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THICK MARKS, THIN MARKS

Michael Grynberg[†]

ABSTRACT

Not all trademarks are created equal. Strong marks like APPLE computer receive more protection than lesser known, weaker marks like JOE'S diner. The difference is reflected by the amount of attention judges pay to surrounding context in resolving infringement claims. When a mark receives "thick" protection, facts that might make confusion less likely (e.g., clarifying marketplace realities or perceptible differences between the parties' marks) matter less than when protection is "thin."

This conception of thick or thin protection is part of routine trademark disputes, but it has more interesting implications for trademark law. Trademarks do more than identify a product's source. They embody connotative and abstract meanings over which trademark owners seek control. Traditional trademark doctrine is often ill-suited to resolve the resulting litigation. One way courts respond is by calibrating thickness of protection. Judges receptive to the expansion of trademark rights may grant thick protection; skeptical judges, thin. This shortcut frustrates the development of precedent. Treating a mark as thin, for example, enables courts to resist broad trademark claims without disturbing their doctrinal underpinnings. This softens the impact of trademark's growing scope in individual cases, but without providing comfort to future defendants.

Unfortunately, judicial fluctuation between thick and thin protection is inevitable and intertwined with the long, unresolved debate about the extent to which trademarks should be treated as a form of property. Drawing on the literature describing modularity and property rights, this Article argues that thick trademark protection is simultaneously appealing to judges yet impossible over the long run. Thick protection offers the ability to hide complex interactions between trademark meanings behind a simpler property signal, leaving it to the trademark owner to manage them. This approach may be understood as an information-economizing tool that frees a judge from the task of determining whether an unauthorized use of a mark's extended meaning adversely affects its core, source-identifying function. But many such uses implicate the interests of third parties who cannot rely on the economic decisions of the mark owner for vindication. Because trademark doctrine also recognizes the importance of these concerns,

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consistent treatment of trademarks as thick is impossible notwithstanding the lure of the property shortcut. Judicial uncertainty and unclear doctrine is the result.

Courts should think more clearly and explicitly about when thick protection is appropriate. Many extended trademark meanings are built out of a mark's source-identification function. This suggests that the case for thick protection is strongest when a mark's source identification capability is threatened, but weaker with respect to other meanings. Some doctrinal developments in trademark law reflect this view; others do not. But regardless of whether one agrees with this approach to trademark thickness, judicial choices on the subject should be acknowledged and made transparent.

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INTRODUCTION

Trademarks embody a range of information. Some of it is simple—what is the physical source of this product? Some is more complex—how do I feel about COCA-COLA? Many open questions in modern trademark law concern which parts of the range belong under the trademark holder’s control. One way courts answer the question is to decide how much of a mark must be used to trigger liability.

Courts can do this because trademarks receive protection beyond equivalents (counterfeits). The scope of the equivalence needed for liability varies from context to context. In a traditional infringement case, for example, the proximity of parties’ products matters. A cheese grater branded CRAFT is more likely to infringe the KRAFT foods mark than a CRAFT computer.¹

As Part I explains, we might refer to the difference between these two examples as being one in the “thickness” of protection given the mark.² The KRAFT mark has more infringing analogs in food-related markets than elsewhere. This result is unsurprising and easily explained. Trademark law is concerned with the question of whether a consumer will perceive the defendant’s product as coming from the plaintiff. Its doctrine makes the empirical assumption that confusion between marks is more likely in proximate markets than remote ones. Likewise, it assumes that “strong” marks—marks that courts treat as inherently distinctive and/or marks that have attained a high level of recognition among the relevant consuming public—are more likely to be infringed than weak ones. Thickness of protection, therefore, may be a function both of a mark’s characteristics or reflected by surrounding context.³

In addition to being part of traditional confusion analysis, judicial calibration of trademark thickness can be a tool for managing conflicting interests. Suppose the owner of a wine store claims that its layout deserves trademark protection. Litigation against a store that uses a similar design might raise proximity issues similar to the KRAFT example (e.g., is the defendant a wine seller or a grocery store that sells wine?). The parties could also be expected to litigate whether the layout

1. *See infra* Part I.A.1.

2. The concept of thick and thin protection is familiar in copyright law. *See Feist Publ’ns, Inc. v. Rural Tel. Serv. Co., Inc.*, 499 U.S. 340, 349 (1991) (“[T]he copyright in a factual compilation is thin. Notwithstanding a valid copyright, a subsequent compiler remains free to use the facts contained in another’s publication to aid in preparing a competing work, so long as the competing work does not feature the same selection and arrangement.”). Though this Article uses the same terminology, some applications differ. *See infra* note 90.

3. *See infra* Part I.A.1.

is distinctive and capable of functioning as a trademark. Even if it were, the defendant might argue that the plaintiff is claiming functional matter that should be free for other competitors to use.⁴

Resolving these issues might counsel withholding trademark protection, but the Lanham Act is generous with respect to eligible trademark subject matter.⁵ Alternatively, a court might extend protection to the mark, while treating it as thin. Maybe the total package of the store's design features conveys a source-identifying message, but only as a whole. Copying some, but not all of, the components will therefore not cause consumer confusion. A court might likewise resolve the functionality issue by allowing copying up to, but just short of, the whole.⁶

Calibrating trademark thickness has more interesting uses. It is a vehicle by which courts resolve nontraditional and controversial trademark claims pertaining to matters other than source confusion. Trademarks also embody connotative and abstract meanings, and trademark owners naturally seek to control as much of the range as possible. The problem is that the doctrines developed to adjudicate disputes concerning source-identifying meaning are often ill-suited to disposing of litigation concerning expanded meanings.⁷ The test developed to determine whether consumers are likely to be confused about a trademark's source, for example, is not calibrated for the issue of whether consumers mistakenly perceive an affiliation between two products. The latter claim creates less possibility of consumer harm than the former, but is often easier to establish.⁸ Likewise, the case for

4. See *infra* Part I.C.1.

5. 15 U.S.C. § 1052 (2012) (providing that unless a mark falls into a listed exclusion, “[n]o trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature”); § 1127 (“The term ‘trademark’ includes any word, name, symbol, or device, or any combination thereof . . . [used] to identify and distinguish . . . goods.”); see *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992) (treating restaurant decor as inherently distinctive and eligible for trade dress protection).

6. See *Best Cellars, Inc. v. Wine Made Simple, Inc.*, 320 F. Supp. 2d 60, 72 (S.D.N.Y. 2003) (“[W]hile the emphasis on specific combinations and total visual impact makes it relatively easy for a plaintiff to meet the inherent distinctiveness aspect of the trade dress infringement test, the same emphasis makes it correspondingly difficult for a plaintiff to prove likelihood of confusion. That is because defendant-competitors who have some similar elements as well as noteworthy dissimilar elements in their trade dress may be able to show that the specific combination of elements that *they* use also constitutes protectable trade dress, and that consumers are unlikely to confuse the two products, or in this case, the two stores.”) (citation omitted). See also *infra* Part I.C.1.

7. See *infra* Part I.C.2.

8. *Id.*

protecting expanded meaning may have a tenuous connection with traditional trademark rationales.

Judges receptive to expanding trademark rights may resolve the tension by simply granting thick protection that elides the distinction between the categories of meanings potentially embodied by a mark. And judges skeptical of expansive trademark claims may accord reciprocally thin protection. While disposing of the case at hand, the move frustrates the development of precedent. Treating a mark as thin enables a court to resist a broad trademark claim *without* disturbing its doctrinal underpinnings. This method softens the impact of trademark's growing scope, but in a way that limits the benefit to future defendants.⁹

Part II suggests that judicial vacillation between thick and thin protection may be inevitable, for thick trademark protection is simultaneously appealing to judges yet impossible over the long run. Thick protection hides complex interactions of various trademark meanings behind a simpler property signal, leaving it to the trademark owner to manage them by licensing the mark where appropriate.¹⁰ This approach may be understood as an information-economizing tool that frees judges from sorting out whether unauthorized uses of a mark actually threaten core trademark functions of source identification and consumer protection. But the shortcut carries costs. The scope that a mark needs in the realm of source identification is not necessarily appropriate for claims concerning, say, a false perception of affiliation. Thick protection buys clarity at the expense of ignoring this nuance.¹¹ Furthermore, many unauthorized trademark uses implicate the interests of third parties who cannot rely on the economic decisions of the mark owner for vindication.¹² Trademark doctrine recognizes these interests, making consistent treatment of trademarks as thick effectively impossible. But the appeal of the property shortcut is not easily ignored. Judicial uncertainty between thick and thin protection is the result and manifests itself in unclear doctrine.

Part III argues that courts should think more clearly and explicitly about when thick protection is appropriate and about what kinds of trademark meaning are at stake in litigation. Many extended trademark meanings are built out of the mark's source-identification function. This suggests that the case for thick protection is strongest when a mark's source-identification function is at risk but less so with respect to peripheral meanings. If they are lost, other meanings remain intact. In contrast, if a mark loses its source-identifying function, a host of meanings fall with it.

9. *Id.*

10. *See infra* Part II.B.

11. *See infra* Part II.A.

12. *See infra* II.B.

If, nonetheless, trademark law must expand its reach to new domains, there is some benefit to granting strong but narrow protection in a way that isolates the expansion from the general operation of trademark law. Some doctrinal developments in trademark law reflect these views; others do not. Given the importance of the underlying issues, it would be preferable if the choices on this score were acknowledged and made transparent.

I. THE PROBLEM OF TRADEMARK THICKNESS

This Part describes the concept of thickness and thinness of trademark protection and its relationship to the more commonly drawn distinction between strong and weak trademarks. It then explains how the metaphor applies to contested doctrinal issues of trademark scope and how courts calibrate thickness of protection to resolve them.

A. *What is a Thick Mark?*

1. Thick and Thin Marks

This Article uses the term *thickness* (and by extension *thinness*) of protection to encompass two potential meanings. First, we might say that a mark receives thick protection when another's mark is found infringing notwithstanding distinguishing factors. A thick mark has a broader range of actionable counterparts than a comparatively—and these are relative terms—thin one. So we might say that a ruling that KOKE-UP infringes COCA-COLA demonstrates some thickness of protection for the latter.¹³ In contrast, a ruling that a broom with a contrasting bristle color scheme is not infringed by a similar broom using different colors may be explained as a case in which the plaintiff's mark received thin protection.¹⁴ Let us call this a mark's *internal thickness*. It reflects the level of protection given to individual mark features in comparison to the allegedly infringing mark. A mark is thick to the extent that individual aspects of a mark, and their similarities to the defendant's mark, are capable of providing the basis of an infringement ruling notwithstanding the existence of distinguishing features or unshared elements.

Trademark infringement cases consider more than mark similarity. Context also matters. The second sense in which we might describe a

13. *Coca-Cola Co. v. Busch*, 44 F. Supp. 405, 410 (E.D. Pa. 1942) (“One who enters a field already occupied by another as in the instant case, should be careful in the selection of a tradename or trademark, keeping far enough away from the plaintiff's tradename or trademark to avoid any possible confusion.”).

14. *Libman Co. v. Vining Indus., Inc.*, 69 F.3d 1360, 1363 (7th Cir. 1995) (observing that plaintiff's “trademark is a thin one, since adding a colored stripe is hardly a distinctive way of marking a product”).

mark as having thick protection concerns the amount of favorable contextual evidence necessary to translate whatever similarity there is into liability. The less the surrounding circumstances matter—i.e., the extent to which mark similarity overwhelms context favorable to the defendant—the thicker the mark. Let us call this the *external thickness* of a mark. Calibration of external thickness is a standard part of trademark litigation. Every judicial circuit has adopted some version of a multifactor likelihood of confusion test.¹⁵ Many of the factors that courts consider measure context that is independent of the trademarks at issue, such as market proximity or consumer sophistication.¹⁶

The multifactor likelihood of confusion tests consider both trademark-specific and contextual factors.¹⁷ A court's assessment of a mark's strength and similarity to the allegedly infringing symbol may reflect the plaintiff mark's internal thickness; the court's treatment of factors like market proximity or consumer sophistication may reflect external thickness. A court may treat a mark as thick on both axes, raising the chicken-egg dilemma of whether internal or external context drives the decision.¹⁸ Likewise, the final balancing of the factors often defies structured analysis and allows internal and external factors to merge into a decision in indeterminate ways.¹⁹ As a conceptual matter it is worth noting that a mark may be treated as internally but not externally thick, or vice versa. Depending on the context, therefore, we

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15. See 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §§ 24:30–:43 (4th ed. 2013) (examining factors used by circuits). The classic rendering of the test came in *Polaroid Corp. v. Polaroid Electronics Corp.*, 287 F.2d 492, 495 (2d Cir. 1961) (considering (1) strength of plaintiff's mark, (2) degree of similarity between marks, (3) competitive proximity of litigants' products, (4) any actual confusion, (5) likelihood that plaintiff will “bridge the gap” separating the two markets, (6) whether defendant acted in good faith in adopting its mark, (7) quality of defendant's product, and (8) purchaser sophistication).
 16. 4 MCCARTHY, *supra* note 15, § 23:95 (discussing consumer sophistication); § 24:18 (discussing proximity).
 17. See, e.g., *id.* § 24:31 (listing factors used by the First Circuit).
 18. In his study of use of multifactor cases from circuit to circuit, Barton Beebe reports that courts will often “stampede” factors once certain critical factors point in one direction or another. That is, once the decision is made, the remaining factors are read to fall in line. Barton Beebe, *An Empirical Study of the Multifactor Tests for Trademark Infringement*, 94 CAL. L. REV. 1581, 1581–82 (2006) (“A few factors prove to be decisive; the rest are at best redundant and at worst irrelevant. Judges tend to ‘stampede’ these remaining factors to conform to the test outcome, particularly when they find infringement.”).
 19. For example, the final balancing of *AMF Inc. v. Sleekcraft Boats*, in its entirety, was as follows: “Based on the preceding analysis, we hold that Nescher has infringed the Slickcraft mark.” 599 F.2d 341, 354 (9th Cir. 1979).

might say a mark has thick protection even though it is not thick in every possible meaning of the word.

2. Thick Marks, Thin Marks, Strong Marks, Weak Marks

The description of thick and thin marks above overlaps with the more traditional and familiar conception of strong and weak marks. The strength of a plaintiff's mark is a standard factor in the multifactor test.²⁰ Strength refers to a mark's ability to signal source²¹ and distinguish itself from competitors.²² As traditionally applied by the courts, trademark strength has two flavors.²³ The first class of strong marks comprise those that trademark law views as naturally signaling source. Courts place marks on a spectrum of distinctiveness from strong to weak. Fanciful (e.g., KODAK film) and arbitrary (e.g., APPLE computers) marks are on the strong end.²⁴ They are treated as inherently distinctive.²⁵ Descriptive marks (e.g., TASTY hamburgers) lie at the other end of the spectrum and receive protection only upon a showing that consumers identify them as performing a source-identifying function (i.e., that they have secondary meaning).²⁶

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20. See, e.g., 4 MCCARTHY, *supra* note 15, § 23:19 (listing factors courts consider when assessing trademark infringement cases).
21. See, e.g., *Versa Prod. Co., Inc. v. Bifold Co. (Mfg.) Ltd.*, 50 F.3d 189, 203 (3d Cir. 1995) (“A strong trademark is thus one that carries widespread, immediate recognition that one producer (even if unknown) is associated with the mark, and so with the product.”).
22. Barton Beebe writes that conceptualizing strength as the ability to signal source is not the issue so much as a mark's ability to distinguish itself from other marks. Barton Beebe, *Search and Persuasion in Trademark Law*, 103 MICH. L. REV. 2020, 2028 (2005). It is this capability, “differential distinctiveness,” that “prescribes the *scope* of trademark protection when protection is given. This is the form of distinctiveness that trademark lawyers have in mind when they speak of trademark ‘strength.’” *Id.* In his view, equating the ability to distinguish source with a mark's differential distinctiveness, as trademark law does, is unwarranted. *Id.* at 2030 (“Trademark law has traditionally held, perhaps incorrectly, that marks which are inherently source distinctive possess an inbuilt degree of differential distinctiveness . . .”).
23. See, e.g., *Checkpoint Sys., Inc. v. Check Point Software Techs., Inc.*, 269 F.3d 270, 282 (3d Cir. 2001) (“The strength of a mark is determined by (1) the distinctiveness or conceptual strength of the mark and (2) its commercial strength or marketplace recognition.”).
24. See, e.g., *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 11 (2d Cir. 1976) (“[F]anciful 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.”).
25. Suggestive marks, those that indirectly suggest a quality of a product, are also treated as inherently distinctive, but of varying conceptual strength. *Id.*
26. *Id.* at 10.

Category-identifying terms (e.g., APPLE apples) are generic and ineligible for trademark protection.²⁷

The second class of strong marks comprises those that have achieved a high level of recognition with the consuming public; they have strong acquired distinctiveness. Acquired distinctiveness is used to divide descriptive marks that have achieved secondary meaning (and thus status as a mark) from those that have not, but the concept applies equally to assessing the overall strength of a mark.²⁸ This allows conceptually weak descriptive marks to be nonetheless commercially strong.²⁹

The treatment of strong marks is similar to the treatment of thick marks described above.³⁰ When a plaintiff's mark is strong, courts adjust their treatment of other factors in the plaintiff's favor.³¹ Courts will be less likely to overlook distinguishing matter and more likely to find that consumers are likely to be confused by the defendant's similar mark in a non-directly competing market.³² Moreover, in determining similarity between marks, courts are more apt to find similarity where the shared element may be characterized as one that gives the plaintiff's mark its strength (e.g., that the overlap is an arbitrary word rather

27. *Id.* at 9.

28. *See, e.g.*, *Water Pik, Inc. v. Med-Sys., Inc.*, 726 F.3d 1136, 1154 (10th Cir. 2013) (“The difference between commercial strength and secondary meaning is that the former is a range, while the latter is a threshold: a mark may enjoy anything from a high degree of commercial strength to a low degree, but either it has secondary meaning or it does not.”). Mark strength and secondary meaning are generally proven with similar evidence. *Id.*

29. *Id.* at 1153.

30. *See, e.g.*, 2 MCCARTHY, *supra* note 15, § 11:73 (“‘Strong’ marks are given ‘strong’ protection—protection over a wide range of related products and services and variations on visual and aural format Conversely, relatively weak marks are given a relatively narrow range of protection both as to products and format variations. To be more precise, there are three dimensions along which the relative strength of a mark may operate: market, format and territory.”) (citations omitted).

31. *See, e.g.*, *Water Pik*, 726 F.3d at 1155 (“Given the weakness of the [senior user’s] mark, the likelihood of confusion is small unless the challenged mark is very similar.”).

