaintiff’s mark] in a prohibited manner.” *Id.*

137. It is also useful to note that Restatement (Third) of Unfair Competition section 5 characterizes a cause of action for *reverse passing off* as one for “deceptive marketing,” rather than trademark infringement, and permits recovery when a defendant

in marketing goods or services manufactured, produced, or supplied by the [plaintiff], . . . makes a representation likely to deceive or mislead prospective purchasers by causing the mistaken belief that the [defendant] or a third person is the manufacturer, producer, or supplier of the goods or services if the representation is to the likely commercial detriment of the [plaintiff].

RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 5. This cause of action appears to address and resolve Professor McKenna’s concern that recognition of the trademark use requirement will “rule out actions for reverse passing off under the Lanham Act.” McKenna, *supra* note 25 (manuscript at 33).

138. *See* Dinwoodie & Janis, *Confusion*, *supra* note 24, at 1636.

trademark use requirement would entail in many instances.<sup>139</sup> Courts have often construed Lanham Act section 43(a) to provide redress against a defendant's deceptive statements or conduct, without implicating trademark rights.<sup>140</sup>

## II. LOCATING "TRADEMARK USE" IN THE LANHAM ACT

We have reviewed the development of the common-law trademark and unfair competition doctrines, and have pinpointed the state in which these doctrines stood in the late 1930s and early 1940s, when Congress drafted the Lanham Act. This information is crucial to construe the Lanham Act, since Congress intended for the Act primarily to codify existing common law doctrine.<sup>141</sup> However,

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139. Other sources have recognized a similar small set of causes of action that do not constitute trademark or trade name infringement, but nonetheless may provide relief against certain acts that cause source confusion. See, for example, 2 NIMS, *supra* note 49, which sets these "fraudulent marketing" kinds of claims apart from trademark and trade name infringement by placing them in a category of "Miscellaneous Forms of Unfair Competition." *Id.* §§ 284 (Acts Contributory to Unfair Acts); 294(a) (Use of Falsehood with Respect to Agency or Succession); 296(a) (Sale of Used or Altered Goods as New); 297 (Sale of Inferior Goods, or Seconds, as Usual Quality); 297(c) (Misrepresentation of a Competitor's Goods as One's Own).

140. See, e.g., *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 29, 32 (2003) (holding that section 43(a) extends beyond protection of trademarks and prohibits acts other than unauthorized use of trademarks that deceive consumers about product source); *Schlotzsky's, Ltd. v. Sterling Purchasing & Nat'l Distribution Co.*, 520 F.3d 393, 399 (5th Cir. 2008) (rejecting arguments that Lanham Act section 43(a) relates only to misuse of trademarks); *Zyla v. Wadsworth*, 360 F.3d 243, 251 (1st Cir. 2004) ("The existence of a trademark is not a necessary prerequisite to a § 43(a) action."); see also *Murphy Door Bed Co. v. Interior Sleep Sys., Inc.*, 874 F.2d 95, 102 (2d Cir. 1989) (holding that common law unfair competition cause of action arose from defendant's misrepresentation that its folding beds were "original," which confused consumers, leading them to believe that the beds emanated from plaintiff, who was the original producer of folding beds).

141. *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 861 n.2 (1982) (White, J., concurring) ("[T]he purpose of the Lanham Act was to codify and unify the common law of unfair competition and trademark protection."); S. REP. NO. 79-1333, at 5 (1946); 92 CONG. REC. 6, 7524 (1946); see also RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9 cmt. e ("The Lanham Act is generally declarative of existing law, incorporating the principal features of common law trademark protection."); Michael H. Davis, *Death of a Salesman's Doctrine: A Critical Look at Trademark Use*, 19 GA. L. REV. 233, 246 (1985) ("Federal trademark law is unusual because, although it is created by federal statute, most of its underlying substance is derived from and is intended to remain part of state common law."); Pierre N. Leval, *Trademark: Champion of Free Speech*, 27 COLUM. J.L. & ARTS 187, 198-99 (2004) (arguing that the Lanham Act "adopts and stands for the complete common law development, representing a complexity of doctrine which would require dozens of pages to



before turning to the Lanham Act's provisions, it is useful briefly to consider the earlier federal trademark acts that preceded it, as those earlier acts also influenced Congress in designing the Act's provisions.

A. *Legislative History—The Earlier Trademark Acts*

As noted earlier, the first two federal trademark acts, in 1870 and 1881, defined *infringement* of a registered mark as affixation of a reproduction, copy, counterfeit, or colorable imitation of the plaintiff's registered trademark to goods of "substantially the same descriptive properties" as those set forth in the registration.<sup>142</sup> The 1881 Act also incorporated the common law "affixation" prerequisite to *mark ownership*, requiring that the registration applicant describe the manner in which it had "applied and affixed" the mark to goods.<sup>143</sup> Neither act defined "affixation." Both acts addressed only technical trademarks, and the 1881 Act, at least, purported only to codify the substantive rights provided under the common law.<sup>144</sup>

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set forth in full . . . . What may look on its face like a legislative creation of a body of rules is in fact nothing more than a cursory legislative recognition of a long pre-existing body of law developed by courts through the common law process"); Daniel M. McClure, *supra* note 108, at 334, 340 (maintaining that the Lanham Act adopted the substance of existing common law doctrine and court constructions have not altered it).

142. Trade-Mark Act of 1870, ch. 230, § 79, 16 Stat. 198; Trade-Mark Act of 1881, ch. 138, § 7, 21 Stat. 502. Congress enacted the 1870 Act as part of "[a]n Act to revise, consolidate, and amend the Statutes relating to Patents and Copyrights," and appeared to rely on its powers under the Constitution's Patents and Copyrights Clause, U.S. Const. art. 1, § 8, cl. 8, to enact not only the patent and copyright provisions, but the trademark provisions as well. Trade-Mark Act of 1870, at 198. The Supreme Court found the 1870 Act and a related penal provision (Act of Aug. 14, 1876, ch. 274, 19 Stat. 141, which also imposed affixation requirements as a prerequisite to violation) unconstitutional in *The Trade-Mark Cases*, 100 U.S. 82, 99 (1879). The Supreme Court found that Congress lacked constitutional authority to regulate trademarks under the Patents and Copyrights Clause and that Congress lacked any constitutional authority to regulate marks not used in interstate or foreign commerce. *Id.* at 93–96. In an excess of caution, Congress expressly limited the Act of 1881 to marks used in foreign commerce and in commerce with the Indian Tribes (omitting marks used in interstate commerce). Trade-Mark Act of 1881 § 1. While it was undoubtedly constitutional, this Act was too limited in scope to be much utilized.

143. Trade-Mark Act of 1881 § 1.

144. *See* *Edison v. Thomas A. Edison Jr., Chem. Co.*, 128 F. 1013, 1014 (C.C.D. Del. 1904); CALLMANN, *supra* note 66, § 97.1, at 1666. Interestingly, the 1870 Act provided for intent-to-use registration. Trade-Mark Act of 1870 § 77. After that act was found unconstitutional, this registration option disappeared from American law until The Trademark Law Revision Act of 1988. *See*

The Trade-Mark Act of February 20, 1905 provided for registration of both technical trademarks and certain secondary meaning marks—those that had been in use for ten years prior to the enactment date.<sup>145</sup> Like its predecessor, the 1905 Act was only understood to codify the common law rights of mark owners and to provide procedural but no substantive advantages over the common law.<sup>146</sup>

The 1905 Act required that *registration applicants* provide a description of the manner in which they had “applied and affixed” their mark to goods<sup>147</sup> and a declaration that the mark was being “used in commerce among the several States, or with foreign nations, or with Indian tribes.”<sup>148</sup> With regard to *infringement*, section 16 provided:

Any person who shall, without the consent of the owner thereof, reproduce, counterfeit, copy, or colorably imitate any such trade-mark and *affix the same to merchandise* of substantially the same descriptive properties as those set forth in the registration, *or to labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in connection with the sale of merchandise* of substantially the

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Lanham Act, 15 U.S.C. § 1051(b) (2006).

145. Trade-Mark Act of 1905, ch. 592, § 5, 33 Stat. 724. Section 5 is generally known as the “ten-year clause.” It was assumed that a mark that was not inherently distinctive, but had been used exclusively as a trademark for ten years would have secondary meaning. *Pulitzer Pub. Co. v. Houston Printing Co.*, 11 F.2d 834, 836 (5th Cir. 1926); CALLMANN, *supra* note 66, §98.7, at 1701–02. The ten-year clause is the forerunner of present Lanham Act section 2(f). 15 U.S.C. § 1052(f). As noted earlier, *supra* note 105 and accompanying text, once secondary meaning marks were properly registered under the ten-year clause, courts subjected them to the same “affixation or other close association” prerequisite to infringement as it did registered technical trademarks. *Thaddeus Davids Co. v. Davids Mfg. Co.*, 233 U.S. 461, 469 (1914) (holding that any other interpretation “would render the ten-year proviso meaningless by stripping it of practical effect”); CALLMANN, *supra* note 66, §98.7, at 1702–03. However, protection of common, descriptive, geographically descriptive, and surname marks under the ten-year clause only went to the word or symbol’s trademark, or secondary meaning. Others remained free to use such words and symbols in their primary meaning. 2 NIMS, *supra* note 49, § 229(a), at 790.

146. *Walgreen Drug Stores, Inc. v. Obear-Nester Glass Co.*, 113 F.2d 956, 960 (8th Cir. 1940); Rudolf Callmann, *Trade-Mark Infringement and Unfair Competition*, 14 L. & CONTEMP. PROBS. 185, 202 (1949); Walter J. Derenberg, *The Patent Office as Guardian of the Public Interest in Trade-Mark Registration Proceedings*, 14 L. & CONTEMP. PROBS. 288, 288 (1949). Unlike the 1881 Act, the 1905 Act extended to marks “in commerce with foreign nations, or among the several States, or with Indian tribes.” Trade-Mark Act of 1905 § 1.

147. Trade-Mark Act of 1905 § 1.

148. *Id.* § 2.

same descriptive properties as those set forth in such registration, *and shall use, or shall have used, such reproduction, counterfeit, copy, or colorable imitation in commerce* among the several States, or with a foreign nation, or with the Indian tribes, shall be liable . . . .<sup>149</sup>

Thus, the 1905 Act significantly expanded on the earlier acts' defendant "affixation" requirement, to include a number of other visible mark uses that were closely associated with the sale of goods and that were likely to be understood as indicating product source. While the section 16 infringement definition did not mention use of marks in the advertising of goods,<sup>150</sup> courts nonetheless construed the Act to permit a finding of infringement based on a defendant's use of the mark in advertising its goods.<sup>151</sup>

Section 29, which set forth a series of definitions to be used in construing the 1905 Act, provided that:

[A] trade-mark shall be deemed to be "affixed" to an article when it is placed in any manner in or upon either the article itself or the receptacle or package or upon the envelope or other thing in, by, or with which the goods are packed or inclosed or otherwise prepared for sale or distribution.<sup>152</sup>

Like Lanham Act section 45, which succeeded it, section 29 provided that its definitions must be observed in construing the Act "except where the contrary intent is plainly apparent from the context thereof."<sup>153</sup> This suggests that the 1905 Act's definition of affixation should be applied to "affixation" both as used in the registration context and in the infringement context, although one might argue that defining "affixation" this way for purposes of infringement would render some of the section 16 language redundant.<sup>154</sup>

The Trade-Mark Act of March 19, 1920<sup>155</sup> was the most important amendment to the 1905 Act. It extended the scope of trade name registrations under the 1905 Act's ten-year clause,<sup>156</sup>

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149. *Id.* § 16 (emphasis added).

150. *See supra* text accompanying note 149.

151. *Mishawaka Rubber & Woolen Mfg. Co. v. Panther-Panco Rubber Co.*, 153 F.2d 662, 666–67 (1st Cir. 1946); *see* note 103, *supra*, and accompanying text.

152. Trade-Mark Act of 1905, ch. 592, § 29, 33 Stat. 724.

153. *Id.*

154. Section 16 defined "infringement" as affixing a mark to the defendant's merchandise, "or to labels, signs, prints, packages, wrappers, [and] receptacles intended to be used" with the defendant's merchandise. *Id.* § 16.

155. Trade-Mark Act of 1920, ch. 104, 41 Stat. 533.

156. *Id.* § 9. The amendment permitted owners of marks registered under the ten-year clause to extend their registrations to additional products, beyond

created the predecessor of the Lanham Act's Supplemental Register,<sup>157</sup> and created the predecessor of the Lanham Act's section 43(a), which provides a cause of action for infringement of unregistered indications of origin and other acts of unfair competition.

The 1920 Act's "false designation of origin" provision set forth a cause of action against any person who "shall willfully and with intent to deceive, *affix, apply, or annex or use in connection with any article or articles of merchandise, or any container or containers of the same*, a false designation of origin" and cause the merchandise to enter into interstate or foreign commerce.<sup>158</sup>

The 1920 Act provided essentially the same definition of infringement for marks registered on the new "supplemental register" as the 1905 Act did for registered marks.<sup>159</sup> Thus, the 1920 Act referred to "affixation" in connection with infringement. However, it did not use the word "affix" in connection with its registration provisions.<sup>160</sup>

At this point it is useful to summarize the state of things in 1938, when Congress began, in earnest, to draft a new, comprehensive trademark act. First, all the prior federal trademark acts had expressly defined infringement of marks (and registered secondary meaning marks) in terms of the defendant's *affixation* of a word or symbol to its merchandise (1870 and 1881 Acts), or the defendant's *affixation or other application of the word or symbol* in a manner that closely, visually associated it with its merchandise (1905 and 1920 Acts). Some—but not all—of the Acts also mandated "affixation" as a prerequisite to registration of marks. The

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those listed in the original registration.

157. The 1920 Act provided for registration of a range of foreign marks and domestic marks that were otherwise unregistrable under the terms of the 1905 Act, if they had been "in bona fide use for not less than one year" in interstate or foreign commerce. *Id.* § 1(b). The purpose of this extension of registration was to bring the U.S. into compliance with its treaty obligations and to improve the opportunities for U.S. citizens to register their marks abroad. For further detail, see 2 Nims, *supra* note 49, § 224(a), at 737; Callmann, *supra* note 66, § 98.10, at 1717–21.

158. Trade-Mark Act of 1920 § 3 (emphasis added).

159. *Id.* § 4. While receiving the right to sue for infringement in federal court, however, registrants of the 1920 Act's "one-year marks" did not receive a presumption of ownership the way owners of marks registered under the 1905 Act did. Trade-Mark Act of 1905, ch. 592, § 16, 33 Stat. 724.

