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UNDERSTANDING TRADEMARK STRENGTH

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ABSTRACT

*Trademark strength, properly understood, refers to the scope of protection afforded a trademark by courts based on that mark's inherent and acquired: (1) tendency to signify to consumers a consistent source of the products to which the mark is affixed; and (2) ability to influence a consumer's purchasing decisions. The stronger the mark, the more uses the mark's owner may exclude from the marketplace through a trademark infringement or dilution action. We argue that the acquired strength prong is insufficiently theorized and lacking in analytical rigor, which results in inconsistent results as judges in each jurisdiction (and indeed, each judge within a jurisdiction) rely on their own peculiar heuristics for determining whether a trademark is strong or weak. Our goal in this Article is to develop a better understanding of what is at stake when judges and practitioners think about trademark strength and to provide analytical guideposts that judges and practitioners can use to improve outcomes. By describing mark strength in a more articulate, consistent manner we can work towards eliminating inconsistency across circuits, thereby promoting more uniform national application of the Lanham Act. And by predicting accurately how strong a court will hold a mark to be in litigation, practitioners and markholders can better calculate the risk of bringing suit against an alleged infringer (or diluter).*

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## INTRODUCTION

The doctrine of trademark strength is broken. There once existed a fairly straightforward analysis for determining a trademark’s scope of exclusion. That analysis has now turned into a judicial Gordian knot. Judges and practitioners fail to come to grips with what should be a relatively easy question: how many other trademark uses can the mark-at-issue keep out of the stream of commerce (that is, how large or small is the mark’s exclusive scope)? We propose the failings of trademark-strength doctrine have arisen largely from backlash against the *Abercrombie* taxonomy.<sup>1</sup> That now-classic taxonomy divides marks into five categories, based on the mark’s inherent strength—its natural ability to signify source and distinguish itself from other marks.<sup>2</sup> The stronger the mark, the larger its exclusive scope, and thus the more inherently strong the mark is, the more uses the markholder can exclude from the stream of commerce at the beginning of the mark’s life. *Abercrombie* recognizes five categories: (1) generic (apple for apples); (2) descriptive (TOTAL MOISTURE for hair conditioner); (3) suggestive (GOOGLE for a search engine, suggesting a large number of search results); (4) arbitrary (APPLE for computers); and (5) fanciful (KODAK for photographic equipment).<sup>3</sup>

Scholars and judges have long lambasted the taxonomy for its seeming

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1. *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4 (2d Cir. 1976) (Friendly, J.).

2. *See Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 210 (2000) (“[A] mark is inherently distinctive [or strong] if ‘[its] intrinsic nature serves to identify a particular source.’” (third alteration in original) (citation omitted)).

3. *See Abercrombie*, 537 F.2d at 9.

oversimplification of trademark strength.<sup>4</sup> Most of these critics argue that the taxonomy can often obscure what's important, losing the forest for the trees: a mark's strength at its adoption is important, but what matters most is how consumers *in the marketplace* react to the mark.<sup>5</sup> Most courts have recognized these drawbacks and instituted a second prong of the trademark strength test, which focuses on a mark's commercial strength. In the marketplace, the strongest marks aren't necessarily fanciful or arbitrary; they are often suggestive or descriptive. The distinctiveness of a mark isn't dispositive of its strength. For example, marks in the laundry detergent market include TIDE (suggestive), ALL (arbitrary),<sup>6</sup> and DREFT (fanciful). Modern readers are unlikely to consider DREFT more distinctive than TIDE or ALL.<sup>7</sup> They are similarly unlikely to consider CHEERWINE (suggestive) more distinctive—and thus a stronger mark for a soft drink—than COCA-COLA (descriptive).<sup>8</sup> This is to say nothing of the problem of distinguishing a mark from the generic descriptor of the product on which the mark is used. How does the *Abercrombie* doctrine account for consumers' use of IPAD (suggestive) synonymously with “tablet”?<sup>9</sup>

As noted above, courts have recognized *Abercrombie*'s drawbacks. These courts—some of which had relied exclusively and erroneously on *Abercrombie* in determining mark strength—have shed *Abercrombie*'s formalism in favor of a more capacious inquiry, focusing on the mark's acquired commercial strength

4. The late Beverly Pattishall wrote that the “artificial and regrettable ‘four pigeon hole’ rule” of *Abercrombie* is “[o]ne of the worst blights [on trademark law] . . . which has spread from the Second Circuit into others and now appears to be settling in generally.” Beverly W. Pattishall, *The Lanham Trademark Act—Its Impact over Four Decades*, 76 TRADEMARK REP. 193, 220 (1986).

5. See, e.g., *Scandia Down Corp. v. Euroquilt, Inc.*, 772 F.2d 1423 (7th Cir. 1985) (Easterbrook, J.).

We have said before that “arbitrary,” “suggestive” and the other words in the vocabulary of trademark law may confuse more readily than they illuminate . . . a caution litigants should take seriously before arguing cases so that everything turns on which word we pick. It is better to analyze trademark cases in terms of the functions of trademarks. That frees the arguments from the clutches of Webster's Third and the conflicting advice of text writers.

*Id.* at 1431 n.3.

6. We assume here that ALL is arbitrary, although an argument can be made that it is suggestive. For the purposes of this exercise, all that matters is whether ALL is less inherently strong than DREFT.

7. Unless perhaps the reader is a time-traveler from the 1950s. Note that DREFT is still being used in commerce today for detergents. See PG.COM ALL BRANDS: VENUS, DAWN, CHEER, PUMA, HAIR COLOR, [http://www.pg.com/en\\_US/brands/all\\_brands.shtml](http://www.pg.com/en_US/brands/all_brands.shtml) (listing DREFT as a current brand) (last visited June 18, 2012). See also DREFT LAUNDRY DETERGENT, <http://www.dreft.com/> (last visited June 18, 2012).

8. Depending on one's view of the current top-secret formula for Coca-Cola, the mark COCA-COLA may be better explained as having once described those primary ingredients.

9. See Erika Morphy, *The iPad as a Generic Name for Tablet? Here Comes the Cease-and-Desist Brigade*, FORBES (Apr. 8, 2012 5:20PM), <http://www.forbes.com/sites/erikamorphy/2012/04/08/the-ipad-as-a-generic-name-for-tablet-here-comes-the-cease-and-desist-brigade/>.

in addition to its inherent strength. This began as a sensible (and, we contend, normatively correct) shift towards a focus on actual market strength. It has resulted, however, in a relatively unbounded free-for-all in which beleaguered judges are asked to examine any evidence that *might* be probative of acquired strength. As Barton Beebe has shown, a plaintiff's likelihood of success in a trademark infringement suit closely tracks the inherent strength of the mark being asserted.<sup>10</sup> But Beebe's work also shows that where the mark's acquired strength outweighs its inherent strength, the likelihood of success nearly universally turns on its acquired strength.<sup>11</sup>

We posit that this conundrum arises because courts take one of two approaches when confronted with unmanageable evidence of strength in infringement cases. Courts may sometimes let their estimations of inherent strength dictate the outcomes of the acquired strength analysis. Other times, they fudge the inherent strength analysis in order to buttress their conclusions as to acquired strength. We assess these possible judicial shortcuts below; as we explain, each is problematic in its own way.

Our goal in this Article is to develop a better understanding of what's at stake when judges and practitioners think about trademark strength. We provide analytical guideposts that judges and practitioners can use and that can improve mark strength outcomes in two related ways: first, by describing mark strength in a more reasoned, consistent manner we can work towards eliminating inconsistency across circuits; and second, by predicting accurately how strong a court will hold a mark to be in litigation, practitioners and markholders can better calculate the risk of bringing suit against an alleged infringer (or diluter). Part I begins by outlining the typical two-prong test for trademark strength. We argue that the acquired strength prong is insufficiently theorized and lacking in analytical rigor, however, which results in inconsistent rulings across judges and jurisdictions as judges in each jurisdiction (indeed, each judge within a jurisdiction) relies on their own heuristics for determining which evidence is relevant. Part II shows the factors that courts tend to apply to mark strength and offers several points on which the courts appear to be disregarding (or overrelying on) evidence relevant to the mark strength inquiry. Our goal is to lay out clearly the analytical guideposts, and identify the types of evidence most suitable in assessing trademark strength. Finally, in Part III, we conclude with some observations on the analysis and its implications for trademark law.

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10. Barton Beebe, *An Empirical Study of the Multifactor Tests for Trademark Infringement*, 94 CAL. L. REV. 1581, 1637-39 (2005).

11. *Id.* Indeed, in only four of the seventy-four cases in Beebe's data where a mark was found commercially weak, did the plaintiff prevail, accounting for a roughly 5% win rate. *Id.*

## I. TRADEMARK STRENGTH AND INFORMATION OVERLOAD

A. *Trademark Strength vs. Brand Strength: The Ouroboros and the Pyramid*

We take a moment at the outset to define the scope of our inquiry. Trademark theory does not sufficiently distinguish *trademark* strength from *brand* strength—what we term “trademark hybridity.”<sup>12</sup> Our argument is closely tied to Professor Deven Desai’s brand-based theory of trademark law.<sup>13</sup> As he recognizes, a trademark is a subset of an overall brand concept.<sup>14</sup> Inchoate in the brand are several different aspects, including the word mark, an “emotional, symbolic component,” and various types of trade dress associated with the mark, including product packaging and product design.<sup>15</sup>

As one of us argues in *Trademark Hybridity and Brand Protection*, consumers can simultaneously understand a term as both a source identifier (THERMOS-brand vacuum bottle) and a generic product identifier (thermos). The product, the term (the mark), and the brand are interconnected: the brand includes the term, which in turn is attached to a product (or service).<sup>16</sup> Consumers react to these connections in different ways.

We posit when consumers see the term in isolation, they are likely to assume the term is being used as a badge for the brand associated with the product. We use the term “brand strength” (or “brand significance”) to describe

12. Timothy Denny Greene, *Trademark Hybridity and Brand Protection 2* (May 7, 2013) (unpublished manuscript) (on file with authors) (applying psycholinguistics research on lexical ambiguity (and lexical ambiguity resolution) to the issue of trademark meaning). *Accord* Deven R. Desai, *From Trademarks to Brands*, 64 FLA. L. REV. 981 (2012) (noting that in many cases what trademark doctrines—including the idea of goodwill and house marks, the merchandising right, and dilution—protect is not the classical “source identifying” trademark concept, but rather the more amorphous “brand” concept). *See also id.* at 988 (“Trademarks and brands are not the same.”).

13. Desai, *supra* note 12; Deven R. Desai & Spencer Waller, *Brands, Competition, and the Law*, 2010 B.Y.U. L. REV. 1425 (2011). A “brand” is the “agglomeration of meaning—identity, loyalty, and social meaning” that arises from, and constitutes the aura around, a trademarked term. Timothy Denny Greene & Jeff Wilkerson, *The Circular Nature of Trademark Control 1* (May 7, 2013) (unpublished manuscript) (on file with authors). *See also* ADAM ARVIDSSON, *BRANDS: MEANING AND VALUE IN MEDIA CULTURE 3* (2006) (since the 1980s, brands have become “something of an omnipresent tool by means of which identity, social relations and shared experiences . . . [can] be constructed.”).

14. Desai, *supra* note 12 at 983.

15. *Id.* (“[P]art of Coke’s power comes from Coke the brand. Coke’s label with the words ‘Coca-Cola’ flowing across a red field in white cursive script or Coke’s iconic glass bottle are aspects of Coke’s brand. Coke’s brand also has an emotional, symbolic component, as the brand evokes a sense of being all-American, ‘Classic,’ and the perfect refreshing drink, whether it is the Fourth of July or Christmas. A sip of Coke means imbibing an entire culture.”). *See also* Greene & Wilkerson, *supra* note 13.

16. *Cf.* ARVIDSSON, *supra* note 13, at 8 (“[B]rands do not so much stand for products, as much as they provide a part of the context in which products are used. This is the core component of the use-value that brands provide consumers with.”).

the connection between the term and the brand for which it is used as a badge.<sup>17</sup> Brand significance measures the extent to which consumers identify the term with a consistent source or seek it for its peculiar commercial magnetism—for example, the THERMOS thermos.<sup>18</sup> Brand strength can be further disaggregated into quantitative and qualitative dimensions. The quantitative dimension of brand strength refers to the proportion of consumers who use the mark as a source-identifier.<sup>19</sup> Brand strength's qualitative dimension refers to the mark's commercial magnetism—that is, in Professor Robert Bone's words, a mark is qualitatively stronger “when the average consumer feels more strongly about the mark so that it has a more powerful grip on her purchasing decisions.”<sup>20</sup>

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17. To a large extent, brand strength tracks the expanded property-based definition of “goodwill” that has made its way into the law over the last century. As explained by Professor Robert Bone, the property-based theory of goodwill:

... focused on the goodwill that a mark symbolized and protected that goodwill as the seller's property. This goodwill-as-property theory was flexible enough to support broad trademark protection provided “goodwill” was defined to include goodwill that attached to the firm as well as to the particular brand. . . . The goodwill-as-property theory was capable of reconciling seller protection with the dominant and persistent consumer protection strand of trademark law. The way a defendant injured or appropriated a plaintiff's firm goodwill was by confusing consumers about sponsorship. Therefore, protecting a mark against sponsorship confusion prevented harm to the seller at the same time as preventing harm to the consumer.

Robert G. Bone, *Schechter's Ideas in Historical Context and Dilution's Rocky Road*, 24 SANTA CLARA COMPUTER & HIGH TECH. L.J. 469, 493 (2008); accord Desai & Waller, *supra* note 13, at 1453-56. Our take on the normative propriety on the goodwill-as-property theory is beyond the scope of this Article, but for an overview, see Greene, *supra* note 12, at 28-29.

18. This idea is linked with the brand theory idea of “brand awareness.” As Desai describes it, brand awareness is “the idea that consumers will remember a brand and purchase a product for reasons beyond the functional aspects of a product and even possibly pay a higher price for a good regardless of quality.” Desai, *supra* note 12, at 996 (citing Kevin Lane Keller, *Conceptualizing, Measuring, and Managing Customer-Based Brand Equity*, 57 J. MARKETING 1, 8-9 (1993) (“Fundamentally, high levels of brand awareness and a positive brand image should increase the probability of brand choice, as well as produce greater consumer (and retailer) loyalty and decrease vulnerability to competitive marketing actions. Thus, the view of brand loyalty adopted here is that it occurs when favorable beliefs and attitudes for the brand are manifested in repeat buying behavior. Some of these beliefs may reflect the objective reality of the product, in which case no underlying customer-based brand equity may be present, but in other cases they may reflect favorable, strong, and unique associations that go beyond the objective reality of the product.”)).

19. Robert G. Bone, *Taking the Confusion Out of “Likelihood of Confusion”*: Toward a More Sensible Approach to Trademark Infringement, 106 NW. L. REV. 1307, 1344 (2012).

20. *Id.* This commercial magnetism is relatively synonymous with the concept of *brand equity* in the marketing literature. See, e.g., DAVID A. AAKER, *MANAGING BRAND EQUITY* 15 (1991) (defining brand equity as “a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers.”). Aaker divides brand equity into five discrete dimensions: (1) brand loyalty, the existence of a relatively loyal consumer base; (2) name (brand) awareness, the extent to which consumers are generally familiar with the brand; (3) perceived quality, consumers' general perception of the brand's overall quality; (4) brand associations, the attitudes or feelings a brand generates; and (5) other proprietary brand assets, which includes intellectual properties like trademarks, patents, and so on. We

“Product significance” describes the connection between the term and the product. That is, it measures the extent to which consumers identify the mark with the genus (rather than the species) of the product on which it’s used—for example, the thermos. Marks with strong brand significance often also acquire, or retain, significant product significance. For example, where the term is used in conjunction with a different brand designation—for example, COLEMAN thermos—the consumer is unlikely to be confused as to the product she will be purchasing. Indeed, she would be more confused were she to get a camping barbecue or tissues when purchasing a COLEMAN thermos. Because of the clear brand designation, the consumer knows of the product’s source provenance as well.

Product significance and brand significance are inextricably tied together in our conception of “trademark strength.” But it is only by decoupling them that it is possible to see just how much confusion in the doctrine they create.

Brand strength has a pyramidal character: a brand can continue to grow until the point at which every relevant consumer knows it, or it can shrink as consumers’ awareness of the brand dwindles. Brand strength expands or contracts as consumers become aware of the brand. KLEENEX is a good example of this phenomenon. Many people consider it a generic term for tissues—for example, “can you please hand me a kleenex?” Despite this usage, KLEENEX’s brand recognition is exceedingly high, and seems only to be growing; even though the product significance of KLEENEX is high, so too is its brand significance.<sup>21</sup>

Consumers sometimes use marks, like KLEENEX, in this generic sense. Trademark theory traditionally frets about what happens to a mark when consumers adopt this generic usage. Our theory questions that traditional wisdom, positing that generic usage significantly negatively affects the strength of the overall brand only if two conditions occur in conjunction: (1) the brand is used only on a single product (i.e., the mark is used only on a single flagship product)<sup>22</sup>; and (2) there is no widely-accepted alternative generic signifier for the product.<sup>23</sup> Yet even when those conditions occur, trademark theory should not be concerned about consumer confusion, so long as third parties use appropriate disclaimers.<sup>24</sup> It is possible to visualize this understanding of brand

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would modify this taxonomy slightly, noting that the trademark, whether word or logo, will often act as the reservoir in which such brand equity resides.

21. See INTERBRAND—BEST GLOBAL BRANDS 2012, <http://www.interbrand.com/en/best-global-brands/2012/Best-Global-Brands-2012-Brand-View.aspx> (last visited Feb. 28, 2013) (listing KLEENEX as the 80th most valuable global brand, with a valuation of \$4.3B).