32. *See, e.g.*, *Versa Prod. Co., Inc. v. Bifold Co. (Mfg.) Ltd.*, 50 F.3d 189, 203 (3d Cir. 1995) (“If a second comer adopts a mark substantially identical to a strong mark, there is a correspondingly high likelihood that consumers will mistakenly associate the new comer’s product with the owner of the strong mark. The same may be said of a ‘strong’ trade dress consisting of a product’s packaging.”).

than a descriptive one).³³ Simply put, strong marks are generally thick ones.³⁴

Strong marks are still conceptually something different than thick ones as that term is used here. First, traditional conceptions of strong and weak marks are used to address narrow issues in trademark disputes. Strength as a source identifier matters for determining whether certain classes of marks receive protection³⁵ and as one factor of many in the multifactor likelihood of confusion test.³⁶ By contrast, I use the term thickness to describe not an attribute of the mark but how courts treat it—how much protection the mark receives in light of other context within a case. That answer might depend on other factors independent of strength, like the sophistication of consumers in the market or the proximity of markets.³⁷

Moreover, a mark's strength may diverge from the amount of protection it receives given the nature of the claim. COCA-COLA receives thick protection in a passing off case in which another product bears the COCA-COLA mark. If I market a competing COCA-COLA soda, a court is unlikely to spend much time looking at marketplace conditions before deeming me an infringer.³⁸ If, however, I market my soda as being better than COCA-COLA, context will be all.³⁹ A mark

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33. See, e.g., 4 MCCARTHY, *supra* note 15, §§ 23:48, 11:76, 11:85 (collecting examples).
34. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 21 cmt. i (AM. LAW INST. 1995) (“‘Strong’ marks that have a high degree of distinctiveness are thus protected against the use of similar marks on a wider range of goods or services than are ‘weak’ designations that have less distinctiveness or market recognition.”).
35. A mark's acquired distinctiveness is now a threshold question as well for the question of whether it will receive federal dilution protection. 15 U.S.C. § 1125(c) (2012) (providing for dilution protection for famous marks).
36. See 4 MCCARTHY, *supra* note 15 (listing factors used by courts to assess trademark infringement).
37. To be sure, courts may accomplish this by characterizing the mark as strong or weak.
38. It used to be the case that trademark cases involving marks in the same market would simply consider similarity and dispense with multifactor analysis. See *infra* notes 227–228 and accompanying text. This kind of thinking lives on in the counterfeiting context. A counterfeit mark is “a spurious mark which is identical with, or substantially indistinguishable from, a registered mark.” 15 U.S.C. § 1127 (2012). Using one may bring enhanced damages. *Id.* § 1117. Where such identity is present, courts often dispense with further analysis. 4 MCCARTHY, *supra* note 15, § 25:10 (“Courts assume that if the goods are so similar as to be regarded as ‘counterfeit,’ then a likelihood of confusion must be present.”).
39. The Ninth Circuit will ask, for example, whether the defendant did anything “that would, *in conjunction* with the mark, suggest sponsorship or endorsement by the trademark holder.” *New Kids on the Block v. News Am.*

may be very strong, but courts may only give it thin protection given the nature of the claim or other context.⁴⁰

Given the working of the multifactor test, however, it is true that the distinction between strong and thick marks sheds little additional light in ordinary source-confusion cases involving word-based marks. The distinction between the two matters more when considering cases involving a trademark's extended meaning, as explained below.

B. The Problem of Trademark Scope

1. Trademark Information

Trademarks identify and distinguish goods and services in the marketplace.⁴¹ The phrase “identify and distinguish” hearkens back to the conception of a trademark as a simple source identifier.⁴² Today, of course, trademarks do a good deal more.⁴³ They represent sponsorship, franchising, and other affiliation relationships, and the Lanham Act

Publ'g, Inc., 971 F.2d 302, 308 (9th Cir. 1992) (emphasis added). Looking beyond the mark is part of the court's nominative fair use test. *Id.* at 307–08.

40. See, e.g., *infra* notes 106-121 and accompanying text (describing a case in which the Louboutin shoe design, though well-known, received thin protection).
41. 15 U.S.C. § 1127 (2012). The modern Lanham Act essentially collapsed the distinction between trademark law, which protected only a certain class of marks, and unfair competition law, which protected certain devices that trademark law did not, like color and trade dress, upon a showing of secondary meaning. See generally 1 MCCARTHY, *supra* note 15, § 4:5 (“Under archaic usage, marks that were not inherently distinctive were not protected as ‘technical trademarks,’ but were protected as ‘trade names’ under the law of ‘unfair competition’ upon proof of secondary meaning.”); *id.* § 4:12 (“The Lanham Act of 1946 integrated the two types of common law marks (technical trademarks and trade names), calling both types ‘trademarks’ and treating them in essentially the same manner.”); *id.* § 8:1 (observing that trade dress protection was part of unfair competition law, which required secondary for its protection).
42. See, e.g., RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9 cmt. d (AM. LAW INST. 1995) (“The earliest cases involving trademarks were actions on the case in the nature of deceit. The issue in each case was whether the defendant had imitated the plaintiff's mark for the purpose of misrepresenting the defendant's goods as those of the plaintiff. These actions eventually evolved into a distinct tort of ‘passing off,’ or ‘unfair competition’ as it came to be known in the United States.”).
43. And even the concept of “source” covers more ground than it once did. See Laura Heymann, *Naming, Identity, and Trademark Law*, 86 IND. L.J. 381, 388 (2011) (noting a “move to representing collections of qualities rather than individual manufacturers”). Moreover, the source identification function may be dominated by the distinguishing function. See *supra* note 22 and accompanying text.

protects this information as well.⁴⁴ Most broadly, trademarks function as a receptacle of corporate identity and serve as a point of relationship with the public at large.⁴⁵

This raises familiar questions about the appropriate scope of trademark rights. Consider the power to enjoin uses that cause likely confusion as to the markholder's "approval" of a use.⁴⁶ Is it limited to sponsorship situations or does it reach cases where consumers think the markholder merely permits the activity without endorsement?⁴⁷ Must trademark rights be cleared before a movie depicts a mark?⁴⁸ Should trademark owners have a monopoly on merchandise markets that feature their logos, and if so, how far should such a right go?⁴⁹ How broadly should the owners of famous marks be able to invoke dilution doctrine?⁵⁰

These questions and others like them are hard for a variety of reasons. There is a mismatch between current interpretations of the Lanham Act, whose text is open to broad readings, and traditional doctrine. While often criticized for "propertizing" trademarks or otherwise tilting the law in favor of trademark owners at consumer

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44. 15 U.S.C. § 1125(a) (2012) (providing for liability for engaging in an activity that "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").
 45. Some argue that the segue from source to brand frustrates a trademark's consumer information function. *See, e.g.,* Katya Assaf, *Brand Fetishism*, 43 CONN. L. REV. 83, 84 (2010) ("Research demonstrates that emotional branding results in mistaken quality judgments and hinders rational purchasing decisions by consumers, thereby distorting market competition [T]rademark law should serve to discourage brand fetishism.").
 46. 15 U.S.C. § 1125(c) (2012).
 47. For a notorious example of a case making this move, see *Anheuser-Busch, Inc. v. Balducci Publ'ns*, 28 F.3d 769 (8th Cir. 1994) (enjoining depiction of Michelob trademarks in a comedic setting).
 48. *Compare, e.g.,* *Caterpillar Inc. v. Walt Disney Co.*, 287 F. Supp. 2d 913 (C.D. Ill. 2003) (holding that depiction of trademarked bulldozer unlikely to cause consumer confusion), *with* *Am. Dairy Queen Corp. v. New Line Prods., Inc.*, 35 F. Supp. 2d 727 (D. Minn. 1998) (enjoining use of movie title *Dairy Queens* because it may cause consumer confusion).
 49. *Compare, e.g.,* *Bd. of Supervisors for Louisiana State Univ. Agric. and Mech. Coll. v. Smack Apparel Co.*, 550 F.3d 465 (5th Cir. 2008) (holding that use of university color schemes in apparel sales was infringing), *with* *Univ. of Alabama Bd. of Trs. v. New Life Art, Inc.*, 683 F.3d 1266 (11th Cir. 2012) (holding that artistic depiction of university trademarks and sport uniforms was not infringing).
 50. 15 U.S.C. § 1125(c) (2012) (allowing litigation against mark uses that are likely to cause dilution by blurring or tarnishment).

expense, these expansions are increasingly rooted in precedent.⁵¹ And some stretching of traditional doctrine can, moreover, be justified with an eye to consumer-protection rationales. Or at least trademark owners have been able to generate plausible sounding, if empirically debatable, stories.⁵² Other expansions, however, have been more overtly about protecting seller interests without regard to consumer benefits.⁵³

While hardly standing against the tide, courts have produced a body of law that generally grasps that too much trademark protection is a bad thing. Many opinions recognize that trademark protection

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51. *Compare, e.g.*, Glynn S. Lunney, Jr., *Trademark Monopolies*, 48 EMORY L.J. 367, 372 (1999) (“[M]any courts and commentators succumbed to ‘property mania’—the belief that expanded trademark protection was necessarily desirable so long as the result could be characterized as ‘property.’”), *with* Robert G. Bone, *Hunting Goodwill: A History of the Concept of Goodwill in Trademark Law*, 86 B.U. L. REV. 547, 553 (2006) (arguing that “propertization” trend is in part an outgrowth of judges’ attempting to implement trademark law’s traditional concern with protecting the goodwill of the trademark holder).
52. The expansion of trademark rights to the sponsorship context is one example. One rationale has been the notion that consumers will punish the trademark holder in its home market if consumers encounter, and have a bad experience with, the mark in another market. Notwithstanding the intuitive appeal of this reasoning, empirical research casts some doubt on this proposition. *See* Mark A. Lemley & Mark P. McKenna, *Owning Mark(et)s*, 109 MICH. L. REV. 137, 140–41 (2010) (“[T]he empirical evidence confirms both that third parties can benefit from uses of known marks in markets ancillary to the senior mark owner’s and that those third-party uses can impair the senior user’s ability to expand its own product lines. Put another way, the evidence suggests that third parties like Black & Decker might benefit from use of, or proximity to, SUM’s trademarks, but not that SUM is harmed by such use.”).
53. *See, e.g.*, *Boston Prof’l Hockey Ass’n v. Dallas Cap & Emblem Mfg., Inc.*, 510 F.2d 1004, 1011 (5th Cir. 1975) (acknowledging that acceptance of trademark holder’s claim of right to control market in merchandise based on mark “may slightly tilt the trademark laws from the purpose of protecting the public to the protection of the business interests of plaintiffs”).

should not be at the expense of market competition,⁵⁴ useful consumer information,⁵⁵ or free expression.⁵⁶

Trademark cases, therefore, involve the balancing of amorphous comparables. Courts weigh plaintiff interests in protecting trademark meanings from appropriation against the risk that protection will impede competition, remove useful information from circulation, and threaten non-market interests like freedom of expression.

2. Interconnected Meaning

Questions about the proper scope of trademark law are partly about defining the meanings that should be protected on the trademark holder's behalf. The fact that trademark law protects against source confusion does not answer the question of whether it should also police, for example, sponsorship confusion. Some of these non-source meanings have an independent historical basis for claiming protection, but they are sometimes linked to traditional arguments for protecting source information.⁵⁷ It is difficult, moreover, to separate protection of a

54. *See, e.g.,* Wal-Mart Stores, Inc. v. Samara Bros., Inc., 529 U.S. 205, 213 (2000) (“Consumers should not be deprived of the benefits of competition with regard to the utilitarian and esthetic purposes that product design ordinarily serves by a rule of law that facilitates plausible threats of suit against new entrants based upon alleged inherent distinctiveness. How easy it is to mount a plausible suit depends, of course, upon the clarity of the test for inherent distinctiveness.”).

55. *See, e.g.,* Toyota Motor Sales, U.S.A., Inc. v. Tabari, 610 F.3d 1171, 1180 (9th Cir. 2010) (“It is the wholesale prohibition of nominative use in domain names that would be unfair. It would be unfair to merchants seeking to communicate the nature of the service or product offered at their sites. And it would be unfair to consumers, who would be deprived of an increasingly important means of receiving such information.”).

56. *See, e.g.,* Rogers v. Grimaldi, 875 F.2d 994, 998 (2d Cir. 1989) (creating balancing test to insulate expressive uses of trademarks from liability because “overextension of Lanham Act restrictions in the area of titles might intrude on First Amendment values, we must construe the Act narrowly to avoid such a conflict”).

57. This linkage is rhetorically effective because source identification is the historical core of trademark law. The principle defines what a trademark is. *See, e.g.,* 15 U.S.C. § 1127 (2012) (defining a trademark as used “to identify and distinguish” goods “from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown”); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9 (AM. LAW INST. 1995) (“A trademark is a word, name, symbol, device, or other designation, or a combination of such designations, that is distinctive of a person's goods or services and that is used in a manner that identifies those goods or services and distinguishes them from the goods or services of others. A service mark is a trademark that is used in connection with services.”); *id.* cmt. d (noting that early trademark cases were “actions on the case in the nature of deceit. The issue in each case was whether the defendant had imitated the plaintiff's mark for the purpose of misrepresenting the defendant's goods as those of the

trademark's source-identifying function—the traditional “core” of trademark law—from broader considerations of brand identity. The problem is that trademarks simultaneously embody a range of related information. Peripheral meanings are built out of, or at least flow from, the core. The Lanham Act offers little help with line drawing, as it does not offer clear distinctions on the level of protection to be given trademark meanings as one moves from the core to the periphery.⁵⁸ This problem is fundamental to trademark law, as it has long held the simultaneous, and sometimes clashing, goals of protecting consumers while also defending a trademark owner's “goodwill,” but it also appears in more modern protections of extended trademark meanings.

a. Goodwill

Trademark owners naturally try to imbue their marks with meanings that go beyond simple source identification.⁵⁹ Protecting these additional meanings is often justified as part of the trademark's search-cost-reducing function. The mark efficiently embodies not only source information, but also data about the product generated by its seller. For that information to be meaningful, it must be attached to a symbol with a stable meaning.⁶⁰ This economization of information costs only works if the mark is capable of identifying source.⁶¹ If so, the trademark

plaintiff. These actions eventually evolved into a distinct tort of ‘passing off,’ or ‘unfair competition’ as it came to be known in the United States.”).

58. These distinctions are absent from either 15 U.S.C. § 1114 or §1125(a). The latter, moreover, places confusion of “origin” on equal footing (except in word order) with “sponsorship” and “approval.” 15 U.S.C. § 1125(a) (2012).
59. Heymann, *supra* note 43, at 391–92 (distinguishing between a trademark's denotative, connotative, and associative functions).
60. See, e.g., Jeremy Sheff, *Biasing Brands*, 32 CARDOZO L. REV. 1245, 1255 (2011) (“Where [trademark] protection is present, we expect that producers will assume the costs of disseminating information about the unobservable qualities of their products through promotion of their trademarks, with the understanding that consumers will associate that information with the products bearing the producer's trademark . . .”).
61. *Id.* (“In this way, information about the unobservable qualities of products will be made available to consumers at a lower cost than if the consumers were compelled to seek out that information for themselves every time they wished to make a purchase.”); see also *id.* at 1256–58 (providing a hypothetical example of this process at work). This account is tied to an optimistic view of the workings of trademarks in the marketplace as conveyers of information that allow consumers to satisfy preference. An extensive parallel literature exists on the ways trademarks can be used to distort the market outcomes as compared to a competitive ideal. See, e.g., *id.* at 1314 (arguing that in some contexts “the psychological effects of trademarks may give rise to a divergence between objective evidence and subjective consumer beliefs and preferences—a phenomenon I have labeled brand bias. In such

facilitates the development of goodwill with consumers, and the trademark may then embody that goodwill.

Trademark law has always been clearer in declaring that goodwill merits protection than in defining the term.⁶² One older effort calls it “that which makes tomorrow’s business more than an accident. It is the reasonable expectation of future patronage based on past satisfactory dealings.”⁶³ Its protection has long been seen as one of trademark law’s basic functions even as its precise contours have been amorphous.⁶⁴

However venerable, the concept presents complications in application. Once courts decide that goodwill is something to protect, they may do so without interrogating the assumption that “use” of goodwill by someone other than the trademark holder demands a remedy. Some such uses have a zone of safety. The slogan, “Don’t get scroogled,” for example, in some sense uses Google’s goodwill.⁶⁵ The use is not actionable because trademark doctrine generally recognizes that comparative advertising facilitates market competition. To incur liability, there needs to be some kind of independent wrongdoing, like a falsehood in the comparison.⁶⁶ In other realms, where the conduct in

situations, strategic behavior by sellers can generate welfare losses, which may overwhelm trademark protection’s positive welfare effects.”).

62. See generally, Note, *An Inquiry into the Nature of Goodwill*, 53 COLUM. L. REV. 660, 661 (1953) (“[T]he three ideas which are in some way vaguely associated with [goodwill]: (1) excess value, (2) favorable customer relations, and (3) the privilege of continuance.”).
63. 1 MCCARTHY, *supra* note 15, § 2:17 (quoting EDWARD S. ROGERS, *GOOD WILL, TRADEMARKS AND UNFAIR TRADING* 13 (1914)); *cf.* Newark Morning Ledger Co. v. United States, 507 U.S. 546, 555–56 (1993) (tax case explaining that “[a]lthough the definition of goodwill has taken different forms over the years, the shorthand description of goodwill as ‘the expectancy of continued patronage,’ provides a useful label with which to identify the total of all the imponderable qualities that attract customers to the business” (citing *Boe v. Comm’r*, 307 F.2d 339, 343 (9th Cir. 1962))).
64. See, e.g., Bone, *supra* note 51, at 549 (“It is customary to refer to trademark law as protecting a seller’s goodwill in its mark. This familiar and well-accepted proposition has been part of the law since the latter half of the nineteenth century.”).
65. Scroogled is a Microsoft advertising campaign comparing the company’s search service to Google’s. *Scroogled!*, MICROSOFT, <http://www.scroogled.com> [<https://perma.cc/5DVC-ZGEM>] (last visited Sept. 21, 2016); see also, e.g., Charlie Osborne, *Microsoft Launches ‘Don’t get Scroogled’ Campaign Against Google*, ZDNET (Feb. 7, 2013, 8:49 AM), <http://www.zdnet.com/microsoft-launches-dont-get-scroogled-campaign-against-google-7000010965/> [<https://perma.cc/8CU2-HGVN>].
66. See *Smith v. Chanel*, 402 F.2d 562 (9th Cir. 1968) (explaining that equivalence to trademarked product is not a trademark harm); *Chanel, Inc. v. Smith*, 528 F.2d 284 (9th Cir. 1976) (explaining that falsely asserting equivalence may be enjoined under false advertising law). Or one might say that others are free to add to or use the connotative meaning so long as they

question is less commonplace, courts may more easily fall into the trap of assuming that goodwill appropriation necessarily means trademark infringement.⁶⁷

Goodwill is also a capacious concept. Positive consumer associations with COCA-COLA are partly due to the soda's combination of taste and cost, but they are also the product of advertising and experience. The hazy memory (or was it in a commercial?) of one's mother giving the sweet reward of a soda after a successful trip to the dentist is information created in large part by someone other than the trademark holder.⁶⁸ But the claims to control them fit within a long-lived doctrinal box that courts have difficulty ignoring. It is also the case that the sentiment, "this is a feeling of childhood in the form of the soda that you remember from childhood" is built out of a reference to traditional trademark source. The meanings are conceptually distinct, but related enough to seem like something that belongs under trademark holder control.

b. Other Extended Meanings

Other extended trademark meanings are also rooted in source identification.⁶⁹ For example, a mark's persuasion function—another potential object of protection⁷⁰—is based on source insofar as persuasion

do not interfere with the denotative function. See Heymann, *supra* note 43, at 392–94.