160. The marks/trade names to be registered under the 1920 Act must have been "in bona fide use for not less than one year in interstate or foreign commerce . . . by the proprietor thereof, upon or in connection with" the proprietor's goods. Trade-Mark Act of 1920 § 1. Section 1 also referred to the goods to which the mark was "applied." *Id.*

American Law Institute had just released its Restatement of Torts, which recognized that the common law had effectively abandoned the fraudulent intent requirement in secondary meaning mark infringement cases, and set forth essentially the same standard of infringement for both technical trademarks and secondary meaning marks—a standard that expressly required a defendant’s use of the word or symbol “in the manner of a trademark or trade name.”

*B. Enactment of the Lanham Act*

As the United States progressed further into the twentieth century, developing a more expansive and sophisticated commercial economy, pressure mounted from the business sector to modernize and liberalize trademark law. By the late 1930s and early 1940s, the Trade-Mark Act of 1905 had been frequently amended and augmented, resulting in a confusing patchwork of statutory provisions that needed a general overhaul and clarification.<sup>161</sup> Congress began this task in 1938<sup>162</sup> and succeeded in enacting the Lanham Act eight years later, in 1946.<sup>163</sup>

Trademark practitioners, as well as academics, strongly advocated that the new Act provide more liberal registration opportunities for service marks and secondary meaning marks<sup>164</sup> and dispense with the remaining technical distinctions between

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161. See 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 5:3, at 5-9 (4th ed. 2008) (enumerating drawbacks and deficiencies in the 1905 Act that lead to a series of amendments over the years, eventually resulting in a “crazy quilt of modifications and amendments”); 2 NIMS, *supra* note 49, § 223(a), at 733 (describing ten amendments to the 1905 Act).

162. For discussion of the early beginnings of the Lanham Act, see 1 McCarthy, *supra* note 161, § 5:4; Keith M. Stolte, *A Response to Jerome Gilson’s Call for an Overhaul of the Lanham Act*, 94 Trademark Rep. 1335, 1347–50 (2004).

163. Lanham Act, 15 U.S.C. §§ 1051–1141 (2006). The stated purpose of the Lanham Act was, among other things, “to simplify registration and make it stronger and more liberal, to dispense with mere technical prohibitions and arbitrary provisions, to make procedure simple, and relief against infringement prompt and simple.” S. REP. NO. 1333 (1946).

164. As noted earlier, *supra* note 49, the common law of unfair competition protected “trade names,” which included both secondary meaning marks and business names. In liberalizing registration and protection for the full range of indications of origin, the Lanham Act denominated both technical trademarks and secondary meaning marks as “trademarks,” and redefined the term “trade name” to refer only to the name of a business. 15 U.S.C. § 1127 (2006). The Lanham Act provided registration for all trademarks, as defined, but not for trade names (as newly, more narrowly, defined), although Lanham Act § 43(a) has subsequently been construed to protect trade names in the same manner as unregistered trademarks. 15 U.S.C. § 1125(a).

trademarks and secondary meaning marks, including the fraudulent intent requirement for trade name infringement.<sup>165</sup> All of the bills introduced between 1938 and the enactment of the Lanham Act effectively did these things. They provided for registration both of inherently distinctive marks and of marks that were merely descriptive, geographically descriptive, or surnames, but had acquired secondary meaning.<sup>166</sup> They provided registration for service marks.<sup>167</sup> They provided for direct infringement of all registered marks, regardless of the defendant's intent,<sup>168</sup> and removed the fraudulent intent prerequisite from the cause of action for "false designations of origin,"<sup>169</sup> which had originated in the 1920 Act and ultimately became the Lanham Act's infringement provision for unregistered marks and other indications of origin.<sup>170</sup>

Advocates for change also argued for an additional liberalization of the definition of infringement. There had been significant criticism of the prior acts' requirement that the defendant use its allegedly infringing word or symbol in connection with "*merchandise of substantially the same descriptive properties as those set forth*" in the plaintiff's registration certificate.<sup>171</sup> All the

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165. See, e.g., CALLMANN, *supra* note 39, § 86.1(a), at 1723–24; 4 RUDOLF CALLMANN, *THE LAW OF UNFAIR COMPETITION AND TRADE-MARKS* §§ 98.6, 98.7 (2d ed. 1950); Grismore, *supra* note 53 *passim*; Handler & Pickett I & II, *supra* notes 47 & 59 *passim*.

166. H.R. 9041, 75th Cong., 2d Sess. § 3 (1938); H.R. 4744, 76th Cong., 1st Sess. § 2 (1939); H.R. 6618, 76th Cong. § 2 (1939); S. 895, 77th Cong. § 2 (1941); H.R. 5461, 77th Cong. (1941); H.R. 82, 78th Cong., 2nd Sess. § 2 (1944); H.R. 1654, 79th Cong., 1st Sess. § 2 (1945).

167. H.R. 9041, 75th Cong. 2d Sess. § 4 (1938); H.R. 4744, 76th Cong., 1st Sess. § 3 (1939); H.R. 6618, 76th Cong. § 3 (1939); S. 895, 77th Cong. § 3 (1941); H.R. 5461, 77th Cong. § 3 (1941); H.R. 82, 78th Cong., 2nd Sess. § 3 (1944); H.R. 1654, 79th Cong., 1st Sess. § 3 (1945).

168. H.R. 9041, 75th Cong., 2d Sess. §§ 1, 34 (1938); H.R. 4744, 76th Cong., 1st Sess. § 32 (1939); H.R. 6618, 76th Cong. § 32 (1939); S. 895, 77th Cong. § 32 (1941); H.R. 5461, 77th Cong. § 32 (1941); H.R. 82, 78th Cong., 2nd Sess. § 32 (1944); H.R. 1654, 79th Cong., 1st Sess. § 32 (1945).

169. H.R. 9041, 75th Cong., 2d Sess. § 41 (1938); H.R. 4744, 76th Cong., 1st Sess. § 44(a) (1939); H.R. 6618, 76th Cong. § 43(a) (1939); S. 895, 77th Cong. § 43(a) (1941); H.R. 5461, 77th Cong. § 43(a) (1941); H.R. 82, 78th Cong., 2nd Sess. § 43(a) (1944); H.R. 1654, 79th Cong., 1st Sess. § 43(a) (1945)

170. Lanham Act, 15 U.S.C. § 1125(a) (2006).

171. Edward S. Rogers, *Some Suggestions Concerning a Trade-Mark Registration Act*, 43 ANN. REP. A.B.A. 412, 416 (1920); see, e.g., Edward C. Luken, *The Application of the Principles of Unfair Competition to Cases of Dissimilar Products*, 75 U. PA. L. REV. 197, 202–05 (1927); Edward S. Rogers, *The Expensive Futility of the United States' Trade-Mark Statute*, 12 MICH. L. REV. 660, 668–71 (1914). Complaints focused on the vagueness and uncertainty of the statutory language and the resulting inconsistency in the case law regarding how similar the defendant's products had to be to the plaintiff's

bills leading up to the Lanham Act did this as well.<sup>172</sup> However, significant research reveals *nothing in the literature or the hearings to suggest that the interested parties viewed the 1905 and 1920 Acts' liberalized defendant "affixation or other close association" infringement requirement to be problematic or sought to delete it.*

As enacted, the Lanham Act acknowledged and solidified the common law movement toward unifying the law of technical trademark and secondary meaning mark infringement<sup>173</sup>—providing for registration and protection of “trademarks” and defining the term “trademark” to include all distinctive indications of origin for products, whether technical trademarks or secondary meaning marks.<sup>174</sup>

Congress specified that marks that were not inherently distinctive could be registered on a showing of secondary meaning<sup>175</sup> and that demonstration of an applicant's exclusive, continuous use for *five* years could be deemed *prima facie* evidence of secondary meaning for purposes of registration.<sup>176</sup> The Lanham Act redefined the term “trade name” (which had generally been used to refer both to secondary meaning marks and business names under the law of unfair competition), limiting the term to the name of a business.<sup>177</sup>

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before infringement could be found. Critics also argued that limiting infringement to cases where the parties marketed similar goods was too narrow. *See* Bartholomew, *supra* note 96 (manuscript at 16–17).

172. *See supra* note 168.

173. *See, e.g.*, RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9 cmt. f (1995) (“During the first half of the 20th century the substantive rules governing the protection of “trademarks” and “trade names” became essentially identical, and the significance of the distinction diminished. Passage of the Lanham Act in 1946 hastened the abandonment of the former terminology.”); 3 CALLMANN, *supra* note 39, § 81.3, at 1399 (discussing movement in the common law to amalgamate trademark and secondary meaning mark (unfair competition) law); Chafee, *supra* note 50, at 1296–98; Handler & Pickett I & II, *supra* notes 47 & 59 *passim*.

174. The Lanham Act defines a trademark as: “any word, name, symbol, or device . . . used by a person . . . to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.” 15 U.S.C. § 1127. Congress recognized four different kinds of marks—trademarks, service marks, collective marks, and certification marks—and determined that they could all be registered on the Lanham Act Principal Register. §§ 1052–1054, 1127. This Article will use the term “mark” or trademark to refer to trademarks, service marks, and collective marks, since the relevant Lanham Act provisions are mainly the same for all.

175. *Id.* § 1052(e)–(f).

176. *Id.* § 1052(f).

177. *Id.* § 1127. While the names of business, as such, cannot be registered, courts have construed Lanham Act section 43(a) to protect trade names on the same basis as unregistered marks and trade dress. *Id.* § 1125(a).

Congress provided a federal cause of action for infringement of registered marks<sup>178</sup> and, in addition, improved upon the Trademark Act of 1920's cause of action for the use of "false designation[s] of origin."<sup>179</sup> The false designations of origin provision would be construed, over time, to provide a broad federal cause of action for infringement of unregistered indications of origin, including unregistered marks, trade dress, and business names.<sup>180</sup> Neither infringement cause of action depended on a defendant's bad faith intent to deceive consumers.

Though the Lanham Act primarily codified *contemporary* common law doctrine,<sup>181</sup> as it had in the past, Congress did determine that it had constitutional authority to enact new, substantive trademark rights to augment the common law, notwithstanding longstanding suggestions to the contrary.<sup>182</sup> While

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178. *Id.* § 1114(1)(a).

179. Trade-Mark Act of 1920, ch. 104, § 3, 41 Stat. 533. The substance of section 3 was incorporated into Lanham Act section 43(a), with the coverage extended to "services," as well as merchandise, and deletion of the requirement that defendants act "willfully and with intent to deceive." *See* *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 777 (1992); Stolte, *supra* note 162, at 1346.

180. 15 U.S.C. § 1125(a).

181. *See* note 141, *supra*, and accompanying text.

182. As noted earlier, note 93 *supra*, and accompanying text, a number of courts and commentators had suggested that Congress lacked such authority. *See, e.g.*, *Am. Steel Foundries v. Robertson*, 269 U.S. 372, 381 (1926) (suggesting that Congress "has been given no power to legislate upon the substantive law of trade-marks"); Sylvester J. Liddy, *Has Congress the Constitutional Power to Legislate on the Substantive Law of Trade-Marks?*, 6 *FORDHAM L. REV.* 408 (1937) (noting authority suggesting that congress lacked the requisite power to legislate, but disagreeing with it). However, that assertion had been criticized. *See, e.g.*, *Philco Corp. v. Phillips Mfg. Co.*, 133 F.2d 663, 668 (7th Cir. 1943) ("Although the question has never been squarely decided by the Supreme Court, we believe it is clear that Congress has the power to legislate upon the substantive law of trade-marks."); CALLMANN, *supra*, note 66, § 97.2, at 1668-70 (reviewing the authorities and concluding that Congress did, in fact have the necessary power under the Commerce Clause). Congress, however, ultimately determined that it did possess the necessary power. S. REP. NO. 1333 (1946) ("There can be no doubt under the recent decisions of the Supreme Court of the constitutionality of a national act giving substantive, as distinguished from purely procedural rights in trade-marks in commerce over which Congress has plenary power."); *see* Derenberg, *supra* note 39, at 288 ("While the Act of 1905 was based on the theory that the Federal Government could not under the commerce clause of the Constitution enact legislation granting substantive statutory rights to the owner of a trademark, the [Lanham Act] is based on the presupposition that within the realm of commerce, as broadly defined in Section 45 of the Act, a federal registration statute may create substantive rights beyond the mere procedural advantages which resulted from registration under the previous acts.").



exercising this authority sparingly, Congress provided a few specific enhancements to common law trademark rights in order to provide incentives to register and to make nationwide marketing more efficient.<sup>183</sup>

We turn now to the specific Lanham Act provisions that are relevant to the issue of trademark use as a prerequisite to infringement liability.

### C. *The Relevant Statutory Provisions*

The Lanham Act provides that in order to register a mark, applicants must demonstrate that their marks have been “used in commerce.”<sup>184</sup> “Use in commerce” is defined in Lanham Act section 45,<sup>185</sup> and entails two things: (1) a use of the mark that affects interstate commerce (and thus provides federal authority to regulate under the Constitution’s Commerce Clause<sup>186</sup>); and (2) a prescribed form of trademark use. While the common law of unfair competition did not subject secondary meaning marks to an “affixation” requirement, *all* Lanham Act registration applicants must satisfy the full “use in commerce” requirement, even if they must also demonstrate secondary meaning. Lanham Act section 45 provides in full:

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

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183. These substantive enhancements include incontestability status for marks registered for over five years, 15 U.S.C. §§ 1065, 1115(b), and constructive notice provisions to enhance the geographic scope of registered marks. *Id.* § 1072; *Dawn Donut Co. v. Hart’s Food Stores, Inc.*, 267 F.2d 358 (2d Cir. 1959).

184. 15 U.S.C. § 1051.

185. 15 U.S.C. § 1127.

186. U.S. CONST. art. I, § 8, cl. 3.

rendering the services is engaged in commerce in connection with the services.<sup>187</sup>

The Lanham Act standard for infringement of registered marks, set forth in section 32(1)(a), provides remedies against a person who, without the consent of the registrant

*uses in commerce* any reproduction, counterfeit, copy, or colorable imitation of a registered mark *in connection with* the sale, offering for sale, distribution, or advertising of any goods or services *on or in connection with which* such use is likely to cause confusion, or to cause mistake, or to deceive.<sup>188</sup>

The Lanham Act section 43(a) provision for infringement of unregistered marks imposes liability on

[a]ny person who, *on or in connection with* any goods or services, or any container for goods, *uses in commerce* any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which . . . is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person.<sup>189</sup>

While the statutory language of sections 32(1)(a) and 43(a) differs, the provisions are generally understood to impose the same

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187. *Id.* (emphasis added).

188. *Id.* § 1114(1)(a) (emphasis added).

189. *Id.* § 1125(a) (emphasis added). The language reprinted above results from an amendment made in the Trademark Law Revision Act of 1988. Pub. L. No. 100-667, 102 Stat. 3935. Prior to that amendment, the statutory language was as follows:

Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce . . . shall be liable to a civil action by any person doing business in the locality falsely indicated as that of origin or the region in which said locality is situated, or by any person who believes that he is likely to be damaged by the use of any such false description or representation.