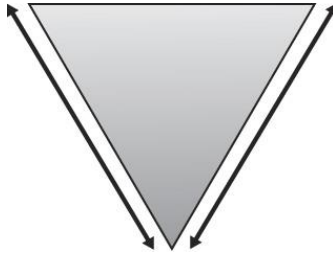
22. For example, KLEENEX tissues, IPAD tablet computers, BEANIE BABIES bean-stuffed animals, WALKMAN portable cassette players, and so on.

23. For example, trampoline, cellophane, aspirin, and so on. Even POST-IT and STICKY NOTE arguably fall into this bucket. Although WIKIPEDIA notes that “repositional note” and “repositionable note” are acceptable alternative generic signifiers, we have never heard these terms used.

24. See *Singer Mfg. Co. v. June Mfg. Co.*, 163 U.S. 169, 204 (1896). In *Singer*, the Supreme Court found “singer” to be generic for sewing machines. Nonetheless, the Court

strength, as shown by the inverted pyramid in Figure 1 below. The thicker the pyramid, the greater is consumer awareness of the brand.

FIGURE 1: BRAND STRENGTH PYRAMID



Unlike brand strength, which has the pyramidal character shown in Figure 1, we contend that product significance and overall trademark strength have a circular character. The factors that tend to make a mark strong will also tend to make the mark totally weak; those factors raise the risk of pushing the mark into genericness. The stronger the mark, the more likely it is that a broad swath of the consuming public will come to see it as describing the genus of the product, rather than a species of it. There is a point at which an extremely strong mark risks falling into genericness.

Just as we can visualize brand strength, we can also visualize this model of trademark strength and product significance. In a separate article, *The Circular Nature of Trademark Control*, we described this model as an Ouroboros, reflecting the model's resemblance to the ancient symbol of a snake eating its own tail:

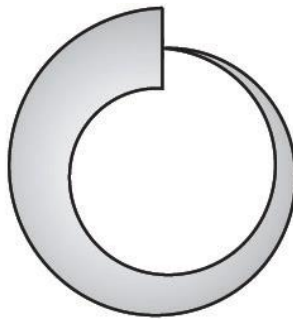
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ordered the court below to enter a decree in favor of Singer as follows:

“[R]evers[ed], and the cause be remanded, with directions to enter a decree in favor of [Singer], with costs, perpetually enjoin[ing] [June], its agents, servants and representatives, - First, from using the word ‘Singer,’ or any equivalent thereto, in advertisements in relation to sewing machines, *without clearly and unmistakably stating in all said advertisements that the machines are made by [June], as distinguished from the sewing machines made by [Singer]*; second, also perpetually enjoin[ing] [June] from marking upon sewing machines or upon any plate or device connected therewith or attached thereto the word ‘Singer,’ or words or letters equivalent thereto, *without clearly and unmistakably specifying in connection therewith that such machines are the product of [June] or other manufacturer, and therefore not the product of [Singer].*”

*Id.* (emphasis added).



FIGURE 2: THE OUROBOROS<sup>25</sup>

The closer the mark sits toward the thicker end of the Ouroboros, the more consumers will identify the mark with the product—for example, by thinking “thermos” is generic for “vacuum flasks,” and so on. As mark strength grows, there is a related greater risk that the mark will fall into genericness. This result is what markholders fear, because it means they may lose all ability to control and protect the mark for that product. But as we will show below, it is not clear that loss of control necessarily entails loss of value.

#### B. *What is Trademark Strength?*

The theory we just described helps explain what mark strength is intended to measure, but not what it is intended to do. An acceptable functional definition has proved tricky for trademark theorists to develop.

Judge Pierre Leval defined trademark strength as the amount of “legal muscle” possessed by a given mark.<sup>26</sup> Under this definition, marks having more muscle are able to exclude from the marketplace a wider scope of third-party uses of the mark.<sup>27</sup> Such increases in scope can happen along two fronts: terms and products. The stronger a senior mark is on the “terms” dimension, the less similar in sound and spelling a third-party’s mark must be in order to risk being excluded by the senior mark. The stronger a senior mark is on the “products” dimension, the less similar the goods or services offered by a

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25. Greene & Wilkerson, *supra* note 15, at 13-19.

26. Pierre N. Leval, *Trademark: Champion of Free Speech*, 27 COLUM. J.L. & ARTS 187, 191 (2004).

27. *Id.* Leval writes:

A mark with zero muscle—one as to which the prior user cannot in any circumstances exclude other would-be users—is at the very bottom, at the point of the [pyramid], where the [pyramid]’s section occupies zero surface area. A mark which has legal validity but is weak is at the low end of the [pyramid], where it occupies only a narrow circle. It can exclude others only within a very narrow scope. . . . A mark which has substantial muscle (a strong mark) is at the top of the [pyramid] where it occupies the widest [area]. It will have power to exclude not only the identical mark in the identical area, but also confusingly similar marks in broad areas, especially areas of commerce that are related to the area in which the owner operates and into which the owner might be expected to expand.

competitor<sup>28</sup> using the same (or similar) mark must be in order to risk being excluded by the senior mark. In short, the stronger a mark, the wider its scope of protection and thus the more third-party uses it can block from the stream of commerce.<sup>29</sup>

Consider an example involving a book publisher that adopts the mark THE AXEFORD PRESS. If that mark is weak along the dimensions of products and terms, the markholder may be able to prevent use of THE AXEFORD PRESS or perhaps THE AXFORD PRESS by a small handful of third parties in closely-related markets. If another book publisher—or perhaps a magazine publisher—started using such a mark, the original markholder could easily intervene and exclude the junior use of the mark. But that weak mark only excludes a use implicating both the product and the terms. If the mark is weak, it might not exclude a use with only an attenuated connection to the product or the term. Thus if THE AXEFORD PRESS is weak, its markholder could not exclude a maker of exercise machines from marketing a bench press machine called THE AXEFORD PRESS, which would be outside the scope of protected products. And similarly, the markholder likely could not exclude another publisher from adopting the mark THE OXFORD PRESS, which would be outside the scope of protected terms. The holder of the senior mark—in our scenario, the owner of THE AXEFORD PRESS—would have great difficulty winning on an infringement theory. By contrast, if the mark were strong on both the dimensions of products *and* terms, its markholder might be able to exclude all of these uses.

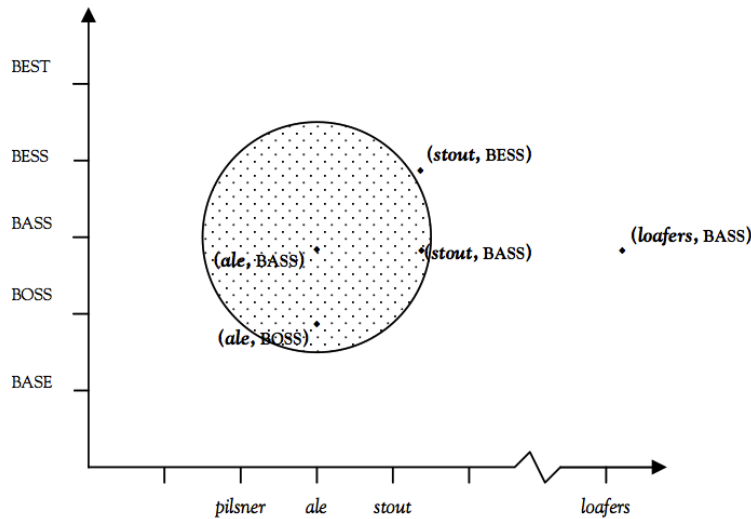
Beebe's *The Semiotic Analysis of Trademark Law* provides a visual explanation of trademark strength that captures the two-dimensional space of products and terms well<sup>30</sup>:

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28. We can measure “offered by a competitor” here as meaning actual competition through marketing channels, packaging, and all the other ways in which one firm differentiates its products from a competitor firm’s products.

29. Though we primarily use infringement examples throughout this Article, strength affects the dilution inquiry as well. The stronger the mark, the more plausible the markholder’s claim of dilution and thus the more products and terms the markholder can exclude from the marketplace on a dilution theory.

30. Barton Beebe, *The Semiotic Analysis of Trademark Law*, 51 UCLA L. REV. 621 (2004).

FIGURE 3: BEEBE'S SPATIAL MODEL OF TRADEMARK STRENGTH<sup>31</sup>

Beebe imagines a mark as a circle that can be plotted in this two-dimensional space—what he terms “product space”—and plots an example, BASS (for ale), to illustrate. The area of a mark’s circle grows as the mark grows stronger.<sup>32</sup>

While Leval and Beebe’s explications are useful, they are ultimately unsatisfying because they offer only legal conclusions about a mark’s strength. They leave open the question of what precisely it is that makes a mark strong—what causes trademark law to award a mark “legal muscle.” As courts describe the concept, the strength of a given mark is “measured by its distinctiveness or the degree to which it indicates the source or origin of the product . . . examined in its commercial context.”<sup>33</sup> Thus, the familiar concepts of trademark strength and trademark distinctiveness are largely coextensive:<sup>34</sup> a mark’s strength is commensurate with the extent to which it, in the eyes of consumers, conveys the affiliation, connection, or association of such person

31. *Id.* at 655 Fig. 5 (note that the titles of the X and Y axes have been removed in this copy of Beebe’s chart).

32. *Id.* We note that the strongest marks are probably better thought of as ovals rather than circles. A very strong mark will be able to exclude the same term being used on nearly any product, but protection will always be limited by the similarity of terms. For example, Nike Inc. could probably keep another company from making NIKE toilet scrubbers (most likely on a dilution theory, though many courts would likely credit an infringement theory as well), but it would probably not be able to keep a company from making MIKY basketball shoes.

33. *Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d 1033, 1044 (2d Cir. 1992).

34. Mark McKenna, *Teaching Trademark Strength Through the Lens of Distinctiveness*, 52 ST. LOUIS UNIV. L.J. 843, 846 (2008) (“The concept of distinctiveness . . . overlaps significantly with that of trademark strength.”).

with another person—or as to the origin, sponsorship, or approval (which we refer to as the “source”<sup>35</sup>) of the product purchased.<sup>36</sup> But as noted above, source-identification is only half of the story. Trademark strength also incorporates the idea of a mark’s commercial magnetism—the goodwill that “congeals” in the mark through the accretion of consumer loyalty and “good feeling.”<sup>37</sup> Putting all this together, we define overall trademark strength as the scope of protection afforded a trademark by courts based on: (1) the mark’s tendency to signify to consumers the source of the products to which the mark is affixed; and (2) the mark’s ability to influence a consumer’s purchasing decisions.<sup>38</sup>

The doctrine of trademark strength operates at two different moments in any trademark infringement action. First, before courts analyze the likelihood that the defendant’s use will cause consumer confusion, courts uniformly require as a threshold matter that the plaintiff’s mark have some minimum combination of inherent and acquired strength. We refer to this throughout this Article as “Step 1.” If during this step the court determines that the plaintiff’s putative trademark simply is not understood by consumers to designate the source of the plaintiff’s products or services, the court will dismiss the suit.<sup>39</sup>

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35. We use “source” to denote the various types of designations a mark might have against which the Lanham Act protects the markholder. *See* 15 U.S.C. § 1125(a)(1)(A), which provides a cause of action for “[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.”

36. *See, e.g.,* *Exxon Corp. v. Texas Motor Exch. of Houston, Inc.*, 628 F.2d 500, 504 (5th Cir. 1980) (“In short, the more distinctive a trademark, the greater its ‘strength.’”).

37. ROSEMARY J. COOMBE, *THE CULTURAL LIFE OF INTELLECTUAL PROPERTIES: AUTHORSHIP, APPROPRIATION, AND THE LAW* 174 (1998) (“The legal basis for the claim that [a trademark] is a form of property is the old mercantile notion of goodwill. The mark that accompanies all of one’s goods and makes them recognizable attracts the ‘loyalty’ of consumers, and this loyalty and good feeling is a valuable asset: goodwill. The positive value of one’s trade is congealed in the exchange value of the sign.”).

38. *See* Bone, *supra* note 19, at 1344. *But see* Jake Linford, *Trademark Owner as Adverse Possessor: Productive Use and Property Acquisition*, 63 *CASE W. L. REV.* 703, 729 (2013) (“[S]trength of the mark is really about the extent to which the trademark owner has claimed the right to use the trademark, shown by the breadth and length of her use of the mark in commerce”). While Linford’s argument is compelling, it is ultimately misguided. To take his property metaphor literally in the mark strength context would elide mark strength’s impermanence. In other words, mark strength is something that constantly shifts; a mark can be more or less strong at different times in its life. Linford’s formulation, as we understand it, would treat mark strength as a hurdle that need only be jumped once. Rather, mark strength properly understood allows the scope of protection to wax and wane with time.

39. *See* MCCARTHY ON TRADEMARKS & UNFAIR COMPETITION § 11:2 (2013); *Two Pesos Inc. v. Taco Cabana Inc.*, 505 U.S. 763, 769 (1992). A similar phenomenon occurs in the registration context. The Lanham Act allows examiners to treat five years of substantially exclusive and continuous use of a descriptive mark as *prima facie* evidence of secondary

Step 1, therefore, can be thought of as focused on the mark's validity as a mark. Instead of "strength," courts generally speak of Step 1 as the requirement of secondary meaning (for descriptive marks) or inherent distinctiveness (for suggestive, arbitrary, or fanciful marks).

Second, if the lawsuit survives this threshold inquiry, courts uniformly look to the strength of plaintiff's marks as a factor in the likelihood of confusion analysis.<sup>40</sup> We refer to this throughout this Article as "Step 2." It should come to no surprise that courts uniformly consider the plaintiff's mark's strength as a factor in the likelihood of confusion analysis. As Justice John Paul Stevens has pointed out, albeit in dissent, the public must associate the plaintiff's mark with plaintiff's product before a defendant's use of the plaintiff's mark can cause consumer confusion.<sup>41</sup> Indeed, as Beebe has shown, "strength"—however applied in each circuit—is one of the few likelihood of confusion factors that has predictive weight in forecasting the outcomes of infringement suits.<sup>42</sup> Step 2 can be thought of as an inquiry into a valid mark's scope of protection.

Step 1 and Step 2 refer to how mark strength is incorporated into the overall infringement inquiry. First, courts look to the mark's inherent strength—its natural ability to signify source. Second, courts look to the mark's acquired (or commercial) strength—its *actual* ability to signify source in the marketplace. In the next part, we address the first of these prongs. In Figure 4, we provide a flowchart to provide some clarification on this somewhat messy analysis.

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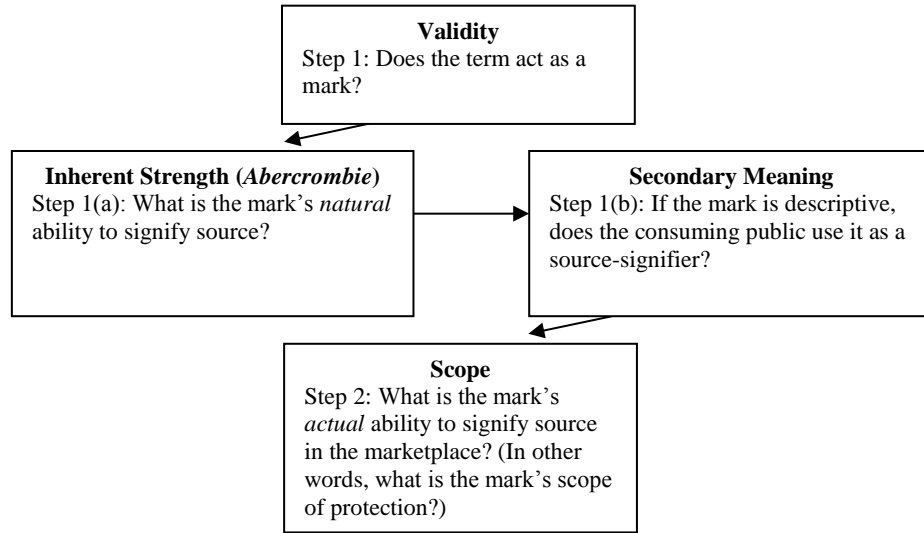
meaning. 15 U.S.C. § 1052(f); TMEP § 1202.05(a). But as Linford notes, at least in the context of trade dress, trademark examiners tend to require a longer period of use for marks that are thought "less inherently capable of providing notice to the public." Linford, *supra* note 38, at 724.

40. See, e.g., AMF, Inc. v. Sleekcraft Boats, 599 F.2d 341 (9th Cir. 1979); Polaroid Corp. v. Polarad Elec. Corp., 287 F.2d 492 (2d Cir. 1961), *cert. denied*, 368 U.S. 820 (1961).

41. Park 'N Fly, Inc. v. Dollar Park and Fly, Inc., 469 U.S. 189, 214 (1985) (Stevens, J., dissenting). See also MCCARTHY, *supra* note 39, at § 15:11 ("[T]he buyer, to be deceived, must be looking for some symbol which she thinks identifies a single, albeit anonymous, source."); Spangler Candy Co. v. Crystal Pure Candy Co., 235 F. Supp. 18, 27 (N.D. Ill. 1964) ("The buyer, to be deceived, must be looking for something."), *aff'd*, 353 F.2d 641 (7th Cir. 1965).

42. Beebe, *supra* note 10, at 1612 ("The outcomes of the similarity factor enjoy the strongest correlation with the overall test outcomes. Additionally, the outcomes of the other four core factors also each correlate fairly strongly with the larger test outcomes, with strength and intent correlating slightly more strongly than actual confusion and proximity").