67. See, e.g., Michael Grynberg, *The Road Not Taken: Initial Interest Confusion, Consumer Search Costs, and the Challenge of the Internet*, 28 SEATTLE U. L. REV. 97 (2004) (arguing that the initial interest confusion doctrine took a wrong turn and became overly expansive due to a misguided emphasis on trademark goodwill rather than consumer search costs and consumer interests more generally).

68. See, e.g., Jessica Litman, *Breakfast with Batman: The Public Interest in the Advertising Age*, 108 YALE L.J. 1717, 1734 (1999) ("The building of a brand that becomes its own product is a collaborative undertaking; the investment of both dollars and imagination flows both ways. There is no particularly good reason to adopt a rule permitting the producers of the brands to arrogate all of that collaboratively created value to themselves.").

69. See, e.g., Rochelle Cooper Dreyfuss, *Expressive Genericity: Trademarks as Language in the Pepsi Generation*, 65 NOTRE DAME L. REV. 397, 400–02 (1990); *id.* at 413–14.

70. This was part of Schechter's famous argument for dilution doctrine.

[T]oday the trademark is not merely the symbol of good will but often the most effective agent for the creation of good will, imprinting upon the public mind an anonymous and impersonal guaranty of satisfaction, creating a desire for further satisfactions. The mark actually sells the goods. And, self-evidently, the more distinctive the mark, the more effective is its selling power.

Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 819 (1927); see also Beebe, *supra* note 22, at 2044 ("[Schechter]

must be directed at something.⁷¹ And all roads lead back to source identification insofar as a mark, no matter how used, loses protection whenever it loses the ability to identify source.⁷² Courts may therefore rationalize their protection of extended meaning as necessary to preserve a mark's source signal.⁷³

The merchandising right is another example. In a merchandising case, the mark is the object of purchase. Consumers want the mark *qua* mark as a feature of the item to which it is attached, e.g., a college sweatshirt or a favorite team's baseball cap. They are not using the mark to perform a source-identifying function.⁷⁴ Having a Red Sox cap is the end, rather than having a cap manufactured by the team.

recognized what empirical work has since demonstrated: that consumers will pursue distinctiveness, even 'meaningless differentiation,' for its own sake." (quoting Gregory S. Carpenter et al., *Meaningful Brands from Meaningless Differentiation: The Dependence on Irrelevant Attributes*, 31 J. MARKETING RES. 339, 340 (1994)).

71. To be sure, persuasion may precede source as a conceptual matter. Rights in a mark sometimes precede bona fide use with a good or service. *See, e.g.*, 15 U.S.C. § 1051(b) (providing for intent-to-use applications); *Chance v. Pac-Tel Teletrac Inc.*, 242 F.3d 1151, 1159 (9th Cir. 2001) ("[W]e hold that the totality of the circumstances must be employed to determine whether a service mark has been adequately used in commerce so as to gain the protection of the Lanham Act."); *T.A.B. Sys. v. Pactel Teletrac*, 77 F.3d 1372, 1375 (Fed. Cir. 1996) ("It is well settled that one may ground one's opposition to an application on the prior use of a term in a manner analogous to service mark or trademark use. Such an 'analogous use' opposition can succeed, however, only where the analogous use is of such a nature and extent as to create public identification of the target term with the opposer's product or service." (citations omitted)). Uses that precede sales will generally, however, still be tied to a product. *See Chance*, 242 F.3d at 1159 (noting that application of totality of circumstances approach should consider whether the activity "was sufficiently public to identify or distinguish *the marked service* in an appropriate segment of the public mind as those of the holder of the mark [and whether] the scope of the non-sales activity relative to what would be a commercially reasonable attempt to market *the service*["]) (emphases added). Even where this is true, however, the need to distinguish the source is never far behind.
72. 15 U.S.C. § 1127 (2012) (stating that a mark is abandoned when any act or omission by owner causes it to "lose its significance as a mark").
73. The cause of action for dilution has been justified, for example, as a way to protect a mark's search-cost-lowering function. *Ty Inc. v. Perryman*, 306 F.3d 509, 511 (7th Cir. 2002) (Posner, J.).
74. This is acknowledged by the leading case establishing the merchandising right. *See Boston Prof'l Hockey Ass'n, Inc. v. Dallas Cap & Emblem Mfg., Inc.*, 510 F.2d 1004, 1010 (5th Cir. 1975) ("The difficulty with this case stems from the fact that a reproduction of the trademark itself is being sold, unattached to any other goods or services. The statutory and case law of trademarks is oriented toward the use of such marks to sell something other than the mark itself.").

The cases promoting and applying this right are often (and, in my view, correctly) criticized as detrimental to consumer interests.⁷⁵ That said, the logo that serves as the product (and embodies information regarding fandom, purchaser identity, or the like) is the same logo that performs the source-identifying function in other contexts. That overlap complicates doctrine. It may create the misimpression that withholding protection from one class of meanings threatens the mark's overall ability to function. While it is true that if a mark loses its ability to identify source it may lose some of its other capabilities (e.g., its persuasive power to sell), the reverse is not. One could limit a mark's extended meaning, e.g. the merchandising signal, without threatening its source-identifying capability. Overlapping meaning may nonetheless create the impression for judges that refusing protection to one threatens the other.⁷⁶

So it was that the Ninth Circuit turned back an aesthetic functionality challenge to the merchandising right in *Au-Tomotive Gold, Inc. v. Volkswagen of America, Inc.*⁷⁷ The case involved the market for complementary car products. Some consumers want their automotive accessories to display the same trademarks as their cars, such as a keychain with the VW logo for use with one's Volkswagen car.⁷⁸ The defendants sought to fill the niche, drawing a challenge from the markholders, who otherwise would have the market to themselves.

The defendants argued that they used the plaintiffs' trademarks as raw product material and not as source identifiers. Consumers bought the marks as an aesthetic feature of the products and not because they thought that the accessories shared the same source as their cars.⁷⁹

75. See, e.g., *Int'l Order of Job's Daughters v. Lindeburg & Co.*, 633 F.2d 912, 918 (9th Cir. 1980) ("Interpreted expansively, *Boston Hockey* holds that a trademark's owner has a complete monopoly over its use, including its functional use, in commercial merchandising. But our reading of the Lanham Act and its legislative history reveals no congressional design to bestow such broad property rights on trademark owners." (citation omitted)). But see Robert C. Denicola, *Institutional Publicity Rights: An Analysis of the Merchandising for Famous Trade Symbols*, 62 N.C. L. REV. 603, 634-35 (1984) (suggesting reasons that merchandising output is unlikely to be curtailed notwithstanding monopoly situation). We might argue that the course is especially problematic where these consumers are often the fans who played a role in developing the cachet of the mark in the first instance. See *supra* note 68.

76. For a longer discussion of this point, see Michael Grynberg, *Things Are Worse Than We Think: Trademark Defenses in a "Formalist" Age*, 24 BERKELEY TECH. L.J. 897, 920-23 (2009).

77. *Au-Tomotive Gold v. Volkswagen of Am.*, 457 F.3d 1062 (9th Cir. 2006).

78. *Id.* at 1065.

79. The products, moreover, were in many cases labeled as not necessarily being affiliated with the plaintiffs. *Id.* at 1065.

Stated another way, the marks were a functional feature of the products and should not be protected when acting in that capacity.⁸⁰ The Ninth Circuit rejected the argument, reasoning that the feature claimed as functional *also* served as a source identifier when used to sell the cars for which defendant's products were accessories.⁸¹ Because the aesthetic information was built out of a source identifier, the court feared that making it available would undermine the viability of the marks.⁸²

Au-Tomotive Gold reflects a paradox about trademarks. Trademarks offer a stable receptacle into which meaning may be deposited. Trademark owners take advantage of that ability and then lay claim to extended meanings for which they are often only (if even) co-creators. Markholders nonetheless claim that they have exclusive rights to the extended meaning (e.g., ownership of the merchandising market)⁸³ or that protection of the extended meaning is necessary to protect the core (e.g., the dilution cause of action's notion that even non-confusing unauthorized uses must be stopped lest they "blur" a trademark's source-identifying capacity). Such efforts at restriction interfere with the ability of third parties to imbue marks with extended meanings of their own or take advantage of positive externalities that come from the creation of a source-identifying mark.⁸⁴

Trademark law recognizes this to some extent, as reflected by the mixed record of trademark holders' efforts to claim extended meanings. The overlap and interdependence of meanings embodied by trademarks

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80. Functional marks are not protectable. *See, e.g.*, 15 U.S.C. § 1052(e)(5) (2012). Courts are generally more comfortable entertaining functionality arguments with respect to features that directly affect the physical performance of the good in question than they are with those affecting the aesthetic appeal. In *Traffix Devices, Inc. v. Mktg. Displays, Inc.*, the Supreme Court signaled that the claim requires a showing of competitive need, in contrast to the rule where the feature in question has utilitarian functionality. 532 U.S. 23, 32–33 (2001) ("It is proper to inquire into a significant non-reputation-related disadvantage in cases of esthetic functionality Where the design is functional under the [first] formulation there is no need to proceed further to consider if there is a competitive necessity for the feature." (citations and internal quotations omitted)). Aesthetic functionality claims generally fall on skeptical ears. 1 MCCARTHY, *supra* note 15, § 7:80. The *Au-Tomotive Gold* court treated the defendants' claim as one of aesthetic, rather than utilitarian, functionality. 457 F.3d at 1074.
81. *Au-Tomotive Gold*, 457 F.3d at 1074 ("[T]he alleged aesthetic function is indistinguishable from and tied to the mark's source-identifying nature.").
82. *Id.* at 1064 ("Accepting [defendant's] position would be the death knell for trademark protection.").
83. The *Au-Tomotive Gold* court gave that interest broad protection through the use of a broad, post-sale, confusion-based theory. 457 F.3d at 1077–78.
84. *See infra* Part III.A.

nonetheless complicates efforts to restrict trademark rights to source and immediately adjacent meanings.⁸⁵

C. Thick Marks, Thin Marks

This Section describes how judicial calibrations of trademark thickness resolve questions of which mark meanings to protect. Judges inclined to limit trademark rights may do so by giving them thin protection, but the approach often masks a deeper uncertainty regarding the proper reach of trademark law. The resulting pro-defendant rulings often leave the undergrowth of doctrine—which enabled the broad claim in the first place—intact.

1. Thin Marks

As explained above,⁸⁶ judges calibrate thickness of protection all the time in ordinary infringement cases. The multifactor test considers, for example, the market proximity of the parties' goods or services. The closer the markets, the more likely consumers are to perceive a connection between the similar marks, or so trademark law assumes. When the markets are not proximate, other factors become more important. Thus, a court might require greater similarity between marks when the goods are not competing than when they are. In other words, a plaintiff's mark has more power and is thicker the closer the defendant's market is to the plaintiff's.⁸⁷ Likewise, by declaring a mark strong,⁸⁸ a court puts a thumb on the scale in favor of liability by reference to mark-specific characteristics rather than external context.⁸⁹

85. See *supra* notes 54–57 and accompanying text.

86. See *supra* Part I.A.

87. The reverse is also true. The more similar the marks (and the stronger the mark) the greater scope the court will give in determining proximity. *Katz v. Modiri*, 283 F. Supp. 2d 883, 896 (S.D.N.Y. 2003) (“Competitive proximity is also to be measured in light of the first two *Polaroid* factors—the stronger the mark and the greater the similarity between the two marks, the broader protection it deserves.” (citing *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254, 258 (2d Cir. 1987)); cf. *Mobil Oil Corp.*, 818 F.2d at 258 (“The unparalleled strength of Mobil’s mark demands that it be given broad protection against infringers.”)).

88. To be sure, *strength* incorporates some external context insofar as acquired distinctiveness is relevant to determining a mark’s strength, but this is context that is independent of the encounter with the defendant’s mark.

89. Courts may also calibrate thickness of protection to reflect trial outcomes. Once a defendant has been judged to have infringed a mark, the remedy crafted by the court may demand future activities keep a “safe distance” from the plaintiff’s mark. The senior user has thicker protection against the defendant than would have been the case but for the prior infringement. See, e.g., *Innovation Ventures, LLC v. N2G Distrib. Inc.*, 763 F.3d 524, 543–46 (6th Cir. 2014) (upholding an injunction against marks “confusingly similar”

Courts use this concept of thick and thin protection in more interesting ways. It may serve as a back-door way to restrict trademark subject matter by providing an avenue for a court to limit protection by only enjoining near duplicates of the mark.⁹⁰

to plaintiff's and agreeing that establishing a violation does not require demonstration of a likelihood of confusion).

90. This is analogous to descriptions of thin copyrights. When a copyright is thin it receives full protection, but casts a smaller shadow. In *Feist Publ'n, Inc. v. Rural Tel. Serv. Co., Inc.*, the Supreme Court described the copyright in factual compilations as "thin" in that the facts within the compilation are free to copy, but the precise arrangement (assuming originality) is protected. 499 U.S. 340, 349 (1991). In a case concerning a factual compilation, infringement would therefore require near identity.

In his treatise on copyright, William Patry argues that this does not mean that thin protection is less protection. 3 WILLIAM F. PATRY, *PATRY ON COPYRIGHT* § 9:95 (2007). Beginning with a quote of the Nimmer treatise, Patry argues:

Another erroneous test is "supersubstantial similarity:"

The measure of how substantial a 'substantial similarity' must be made vary according to the circumstances. For many, copyrights represent significant creative effort, and are therefore reasonably robust, whereas others reflect only scant creativity; the Supreme Court labels the latter 'thin.' It would seem to follow analytically that the more similarity is required when less protectible matter is at issue. Thus, if substantial similarity is the normal measure required to demonstrate infringement, 'supersubstantial similarity' must pertain when dealing with 'thin' works.

This approach misapprehends the basic issue of infringement. When *Feist* spoke of "thin" copyrights, it was referring to determining the amount of protectible material, not to the level of similarity required to prove infringement of that material for originality purposes. The level of similarity required to prove infringement is the same for every class of work—namely, substantial similarity of expression. If a defendant has copied nonprotectible material only, or a de minimis amount of expression, there is no infringement. On the other hand, if a defendant has copied a substantial amount of expression from a work having a "thin" copyright, infringement occurs. The error in the supersubstantiality test is that it confuses copyrightability with infringement and in the process misleads courts into requiring a higher level of similarity in expression; it further leads courts . . . to also misapprehend the nature of originality.

Id. (citation omitted) (quoting 4 MELVILLE B. NIMMER & DAVID NIMMER, *NIMMER ON COPYRIGHT* § 13.03[A][2][b][4] (Matthew Bender, Rev. Ed.)); *id.* § 3:68 ("If a work has a thin copyright, it has a thin copyright because of a low level of originality (whether through a minimal level of selection, coordination, or arrangement or through a minimal addition of original material). Infringement can take place only if there is substantial similarity between those low elements and defendant's work. The low level of originality may well make this unlikely as a fact matter, but it is wrong to require anything other than ordinary substantial similarity in expression between any two works.").

Trade dress cases often unfold in this manner. Since the Lanham Act's passage, trademark law has expanded to afford more stable protection for product packaging and, with some restrictions, design.⁹¹ While trade dress may signal source, its protection presents two problems. First, assessing whether the dress performs a trademark function in the first instance is sometimes challenging. Consumers may see the claimed features as doing something else, particularly in cases involving product design.⁹² The second issue involves the prospect that the trademark is claimed not to protect source identification, but to preclude competitors from utilizing useful features.⁹³

Courts may address both concerns directly, as they go to the threshold question of trademark validity. These issues may nonetheless bleed into the infringement inquiry, particularly if the court is unsure whether the proposed trade dress is distinctive and not functional. As

The same tension appears in thinking about thin protection for a trademark. As with a protected work in copyright, the object embodying the trademark may have both protected and unprotected elements. This raises the question of what we mean when we say a mark is thin. Is it that the trademarked aspects of the object receive less protection than would a mark that did not incorporate unprotected matter? Or is it that the protected aspects receive the same protection that they would as a stand-alone mark, but their protection just looks weak because they coexist with unprotected matter?

To some extent choosing a view is impossible given that the process by which courts approach infringement defies this level of specificity. They are addressing a fact-intensive, contextual question: are consumers likely to be confused by a particular activity? They do so without making explicit underlying premises of what precisely is being protected. In any case, either way of describing thin protection accommodates the definitions given in this Article, which focus on the importance of distinguishing context to the courts.

91. The evolution is discussed in the concurrences to *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 776–87 (1992) (Stevens, J. & Thomas, J. concurring). The Court later held that product design must have secondary meaning before it may be considered protectable trade dress. *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205 (2000).
92. This concern helped drive the Supreme Court's ruling in *Wal-Mart*, which (as noted *infra* note 100) increased the difficulty of securing trademark protection for product design by ruling that product design is never inherently distinctive; those seeking a mark must always establish secondary meaning. The Court assumed consumers will not naturally link design with source identification. *Wal-Mart*, 529 U.S. at 213 (“Consumers are aware of the reality that, almost invariably, even the most unusual of product designs—such as a cocktail shaker shaped like a penguin—is intended not to identify the source, but to render the product itself more useful or more appealing.”).
93. This concern also contributed to the *Wal-Mart* outcome. *Id.* at 214 (“Competition is deterred, however, not merely by successful suit but by the plausible threat of successful suit, and given the unlikelihood of inherently source-identifying design, the game of allowing suit based upon alleged inherent distinctiveness seems to us not worth the candle.”).

a result, the analysis is sometimes partially deferred for infringement analysis.

For example, *Best Cellars, Inc. v. Wine Made Simple, Inc.*⁹⁴ considered whether a wine store's interior design was infringed by a competitor's decor.⁹⁵ The claim was an awkward one for several reasons. To the extent a store sells an experience as well as a product, the store features could be seen as product as much as packaging. On this logic, the plaintiff should have to prove secondary meaning.⁹⁶ Fortunately for the plaintiff, the Supreme Court had already treated restaurant design as a form of packaging rather than design.⁹⁷

That still left the question of whether the plaintiff's combination of features was distinctive,⁹⁸ and, if so, if the effort to trademark them would fence off useful functional features from competitors.⁹⁹ Such

94. 320 F. Supp. 2d 60 (S.D.N.Y. 2003).

95. *Id.*

96. *Wal-Mart*, 529 U.S. at 216.

97. *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992). *Wal-Mart* gave the Court a chance to revisit this decision, which upheld a ruling that said design was inherently distinctive. It declined. *Wal-Mart*, 529 U.S. at 215 (contending that restaurant decor at issue in *Two Pesos* "seems to us not to constitute product design. It was either product packaging—which . . . normally is taken by the consumer to indicate origin—or else some tertium quid that is akin to product packaging and has no bearing on the present case[.]").