15 U.S.C. § 1125(a) (1987). While the case law had construed this earlier language to provide a federal cause of action for unregistered mark infringement, the construction was an awkward one. The amendments were intended, among other things, to more nearly conform the statutory language to the case law interpretation. *See infra*, notes 250–53 and accompanying text.

standard for infringement.<sup>190</sup>

There are three ways that the Lanham Act may be deemed to incorporate and impose a requirement that plaintiffs demonstrate the defendant's "trademark use" as a part of their prima facie showing of infringement. First, the trademark use requirement may arise from the "use in commerce" requirement set forth in both sections 32(1)(a) and 43(a) and defined in section 45.<sup>191</sup> Second, the trademark use requirement may be found in the statutory requirement (again imposed in both sections 32(1)(a) and 43(a)) that the allegedly infringing mark be used "on or in connection with" goods or services.<sup>192</sup> Finally, the Lanham Act may implicitly incorporate the trademark use requirement by virtue of having codified the common law trademark infringement and unfair competition causes of action.<sup>193</sup> Each of these three interpretations will be discussed below.

*D. Finding Trademark Use in the "Use in Commerce" Requirement.*

As the quoted passages from Lanham Act sections 32(1)(a) and 43(a) indicate, both infringement provisions require that the defendant "use [the allegedly infringing word or symbol] *in commerce*." Lanham Act section 45 (also quoted above) defines when "use in commerce" occurs. This definition clearly requires two things. First, it requires trademark use—close association of the mark with the sale or distribution of goods or services. Trademarks must be placed on goods or their containers, on displays associated with the goods, on tags or labels affixed to the goods, or (when such placement is impracticable) on documents associated with the goods or their sale. (This language is highly reminiscent of the "affixation or other close association" language of the 1905 and 1920 federal trademark infringement provisions.) Service marks must be "used or displayed in the sale or advertising of services."<sup>194</sup> Second, the goods or services must be sold, distributed, or rendered in interstate commerce.<sup>195</sup>

Since both sections 32(1)(a) and 43(a) require that the defendant "use [its allegedly infringing mark] in commerce," and the

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190. ROGER E. SCHECHTER & JOHN R. THOMAS, *INTELLECTUAL PROPERTY: THE LAW OF COPYRIGHTS, PATENTS AND TRADEMARKS* 636 (2003).

191. *See infra* Subsection II. D.

192. *See infra* Subsection II. E.

193. *See infra* Subsection II. F.

194. Lanham Act, 15 U.S.C. § 1127 (2006).

195. This ensures the necessary federal jurisdiction to regulate the use under the Commerce Clause. U.S. CONST. art. I, § 8, cl. 3.

Lanham Act essentially defines “use in commerce” to mean “trademark use that affects commerce,” one might readily conclude that the Lanham Act limits infringement liability to a defendant’s use of an allegedly infringing mark “as a trademark” for its goods or services in commerce.<sup>196</sup> A number of courts have cited the section 45 definition of “use in commerce” as authority for requiring infringement plaintiffs to demonstrate a form of trademark use on the defendant’s part.<sup>197</sup>

However, as I have explained in a previous article,<sup>198</sup> the fit is not perfect, due to some inconsistency in the statutory language. The section 45 definition provides that trademarks are “used in commerce” in connection with *goods* when they are placed on the goods or their containers or on displays associated with the goods. But it does not provide that a mark is “used in commerce” when it is employed in *advertising of goods*. (Section 45 provides that *service* marks are “used in commerce” when displayed in advertising, but trademarks are not.) This limitation seems inconsistent with the language of Lanham Act section 32, which specifically provides for

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196. See Eric Goldman, *Online Word of Mouth and Its Implications for Trademark Law*, in TRADEMARK LAW AND THEORY: A HANDBOOK OF CONTEMPORARY RESEARCH 404 (Graeme B. Dinwoodie & Mark D. Janis eds., 2008). Goldman recognizes difficulties posed by the section 45 definitional language, but nonetheless argues that:

A use in commerce should occur only when the defendant uses the plaintiff’s trademark to designate the source of the defendant’s goods or services. This source-designation requirement is explicit in the definition of a “trademark,” defined in §45 as a word (or other symbol) used “to identify and distinguish his or her goods, including a unique product from those manufactured or sold by others and to indicate the source of the goods.” This definition constitutes a predicate requirement for protectable rights, but it also is a constituent requirement of an infringement. Section 45’s definition of “use in commerce” references the definition of “trademark,” thus implicitly requiring that the defendant cannot infringe unless the defendant makes a source-designating use of the third party trademark.

*Id.* at 418–19.

197. *E.g.*, 1-800 Contacts, Inc. v. WhenU.Com, Inc., 414 F.3d 400, 407 (2d Cir. 2005); DaimlerChrysler AG v. Bloom, 315 F.3d 932, 936 (8th Cir. 2003); Wells Fargo & Co. v. WhenU.Com, Inc., 293 F. Supp. 2d 734, 757 (E.D. Mich. 2003); Council of Better Bus. Bureaus, Inc. v. Bailey & Assocs., Inc., 197 F. Supp. 2d 1197, 1212–13 (E.D. Mo. 2002); Macia v. Microsoft Corp., 152 F. Supp. 2d 535, 539 (D. Vt. 2001); Euromarket Designs, Inc. v. Crate & Barrel Ltd., 96 F. Supp. 2d 824, 830–33 (N.D. Ill. 2000); WHS Entm’t Ventures v. United Paperworkers Int’l Union, 997 F. Supp. 946, 949–51 (M.D. Tenn. 1998); Acad. of Motion Picture Arts & Scis. v. Network Solutions, Inc., 989 F. Supp. 1276, 1279 (C.D. Cal. 1997); Lucasfilm Ltd. v. High Frontier, 622 F. Supp. 931, 934 (D.D.C. 1985); Nat’l Tuberculosis Ass’n v. Summit County Tuberculosis Health Ass’n, 122 F. Supp. 654, 656 (N.D. Ohio 1954).

198. Barrett, *supra* note 3, at 384.

infringement liability when a trademark is “use[d] in commerce . . . in connection with the sale, offering for sale, distribution or advertising of any goods or services.”<sup>199</sup>

Another commentator has pointed out that the section 45 definition of “use in commerce” for services is “fatally ambiguous”<sup>200</sup> and that the overall definition improperly focuses on the *manner* of the defendant’s use when it should focus on the impact—the meaning that the use conveys to consumers.<sup>201</sup> I do not find the latter criticism convincing. There are good reasons to adopt a proxy, such as the manner of the defendant’s use, to ensure that infringement liability is limited to situations in which the defendant’s use is substantially likely to communicate source. All the prior federal trademark acts employed this proxy, as did the common law. The manner of the defendant’s use will generally predict the impact on consumers and an objective evaluation of the manner of the use is likely to be much more efficient than an inquiry into the actual impact on consumers in every case.<sup>202</sup> Moreover, there are ways in which the courts can further fine-tune the manner of use inquiry to ensure that it closely predicts a source-indicating

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199. It is more nearly consistent with the language of Lanham Act section 43(a), which does not expressly mention advertising. As explained more fully *infra* at note 233 and accompanying text, the omission of advertising use in the case of marks is likely to have been a drafting oversight.

200. McKenna, *supra* note 25 (manuscript at 34) (“According to § 1127, a mark is *used* in commerce on services when it is ‘*used* or displayed in the sale or advertisement of services.’”).

201. *Id.* (manuscript at 29–37). McKenna also believes that imposing an “affixation” requirement would make it impossible for plaintiffs to recover for reverse infringement. *Id.* (manuscript at 33). However, as discussed *supra* at notes 135, 135, 137 and 140, a reverse infringement claim should be framed as “fraudulent marketing,” or “passing off,” rather than trademark infringement, and actionable on that basis under Lanham Act section 43(a).

202. Focusing on the manner of the defendant’s use also can reduce the steady expansion of trademark rights that, according to McKenna, is the direct result of predicating trademark rights strictly on easily manipulated consumer perceptions. It can enable courts proactively to shape consumer expectations and counteract mark owners’ attempts to convince consumers that all third-party uses of their marks must be licensed. It may enable courts to focus their resources on redressing the kinds of mark uses that are most likely to materially impair the effectiveness of marks to serve their purpose—cases at the “core” of the trademark interest. See Robert G. Bone, *Enforcement Costs and Trademark Puzzles*, 90 VA. L. REV. 2099, 2118–23 (2004) (describing the “core” interests that trademark law undertakes to protect, noting that the benefits of affording protection in “core” cases are significantly greater than the benefits of protection at the fringes (or in “expansion areas”), where costs may exceed benefits).

impact on consumers.<sup>203</sup>

I do, however, agree that the section 45 definition is not an ideal formulation of the trademark use requirement, even putting aside the vagueness concerning use of service marks and the deletion of use in advertising goods. While the definition's language is calculated to define uses of marks that are generally likely to communicate source to consumers, it is simultaneously too broad (as Dinwoodie and Janis argue, mere application of a mark to a product or its packaging does not *automatically* guarantee source identification) and too narrow (not only omitting advertising use, but also focusing on visual uses, to the seeming exclusion of sound or other sensory communication). It also might be applied too inflexibly.<sup>204</sup> As I discuss in a later section, however,<sup>205</sup> courts in fact have considerable flexibility to apply the section 45 standard in a manner that more effectively serves its underlying purpose in the infringement context.

Of course, "use in commerce" is a necessity at other points in the Lanham Act: applicants to register marks demonstrate their own use in commerce in order to establish ownership and registration rights. Some commentators and circuit courts have argued that Congress *only* intended the section 45 definition to apply in that "acquisition of rights" context, and *not* in the infringement context.<sup>206</sup> However, such a reading is inconsistent with normal rules of statutory interpretation, which hold that the definition of a term in the definitional section of an act controls interpretation of that term

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203. They could, for example, establish rules of thumb for determining whether the defendant's manner of use and placement of the mark is likely to make a separate impression" on consumers. See *infra* note 328 and accompanying text.

204. *But see* McKenna, *supra* note 25 (manuscript at 31 n.82) (suggesting that the section 45 definition's statutory language could be read to enumerate uses that *must* be deemed "uses in commerce," but not preclude courts from finding that other actions constitute use in commerce as well).

205. See *infra* notes 308–11 and accompanying text.

206. See *Utah Lighthouse Ministry v. Found. for Apologetic Info. & Research*, 527 F.3d 1045, 1052 (10th Cir. 2008); *N. Am. Med. Corp. v. Axiom Worldwide, Inc.*, 522 F.3d 1211, 1220 n.7 (11th Cir. 2008); *Playboy Enters., Inc. v. Netscape Commc'ns Corp.*, 354 F.3d 1020, 1024 n.11 (9th Cir. 2004); 4 MCCARTHY, *supra* note 161, § 23:11.50, at 23-76 to 23-78; Dinwoodie & Janis, *Confusion*, *supra* note 24, at 1612–13; McKenna, *supra* note 25 (manuscript at 30–31). Actually, the term "use in commerce" or "used in commerce" appears in a number of contexts throughout the Lanham Act. See, e.g., Lanham Act, 15 U.S.C. §§ 1058 (duration of registration), 1065 (incontestability provisions), 1091 (supplemental register), 1115 (evidentiary value of registration), 1125(c) (dilution provisions), 1126 (international conventions) (2006).

wherever it appears throughout the act.<sup>207</sup> Indeed, section 45 itself states that its definitions should apply in the construction of the Lanham Act, “unless the contrary is plainly apparent from the context.” There is nothing in the Lanham Act’s section 45 definitional section or elsewhere in the Act plainly indicating that Congress intended to apply the “use in commerce” definition selectively.<sup>208</sup>

In any event, examination of the legislative history of the Lanham Act and the federal trademark registration acts that preceded it make it apparent that Congress did, in fact, intend the section 45 definition of “use in commerce” to apply in the infringement context. I reach this conclusion because: (1) this construction is most consistent with the infringement provisions in prior federal trademark acts, and there is no suggestion that Congress intended to change their substance on this point; (2) statements made in hearings on the bills suggest that participants linked the section 45 definition with the infringement provisions; and perhaps most importantly, (3) during the course of enactment, the section 45 definition tracked changes in the section 32 infringement language from one bill to the next, clearly indicating that the drafters primarily envisioned the section 45 definition to work in conjunction with the infringement provisions, rather than with the acquisition of rights provisions.

The first bill that Representative Lanham introduced in 1938 had been drafted by the American Bar Association’s Patent Section.<sup>209</sup> This bill, House Bill 9041, provided for *registration* of marks that had been “*used in commerce*.”<sup>210</sup> The registered mark *infringement* provision prohibited “*use in commerce*” of copies, counterfeits, or colorable imitations of registered marks “*upon or in connection with*” merchandise of such character that the use would

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207. See *Ratzlaf v. United States*, 510 U.S. 135, 143 (1994); *Crooks v. Harrelson*, 282 U.S. 55, 60 (1930); *Fla. Dept. of Banking & Fin. v. Bd. of Governors of the Fed. Reserve Sys.*, 800 F.2d 1534, 1536 (11th Cir. 1986).

208. While one might argue that the “advertising use” discrepancy, discussed above, indicates a contrary intent, that intent is not “plainly apparent,” as will be discussed *infra* at Subsection II. D.

209. H.R. 9041, 75th Cong., 2d Sess. (1938). According to report, the Patent Section had been working on the draft for a number of years. Earlier versions of it had been introduced to Congress in the 1920s to no avail. In 1937, the Commissioner of Patents asked Edward S. Rogers, a prominent member of the Section, to meet with Congressman Lanham, who was the Chair of the House Committee responsible for trademark legislation. Rogers gave Rep. Lanham the ABA Patent Section draft, which Lanham introduced as House Bill 9041 in January of 1938. 1 MCCARTHY, *supra* note 161, § 5:4, at 5-10; Stolte, *supra* note 162, at 1348-49.

210. H.R. 9041, 75th Cong., 2d Sess. § 2 (1938) (emphasis added).

cause a likelihood of confusion.<sup>211</sup> The definition section at the end of the bill provided no definition of “use in commerce.” It did provide that “a trademark will be *deemed applied to an article* when it is placed in any manner in or upon either the article or its container or its display or to tags or labels or otherwise used in the advertisement or sale thereof.”<sup>212</sup>

However, the term “applied” did not appear *either* in the registration provision *or* in the registered mark infringement provision. It only appeared in the “false designation of origin” provision, which imposed liability on any person

who shall *affix, apply or annex or use in connection with* any article or articles of merchandise, or any container or containers of the same, a false designation of origin, or any false description or representation including words or other symbols tending falsely to describe or represent the same, and shall cause such merchandise to enter into commerce . . . .<sup>213</sup>

There was no definition of “affix,” “annex,” or “use in connection with.” The House Committee on Patents held hearings on this bill but took no further action.