FIGURE 4: STEP 1 AND STEP 2 ANALYSIS



### C. *Inherent Strength: The Abercrombie Taxonomy*

Recall that the *Abercrombie* taxonomy typically governs the first prong of the strength inquiry. That taxonomy identifies five categories of marks: (1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; and (5) fanciful. Other commentaries contain lengthy explanations of each category, but it suffices for our purposes to simply provide a basic overview, starting with generic terms and moving through descriptive, suggestive, and arbitrary marks, then finishing with fanciful marks.<sup>43</sup>

Generic terms refer to the genus of which the particular product is a species.<sup>44</sup> The generic term for the apple fruit is “apple,” for example, and the generic terms for acetylsalicylic acid include that chemical name itself as well as the more common term “aspirin.”<sup>45</sup> Whether a term is generic turns on the public’s usage of the term. The public has adopted “aspirin” to refer generically to all types of acetylsalicylic acid—not simply the Bayer product that originally bore the mark ASPIRIN—so “aspirin” is now the generic term for that category of pain reliever.<sup>46</sup> Marks can become generic over time, as has happened in

43. See, e.g., MCCARTHY, *supra* note 39, at §§ 11-12; Laura Heymann, *The Grammar of Trademarks*, 14 LEWIS & CLARK L. REV. 1313, 1313 (2010).

44. *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976).

45. See *Bayer Co. v. United Drug Co.*, 272 F. 505, 513 (2d Cir. 1921) (“aspirin”).

46. *Id.* Accord 15 U.S.C. § 1064(c) (“The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the generic name of goods or services on or in connection with which it has been used.”).

several well-known cases.<sup>47</sup> And under limited circumstances, a term that was once generic can later come to signify source, and thus become protected as a trademark.<sup>48</sup> (Although marks that ‘return’ to source significance are better understood as terms that became standardized and then lost their standardized character.)<sup>49</sup>

Descriptive terms “merely describe” some aspect of the good or service.<sup>50</sup> Unlike generic terms, descriptive terms can become protectable at Step 1 as marks only if they acquire “secondary meaning.” This occurs when the term, through use over time, begins to act as a source identifier for the markholder’s goods in the minds of consumers.<sup>51</sup>

Suggestive marks, by contrast, “suggest” some attribute of the product, rather than merely describing it.<sup>52</sup> Professor J. Thomas McCarthy notes that “[t]he exact position of the line between descriptive and suggestive marks is almost impossible to define in the abstract.”<sup>53</sup> But finding this line has serious

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47. Bayer, 272 F. at 513 (“aspirin”); DuPont Cellophane Co. v. Waxed Prods. Co., 85 F.2d 75 (2d Cir. 1936), *cert. denied*, 299 U.S. 601 (1936) (“cellophane”); King-Seeley Thermos Co. v. Aladdin Indus., 321 F.2d 577 (2d Cir. 1963) (“thermos”).

48. *See* Goodyear’s India Rubber Glove Mfg. Co. v. Goodyear Rubber Co., 128 U.S. 598, 602-03 (1888) (finding GOODYEAR generic or descriptive); Goodyear Tire & Rubber Co. v. H Rosenthal Co., 246 F. Supp. 724, 728-30 (D. Minn. 1965) (finding secondary meaning for GOODYEAR on raincoats). Some courts are skeptical whether this should occur, at least where the term proposed to be a trademark is generic *ex ante*. *See* Microsoft, Inc. v. Lindows, Inc., 64 U.S.P.Q.2d 1397, 1408 (W.D. Wash. 2002) (“A particularly high burden rests on the holder of the trademark who is advancing an argument that the mark has been ‘reclaimed from the public domain by a change in consumer usage over a long period of time.’”); Harley-Davidson, Inc. v. Grottanelli, 164 F.3d 806, 812 (2d Cir. 1999) (holding that *Abercrombie* and its progeny forbid markholders from gaining protection in a mark that was generic prior to its use as a mark, regardless of secondary meaning). *Compare* Singer Mfg. Co. v. June Mfg. Co., 163 U.S. 169, 204 (1896) (finding SINGER generic), *with* Singer Mfg. Co. v. Briley, 207 F.2d 519 (5th Cir. 1953) (finding that SINGER had been reclaimed from the public domain due to change in public usage).

49. *See* Greene & Wilkerson, *supra* note 13, at 6.

50. *Abercrombie*, 537 F.2d at 10. *See also* 15 U.S.C. § 1052(e) (forbidding the registration of “merely descriptive” marks); 15 U.S.C. § 1052(f) (approving registration of “merely descriptive” marks that “become distinctive of the applicant’s goods in commerce”).

51. *Id.* *See also* MCCARTHY, *supra* note 39, at § 15 (outlining the “secondary meaning” doctrine).

52. *Abercrombie*, 537 F.2d at 10.

53. MCCARTHY, *supra* note 39, at § 11:64. The lines between generic terms and descriptive marks—for example, WINDOWS—and suggestive and fanciful marks—for example, KLEENEX—are in many cases equally difficult to discern. A judicial error with respect to line-drawing between suggestive and fanciful marks has no ill effects, but where a court mistakes a descriptive mark for a generic term (often despite a finding of some source significance), there is not much the markholder can do to fix it. In the registration context, the Federal Circuit has approved of an absolute bar on registering “highly descriptive” marks. *See In re Boston Beer Co. Ltd. P’ship*, 198 F.3d 1370, 1373-74 (Fed. Cir. 1999) (In a case where Boston Beer Co. Ltd. sought to register the mark BEST BEER IN AMERICA, the court wrote: “As in this case, a phrase or slogan can be so highly laudatory and descriptive as to be incapable of acquiring distinctiveness as a trademark. . . . Indeed, [the mark at issue] is so highly laudatory and descriptive of the qualities of its product that the slogan does not and

consequences for markholders because suggestive marks, unlike descriptive marks, are protectable without proof of secondary meaning.

Indeed, despite decades of line-drawing in individual cases, the space between descriptive and suggestive terms remains quite fluid. It is very difficult to predict with any accuracy how a court will classify a given term. Examples of marks that have been held descriptive include: MARCH MADNESS for an annual basketball tournament taking place in March;<sup>54</sup> NATURE'S MEDICINE for vitamins and food supplements;<sup>55</sup> and RAISIN BRAN for raisin and bran cereal.<sup>56</sup> Marks that courts have found to be suggestive include: CITIBANK for an urban bank;<sup>57</sup> COPPERTONE for sun tan oil,<sup>58</sup> PLAYBOY for an adult men's magazine;<sup>59</sup> and ORANGE CRUSH for orange-flavored soda.<sup>60</sup> Differentiating MARCH MADNESS and ORANGE CRUSH on these grounds thus seems incredibly difficult, if not impossible. One could easily argue that the outcomes should be flipped; with MARCH MADNESS found suggestive (perhaps suggesting the mania attendant to the highly competitive college basketball tournament) and ORANGE CRUSH found descriptive (perhaps describing the flavor of squeezed oranges).

Arbitrary and fanciful marks, like suggestive marks, are accorded protection without a showing of secondary meaning.<sup>61</sup> Arbitrary terms are words that may serve no function other than source identification when used on some goods, but serve no source identification function on others—think APPLE for computers (vs. apples) or PENGUIN for a publishing house (vs. penguins). A fanciful term is one that is invented for the sole purpose of serving as a source-identifier. Examples of marks courts have found fanciful include: CLOROX for bleach;<sup>62</sup> EXXON for gas;<sup>63</sup> and KODAK for photographic

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could not function as a trademark to distinguish Boston Beer's goods and serve as an indication of origin." See generally Alexandra Roberts, *How to Do Things with Word Marks: A Speech-Act Theory of Distinctiveness* (Oct. 29, 2012) (unpublished manuscript) (on file with authors) (describing the many tests used to permit trademark registration and to distinguish inherently distinctive marks from merely descriptive marks).

54. *March Madness Athletic Ass'n, L.L.C. v. Netfire, Inc.*, 310 F. Supp. 2d 786 (N.D. Tex. 2003) (finding secondary meaning in MARCH MADNESS mark), *aff'd* 120 Fed. Appx. 540 (5th Cir. 2005).

55. *Nature's Way Prods., Inc. v. Nature's Herb, Inc.*, 9 U.S.P.Q.2d 2077 (T.T.A.B. 1989) (finding that NATURE'S MEDICINE describes a category of "natural herbal remedies").

56. *Skinner Mfg. Co. v. Kellogg Sales Co.*, 143 F.2d 895 (8th Cir. 1944).

57. *Citibank, N.A. v. Citibanc Group, Inc.*, 724 F.2d 1540 (11th Cir. 1984); *Citigroup Inc. v. City Holding Co.*, 171 F. Supp. 2d 333 (S.D.N.Y. 2001).

58. *Douglas Labs. Corp. v. Copper Tan, Inc.*, 210 F.2d 453 (2d Cir. 1954).

59. *Playboy Enters., Inc. v. Chuckleberry Pub'g, Inc.*, 486 F. Supp. 414 (S.D.N.Y. 1980) (holding that PLAYBOY "evokes the aspirations" of the reader).

60. *Orange Crush Co. v. California Crushed Fruit Co.*, 297 F. 892 (D.C. Cir. 1924).

61. *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 11 (2d Cir. 1976) ("It need hardly be added that fanciful or arbitrary terms enjoy all the rights accorded to suggestive terms as marks without the need of debating whether the term is 'merely descriptive' and with ease of establishing infringement.")

62. *Clorox Chem. Co. v. Chlorit Mfg. Corp.*, 25 F. Supp. 702 (E.D.N.Y. 1938).



supplies.<sup>64</sup> However, many terms courts have held fanciful are likely more properly classified as suggestive (such as EXXON, which is a creative respelling of “S.O.,” the initials of its predecessor Standard Oil) or perhaps even descriptive (such as CLOROX, a portmanteau of chlorine and oxygen, the two primary active chemicals present in the hypochlorite molecule known as bleach).<sup>65</sup> A true fanciful term suggests nothing except a positive aura owing to the word’s natural attractiveness—for example, KODAK.<sup>66</sup>

Marks are placed into a category by reference to their inherent strength or distinctiveness.<sup>67</sup> As we noted above, this inherent strength or inherent distinctiveness turns on the likelihood that consumers—without knowing anything of the particular trademark at issue, and upon seeing the putative mark attached to a given product—will understand the mark stands for the product’s source, even if consumers cannot actually identify the specific producer. *Abercrombie* instructs judges to determine a putative mark’s inherent distinctiveness by determining the extent to which the term used as a mark naturally associates itself in the public mind with the product to which the mark is affixed. Some commentators have described this as an inquiry into how “imaginative” the mark is in relation to the product.<sup>68</sup> If the public does not normally associate the term with the product to which it is affixed, then when a consumer sees that term affixed to the product, he or she will infer that the term is being used to signify the product’s source.

Recall our earlier observation that courts address trademark strength at two distinct stages of trademark litigation, which we called Step 1 and Step 2.<sup>69</sup> Courts operationalize the *Abercrombie* taxonomy differently depending on whether they are dealing with mark strength at Step 1 or Step 2, but at both steps the doctrine is relatively well established. At Step 1, courts place the mark into a category by reference to how imaginative the term used as a mark is thought to be. If the court determines that the mark is generic, or the mark is

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63. *Exxon Corp. v. XOil Energy Res., Inc.*, 552 F. Supp. 1008 (S.D.N.Y. 1981).

64. *Eastman Kodak Co. v. Rakow*, 739 F. Supp. 116, 117 (W.D.N.Y. 1989) (“The KODAK trademark is perhaps one of the strongest and most distinctive trademarks in this country, if not in the world.”).

65. *See supra* n. 53-60 and accompanying text.

66. *See* HISTORY OF KODAK—GEORGE EASTMAN, [http://www.kodak.com/ek/US/en/Our\\_Company/History\\_of\\_Kodak/George\\_Eastman.htm](http://www.kodak.com/ek/US/en/Our_Company/History_of_Kodak/George_Eastman.htm) (last visited May 5, 2013) (“[George Eastman] explained: ‘I devised the name myself. The letter “K” had been a favorite with me—it seems a strong, incisive sort of letter. It became a question of trying out a great number of combinations of letters that made words starting and ending with “K.” The word “Kodak” is the result.’”). Of course, our conclusion that KODAK is a true fanciful mark presumes George Eastman’s story is or approximates how he derived the term.

67. Note that, as with “trademark” and “mark,” we use “inherent distinctiveness” and “inherent strength” somewhat interchangeably, although we intend the terms to have the same meaning.

68. *See, e.g.,* Heymann, *supra* note 43, at 1333 (“The more imaginative the trademark is determined to be, according to the *Abercrombie* hierarchy, the more protection it receives.”); *id.* at 1333 n.67 (citing cases).

69. *See supra* text accompanying notes 39-42.

descriptive but lacks the minimum required inherent and acquired strength, the mark is entitled to no legal protection. The case is dismissed. If the court determines that the mark is descriptive (with the minimum level of required strength), suggestive, arbitrary, or fanciful, Step 1 is finished; the mark is entitled to at least some level of protection, and the court moves on to Step 2. The court's inquiry at Step 1 thus functions to weed out generic and non-distinctive descriptive marks, conserving scarce judicial resources by negating any need to further consider any problems about protection.

At Step 2, courts seek to determine what quantum of strength the mark actually possesses, as a factor in determining whether the defendant's use is likely to cause confusion. In theory if not in reality, courts are tasked with assessing not only the mark's "inherent distinctiveness," but also the mark's "acquired distinctiveness."<sup>70</sup>

There exists in the commentary some support for the relative importance of inherent distinctiveness. In Leval's view, for example, a trademark's "legal muscle" is determined primarily—if not solely—by the mark's inherent distinctiveness. Under the strong version of this approach, a fanciful mark would always be entitled to more protection than a descriptive mark, for example.<sup>71</sup> Most courts, quite rightly, have not adopted the strong version of this approach.<sup>72</sup>

But the approach adopted in its place (or in addition to it)—the acquired strength test—has proved exceedingly difficult for many courts to manage.

Overreliance on the *Abercrombie* taxonomy at either Step 1 or Step 2 can be problematic. (This may be because courts often get the analysis completely wrong.<sup>73</sup>) Primarily, trademark strength is far more fluid than the taxonomy

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70. Somewhat confusingly, "secondary meaning" and "acquired distinctiveness" essentially refer to the same concept; as McCarthy has noted, "[t]he two terms are synonymous and are often used interchangeably by the courts." MCCARTHY, *supra* note 39, at § 15:10.

71. Leval, *supra* note 26, at 191-95. Leval categorically states that generic marks are at the bottom of the pyramid, with descriptive marks not much higher. He argues that above those marks lie suggestive marks and then "strong, arbitrary marks" at the top of the pyramid. *See also* Heymann, *supra* note 43, at 1333 (arguing that *Abercrombie* suggests that "the more imaginative [that is, inherently distinctive] a trademark is deemed to be . . . the more protection it receives.").

72. *See Banff, Ltd. v. Federated Dep't Stores, Inc.*, 841 F.2d 486, 487 (2d Cir. 1988) ("placing a mark in one of [the inherent strength] . . . categories is . . . a tricky business at best[.]"); *Anheuser-Busch, Inc. v. Holt*, No. 91180119, 2009 WL 3078027, at \*5 (T.T.A.B. Sept. 16, 2009) (stating that inherent strength determinations are "often made on an intuitive basis rather than as a result of precisely logical analysis"). *See also* Lisa Larrimore Ouellette, *The Google Shortcut to Trademark Law*, 102 CALIF. L. REV. \*4 (forthcoming 2014), available at <http://ssrn.com/abstract=2195989>. *But see, e.g.*, *Davis v. Walt Disney Co.*, 430 F.3d 901, 903 (8th Cir. 2005) (finding the strength factor to weigh against plaintiff's descriptive EARTH PROTECTOR mark, because the descriptive category is "the weakest protectable mark") (citations and internal quotation marks omitted).

73. *See* Beebe, *supra* note 10, at 1633-34 n. 211 (collecting cases applying the mark strength tests erroneously). *See also* *M2 Software, Inc. v. Madacy Ent'mt. Co.*, 421 F.3d 1073, 1081 (9th Cir. 2005) ("[W]e have never held that an arbitrary or fanciful mark (i.e., a

presupposes.<sup>74</sup> Descriptive marks (like WINDOWS or COCA-COLA) can outpace suggestive, arbitrary, and fanciful marks in terms of *overall* strength—taking into account inherent as well as acquired distinctiveness. In fact, this phenomenon happens quite often. It is this fluidity that the acquired strength prong is intended to capture, and that our model approximates using the Ouroboros model.<sup>75</sup> *Abercrombie*'s rigid formalism contrasts with this fluidity; it is this unnecessary formalism that has led many courts to scrap use of the *Abercrombie* taxonomy altogether, as Beebe has shown empirically.<sup>76</sup>

To a large extent, the courts that have stopped using the *Abercrombie* taxonomy have gone too far in the opposite direction. This phenomenon is problematic for two reasons. First, to the extent that these courts have previously adopted *Abercrombie*, courts risk making illegitimate decisions and upsetting settled expectations by not employing the analysis called for by prior precedent. Second, the “acquired strength” inquiry (described below) that courts use in its place, while theoretically more probative of actual overall mark strength in the commercial marketplace, is almost infinitely open-ended, and furthermore is doctrinally underdeveloped.<sup>77</sup> This anemic doctrine means it is

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conceptually strong mark) can have its overall strength diminished by feeble commercial success. We decline to do so today. Rather, we hold that a lack of commercial strength cannot diminish the overall strength of a conceptually strong mark so as to render it undeserving of protection.”); MCCARTHY, *supra* note 39, at § 11:83 n.5 (collecting cases by circuit, and noting that the Second, Third, Fourth, Fifth, Seventh, Ninth, Tenth and Eleventh Circuits all use some version of the two-prong test).