98. The claimed features were related to:

[T]he total effect of the interior design of its store, which [Best Cellars] describes as: (1) eight words differentiating taste categories; (2) eight colors differentiating taste categories; (3) eight computer manipulated images differentiating taste categories; (4) taste categories set above display fixtures by order of weight; (5) single display bottles set on stainless-steel wire pedestals; (6) square 4"x4" cards with verbal descriptions of each wine ("shelf talkers") with text arranged by template; (7) shelf talkers positioned at eye level, below each display bottle; (8) bottles vertically aligned in rows of nine; (9) storage cabinets located beneath vertically aligned bottled; (10) materials palette consisting of light wood and stainless steel; (11) mixture of vertical racks and open shelving display fixtures; (12) no fixed aisles; (13) bottles down and back-lit; and (14) limited selection (approximately 100) of relatively inexpensive wine.

Best Cellars, Inc. v. Wine Made Simple, Inc., 320 F. Supp. 2d 60, 70 (S.D.N.Y. 2003) (record citation omitted).

99. The defendants made both contentions, arguing:

[T]hat certain of these elements are functional (such as arranging wines by taste category, color coding categories, presenting categories under a sign, posting index-card descriptions of each wine, stocking a limited number of wines, storing wine in cabinets beneath wine racks and the absence of fixed aisles), and that other elements are of such widespread use in wine stores that they are generic (such as storing wine bottles

claims may be hard to resolve at the early stages of litigation,¹⁰⁰ and the district court decided that there was little it could do with the defendants' motion to dismiss the case on distinctiveness or functionality grounds.¹⁰¹

The plaintiff thus established an inherently distinctive dress because its design elements "as combined, make up a distinct and arbitrary total visual image to consumers."¹⁰² Aware of the problem its ruling created, however, the court cautioned that the plaintiff would have only a narrow scope of protection:

[W]hile the emphasis on specific combinations and total visual impact makes it relatively easy for a plaintiff to meet the inherent distinctiveness aspect of the trade dress infringement test, the same emphasis makes it correspondingly difficult for a plaintiff to prove likelihood of confusion. That is because defendant-competitors who have some similar elements as well as noteworthy dissimilar elements in their trade dress may be able to show that the specific combination of elements that they use also constitutes protectable trade dress, and that consumers are unlikely to confuse the two products, or in this case, the two stores.¹⁰³

horizontally in racks, using a single bottle on display, and placing informational point-of-sale cards at a uniform height).

Id. (record citations omitted).

100. This is one reason to tighten eligibility requirements for trade dress. The difficulty of making determinations of inherent distinctiveness with respect to product design influenced the Supreme Court's analysis in *Wal-Mart*. *Wal-Mart*, 529 U.S. at 214. The Court likewise noted that the ability to attack claimed marks as embodying functional design did not nullify the *in terrorem* effect of threatening litigation. *Id.* ("Competition is deterred, however, not merely by successful suit but by the plausible threat of successful suit[.]").

101. *Best Cellars*, 320 F. Supp. 2d at 71 ("While certain articulated elements are well-designed and thus functional for the purpose of retail wine sales, such as posting point-of-sale cards at a height where they can be easily read by the average height shopper, or storing wines in a cabinet positioned so low on a wall that using that space for display would be impractical, that does not mean that those elements are to be excluded from a specifically articulated trade dress. By the same logic, simply because certain elements are used in other wine shops, such as storing wine horizontally in racks or presenting one display bottle per wine does not mean that those elements must be removed from the overall impression because they are 'generic.'").

102. *Id.*

103. *Id.* at 72 (citation omitted). The court accordingly ruled that the infringement issue could not be resolved at the summary judgment stage. *Id.* at 81.

This approach to protection, if applied properly, leaves the generic and functional elements of Best Cellars's mark in the public domain for others to use.¹⁰⁴

2. Thickness Calibration as Doctrinal Avoidance

Calibrating a trademark's scope allows judges to manage expansive trademark claims while leaving underlying doctrine ambiguous.¹⁰⁵ Two examples of courts employing this method to different ends follow.

104. It also addresses the problem of trademark scope created by the separation of the validity and infringement inquiries. Mark A. Lemley & Mark P. McKenna, *Scope*, 57 WM. & MARY L. REV. 2197, 2267 (2016) ("Because the law has separated validity, infringement, and defenses, generally considering each of them in isolation from the others, IP owners can and regularly do seek to expand the scope of their IP rights beyond permissible bounds."). In their view, the problem is best addressed by providing some sort of integrated proceeding designed to address the proper reach of the IP right. *Id.* ("IP law needs a way to expressly consider scope in a single, integrated proceeding. Courts should coordinate validity, infringement, and defense proceedings in some way so that both the fact of overreaching and its potential consequences become clear to the parties and the court before trial.").

105. This Section focuses on ways in which judges adjust thickness of protection in applying trademark doctrine. The thickness metaphor may also be applied to describe the underlying doctrines that curtail the scope of trademark rights. For example, the *Rogers* test prevents trademark's spillover into protected speech by protecting expressive uses so long as they do not strongly suggest involvement by the trademark holder. *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989). Use of a mark in the title of an expressive work will not be deemed infringing if the title is artistically relevant to the work and does not "explicitly mislead[] as to the source or the content of the work." *Id.* *Rogers* has been applied beyond titles to general uses of marks within artistic works. *See, e.g.*, *E.S.S. Entm't 2000, Inc. v. Rock Star Videos, Inc.*, 547 F.3d 1095, 1099 (9th Cir. 2008). One could describe this as taking a limited view of the amount of protectable information embodied by the trademark. The University of Alabama football program, for example, has the right to control the source meaning of its marks and its merchandising information, but it cannot prevent expressive and referential uses of use its marks unless more is done to suggest a connection to the markholder. *Univ. of Ala. Bd. of Trustees v. New Life Art, Inc.*, 683 F.3d 1266, 1278–79 (11th Cir. 2012) (applying *Rogers* to "readily conclude that [defendant's] paintings, prints, and calendars are protected" and explaining that the "depiction of the University's uniforms in the content of these items is artistically relevant to the expressive underlying works because the uniforms' colors and designs are needed for a realistic portrayal of famous scenes from Alabama football history"). In such cases, the cultural information of the mark is not considered in determining whether the source-identifying function has been interfered with.

a. *Red Soles*

Louboutin shoes are known for their contrasting color scheme: specifically, a bright red sole paired with an otherwise black shoe.¹⁰⁶ *Christian Louboutin S.A. v. Yves Saint Laurent America Holdings, Inc.*¹⁰⁷ considered the extent to which this design feature serves as a trademark.¹⁰⁸ The defendant, Yves Saint Laurent (“YSL”), offered a shoe whose sole was red like Louboutin’s, but without the contrast, for the shoe was red all over. Louboutin claimed that the monochromatic shoe still created a likelihood of confusion.¹⁰⁹

The district court agreed with YSL that Louboutin’s suit threatened competition by claiming functional matter.¹¹⁰ The Second Circuit, however, balked at allowing aesthetic functionality to resolve the case.¹¹¹

The court still would not risk a Louboutin win and found narrower grounds for YSL to prevail. First, the panel looked to the threshold question of whether Louboutin had trademark rights. Louboutin claimed a mark not only in the contrasting sole but any red-soled shoe (independent of contrast).¹¹² The court could reject this stretch as a factual matter, for it depended on Louboutin’s ability to prove secondary meaning. That is, Louboutin could lose on the question without a holding that its design was functional. Although Louboutin had ample evidence of secondary meaning for the contrasting sole, it was lacking for a shoe without it.¹¹³ Thus, Louboutin had no trademark on a uniformly red shoe.

106. Their fame extends beyond the fashion industry to other media. *See, e.g.*, JENNIFER LOPEZ, LOUBOUTINS (Epic Records 2009) (song with chorus line “I’m throwing on my Louboutins”).

107. 696 F.3d 206 (2d Cir. 2012).

108. *Id.*

109. *Id.* at 213.

110. *Christian Louboutin S.A. v. Yves Saint Laurent Am., Inc.*, 778 F. Supp. 2d 445, 454 (S.D.N.Y. 2011) (“Awarding one participant in the designer shoe market a monopoly on the color red would impermissibly hinder competition among other participants.”), *aff’d in part, rev’d in part, remanded sub nom.*, 696 F.3d 206 (2d Cir. 2012).

111. The court expressed concern that the district court adopted a per se rule declaring color to be functional within the fashion industry. In its view, doing so was inconsistent with Supreme Court precedent and generally unnecessary. *Louboutin*, 696 F.3d at 223.

112. *Id.* at 212 n.1.

113. *Id.* at 227–28. The court further ordered Louboutin’s registration to be modified accordingly. *Id.* at 228 (directing the PTO “to limit the registration of the Red Sole Mark to only those situations in which the red lacquered outsole contrasts in color with the adjoining ‘upper’ of the shoe.”).

As a doctrinal matter, however, that conclusion should not necessarily be dispositive. Consumers might still believe a monochromatic red shoe has the same source as a shoe bearing Louboutin's contrasting red sole. Moreover, under traditional doctrine, Louboutin may still have arguments for liability. Though a monochromatic shoe differs from one with a contrasting sole, they share an obvious feature. Under a standard analysis, that shared feature should have been all the more important given the commercial strength of Louboutin's mark.¹¹⁴ This strength would normally have been expected to weigh in Louboutin's favor, opening the door to analysis of contextual factors like consumer sophistication or evidence of actual confusion. But were a court to find a likelihood of confusion, all of the policy concerns animating the functionality arguments would return to the fore.¹¹⁵

The Second Circuit ducked the problem by giving the strong mark thin protection.¹¹⁶ Rather than reach the likelihood-of-confusion issue or remand it to the district court for further proceedings, the panel held that YSL did not use the plaintiff's mark and confusion was therefore impossible. The holding on the scope of the mark was conclusive as to likely confusion, for "the red sole on YSL's monochrome shoes is neither a use of, nor confusingly similar to, the Red Sole Mark Louboutin could not have shown a likelihood of success on the merits in the absence of an infringing use of the Red Sole Mark by YSL."¹¹⁷

This disposition is curious even if one considers Louboutin's claims to be overreaching. First, it appears to revive the notion that there is a distinct "trademark use" requirement that limits trademark claims.¹¹⁸ Great. Except that the Second Circuit had already rejected a robust version of such a requirement.¹¹⁹ Second, the assumption that consumers could not possibly be confused by a monochromatic shoe works better as a normative claim (trademark law should not protect consumers from that kind of confusion) than it does as an empirical one, particularly

114. Louboutin had extensive evidence of acquired distinctiveness through advertising expenditures and the like, but the best indicator was the shoe design's fame. *Id.* at 227 ("[W]e think it plain that Louboutin's marketing efforts have created what the able district judge described as 'a . . . brand with worldwide recognition.'").

115. Even to ask the question would do so given the litigation expense of a trial on the merits, which would tend to have an *in terrorem* effect even if YSL ultimately prevailed.

116. And the mark was strong insofar as it had achieved "worldwide recognition." *Louboutin*, 696 F.3d at 227.

117. *Id.* at 228.

118. See, e.g., Stacey L. Dogan, *Beyond Trademark Use*, 8 J. ON TELECOMM. & HIGH TECH. L. 135 (2010).

119. *Rescuecom Corp. v. Google, Inc.*, 562 F.3d 123 (2d Cir. 2009).

given the evidentiary thresholds applied to plaintiffs in infringement cases.¹²⁰

We might explain the result by describing the panel as calibrating thickness of protection as a way to manage some of the policy concerns raised by Louboutin's claim. Here, the mark receives thin internal protection (it is not enough that the color be used, but also a contrast is required). This limits the legally protected information of the mark. Part of the mark's information content is its ability to remind people of Louboutin or evoke the brand. Thin protection frees that information by permitting use of parts of the mark.¹²¹ Calibrating protection thus addresses the policy issue while simplifying the litigation, eliminating the need to engage the complicated factual analysis of the degree to which a monochromatic shoe might confuse consumers.

At the same time, something is lost. Assuming that the panel did indeed appreciate the potential negative spillovers of allowing Louboutin to effectively claim the color red for itself in the shoe marketplace, future litigants would have benefitted from a ruling that bolstered the force of the functionality doctrine. A ruling in that vein would have been easier to generalize beyond the specific case.

b. Red Wax

*Maker's Mark Distillery, Inc. v. Diageo North America, Inc.*¹²² functions as *Louboutin's* doppelganger and shows how thickness calibrations may be used to promote expansive claims.¹²³ The defendants (referred to collectively in the opinion and here as Cuervo), were in the tequila business and included the maker of Jose Cuervo tequila. Cuervo used a bottle top that resembles a dripping wax seal on one of its

120. See, e.g., 6 MCCARTHY, *supra* note 15, § 32:185 (examining how courts evaluate consumer survey results to determine likelihood of consumer confusion).

121. The thickness calibration also addresses the policy concern raised by the aesthetic functionality claim without requiring the doctrine's invocation. Many sympathizing with YSL feared that success by Louboutin would have the effect of constraining design options in the fashion industry. Giving the contrasting sole thin protection ameliorates the feared prospect of fencing off colors.

The distinction made here admittedly requires a further level of parsing, for one could say that source-identification information is also at issue in the court's refusal to engage the question of likely confusion. By saying that YSL's red shoe was not a "use" of the mark suggests, however, that the court saw a distinction between design that signaled source and one that performed other functions and, by extension, embodied other forms of information.

122. 679 F.3d 410 (6th Cir. 2012).

123. *Id.*

offerings, in this case a premium brand selling for \$100 per bottle.¹²⁴ Maker's Mark, a bourbon producer, had registered a trademark in a red dripping wax seal.¹²⁵ Maker's Mark bourbon generally retails for less than \$30.¹²⁶

Maker's Mark sued for infringement. Like the *Louboutin* defendant, Cuervo raised an unsuccessful functionality defense,¹²⁷ setting up the

124. *Id.* at 417. For those, like me before reading the case, whose knowledge of the brand had been limited to the cheap offerings often encountered in college, the Jose Cuervo family of tequilas covers a range of offerings, including tequilas on the high end.

125. "All bourbon is whiskey, but not all whiskey is bourbon." *Id.* at 414. Tequila is neither. Apart from being spirits produced by distillation, bourbon and tequila have little in common. Bourbon is a whiskey, and therefore distilled from fermented grain, with a mashbill (grain recipe) of at least fifty percent corn that is aged in charred new oak barrels. Whiskies marketed in the United States as bourbon must conform to this definition. 27 CFR § 5.22 (2016). Tequila, by contrast, is produced by distilling the blue agave plant. *Id.* It therefore is not a whiskey, not being distilled from grain. Tequila also has a regulated definition established by the Mexican government and enforced by the United States domestically. *Id.* ("Tequila is a distinctive product of Mexico, manufactured in Mexico in compliance with the laws of Mexico regulating the manufacture of Tequila for consumption in that country. . . . Tequila, imported in bottles, shall not be released from customs custody for consumption unless a certificate of a duly authorized official of the Mexican Government that the product is entitled to be designated as Tequila under the applicable laws and regulations of the Mexican Government is filed with the application for release."). Mexican law only permits certain regions within the country to call their product tequila. See generally CÁMARA NACIONAL DE LA TEQUILA INDUSTRY, <http://www.tequileros.org/> [<https://perma.cc/ML32-AYPN>] (last visited Nov. 3, 2016) (providing information of tequila production and sales).

126. In this case, the court reported the price as \$24. *Maker's Mark*, 679 F.3d at 424.

127. Cuervo raised both utilitarian and aesthetic functionality arguments before the district court. It claimed that a wax seal is functional because it protects the product from contamination from outside conditions. This claim pertained to Cuervo's use of the wax. The plaintiff's wax seal was solely for aesthetic purposes (its bottles were secured by a twist cap adorned by the dripping wax. *Maker's Mark Distillery, Inc. v. Diageo N. Am. Inc.*, 703 F. Supp. 2d 671, 684 (W.D. Ky. 2010)). The district court held that Cuervo had failed to demonstrate "that *any* current wax seal users employ the method for a functional purpose." *Id.* at 685.

The district court gave only a cursory treatment of the aesthetic functionality question. The Sixth Circuit affirmed the lower court's rejection of the claim:

Even assuming we were to recognize aesthetic functionality doctrine, regardless of which test we would apply under that doctrine, the outcome is the same. Under either test, Cuervo's appeal on this claim does not succeed. The district court was not convinced "that it would be difficult or costly for competitors to design around" the mark and we do not disagree.

infringement analysis. On the merits, Cuervo had strong arguments that confusion was unlikely. Whatever the similarity between the wax seals, the products had entirely different labels, listing wholly dissimilar house marks (MAKER'S MARK vs. JOSE CUERVO).¹²⁸ Nor did the labels look alike, distinct word marks aside.¹²⁹ Other spirit producers use wax seals,¹³⁰ belying a claim that the plaintiff's seal was unique. The goods, moreover, did not compete but were in differing spirit markets. There was no evidence of actual confusion, and the price tag of Cuervo's premium product suggests a high degree of care and sophistication from purchasers under standard trademark doctrine.¹³¹

The panel nonetheless treated the wax seal mark as thick enough to nullify these distinctions and trigger liability. Most importantly, the court discounted Cuervo's distinguishing labels in a way that unites thickness of protection with the issue of what mark information receives protection. Although the distinguishing labels could mitigate *source*

There is more than one way to seal a bottle with wax to make it look appealing, and so Cuervo fails the comparable alternatives test. As to the effective competition test, the district court found that "red wax is not the only pleasing color of wax . . . nor does it put competitors at a significant non-reputation related disadvantage to be prevented from using red dripping wax." The district court's findings are not clearly erroneous, and, based on those findings, Cuervo fails either test.

Maker's Mark, 679 F.3d at 418–19.

128. Nonetheless, "[t]he district court found this factor 'narrowly favor[s] Maker's Mark,' and found that, though '[v]ery few consumers . . . would buy one product believing it was the other,' the seals were facially similar. The district court examined the two seals and found that 'nothing on the products other than the red dripping wax . . . would suggest an association between the two.'" *Maker's Mark*, 679 F.3d at 421.
129. For pictures of the bottles in question, see Mark Borghese, *Maker's Mark Locks Up Dripping Red Wax as a Trade Dress for Alcohol*, TRADEMARK 'EM BLOG (June 22, 2012), <http://trademarkem.com/makers-mark-locks-up-dripping-red-wax-as-a-trade-dress-for-alcohol> [<https://perma.cc/N874-E348>].
130. Cuervo had argued to the district court that the mark was generic based on evidence of third-party use of wax seals on spirits. *Maker's Mark*, 703 F. Supp. 2d at 687. The court rejected the claim, and likewise discounted the evidence with respect to Cuervo's argument that the dripping seal mark was not strong. *Id.* at 687–91. The Sixth Circuit upheld the court on this point, agreeing that the "evidence [was] limited and unconvincing because it concerned seals used on all distilled spirits; the court found that the relevant use of the seals is limited to the 'relevant market,' and not among all distilled spirits." *Maker's Mark*, 679 F.3d at 421. But as discussed above the line, the defendant's market was *not* the same as the plaintiff's either. In other words, if third party use does not matter to mark strength or validity in light of the fact that it occurs outside of Maker's Mark's market, then the court should have similarly credited Cuervo's distance from the bourbon business.
131. *Maker's Mark*, 679 F.3d at 424.

confusion, the panel determined that the information being protected was not the mark's source-identifying function, but rather its ability to convey sponsorship or affiliation information.