A new bill, House Bill 4744,<sup>214</sup> was introduced in 1939. It differed significantly from the American Bar Association’s Patent Section draft, returning to the general terminology and form of the 1905 Act. House Bill 4744 provided registration for marks that were “used in commerce.”<sup>215</sup> With regard to infringement of registered marks, the bill provided:

Any person who shall without the consent of the registrant thereof reproduce, counterfeit, copy, or colorably imitate any trade-mark . . . and shall *affix* such reproduction, counterfeit, copy, or colorable imitation *to merchandise* of such character that the use thereof is likely to cause confusion or mistake or to

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211. *Id.* §§ 1, 34 (emphasis added). In the hearings, it was noted that this language was broader than that in the 1905 Act “because it is not restricted to copies used upon labels or prints, but any copy, counterfeit or trademark. For example, it would apply to ads.” *Hearing on H.R. 9041 Before the Subcomm. on Trademarks of the H. Comm. on Patents, 75th Cong. 68* (1938) (statement of Mr. Thompson). The bill also prohibited trafficking in counterfeit labels and packaging materials.

212. H.R. 9041, 75th Cong., 2d Sess. § 43 (1938) (emphasis added).

213. *Id.* § 41 (emphasis added). This language remained constant throughout the drafting process and was ultimately enacted in Lanham Act section 43(a). As will be discussed *infra* note 251 and accompanying text, the language was amended in 1988.

214. H.R. 4744, 76th Cong., 1st Sess. (1939).

215. *Id.* § 1.



deceive purchasers, or to labels, signs, prints, packages, wrappers, receptacles, or advertisements intended to be used upon or in connection with the sale of such merchandise, and shall use or have used such reproduction, counterfeit, copy or colorable imitation in commerce, shall be liable . . . .<sup>216</sup>

This is almost exactly the language of the 1905 Act's infringement provision, except that it adds advertisement use to the list of prohibited trademark uses<sup>217</sup> and describes the range of merchandise on which the defendant must affix the mark more broadly.<sup>218</sup> The House Bill 4744 definition section provided that: "A trademark shall be deemed to be *affixed to* an article when it is placed in any manner in or upon either the article or its container or display or upon tags or labels or is otherwise used in the advertisement or sale thereof."<sup>219</sup> This was the only relevant definition.<sup>220</sup> It clearly applied to the new registered mark *infringement provision* and the *false designation provision* (which remained the same as the quoted language from House Bill 9041, *supra* notes 213, throughout the process), since the term "affix" did not appear anywhere in the registration provision. The language of this bill reinforces the impression that deleting the former Trademark Acts' defendant "affixation or other close association" requirement was not on Congress' reform agenda.

It should be noted that in tracking the 1905 language, the bill's definition of infringement addressed use of marks in connection with *goods*, but not *services*. However, unlike the 1905 Act, the Lanham Act made service marks registerable, along with trademarks. The bill's definition section provided that: "Service marks' [sic] are

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216. *Id.* § 32 (emphasis added).

217. As noted earlier, this addition reflects judicial construction of the 1905 infringement provision. *See supra* note 103 and accompanying text.

218. Trade-Mark Act of 1905, ch. 592, § 16, 33 Stat. 724. The 1905 Act provided, at section 16:

[a]ny person who shall, without the consent of the owner thereof, reproduce, counterfeit, copy, or colorably imitate any such trade-mark and affix the same to merchandise of substantially the same descriptive properties as those set forth in the registration, or to labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in connection with the sale of merchandise of substantially the same descriptive properties as those set forth in such registration, and shall use, or shall have used, such reproduction, counterfeit, copy, or colorable imitation in commerce . . . shall be liable . . . .

*Id.*

219. H.R. 4744, 76th Cong., 1st Sess. § 46 (1939) (emphasis added).

220. The bills did provide a uniform definition of "commerce" throughout the process: "all commerce which may be lawfully regulated by Congress." *Id.*

marks so used as to distinguish the user's services of any nature from the similar services of others."<sup>221</sup>

The House Committee on Patents held hearings on House Bill 4744, but then introduced a revised bill, House Bill 6618.<sup>222</sup> The new bill provided *registration* for marks "used in commerce," like the prior bills,<sup>223</sup> but remembered that service marks could be infringed, too, and revised the registered mark infringement provisions accordingly:

Any person who shall, in commerce, without the consent of the registrant . . . *apply* [a] reproduction, counterfeit, copy, or colorable imitation [of a registered mark] *to merchandise or services* of such a character that the use thereof is likely to cause confusion or mistake or to deceive purchasers, *or to labels, signs, prints, packages, wrappers, receptacles, or advertisements* intended to be used upon or in connection with the sale of such merchandise or services . . . shall be liable . . . .<sup>224</sup>

In the definition section, House Bill 6618 substituted a definition of "apply" for the earlier bill's definition of "affix," reflecting the change in the section 32 infringement provision. The definition of "apply" was virtually identical to the former definition of "affix."<sup>225</sup> Thus, the new infringement provision incorporated a reference to services, the definition of "affix/apply" did not. House Bill 6618 nonetheless passed the House and the Senate. However, a motion to reconsider was entered and agreed to the next day in the Senate. The bill returned to the calendar and was not considered again in the 76th Congress.<sup>226</sup>

Two different bills got play in the 77th Congress: Senate Bill 895<sup>227</sup> and House Bill 5461.<sup>228</sup> Both bills, like all their predecessors,

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221. *Id.*

222. H.R. 6618, 76th Cong. (1939).

223. *Id.* § 1.

224. *Id.* § 32 (emphasis added). Section 32 also targeted persons (printers) who reproduced marks at the behest of others, *id.* § 32(a), and added a very broad, general prohibition of false marketing. *Id.* § 32(b).

225. *Id.* § 45 ("[A] mark shall be deemed to be applied to an article when it is placed in any manner in or upon either the article or its container or display or upon tags or labels or is otherwise used in the advertisement or sale thereof in commerce.").

226. H.R. REP. NO. 79-219 (1945).

227. S. 895, 77th Cong. (1941). Senate Bill 895 passed in the Senate and the House, then went back to the Senate for action on the House amendments. No further action was taken in the Senate. H.R. REP. NO. 79-219 (1945). House Bill 102, a third bill introduced in the 77th Congress, was identical to Senate Bill 895.

provided for *registration* of marks “used in commerce.”<sup>229</sup> However, while Senate Bill 895 retained the registered mark infringement language from House Bill 6618, quoted above, and the accompanying definition of when a mark is “applied,”<sup>230</sup> the House Bill 5461 registered mark infringement provision broke new ground, coming closer to the version that ultimately was enacted:

Any person who shall in commerce, . . . use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services of such a character that such use is likely to cause confusion or mistake, or to deceive purchasers . . . shall be liable . . . .<sup>231</sup>

The “use in commerce” language better accommodates the section 32 function of defining *service mark infringement*—one might more readily “use” a mark “with” a service than apply or affix it “to” a service. In line with this change of language, the House Bill 5461 definition section exchanged a definition of “use in commerce” for the previous definition of when a mark is “applied” to goods:

a mark shall be deemed to be used in commerce (a) on goods when 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 and the goods are sold or transported in commerce and (b) on services when used or displayed in the sale or advertising of services in commerce.<sup>232</sup>

This language, for the first time, specifies how service marks must be used. The provision of how trademarks must be used,

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228. H.R. 5461, 77th Cong. (1941).

229. S. 895, 77th Cong. § 1 (1941); H.R. 5461, 77th Cong. § 1 (1941).

230. S. 895, 77th Cong. §§ 32 & 45 (1941). Section 32 included language that may have released the infringement cause of action from the trademark use restriction. It stated that it would constitute infringement to “otherwise use such reproduction, counterfeit, copy, or colorable imitation falsely to indicate that the goods or services are the goods or services of a person who shall have registered a mark under this Act.” This very broad provision, however, like an earlier “false marketing” provision in House Bill 6618, was destined to be deleted.

231. H.R. 5461, 77th Cong. § 32 (1941) (emphasis added). This provision also provided a form of contributory infringement liability for printers and others who created or trafficked in infringing labels and packaging, and prohibited use of reproductions, copies, counterfeits, and colorable imitations “falsely to indicate the source” of goods or services. *Id.* § 32(b), (c).

232. *Id.* § 45.

however, carries on the essence of the definitions of “affix” and “apply,” in earlier bills, except that it deletes reference to use in advertising.<sup>233</sup> The “use in commerce” definition duplicates much of the language of the earlier definitions of “affix” and “apply,” and seems to perform the same function.<sup>234</sup> However, there can be no question that those earlier definitions were intended to apply to the infringement provisions, rather than to the registration provisions, since neither “affix” nor “apply” appeared in the registration provisions.

It should also be noted that while the registration provision of every prior bill had employed the term “use in commerce” to describe marks that were eligible for *registration*, the definition section did not provide a definition of “use in commerce” until the “in commerce, use” language was substituted for “affix” and “apply” in the registered mark *infringement* provision. Moreover, discussion in the hearings on House Bill 5461 clearly indicate that the persons participating in the hearings *associated the new “use in commerce” definition with the section 32 infringement provision.*<sup>235</sup>

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233. There is no explanation in the Hearings for the deletion of advertising use. There was some concern expressed about interference with the publication of magazines and newspapers. *Hearings on H.R. 102, H.R. 5461, and S. 895 Before the Subcomm. on Trademarks of the House Committee on Patents, 77th Cong., 177 (1941)*. However, this would not explain why advertising would constitute an infringing use of service marks, but not trademarks. The most likely explanation is that deleting advertising use in the case of trademarks was a drafting oversight.

234. For comparison purposes, the earlier definition of “affix” appears in the text accompanying note 219. The earlier definition of “apply” appears *supra* note 225.

235. *Hearings on H.R. 102, H.R. 5461, and S. 895 Before the Subcomm. on Trademarks of the House Committee on Patents, 77th Cong. 177 (1941)*. The parties to the exchange set forth below refer to the infringement provision as “§ 33,” but the language of this section is the same as that set forth above as § 32.

Mr. Bailey: Mr. Chairman, Mr. Beesley has brought up a question that involves the paragraph beginning with line 4, page 45 of the committee print. Now, section 33(1)(a), that first section of 33, is obviously intended, I think, only to apply to the actual infringer. That is the person who sells the goods, and section (b) is intended to apply to the printer, the newspaper, the label manufacturer, and the like.

In that definition of what use means, section 33(1)(a) starts off: “Any person who shall, in commerce, use” and so forth. On page 45, use of the mark on goods requires that the goods be sold or transported in commerce, as set forth in line 8. On services, however, it would seem to me, as Mr. Beesley has pointed out, somewhat indefinite as to whether a newspaper carrying an advertisement of a service might not be using the mark in the sense of lines 9 and 10, so I propose this amendment in line 9, page 5, of the committee print: After “when,” insert “it is.”

Mr. Lanham: So it will read “when it is used or displayed.”

House Bill 82,<sup>236</sup> introduced in the 78th Congress, and House Bill 1654,<sup>237</sup> introduced in the 79th Congress, retained the same “use in commerce” prerequisite for registration,<sup>238</sup> registered mark infringement language,<sup>239</sup> and definition<sup>240</sup> as House Bill 5461, described above, and this language was enacted in the Lanham Act.<sup>241</sup> Lanham Act section 43 enacted the language of the false designation of origin cause of action, which appeared in the first bill, introduced in 1938, and never changed.<sup>242</sup>

There have been subsequent amendments to the statutory language, and three of them are relevant to the current discussion. First, in 1962, Congress revised Lanham Act section 32(1)(a), among other things, to change the first sentence from “[a]ny person who shall, *in commerce*, (a) *use*, without the consent of the registrant, any reproduction . . .” to “[a]ny person who shall, without the consent of the registrant (a) *use in commerce* any reproduction . . . .”<sup>243</sup> The accompanying House Report suggested that this change was to “clarify” and “refine” the Act’s language.<sup>244</sup> This indicates (if there was any doubt) that “in commerce, use” is equivalent to “use in commerce,” as set forth elsewhere in the Act and defined in section 45.

Second, when Congress enacted amendments to permit “intent-to-use” applications to register marks, it amended Lanham Act

Mr. Bailey: And in line 10, after “services,” insert “and the services are rendered.” That would make it consistent with the first part of that same paragraph.

Mr. Thomas Quinn Beesley: That is acceptable to me, Mr. Chairman. I represent the National Council on Business Mail, which is made up of the largest users of mail in the country. We feel that that clarification is correct.

Mr. Lanham: Is not that really the intent of that, Mr. Martin?

Mr. Martin: Precisely. There is no objection to it that I can see.

These suggested changes to the definition of “use in commerce” were incorporated into the definition in H.R. 82, which was the next bill to be considered. H.R. 82, 78th Cong., 1st Sess. § 45 (1943).

236. H.R. 82, 78th Cong., 1st Sess. (1943).

237. H.R. 1654, 79th Cong., 1st Sess. (1945).

238. H.R. 82, 78th Cong., 1st Sess. § 1 (1943); H.R. 1654, 79th Cong., 1st Sess. § 1 (1945).

239. H.R. 82, 78th Cong., 1st Sess. § 32 (1943); H.R. 1654, 79th Cong., 1st Sess. § 32 (1945).

240. H.R. 82, 78th Cong., 1st Sess. § 45 (1943); H.R. 1654, 79th Cong., 1st Sess. § 45 (1945).

241. Lanham Act, 15 U.S.C. §§ 1051, 1114(1)(a), 1127 (2006).

242. *Id.* § 1125(a). For reference, that language is reproduced *supra* text accompanying note 213.

243. Act of Oct. 9, 1962, Pub. L. No. 87-772 § 17, 76 Stat. 773 (emphasis added).

244. H.R. REP. NO. 87-1108, at 2 (1961).

section 45 to provide that “token uses” of marks, which the Patent and Trademark Office had previously accepted to satisfy the “use in commerce” prerequisite to registration,<sup>245</sup> would no longer be a sufficient basis for registration: “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.”<sup>246</sup> A Senate Report generated in the course of this amendment stated that “the revised definition is intended to apply to all aspects of the trademark registration process . . . . Clearly, however, use of any type will continue to be considered in an infringement action.”<sup>247</sup> Professors Dinwoodie and Janis cite this statement as evidence that Congress only intended the section 45 definition of “use in commerce” to apply to the Lanham Act’s registration provisions.<sup>248</sup> However, while the statement clearly indicates that Congress intended (at least, in 1988) for the section 45 definition to apply when “use in commerce” appears in the registration provisions (this is already confirmed by

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245. See *Blue Bell, Inc. v. Farah Mfg. Co.*, 508 F.2d 1260, 1266–67 (5th Cir. 1975).