74. See Thomas R. Lee et al, *An Empirical and Consumer Psychology Analysis of Trademark Distinctiveness*, 41 ARIZ. ST. L.J. 1033, 1090-92, 1094, 1098-99 (2009) (discussing results of three different studies in which the authors concluded that descriptive marks, when used in commercial context, are not statistically less likely to be source-distinctive than suggestive, arbitrary, or fanciful marks). We note, however, that the authors' studies involved a modified version of the *Teflon* survey, which one of us argued in *Trademark Hybridity and Brand Protection* is fundamentally flawed in that it fails to adequately disaggregate brand significance from product significance. See Greene, *supra* note 12, at 18-20.

75. See *supra* Figure 2 (the Ouroboros model).

76. Beebe, *supra* note 10, at 1635 (noting that only 44% of the opinions sampled made some use of the *Abercrombie* taxonomy).

77. For example, in one case from the District Court of Massachusetts, the court focused only on three factors: (1) the length of time the mark had been used (which is problematic for reasons we detail below); (2) the mark's renown in the plaintiff's field of business; and (3) the plaintiff's actions to promote the mark. *Northern Light Tech., Inc. v. Northern Lights Club*, 97 F. Supp. 2d 96, 114-15 (D. Mass. 2000). The court contrasted “the accolades the Plaintiff has received, the registration of the mark with the United States Patent and Trademark Office, and the seven million dollars the Plaintiff [had] recently spent advertising” with the mark's “limited active life of two and a half years and a modest aided and unaided brand awareness among Internet users of twenty percent and less than five percent, respectively” and concluded that the plaintiff's mark was “moderately strong.” This analysis is flawed for many of the reasons set forth below in Part II, but namely: (1) registration cannot shed light on how strong a mark is in practice, but can only show that the mark was sufficiently inherently strong to be registered; (2) the amount of money spent by the plaintiff in the abstract doesn't matter if it doesn't affect consumer awareness of the mark (and, in any event, it's unclear whether \$7,000,000 was a significant amount to spend on

very difficult for litigants to predict accurately how their marks will fare. So far, no clear doctrinal method for determining trademark strength that takes account of acquired strength has stepped in to take *Abercrombie*'s place.

When courts do consider acquired strength, they provide few guideposts or legitimately helpful heuristics for subsequent courts and litigants to use in considering acquired strength—an analytical failing we detail further below. Given that “distinctiveness” per se is not readily observable, this failure leaves markholders in a bind.

The *Abercrombie* taxonomy is a mediocre measure of overall mark strength: it is not entirely consistent or clear, especially at the margins. But it is at least clearer than the acquired strength inquiry some courts apply. That is, however poor a heuristic the taxonomy may be for predicting actual consumer understanding, it is at least relatively easy for a litigant to predict what category her mark falls into—although discriminating at the margins is difficult, not many markholders or observers fluent in American English will think an arbitrary mark (such as APPLE) is *inherently* generic when used on non-fruit goods.

#### D. *Acquired Strength: The Unbounded Inquiry*

After determining that the mark ‘functions as a mark’ in what we have called Step 1, most courts move on in Step 2 to evaluate the mark’s acquired strength—that is, the mark’s level of commercial marketplace recognition in both the qualitative and quantitative senses.<sup>78</sup> This focus is sensible, for it

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advertising in the plaintiff’s competitive context); (3) a mark’s short lifespan need not prejudice a finding of strength, as many marks can rocket to prominence over a very short period of time (for example, TWITTER went from marginally strong to incredibly strong in the course of a single year); and (4) it’s unclear what the tipping point for “aided and unaided brand awareness” is or should be (that is, in a heavily contested market, 20% aided brand awareness may be very significant). While accounting for inherent strength would not fix many of these issues, it can at least anchor the analysis by setting a starting point.

78. See Bone, *supra* note 19, at 1344. See MCCARTHY, *supra* note 39, at § 11:83. Most circuits apply a two-pronged test. See, e.g., *Star Indus., Inc. v. Bacardi & Co.*, 412 F.3d 373, 385-86 (2d Cir. 2005); *Fisons Horticulture v. Vigoro Indus., Inc.*, 30 F.3d 466, 478-79 (3d Cir. 1994); *George & Co. LLC v. Imagination Entm’t Ltd.*, 575 F.3d 383, 395 (4th Cir. 2009); *Sun Banks of Fla., Inc. v. Sun Fed. Sav. & Loan Ass’n*, 651 F.2d 311, 315-17 (5th Cir. 1981); *Sullivan v. CBS Corp.*, 385 F.3d 772 (7th Cir. 2004); *Lahoti v. Vericheck, Inc.*, 636 F.3d 501, 508 (9th Cir. 2011); *King of the Mountain Sports, Inc. v. Chrysler Corp.*, 185 F.3d 1084, 1093 (10th Cir. 1999); *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 973-75 (11th Cir. 1983); *In re Chippendales USA, Inc.*, 622 F.3d 1346, 1352 (Fed. Cir. 2010). District courts in the other circuits tend to use the two-pronged approach as well. See *ConAgra, Inc. v. George A. Hormel & Co.*, 784 F. Supp. 700, 713-14 (D. Neb. 1992), *aff’d* 990 F.2d 368, 371 (8th Cir. 1993). But sometimes the courts of appeals in these circuits err in their review of the strength factor by stopping after Step 1 and failing to analyze commercial strength. See, e.g., *Davis v. Walt Disney Co.*, 430 F.3d 901, 903 (8th Cir. 2005) (finding the strength factor to weigh against plaintiff because a descriptive mark is “the weakest protectable mark”) (citations and quotations omitted). In one case, the First Circuit held that Step 1 inherent strength should not be considered *at all*. *Attrezzi, LLC v. Maytag*

seems the higher the mark's level of marketplace recognition, the more likely consumers will identify the mark with the stakeholder.<sup>79</sup> Courts differ, however, on what evidence they find tends to establish acquired strength—and differ further on the factors they use to analyze the mark's exclusive scope (that is, the mark's ability to exclude third-party uses of similar terms on specific products).<sup>80</sup>

As McCarthy notes, courts consider similar kinds of evidence with respect to acquired strength and secondary meaning.<sup>81</sup> We argue that the evidence relevant to those two inquiries—acquired strength and secondary meaning—is not just similar but in fact identical.<sup>82</sup> Both inquiries seek to show that consumers recognize the mark as a mark and identify it with a particular source. At Step 1, courts determine whether a mark is eligible for protection in the first place. With respect to Step 2—acquired strength—courts' purpose is, as McCarthy has put it, determining “a matter of degree: is the mark strong enough that the junior user's mark is likely to cause confusion?”<sup>83</sup>

Courts consider many kinds of evidence in determining acquired strength and secondary meaning under a functionally identical rubric. Most courts agree that direct evidence of consumer recognition—including survey evidence—is, or at least should be, probative of these issues.<sup>84</sup> Likewise, most courts agree

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Corp., 436 F.3d 32, 40 (1st Cir. 2006) (stating that consideration of inherent strength was “a proposition [not] supported by any First Circuit case law and its logic is not apparent to us”).

79. *See, e.g.*, *Playtex Prods., Inc. v. Georgia-Pacific Corp.*, 390 F.3d 158, 163 (2d Cir. 2004) (“When there is widespread recognition of a mark among consumers, there is an increased likelihood that consumers will assume it identifies the previously familiar user, and therefore an increas[ed] . . . likelihood of consumer confusion if the new user is in fact not related to the first.”) (alteration in original) (internal citation and quotation marks omitted). That is, if MARK A is very strong for one good or service (for example, GOOGLE on internet-based services), people will assume the source of different goods or services (for example, GOOGLE on car parts) may be related to the first. This fact is especially important given the ubiquity of logo-based merchandising and corporate sponsorship.

80. *See COOMBE, supra* note 37, at 63 (“Sources of evidence accepted for establishing the existence of . . . secondary meaning, however, rely more upon the manufacturer's investments and profits and his or her competitor's activities, than they do upon any actual knowledge or beliefs of the consuming public.”).

81. MCCARTHY, *supra* note 39, § 11:83 (“This evidentiary process is similar to that used to determine if a non-inherently distinctive designation has acquired distinctiveness through secondary meaning.”).

82. *Accord* Linford, *supra* note 38, at 726-30.

83. *Id.*

84. MCCARTHY, *supra* note 39, § 11:83 (“Determining the strength of any mark requires weighing either or both circumstantial evidence of advertising and promotion and direct evidence of consumer recognition, such as by a survey.”). *See, e.g.*, *Brown v. Quiniou*, 744 F. Supp. 463, 470 (S.D.N.Y. 1990). The *Quiniou* court in discussing the plaintiff's failure to provide to the court a consumer survey showed how valuable this evidence can be. The court said: “although failure to undertake a consumer survey concerning recognition of the [mark-at-issue] is not by itself fatal to plaintiffs' assertion of secondary meaning . . . where the other evidence of consumer recognition is hardly overwhelming, the absence of survey evidence weighs heavily against plaintiffs' position.” *Id.* On the question whether survey evidence is actually reliable, *see Ouellette, supra* note 72, at n.49-56 and

that extensive third-party uses of the mark, successful sales under the mark, and unsolicited media coverage referencing the mark are strong evidence of trademark strength and secondary meaning.<sup>85</sup>

The different federal circuit courts of appeals splinter when it comes to other factors relevant to what we argue is their unified analysis of trademark strength and secondary meaning. The Second Circuit, for example, has considered several factors in addition to those listed above: advertising expenditures, attempts to plagiarize the mark, and length and exclusivity of the mark's use.<sup>86</sup> The Ninth Circuit has considered the testimony of a trademark plaintiff's employees (although the court gave the evidence little weight).<sup>87</sup> The idea, generally understood, is that all seemingly relevant evidence will be considered—even if it is not *actually* relevant to whether *consumers* are likely to be confused. And, as some scholars have noted, it's not clear the evidence is weighed appropriately considering the question sought to be answered: do consumers *actually* consider this mark a source identifier?<sup>88</sup>

Some factors courts weigh heavily—surveys, third-party uses, sales success, and unsolicited media coverage—are valuable means of ascertaining a mark's acquired strength when applied correctly. Sales success, for example, shows that consumers are actually interacting with the stakeholder's products and are therefore more likely to tie the mark to that stakeholder. Lisa Larrimore Ouellette has argued that Google search rankings could provide additional valuable information about a mark's distinctiveness.<sup>89</sup> But many of the more peripheral factors are either irrelevant or downright confusing.<sup>90</sup> The fact that a

accompanying text (arguing survey evidence is insufficiently reliable and overly expensive).

85. See *Thompson Med. Co. Inc. v. Pfizer Inc.*, 753 F.2d 208, 217 (2d Cir. 1985) (sales success and unsolicited media coverage); *Perini Corp. v. Perini Constr., Inc.*, 915 F.2d 121, 125 (4th Cir. 1990) (adopting the *Thompson* test). See also *Boston Athletic Ass'n v. Sullivan*, 867 F.2d 22, 32 (1st Cir. 1989) (length of use, "renown in [the mark]'s field, third party uses," and "the plaintiff's actions in promoting its mark"); *Rockland Mortg. Corp. v. Shareholders Fund'g, Inc.*, 835 F. Supp. 182, 193 (D. Del. 1993) (noting the relevance of third-party uses of the same or similar marks); *Marilyn Miglin Model Makeup, Inc. v. Jovan, Inc.*, 224 U.S.P.Q. 178, 180 (N.D. Ill. 1984) (listing as relevant factors "the amount and manner of advertising, volume of sales, length and manner of use, direct consumer testimony and consumer surveys").

86. See *Thompson Med. Co. Inc.*, 753 F.2d at 217.

87. See *Filipino Yellow Pages, Inc. v. Asian Journal Publ'n, Inc.*, 198 F.3d 1143, 1152 (9th Cir. 1999) (citing *Self-Realization Fellowship Church v. Ananda Church of Self-Realization*, 59 F.3d 902, 910 (9th Cir. 1995)).

88. See COOMBE, *supra* note 37, at 63 ("Although consumer surveys may be used, they are no more probative [*sic*] than evidence of a competitor's intentional copying, large advertising expenditures, sales success, or the length of time of exclusive use.") (citing Willajeanne F. McLean, *The Birth, Death, and Renaissance of the Doctrine of Secondary Meaning in the Making*, 42 AM. UNIV. L. REV. 737, 749-50 (1993)).

89. See generally Ouellette, *supra* note 72.

90. See *id.* at 13. Ouellette writes:

When direct evidence from surveys (or unrepresentative consumer testimony) is unavailable or unreliable, courts can evaluate trademark strength and secondary meaning only through circumstantial evidence such as sales volume and advertising expenditures. But these factors

stakeholder spent money—even hundreds of millions of dollars—on advertising doesn't tend to prove anything except that the stakeholder had money to spend.<sup>91</sup> Despite the millions of dollars Coca-Cola spent on advertising it<sup>92</sup>, does anyone remember VAULT soda—or for that matter any of the slogans used with the drink like “The Taste. The Quench. The Kick.” or “Chug & Charge?” That little-known drink, with its expensive advertising campaign, was only discontinued in 2011, after six years on the market.

Like advertising expenditures, the length of a company's use of a term as if it were a mark can matter little. Whether the company began using a mark in 2012 or 1912 is irrelevant to the trademark strength inquiry if consumers don't recognize the mark as a source identifier and are not persuaded to purchase goods bearing the mark.<sup>93</sup> Some courts have found length of use to be dispositive. For example, in *Marilyn Miglin Model Makeup, Inc. v. Jovan, Inc.*, a district court concluded that fewer than four years of use was insufficient to show secondary meaning despite strong evidence of yearly sales.<sup>94</sup> When used

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are weak proxies for consumer perceptions, and courts often discount this evidence when they conclude that it does not indicate the necessary association in consumers' minds between the mark and the product or service. As with surveys, there is little for judges to rely on in determining whether to credit this evidence besides their own intuition.

91. *Accord* *Minn. Specialty Crops, Inc. v. Minn. Wild Hockey Club, LP*, No. Civ. 00-2317 JRTFLN, 2002 WL 1763999, at \*6 (D. Minn. Jul. 26, 2002) (stating that “[a]lthough advertising is a ‘relevant factor in determining whether a mark has acquired a secondary meaning, it is the effect of such advertising that is important, not its extent’”) (citing *Co-Rect Prods., Inc. v. Marvy! Adver. Photography, Inc.*, 780 F.2d 1324, 1332 (8th Cir. 1985)); *Fossil Inc. v. Fossil Grp.*, 49 U.S.P.Q.2d 1451, 1457 (T.T.A.B. 1998) (“If a party plaintiff in a Board proceeding is to rely simply on sales and advertising figures in an effort to establish that its mark is famous, then it is incumbent upon that party plaintiff to place the sales and advertising figures in context, for example, by showing that the product is the leading product in its category, the second leading product in its category etc.”).

92. Coca-Cola Inc.'s marketing expenditures averaged roughly \$2.5 billion in the period 2004-2006 and have likely remained in that ballpark since that time. See *FAQs (Frequently Asked Questions)*, THE COCA-COLA COMPANY, <http://www.coca-colacompany.com/contact-us/faqs> (last visited Aug. 29, 2012).

93. See, e.g., *Walt-W. Enters., Inc. v. Gannett Co.*, 695 F.2d 1050, 1060 (7th Cir. 1982) (“The facts that [plaintiff] used the term for ten years and spent large sums of money in advertisements containing the term are simply not germane unless [plaintiff] can show that the way in which it employed the term dispelled the tendency of listeners to regard the term as [descriptive] and instead regard the primary significance of the term as designating a single . . . source . . .”). The test for dilution contains a slightly more palatable formulation of this factor, focusing on “[t]he extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.” 15 U.S.C. § 1125(c)(2)(B)(iii). This formulation focuses on the here and now, as opposed to years past and is therefore more probative. However, its relevance to dilution is as a proxy for proving harm, not for proving consumer recognition—if the stakeholder is using the mark exclusively and the defendant “tarnishes” it, then the stakeholder is the only one likely to be harmed by the tarnishment.

94. *Marilyn Miglin Model Makeup, Inc. v. Jovan, Inc.*, 224 U.S.P.Q. 178, 180 (N.D. Ill. 1984) (“In the instant case, the most telling factor to be considered is the length of Miglin's use of the mark. Although the court can envision extraordinary circumstances under which a mark could obtain secondary meaning within a short period of time, nothing of that magnitude is evident in this case.”).

in this way, length of use as a factor can lead to flawed outcomes. But length of use *can* be a worthwhile proxy when measured by the length of time of *substantially exclusive* use—that is, the amount of time in the market where the mark in question is exclusively used by a single producer as a source signifier for that product or similar products.

More to the point, panels within the circuit courts, as well as district courts, differ wildly as to which factors apply in specific cases and in how to weigh the factors. Some courts, for example, have focused only on third-party uses to the exclusion of any other relevant factor.<sup>95</sup> In yet other circuits, courts have relied solely on advertising expenditures and a “steady increas[e]” in sales to conclude that a mark is “strong.”<sup>96</sup> Yet others, like the *Marilyn Miglin* court, find that length of use (or lack thereof) is dispositive.<sup>97</sup> An infinitely open-ended inquiry, then, is reduced to meaninglessness by a focus on marginally relevant factors.

We propose courts reconsider their wide evidentiary focus, which tends to encompass all available evidence, whether or not such evidence is directly relevant. While a free-flowing “weigh-all-the-evidence” review of trademark strength might sound palatable in theory, it can pose significant problems. Simply put, such standards provide *too much* information for the factfinder to adequately weigh. As shown in the cognitive psychology literature, when asked to answer a difficult question people will often substitute an easier question in that question’s place.<sup>98</sup> Here, the difficult question is, “to what extent does the class of relevant consumers actually identify this mark with a given source?” Judges (and their clerks) are no less susceptible to these types of cognitive errors.<sup>99</sup> Careful observers of trademark opinions can see the substitution effect, with judges exchanging that difficult source-identification question for the easier questions of whether the marks are facially similar or used on similar products, playing out in the cases.