First, testimony in the record indicates that many consumers are unaware of the affiliations between brands of distilled spirits, and that some companies produce multiple types of distilled spirits, which supports the district court's assessment here. Second, the presence of a house mark, as the district court correctly noted, is more significant in a palming off case than in an association case—as the district court reasoned, in an association case “when the two products are related enough . . . one might associate with or sponsor the other and still use their own house mark.”¹³²

Using consumer ignorance of affiliation agreements to support a finding of likely actionable confusion demonstrates the thickness of protection given the wax seal of the plaintiff.¹³³ The protection is strong enough to wipe away context indicating that confusion is unlikely.

The ruling makes for an illuminating contrast with *Louboutin*. *Pace Louboutin*, the evocative power of an element of the Marker's Mark trademark sufficed to render otherwise wholly distinct product packaging into infringing matter. But as was the case with *Louboutin*, the calibration of the mark's thickness largely obviated the need to engage in a deep factual inquiry. In *Louboutin*, thin protection gave the court an excuse to avoid the likelihood of confusion analysis altogether. In *Maker's Mark*, thick protection justified giving that analysis short shrift, only this time with a thumb on the scale in the plaintiff's favor. The shared feature effectively put Cuervo to the task of proving that confusion was impossible.¹³⁴

132. *Id.* at 422.

133. To be sure, there are cases noting that a differing word mark is not a get-out-of-jail-free card against infringement claims (though it may suffice). 4 MCCARTHY, *supra* note 15, § 23:53. But it is likewise the case that the fact that one mark calls another to mind does not suffice for an infringement finding. *Id.* § 23:9.

134. *Maker's Mark*, 679 F.3d at 423 (balancing the factors and finding that they “compel[] a finding of infringement”). The final balancing provides a good example of selective weighing and discounting of factors:

Excluding the neutral factors, the majority of the factors—strength, relatedness of the goods, similarity, and marketing channels—favor Maker's Mark. The district court found that Maker's Mark's trademark is “extremely strong,” and we have adopted that finding. Further, we have said that the ‘most important *Frisch* factors’ are similarity and strength of the mark; both of these factors favor Maker's Mark. The “likely degree of purchaser care” factor “clearly” favors Cuervo. Though this factor is given substantial weight, this factor alone cannot override the “extreme” strength of the mark that, when coupled with similarity (which itself is given

In both cases, the calibration of protection resolved deeper policy questions. In *Louboutin*, thin protection enabled copying in the marketplace because it did not equate a feature's ability to evoke a product as the equivalent of infringement. In *Maker's Mark*, thick protection did the opposite. As far as the panel was concerned, to evoke is to infringe, making the feature off limits. One interesting consequence is that the Sixth Circuit's logic makes it *easier* to prove an affiliation claim than a traditional source confusion claim notwithstanding the more tenuous case for consumer or seller harm.¹³⁵ None of these issues were at the foreground of the courts' analyses, masked largely by the kind of protection given to the marks in question.

c. Of Chickens and Eggs

The contrast between *Louboutin* and *Maker's Mark* may have multiple explanations. The panels may have differing takes on proper trademark policy. The subject matter may have been more troubling in *Louboutin*; the risks of restricting use of the color red in the fashion industry may have been more obvious than analogous fears concerning spirit bottle tops. We might point to the home field advantage of the judicial circuit with jurisdiction over Kentucky's bourbon industry. And so on. Accordingly, one might describe the "calibration" of trademark protection as simply an ex post description of other inputs into the courts' decision-making. Fair enough. If true, however, it demonstrates the instability of modern trademark doctrine insofar as its various policies combine to produce an unclear picture of what judges are doing.¹³⁶

It is possible, however, that the information problem trademarks present may help both to explain the urge to provide thick protection and the difficulty in being consistent about its application. That is, the need to calibrate trademark thickness may sometimes precede, at least in part, the trademark policy questions that the calibration simultaneously resolves. The next Part considers this prospect.

"considerable weight"), and combined with the two other factors weighing in favor of *Maker's Mark*, together favor a finding of infringement.

Id. at 423 (internal citation omitted). Note how the similarity factor transforms from a questionable tilt in favor of the plaintiff into one of the primary reasons for victory.

135. See generally Lemley & McKenna, *supra* note 52.

136. Cf. Michael Grynberg, *The Judicial Role in Trademark Law*, 52 B.C. L. REV. 1283, 1295–97 (2011).

II. CALIBRATING TRADEMARK SCOPE

Why might judges accord thick protection to a mark? Belief in strong trademark rights aside,¹³⁷ one possibility is that doing so simplifies the information inquiry of a trademark case. This Part explores that possibility, and suggests that the impulse to simplify the information burdens of trademark litigation is of a piece with the urge to treat trademarks as a form of property. This shortcut carries costs, and some of the tradeoffs are considered below.

A. The Appeal of Thick Marks

Cases in which a mark receives thick protection look ripe for the accusation that judges are “proPERTIZING” the mark. The extent to which this is praise or criticism is a familiar debate in trademark law. Of interest here, however, is the link between thick protection and the urge to treat trademarks as property. This Section suggests that the “proPERTIZATION” of trademarks may appeal to judges as a way to simplify the information inquiries raised by trademark litigation. The claim is based on three points: (1) trademark cases present an information management problem; (2) adjusting a trademark’s thickness of protection is an information-management device; and (3) strong property rights may themselves be described as a response to an information-management problem.

The first two points are reflected above. Trademark cases pose a variety of information-management issues.¹³⁸ Some are present in any form of litigation—for example, sorting through conflicting information to adjudicate facts or balancing efficient decision-making against the risk of error.¹³⁹ Judges manage information in a variety of ways, and several articles explain aspects of trademark doctrine as a response to the challenges presented by the factual complexities of a trademark case.¹⁴⁰ Others, like the information embodiment problem, are more particular to trademark.

As argued above, calibrating thickness of protection offers a mechanism to determine what information embodied by a trademark will be

137. Here, we are talking about broad readings of rights in cases in which they are not textually compelled by the language of the Lanham Act.

138. *See supra* Part I.B.1.

139. *See, e.g.*, Beebe, *supra* note 18, at 1601 (observing that “[e]mpirical studies of decision making generally, and of judicial decision making in particular, consistently show that decision makers, even when making complex decisions, reach their stopping threshold and make a decision after considering a remarkably low number of decision-relevant factors”).

140. *Id.* at 1581 (presenting empirical analysis indicating that in trademark cases “judges employ ‘fast and frugal’ heuristics to short-circuit the multifactor analysis”).

protected.¹⁴¹ It simultaneously bears on another policy issue at play in modern trademark law—to what extent should trademarks be treated as a form of property with a strong exclusion right?

Discussions (and critiques) of trademarks as property raise familiar arguments concerning incentive theory, notions of desert, or unjust enrichment (and their poor fit with trademark).¹⁴² But the extent to which property regimes should govern rights and duties may itself be described as an information-management problem.¹⁴³ This might explain some of the appeal to judges of giving thick protection to trademarks.

Henry Smith postulates that a strong property right to exclude is an information-management device that takes advantage of the principle of modularity.¹⁴⁴ In this telling, a modular system is one in which interactions are frequent and complex within the component units (or modules), but limited and simplified between them.¹⁴⁵ “Think

141. See *supra* Part I.C.

142. See, e.g., Robert G. Bone, *Enforcement Costs and Trademark Puzzles*, 90 VA. L. REV. 2099, 2121–22 (2004) (describing critiques of trademark law that argue that judges inappropriately focus on unjust enrichment or Lockean rationales to expand trademark rights).

143. Bone also links information management to judicial decisions that expand trademark rights to make them more like property, but his account focuses on enforcement costs, and the difficulty of adjudicating whether particular trademark uses create consumer harm. Managing these costs explain some of trademark’s expansion. Bone, *supra* note 142, at 2152. The account developed below differs in that it focuses on the interrelationships between the various meanings that a trademark embodies, and not on problems of enforcing specific trademark policies. But both accounts share the notion that judges may be moved to expand trademark rights to a contested area in the service of vindicating a less controversial goal. *Id.* at 2171–74 (suggesting that post-sale confusion cases do raise concerns of trademark-related consumer harm).

144. See Henry E. Smith, *On the Economy of Concepts in Property*, 160 U. PENN. L. REV. 2097, 2115 (2012) (“Property law manages complexity through modularity.”).

145. In Smith’s account:

Modularity is key to managing complexity. A system is complex when it has many interdependencies. In a nonmodular system any change to any element can in principle impact another element directly, or through any path, however long. This pattern of dense interdependencies makes such systems either unpredictable if changed, or excessively rigid in order to avoid unpredictable change from these ripple effects. Complex systems often have clusters whose elements have dense and intense interactions among themselves but relatively sparse interactions with elements outside the cluster; such systems are what Herbert Simon termed “nearly decomposable.” A nearly decomposable system allows chunks or components of the system to be partially walled off and the interconnections between these chunks and the rest of the system to be

about a car,” Smith writes. “[C]hanges in the brake system mostly do not affect the fuel injection system and vice versa. By ruling out such interactions, the system is easier to understand and to modify, and less vulnerable to shocks.”¹⁴⁶

Smith has applied the modularity framework to a variety of legal questions.¹⁴⁷ Most relevantly for current purposes, he argues that property law’s right to exclude can be explained as an attempt to manage information via modularity.¹⁴⁸ Its virtue, posits Smith, is its simplicity. We might imagine a legal rule that assigns property rights and duties based on broader criteria like society-wide efficiency. But doing so would be irreducibly complex, for one’s choices would radiate across society with hard-to-predict interactions with the choices of others. No one could easily calculate the consequences—and therefore the legality—of her preferred uses.¹⁴⁹

deliberately limited (sometimes even at the expense of interdependencies that might have some value). In such systems we can impose a modular structure that encapsulates the clusters—that is, hides much of their internal information—and defines the interactions of clusters through their interfaces. Modularity manages complexity, because the ripple effects of modifications to one module have more defined consequences (through interfaces) than they would in an unconstrained system Interactions and interdependencies can be intense within such modules but are defined and relatively sparse across the interface with other modules. The key is that the interface allows only certain information through; the rest is “hidden” in the module.

Henry E. Smith, *Property as the Law of Things*, 125 HARV. L. REV. 1691, 1701 (2012) (citations omitted) (quoting HERBERT A. SIMON, *THE SCIENCES OF THE ARTIFICIAL* 210 (2d ed. 1981)).

146. *Id.*; *cf. id.* at 1702 (noting modularity in computer science); Smith, *supra* note 144, at 2111–15 (noting applications of language of modularity to cognitive science, organizations, and markets).
147. *See, e.g.*, Henry E. Smith, *Modularity & Morality in the Law of Torts*, 4 J. TORT L. 1 (2011); Henry E. Smith, *Modularity in Contracts: Boilerplate and Information Flow*, 104 MICH. L. REV. 1175 (2006). Smith’s foray into the intellectual property arena focuses on the incentive-based patent and copyright regimes (and the attendant questions of assembly of inputs for the creation of new works) and did not consider trademarks. Henry E. Smith, *Intellectual Property as Property: Delineating Entitlements in Information*, 116 YALE L.J. 1742 (2007). For a critique of Smith’s approach, *see* Michael A. Carrier, *Why Modularity Does Not (and Should Not) Explain Intellectual Property*, 117 YALE L.J. POCKET PART 95 (2007).
148. Smith, *supra* note 144, at 2115 (“The basic (rebuttable) presumption in property law is delegation to the owner through the right to exclude, which serves to economize on information costs.”).
149. *Id.* at 2117 (“Property functions in part as a shortcut over all the regulations or bilateral contracts that would have to be devised to govern all members of society in all their interactions.”); *cf.* Smith, *supra* note 147, at 1718 (“[T]he law of trespass in its individual applications can look very arbitrary, unfair, and even irrational, but it permits owners the space (literally, in the

The right to exclude, Smith argues, masks complexities about the proper extent of property rights behind a simple obligation.¹⁵⁰ One who encounters the property of another need not know much about the precise nature of the other's rights or needs; it is enough to know to stay away.¹⁵¹ It is only in special cases that the law must develop calipers to delve into and manage more complicated interactions, policy concerns, or clashing claims of entitlement. Smith terms this alternative the governance model, which steps in because "many problematic interactions are not solvable using boundaries and are important enough to call for enriching the interface between property modules," with the law of nuisance an example.¹⁵² Given the information costs of these departures, exclusion does well enough as a baseline.¹⁵³

case of land) to pursue projects without having to answer to others, thus generally promoting efficiency and liberty.").

150. Smith, *supra* note 144, at 2115 ("The exclusion strategy is the starting point in property, and this strategy economizes on information costs."). On this telling, the right to exclude lets property law "protect a wide range of largely unspecified interests in use, the details of which are of no particular relevance to those under a duty to respect the right (in this case, by not crossing boundaries without the permission of the owner)." *Id.*
151. *Id.* at 2115–16 ("In trespass to land, an unauthorized crossing of a boundary serves as a (very) rough proxy for harmful use; any voluntary entry into the space defined by the *ad coelum* rule counts as a trespass. 'Keep out' usually means keep out. Likewise in personal property, I know not to take a car from a parking lot if it is not mine and I do not have the owner's permission; I need not know anything about the identity of the owner, nor whether the car is subject to a security interest or the subject of a bailment. Thus, to the nonowner, property is like a black box, a module where the type of use is simply irrelevant to the duty of abstention." (citations omitted)).
152. Smith, *supra* note 145, at 1714. While more sensitive to context, these departures raise information costs. *Id.* at 1717 ("If delineation cost is left out of the picture, it becomes deceptively attractive to move in the direction of more governance-style contextualized inquiry into all such matters."). The reason is that they return us to the world of complex interactions that more modular approaches strive to avoid. *Id.* at 1714 (arguing that although costs and benefits can theoretically be weighed, "many of the considerations are not measurable, leading to a need for legal designers to combine rough guesses, presumptions that have worked in successful legal systems, and rules of thumb about when to look to custom as a source of law").
153. *Id.* at 1704 ("When O1 owns Blackacre, the exclusion strategy for delineating her rights, implemented through devices like the tort of trespass, protects a range of actions A1, A2, A3, . . . , without the law's needing to specify these actions. Indeed, O1 may know more about the actions than anyone else. Action A2 may result in a nuisance to O2, who owns neighboring Whiteacre, and O3, who owns Greenacre. But O1 can take actions A1, A3, . . . , without consulting or needing to coordinate with O2 or O3. O1 can delay taking an action until the optimal time. In other words, the modular architecture, by reducing the dependency of actions A1, A3, . . . , on elements outside the Blackacre module, preserves options in O1. By contrast, if more of the set of

Smith's framework offers a possible explanation of the appeal of property stories to judges. Some of the range of information embodied in trademarks is indisputably under the trademark holder's control, some not. Each part of the range presents different policy questions and factual issues for a court trying to decide what should be freely available to third parties. Though the policy questions may be discrete, trademark information is often interdependent.¹⁵⁴ Many meanings are built, at least in part, out of the trademark's source-identifying function. Trademark law protects this information and recognizes the markholder as responsible for managing its meaning. By controlling the quality of the denoted good or service, the markholder has primacy in determining what the mark's promise of quality means. It is an easy step to see that control as extending to other meanings, for it is unclear how loss of control of an extended meaning might affect the source signal.¹⁵⁵

Concealing these complex interactions under the umbrella of trademark ownership simplifies matters. Giving the trademark owner the right to exclude uses of the mark takes difficult information-regulation decisions out of a court's hands and makes them a matter of bilateral transactions. Complex questions (e.g., what is the effect on a mark's goodwill if the same name is used on a non-competing product in another market) are masked by a simple inter-module communication (this mark is owned by the trademark holder, if you want to use it, negotiate).¹⁵⁶ There is no need to parse the precise kind of

A1, A2, A3, . . . , depended on actions in the corresponding sets of O2 and O3 or yet other persons, A1 would have to be determined at a time that compromises between the need for decision on O1's part and the timing of those other persons' related actions. Moreover, as a thing of modular property, Blackacre can easily be transferred from O1 to others because nothing in the specification of the package makes it context-dependent on the status of the owner. Likewise, nonowners of Blackacre—everyone other than O1—have less to be on the lookout for, and need not make their decisions and their timing depend in any way on A1, A3, and so forth, in O1's set.”).

154. *See supra* Part I.B.1.

155. For example, the story that consumers will punish trademark holders in their home markets if they encounter poor-quality products or services under the mark in a distant market has intuitive appeal, but may not be true. *See supra* note 52 (noting that empirical research does not substantiate this proposition). Sorting out the empirics of the matter by critically reviewing research on the subject may not be a welcome or easy task for judges. But the surface plausibility of stories like this one—not to mention the breadth of the modern Lanham Act's cause of action—make it difficult for courts to simply accord trademarks thin protection at all times, though that approach might also lower information costs for judges.

156. Just as “[p]roperty clusters complementary attributes—land's soil nutrients, moisture, building support, or parts of everyday objects like chairs—into the parcels of real estate or tangible and intangible objects of personal property,”

information at issue in the particular case and suss out its relationship to source identification.¹⁵⁷

On this telling, the *in terrorem* effect of the uncertain scope of trademark rights is not a bug,¹⁵⁸ but a feature that makes the ambiguity of the scope of trademark rights something more akin to a boundary. It thus promotes licensing negotiations that ensure the considered management of a mark's embodied information. And judges need not grapple with the complexities of determining how use of a mark might threaten its ability to perform core functions. The opacity of these relationships justifies masking them behind the property signal. Any excesses on the part of trademark holders may be dealt with in a relatively ad hoc manner, either through the development of narrow doctrinal exceptions or reliance on judges exercising discretion in difficult cases. In short, the governance model is sometimes necessary, but the baseline is one of property rights.¹⁵⁹

This logic is the essence of thick trademark protection, treating any unauthorized use as presumptively infringing notwithstanding the distinguishing features of the use or surrounding context. It perhaps

Smith, *supra* note 145, at 1703, so too do property stories of trademark law combine a mark's denotative and connotative meanings (i.e., its source-identifying function, goodwill, brand identity, selling power, evocation value, associative information, etc.) together into a single mark.

157. And indeed, parsing through the ordinary multifactor test in an ordinary case may be seen as putting trademark rights at unnecessary risk, as Schechter argued ninety years ago:

Any theory of trade-mark protection which . . . does not focus the protective function of the court upon the good-will of the owner of the trade-mark, inevitably renders such owner dependent for protection, not so much upon the normal agencies for the creation of good-will, such as the excellence of his product and the appeal of his advertising, as upon the judicial estimate of the state of the public mind. This psychological element is in any event at best an uncertain factor, and "the so-called ordinary purchaser changes his mental qualities with every judge."