246. 15 U.S.C. § 1127. The amendment was enacted in the Trademark Law Revision Act of 1988, Pub. L. No. 100-667, § 134(8), 102 Stat. 3946.

247. S. REP. NO. 100-515, at 44–45 (1988). More fully, the report says:

Amendment of the definition of “use in commerce” is one of the most far-reaching changes the legislation contains. Revised to eliminate the commercially transparent practice of token use, which becomes unnecessary with the legislation’s provision for an intent-to-use application system, it will have a measurable effect on improving the accuracy of the register (by permitting the removal of “deadwood”) and determining whether a party has abandoned its rights in a mark.

The committee intends that the revised definition of “use in commerce” be interpreted to mean commercial use which is typical in a particular industry. Additionally, the definition should be interpreted with flexibility so as to encompass various genuine, but less traditional, trademark uses, such as those made in test markets, infrequent sales of large or expensive items, or ongoing shipments of a new drug to clinical investigators by a company awaiting FDA approval, and to preserve ownership rights in a mark if, absent an intent to abandon, use of a mark is interrupted due to special circumstances. Finally, the revised definition is intended to apply to all aspects of the trademark registration process, from applications to register, whether they are based on use or on intent-to-use, and statements of use filed under Section 13 of the Act, to affidavits of use filed under Section 8, renewals and issues of abandonment. Clearly, however, use of any type will continue to be considered in an infringement action.

The revised definition also recognizes that strict affixation of a trademark is often impractical in the case of bulk goods. It provides that use in commerce on or in connection with certain products, such as oil, chemicals and grain, can be established when the products are shipped in railroad cars, ships, aircraft, or other vehicles and the mark is used “on documents associated with the goods or their sale.”

248. Dinwoodie & Janis, *Confusion*, *supra* note 24, at 1611–12.

the preliminary language in section 45),<sup>249</sup> it does not demonstrate that Congress intended that the definition *not* be applied when “use in commerce” appears in the infringement provisions. The statement merely clarifies that the *new language*, requiring “bona fide use in the ordinary course of trade” is not applicable in the infringement context. Thus, the plaintiff does not have to demonstrate that the defendant made an ongoing, regular use that is typical of mark use in the relevant industry. A defendant’s isolated or irregular use of the mark (which otherwise complies with the “use in commerce” definition) may infringe.

Third, as part of the same comprehensive revisions that introduced the intent-to-use application process and amended section 45 as described above, Congress updated the language of Lanham Act section 43(a). As originally enacted, the pertinent portion of section 43(a) provided:

Any person who shall *affix, apply, or annex*, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce . . . shall be liable . . . .<sup>250</sup>

The 1988 revisions reworded this language to provide:

Any person who, on or in connection with any goods or services, or any container for goods, *uses in commerce* any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which . . . is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person . . . shall be liable . . . .<sup>251</sup>

The Senate Report explained that the revision was meant to *codify the courts’ interpretation of section 43(a)*. As written, section

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249. This language specifies that the definitions provided by the section should be used “[i]n the construction of this chapter, unless the contrary is plainly apparent from the context.” 15 U.S.C. § 1127.

250. 15 U.S.C. § 1125(a) (1946) (emphasis added).

251. Trademark Law Revision Act of 1988, Pub. L. No. 100-667, § 132, 102 Stat. 3946 (emphasis added).

43(a) appeared “to deal *only* with false descriptions or representations and false designations of geographic origin.”<sup>252</sup> Since its enactment in 1946, however, section 43(a) had “been widely interpreted as creating, in essence, a federal law of unfair competition.”<sup>253</sup>

In addition to more clearly recognizing that the section 43(a) cause of action extended to infringement of unregistered marks, this revision substituted the “use in commerce” language for the previous “affix, apply, or annex” language. Nothing in the legislative history suggests that Congress intended the change to be a substantive one. One of the stated purposes of the 1988 revisions was to facilitate uniform interpretation of the various Lanham Act provisions.<sup>254</sup> Thus, it is likely that Congress exchanged the “affix” and “apply” language for “use in commerce” to clarify that section 43(a) unregistered mark infringement claims require the same kind of infringing use as section 32(1)(a) registered mark claims. Congress treated the terms “affix,” “apply,” and “use in commerce” as conceptually interchangeable in drafting the Lanham Act’s registered mark infringement and definition sections. It is likely that it likewise considered them conceptually interchangeable in amending the section 43(a) unregistered mark infringement provisions in 1988. But if these terms are conceptually interchangeable, then “use in commerce,” as provided in the infringement provisions, cannot be solely an assurance of federal jurisdiction under the Commerce Clause, as critics of “trademark use” have contended. “Use in commerce” must also define the manner in which the defendant associates the contested mark with its goods or services. And if it does, then surely the definition of “use in commerce” in Lanham Act section 45 is consistent and applicable.

In summary, the Lanham Act’s legislative history makes it clear that Congress did not intend for the section 45 definition of “use in commerce” only to apply in the registration context, but, in fact (at least at the time of enactment) associated the definition more directly with the infringement context than the registration context. The “use in commerce” definition conceptually incorporates and perpetuates the essential “affixation or other close association” (or

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252. S. REP. NO. 100-515, at 40 (1988) (emphasis added).

253. *Id.* The Report added: “For example, [section 43(a)] has been applied to cases involving the infringement of unregistered marks, violations of trade dress and certain nonfunctional configurations of goods and actionable false advertising claims.” *Id.*

254. 134 CONG. REC. 150, S16,972 (statement of Sen. DeConcini) (noting that one of the objectives of the revisions was “clarification and modification of many Lanham Act provisions to facilitate the act’s uniform interpretation”).



“trademark use”) requirement of the 1905 and 1920 trademark acts.

*E. Finding Trademark Use in the “On or In Connection With” Language*

An alternative way to find that Congress incorporated trademark use into the Lanham Act’s infringement provisions is to focus on the language, found in both sections 32(1)(a) and 43(a), requiring that the defendant’s use of the mark “*on or in connection with*” goods or services be likely to cause confusion. Again, Professors Dinwoodie and Janis argue that this language is too broad to be understood as a trademark use limitation.<sup>255</sup> However, the “on or in connection with” language can be understood as a term of art whose meaning arises from its historically close association with the trademark use requirement, causing it to stand as a proxy for trademark use. As Judge Leval has explained, the Lanham Act undertakes to codify the common law doctrine, and in doing so, adopts general, sometimes vague or circumspect words and phrases commonly used in the field as a means of giving statutory recognition to a body of law previously developed by the courts.<sup>256</sup> Terms incorporated into statutes that adopt pre-existing common law doctrine, such as the Lanham Act, should not be defined with dictionaries.<sup>257</sup>

Many of the Lanham Act’s key provisions are quite brief. They consist of vague phrases such as “exclusive right to use,” and “use which is likely to cause confusion.”<sup>258</sup> But through those phrases, the Lanham Act incorporates the complete common law development—complex doctrine that would require dozens of pages to set forth in full.<sup>259</sup>

There is ample evidence to link the phrase “on or in connection with” or “in connection with” to the trademark use requirement. In 1930 Handler and Pickett (who opposed a strict, technical “affixation” requirement, but nonetheless advocated a form of trademark use limitation on infringement liability)<sup>260</sup> suggested a

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255. Dinwoodie & Janis, *Confusion*, *supra* note 24, at 1615.

256. Leval, *supra* note 55, at 196–98.

257. *Id.* at 198 (“The proposition that courts should approach the task of interpretation armed only with a dictionary is wholly inappropriate to delegating statutes [like the Lanham Act]. The words of the statute simply will not provide the answers and were not intended by the legislature to do so. In passing delegating statutes, legislatures recognize that they function together with courts in a law-making partnership, each having its proper role.”).

258. *Id.*

259. *Id.*

260. Handler and Pickett defined trademark use as a use that denominates or designates a species of commodity or a particular business, and is commercial

“use in connection with” standard, in lieu of “affixation.”<sup>261</sup> The first bill in the Lanham Act revision process, drafted by the Patents Section of the American Bar Association, defined registered mark infringement as “use in commerce of [a] copy, counterfeit, or colorable imitation *upon or in connection with* merchandise.”<sup>262</sup> It seems clear from the language itself and the context that the drafters viewed this language as serving a function similar to that served by the 1905 Act’s “affixation or other close association” requirement.<sup>263</sup> The original language of the Lanham Act section 43(a) unregistered mark infringement provision held liable any person “who shall affix, apply, or annex, *or use in connection with*” any article of merchandise.<sup>264</sup> This clearly places “use in connection with” in the same general category of action as “affixation,” “application,” and “annexation.”<sup>265</sup> We know from the legislative history discussed in the prior section that Congress saw at least three of these terms—“apply,” “affix,” and “use”—as conceptually interchangeable and subject to essentially the same definition.<sup>266</sup>

The registered mark infringement sections in House Bills 4744,<sup>267</sup> and 6618,<sup>268</sup> and Senate Bill 895<sup>269</sup> all required that the defendant affix the mark directly to merchandise or to labels, signs, prints, packages, wrappers, or receptacles “*used upon or in connection with*” sale of the merchandise.

This context again implies a direct and close association of the printed mark to merchandise the defendant is offering for sale, and thus a trademark use.

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in nature. Handler & Pickett I, *supra* note 47, at 170–71.

261. Handler & Pickett II, *supra* note 59, at 764 n.22.

262. H.R. 9041, 75th Cong., 3d Sess. §1 (1938) (emphasis added).

263. *See supra* notes 209–11 and accompanying text.

264. 15 U.S.C. § 1125(a) (1946) (emphasis added).

265. The “false designation of origin” provision in all of the bills leading up to the Lanham Act, and the original Lanham Act section 43(a) itself provided:

“Any person who *shall affix, apply, or annex, or use in connection with* any article or articles of merchandise, or any container or containers of the same, a false designation of origin, or any false description or representation . . . and shall cause such merchandise to enter into commerce . . . shall be liable . . .”

H.R. 9041, 75th Cong., 2d Sess. § 41 (1938); H.R. 4744, 76th Cong., 1st Sess. § 44(a) (1939); H.R. 6618, 76th Cong. §43(a) (1939); S. 895, 77<sup>th</sup> Cong. § 43(a) (1941); H.R. 5461, 77th Cong. § 43(a) (1941); H.R. 82, 78th Cong., 1st Sess. § 43(a) (1943); H.R. 1654, 79th Cong., 1st Sess. § 43(a) (1945).

The earliest false designation of origin provision in the 1920 Act had the same language, with the addition of a fraudulent intent requirement. Trade-Mark Act of 1920, ch. 104, § 3, 41 Stat. 533.

266. *See supra* Subsection II D.

267. H.R. 4744, 76th Cong., 1st Sess. § 32 (1939).

268. H.R. 6618, 76th Cong. § 32 (1939).

269. S. 895, 77th Cong. § 32 (1941).

While there was no indication that the drafters intended to make a significant substantive change from those earlier bills, House Bill 5461<sup>270</sup> dropped the former bills' specific recitation of places (merchandise, labels, wrappers, etc.) that the defendant must "affix" or "apply" the mark and simply provided that the defendant must *use the mark in connection with the sale, offering for sale, or advertising of any goods or services*. The subsequent bills<sup>271</sup> and Lanham Act section 32(1)(a)<sup>272</sup> carried that simpler language forward and then repeated the "in connection with" requirement, just for good measure: they provided that the defendant must use the mark "*in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion.*"<sup>273</sup> This language stresses the *connection*, or association of the mark with the defendant's goods or services in the same manner that "affix" and "apply" did in earlier drafts, and thus imposes essentially the same "trademark use" requirement. It is less specific, more flexible, and certainly more appropriate for describing the relationship between a mark and *services*.<sup>274</sup> But the context in which Congress used it strongly suggests that Congress saw the "on or in connection with" language as essentially interchangeable with the earlier, more specific "affix" and "apply" trademark use language and as playing the same limiting role.

Probably most of the courts that have cited statutory authority for the trademark use requirement have cited to the "use in commerce" provision. However, a significant number appear to have focused on the "on or in connection with" language instead.<sup>275</sup> The Ninth Circuit has expressly rejected arguments that the sections 32(1)(a) and 43(a) "use in commerce" language impose a trademark use requirement, finding that "use in commerce" is purely jurisdictional in nature.<sup>276</sup> However, in *Bosley Medical Institute, Inc.*

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270. H.R. 5461, 77th Cong. § 32 (1941).

271. H.R. 1654, 79th Cong. § 32 (1945); H.R. 82, 78th Cong. § 32 (1943).

272. Lanham Act, 15 U.S.C. § 1114(1)(a) (2006).

273. *Id.* (emphasis added).

274. Congress made the same progression from specific to more general trademark use language when it revised the Lanham Act section 43(a) unregistered mark infringement provision: It replaced "affix, apply, or annex, or use in connection with" with "on or in connection with." See *supra* notes 250–54 and accompanying text. There was no suggestion that Congress believed that it was making a substantive change in the long-established concept of infringement.

275. See, e.g., *Huthwaite, Inc. v. Sunrise Assisted Living, Inc.*, 261 F. Supp. 2d 502, 512 (E.D. Va. 2003); *Williams v. Columbia Broad. Sys., Inc.*, 57 F. Supp. 2d 961, 971 (C.D. Cal. 1999).

276. *Playboy Enters., Inc. v. Netscape Commc'ns Corp.*, 354 F.3d 1020, 1024

*v. Kremer*,<sup>277</sup> the Ninth Circuit appeared to rely on the “in connection with” language to hold that defendants must use the contested mark in a commercial transaction or a competitive context.<sup>278</sup> More recently, both the Tenth Circuit and the Eleventh Circuit have emphasized the “in connection with” language as the proper source of any “use” limitation on infringement liability, to the exclusion of the “use in commerce” language.<sup>279</sup>

#### F. Finding an Implicit Trademark Use Requirement

A third way to find the trademark use requirement in the Lanham Act infringement causes of action is to recognize that the Lanham Act implicitly incorporates it from the common law, even in the absence of express statutory language.

As noted earlier, the prior federal trademark acts purported *only* to codify common law principles of trademark infringement and unfair competition. Those Acts supplemented the common law rights with procedural advantages associated with registration and federal jurisdiction for infringement suits. While Congress undertook to provide some substantive, as well as procedural, enhancements for Lanham Act registrants, it is generally understood and acknowledged that the Lanham Act, like the earlier federal trademark acts, primarily was intended to codify and unify

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n.11 (9th Cir. 2004). “Use in commerce,” as used in infringement provisions, is purely jurisdictional in nature. *Id.* While Lanham Act section 45 defines “use in commerce,” that definition “applies to the required use a plaintiff must make in order to have rights in a mark, as defined by 15 U.S.C. § 1051” and not to the issue of infringement. *Id.*

277. 403 F.3d 672 (9th Cir. 2005).