In *An Empirical Study of the Multifactor Tests for Trademark Infringement*, Beebe shows that when a court’s assessment of inherent strength conflicts with its assessment of acquired strength, acquired strength usually wins out.<sup>100</sup> But Beebe also shows that where courts place plaintiffs’

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95. See *Sun Banks of Fla., Inc. v. Sun Fed. Sav. & Loan Ass’n*, 651 F.2d 311, 316-17 (5th Cir. 1981).

96. See *A&H Sportswear Co. v. Victoria’s Secret Stores, Inc.*, 57 F. Supp. 2d 155, 165-66 (E.D. Pa. 1999), *aff’d in relevant part*, 237 F.3d 198, 224 (3d Cir. 2000).

97. See *Marilyn Miglin Model Makeup*, 224 U.S.P.Q. at 180.

98. See DANIEL KAHNEMAN, *THINKING, FAST AND SLOW* ch. 9 (Farrar, Straus & Giroux 2011); Fritz Strack, Leonard L. Martin & Norbert Schwarz, *Priming and Communication: Social Determinants of Information Use in Judgments of Life Satisfaction*, 18 EUR. J. OF SOCIAL PSYCH. 429-42 (1988).

99. See generally Chris Guthrie, Jeffrey J. Rachlinski & Andrew J. Wistrich, *Blinking on the Bench: How Judges Decide Cases*, 93 CORNELL L. REV. 1 (2007) (illustrating judges’ susceptibility to common cognitive errors).

100. Beebe, *supra* note 10, at 1635.



trademarks in the *Abercrombie* taxonomy heavily affects the chances that the plaintiff will be successful: the likelihood of success rises in lock-step as a mark moves higher from descriptive to suggestive, and so on, in the taxonomy.<sup>101</sup> Beebe hypothesizes that this finding is just evidence that the *Abercrombie* taxonomy is relatively accurate at predicting the ability of the markholder to develop a successful and distinctive mark: those marks that fall higher on the *Abercrombie* scale have more potential for distinctiveness, and thus end up garnering more acquired strength.

There is likely some truth to Beebe's hypothesis, although some scholars have argued otherwise.<sup>102</sup> His data, however, do not support the strongest form of his argument about the relative unimportance of inherent distinctiveness. In particular, Beebe's data showed that plaintiffs suing for infringement of suggestive marks were successful more than twice as often as those suing for infringement of descriptive marks.<sup>103</sup> And given the virtual consensus among commentators that it is nearly impossible to determine whether a mark should be considered descriptive or suggestive<sup>104</sup>, it seems extremely unlikely that success rates reflect an actual difference in the ease with which descriptive and suggestive marks become distinctive (or are inherently distinctive) in the consumer's mind. Rather, it seems more likely that courts' placement of marks in the taxonomy is either: (a) affecting outcomes in the strength analysis even at Step 2; or (b) an ex post rationalization made by the court (if for no other reason than to simplify the analysis necessary for the opinion).

We hypothesize that this finding may be an example of the confluence of two related psychological phenomena: information overload and the substitution effect. Information overload is a cognitive effect that occurs where an excess of information worsens predictive accuracy, because high value information cannot be discerned from a glut of low value information.<sup>105</sup> Information overload in the evidence-gathering process may trigger a substitution effect. It may push decision-makers to ask not whether the mark

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101. *Id.* at 1638.

102. *See* Linford, *supra* note 38, at 729 ("It may be equally likely that courts recognize that successful use in commerce, rather than inherent strength, provides the strongest indicator of trademark ownership."). *See generally* Lee, et al., *supra* note 74.

103. Beebe, *supra* note 10, at 1637.

104. *See* text accompanying note 35.

105. *See* BARRY SCHWARTZ, *THE PARADOX OF CHOICE: WHY MORE IS LESS* (2004) (discussing how an overabundance of options can compromise decisional quality); Guthrie et al., *supra* note 99. *See also* ALVIN TOFFLER, *FUTURE SHOCK* 350-51 (1970) ("When the individual is plunged into a fast and irregularly changing situation, or a novelty-loaded context . . . his predictive accuracy plummets. He can no longer make the reasonably correct assessments on which rational behavior is dependent."). *Cf.* SOREN KIERKEGAARD, *THE SICKNESS UNTO DEATH* 36 (Howard V. Hong & Edna H. Hong trans., 1980) (on the hyperbolic development of ideas, stating "[t]hus possibility seems greater and greater to the self; more and more becomes possible because nothing becomes actual. Eventually everything seems possible, but this is exactly the point at which the abyss swallows up the self.").

has actually acquired strength in the marketplace sufficient to exclude the specific use being challenged, but rather whether the mark is inherently strong in the first instance.<sup>106</sup> The answer to the latter question is (seemingly) more easily ascertainable and quantifiable, and generally much easier to wrap one's head around than analyzing and accurately measuring a truckload of (more often than not, ineffectively presented) evidence. Again, while the analysis may be difficult at the margins, not many are likely to confuse a fanciful mark with a descriptive one. The answer to the inherent strength question may thereafter tend to drive the analysis, which can lead to significant judicial error in close cases, even if outcomes may be correct in most cases.<sup>107</sup>

Similarly, Beebe's empirical work has shown that judges applying the overall likelihood of confusion analysis tend to permit certain factors to "stampede" other factors.<sup>108</sup> While trademark strength is one of only five factors that tend to predict outcomes, other factors have more predictive capacity. These other factors are less difficult to understand, and include the similarity of the marks and the market proximity (or similarity) of the goods.<sup>109</sup> If Beebe's data is credited, this judicial tendency to allow certain factors to stampede the others is highly problematic: it is trademark strength that defines the exclusive scope of a senior user's mark. That is, trademark strength tells us *how* similar marks may be or *how* proximate goods may be before a finding of trademark infringement is compelled. It would be easy for a court to conclude two marks are very similar and used on closely related goods, so there's infringement. It would be harder for that court to conclude that despite similar marks and proximity of goods, there is no likelihood of confusion because the senior user's mark is weak. The former conclusion oversimplifies the latter conclusion's analysis as to trademark strength.

The tendency to oversimplify in close cases may actually be stronger than

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106. See, e.g., Guthrie et al., *supra* note 99, at 35 ("Judges facing cognitive overload due to heavy dockets or other on-the-job constraints are more likely to make intuitive rather than deliberative decisions because the former are speedier and easier. Furthermore, being cognitively 'busy' induces judges to rely on intuitive judgment.").

107. Some researchers have termed these types of heuristics "fast and frugal" procedures. See SIMPLE HEURISTICS THAT MAKE US SMART (Gerd Gigerenzer, Peter M. Todd & ABC Research Group eds., Oxford Univ. Press 1999); Beebe, *supra* note 10, at 1601 n.88 (citing Mandeep K. Dhali & Peter Ayton, *Bailing and Jailing the Fast and Frugal Way*, 14 J. BEHAV. DECISION MAKING 141 (2001); Vladimir J. Konečni & Ebbe B. Ebbesen, *The Mythology of Legal Decision Making*, 7 INT'L J. L. & PSYCHIATRY 5, 7, 15 (1984); Adam J. Hirsch, *Cognitive Jurisprudence*, 76 S. CAL. L. REV. 1331 (2003); Stephen M. Bainbridge & G. Mitu Gulati, *How Do Judges Maximize? (The Same Way Everybody Else Does—Boundedly): Rules of Thumb in Securities Fraud Opinions*, 51 EMORY L.J. 83 (2002); Hillary A. Sale, *Judging Heuristics*, 35 U.C. DAVIS L. REV. 903 (2002); Chris Guthrie et al., *Inside the Judicial Mind*, 86 CORNELL L. REV. 777 (2001); Jeffrey J. Rachlinski, *Heuristics and Biases in the Courts: Ignorance or Adaptation?*, 79 OR. L. REV. 61 (2000); Jeffrey J. Rachlinski, *A Positive Psychological Theory of Judging in Hindsight*, 65 U. CHI. L. REV. 571 (1998)).

108. Beebe, *supra* note 10, at 1620-21.

109. *Id.*

we might like to think. Specialists in the trademark bar typically agree with judges' decisions in the mine run of cases, but there is reason to be skeptical in the close cases. Article III judges are generalists, not specialists.<sup>110</sup> Some judges may have a particular area of expertise; Judge Leval is one such example in the copyright fair use context.<sup>111</sup> Most judges, by and large, lack such an area of expertise. Adding another layer to this generalist character is the fact that most judges outsource the writing of opinions to their law clerks, who are even *less* likely to be specialists in any given area of law.<sup>112</sup> These two generalist trends may account for the many flagrant misapplications of trademark law that arise from a misunderstanding of the purposes and values embedded in the trademark law and a fundamental misconception of how some tricky trademark doctrines apply to facts.<sup>113</sup>

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110. We note here that we are primarily focused on trademark litigation in federal courts. Trademark examiners, Trademark Trial and Appeal Board judges, and Federal Circuit judges all make determinations about likelihood of confusion as well, although only in the context of registration—that is, these examiners and judges only consider Step 1 strength. The Federal Circuit reviews significantly fewer types of cases than the typical federal Court of Appeals and is therefore in some sense specialized, or at least less generalized than the average Court of Appeals. However, even in the area in which Federal Circuit judges are supposed to be the most expert—patent law—criticisms abound regarding the jurisprudence arising from the court. *See, e.g.,* Jed Rakoff, *Are Federal Judges Competent—Dilettantes in an Age of Economic Expertise*, 17 *FORDHAM J. CORP. & FIN. L.* 4, 11 (2012) (noting the Federal Circuit's obliviousness to the values-balancing engaged in by generalist courts and the incredibly high rate of Supreme Court reversals of Federal Circuit opinions between 1996 and 2010).

111. *See* Pierre N. Leval, *Toward a Fair Use Standard*, 103 *HARV. L. REV.* 1105 (1989); Pierre N. Leval, *Campbell v. Acuff-Rose: Justice Souter's Rescue of Fair Use*, 13 *CARDOZO ARTS & ENT. L.J.* 19 (1994); Pierre N. Leval, *Nimmer Lecture: Fair Use Rescued*, 44 *UCLA L. REV.* 1449 (1997).

112. RICHARD D. POSNER, *HOW JUDGES THINK* 221 (2007) (“[T]oday most judicial opinions are written by law clerks, which was not true a century ago, when very few judges even *had* law clerks . . . and was less true decades ago, when judges had fewer law clerks and law still had a writing culture. Students are taught to approach judicial opinions as if every word were written by the nominal author—that is, the judge—and the effect is to imbue them with a legalistic outlook, an effect reinforced by their youth . . . and by an understandable desire to believe that their steep law tuition is buying them a set of powerful analytical tools.”). *See also* William Domnarski, Op-Ed., *Judges Should Write Their Own Opinions*, *N.Y. TIMES*, May 31, 2012 (in an op-ed, characterizing the writing of judicial opinions by clerks as “a crisis in the federal appellate judiciary”).

113. Here are some recent examples:

On the doctrine of aesthetic functionality, *see* *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 636 F.3d 1115, 1124-25 (9th Cir. 2011) (finding the Betty Boop character to be aesthetically functional). The offending opinion was withdrawn several months later after fierce opposition arose in the trademark community, and an opinion that contained no reference to aesthetic functionality was substituted in its place. *See* *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 654 F.3d 958 (9th Cir. 2011). In November 2012, the district court found the BETTY BOOP word mark to be aesthetically functional as well, arguing that barring the defendants from using the words would impose a significant non-reputation-related competitive disadvantage. *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, No. 2:06-cv-06229 (C.D. Cal. Nov. 14, 2012). *See also* Rebecca Tushnet, *Boop-oop-a-do-over*, *REBECCA TUSHNET'S 43(B)LOG* (Nov. 15, 2012, 5:11 PM), <http://tushnet.blogspot.com/2012/11/boop->

Further, courts' misweighing of relevant evidence and consideration of irrelevant evidence may have significant distributive consequences. As Deven Desai has noted, trademark law has come to protect the broader idea of the 'brand' rather than the simple source-identifying trademark.<sup>114</sup> He identified three strands in the marketing literature on brand theory: (1) the corporate view, in which the firm owns and controls the brand, with consumers passively receiving brand information; (2) the noncorporate view, in which consumers and communities construct brand value; and (3) a synthesized view, in which all these stakeholders co-create brand value by using the brand as a communal information resource.<sup>115</sup> He notes that as courts have expanded trademark law to incorporate brand concepts, they have mostly done so by implementing the corporate view, which funnels the trademark's 'surplus value'<sup>116</sup> to the markholder.<sup>117</sup> This diversion of value to markholders at the expense of competitors and consumers is not compelled by anything in the law. Rather, it seems to be another instance of the "if value, then right" fallacy—the value has to belong to someone, right? But, as we note elsewhere, this diversion has significant costs, including markholder overreach (and the attendant chilling of speech) and anticompetitive behavior.<sup>118</sup> And to permit this surplus value to flow into markholders' hands without due regard for consumers' and

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oop-do-over.html.

On the doctrine of functionality, *see* Rosetta Stone Ltd. v. Google Inc., 732 F. Supp. 2d 528, 545 (E.D. Va. 2010), *rev'd*, No. 10-2007 (4th Cir. Apr. 9, 2012) (the district court's opinion held that, in the context of Google's AdWords program, the word mark ROSETTA STONE was functional; the court of appeals rightly reversed).

On dilution, *see* Louis Vuitton Malletier, S.A. v. Hyundai Motor Am., No. 10 Civ. 1611, 2012 WL 1022247 (S.D.N.Y. Mar. 22, 2012). For cogent discussions of all of the issues in the *Louis Vuitton v. Hyundai* case and the district court's bungling of those issues, *see* Rebecca Tushnet, *Delayed but Long Post on LV v. Hyundai*, REBECCA TUSHNET'S 43(B)LOG (May 30, 2012, 9:20 AM), <http://tushnet.blogspot.com/2012/05/delayed-but-long-post-on-lv-v-hyundai.html>; Eric Goldman, *Brief Brand Reference in TV Ad Constitutes Trademark Dilution—Louis Vuitton v. Hyundai*, TECH. & MKTG. L. BLOG (Apr. 2, 2012, 8:55 AM), [http://blog.ericgoldman.org/archives/2012/04/brief\\_brand\\_par.htm](http://blog.ericgoldman.org/archives/2012/04/brief_brand_par.htm).

On secondary meaning and trademark strength, *see* Microsoft Corp. v. Lindows.com Inc., 69 U.S.P.Q.2d 1863, 1864 (W.D. Wash. 2004) (in a pretrial ruling, the trial judge stated that, based on evidence submitted by Lindows.com Inc., he would instruct the jury to consider whether "windows" was a generic term despite consumer recognition levels of upwards of 90%). The *Lindows* court argued that a term that was generic before adoption could not—indeed, cannot—thereafter achieve source significance. As a matter of simply weighing the evidence, the proposed outcome seems ill-considered. *See generally* Marc C. Levy, *From Genericism to Trademark Significance: Deconstructing the De Facto Secondary Meaning Doctrine*, 95 TRADEMARK REP. 1197 (2005).

114. *See* Desai, *supra* note 12.

115. *Id.* at 988-1008.

116. By "surplus value," we mean the positive (or negative) affect and excess of meaning that congeals around a mark over time. *See* Greene, *supra* note 12. This surplus value is what many consumer psychology and marketing scholars consider "the brand." *See, e.g.,* ARVIDSSON, *supra* note 13.

117. Desai, *supra* note 12, at 988-1008.

118. *See* Greene, *supra* note 12, at 23-27.

competitors' interests is to provide the markholder a windfall out of proportion to its contribution to the mark's value.<sup>119</sup>

The evidentiary issues we note in this Part further exacerbate the courts' tendency to divert surplus value into markholders' hands. Many of the factors courts weigh in the analysis—including advertising expenditures, successful sales (without additional evidence as to size of the market), and, to some extent, length of use—tend to reify the idea of the 'corporate' relationship of the consumer to the brand. In other words, these factors are means the markholder has of consciously manipulating the level of goodwill and brand awareness that sticks to the mark over time. By weighing these factors significantly in the acquired strength analysis, courts risk further embedding the 'corporate' view in the law, a view that is insufficiently calibrated to deal with communicative and competitive concerns.

Clarity is needed. The doctrine of trademark strength, in particular, is crying out for clarification. Judges will be well-served by a test that includes guideposts to relevant factors (and facts) to help analyze the trademark's exclusive scope. Practitioners would benefit from tools to more accurately predict case outcomes. In the next part, we seek to provide just such a clarification.

## II. A WAY FORWARD FOR TRADEMARK STRENGTH

Courts, scholars, and practitioners must constantly be aware of two types of significance a trademarked term may carry: *brand* significance is the means by which we determine how many (and which) products using the same or a similar term as a mark can be excluded from the market, while *product* significance is the means by which we determine how strong the mark's connection to its product-referent is, and thus how we determine whether a mark is—or is likely to become—generic. The more pronounced the mark's product significance, the more likely that term is to be (or become) generic for the product or service on which it used.

In the following subparts II.B.1-6 we lay out a multi-part analysis to assist in determining overall trademark strength—that is, a given trademark's overall exclusive scope. This analysis will account for both brand and product significance.

### A. *Preface and Clarification*

We do not wish to dismiss completely the *Abercrombie* taxonomy's

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119. See ARVIDSSON, *supra* note 13, at 82 (“Brand managers do of course contribute to the construction of brand image—through smart marketing or media placements. But most of their work consists in managing the autonomous production process that consumers engage in: to make sure that the common social world that they produce by means of the brand . . . adds to the brand by either innovating or reproducing its desired set of qualities.”).

relevance. That case's differentiation between generic, descriptive, suggestive, arbitrary, and fanciful terms provides a set of useful placeholders judges and practitioners can use as rough proxies for inherent strength. As a rough proxy, a fanciful mark will usually occupy an area near the Ouroboros' thicker end at its time of adoption, suggesting its relative strength. A descriptive mark, by contrast, will generally begin its life at the thinner end of the Ouroboros, suggesting its weakness. Absent other factors affecting consumers' understanding of a mark, we posit consumers are likely to understand a more inherently distinctive mark under *Abercrombie* to be a trademark when used in connection with goods, compared to a less inherently distinctive mark. This means the categories have value and should not be discarded; we merely suggest that they should not be the focal point of the overall trademark strength analysis. Over the years, courts have been moving steadily in this direction.