FRANK I. SCHECHTER, *THE HISTORICAL FOUNDATIONS OF THE LAW RELATING TO TRADE-MARKS* 166 (1925). My thanks to Barton Beebe for bringing Schechter's quote to my attention.

158. See, e.g., James Gibson, *Risk Aversion and Rights Accretion in Intellectual Property Law*, 116 *YALE L.J.* 882, 913 (2007); Timothy B. Lee, *In Annual Tradition, Advertisers Cowed by NFL Trademark Bullying*, *ARS TECHNICA* (Feb 5, 2012, 11:00 AM) ("Every year . . . a football game [is] watched by tens of millions of Americans. And every year, businesses launch ad campaigns to sell a variety of products—televisions, pizzas, soda—in conjunction with the game. And the overwhelming majority of these businesses avoid calling it the "Super Bowl.""), <http://arstechnica.com/tech-policy/2012/02/in-annual-tradition-advertisers-cowed-by-nfl-trademark-bullying/> [<https://perma.cc/CD9E-9FQW>].

159. See *supra* notes 152–153 and accompanying text.

explains cases like *Maker's Mark* in which the distance of the claim from trademark's core (in *Maker's Mark* whether the plaintiff was not the source of the product but rather had some sort of affiliation with the defendants) was used to *lower* the burden of proof.¹⁶⁰ On the logic of modularity, ascertaining whether consumers might see a connection between *Maker's Mark* and *Cuervo*—and the effect of the perception—is complicated. Hiding these inquiries behind the plaintiff's ownership of the wax seal mark simplifies matters: *Maker's Mark* manages the associations tied to the wax seal mark. Its assessment of whether the use of its mark on tequila will have negative or positive spillovers is communicated by a simple decision to license or not. At the same time, the court's determination, rightly or wrongly, that the wax seal is not functional allows the property baseline to dictate the outcome.

For its part, *Louboutin* could be described as another aspect of the modular property story. A rigid right to exclude invites abuse, but that abuse need not necessarily require detailed ameliorating doctrines if judges have the leeway to act as a safety valve where necessary.¹⁶¹ On this view, the undertheorized nature of YSL's win becomes a virtue *because* it leaves the baseline presumptions in favor of the trademark holder intact while offering nothing to future defendants. It is not about them, for it was *Louboutin* that had gone too far in acting opportunistically to try to thwart competition in the shoe market.¹⁶²

B. The Impossibility of Thick Marks

Whatever its explanatory power, the above account is necessarily incomplete. First, the property argument suffers from a number of defects.¹⁶³ Trademark law's conflicting impulses give judges many

160. *See supra* notes 123–135.

161. Smith, *supra* note 144, at 2127 (“Law can afford to be simple as long as it is backed up by equitable anti-opportunism principles.”).

162. Henry E. Smith, *Rose's Human Nature of Property*, 19 WM. & MARY BILL RTS. J. 1047, 1050–51 (2011) (“To serve as a safety valve against opportunism, equity is a holistic mode of decision making that is not fully captured by rules versus standards. First of all, equity was only supposed to be an exception. Unlike property, it was *in personam*—it operated on the person and did not announce general rules—and concomitantly it was supposed to tread carefully when property rights were involved. But because, as Justice Story once said, ‘[f]raud is infinite’ given the ‘fertility of man’s invention,’ equity too needed to be open-ended, with ex post discretion and an irreducible vagueness.” (citations omitted)).

163. Not least of which is the conceptual problem that property rights in words presents. *See, e.g.*, Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L.J. 1687, 1696 (1999); Glynn S. Lunney, Jr., *Trademark Monopolies*, 48 EMORY L.J. 367, 373 (1999).

reasons to balk at the property story.¹⁶⁴ And the purported benefits of propertized trademarks are hard to realize in practice. For example, a common critique of overly strong trademark rights is to note their danger to expressive interests and socially beneficial, albeit unapproved, uses of trademarks by third parties. In the commercial context, these beneficial externalities may theoretically be accounted for through bargaining (i.e., it is possible for those wishing to use the marks in a socially beneficial way to negotiate with the markholders and recover the costs through consumer sales), but in practice many of the gains are unlikely to be realized if licensing is required.¹⁶⁵ Even if they could be, the terms of trademark protection, which prohibit naked licensing, might limit the ability of trademark holders to engage in optimal licensing.¹⁶⁶ Further, one may doubt that the gains from propertizing information are meaningful given the incentives provided by modest trademark rights.¹⁶⁷

Second, and of greater relevance here, the property story told in the last Section contains the seeds of its own critique with respect to trademark. The account contemplates situations in which courts may opt for a more nuanced regulatory regime over a strong private right to exclude. To the extent trademark law reflects these conditions, judicial alternation between thick and thin trademark protection is unsurprising.¹⁶⁸

164. As reflected by a long line of precedents that rejects easy property analogies. *See, e.g.*, *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 414 (1916) (“[T]he trade-mark is treated as merely a protection for the good-will, and not the subject of property except in connection with an existing business.”).

165. Michael Grynberg, *Trademark Litigation as Consumer Conflict*, 83 N.Y.U. L. REV. 60, 112–13 (2008).

166. And the need for monitoring to maintain quality control (so as to prevent any claim of prohibited naked licensing) would add to transactions costs of such arrangements, making them less likely. *See, e.g.*, *Barcamerica Int’l USA Trust v. Tyfield Imps. Inc.*, 289 F.3d 589, 595–96 (9th Cir. 2002) (“[W]here the licensor fails to exercise adequate quality control over the licensee, a court may find that the trademark owner has abandoned the trademark, in which case the owner would be estopped from asserting rights to the trademark.” (internal quotation and citation omitted)).

167. *See, e.g.*, Dreyfuss, *supra* note 69, at 408 (“Exclusivity in the trademark is only needed to point consumers in the right direction, and that function is preserved by protecting the mark’s signaling function.”).

168. The above discussion can also be cast as a problem of how best to minimize the administration costs of the trademark system. Treating marks as thick enables judges to economize on decision making by avoiding factual complexity, which may lead courts to overlook reasons that a challenged use may not in fact be detrimental to consumer understanding. Stated in terms of the modularity discussion above, thick protection hides information (e.g., market context, consumer understanding and sophistication) behind an easy-to-apply formulation that unauthorized uses of a mark are presumptively

1. Third Party Interests and Vacillating Precedent

In the property-as-information-management story, minimizing information costs is a progressively weaker justification for strong property rules as the rights and interests of others come into play.¹⁶⁹ Trademark's subject matter is the exchange of information, which by its nature implicates the interests of sellers and consumers. Indeed, First Amendment doctrine has long ascribed reciprocal interests between speaker and listener, even in the commercial context.¹⁷⁰ Trademark law, therefore, lends itself to contextual balancing that takes the rights and interests of others into account.¹⁷¹

First, language is often conceived of as a commons,¹⁷² reflecting a baseline that trademark law has always had to work around. A lot of its doctrine therefore ensures that trademark rights do not remove useful words from circulation.¹⁷³ But even valid trademarks become part

likely to confuse. This was the case in *Maker's Mark*, in which the focus on the wax seal led the court to minimize exculpatory facts that could have prevented confusion among consumers. See *supra* notes 123–135 and accompanying text. Cf. Bone, *supra* note 142, at 2152 (“[F]ocusing on confusion and downplaying or ignoring harm might still be the best approach in light of enforcement cost concerns.”).

169. See *supra* note 152 and accompanying text.

170. See, e.g., *Bates v. State Bar of Arizona*, 433 U.S. 350, 364 (1977) (“The listener’s interest [in commercial speech] is substantial: the consumer’s concern for the free flow of commercial speech often may be far keener than his concern for urgent political dialogue . . . [S]uch speech serves individual and societal interests in assuring informed and reliable decisionmaking.” (citations omitted)); cf. also, e.g., *Hill v. Colorado*, 530 U.S. 703, 708 (2000) (noting balance of interest between speaker and unwilling listeners); *Red Lion Broad. Co. v. FCC*, 395 U.S. 367, 390 (1969) (“[T]he people as a whole retain their interest in free speech by radio [and other forms of broadcast] and their collective right to have the medium function consistently with the ends and purposes of the First Amendment,” and “[i]t is the right of the viewers and listeners, not the right of the broadcasters, which is paramount.”).

171. To use Smith’s language, the need to mediate competing interests requires courts to rely on a governance, rather than a property, model for the management of entitlements because “many problematic interactions are not solvable using boundaries and are important enough to call for enriching the interface between property modules.” Smith, *supra* note 145, at 1714.

172. See, e.g., LAWRENCE LESSIG, *THE FUTURE OF IDEAS: THE FATE OF THE COMMONS IN A CONNECTED WORLD* 21 (2013) (“Language is a commons, though its resource is nonrivalrous (my use of it does not inhibit yours).”).

173. Descriptive marks, for example, may be protected only upon a showing of secondary meaning, and even when protected are subject to the defense that the junior user is only employing the term in its descriptive, non-trademark sense. That is, one may obtain the trademark DELICIOUS for donuts, but a competitor may still claim to sell donuts that are delicious. See, e.g., 17 U.S.C. § 1052(e)(1) (2012), (f) (descriptive marks may only be registered with secondary meaning); *id.* § 1115(b)(4) (defense). Generic terms are not

of everyday vocabulary, creating an interest for those who might want to use their embodied meanings to communicate.¹⁷⁴ This is the problem of extended trademark meaning described in the previous Part.

Second, trademark law's official object of concern is consumer welfare,¹⁷⁵ giving consumers, and more broadly citizens, an interest in the scope of trademark rights. Trademark law acknowledges this, though incompletely, as it does a better job of vigilantly policing the danger of consumer confusion than it does with appreciating the prospect that consumers often have something to gain from purportedly confusing conduct.¹⁷⁶

To be sure, courts understand that trademark cases implicate a range of interests,¹⁷⁷ and that trademarks are not simple pieces of property.¹⁷⁸ The question then is whether any particular interest requires formal protection from trademark doctrine (versus simply relying on judges to act as safety valves if trademark holders go too far with their claims). The more one thinks so, the more the hand waving of cases like *Louboutin* becomes unsatisfying. Simple property rules leavened by the occasional judicial intervention will not do. But moving too far in the opposite direction increases information costs.

Judicial vacillation between thin and thick marks may therefore be an inevitable symptom and a source of doctrinal instability in modern trademark law. Judges consistently blink before following property rationales for trademark to their logical ends, but they likewise demur from drawing clear lines to constrain doctrine.¹⁷⁹ The urge to thicken marks immediately produces pressure to weaken them, for they cannot be contained by trademark doctrine, but trademark doctrine has not evolved clear language to explain permitted uses either.¹⁸⁰

protected . *See, e.g.*, 15 U.S.C. § 1064 (2012) (providing for cancellation of registrations if mark becomes generic); *id.* § 1127 (providing that a mark is deemed abandoned if it becomes generic).

174. *See, e.g.*, Alex Kozinski, *Trademarks Unplugged*, 68 N.Y.U. L. REV. 960, 975 (1993) (“[A]ny doctrine that gives people property rights in words, symbols, and images that have worked their way into our popular culture must carefully consider the communicative functions those marks serve.”).

175. Though courts speak of consumer and seller interests, the statutory metric of enforcement is likelihood of confusion measured at the consumer level. 15 U.S.C. §§ 1114, 1125 (2012).

176. I make this argument at length in Grynberg, *supra* note 165.

177. *See supra* notes 54–56 and accompanying text.

178. 4 MCCARTHY, *supra* note 15, § 24:11 (collecting recitations of the “oft-repeated statement that a trademark is not a ‘right in gross’”).

179. *See supra* notes 112–121 and accompanying text.

180. Grynberg, *supra* note 76, at 914–25.

The result is a push/pull reflected in the scope of protection accorded by judges to a mark. Courts protect trademark information beyond source and sponsorship, and then either follow that logic to questionable ends¹⁸¹ or engage in contortions to resist them.¹⁸² They neither want to surrender the capacity of a modularized trademark to simplify cases, nor can they fully embrace it. The result is inconsistent precedents. Opinions giving thick protection are followed by rulings that give thinner rights but refrain from attacking the logic of the broader rulings.¹⁸³

Trademark law's encounter with the internet is an example.¹⁸⁴ In particular, the history of using trademarks as a search tool—from metatags to keyword advertising—illustrates the tension between thick and thin trademark stories.

Google and its clients continue to face litigation over the practice of keyword advertising, though the practice appears to be on increasingly solid legal ground.¹⁸⁵ The claim that it is infringement to use a search of a trademarked term to trigger third-party advertising owes

181. For example, *Ga. Pac. Consumer Prods., LP v. Von Drehle Corp.* allowed a trademark claim to proceed against a provider of paper toweling compatible with Georgia Pacific machines. 618 F.3d 441 (4th Cir. 2010). Georgia Pacific's theory was that the defendant's toweling in its branded machines could cause it reputational harm. *Id.* at 445–46. Against that is the problem that a successful claim would allow the plaintiff to prevent competition with its product and allow it to raise prices accordingly. *Id.* at 448. From a doctrinal perspective, its problem was that prospective purchasers, distributors of paper toweling, knew not to assume that a Georgia Pacific machine would automatically contain toweling from the company. *Id.* The Fourth Circuit nonetheless held that it would be error to so limit the relevant consumer class, hypothesizing that there still could be harm to the company's reputation. *Id.* at 453–55. Georgia Pacific prevailed, winning a jury award of \$791,431 in damages. *Ga. Pac. Consumer Products, LP v. Von Drehle Corp.*, 710 F.3d 527, 532 (4th Cir. 2013). Georgia Pacific fared less well with similar claims elsewhere, but still managed to get to a verdict. *See Ga. Pac. Consumer Prods. LP v. Myers Supply, Inc.*, 621 F.3d 771, 773 (8th Cir. 2010) (affirming lower court's grant of summary judgment against Georgia-Pacific's claim for tortious interference with a contractual relationship).

182. As the Ninth Circuit had to in a keyword advertising case to fight the import of the circuit's earlier, broad rulings. *See infra* notes 196–197 and accompanying text.

183. *Id.*

184. Eric Goldman, *Brand Spillovers*, 22 HARV. J.L. & TECH. 381 (2009).

185. Eric Goldman, *More Confirmation That Google Has Won the AdWords Trademark Battles Worldwide*, FORBES, (March 22, 2013). <http://www.forbes.com/sites/ericgoldman/2013/03/22/more-confirmation-that-google-has-won-the-adwords-trademark-battles-worldwide/> [https://perma.cc/N7BR-AQRT].

much of its plausibility to the notorious *Brookfield* case.¹⁸⁶ There, the defendant used the plaintiff's trademark in code, metatags, on its webpage. These metatags were invisible to human viewers. They were used in the hope that search engines would read them and then return the page as a search result for the term.¹⁸⁷

Despite the obvious differences between the parties' webpages, the Ninth Circuit ruled that the use of a trademark as a metatag was inherently likely to create initial interest confusion for consumers.¹⁸⁸ While the consumer confusion story used by the court was somewhat implausible, the case rested on protecting the trademark's extended meaning, specifically its goodwill.¹⁸⁹ That approach allowed the court to simplify questions about the actual effect of the use on consumers—and whether that effect would have spillover consequences on the strength of the mark or its ability to embody goodwill.¹⁹⁰ It also required the court to overlook the prospect that the use might actually broaden the availability of relevant information to consumers.¹⁹¹

186. *Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036 (9th Cir. 1999).

187. *Id.* at 1062. In practice, search engines tend to ignore metatags. Matt Cutts, *Google Does Not Use the Keywords Meta Tag in Web Ranking*, GOOGLE WEBMASTER CENTRAL BLOG (Sept. 21, 2009), <http://googlewebmastercentral.blogspot.com/2009/09/google-does-not-use-keywords-meta-tag.html> [<https://perma.cc/L73Q-XJHD>].

188. *Brookfield*, 174 F.3d at 1062. Initial interest, or presale, confusion refers to confusion that is dispelled prior to the purchase decision. *Brookfield* indicated that mere diversion (absent confusion) would suffice. The Ninth Circuit later walked back that aspect of *Brookfield*. *Network Automation, Inc. v. Advanced Sys. Concepts, Inc.*, 638 F.3d 1137, 1149 (9th Cir. 2011) (“[B]ecause the sine qua non of trademark infringement is consumer confusion, when we examine initial interest confusion, the owner of the mark must demonstrate likely confusion, not mere diversion.”).

189. *Brookfield*, 174 F.3d at 1062 (“[B]y using ‘moviebuff.com’ or ‘MovieBuff’ to divert people looking for ‘MovieBuff’ to its web site, West Coast improperly benefits from the goodwill that Brookfield developed in its mark.”).

190. If any such effect may be found. For research on the effect of the use of trademarks as keywords, see Stefan Bechtold & Catherine Tucker, *Trademarks, Triggers and Online Search*, 11 J. OF EMP. LEG. STUDIES 718 (2014); David J. Franklyn & David A. Hyman, *Trademarks as Search Engine Keywords: Who, What, When?*, 92 TEX. L. REV. 2117 (2014); David J. Franklyn & David A. Hyman, *Trademarks as Search Engine Keywords: Much Ado About Something?*, 26 HARV. J. OF L. & TECH. 481 (2013); Lesley Chiou & Catherine Tucker, *How Does the Use of Trademarks by Third-Party Sellers Affect Online Search?*, (Dec. 9, 2011), http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1686438.

191. I discuss this point at greater length in Grynberg, *supra* note 67, at 121–28.

Brookfield was a powerful weapon for trademark holders. Slowly but surely, however, the precedent's power eroded. Other courts declined to adopt it wholesale.¹⁹² While it lived on in the Ninth Circuit,¹⁹³ successive panels began to inject limits.¹⁹⁴ In the meantime, cases over the irrelevant practice of metatags gave way to the more important battles over keyword advertising. Here, Google and others have vigorously defended the practice. Having a well-capitalized lead defendant, while perhaps drawing plaintiffs looking for deep pockets, has had an effect, as Google seems to have beaten back most challenges to its adwords program.¹⁹⁵

Most notably, the Ninth Circuit rolled back *Brookfield* as applied to trademark-triggered advertising, holding that such advertising does not create liability unless the displayed advertisement itself creates likely confusion.¹⁹⁶ Merely using a mark to trigger the display of advertising is not enough. The shift recognizes that consumers have an interest in seeing non-confusing ad copy that broadens their access to information, even at the expense of a court's having to make a more nuanced contextual judgment about the effect of the trademark's use. In Smith's terminology, the court has moved from an exclusion to a governance model.¹⁹⁷

We might prize the Ninth Circuit's shift as the genius of the common law at work, but it is worth noting that the state of precedential play is less favorable to defendants who lack Google's resources. The courts have largely rejected rules that would categorically treat keyword advertising as legal or at the least offer shortcuts for defendants

192. *See, e.g.*, *Gibson Guitar Corp. v. Paul Reed Smith Guitars, LP*, 423 F.3d 539, 550–51 (6th Cir. 2005).

193. *Playboy Enter., Inc. v. Netscape Commc'ns Corp.*, 354 F.3d 1020 (2004) (allowing initial interest confusion theory claim against keyed website banner advertising to proceed). *But see id.* at 1034–36 (Berzon, J., concurring) (suggesting that underlying *Brookfield* opinion should be reconsidered).