278. *Id.* at 676–80. More recently the Ninth Circuit appears to have reconsidered its position that the “use in commerce” provision serves only a jurisdictional purpose. In *Freecycle Network, Inc. v. Oey*, 505 F.3d 898 (9th Cir. 2007), the court appeared to rely on the “use in commerce” language for the proposition that an infringement defendant must use the mark to promote a competing product or to reap a profit. *Id.* at 903.

279. *Utah Lighthouse Ministry v. Found. for Apologetic Info. & Research*, 527 F.3d 1045, 1050 (10th Cir. 2008); *N. Am. Med. Corp. v. Axiom Worldwide, Inc.*, 522 F.3d 1211, 1218–20 & n.7 (11th Cir. 2008). A number of courts that have looked to the “in connection with” language have not construed it to impose a meaningful “trademark use” limitation, however. As I have discussed in an earlier article, see Barrett, *supra* note 3, courts applying this language have sometimes found its requirement to be satisfied by connecting the “use” of a defendant who does not sell or advertise goods or services to the *plaintiff’s* sale of goods or services, or to the sales of third parties. See, e.g., *People for the Ethical Treatment of Animals v. Doughney*, 263 F.3d 359 (4th Cir. 2001); *Planned Parenthood Fed’n of Am., Inc. v. Bucci*, 42 U.S.P.Q.2d 1430 (S.D.N.Y.), *aff’d*, 152 F.3d 920 (2d Cir. 1997); *Jews for Jesus v. Brodsky*, 993 F.Supp. 282 (D.N.J.), *aff’d*, 159 F.3d 1351 (3d Cir. 1998).

the common law.<sup>280</sup>

Judge Leval has explained:

What may look on its face like a legislative creation of a body of rules is in fact nothing more than a cursory legislative recognition of a long pre-existing body of law developed by courts through the common law process. And in choosing the words of the statute, at least to the extent it deals circumspectly with the exclusive rights inhering in a trademark, Congress expressed no intent either to change the nature of the trademark right which the courts had developed, or to change the process for its continuing development.<sup>281</sup>

Accordingly, courts construe and apply the Lanham Act in light of common law doctrine and *continue to apply common law doctrine even when it is not explicitly codified in the language of the Lanham Act*.<sup>282</sup> For example, courts recognized and applied the doctrine of functionality, in limiting rights in product and packaging trade dress, for years before Congress amended the Lanham Act expressly to incorporate it.<sup>283</sup> Likewise, courts routinely equate common words, shapes, and designs to descriptive, geographically descriptive, and surname marks and subject them to a showing of secondary meaning pursuant to Lanham Act sections 2(e) and (f), even though there is *no explicit statutory directive for them to do so*.<sup>284</sup> Courts in federal infringement cases have also imposed a trademark use limitation on infringement claims, when it was relevant to do so, relying on common law doctrine, without any citation to statutory authority.<sup>285</sup>

Professors Dinwoodie and Janis acknowledge that implicit incorporation of a common law trademark use doctrine is “plausible.”<sup>286</sup> However, they argue<sup>287</sup> that there was no general

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280. See *supra* note 141 and accompanying text.

281. Leval, *supra* note 55, at 198–99.

282. Davis, *supra* note 141, at 246–47; McClure, *supra* note 108, at 341.

283. Trademark Law Treaty Implementation Act, Pub. L. No. 105-330, 112 Stat. 3064 (1998); see 1 MCCARTHY, *supra* note 161, § 7:63.

284. See Lanham Act, 15 U.S.C. § 1052(e)–(f) (2006); Citizens Banking Corp. v. Citizens Fin. Group, Inc., No. 07-11514, 2008 WL 1995104, at \*3 (E.D. Mich. 2008); 1 MCCARTHY, *supra* note 161, § 7:29.

285. See, e.g., Rock & Roll Hall of Fame & Museum, Inc., v. Gentile Prods., 134 F.3d 749, 753 (6th Cir. 1998); Holiday Inns, Inc. v. 800 Reservation, Inc., 86 F.3d 619, 623–24 (6th Cir. 1996); Parks v. LaFace Records, 76 F. Supp. 2d 775, 784 n.9 (E.D. Mich. 1999), *aff'd in part, rev'd in part*, 329 F.3d 437 (6th Cir. 2003). See generally Leval, *supra* note 55, at 194–95 (recognizing a trademark use limitation in Lanham Act cases arising from the common law).

286. Dinwoodie & Janis, *Confusion*, *supra* note 24, at 1616 (“In its general form, the argument of common law incorporation is plausible. Early federal

trademark use doctrine in the common law that could have been implicitly incorporated, and add that even if such a common law doctrine existed, Congress superceded it by codifying the common law fair use defense in Lanham Act section 33(b)(4).<sup>288</sup> However, the trademark use and fair use doctrines co-existed peacefully in the common law, and as I explain in another article,<sup>289</sup> can continue to be reconciled.<sup>290</sup>

Professors Dogan and Lemley appear to recognize the existence of a trademark use requirement in the statutory language,<sup>291</sup> but also argue that a trademark use requirement is implicit in the likelihood of confusion standard (whose factors take for granted that the defendant has used the mark to promote its own sales) and in cases defining indirect infringement liability.<sup>292</sup>

Professor McKenna finds an implicit trademark use

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trademark registration statutes were understood as schemes to acknowledge and confirm the existence of common law rights, and the Lanham Act retained that general approach. Moreover, U.S. trademark law has long recognized extra-statutory defenses to statutory causes of action.”).

287. *Id.* at 1618–23.

288. 15 U.S.C. § 1115(b)(4) (2006); *see* Dinwoodie & Janis, *Confusion*, *supra* note 24, at 1617.

289. Barrett, *supra* note 46. The fair use defense evolved from the requirement that unfair competition defendants use the allegedly infringing word or symbol in its secondary (trademark) meaning rather than in its primary (descriptive, geographically, or surname) meaning, as a prerequisite to liability. *See supra* note 61. As I explain in the cited article, the trademark use that an infringement plaintiff must demonstrate is objectively measured and serves as a gate keeping mechanism generally to limit the scope of infringement liability to comport with the limited purposes of trademark protection. The fair use defense becomes relevant once a plaintiff has made a prima facie showing of trademark use, effect on commerce and a likelihood of confusion. It provides added leeway for defendants to use words and symbols in their primary (nontrademark) meaning. While the fair use defense requires that the defendant use the word or symbol “otherwise than as a mark,” evaluation of this issue focuses on the defendant’s apparent purpose and good faith in applying the contested word or symbol. Even though the defendant made a “trademark use” in the objective sense, by closely associating the contested word or symbol with goods or services it offered for sale or distribution, and even if this use resulted in a likelihood of confusion, the defendant may be excused from liability if the use was for the primary (nontrademark) meaning of the word or symbol rather than the trademark meaning.

290. Indeed, Congress clearly codified both a trademark use and a fair use limitation in the Trademark Dilution Revision Act of 2006, 15 U.S.C. § 1125(c) (2006). *See* Stacey L. Dogan & Mark A. Lemley, *The Trademark Use Requirement in Dilution Cases*, 24 SANTA CLARA COMPUTER & HIGH TECH. L.J. 541, 550–51, 553 (2008).

291. Dogan & Lemley, *supra* note 23, at 1676–77.

292. *Id.* at 1678–81.

requirement through more roundabout reasoning. He notes that the Lanham Act requires that an infringement defendant's actions cause a likelihood of confusion about source, but he reasons that it is impossible to demonstrate the requisite likelihood of confusion unless the defendant used the mark in the manner of a trademark to indicate source.<sup>293</sup> Thus, the result is that only defendants who use the mark as a trademark can be liable for infringement.<sup>294</sup> Professor McCarthy seems at least partially to agree with this reasoning.<sup>295</sup>

I agree that the likelihood of confusion analysis evidences an underlying assumption of the defendant's trademark use.<sup>296</sup> However, as the prior sections explain, I believe that there are more direct and compelling routes to finding the trademark use requirement in the Lanham Act. Moreover I disagree with Professor McKenna's assertion that a finding of trademark use depends on a concurrent finding of a likelihood of confusion. Trademark use and likelihood of confusion are completely separate issues. Trademark use, properly defined, is an objective inquiry that does not turn on a case-by-case analysis of actual consumer understanding. The trademark use requirement ensures that the defendant applied the contested word or symbol in a manner that was substantially likely to communicate source to consumers, by ensuring a close, direct association of mark to goods that the user is offering for sale or distribution. The likelihood of confusion and related fair use inquiries undertake to determine *which (if any) source* the word or symbol is likely to communicate. The trademark use requirement, properly construed, serves a gate keeping function to prevent prolonged infringement litigation (or credible threats of prolonged infringement litigation) in cases in which serious and material consumer confusion is unlikely (because of the manner of the

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293. Dinwoodie and Janis predictably disagree with this assertion, arguing that there can be consumer confusion about source, sponsorship, or affiliation even in cases in which the defendant does not use the mark to indicate these things. Dinwoodie & Janis, *Confusion*, *supra* note 24, at 1625–28. I take no position on whether consumers could be genuinely confused by non-trademark uses of marks, but note that to the extent such confusion might occur, any societal interest in preventing it would likely be outweighed by competition and First Amendment concerns.

294. McKenna, *supra* note 25 (manuscript at 7–8, 35–36, 39–40).

295. 1 MCCARTHY, *supra* note 161, § 3:3 (“The requirement that to be infringing, an accused use must be used as a trademark is not explicit in the Lanham Act. However, unless the accused use is a trademark use, likelihood of confusion is highly unlikely.”).

296. However, I disagree with Professor McKenna's assertion that trademark use can only be evaluated by ascertaining actual consumer understanding.

defendant's use). In such cases, any possible societal harm is unlikely to outweigh the costs of the potentially lengthy litigation to competition and to First Amendment interests.

### III. DEFINING THE TRADEMARK USE DOCTRINE TODAY

As the prior sections demonstrate, the trademark use doctrine played a central role in defining trademark rights in the common law and surely has been incorporated into the Lanham Act, regardless of which of the three "routes" the reader prefers it to have taken.<sup>297</sup> We have ongoing evidence of Congress' intent to *retain* the trademark use limitation, both in its repeated refusal to extend the statutory language expressly to prohibit non-trademark uses,<sup>298</sup> and

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297. It is particularly difficult to imagine that Congress would have intended to abandon the trademark use doctrine when adopting the Lanham Act, given that it was simultaneously recognizing the demise of the fraudulent intent requirement, which the common law had long implemented as a means of balancing trade name owners' interest in good will against the public's interest in competitor access to common and descriptive words and symbols. The trademark use doctrine also performs that function, and undoubtedly does it better, than did the (by then) antiquated, and rather watered down requirement that the plaintiff demonstrate the defendant's fraudulent intent.

298. For example, in drafting Senate 895, 77th Congress § 32 (1941), Congress quickly rejected proposed language that would impose infringement liability on:

[a]ny person who shall, in commerce, without the consent of the registrant . . . apply [a] reproduction, counterfeit, copy, or colorable imitation to *merchandise or services* of such a character that the use thereof is likely to cause confusion or mistake or to deceive purchasers, or to labels, signs, prints, packages, wrappers, receptacles, or advertisements intended to be used upon or in connection with the sale of such merchandise or services or . . . shall otherwise use such reproduction, counterfeit, copy, or colorable imitation falsely to indicate that the goods or services are the goods or services of a person who shall have registered a mark under this Act.

*Id.* (emphasis added).

Likewise, in 1951 and 1953, Congress rejected proposed amendments to Lanham Act § 32(1) that would extend liability to "[a]ny person who shall, without the consent of the registrant . . . employ a registered mark in commerce *otherwise than as a trade or service mark* in such a manner as to be likely to cause the mark to lose its significance as a mark." S. 1957, 82d Cong. § 19 (1951) (emphasis added); S. 2540, 83d Cong. § 22 (1953) (emphasis added). This action suggests Congressional understanding that, absent such an amendment, only use of a mark as a trademark would infringe. Indeed, in a letter submitted in *Hearings on Senate 2540*, Daphne Leeds, Assistant Commissioner of Trademarks, noted that there was currently no right to prevent the bill's enumerated acts "*unless the mark is actually used by infringers on or in connection with goods or services or on labels intended to be so used.*" *Hearing on S. 2540 Before the Subcomm. of the S. Comm. on the Judiciary*, 83d Cong. 98 (1954) (emphasis added).



in its recent express imposition of a trademark use requirement in the trademark dilution context.<sup>299</sup> Moreover, a number of recent decisions from other common law based countries reaffirm the common law roots of the trademark use doctrine as those countries, like the United States, explore the perimeters of their own version of the doctrine in the modern marketplace.<sup>300</sup>

Courts should continue to apply the trademark use doctrine as a means of arbitrating the potentially conflicting private economic interests of trademark owners and the public interest. The relevant public interests have been discussed elsewhere, but bear briefly repeating here. First, as I have written elsewhere, the trademark use doctrine serves important First Amendment interests.<sup>301</sup> It limits trademark owners' control of potentially expressive words and symbols primarily to commercial speech—speech that does no more than propose a commercial transaction<sup>302</sup>—where the implicated trademark interests arguably can be found to outweigh First Amendment concerns.<sup>303</sup> Second, the trademark use requirement

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299. Lanham Act, 15 U.S.C. § 1125(c) (2006); Dogan & Lemley, *supra* note 290, at 551–52. *But see* William G. Barber, *Dumping the “Designation of Source” Requirement from the TDRA: A Response to the Alleged “Trademark Use Requirement in Dilution Cases,”* 24 SANTA CLARA COMPUTER & HIGH TECH. L.J. 559, 561 (2008).

300. *See, e.g.,* Shell Co. of Austl. Ltd. v. Esso Standard Oil (Austl.) Ltd. (1963) 109 C.L.R. 407 (Austl.) (Australian law requires trademark use as a prerequisite to infringement liability); Cie Generale des Etablissements Michelin-Michelin & Cie v. C.A.W.–Canada, [1997] 71 C.P.R. (3d) 348; [1997] 124 F.T.R. 192; [1997] 2 F.C. 306; [1996] CarswellNat 2297 (Canadian law requires trademark use as a prerequisite to infringement, in addition to a showing of likelihood of confusion); *Verimark (PTY) Ltd. v. BMW AG* 2007 SCA 53 (RSA) (South African law requires trademark use as a prerequisite to infringement liability); *R v. Johnstone*, [2004] E.T.M.R. 18 (H.L.) (U.K.) (Infringement in United Kingdom requires that the mark be used as a “badge of origin.”). *See generally* Po Jen Yap, *Making Sense of Trademark Use*, 2007 EUR. INTELL. PROP. REV. 420 (arguing that the European Court of Justice has declared that, to be liable, an unauthorized mark user must use the registered mark as an indicator of the trade origin of his goods).