Rather, courts carrying out the mark strength analysis have engaged in, and should engage in, a wide variety of inquiries, all aimed at ferreting out the extent to which consumers consider the mark distinctive. Important here are two separate, but related, types of distinctiveness. First, there is source distinctiveness (corresponding to Step 1 strength as identified above), "which a trademark must possess to fall within the *subject matter* of trademark protection."<sup>120</sup> Source distinctiveness is a binary, yes/no question, merely excluding from trademark protection descriptive terms (or their equivalents) lacking secondary meaning, and generic terms. As we have argued elsewhere, this bar should probably be even lower.<sup>121</sup> Second, there is differential distinctiveness, "which prescribes the *scope* of trademark protection when protection is given."<sup>122</sup> Differential distinctiveness is a spectrum that refers to the mark's ability to distinguish itself from its competitors. The more distinctive a mark is by reference to both of these metrics, the stronger it is.

Both source distinctiveness and differential distinctiveness can change over time. Source distinctiveness is rendered null when a mark falls into genericness. Marks may become more or less differentially distinctive over time in accordance with the public's understanding of those marks, which we will discuss more fully below.

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120. Barton Beebe, *Search and Persuasion*, 103 MICH. L. REV. 2020, 2028 (2005).

121. Greene, *supra* note 12, at 20-21. One of us argues that stylized generic terms may be permitted more protection than they are while noting the difficulty a markholder would have in policing use of its mark given the markholder's inability to prevent any third-party uses of the term itself. Adopting such a mark is probably not the best business decision, but it is theoretically defensible if one sets aside the problem of owner overenforcement.

122. *Id.*

## B. *The Factors*

### 1. *Inherent strength*

Inherent strength means the combination of source distinctiveness and differential distinctiveness that a mark has at its adoption. This is an important factor in the strength analysis, although we do not contend inherent strength should—or does—entirely dictate a mark's strength.<sup>123</sup> The reasoning behind inherent strength is fairly straightforward: if the public already relates the term used as a mark to the type of product to which the putative mark is affixed, then consumers are not likely to infer that the mark is serving a source-identifying function. Instead, consumers are likely to infer it is serving a product-identifying function. Empirical work suggests that this relation holds true.<sup>124</sup> Inherent strength thus has some value as a proxy for consumer understanding. The Second Circuit has explained:

The more arbitrary and fanciful the mark in relation to the goods on which it is used, the more the consumer is likely to assume that a similar mark designates the owner of the first as the source of the goods. The arbitrariness of the mark in relation to those goods makes it unlikely that an unrelated merchant would select a similar mark for closely related goods. Conversely, the more descriptive the mark is of the goods, the less likely a consumer is to assume that a similar mark used on related goods came from the same source.<sup>125</sup>

Inherent strength, we argue, affects only the initial determination of overall mark strength. As the mark is used in commerce and the public develops further connection with it, the mark's overall strength waxes and wanes.

Inherent strength can be envisioned as a sort of buffer zone for newly minted marks. Even a product that will eventually gain great success on the market needs some time to grow. Through inherent strength doctrine, the law properly creates incentives for trademark adoption and brand-building. Brands and marks, as we explain below, do much to improve manufacturer accountability. If the putative mark served some competitive or communicative function, there would be social costs if other manufacturers could not use it. Absent such functions, law properly offers a minimum level of protection based on inherent strength alone (for those marks that possess inherent strength).

Any putative mark will have a different initial outlay of strength. That

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123. See Beebe, *supra* note 10, at 1637. Beebe writes:

In the ninety dispositive opinions in which the court placed the plaintiff's mark in one of the five *Abercrombie* categories, the plaintiff multifactor test win rate steadily declined with the inherent strength of its mark: fanciful marks enjoyed the highest win rate, followed by arbitrary marks, suggestive marks, descriptive marks, and then generic [terms]. More specifically still, and underlying these win rate results, inherently distinctive marks did better on each of the core factors, and the degree of their inherent distinctiveness often closely tracked the proportion of opinions in which each of the core factors favored a likelihood of confusion.

124. See Lee et al., *supra* note 74, at 1079-80 (finding that generic terms are less source-distinctive for consumers than descriptive marks).

125. TCPIP Holding Co. v. Haar Commc'ns, Inc., 244 F.3d 88, 93 (2d Cir. 2001).

outlay will depend on a variety of linguistic factors that predispose a given mark to become entrenched in our language more easily than others; this is what the *Abercrombie* taxonomy attempts to capture. The types of marks that do not require secondary meaning for protectability—fanciful (KODAK), or so subtly suggestive as to almost be fanciful (the former THERMOS), and bracketing arbitrary marks for a moment—are much more likely to fall into genericness than the most inherently strong descriptive marks.<sup>126</sup>

Products that are first in their class are often not easily describable in brief, trademark-size form. These typically include those products that were previously patented. Manufacturers and marketers may come up with random words to attach to the product that then come to describe the thing in a less costly way. For example, “thermos” is a much easier way to say “vacuum-sealed bottle” and can easily encapsulate the salient characteristics of the product. The POLAROID camera, similarly, was conceivably something altogether different than a regular camera. How else would you describe those differences without using “POLAROID” (or, indeed, any other fanciful or short, crisp suggestive or descriptive term the company may have chosen) to embody them?

Because of this inability to describe the products in short, immediate ways, fanciful and subtly suggestive terms take over the descriptive component. That is, the trademark becomes the default term for the product precisely because there are no other popularized words to describe the specific product. A thermos is a “thermos” (not a “vacuum flask”) and a yo-yo is a “yo-yo” (not a “return top”). If an alternative generic signifier becomes popular, then the effect is mediated.<sup>127</sup>

Lightly suggestive marks are those on the border of descriptive and suggestive. These marks might still fall into genericness. To do so, however, the trademark must entirely overtake the conventional descriptor in the product identification function. In order for KLEENEX to become a generic term, for example, it would have to become the public’s default term—or at least a default term—for “facial tissues.” KLEENEX is lightly suggestive because it is not fully descriptive of “facial tissues.” But it is also suggestive, because it brings to mind something other than tissue (“clean” or the idea of being clean). The fall into genericness would take a level of fame—and whatever else might factor in—above and beyond that required for a fanciful term.<sup>128</sup>

Arbitrary marks are difficult to categorize in this way. The term behind an

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126. *But see* William M. Landes & Richard A. Posner, *The Economics of Trademark Law*, 78 TRADEMARK REP. 267, 296 (1988) (arguing that descriptive and suggestive marks are the most likely to fall into genericness). In comments to a draft version of this paper, Jake Linford noted that descriptive marks and fanciful marks are the most likely to fall into genericness—the former because “they may never escape the descriptive pull” and the descriptive meaning and brand meaning will not tend to diverge in most situations, and the latter because fanciful marks are more likely than others to be “nOUNed” or “VERbed.”

127. For example, SANKA-brand decaffeinated coffee, XEROX-brand photocopiers.

128. We argue that KLEENEX likely has hit this threshold.



arbitrary mark already describes something else sufficiently popular to warrant its usage as a mark. If the primary meaning of “apple” were not *malus domestica* (and the word had no alternative definition), for example, then Apple Inc.’s use of the term would be fanciful rather than arbitrary. It is the very fact that the term signifies something other than consumer electronics that makes its use on unrelated goods “arbitrary.” Arbitrary marks might nonetheless fall into genericness upon overtaking (or challenging)<sup>129</sup> the alternative generic designation—for example, “apple” for use on the fruit—in the public’s consciousness.<sup>130</sup> But the likelihood of an arbitrary mark so falling seems low enough as to heavily incentivize stakeholders to adopt arbitrary marks instead of other types of marks.

Inherent strength does not generally change over time, although we can imagine it doing so. A mark may not become *more* arbitrary, but a mark could conceivably start out suggestive or descriptive and, once the consuming public forgets what the mark suggested or described because of the passage of time, may theoretically become arbitrary.<sup>131</sup>

A mark’s inherent strength essentially sets the initial lower threshold below which the mark’s strength will not drop, unless the mark becomes so “strong” that it turns generic, in which case it is no longer protectable as a mark with respect to the goods for which it is generic. We hypothesize that, for example, a truly fanciful mark such as KODAK is unlikely to backslide into less protection—or, in our model, the thinner part of the Ouroboros. Consider an example in which a putative mark is registered or at least adopted prior to competing uses. Regardless of that putative mark’s fame, the markholder should likely still be able to preclude those uses that it could have precluded at its adoption. Simply put, “relinquished strength” cannot exist. A trademark may

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129. In comments on a draft of this Article, Alexandra Roberts noted a recent Saturday Night Live sketch in which President Obama takes questions at a town hall meeting. A constituent says she “sells apples” and the President thinks she means computers—she later clarifies that she sells fruit by the side of the road. *Saturday Night Live: Joseph Gordon-Levitt/Mumford & Sons* (NBC television broadcast Sept. 22, 2012).

130. Admittedly, it is difficult to find examples of arbitrary marks falling into genericness. The closest example we have found is TEDDY for stuffed bears. See *Alchemy II v. Yes! Ent. Corp.*, 844 F. Supp. 560 (C.D. Cal. 1994) (finding TEDDY generic for stuffed toy bears). Though we note that the original story behind the teddy bear involves President Theodore “Teddy” Roosevelt refusing to shoot a confined black bear, it’s unclear whether the consuming public ever made the appropriate connection. This fact highlights the importance of determining *to whom* the mark is arbitrary, descriptive, suggestive, and so on. Different categories of persons—that is, judges, the mark’s adopters, and the consuming public—all likely have different ideas about a mark’s etymology. The question of whose idea matters is therefore highly important.

131. We differentiate here between terms for which the genesis of the mark is forgotten because of the mark’s high level of acquired product significance—that is, cases in which a mark has become (or is about to become) generic—and terms for which the mark’s genesis is forgotten because of time or other reasons. In the former case, we are simply dealing with an application of mark strength principles. In the latter case, it may not be the case that the term has become generic for use on a specific product—consumers have simply forgotten an alternative meaning of the word.

be famous or infamous; in either case the mark will be stronger than it was initially. The mark may alternatively lack acquired strength (or secondary meaning) entirely, in which case the mark's overall strength is as if it were in its natural state. For example, although Ford Motor Company's arbitrary PINTO mark is not famous in a positive sense—that is, consumers' understanding of the mark is likely largely negative—it is likely sufficiently well known to be protectable against infringement or dilution were Ford to seek to enforce its rights.

In determining inherent distinctiveness, courts should not hesitate to consider aspects of a mark other than how imaginative the word used as a mark is in relation to its corresponding product. When a mark is likely to be viewed as a trademark by consumers—because, for example, it is stylized in a way that quickly communicates its function as a brand name—then the mark is more inherently distinctive, and should be considered so by courts and examining attorneys at the Patent and Trademark Office. (Although the factfinder must explicitly consider the stylization's relationship to the word mark's inherent strength in order to avoid overbroad enforcement of rights in the word mark.)

Since a mark higher on the *Abercrombie* taxonomy starts out stronger than a mark lower, the inherently stronger mark will need less acquired strength than the weaker in order to be entitled to the same scope of protection. Inherent distinctiveness is thus important—but it is not the alpha and omega of the analysis. As our illustration below nonetheless shows, only the most successful marks will obtain the strongest protection; even the most inherently distinctive marks have much room to grow after adoption. The overall strength of marks that have breached the protectability threshold—whether through secondary meaning or through designation as arbitrary, fanciful or suggestive—varies with time according to the other factors outlined below and is influenced by those other factors in existence at the time of creation.<sup>132</sup>

Courts' analysis of inherent strength need not change much from the doctrine's present state. The law would certainly benefit, however, from clarity regarding the relevant perspective from which to measure into which *Abercrombie* category a given mark might fall. In the registration context, the stakeholder's interpretation—often quite far-fetched—usually suffices.<sup>133</sup> But

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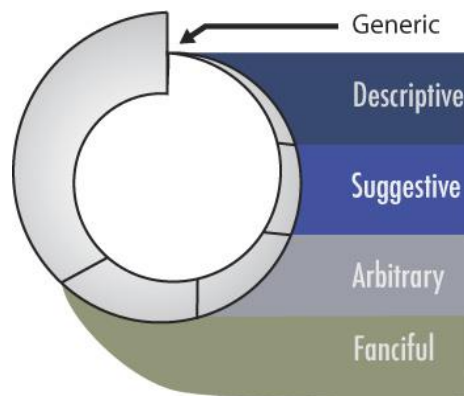
132. If a firm adopts a descriptive mark that has no similar third-party uses, then that mark will be more inherently distinctive than a mark that is used in a crowded field of similar terms, like AMERICAN.

133. See generally Roberts, *supra* note 53 (describing the many tests used to permit trademark registration). In particular, Roberts notes the “creativity fallacy”: the TTAB is often swayed by mark owners' use of rhyme, allusion, assonance, and alliteration in mark adoption. For example, marks that the TTAB has held not merely descriptive include: AIR CARE for maintenance of oxygen-administration equipment, *Airco, Inc. v. Air Prods. & Chems., Inc.*, 196 U.S.P.Q. 832 (T.T.A.B. 1977), BEST REST for mattresses, *Dreamwell, Ltd. v. Kittrich Corp.*, 2011 WL 1495462 (T.T.A.B. 2011), and CLASSIC COLA for a cola-flavored beverage, *In re Classic Beverage Inc.*, 6 U.S.P.Q.2d 1383, 1387 (T.T.A.B. 1988). But see *In re Ginc UK Ltd.*, 90 U.S.P.Q.2d 1472, 1477 (T.T.A.B. 2007) (finding the rhyming quality of ZOGGS TOGGS “does not infuse TOGGS with any separate and distinct meaning apart from its

in litigation, it's quite unclear whose perception matters in determining whether the mark is generic, descriptive, suggestive, arbitrary, or fanciful: the litigants, the judge, or the public? To return to the COCA-COLA example, that term may have been descriptive of the primary ingredients in the drink during the early years. Assuming the company's current statements about the lack of coca leaf and kola nut in the drink are objectively true, the term COCA-COLA may no longer describe anything specific about the product. As a result, it may be that COCA-COLA should now and hereafter be considered arbitrary.<sup>134</sup>

In Figure 5, we provide a rough visualization of the areas given types of marks will inhabit in terms of inherent strength, before taking into account the other factors, while leaving a significant portion of the Ouroboros available to denote the time required for any type of mark to fall into genericness:

FIGURE 5: OUROBOROS WITH INHERENT DISTINCTIVENESS OVERLAY



With respect to brand strength, the idea is somewhat similar, although in a different shape that mostly corresponds to the traditional pyramidal visualization of the *Abercrombie* taxonomy.<sup>135</sup> We note that brand strength has certain boundaries as well—for example, the owner of a mark that is arbitrary for one use but generic for another—for example, APPLE—will not be able to exclude the generic use despite an extremely high level of brand awareness.<sup>136</sup>

generic meaning”).

134. In the infamous KOKE case, the Supreme Court reversed a Ninth Circuit decision that found that Coca-Cola Co. (Coca-Cola, Inc.'s predecessor) had, by continuing use of the name COCA-COLA after jettisoning cocaine as an ingredient, made fraudulent representations about the product's ingredients because, apparently, consumers expected the drink to have cocaine in it. *See Coca-Cola Co. v. Koke Co. of Am.*, 254 U.S. 143 (1920). Thus, as a matter of law, it is likely incorrect to say COCA-COLA is now misdescriptive.

135. *See infra* Part I.A.

136. *See Coach Servs., Inc. v. Triumph Learning LLC*, 668 F.3d 1356, 1381 (Fed. Cir. 2012) (finding that Coach had failed to prove a likelihood of confusion or dilution between Triumph's COACH mark for educational software and publications, and Coach's registered COACH mark for handbags, luggage, and so on).

## 2. *Fame*

“Fame” is highly important within trademark doctrine for determining the scope of protection available to a mark, because remedies for dilution are available only to “famous” marks.<sup>137</sup> But fame in the sense we use it here should be distinguished from “fame” in the dilution context. In our terms, fame is a product of reputation and recognition.<sup>138</sup> A mark does not simply have fame or lack it; fame exists on a spectrum. In the Lanham Act sense, “famous” denotes a threshold showing of the high level of reputation necessary to garner protection against blurring and tarnishment. All trademarks used in commerce acquire a reputation of some sort, whether negative or positive. But not all trademarks acquire such a significant reputation as to avail their owners of protection against blurring and tarnishment under the Lanham Act. We can imagine that our version of “fame” exists on a 0-10 scale; dilution protection would require the mark to be an 8 on this scale—a “household name.”

Fame, in the way we use it, is measured by reference to a variety of factors. These factors correspond, in part, with those examined by judges in the context of overall trademark strength and secondary meaning. To recap some of our earlier discussion in Part I.D, evidence relevant to determining fame includes: dictionary definitions, unsolicited media coverage, testimony of persons in the trade, sales success, and, most importantly, accurate, unbiased consumer surveys.<sup>139</sup> Additionally, Lisa Larrimore Ouellette has persuasively argued that Google search rankings can be a valuable means of making a determination as to a word mark’s level of overall distinctiveness.<sup>140</sup> She likewise argues, and we agree, that Twitter followers, Facebook “Likes,” and Alexa rankings of

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137. 15 U.S.C. § 1125(c) (dilution only actionable for the “owner of a famous mark”).