194. *Playboy Enter., Inc. v. Welles*, 279 F.3d 796, 803–04 (9th Cir. 2002) (applying nominative fair use doctrine to metatag use).

195. *See supra* note 185 (reporting that keyword advertising appears to be on increasingly solid legal ground).

196. *Network Automation, Inc. v. Advanced Sys. Concepts, Inc.*, 638 F.3d 1137, 1154 (9th Cir. 2011). Specifically, the court held that in keyword cases “the most relevant factors to the analysis of the likelihood of confusion are: (1) the strength of the mark; (2) the evidence of actual confusion; (3) the type of goods and degree of care likely to be exercised by the purchaser; and (4) the labeling and appearance of the advertisements and the surrounding context on the screen displaying the results page.” *See also Multi Time Mach., Inc. v. Amazon.com, Inc.*, 804 F.3d 930 (9th Cir. 2015), cert. denied, 136 S. Ct. 1231 (2016).

197. *See supra* notes 152–153 and accompanying text.

who are not engaging in deliberate efforts at consumer deception.¹⁹⁸ Moreover, while much of *Brookfield's* bite has dulled, many of its doctrinal foundations remain intact.¹⁹⁹ It may yet resurface to challenge the next information innovation that makes unauthorized use of trademark information.

2. Very Thin Marks

Depending on the information being protected, and the nature of third party interests, the scope of equivalence required for infringement often extends beyond the mark. In such cases, 100 percent copying of the mark is not enough for liability, further underscoring the inability of courts to pursue maximally thick protection.²⁰⁰

The Ninth Circuit's nominative fair use test is an example. Nominative fair use protects uses of a mark that refer to the trademark holder or its products. Although the doctrine considers the degree to which the plaintiff's mark has been copied, total copying does not negate the defendant's ability to assert the defense.²⁰¹ This is sensible, for the point of a nominative use is to refer to the trademark holder's product. It would be odd to require that the reference be oblique. It therefore stands to reason, as the case law recognizes, that total copying of the mark should not weigh heavily against a defendant if the larger

198. *See, e.g.*, *Rosetta Stone Ltd. v. Google, Inc.*, 676 F.3d 144 (4th Cir. 2012) (declining to expand functionality doctrine to protect use of trademarks in keyword advertising); *Rescuecom Corp. v. Google Inc.*, 562 F.3d 123 (2d Cir. 2009) (declining to apply a strong trademark use requirement to trademark claims against keyword advertising).

199. *See, e.g.*, *1-800 Contacts, Inc. v. Lens.com, Inc.*, 722 F.3d 1229 (10th Cir. 2013) (finding evidence insufficient to sustain initial interest confusion claim without rejecting the theory).

200. In this, thin trademark protection goes beyond the meaning of thin protection commonly used in copyright law. In copyright cases, the assumption is that protection may be limited in that the copyright has a narrow range of equivalents, but once the requisite level of similarity is reached, thin protection is full protection (barring an argument of fair use). *Supra* note 90. In the terminology of this Article, the protection is internally thin, but externally thick. And to the extent fair use is an issue that limits the external thickness of the copyright, it is worth noting that the Supreme Court takes the view that this analysis is external to the infringement inquiry, as it deems fair use to be a defense and not part of the prima facie infringement case. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 590 (1994).

201. "First, the product or service in question must be one not readily identifiable without use of the trademark; second, only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and third, the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder." *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992) (citation omitted).

context shows no intent to deceive consumers.²⁰² The real work is in the requirement that “the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.”²⁰³

The reason that trademarks get such thin protection in a nominative use case is in part because they are often not about source information, but rather disputes about protecting a mark’s extended meaning. Resolving them requires consideration of the larger context in which the mark is used. This is part of the formal doctrine for some courts’ tests for nominative and expressive use.²⁰⁴ These tests are context-heavy, and reflect the inability of trademark ownership to fully act as an information-masking modular device. The more the range of mark information under consideration broadens, the more courts need to take context into account in adjudicating the boundaries of the markholder’s “property.”

If we cannot resolve trademark infringement cases without considering information outside the mark and its use, are we still engaging in trademark litigation? I have argued elsewhere that in many cases the better answer is no. Some cases about a trademark’s extended meaning should be reconceived as false advertising cases.²⁰⁵ But if we insist on using trademark law to dispose of them, then the implication is that trademarks cannot be conceived of as a property right in meaningful way. There is simply no way to apply a right to exclude in the manner set forth in the information cost account of property without sweeping too broadly. The only question is whether we recognize this reality at

202. For example, total copying could become relevant if, say, someone copied a logo and used hard-to-see or minimal distinguishing text, so that the use would be nominative in name but a trademark use in fact. The “Dumb Starbucks,” campaign could have been an example had it not been a prank from the television show *Nathan for You* or shut down by the health department before trademark law could do the job. See Andy Greene, *Nathan Fielder Talks ‘Dumb Starbucks’ and Pranking Instagram*, ROLLING STONE (July 24, 2014), <http://www.rollingstone.com/movies/news/nathan-fielder-talks-dumb-starbucks-and-pranking-instagram-20140724> [https://perma.cc/SUN8-WNH].

203. *New Kids*, 971 F.2d at 308.

204. See *supra* note 105.

205. Michael Grynberg, *More Than IP: Trademark Among the Consumer Information Laws*, 55 WM. & MARY L. REV. 1429, 1484 (2014). In other words, third parties have a right to talk about the markholder so long as they do not engage in actionable falsehoods. In most cases, that means not running afoul of false advertising law, the doctrines of which are calibrated to assess the larger context in which the statements appear.

the beginning or at the tail end of a procession of precedents that have somehow gone too far.²⁰⁶

3. The Limited Utility of Property Stories

Trademark law needs little help to justify protecting the source-identifying function of trademarks. The consumer interest in accurate information does well enough. But this is the arena where the property stories for trademark work best. Stated another way, property stories about trademark make the most sense where they do the least work.

For example, a typical rationale for intellectual property rights focuses on incentives for investment and creation.²⁰⁷ Because IP is non-rivalrous and non-excludable, the argument goes, creators will not make the initial investment in creation without the ability to recoup their costs by having exclusive rights over their work once it is created. Whatever the strength of this rationale—it is the theory behind patent and copyright law²⁰⁸—its relevance to trademark is less obvious.²⁰⁹ And trademark law treats the need to identify and distinguish oneself in the marketplace as incentive enough for sellers to adopt marks.²¹⁰

Another common economic rationale for property rights, the need to manage resources to maximize yield and/or prevent congestion and overconsumption,²¹¹ is generally seen as a poor fit for copyright and patent law due to impossibility of exhaustion.²¹² Centuries in the public

206. It is also worth noting that very thin marks also hold open the potential for easily resolving cases in the defendant's favor. Returning to the nominative fair use example, if courts rigorously require plaintiffs to establish affirmative acts that suggest sponsorship beyond mere use of the mark, many such cases could be resolved on summary judgment.

207. See, e.g., WILLIAM M. LANDES & RICHARD A. POSNER, *THE ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY LAW* 13 (2003) (“The dynamic benefit of a property right is the incentive that possession of such a right imparts in the creation or improvement of a resource . . . given that no else can appropriate the resource . . .”).

208. U.S. CONST. art. I, § 8, cl. 8.

209. *But see* David W. Barnes, *A New Economics of Trademarks*, 5 *NW. J. TECH. & INTELL. PROP.* 22, 24 (2006) (disagreeing “with the common assumptions that trademarks, unlike expressions and innovations, are private rather than public goods, that there is no market failure in the private provision of source-indicating devices, and that trademark law is fundamentally different from copyright and patent law”).

210. Dreyfuss, *supra* note 69, at 408.

211. LANDES & POSNER, *supra* note 207, at 13.

212. At least back to the founding era, “[n]o one possesses the less [of an idea], because every other possesses the whole of it. He who receives an idea from me, receives instruction himself without lessening mine; as he who lights his taper at mine, receives light without darkening me.” Letter from Thomas Jefferson to Isaac McPherson (Aug. 13, 1813), *in* 6 *THE WRITINGS OF*

domain have not created a tragedy of the commons for Shakespeare. But this rationale for property rights at least rhymes with some of the justifications for trademark protection. COCA-COLA would mean little if anyone could use it to signal source for a soda.²¹³

Stated another way, trademark law, in contrast to copyright and patent law, protects subject matter that *is* congestible to some extent.²¹⁴ But this rationale loses force the further we move from source identification. Here, the classic critiques of intellectual property take effect, including the problem that transaction costs prevent bargaining to permit welfare-enhancing activity by third parties.²¹⁵

These problems take us to the paradox discussed above. A trademark's source-identifying function enables the mark to convey additional information. The more protection that a mark owner receives for this building block, the more constrained these meanings are, potentially impoverishing the information environment. But this tells us little about how to manage the meanings built out of a mark's source-identifying function. Consider dilution doctrine. It is based on the belief that third-party uses of a trademarked term on non-competing products threaten the trademark's ability to function as an identifier even absent a likelihood of confusion. This account is disputed,²¹⁶ but the ability to

THOMAS JEFFERSON 175, 180 (H.A. Washington ed., 1857). This is, of course, a "casual" invocation of Jefferson, but the principle is straightforward even if the skepticism of intellectual property ascribed to Jefferson may have been more nuanced. Justin Hughes, *Copyright and Incomplete Historiographies: Of Piracy, Propertization, and Thomas Jefferson*, 79 S. CAL. L. REV. 993, 998 (2006).

213. And some take this argument further to argue that even non-competing uses have rivalrous characteristics, justifying the dilution doctrine. Barnes, *supra* note 209, at 25.
214. Transaction costs concerning this information, moreover, would seem to be low, consistent with traditional claims for the benefits of property. The owner of the trademark entitlement is generally easy to find, and the scope of basic trademark rights are relatively clear. In many cases transactions over use of the mark as a source identifier will be part of a larger transaction, like the transfer of a product line and the valuation and assignment of its goodwill.
215. See, e.g., LANDES & POSNER, *supra* note 207, at 16 (noting the transaction cost problem in the IP context). Traditionally, trademark law has given little attention to a range of activities that reflect a mark's positive externalities. Goldman, *supra* note 184, at 390–97. The new markets and practices offered by the internet have encouraged trademark holders to explore prior paths not taken. *Id.* at 400.
216. Rebecca Tushnet, *Gone in Sixty Milliseconds: Trademark Law and Cognitive Science*, 86 TEX. L. REV. 507, 546 (2008) ("Given the available evidence, the cognitive model of dilution lacks enough empirical support to justify its adoption as a general theory underlying dilution law. There is still too much we do not know about how consumers process marks in the marketplace. At

glide over difficult factual questions like these is the very appeal of property stories.²¹⁷

Alternatively, we might have faith that a mark's core meaning will survive unauthorized invocations of a mark's extended meaning. Even if such uses create harm, other laws may pick up the slack. False advertising law, for example, addresses situations in which a competitor uses the stable source signal of a mark to say something about the markholder. To some extent, trademark law recognizes this by channeling many nominative claims into false advertising law.²¹⁸

Likewise, external factors may protect trademark meaning from the effect of unauthorized uses. For example, trademark cases used to be more concerned with the prospect that the use of another's trademark in a domain name might undermine the strength of the mark or cause consumer confusion. Two developments removed much of the pressure for a response from traditional trademark law. First, new regulations, both public and quasi-public, emerged as an alternative avenue for trademark owners to press their case.²¹⁹ Second, the rise of search engines undermined the fear that consumers had no option other than guessing at domain names in order to find the sites belonging to trademark holders.²²⁰ These developments have perhaps made it easier for courts to see that many third-party uses of trademarks in domain names could themselves broaden the availability of information to consumers.²²¹

The property skeptic might also focus on the need for stable source meaning as a building block for other uses. It generates the externality of other meanings. To the extent that these spillovers may be harmful, other regimes and devices are a better fit for dealing with the fallout than trademark law. I have argued elsewhere that compartmentalizing

a minimum, we cannot predict that any particular dilutive use will produce the difficulties posited by the cognitive model.”).

217. See *supra* Part II.A.

218. Grynberg, *supra* note 205, at 1479. I have argued elsewhere that trademark law could be yet more aggressive on this front. *Id.* at 1470–93.

219. See *infra* notes 231–246 and accompanying text.

220. Toyota Motor Sales, U.S.A., Inc. v. Tabari, 610 F.3d 1171, 1178 (9th Cir. 2010) (“When people go shopping online, they don’t start out by typing random URLs containing trademarked words hoping to get a lucky hit. They may start out by typing trademark.com, but then they’ll rely on a search engine or word of mouth.”).

221. *Id.* at 1180 (concluding that domain names “buyorleaselexus.com and buy-a-lexus.com” when used by autobrokers was potential nominative fair use under Ninth Circuit doctrine because “it’s enough to satisfy our test for necessity that [defendants] needed to communicate that they specialize in Lexus vehicles, and using the Lexus mark in their domain names accomplished this goal”).

questions in this way—which effectively treats trademark law as a modular part of consumer information law—benefits both trademark law and the larger consumer information “ecosystem.”²²² Limiting trademark law’s concern, to the extent possible, to questions of source meaning, ensures that existing trademark doctrine is oriented in a coherent direction. When trademark law is asked to do more, its tools may become misaligned, creating uncertainty when doctrines like the multifactor test are contorted to apply to situations that are unlike the source confusion setting for which they were designed.²²³

This is an alternative way to apply modularity to trademark law—in this case by minimizing the interactions between trademark doctrine and the rest of consumer information law by narrowing its focus. Others may find the simpler modularization is to let trademark owners resolve matters by giving them thick protection. Both approaches simplify matters, which suggests again that judicial shifting between the two is unsurprising. Even the property-skeptical account, however, recognizes the importance of strong protections with respect to core source meanings.

III. ONE APPROACH TO CALIBRATION

The purpose of this Article has been to consider what calibrations of thickness of trademark protection tell us about the operation of trademark law. The above discussion posits that the overlapping meanings embodied by trademarks present an information management problem. Its complexity creates the urge to accord marks thick, property-like protection, but this urge is impossible to pursue fully in practice. The resulting tension produces instability in trademark doctrine. These claims are descriptive. They do not depend on any particular policy view about the proper scope of trademark law.

This Part shifts to the normative and argues that courts should adjust trademark thickness based on the kind of information that the trademark holder seeks to protect. Thick protection makes more sense the closer one is to trademark’s source-identifying core, but less so the further one moves away from it. At the very least, threats to peripheral meanings should not be easier to prove than those directed at the core. But if certain meanings must be added to the trademark holder’s dominion, the expansion should be isolated from the rest of trademark law. This can be done by carving narrow doctrinal pockets in which protection is thick but restricted to a narrow context.

A. Managing Externalities

A trademark’s ability to embody extended meanings depends on its threshold capacity to identify source. Clearing that threshold entitles

222. Grynberg, *supra* note 205, at 1470–93.

223. *Id.* at 1486–88.

the mark to the legal protection that preserves that function. It follows that trademark protection should be thickest when a mark's source-identifying function is at issue. Providing a stable base of meaning enables others to use, attach, and develop extended meanings connected to the mark. These add-on meanings become more difficult to create if the base is unstable. Commentary about APPLE computers is meaningful because APPLE has a stable source meaning. Likewise, a CHEWY VUITON dog toy loses its humor if the target audience lacks a reliable association with LOUIS VUITTON.²²⁴

In the latter case, the trademark holder tried, and failed, to assert control over the parodic use. Louis Vuitton used dilution law to claim that the alternative use actually posed a threat to source identification. Rejecting that argument assumes that thickness of protection at the mark's source identifying core provides enough incentive for markholders to create a stable platform of meaning from which other meanings flow.²²⁵

If a mark's source meaning is secure, the case for protecting non-source meanings from third-party use will often be suspect. Many of these uses rest on the source-identification function of the mark. They are, in essence, externalities of the mark's creation, some positive, some negative. Shifting the thickness of a mark's protection is one vehicle for courts to control how much of the mark's information the holder is able to control and how much others are free to use. *Maker's Mark* and *Louboutin* reflect two differing approaches. The *Louboutin* court left more room for positive externalities to develop. The thick core/thin periphery perspective suggests that *Maker's Mark*, by contrast, struck the wrong balance.

But to the extent a use of a mark's extended meaning is harmful and worth enjoining, trademark doctrine should be circumspect about the method used to halt it, lest other, positive externalities be inhibited. Interventions of this sort should be limited to the contexts that generate them. As discussed below, granting thick protection in constrained settings may be a means to this end.

224. *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252, 267 (4th Cir. 2007) (holding that a dog toy named "Chewy Vuiton" was unlikely to dilute the LOUIS VUITTON mark and noting that "by making the famous mark an object of the parody, a successful parody might actually enhance the famous mark's distinctiveness by making it an icon. The brunt of the joke becomes yet more famous.").

225. *But cf. Barnes*, *supra* note 209, at 25 (arguing that "[b]ecause trademarks have the non-rivalrous characteristic of public goods in some uses and at least partially rivalrous characteristics in other uses, an unregulated private market is unlikely to provide optimal incentives to produce trademarks").

B. Back to the Future

Trademark law past and present provides several examples of thick protection for source meaning, but thin protection for meanings built from the root of source identification. This approach simplifies litigation while protecting beneficial trademark externalities.

1. Past

Courts once doubted that trademark rights should extend beyond source confusion in a mark's home market.²²⁶ But within trademark's old core, marks were perhaps thicker than they are today. All that was necessary for infringement was sharing a market plus mark similarity. The law assumed the rest.²²⁷

Once trademark rights expanded into non-competing markets to create liability for confusion beyond matters of source, trademark law developed a more complex analysis. Rather than simply consider similarity, infringement claims for goods in differing markets required the analysis of what became the modern multifactor likelihood of confusion test. These tests considered other contextual factors, among them the likelihood that the products or services would enter the same market (bridge the gap). In time, however, the multifactor test came to apply to *all* infringement cases, even those in which there was no gap to bridge.²²⁸

226. See *supra* notes 41-53 and accompanying text.

227. Robert G. Bone, *Taking the Confusion Out of "Likelihood of Confusion": Toward a More Sensible Approach to Trademark Infringement*, 106 NW. L. REV. 1307, 1322 (observing that in the late 1800s "[a]nyone who used an identical or nearly identical mark on directly competing goods infringed the owner's property right and was liable without regard to likely confusion"). But the property-like protection was mitigated by its narrowness insofar as goods needed to be competing. The parallel law of unfair competition, moreover, imposed greater burdens on protection, requiring that trade names develop secondary meaning and that there be a likelihood of confusion before a court would provide any remedy. *Id.* Even as the distinction between trademark and unfair competition law began to erode and likelihood of confusion became the focus of both regimes, "the old terminology remained, and so too did the assumption that 'trade-marks' (i.e., fanciful, arbitrary, and suggestive word marks) had a stronger claim to protection than 'trade names' (i.e., descriptive, geographic, and personal name marks)." *Id.* at 1323. Likewise, the Restatement used two different multifactor tests, "one [with four factors] for 'confusing similarity' when products compete and the other [with nine] for 'confusing association' when products do not compete." *Id.* at 1318 (discussing the Restatement of Torts as published in 1938).