301. Barrett, *supra* note 5, at 978–87; Barrett, *supra*, note 3, at 378–79.

302. For discussion and definitions of “commercial speech” see Barrett, *supra*, note 5, at 987–89. *See also* Lisa P. Ramsey, *Increasing First Amendment Scrutiny of Trademark Law*, 61 SMU L. REV. 381 (2008) (arguing for a higher level of First Amendment scrutiny of trademark claims across the board). Limiting trademark infringement actions to “commercial contexts,” as Prof. McCarthy and others would do, see, for example, 4 MCCARTHY, *supra* note 161, § 25:76, does not in itself ensure that the use is commercial speech. Much speech that takes place in a commercial context is fully-protected speech under the First Amendment, and permitting trademark owners to prohibit it raises serious First Amendment concerns.

303. That is not to say that prohibiting use of marks in commercial speech

helps to prevent assertion of trademark rights in anticompetitive ways and in ways that reduce the free flow of useful product information to consumers.<sup>304</sup> Third, particularly in the digital context, the trademark use doctrine may prevent trademark interests from chilling the development of new media and new

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cannot in itself violate First Amendment interests. *See generally* David Kohler, *At the Intersection of Comic Books and Third World Working Conditions: Is it Time to Re-Examine the Role of Commercial Interests in the Regulation of Expression?*, 28 HASTINGS COMM. & ENT. L.J. 145 (2000) (questioning the justification for basing level of First Amendment protection on speaker's commercial motivation); Alex Kozinski & Stuart Banner, *Who's Afraid of Commercial Speech?*, 76 VA. L. REV. 627, 628–29 (1990) (arguing that commercial speech should enjoy the same level of protection as fully protected speech); Lisa P. Ramsey, *Descriptive Trademarks and the First Amendment*, 70 TENN. L. REV. 1095, 1101 (2003) (arguing that the First Amendment prohibits protection of descriptive marks).

It is quite clear at this point that the likelihood of confusion requirement, by itself, fails to square trademark protection with the First Amendment. *See* Barrett, *supra* note 5, at 984–85 (citing case decisions demonstrating that courts have stretched the concept of confusion to extreme lengths—situations where consumers might think that the plaintiff licensed the defendant to put its mark on the defendant's totally different type of product, or that the plaintiff simply acquiesced in the placement, and to situations where the defendant's use only created “initial interest confusion.”) Indeed, some modern courts have been willing to find actionable likelihood of confusion virtually whenever the defendant's use threatens to undermine the mark's distinctiveness or the plaintiff's business good will, despite the lack of any meaningful likelihood that an appreciable number of consumers will be misled. *Id.*; *see also* Barton Beebe, *An Empirical Study of the Multifactor Tests for Trademark Infringement*, 94 CAL. L. REV. 1581, 1600 (2006) (demonstrating that a finding of likelihood of confusion in practice turns primarily on only two elements—the similarity of the parties' marks and the defendant's intent).

304. *See, e.g.*, Barrett, *supra* note 3, at 450 (discussing arguments that overprotection of marks has anticompetitive effects); Dogan & Lemley, *supra* note 23, at 1694–98 (discussing how, given the modern breadth of likelihood of confusion findings, the trademark use limitation serves as a gatekeeper to shield entities—ranging from grocery stores, to advertisers, publishers and search engines—from the anticompetitive and chilling effects of costly, uncertain infringement claims, and also noting that in the absence of such a screening device, consumer search costs may rise); Goldman, *supra* note 196, at 414–24 (noting that application of the trademark use requirement to screen infringement claims is efficient and necessary in order to protect “word of mouth” discussion and reviews of products on the Internet, and to protect highly useful product review websites).

Even Professors Dinwoodie and Janis admit that their “contextual” approach to evaluating infringement claims based on likelihood of confusion alone, coupled with vague instructions for courts to “balance competing interests” “has the potential to chill some valuable social and commercial activity.” Dinwoodie & Janis, *Confusion*, *supra* note 24, at 1663.

business models that may ultimately benefit consumers.<sup>305</sup> The trademark use requirement can also provide a rational framework, or baseline, for evaluating the likely impact and materiality of defendants' new online or other high technology applications of others' marks.<sup>306</sup> Finally, development of a meaningful and certain trademark use doctrine in the digital context may serve proactively to shape consumer expectations and thus counteract the forces that increasingly suggest a licensing or sponsoring relationship whenever a mark appears in a context not of the mark owner's creating.<sup>307</sup>

These are the purposes that courts should bear in mind in shaping and applying the trademark use doctrine in new settings and circumstances.

A. *Concerns about Rigidity and Formalism*

Some commentators have expressed concern that the trademark use requirement is too rigid and formalistic, especially if it is deemed to derive from the Lanham Act's definition of "use in commerce."<sup>308</sup> This is not as great a concern as it might at first seem, however. When legislation deliberately codifies common law doctrine, as the Lanham Act did, it is generally understood that courts have considerable leeway in construing and adapting it. Judge Leval has explained that such enactments are not intended to, and do not, alter the future development of the codified doctrine. Thus,

[t]he court's dynamic function, by which it previously created and shaped the law, is not superseded; it continues to operate, notwithstanding that the law is now expressed in statutory form. As new questions arise, the courts' answers to these questions should be derived from the same considerations that governed the development of the doctrine, rather than from

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305. See, e.g., Dogan & Lemley, *supra* note 23, at 831–32 (expressing concern that expansive application of trademark laws may interfere with development of efficient search algorithms and with mechanisms that can decrease consumer search costs through provision of customized advertisements or information); Eric Goldman, *Deregulating Relevancy in Internet Trademark Law*, 54 EMORY L.J. 507, 509 (2005) ("Without limits, trademark law has the capacity to counterproductively destroy the Internet's utility for everyone.").

306. See Barrett, *supra* note 3, at 423–50 (discussing how trademark use analysis (and analogies to trademark use in comparable, concrete world settings) can assist in understanding the impact and meaning of new, high technology uses of marks); Dogan & Lemley, *supra* note 23, at 1685 (discussing evaluation of infringement claims based on juxtaposition).

307. For discussion of this problem, see, for example, McKenna, *supra* note 25 (manuscript at 6–7).

308. Dinwoodie & Janis, *Confusion*, *supra* note 24, at 1658.

the words chosen by the legislature to summarize or represent that doctrine. Those words were not intended as exercises of the legislature's power to create law . . . . The legislature delegates to the courts the continued exercise of the function they always performed, the continued development of the common law doctrine in the light of the policies that always drove its development . . . .<sup>309</sup>

When new forms of media and new business models present courts with novel claims of trademark infringement, courts should have the flexibility to construe and apply the trademark use doctrine in a manner that serves its fundamental purposes, and is not overly rigid or restrictive.<sup>310</sup> Certainly courts should be able to extend infringement liability to uses that are not expressly listed in the Lanham Act section 45 definition of "use of commerce," but are of a similar nature—closely associated with or directly referring to goods or services the defendant is offering for sale or distribution, and perceptible to consumers. For the same reasons, courts are not obliged to rely on precedent created in the "acquisition of marks" context, if that precedent does not prove a proper fit,<sup>311</sup> and they

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309. Leval, *supra* note 55, at 197; *see also* Stolte, *supra* note 162, at 1339 ("The common law nature of many Lanham Act provisions implicate a judicial interpretation with an emphasis on the flexibility typical of a common law approach. Because the Lanham Act arguably contains at least an implicit Congressional command to the courts to fill in gaps that Congress left open in the statutory scheme, a common law analysis is a proper form of statutory interpretation. Obviously, the courts must also endeavor to maintain a reasonable degree of . . . flexibility.").

310. A good historical example of this flexibility can be found in the courts' determination that a defendant's use of the plaintiff's mark in advertising could be deemed an infringing use, even though the relevant language of the 1905 Trademark Act listed the forms of use that could be deemed infringing, and omitted advertising use. *See supra* text accompanying note 103. Another good example of the courts' flexibility in construing Lanham Act language can be found in Lanham Act section 43(a). *See supra* text accompanying note 252–53. The original language of section 43(a) did not directly suggest a general cause of action for infringement of unregistered indications of origin, but the courts nonetheless made it one. Congress followed the courts' lead in amending the statutory language in 1988.

311. Dinwoodie & Janis, *Confusion*, *supra* note 24, at 1610–11. Indeed, courts have significant leeway to construe statutory language to accomplish the statute's purpose, even when the statute at issue does not purport to codify common law. Consider, for example, the Supreme Court's differing definitions of the word "sale" in the "acquisition" and "infringement" settings of patent law. *Compare* Pfaff v. Wells Elecs., Inc., 525 U.S. 55 (1998) (holding that for purposes of Patent Act section 102(b), a product can be "on sale" even if no physical embodiment of it has been made), *with* Deepsouth Packing Co. v. Laitram Corp., 406 U.S. 518 (1972) (holding that for purposes of infringement

should be able to distinguish section 43(a) claims that do not allege infringement of rights in a word or symbol<sup>312</sup> and dispense with the trademark use requirement for purposes of such claims.

*B. The Basic Factors of Actionable Trademark Use*

While the courts clearly have leeway to adapt the trademark use doctrine to the contemporary context of digital media and other innovative contexts, there are a few basic factors that should anchor courts' application of the doctrine to its historical roots and purposes: (1) consumers should be able to perceive the defendant's application of the allegedly confusing word or symbol; (2) the defendant should closely associate the allegedly confusing word or symbol with goods or services that the defendant is advertising or offering for sale or distribution; and (3) the defendant's use of the allegedly confusing word or symbol should make a "separate

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liability, there can be no "sale" of a product until it exists in an operable assembly).

Dinwoodie and Janis' concerns that courts may try to apply the same standard for "trademark use" in both the acquisition of rights and infringement context seem overstated. *See* Dinwoodie & Janis, *Confusion*, *supra* note 24, at 1642–43. After all, in *Blue Bell, Inc. v. Farah Manufacturing Co.*, 508 F.2d 1260 (5th Cir. 1975), the classic case determining trademark use for purposes of acquiring ownership rights, the court held that the requisite "trademark use" was satisfied when the claimant closely associated the mark with its goods and made the goods available to consumers in a manner that enabled them to rely on the mark for information about source. That would seem to be the essence of trademark use in the infringement context, as well.

Some decisions subsequent to *Blue Bell*, (in determining which of two competing parties have priority of rights) have superimposed standards for the *quantity* and *regularity* of each claimant's use, to better justify favoring one claimant over another. *See, e.g.*, *Lucent Info. Mgmt., Inc. v. Lucent Techs., Inc.*, 186 F.3d 311 (3d Cir. 1999). Others have imposed *magnitude of use* requirements (in the case of unregistered marks) to ensure that subsequent entities seeking to acquire the same mark have fair notice of the first user's claim. *See, e.g.*, *Zazu Designs v. L'Oreal, S.A.*, 979 F.2d 499 (7th Cir. 1992). Some courts have adopted additional considerations in the course of determining the *geographic scope* of a prior user's market area. *See, e.g.*, *Tally-Ho, Inc. v. Coast Cmty. Coll. Dist.*, 889 F.2d 1018 (11th Cir. 1989). However, neither fairness in priority contests nor equitable geographic scope of mark owner rights is remotely relevant in evaluating the manner of the defendant's allegedly infringing trademark use. There is no reason why courts would want or need to import these and similar variations from the basic *Blue Bell* formulation into the infringing use determination.

312. That is, section 43(a) claims that would be denominated "fraudulent marketing" under Restatement of Torts section 712, or "passing off" under Restatement (Third) of Unfair Competition section 4. *See supra* notes 130–37 and accompanying text. Obviously, for purposes of federal jurisdiction the plaintiff would still need to demonstrate an effect on interstate commerce.

commercial impression” on consumers. The following three subsections discuss these factors in greater detail.

1. *Perceptible to Consumers*

First, trademark use fundamentally requires that consumers be able to perceive the defendant’s use of the mark. If consumers are unable to perceive the use of the mark, then they will not be able to rely on it for information about source, sponsorship, or affiliation. The common law and federal statutory provisions contemplated *visual* perceptibility.<sup>313</sup> However, courts should have the flexibility to find that other forms of sensory perception suffice. The early focus on visual perception can be attributed to the fact that in the 1800s and early 1900s most marks were visual in nature and were presented to consumers visually. Today, sounds, scents, and textures may be claimed as marks, and marks may be presented to consumers in a greater range of ways than in the past. Consumer perception of a mark through the sense of sound, smell, or even feel might suffice for purposes of the trademark use doctrine, if the opportunity for perception is closely associated with the defendant’s goods or services. The key is that consumers are confronted with the mark in a physically ascertainable way.

On the other hand, use of a mark that is hidden from the consumer’s physical senses should not constitute trademark use.<sup>314</sup>

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313. See, e.g., Lanham Act, 15 U.S.C. § 45 (2006) (definition of “use in commerce.”); Trade-Mark Act of 1905, ch. 592, §§ 16, 29, 33 Stat. 724.

314. This concept has been well established in the case law. See, e.g., *DaimlerChrysler AG v. Bloom*, 315 F.3d 932 (8th Cir. 2003); *Holiday Inns, Inc. v. 800 Reservation, Inc.*, 86 F.3d 619 (6th Cir. 1996) (use of telephone number that corresponds with the letters that spell the plaintiff’s mark is not actionable, when the defendant never promoted or advertised the translation); *Miss. Dig Sys., Inc. v. Power Plus Eng’g, Inc.*, 944 F. Supp. 600 (E.D. Mich. 1996) (holding that to infringe, a defendant must expose consumers to the mark itself); *Site Pro-1, Inc. v. Better Metal, LLC*, 506 F. Supp. 2d 123 (E.D.N.Y. 2007) (holding that hidden use of mark in metatags on defendant’s site did not constitute trademark use).

For example, in *1-800 Contacts, Inc. v. WhenU.Com, Inc.*, 414 F.3d 400 (2d Cir. 2005), the Second Circuit rejected arguments that the defendant’s inclusion of the plaintiff’s mark into its contextual advertising software directory constituted a trademark use, noting:

A company’s internal utilization of a trademark in a way that does not communicate it to the public is analogous to an individual’s private thoughts about a trademark. Such conduct simply does not violate the Lanham Act, which is concerned with the use of trademarks in connection with the sale of goods or services in a manner likely to lead to consumer confusion as to the source of such goods or services.