138. See Laura A. Heymann, *The Law of Reputation and the Interest of the Audience*, 52 BOSTON COLL. L. REV. 1341, 1342 (2011) (“At its core, then, reputation is the result of the collective act of judging another and the potential use of that result to direct future engagements.”). Landes and Posner argue that the law’s protection of reputation in trademark law incentivizes companies to maintain consistent quality. Landes & Posner, *supra* note 126, at 271-72. McCarthy argues that this is true only at a high level of generality. MCCARTHY, *supra* note 39, § 17:24 (while “a substantial change in the nature or quality of the goods sold under a mark may so change the nature of the thing symbolized that the mark becomes fraudulent and/or that the original rights are abandoned,” consumers generally expect only minor changes). See also Heymann, *supra*, at 1357 n.56.

139. On consumer surveys, see generally Irina D. Manta, *In Search of Validity: A New Model for the Content and Procedural Treatment of Trademark Infringement Surveys*, 24 CARDOZO ARTS & ENT. L.J. 1027 (2007) (arguing for surveys that engage “the mindset[s] of actual or potential customers” and that evaluate “subconscious cognitive processes” and proposing substantive guidelines for survey admissibility).

140. See generally Ouellette, *supra* note 72. More specifically, Ouellette argues that Google collapses the prongs of the traditional two-prong test so that it measures overall distinctiveness. That is, Google cannot tell the difference between a descriptive but commercially strong mark (such as AMERICAN airlines) and a fanciful but commercially weak mark (such as IZIK, a brand new search engine), but it can say that they are both very distinctive, protectable marks.

website traffic may also be relevant evidence of commercial strength.<sup>141</sup> Analysis of fame should *not* include: advertising expenditures (without corresponding evidence of consumer response, the amount of money spent is irrelevant); length of use (except for distinguishing junior and senior users and, sometimes, where the senior user's use was substantially exclusive for a significant length of time); attempts to plagiarize—that is, to copy—the mark (without corresponding evidence of why the plagiarizer did so, the fact of such an attempt is irrelevant); and anything else that does not directly (or by accurate proxy) measure whether consumers actually identify a mark with some consistent source. The goal is to measure a mark's fame at the time of trial, not to gum up the analysis with evidence that is more appropriately reviewed in other contexts. For example, while intent to copy may give rise to a practical presumption of a likelihood of confusion,<sup>142</sup> it does *not* provide relevant evidence of mark strength, absent other corroborating evidence.

To summarize, in terms of mark strength and product significance, the more famous a mark, the more it is pushed along the spectrum toward the Ouroboros' thicker end and thus closer to genericness. As marks lose fame, they receive less protection against similar marks. Courts look to various types of evidence in determining whether a descriptive mark has achieved secondary meaning, such as media usage or dictionary entries. These types of evidence are equally helpful for determining how deeply embedded into the public consciousness a mark has become—and therefore how broadly protectable the mark is.<sup>143</sup> The more famous a mark, the more it distinguishes itself from other marks.

As fame increases, overall mark strength increases, and vice versa. In other words, the more people recognize the mark in connection with a source and a product, the more likely that mark is to fall into genericness; the less public recognition, the less likely is the fall (though we note that fame is directly connected with Factor 5 (lack of competition), as we will explain below). In Figure 6, we provide a visual of how fame pushes marks towards the Ouroboros's "head" and how lack of fame pulls them back:

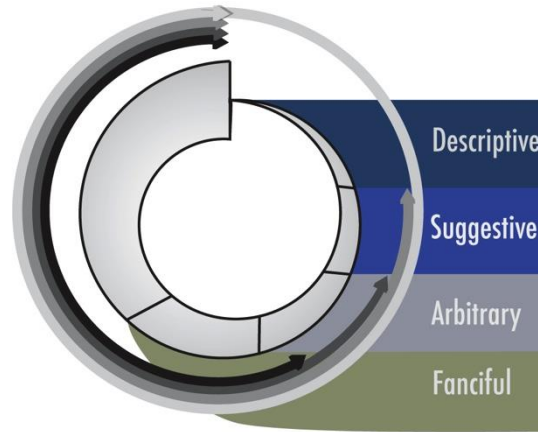
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141. *Id.* at 62 n.282.

142. *See* Bone, *supra* note 19, at 1337-38 n.178 (noting the courts' gradual expansion of the intent factor to include intent to copy as well as intent to deceive) (citing Beebe, *Multifactor Tests*, *supra* note 10, at 1628 ("[A] finding of bad faith intent creates, if not in doctrine, then at least in practice, a nearly un-rebuttable presumption of a likelihood of confusion.")).

143. *See supra* Part I.B.

FIGURE 6: OUROBOROS WITH FAME OVERLAY



Fame likewise causes brand strength to increase or decrease depending on how famous the mark has become. The more differentially distinctive the mark is in a brand strength sense, the more likely consumers are to be confused when the same or similar marks are used in related markets—or for very famous marks with a high level of brand significance, sometimes completely unrelated markets.<sup>144</sup>

Somewhat paradoxically then, assuming the mark is used on relatively few products, the more famous the mark, the more likely people are to know of it, and the more likely they are to equate that mark with a given product, thus predisposing the mark to a fall into genericness.

### 3. *Third-party uses*

Another factor courts regularly consider in determining mark strength is, with good reason, the number of third party uses of marks employing the same (or similar) term as the mark at issue.<sup>145</sup> Regardless of a mark's inherent

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144. Beebe distinguishes two types of confusion—identity confusion and inferential confusion—both of which are relevant to overall trademark strength. He writes:

Trademark law, and the marketing literature with it, has long recognized that the more distinctive a trademark is from other marks, the greater is consumers' "awareness" of it and the more immediately "accessible" it is in their memory. If a new mark appears that is similar to a preexisting and otherwise highly accessible mark, consumers are more likely to mistake that new mark for the mark they already know, i.e., to perceive the two marks as identical (which I will call "*identity confusion*"). This problem is exacerbated by consumers' tendency to devote less attention to the process of search when they are searching for what they consider to be a familiar brand. Alternatively, having successfully distinguished the new mark from the old, consumers may nevertheless infer incorrectly that, in light of their similarities, the two marks originate from and designate the same source (which I will call "*inferential confusion*").

Beebe, *supra* note 120, at 2032.

145. *See, e.g., Amstar Corp. v. Domino's Pizza, Inc.*, 615 F.2d 252, 259-60 (5th Cir.

strength, the mark is entitled to less protection when the term is used widely by other markholders. This is the “crowded field” theory: where there exists a plethora of similar marks on similar goods, each mark’s exclusive scope is correspondingly smaller.<sup>146</sup> For example, the court in *Bliss Salon & Day Spa v. Bliss World L.L.C.*<sup>147</sup> held that the mark BLISS was entitled only to narrow protection because “[d]efendant submitted evidence showing that four third-parties market and sell hair or skin care products either containing the word BLISS in the product’s name or use the term in the company name, and other evidence that various hair salons also use the name BLISS.”<sup>148</sup>

The more third-party uses, the more likely it is that a court (or the Patent and Trademark Office) will permit additional uses of similar marks in a given product area. In economic terms, the costs to competitors of prohibiting the use of terms already in use by a variety of third-parties are simply too high to justify the benefits to consumers of having only a single trademark using the same or a similar mark.<sup>149</sup>

The more third-party uses already in existence at the trademark’s adoption, or later permitted by the original markholder, the weaker her mark becomes.<sup>150</sup>

1980) (“The greater the number of identical or more or less similar trade-marks already in use on different kinds of goods, the less is the likelihood of confusion.” (quoting Restatement of Torts § 729 (1938))).

146. MCCARTHY, *supra* note 39, at § 11:85 (“In a ‘crowded’ field of look-alike marks, each member of the crowd is relatively ‘weak’ in its ability to prevent use by others in the crowd.”). See, e.g., *In re Broadway Chicken Inc.*, 38 U.S.P.Q.2d 1559, 1565-66 (T.T.A.B. 1996) (“Evidence of widespread third-party use, in a particular field, of marks containing a shared term is competent to suggest that purchasers have been conditioned to look to other elements of the marks as a means of distinguishing the source of goods or services in the field.”).

147. *Bliss Salon Day Spa v. Bliss World LLC*, No. 00C2344, 2000 WL 1898597 (N.D. Ill. Dec. 22, 2000), *aff’d* 268 F.3d 494 (7th Cir. 2001).

148. *Id.* at \*4.

149. See, e.g., *Miss World (UK) Ltd. v. Mrs. Am. Pageants, Inc.*, 856 F.2d 1445, 1449 (9th Cir. 1988) (“In a crowded field of similar marks, each member of the crowd is relatively weak in its ability to prevent use by others in the crowd.”). See also Geoffrey K. Pullum, *It Wasn’t Lexus, It Was Lexis!*, LANGUAGE LOG (Mar. 24, 2004, 1:57 PM), <http://itre.cis.upenn.edu/~myl/languagelog/archives/000632.html>. Pullum writes:

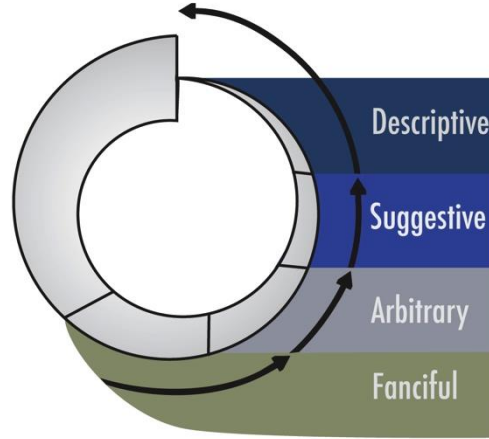
[I]f Starbucks says that everyone associates the name “Starbucks” with coffee and pastries from a distinctive source, and their opponent, an upstart company called Starbucks, is able to point to a whole bunch of similarly named establishments from which coffee, pastries or similar goods can be obtained, then it becomes much harder for Starbucks to argue that their name is so distinctive that consumer confusion will result. That is, if there’s already a Star Bach’s Restaurant and a Sta-Brucks Coffeehouse and a Star Bucky’s and a Starbukes Pastries’n’Beer out there, then factor (3) starts to weigh against Starbucks when they go after Starbucks—because Starbucks is now what those in the trademark biz call a “crowded field”.

Even discounting Pullum’s analysis to account for the fact that he is a linguist and not a lawyer, his words are nonetheless sound.

150. This point highlights the difficulty of formulating an appropriate approach to trademark protection and why many trademark owners choose a scorched earth approach, sending cease and desist letters to all those who use their marks, whether in a communicative or commercial capacity. In the authors’ view, the most sensible approach would likely be to permit all communicative uses while simultaneously actively asserting one’s rights against

In Figure 7, we show how this effect works on the Ouroboros:

FIGURE 7: OUROBOROS WITH THIRD-PARTY USES OVERLAY



Third-party uses have practical effects on brand strength as well, although the basis for these effects is slightly different. Brand strength corresponds to the axis of products: the stronger the term's brand strength, the more likely consumers will assume the stakeholder has moved into other markets.<sup>151</sup> But where the term used is relatively common, the scope of brand strength is accordingly circumscribed; overall trademark strength lessens correspondingly. For example, AMERICAN for airlines is a fairly well-established mark, but in terms of overall trademark strength, it is extremely weak. The reasoning for this corresponds to the classic reasoning given with regard to geographic marks and marks that incorporate signals of quality (like ACME or GOLD STAR). First, the term is common enough that consumers are not likely to be confused into assuming a common source when suppliers in diverse (or even related) markets use the mark. Second, and related, there are simply too many stakeholders out in the world already using the term precisely *because* it's so common. Again, take AMERICAN: the term is used on airlines, tobacco, cars, a university, a record label, and so on. Not many are likely to be confused by any of these uses. Likewise, GOLD STAR is (or was) used for two record labels, a recording studio, innumerable bars,<sup>152</sup> and an Ohio-based purveyor of Cincinnati-style chili.<sup>153</sup> Each mark's scope is limited essentially only to the product on which

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competing (and, depending on the plausibility of the claim, some or all non-competing) commercial uses. This is obviously more easily said than done. *Ex ante* crowding is difficult to stop; *ex post* crowding may at least somewhat be in the markholder's control.

151. See *supra* Par I.B.

152. Authors' Note: Gold Star Bar is a hipster meat market bar in Chicago's Ukrainian Village neighborhood. Among other assets, it has a great pool table.

153. Authors' Note: For the uninitiated, Cincinnati-style chili, or Cincinnati chili, is a



it is used and usually only in that market.

#### 4. *Alternative generic signifiers*

Stakeholders wishing to prevent their marks from falling into genericness should consistently use a generic signifier along with the mark.<sup>154</sup> This is axiomatic advice from trademark practitioners. Judge Richard Posner writes:

Sometimes a trademark owner will sponsor a generic term precisely in order to avoid its mark becoming generic. Xerox succeeded with ‘copier,’ and Sanka was saved from becoming generic by the emergence of ‘decaf’ to denote the product of which Sanka was for long the best-known brand.<sup>155</sup>

Though psychologists do not have a complete theory for *why* some generic terms are adopted over others,<sup>156</sup> Professor William Landes and Judge Posner offer an economic theory suggesting that good generic signifiers save on what we might call “imagination costs:” a good generic signifier requires less mental energy both to remember and to repeat the product’s name, than a bad one.<sup>157</sup> Compare, for example, “aspirin” and “acetylsalicylic acid.” Aspirin has fewer syllables, seems less “technical,” and requires less mental energy to remember. For the typical consumer, “aspirin” is an easier way to find and remember the generic product category of acetylsalicylic acid she wishes to purchase.

The existence of an alternative generic signifier is *necessary* for a mark to be protectable in the first instance. Consumers must adopt that signifier at a sufficient level to make plausible its consideration by a court.<sup>158</sup> We can thus

close relative of Greek moussaka: it includes a chili generally spiced with cinnamon, cloves, allspice or chocolate, which is poured over the top of spaghetti noodles. It can be ordered in various “ways”: bowl (just chili), two-way (chili and spaghetti), three-way (chili, spaghetti, and about a pound of shredded cheddar cheese), four-way (chili, spaghetti, cheese, and diced onions), and five-way (chili, spaghetti, cheese, onions, and kidney beans). It is delicious.

154. See, e.g., MCCARTHY, *supra* note 39, at § 12:27.

155. Ty Inc. v. Softbelly’s Inc., 353 F.3d 528, 532 (7th Cir. 2003) (reversing a judgment that defendant’s use of the word “beanies” infringed Ty’s BEANIE BABIES mark for beanbag toys).

156. See, e.g., Paula Chesley & R. Harald Baayen, *Predicting New Words from Newer Words: Lexical Borrowings in French*, available at <http://www.tc.umn.edu/~ches0045/ChesleyBaayen2010LexicalBorrowings.pdf> (discussing the concept of lexical entrenchment); Paula Chesley & Dawn Lerman, *Consumer Memory for Easy-to-Pronounce Non-Word Brand Names: The Effect of Attitudes*, available at <http://www.tc.umn.edu/~ches0045/consumerMemoryChesleyLerman.pdf>. But see John Colapinto, *Famous Names*, THE NEW YORKER, Oct. 3, 2011 (profiling the brand-naming firm Lexicon and detailing its approach to creating popular brand-names).

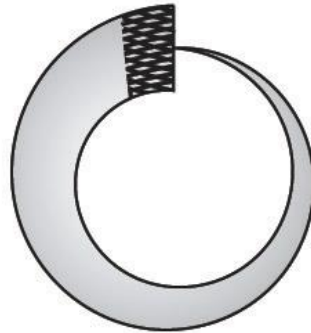
157. William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & ECON. 265, 268-69 (1987) (comparing “Sanka” and “the decaffeinated coffee made by General Foods”). See also MCCARTHY, *supra* note 39, at § 12:26 (discussing the benefits of adopting generic terms at the time of the mark’s adoption).

158. Compare Donald F. Duncan, Inc. v. Royal Tops Mfg. Co., 343 F.2d 655, 655 (7th Cir. 1965) (finding “yo-yo” generic, despite plaintiff’s attempts to popularize “return top” as an alternative generic signifier because of little public adoption of the term) with Ty Inc., 353 F.3d at 532 (giving “copiers” for Xerox and “decaf coffee” for Sanka as examples of

think of the adequate alternative generic signifier as a buffer at the thickest part of the Ouroboros, keeping the mark from falling into genericness. The thermos hypothetical helps to illustrate this effect. Vacuum bottle surely is a generic signifier for the product known as a “thermos.” But, as shown by survey evidence in the *Thermos* case, the term “thermos” so outpaced “vacuum bottle” as a descriptor for the product that “vacuum bottle” was rendered meaningless by comparison. For all intents and purposes, the product *is and was* “a thermos.” Now imagine that the public had also latched onto the term “vacuum bottle” to describe the class of products of which “THERMOS” was a part. “THERMOS” might still have become the generic signifier for its class, but it would take much more to push it over the hill, as it were, and off the cliff into genericness than if the public had never used “vacuum bottle” to describe that class of products.

In Figure 8, we show how an adequate alternative generic signifier affects the mark strength inquiry. Because an alternative generic signifier makes it more difficult for a term to become generic, an alternative term erects a boundary at the edge of the Ouroboros that protects a mark from falling into genericness. This boundary is not impenetrable; we can imagine consumers adopting both KLEENEX and ‘tissue’ as generic terms.<sup>159</sup> The boundary, however, can make the fall into genericness less likely:

FIGURE 8: OUROBOROS WITH ALTERNATIVE GENERIC SIGNIFIER OVERLAY



A solid alternative generic signifier not only buffers the dreaded fall into genericness, but also increases the mark’s strength. This is actually rather intuitive. Imagine that we adopt a mark that is descriptive. At adoption, it is relatively weak, and will only be afforded minimal protection. To the extent we can cultivate (or consumers cultivate for us) a strong generic term that refers to our type of product, the public’s (and competitors’) linguistic “need” for our trademark drops. The mark is thus likely to be more strongly associated with the source, rather than the goods. In other words, an alternative generic

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successful alternative generic signifiers).