228. 4 MCCARTHY, *supra* note 15, § 24:57 ("By 1988, the *Polaroid* factors, developed to analyze cases of alleged infringement by noncompetitive goods, was adopted for use in cases of competing goods as well."). To be sure, Professor McCarthy notes the existence of some cases in which courts glide over the application when the marks are identical and in the same market. *Id.* at § 24:32 ("But some courts in the Second Circuit will by-pass the

Uniting all infringement analyses under the multifactor umbrella was arguably perverse for reasons discussed in part above. Considerations of context are perhaps the least necessary in a source confusion case where the products compete; mark similarity ought to do the job. But the test evolved to encompass other considerations, including issues applicable to sponsorship confusion.²²⁹ A test designed to consider the harms of passing off and sponsorship confusion is ill-suited for considering claims away from trademark's traditional core. Thus, we have the strange results where courts sometimes give thicker protection to a mark in a context in which harm seems less likely.²³⁰ The old approach of relatively thick protection in source confusion cases might have allowed for a more tailored analysis elsewhere.

2. Present

Calibrating thickness of protection to protect trademark externalities may also explain more recent evolutions of trademark doctrine.

a. Domain Names

The rise of the internet as a marketing channel in the 1990s created the issue of how to manage trademarks as part of a domain name. The issue included both garden-variety infringement suits in which marks appeared in domain names²³¹ as well as so-called “cybersquatting,” the name given to the practice of registering a domain name in hopes of extracting compensation from a trademark holder.²³² These questions seemed urgent in part because the rush to register valuable names often

Polaroid eight-factor test to find infringement when the marks are identical and the goods are directly competitive.”). This is not to say that the doctrinal difference necessarily works a great change in practice. A study of judicial application of the multifactor tests reveals that mark similarity is the factor that is most likely to be outcome determinative. Beebe, *supra* note 18, at 1600.

229. Bone, *supra* note 227, at 1317–19 (describing the early Restatement approach, which “used two distinct multifactor tests, one for ‘confusing similarity’ when products compete and the other for ‘confusing association’ when products do not compete”); *id.* at 1332 (noting that Judge Friendly’s *Polaroid* opinion relied in part on both Restatement approaches) (discussing *Polaroid Corp. v. Polarad Elec. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961)).

230. See *supra* notes 123–134 and accompanying text.

231. See, e.g., *Brookfield Comm’n, Inc. v. West Coat Entm’t Corp.*, 174 F.3d 1036, 1055 (9th Cir. 1999).

232. See, e.g., *Lockheed Martin Corp. v. Network Solutions, Inc.*, 985 F. Supp. 949, 959 (C.D. Cal. 1997) (defining cybersquatter as “an entrepreneur who made a business of registering trademarks as domain names for the purpose of selling them later to the trademarks’ owners”).

left someone other than the trademark holder with the domain name that used the term.

This created instability in trademark law, in part because courts had a strong intuition that trademark holders ought to control domain names built out of the marks.²³³ Their opinions often did the job of shifting control over the domain names from the registrant to the trademark holder, but at the expense of stretching preexisting notions of trademark infringement and dilution. The resulting precedents reached beyond cybersquatting to also threaten expressive activities (e.g. “sucks” sites) and the use of trademarks in domain names to promote complementary or ancillary services.²³⁴ They also sometimes ignored context critical to normal trademark litigation in their haste to reassign the domain name,²³⁵ which is to say courts wanted to give trademarks thick protection with respect to domain names.²³⁶

Two intervening developments relieved some of the pressure on trademark doctrine by allowing thick protection in a narrower class of domain name cases. Congress passed the Anticybersquatting Consumer Protection Act (ACPA),²³⁷ and the Internet Corporation for Assigned Names and Numbers (ICANN)²³⁸ adopted the Uniform Dispute

233. *Avery Dennison Corp. v. Sumpton*, 999 F. Supp. 1337, 1338 (C.D. Cal. 1998) (“Like all ‘cybersquatters,’ defendants usurp *all* of the accepted meanings of their domain names, so as to prevent others from using the same domain names in *any* of their accepted meanings.”), *rev’d* 189 F.3d 868 (9th Cir. 1999).

234. *See generally* Hannibal Travis, *The Battle for Mindshare: The Emerging Consensus that the First Amendment Protects Corporate Criticism and Parody on the Internet*, 10 VA. J.L. & TECH. 3, 17–29 (2005) (describing the development of trademark liability for corporate criticism or parody websites).

235. *See, e.g., Avery Dennison Corp.*, 189 F.3d at 877 (reversing summary judgment on behalf of trademark owners for, among other things, failing to establish that plaintiff marks were famous under dilution statute).

236. In litigation involving domain names, the Ninth Circuit once took the view that in cases involving trademarks on the internet, a “troika” of factors—(1) mark similarity (2) product relatedness, and (3) “the simultaneous use of the Web as a marketing channel”—were particularly relevant. *GoTo.com, Inc. v. Walt Disney Co.*, 202 F.3d 1199, 1205 (9th Cir. 2000). The court has since realized the overbreadth of this view with respect to internet cases, but has indicated that the “troika” remains relevant to domain-name cases. *Network Automation, Inc. v. Advanced Sys. Concepts, Inc.*, 638 F.3d 1137, 1148 (9th Cir. 2011).

237. Anticybersquatting Consumer Protection Act of 1999, Pub. L. No. 106-113, 113 Stat. 1501A-545. ACPA is housed in the Lanham Act provisions of the U.S. Code, 15 U.S.C. § 1125(d) (2012).

238. ICANN’s functions include coordinating the internet’s domain name system. *See generally, e.g.,* Internet Corp. for Assigned Names and Nos., *About ICANN*, ICANN.ORG, <https://www.icann.org/resources/pages/welcome->

Resolution Policy (UDRP).²³⁹ Both regimes enable trademark owners to compel the transfer of trademark-based domain names—one through a cause of action, the other through an arbitration proceeding.

ACPA and the UDRP have similar standards. In essence, both reduce the inquiry to three questions: (1) Is the domain name “confusingly similar” to the mark?²⁴⁰ (2) Does the registrant have rights to the trademarked term?²⁴¹ and (3) Is the registration in good faith?²⁴² Though some of these questions open the door to factual parsing,²⁴³ the net effect is to thicken trademark protection in the domain name context by removing the question of likely consumer confusion—and all the contextual development that comes with it—from the analysis.

I have argued elsewhere that the creation of these trademark-protections, which supplement the traditional trademark causes of action, gave breathing space within trademark law for the use of trademarks in domain names (as well as removing an incentive to stretch trademark law to reach purported cybersquatting).²⁴⁴ Once TRADEMARK.com was deemed to belong to the trademark holder, it

2012-02-25-en [<https://perma.cc/9KL8-ZXB6>] (describing ICANN’s role in coordinating internet domain names).

239. Internet Corp. for Assigned Names and Nos., *Uniform Domain Name Dispute Resolution Policy*, ICANN.ORG, <http://www.icann.org/en/help/dndr/udrp/policy> [<https://perma.cc/8VNN-99RM>].

240. 15 U.S.C. § 1125(d)(1)(A)(ii)(I) (2012); *Uniform Domain Name Dispute Resolution Policy*, *supra* note 239, at 4(a)(i).

241. 15 U.S.C. § 1125(d)(1)(B)(i)(I) (2012); *Uniform Domain Name Dispute Resolution Policy*, *supra* note 239, at 4(a)(ii).

242. 15 U.S.C. § 1125(d)(1)(A)(i) (2012); *Uniform Domain Name Dispute Resolution Policy*, *supra* note 239, at 4(a)(iii).

243. ACPA lists a range of factors to be considered in assessing bad faith, 15 U.S.C. § 1125(d)(B)(i) (2012). Some of them, however, may be balanced with little factual development. *See, e.g., id.* (listing as factors whether the domain name registrant has trademark rights in the term, are known by it, or have previously offered goods under it, as well as the provision of false contact information in registering the name or the offer to sell or transfer the name). Likewise the bad-faith inquiry of the UDRP could be highly contextual, but in practice often is not. *See Amy Bender, UDRP Opinion Guide*, BERKMAN CENTER FOR INTERNET & SOCIETY (2002), <http://cyber.law.harvard.edu/udrp/opinion/btext.html> [<https://perma.cc/H4DU-DYWD>] (collecting examples of UDRP rulings on bad-faith issue).

244. *See Porsche Cars N. Am., Inc. v. Porsche.net*, 302 F.3d 248, 261 (4th Cir. 2002) (“We may and do conclude that the enactment of the ACPA eliminated any need to force trademark-dilution law beyond its traditional bounds in order to fill a past hole, now otherwise plugged, in protection of trademark rights.”); *Sporty’s Farm L.L.C. v. Sportsman’s Mkt., Inc.*, 202 F.3d 489, 497 (2d Cir. 2000) (“[W]e think it is clear that the new law was adopted specifically to provide courts with a preferable alternative to stretching federal dilution law when dealing with cybersquatting cases.”).

became easier for courts to countenance expressive uses like TRADEMARKisaterribleproduct.com or complementary ones like wesellTRADEMARK.com.²⁴⁵ Because of the thick protection accorded in response to the narrow question (who gets TRADEMARK.com?), courts could give the mark thinner protection in other contexts where source confusion would be less likely.

Domain names that incorporate trademarks reflect the positive externalities that come from a source-identifying mark. The information content of LEXUS means that buyorleaselexus.com conveys information that buyorleasejapanesecars.com cannot. Stretching standard infringement doctrine to reach such domain names threatens these externalities by giving marks protection that is both internally and externally thick.

ACPA and the UDRP together have the potential of creating a more calibrated trademark regime. There is an effective property right to TRADEMARK.com, but it is linked to a use in which the trademark is more likely to be conveying a source signal. Beyond that, courts are free to balance interests. Stated another way, protection for TRADEMARK.com is externally thick, but internally thin. The importance of context is comparatively limited if the defendant uses TRADEMARK.com, but the range of equivalents protected by the courts can be relatively narrow.²⁴⁶ Room remains for wesellTRADEMARK.com. This enables uses that take advantage of a mark's externalities while preserving whatever special signal inheres to TRADEMARK.com.

b. Dilution

A 2006 amendment changed federal dilution law to require only a "likelihood" of dilution by blurring or tarnishment rather than requiring the plaintiff to prove that dilution had actually occurred.²⁴⁷ This was no small change, as dilution, and the consumer mental process that

245. Grynberg, *supra* note 205, at 1485.

246. *See Toyota Motor Sales, U.S.A., Inc. v. Tabari*, 610 F.3d 1171, 1179 (9th Cir. 2010) ("Outside the special case of trademark.com, or domains that actively claim affiliation with the trademark holder, consumers don't form any firm expectations about the sponsorship of a website until they've seen the landing page—if then."). *But see id.* at 1185 (Fernandez, J., concurring) (disagreeing with the majority on this point).

247. Trademark Dilution Revision Act of 2006, Pub. L. No. 109-312, 120 Stat. 1730 (codified as amended in scattered sections of 15 U.S.C.) (amending 15 U.S.C. § 1125(c) to make actionable acts causing a likelihood of dilution). The old statute authorized suit against a use that "causes dilution" of a famous mark. Federal Trademark Dilution Act of 1995, Pub. L. 104-98, § 3(a), 109 Stat. 985. In *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 433 (2003), the Supreme Court held that that meant a plaintiff must prove actual, rather than likely, dilution.

produces it, is conceptually elusive.²⁴⁸ Proving a harm you can't define is never easy.

Nor is sitting in judgment of the claim. Knowing when a mark has been blurred is hard enough without engaging in predictions about when the harm becomes likely.²⁴⁹ As a result, some courts treat famous marks as externally thick in dilution cases, gliding over the tricky factual question with comparatively simple inquiries as to whether the defendant's mark is sufficiently similar to a famous mark. If so, there is likely dilution; if not, there isn't.²⁵⁰

This is effectively the modular story of trademarks in that it uses property rights to let the mark owner manage uses that might affect distinctiveness. As an externality management device, this might make sense if the dilution story is true. That is, if it is really possible for VISA the credit card to lose distinctiveness as a result of a language tutoring service called eVISA,²⁵¹ then allowing the credit card company to have expanded rights preserves the positive externalities of other third-party uses. And even if the dilution story is bogus, the harm of the claim is minimized if the mark's protection is internally thin. Enjoining eVISA is one thing, even if mistaken, but blocking VISALANGUAGE would be quite another.

c. Intermediary Liability

If domain names and dilution reflect a thickening of trademark protection for uses seen as implicating source-related meaning, the development of the case law for online intermediaries shows the potential for thinning protection with respect to more extended meanings.

This shift is noted above in the discussion of the increasing judicial comfort with using trademarks to identify product categories online.²⁵² Keyword advertising and related activities reflect the high positive

248. See Tushnet, *supra* note 216, at 546.

249. *Id.* at 544–45.

250. *Compare* Visa Int'l Serv. Ass'n v. JSL Corp., 610 F.3d 1088, 1091 (9th Cir. 2010) (declining to reach issue of admissibility of dilution plaintiff's market surveys and expert testimony because a dilution plaintiff "may rely entirely on the characteristics of the marks at issue" and defendant presented no evidence "to rebut the inference of likely dilution created by the strength and similarity of the marks"), *with* Starbucks Corp. v. Wolfe's Borough Coffee, Inc., 736 F.3d 198, 211 (2d Cir. 2013) (affirming verdict that CHARBUCKS not likely to dilute STARBUCKS for coffee and observing that the upheld finding of minimal similarity between the marks "weighs heavily in [defendant's] favor. Certainly, a plaintiff may show a likelihood of dilution notwithstanding only minimal similarity. But here, minimal similarity strongly suggests a relatively low likelihood of an association diluting the senior mark.").

251. *Visa Int'l Serv. Ass'n*, 610 F.3d at 1092.

252. See *supra* notes 184–199 and accompanying text.

externalities that trademarks generate. A mark is capable of simultaneously signaling both product source and a product's category. That is, a search on a trademarked term may be for a specific product (e.g., TYLENOL) or products in that category (e.g., drugs containing acetaminophen, the generic term for TYLENOL's active ingredient).²⁵³

Courts seem to be drifting to a position of accepting keyword advertising. Although stopping short of immunizing the practice from trademark challenge, they increasingly demand a close look at the surrounding circumstances, indicating thin protection for the evocation value of the marks in question.²⁵⁴ In *Tiffany Inc. v. eBay Inc.*,²⁵⁵ for example, the jewelry seller sought to shut down eBay's use of its marks to advertise and list sales of branded merchandise. Tiffany's specific complaint stemmed from the fact that many listings of TIFFANY products on eBay were for counterfeits, but it still attacked eBay for *direct* infringement by (truthfully) advertising the presence of Tiffany-branded goods on the site and using the trademarked term on its site.²⁵⁶

The Second Circuit dismissed out of hand the notion that eBay's use of the TIFFANY trademark constituted direct trademark infringement.²⁵⁷ The only real trademark claim (on which eBay also prevailed) was with respect to the more contextual question of whether eBay was liable for contributory infringement. The court concluded that eBay could not be liable without actual knowledge of specific infringing acts. Merely using the mark was not enough.²⁵⁸

By evaluating claims like Tiffany's with more context-oriented doctrines, the courts are in effect reducing or eliminating consideration of the internal thickness of the marks at issue. It is not enough that the defendant appropriates them in full. She must also do something more

253. Grynberg, *supra* note 67, at 111–12.

254. *See supra* notes 196–197 and accompanying text. It is also worth noting that in these cases the mark only receives internally thin protection as well insofar as suits for keyword advertising and related practices generally come about only if someone buys the trademark qua trademark as a keyword. The interesting development from the early initial interest confusion cases to today is that courts have started to give the marks considerably thinner external protection as well.

255. 600 F.3d 93 (2d Cir. 2010).

256. *Id.* at 101–02.

257. *Id.* at 103 (observing that eBay “used the mark to describe accurately the genuine Tiffany goods offered for sale on its website”); *id.* at 102–03 (“We have recognized that a defendant may lawfully use a plaintiff's trademark where doing so is necessary to describe the plaintiff's product and does not imply a false affiliation or endorsement by the plaintiff of the defendant.”).

258. *Id.* at 103–10.

that will result in consumer confusion, a determination that is made by looking beyond the trademark.²⁵⁹

CONCLUSION

Just because ambiguities of language and meaning are trademark law's stock in trade does not mean trademark law is always sure about how to deal with them. The wide range of interconnected messages and interpretations enabled and embodied by trademarks persistently complicates litigation about the Lanham Act's scope and application. One way that judges manage the resulting information problems is by avoidance. They calibrate the thickness of protection given to a mark, adjusting the amount of context necessary for liability in a way that allows simple case dispositions. The practice complicates doctrinal development, but its appeal might be explained as an attempt to manage information. This explanation overlaps with descriptions of property rights as an information-management tool. On this logic, the problem of thickness of protection unifies trademark's information problem with the longer historical debate about the extent to which trademarks should be treated as a form of property.

The problems with treating trademarks as property are well known and they apply to calibrations of trademark thickness. The property shortcut creates sufficient problems in application that judges cannot follow it to its logical conclusion, but the temptation to start down the road is nonetheless strong. This creates a push/pull dynamic that exacerbates policy tensions within trademark law.

Given that descriptive point, there may not be much to say normatively. This Article nonetheless argues that the case for thick trademarks is strongest at trademark's traditional core, to preserve the source signal from which other meanings are built. Building on this point, to the extent trademark law feels the need to do more, it is preferable to carve out pockets in which protection is strong but narrow and the exception is largely isolated from the general operation of trademark law. The mixed public and private regimes governing domain names is an example of this approach, which might be generalized to other doctrines. For example, perhaps the merchandising right is here to stay, but if so, it will be less disruptive to trademark law if

259. One might rejoin that *Tiffany* was nonetheless a case about source insofar as Tiffany objected to the sale of counterfeit merchandise. But the claim was against eBay, not the sellers of fake jewelry. By bragging of the availability of TIFFANY jewelry, eBay invoked extended meanings of Tiffany as connotative of a high-class product or a famous brand name. eBay in turn could use those meanings to paint itself as a marketplace for those kind of goods. *Cf. Multi Time Mach., Inc. v. Amazon.com, Inc.*, 804 F.3d 930, 933 (9th Cir. 2015), cert. denied, 136 S. Ct. 1231 (2016) (“By going beyond exactly matching a user’s query to text describing a product, Amazon’s search function can provide consumers with relevant results that would otherwise be overlooked.”).

restricted to the classic merchandising case (e.g., a logo-bearing baseball cap) without spilling into other arenas in which a trademark owner might claim confusion as to its approval of the mark's use.

More optimistically, we might confront the policy questions addressed by thickness calibrations more directly. We may have differing views about the level of propertization appropriate to give us the information landscape that we want. But whether your vision of the ideal is best accomplished by robust or non-existent property rights, it is important to appreciate the extent to which courts mask these determinations in other inquiries. Policy choices should be seen for what they are.