*Id.* at 409. But see *N. Am. Med. Corp. v. Axiom Worldwide, Inc.*, 522 F.3d 1211, 1219–20 (11th Cir. 2008) (disagreeing with *1-800 Contacts*: “Although we

Case decisions that have found infringement when defendants made hidden uses of marks in metatags or in keying banner advertisements to plaintiffs' marks either failed to adequately consider whether the defendant's actions constituted trademark use, or failed to recognize the purpose of the trademark use requirement and the policy implications of their actions.<sup>315</sup>

Requiring perceptibility as a precondition to trademark use flows naturally and logically from the concept of trademark use itself: imperceptible uses cannot communicate source, which is the purpose of trademarks. A defendant's imperceptible use of a mark will not communicate source to consumers and thus will not result in the kind of harm (consumer confusion about source) that the trademark law is meant to preserve. However, a perceptibility requirement also furthers important policy goals. It provides a measure of certainty and objectivity to the trademark infringement cause of action, thus reducing the chilling effects that threatened infringement claims might otherwise have on competition. It provides a rational means of limiting ever-expanding assertions of trademark rights to those cases in which possible consumer confusion is likely to be material and detrimental from a societal standpoint. It also facilitates investment in new technologies that can, through hidden applications of marks, provide consumers with valuable, efficient, customized digital indexing, reference and search services, and customized advertising, all of which may enhance and tailor the flow of useful marketplace information to consumers, lower consumer search costs, and thus enhance competition.

## 2. *Close Association with the Defendant's Goods or Services*

Some courts have held that the Lanham Act's "use" requirement can be satisfied merely by showing that the defendant's application of the mark occurred in a *commercial context*.<sup>316</sup> However, to make a trademark use the defendant should do more than act in a

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believe that the absence of [any] display [of the mark] is relevant in deciding whether there [was] a likelihood of confusion, we believe that, when the analysis separates the element of likelihood of confusion from the other elements, the fact is not relevant in deciding whether there is a use in commerce in connection with the sale or advertising of any goods").

315. Barrett, *supra* note 3, at 423–50 (identifying and describing some of these cases and more fully explaining why they were wrongly decided under the trademark use doctrine).

316. See, e.g., *Bosley Med. Inst. v. Kremer*, 403 F.3d 672 (9th Cir. 2005) (holding that only commercial uses, or uses in a commercial or competitive context, can be deemed trademark uses); *Utah Lighthouse Ministry v. Found. for Apologetic Info. & Research*, 527 F.3d 1045, 1051–52 (10th Cir. 2008) (following *Bosley*); *N. Am. Med. Corp.*, 522 F.3d at 1218 n.5 (following *Bosley*).

commercial context: it should *directly associate the mark with goods or services that it is advertising, marketing, or distributing*.<sup>317</sup> Again, this “close association” requirement stems from the common law and federal statutory trademark use provisions, which specified, in most cases, a direct physical proximity or connection. However, courts need not adhere literally to a physical proximity rule or even to the specific forms of use listed in Lanham Act section 45. This is evidenced by the fact that courts have historically found trademark use when defendants used marks in advertisements for their goods, notwithstanding the fact that neither the 1905 Act’s definition of infringement nor the Lanham Act’s section 45 definition of “use in commerce” for goods refers to advertising use.<sup>318</sup>

In the absence of physical proximity, courts should consider whether the defendant closely associates the allegedly infringing mark with its goods or services in a *comparably direct or clear manner*. The historical purpose of the early affixation and later “affixation plus other close association” requirements undoubtedly was to ensure that there was a close enough association of mark with goods or services to assume that consumers will *mentally connect* the mark to the defendant’s products or services and be able to infer that the mark indicates the goods or services’ source. Physically attaching the mark to the goods, or to tags, labels, or packaging provides the necessary close association, but including the mark in direct references to the defendant’s goods or services on signs, business-related documents, print or radio advertisements, or commercial websites may ensure the necessary mental link, as well. In addition to ensuring that consumers are likely to infer source from the application, the “close association” requirement makes it more likely that the defendant’s application constitutes commercial speech and thus poses less of an imposition on First Amendment rights.

Properly applied, the trademark use requirement should limit trademark owners’ ability to threaten or maintain prolonged litigation of marginal infringement claims in which consumer confusion is unlikely to outweigh the costs of protracted litigation to First Amendment and competition interests. The proximity and perceptibility of the defendant’s use should serve as a proxy for actual consumer understanding: courts should *not* undertake to determine consumer understanding on a case-by-case basis, or to

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317. See, e.g., *Williams v. Columbia Broad. Sys., Inc.*, 57 F. Supp. 2d 961, 971 (C.D. Cal. 1999) (holding that defendant’s use must be for purpose of promoting or selling goods or services; merely reaping economic benefit from the use is not enough); *Utah Lighthouse Ministry*, 527 F.3d 1045.

318. See *supra* notes 102–103, 198–99, 233, and accompanying text.



factor in possible fair use or nominative fair use possibilities. The likelihood of confusion, fair use issues, and other substantive issues should only become relevant once the plaintiff establishes the defendant's trademark use. Moreover, as the Restatement of Torts admonished,<sup>319</sup> trademark use should not be found unless the manner of the defendant's application makes it *substantially likely* that consumers will regard the application as source-indicating. This will direct judicial resources to those cases in which possible consumer confusion costs may outweigh competing interests in permitting the use, and limit the ability of trademark owners to extend their rights beyond prevention of the societal harms that the infringement cause of action was designed to target.

Several specific points should be stressed. First, the defendant should associate the mark *with goods or services*. Courts have deviated from this straightforward limitation in a couple of important ways in the past. First, in a line of infringement and dilution suits against cybersquatters, best exemplified by *Intermatic, Inc. v. Toeppen*<sup>320</sup> and *Panavision International, L.P. v. Toeppen*,<sup>321</sup> courts imposed liability on defendants who registered trademarks as domain names in order to sell the registrations to the trademark owners at a profit. The *Panavision* court characterized this as trademark use because the defendant "traded on the value of the marks as marks by attempting to sell the domain names" to the trademark owner.<sup>322</sup> In affirming, the Ninth Circuit held that it did "not matter that [the defendant] did not attach the marks to a product. [The defendant's] commercial use was his attempt to sell the trademarks themselves."<sup>323</sup> This line of decisions incorrectly equated commercial use with trademark use and disassociated the mark from its role in identifying the source of goods or services. While the cybersquatter line of decisions may have reached the correct result from an equitable standpoint, it created bad precedent that should best be forgotten. There are better ways to address cybersquatting today.<sup>324</sup>

The second point is that service mark use should only be found when the alleged mark is closely associated with meaningful "services." Several cases have found trademark (or service mark)

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319. RESTATEMENT OF TORTS § 727 cmt. c (1938).

320. 947 F. Supp. 1227 (N.D. Ill. 1996).

321. 945 F. Supp. 1296 (C.D. Cal. 1996), *aff'd*, 141 F.3d 1316 (9th Cir. 1998).

322. *See Panavision*, 945 F. Supp. at 1303.

323. *See Panavision Int'l v. Toeppen*, 141 F.3d 1316, 1325 (9th Cir. 1998); Barrett *supra* note 3, at 396–402 (discussing other cases that follow this line of reasoning, either in infringement or dilution cases, and providing further analysis of the cited decisions).

324. *See* 15 U.S.C. § 1125(d) (2006).

use when a defendant incorporated the plaintiff's mark into a domain name and used the domain name to identify his "forum" website, which neither sold nor advertised goods or services, but merely stated the defendant's personal political, social, or religious views. In order to characterize the defendant's actions as trademark use, the courts suggested that the defendant was using the mark/domain name to identify "information services."<sup>325</sup> Elevating an individual's personal statement of religious or political opinion to the level of a Lanham Act service goes well beyond any justifiable definition of "services" from a policy standpoint and threatens to bring virtually any fully protected First Amendment speech under the control of trademark owners. In these kinds of "forum" website cases, the trademark use requirement should be employed to protect First Amendment interests: the defendant does not associate the mark with any meaningful product or service that he or she is offering or advertising for sale or distribution (and thus cannot mislead consumers about the source of goods or services).

The third point is that the defendant must associate the mark with goods or services *it is itself* advertising, offering for sale, or distributing. Merely associating the plaintiff's mark with *the plaintiff's* goods or services cannot mislead consumers about source and is not a trademark use. While this might seem self-evident, a number of cases in the Internet context have found that a defendant engaged in trademark use of a mark, even though he or she neither sold nor advertised goods or services. The defendants had registered a domain name and set up a "forum" site, at which they expressed their personal views about the plaintiff's goods or services, or disagreed with religious or social positions that the plaintiff had taken. In the resulting infringement and dilution suits, courts reasoned that the defendant made a trademark use because, by employing a domain name that incorporated the plaintiff's mark, the defendant may have diverted consumers who were seeking the plaintiff's website, and thereby *affected the plaintiff's sales or distributions of goods or services*. Thus, the defendant used the mark *in connection with the plaintiff's sale or distribution of services* rather than its own.<sup>326</sup> Putting the defendant's use of the mark

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325. See, e.g., *Planned Parenthood Fed'n of Am., Inc. v. Bucci*, No. 97 CIV.0629, 1997 WL 133313 (S.D.N.Y. Mar. 24, 1997), *aff'd*, 152 F.3d 920 (2d Cir. 1998); *People for the Ethical Treatment of Animals v. Doughney*, 113 F. Supp. 2d 915, 919 (E.D. Va. 2000), *aff'd*, 263 F.3d 359 (4th Cir. 2001); see also Barrett, *supra* note 3, at 404–09 (providing a detailed discussion of this line of cases and its implications).

326. See, e.g., *E & J Gallo Winery v. Spider Webs Ltd.*, 286 F.3d 270, 275 (5th Cir. 2002); *People for the Ethical Treatment of Animals*, 263 F.3d at 366; *OBH, Inc. v. Spotlight Magazine, Inc.*, 86 F. Supp. 2d 176, 186 (W.D.N.Y. 2000);

together with the plaintiff's sale of goods or services is nothing but a play on the wording of the Lanham Act. If the defendant is not selling, advertising, or distributing any goods or services, then his use of the mark cannot communicate the source of his goods or services or cause any confusion about source. This line of decisions undermines the purpose underlying the trademark use doctrine. It enables a mark owner to censor on-line discussion of its products and services by threatening protracted litigation and potential liability to anyone who uses its mark in the course of criticizing its goods or services, as long as the criticism is effective enough to potentially affect the plaintiff's sales. This impairs, rather than facilitates the free flow of useful marketplace information to consumers and seriously interferes with First Amendment rights.

The final point concerns finding trademark use in the absence of close *physical* proximity. In such cases the defendant's application of the mark should *directly and immediately* associate the mark with goods or services the defendant is marketing. Use of a mark in a domain name for a website that sells or advertises goods or services may be a sufficiently direct association of the mark with goods or services being advertised or offered for sale or distribution on the site. However, a number of courts have found, in cases in which the defendant did not sell or advertise goods or services, that a *link* from the defendant's site to another site would suffice.<sup>327</sup> In other words, the courts assumed that consumers would associate the defendant's use of the domain name for its own site with the goods or services sold on the linked sites, and believe that the defendant's use of its domain name indicated the source of the goods or services on the linked sites. There may be cases in which it is unclear whether it is the defendant or the linked site that is selling the goods or services, or the circumstances may specifically indicate that the linked and linking parties are closely related. That is by no means always the case, however, and this line of cases appears to assume that *any* time a defendant's non-commercial site links to a commercial site, the defendant's use of its domain name is a trademark use.

Such a connection between mark and products is highly attenuated, and *assuming* it (in the absence of evidence that the nature of the defendant's links is unclear) undercuts the policies the trademark use doctrine should promote. Links are beneficial to

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Jews for Jesus v. Brodsky, 993 F. Supp. 282, 309 (D.N.J. 1998), *aff'd*, 159 F.3d 1351 (3d Cir. 1998); *see also* Barrett, *supra* note 3, at 415–19.

327. *See, e.g.*, Taubman Co. v. Webfeats, 319 F.3d 770, 777 (6th Cir. 2003); *People for the Ethical Treatment of Animals*, 263 F.3d at 365; *see also* Barrett, *supra* note 3, at 409–14.

consumers, and are a large part of the Internet's success. Grounding a finding of trademark use, and potential infringement liability, on the existence of a link simply discourages defendants from providing potentially relevant and useful links for their visitors. Moreover, much like the decisions discussed above, the "link" line of cases gives mark owners the means to control a great deal of fully protected First Amendment expression on the Internet. Accordingly, to avoid this situation, courts should carefully evaluate trademark use claims based on links, to ensure that, under the circumstances, the defendant's use of the mark in its domain name provides a sufficiently direct, close association of the mark with goods or services. The mere existence of links to commercial sites should never be enough, in itself, to constitute trademark use.

### 3. *Separate Commercial Impression on Consumers*

Finally, while neither the common law nor the federal statutes explicitly stated that the defendant's application of a word or symbol must be likely to make a separate impact or "separate commercial impression"<sup>328</sup> on consumers, it seems clear that it must do so, in order to constitute trademark use. This provides some assurance that consumers are likely to be *aware* of defendant's use, given the context in which it is made, and thus to associate it with the defendant's product or service and potentially rely on it for information about source.<sup>329</sup> Relevant factors might include where and how the word or symbol appears on the defendant's product label, tag, packaging, letterhead, documentation, market or website displays, signs, advertisements, or other material. Does the use of the mark stand out? Is it likely to be noticed? If the mark is used aurally, as in radio advertising, does it stand out on its own? This is an area in which courts could probably safely borrow from cases and treatises addressing the issue of trademark use for purposes of

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328. I use the phrase "separate commercial impression" here as a term of art—to draw an analogy to case law that discusses this concept, primarily in the acquisition of rights context. See, e.g., UNITED STATES PATENT AND TRADEMARK OFFICE MANUAL OF EXAMINING PROCEDURE §§ 807, 12(d); 1202.05(c), 1202.08(d), 1211.01(b)(ii) (5th ed.). I do not mean to suggest that nonprofit entities are incapable of engaging in trademark use.

329. See *Rock & Roll Hall of Fame & Museum, Inc. v. Gentile Prods.*, 134 F.3d 749, 753 (6th Cir. 1998) ("[I]t is not the case that all inherently distinctive symbols or words on a product function as trademarks. . . . Rather, in order to be protected as a valid trademark, a designation must create 'a separate and distinct commercial impression, which . . . performs the trademark function of identifying the source of the merchandise to the customers.'" (quoting *In re Chem. Dynamics, Inc.*, 839 F.2d 1569, 1571 (Fed. Cir. 1988)).

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acquisition of trademark rights.<sup>330</sup>

## CONCLUSION

The historical “trademark use” prerequisite to infringement liability clearly remains in United States law today, and courts should construe and apply it in light of its original purpose and in light of modern circumstances and public policy concerns. While there may be other factors that courts might beneficially entertain, close, direct association, perceptibility, and “separate commercial impression” are directly linked to the historical background and purpose of the trademark use doctrine and promote a range of public policy interests. If firmly and rationally applied, the trademark use requirement should assist in attaining a proper balance between the interest in effective protection of marketplace signals, on one hand, and the interests in free expression, robust competition, the free and efficient flow of useful commercial information to consumers, and the development of new and useful digital technologies, on the other.

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330. *See, e.g.*, 1 MCCARTHY, *supra* note 161, § 3:3.