159. In fact, we have argued elsewhere that KLEENEX likely is a generic term for tissues. See Greene & Wilkerson, *supra* note 13.

signifier creates linguistic space for competitive uses and permits a greater degree of control over the term used as mark.

With respect to brand strength, an alternative generic signifier has little practical value. The reader can refer back to our KLEENEX and THERMOS examples from Part I.A.: even if a mark becomes *the only* name for a given product—the sole generic term—that fact does not necessarily mean that the *brand* is weaker. Thermos LLC continues to operate a strong brand under the THERMOS label despite the de jure genericness of “thermos” for vacuum flasks, and Kimberly-Clark Worldwide, Inc. operates a very strong brand under the KLEENEX label despite that term’s (likely) de facto genericness.<sup>160</sup> In fact, de facto genericness is often a company’s goal in managing its brand.<sup>161</sup>

### 5. Brand extension and licensing

At the outset, it is helpful to again consider trademark hybridity and what it means with regard to how we should think about trademark strength. As a practical matter, trademark strength becomes null if and when the mark becomes generic for the class of goods on which it is used. At that point, the initial markholder can no longer control the term’s use in commerce by competitors. By contrast, brand strength can continue on until every relevant consumer recognizes the mark. This difference is subtle, and it is easy to confuse the two. Courts and scholars have been understandably confused about the relationship between brand significance and product significance, although not explicitly. If a markholder extends its brand from product *A* onto products *B* and *C*, for example, courts will often say that this extension makes it more likely that the mark will be used on yet other products (*D*, *E*, *F*, and so on ad infinitum). As a result, the mark’s exclusive scope grows to encompass additional related product markets.<sup>162</sup> The cases typically call this “bridging the

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160. See Greene, *supra* note 12, at 14 n.79 (citing INTERBRAND BEST GLOBAL BRANDS 2012, <http://www.interbrand.com/en/best-global-brands/2012/Best-Global-Brands-2012-Brand-View.aspx> (last visited Feb. 6, 2013) (listing KLEENEX as the 80th most valuable global brand)).

161. See Bill Morris, *Explosion of Brands and Erosion of Soul*, N.Y. TIMES, Dec. 21, 2012 (quoting Evin Ellis, Weed Eater’s marketing communications manager as stating “We consider WEED EATER the KLEENEX of weed whacking.”), available at [http://www.nytimes.com/2012/12/22/sports/ncaafotball/putting-the-brand-before-the-football-game.html?\\_r=1&](http://www.nytimes.com/2012/12/22/sports/ncaafotball/putting-the-brand-before-the-football-game.html?_r=1&). See also *id.* (“There you have it: the art of brand management distilled to its essence. Corporations are now willing to shell out up to \$5 million a year to have their name attached to a college football bowl game because they want the brand to become so common and recognizable that it enters the language as the thing itself. The dream is to become . . . generic.”)

162. See Desai, *supra* note 12, at 1019-21 (detailing how the recognition of “house marks”—that is, marks like SONY that are used on a variety of related or unrelated goods—increases the ubiquity and, ultimately the strength, of a brand). See also *Han Beauty, Inc. v. Alberto-Culver Co.*, 236 F.3d 1333, 1336 (Fed. Cir. 2001) (house marks exist *only* if and when “the purchasing public recognizes that the common characteristic is indicative of a common origin of the goods”).

gap,” a phenomenon we detail below. But the analysis should not be quite that simple. Extending a brand into new markets may strengthen *the brand*, but the practical effect—and indeed, one of the primary goals for many brand extensions—may be to reduce *the mark*’s strength as a signifier of a specific product and its manufacturer, thereby effectively weakening the mark in order to prevent it from falling into genericness.<sup>163</sup> Put more succinctly, weakening the mark by broadening its product base may help in insulating against genericness.<sup>164</sup>

Take VASELINE as an example. VASELINE was originally used as a trademark for petroleum jelly, and continues to be used as such. But over the years, the mark’s owner, Unilever, had extended it into various related product markets like lotions and soaps. The owner’s goal was likely, at least in part, to dilute VASELINE’s product significance: to encourage consumers to think of VASELINE not simply as a synonym for “petroleum jelly,” but rather as a free-floating brand signifier for products of whatever kind manufactured by the stakeholder (in addition to luring customers of VASELINE petroleum jelly to other VASELINE products). The owners were likely banking on a theory that as the brand significance of VASELINE grew, the product significance of VASELINE would wane.<sup>165</sup> The theory hardly panned out. Many consumers continue to recognize VASELINE for its original product significance, while simultaneously recognizing its existence as a house mark used on various products. The brand extension was not particularly successful in keeping the mark from becoming generic for petroleum jelly.<sup>166</sup>

BIC is another example. Société Bic, the owner of the BIC brand, has marketed all sorts of disposable consumer goods using the term BIC: lighters, magnets, ballpoint pens, razors, and even watersport products. But because the

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163. The traditional theory for house marks provides “a house mark serves as an umbrella for all of the product marks and merchandise emanating from a single source.” *In re Royal BodyCare, Inc.*, 83 U.S.P.Q.2d 1564, 1568 (T.T.A.B. 2007). As should be fairly obvious, this idea conflicts with trademark law’s general presumption that marks must be attached to goods. See MCCARTHY, *supra* note 39, § 9:13 (“[A] term used only as a trade name is not registrable. For example, a corporate name cannot be registered on the Principal Register unless that name is also used in a trademark or service mark sense”). As Desai has noted, the protection of house marks is more consistent with brand theory—house marks are ways in which companies can build “one coherent, centrally controlled identity to drive consumer purchases, rather than focusing on single products.” Desai, *supra* note 12, at 1020. The house mark doctrine is the way in which the law protects markholders’ interests in extending their marks in this way.

164. In other words, brand extension, in theory, *ambiguates* the term’s meaning in order to reduce the likelihood of a mark’s becoming a standardized, generic term. See Lawrence Lessig, *The Regulation of Social Meaning*, 65 U. CHI. L. REV. 943, 1011-12 (1995) (discussing ambiguity as a means of controlling social meanings).

165. Although we fully note that this may have been a secondary consideration in light of the potential benefits of brand extension outlined in the marketing literature. See Desai, *supra* note 12, at 1019-21.

166. See, e.g., “Vaseline,” MERRIAM-WEBSTER DICTIONARY, available at <http://www.merriam-webster.com/dictionary/vaseline> (“used for petroleum jelly”).

products are so ubiquitous, BIC is arguably generic for three separate disposable items: razors, lighters, and ballpoint pens.<sup>167</sup> Bridging the gap may make *the brand* stronger in the sense of expanding the mark's exclusive scope into related markets, but it may have little effect on the public's identification of the mark as generic for a specific type of product.

#### 6. *Lack of competition*

We state this factor negatively because the existence of qualified competitors directly affects both product and brand significance, but in very different ways.

In terms of trademark strength, a lack of adequate competition is much of what drives certain terms into genericness. We see this happen most often with trademarks for use on previously-patented products, such as “cellophane,” “thermos,” and “escalator.”<sup>168</sup> The period of exclusivity for patented products creates an artificial monopoly during which there is no competition—in both the fiscal and linguistic senses. Absent the creation and wide-scale adoption of an adequate alternative generic signifier, consumers as a result tend to identify the term with the product. Google Inc.'s market-share in the search engine market is so substantial that, for most intents and purposes, “internet searching” *is* “googling” and vice versa. Likewise, Kimberly-Clark Worldwide, Inc.'s market-share in the tissue market under the KLEENEX label is so significant that a “kleenex” *is* a “tissue” and consumers understand the terms' use as such. Lack of competition in the southern United States is a large reason why “coke” is a generic term for soft drinks there: there is no other relevant option for the thing about which the person is speaking.<sup>169</sup> Although PEPSI is certainly sold in the South, its market-share is (or at least was when “coke” as a generic signifier came into vogue) miniscule by comparison to COKE.

The less competition there is, as measured by market-share in the relevant product market and the number of competitors, the more likely it is that the mark will accelerate in strength until it falls off the cliff into genericness. Likewise, lack of competition can be measured by consumer access to options. For example, do most stores stock one brand of a product or five? Does Florida have ten WHATABURGER restaurants for every other hamburger-based fast-food chain? Do people buy the product online (where there are many options) or locally (where there are fewer options)? Does one company have an exclusive right to sell the product, regardless of the trademark (for example, a patented or

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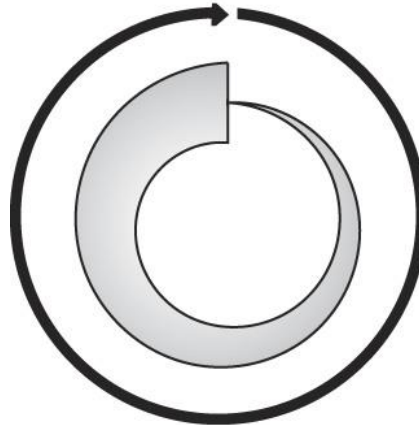
167. See, e.g., *Bic*, URBANDICTIONARY, <http://www.urbandictionary.com/define.php?term=bic> (last visited May 6, 2013) (among other definitions, “[a] ‘Bic’ is the most common type of lighter available[,]” “[t]he act of taking someones [sic] lighter and not giving it back[,]” and “to shave with any wet razor (disposable and/or cartridge)”).

168. See *supra* Part I.C.

169. In a similar vein, many immigrants have anecdotes about using “hoovers” (vacuum cleaners) and “windex” (glass cleaner) because those were simply the only brand options available for those products.

copyrighted product)? Are the available substitutes very similar or dissimilar?<sup>170</sup> In Figure 9, we provide a visualization:

FIGURE 9: OUROBOROS WITH COMPETITION OVERLAY



By contrast, a lack of competition in a popular market can lead to a drastic jump in brand strength. In such conditions, the term becomes so ubiquitous as to make nearly any somewhat-related product plausible. For example, Google Inc.'s stranglehold on the search market is such that it was able to leverage its brand awareness into other related spheres, like document creation (GOOGLEDOCS) and social networking (GOOGLE+) without any discernable negative effect on its brand strength. If a company other than Google Inc. did *anything* computer-related using GOOGLE as a trademark, it seems likely that consumers would be confused as to the source of the new product, thinking that it came from Google Inc.

Thus, somewhat obviously, a lack of competition will tend to increase the mark's brand strength.

### C. Caveats: Exogenous Trademark Doctrines

There exist certain trademark doctrines that prevent a term from being registrable or protectable, despite a term's functioning (or potential to function)

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170. Market definition is very important to get correct but, as Professors Mark Lemley and Mark McKenna have shown, courts consistently fudge the analysis. Defining a relevant product market is quite difficult. *See* Desai & Waller, *supra* note 13, at 1468-76 (discussing various theories of market definition and noting their inability to properly account for brand loyalty); Mark P. McKenna, *(Dys)functionality*, 48 HOUS. L. REV. 823, 830-32 (2011). *See also* Mark A. Lemley & Mark P. McKenna, *Is Pepsi Really a Substitute for Coke? Market Definition in Antitrust and IP*, 100 GEO. L.J. 2055 (2012). We do not propose here that the options we have suggested are exclusive, but rather highlight them to illustrate the types of evidence that may tend to prove whether the market, however broadly or narrowly defined, is competitive.

as a trademark. The mark may somehow become registered on the principal register by virtue of the mark's inherent or acquired distinctiveness (which is not uncommon) or a party may claim common-law rights in the mark. We give two examples in this part—(1) the doctrine of foreign equivalents<sup>171</sup> and (2) foreign generic terms<sup>172</sup>—but do not claim that these are the only relevant doctrines.<sup>173</sup> Doctrines like these effectively overtake the overall mark strength inquiry for non-consumer-related policy reasons.

#### CONCLUSION

We have argued that the doctrine of trademark strength is broken. In large

171. Under the doctrine of foreign equivalents, a foreign word and its English equivalent may be held to be confusingly similar, thereby resulting in either liability for infringement or the Patent and Trademark Office's declining to register the mark in the first instance. TRADEMARK MANUAL OF EXAMINATION PROCEDURE ("TMEP") § 1207.01(b)(vi) (2011). *See, e.g., In re Thomas*, 79 U.S.P.Q.2d 1021 (T.T.A.B. 2006) (holding MARCHE NOIR for jewelry likely to be confused with BLACK MARKET MINERALS for retail jewelry store services); *In re Am. Safety Razor Co.*, 2 U.S.P.Q.2d 1459 (T.T.A.B. 1987) (holding BUENOS DIAS for soap likely to be confused with GOOD MORNING and design for latherless shaving cream); *In re Hub Distrib., Inc.*, 218 U.S.P.Q. 284 (T.T.A.B. 1983) (holding EL SOL for clothing and footwear likely to be confused with SUN and design for footwear).

172. The rule against protecting foreign generic terms does what it says. The doctrine arises from the Seventh Circuit's decision in *Donald F. Duncan v. Royal Tops Mfg. Co.*, 343 F.2d 655 (7th Cir. 1965) (the "yo-yo" case). In that case, the circuit court held that the plaintiff's "yo-yo" trademarks were invalid on two grounds: first, that well before it was introduced in the United States, the toys at issue were in use in the Philippines, and their generic name was "yo-yo;" and second, that "yo-yo" had become the generic term for the toy in the United States as well. The court stated that it believed registration of the name was improper in the first instance, but out of an abundance of caution went forward with its more general genericness analysis. *Id.* at 662 ("Assuming, therefore, contrary to what we think, that the marks were properly registered, there remains the issue as to whether 'Yo-Yo' in use became known to members of the public as the descriptive name of the toy."). The rule is not always applied reciprocally. For example, while it is generic in the United States, ASPIRIN remains a registered trademark, owned by Bayer AG, in Germany, Canada, and Mexico, among other countries. *See Aspirin*, WIKIPEDIA, <http://en.wikipedia.org/wiki/Aspirin> (last modified Dec. 5, 2012) (citing Tsung O. Cheng, *The History of Aspirin*, 34 TEX. HEART INST. J. 392-93 (2007)).

173. Note that we do not include expired patents here because we agree with McCarthy's assessment of cases like *June* and *Kellogg*. He writes first that *June*:

[D]oes not state that the name became generic because the patents expired, but merely that if the name had already become generic during the patented "single source" period, then when others were free to copy the public domain product, they of course, could use the generic name. The alleged mark became generic wholly independent of patent rights.

MCCARTHY, § 12:53, *supra* note 39. Furthermore, he argues that, in the *Kellogg* case, "shredded wheat" had already become generic before the patent expired. *Id.* ("Upon expiration of patent rights, anyone was free to make biscuits in that shape and with that machinery. But the right to use the name 'shredded wheat' had *already* passed into the public domain because of public usage even before anyone else could make this shape of biscuit."). Thus, through more careful policing of the name and promoting alternative generic signifiers, patentees can hold onto their trademarks after the patent expires. The fact of the patent's existence creates a strong likelihood that the trademarked term will fall into the public domain along with the patent, that's not necessarily a compulsory conclusion.

part, this is so because of several fundamental misunderstandings about overall mark strength: (1) judges, scholars, and practitioners do not fully understand trademark hybridity and its implications for determining a mark's exclusive scope; (2) judges, scholars, and practitioners often misunderstand the relationship between trademark strength (that is, the differentiation between brand significance and product significance) and genericness, which leads to courts finding non-generic many marks that may be de facto generic and the mindset prevalent among practitioners that these same marks *cannot* be generic because consumers recognize them as brands;<sup>174</sup> and (3) the existing analysis courts apply to determine overall mark strength is needlessly open-ended, which acts to the detriment of those attempting to apply it and results in opinions that may be driven more by heuristics and proxies than a careful, rational analysis of the evidence.

We outlined the difference between product significance and brand significance, the former of which applies to determine whether a challenged mark can be excluded along the dimension of terms, the latter to determine the same on the dimension of products. We showed that the character of each type of significance differs, with product significance being circular and brand significance being pyramidal. Finally, we set forth a multi-part analysis that we believe can help judges, practitioners, and scholars to accurately evaluate overall mark strength, thereby leading to more reasoned conclusions and better predictive accuracy in trademark litigation.

Normatively, the recalibration of trademark strength doctrine we suggest in this paper has several benefits. First, while it might seem paradoxical to conclude that limiting the amount of evidence available would lead to better-reasoned conclusions, it is actually quite sensible. By separating the evidentiary wheat from the chaff, courts can more easily and effectively seek the answer to the question of how consumers actually (or are likely to) interpret marks in the marketplace. Second, the Ouroboros model provides a relatively easy visual explanation of how overall trademark strength actually works in practice. Third, the more we recognize the disconnection between product significance and brand significance, the more we can promote the goals of free communication and fair competition that lie at the heart of trademark law. After all, if consumer confusion is a proxy for these values, and if there's no confusion, most would likely agree that there's no harm (cabining, of course, trademark dilution doctrine, which has particular problems identifying the harm to which it's addressed).<sup>175</sup> By better understanding trademark strength, we can more easily ensure that consumers' and communicators' interests are accounted for in trademark doctrine.

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174. See generally Greene, *supra* note 12.

175. See generally Rebecca Tushnet, *Gone in Sixty Milliseconds: Trademark Law and Cognitive Science*, 86 TEX. L. REV. 507 (2008) (arguing that the harm to which dilution is addressed falls directly within the First Amendment's protective ambit); Bone, *supra* note 19; Clarisa Long, *Dilution*, 106 COLUM. L. REV. 1029 (2006).