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RESPONSE

THE SCOPE OF TRADEMARK LAW IN THE AGE OF THE BRAND PERSONA

*Laura A. Heymann**

A description of a typical trademark infringement suit begins with the assumption that acquiring a desired product in the marketplace involves a search process, which incurs costs in terms of time spent, cognitive attention, and other resources. Consumers use trademarks as heuristics to reduce the amount of these costs. The trademark Levi's, for example, allows a consumer to quickly find the jeans she knows fit her well without having to try on multiple pairs each time she goes to the department store. (This, of course, assumes that Levi Strauss & Company maintains the same design for its jeans over time, which trademark law does not obligate it to do.) Trademark law uses the concept of "consumer confusion" to describe a scenario in which the ability of a trademark to function as a shorthand is called into question because more than one producer is using the mark to brand its product. Thus, the theory goes, if we eliminate uses of trademarks that lead to "confusion" among consumers—the unauthorized Levi's jeans, for example—we will stave off "search costs."

Professor Mark McKenna's article "A Consumer Decision-Making Theory of Trademark Law"¹ brings welcome attention to what has become an increasingly unhelpful vocabulary. As he notes, the terms "confusion" and "search costs" are not always useful ways of charac-

* Class of 2014 Professor of Law, College of William & Mary – Marshall-Wythe School of Law. Many thanks to John Alford, Mark Badger, Mark McKenna, and Jeremy Sheff.

¹ 98 Va. L. Rev. 67 (2012).

terizing the harms that result from trademark infringement. Consider, for example, the typical trademark infringement case, in which the defendant's use of the plaintiff's trademark misled the consumer into buying the impersonator's product in lieu of the trademark holder's product. Characterizing the defendant's actions in this scenario as unfair competition is uncontroversial because the defendant took business away from the trademark owner through duplicity rather than through persuasion. But trademark law doesn't actually tell a nuanced story about the nature of the consumer's harm. Perhaps the consumer was ultimately pleased with her purchase, despite the fact that it was not what she initially intended to buy. Perhaps it is enough that she was provided with false information, regardless of her ultimate assessment of the product. Perhaps she will henceforth distrust the Levi's trademark and instead try on several pairs of jeans to find the fit she likes or give up and turn to a different type of clothing altogether. Trademark law typically doesn't delve too deeply into these questions, using "confusion" and "search costs" to characterize the various possibilities instead. A better sense of the harm that trademark law is supposed to remedy (and why it constitutes a harm) may not be crucial in a fake Levi's scenario, but it becomes increasingly important the more the fact pattern moves away from the prototypical to more expansive theories of infringement.

Moreover, many instances in which search costs or momentary consumer confusion do arise ultimately cause consumers no difficulties or are seen as acceptable obstacles to a purchasing decision. The trademark "Delta" is used both with airlines and with faucets and so results in greater search costs than would occur under a trademark system that allowed each mark to be used by only one producer. Entering the term into a search engine, for example, might require additional time spent in going to the second or third item on the list to find the desired result. But trademark law doesn't prohibit the two companies from using the same mark despite its broad references to "search costs" and "consumer confusion."

As Professor McKenna demonstrates, glossing over these fact patterns with general references to "confusion" or "search costs" risks a trademark law that is not sufficiently attentive to consumer interests. Indeed, as he notes, overprotection can work its own harms to consumers, depriving them of information that allows them to make decisions in the marketplace. Thus, Professor McKenna suggests,

trademark law should abandon its unhelpful vocabulary and focus instead on a core purpose: to protect consumers by prohibiting uses of another's trademark that are likely to *deceive* consumers engaged in purchasing decisions, without targeting uses that merely waylay, influence, or inform consumers.²

Although I share Professor McKenna's views in this regard,³ I add here one note of caution: that we should be careful not to let these concerns cause us to take too narrow a view of the interests that are potentially at stake. Here and in previous work,⁴ Professor McKenna has taken the position that the harms to be avoided are instances in which consumers are misled into acquiring goods or services from producer *B* as a result of *B*'s unauthorized use of producer *A*'s trademark. Such harms might occur because *B* has thereby led consumers to believe that *A* is the source of *B*'s goods or services, is responsible for the quality of *B*'s goods or services, or sponsors or otherwise authorizes *B*'s goods or services (although as to this last category, Professor McKenna would require evidence of materiality, as I discuss below). These are all believed to be instances of harm to consumers because each results in consumers' acquisition of goods or services that they would not otherwise have purchased.

Professor McKenna rejects, however, the view that trademark law should also be concerned about instances in which the unauthorized use of producer *A*'s mark is likely to deceive consumers into buying fewer goods or services from *producer A*, regardless of whether it misleads them into dealing with producer *B*. Such harms might occur when, for example, *B*'s use of *A*'s mark to falsely suggest that *A* has endorsed *B*'s goods leads offended consumers to stop doing business with *A*. Professor McKenna's view that such claims are beyond trademark law's proper scope is predicated, I think, on the view that trademark law is fundamentally about consumer protection, and so scenarios involving reputational or related harms to the mark holder are not consonant with that goal. It is true, as I will explain, that evidentiary concerns of the type Professor McKenna has raised are particularly important in dealing with reputation-related

² This, of course, assumes that we have a shared definition of what constitutes deception—for example, whether it requires intent or simply falsity. See, e.g., Gregory Klass, *Meaning, Purpose, and Cause in the Law of Deception*, 100 *Geo. L.J.* 449 (2012).

³ See generally Laura A. Heymann, *The Public's Domain in Trademark Law: A First Amendment Theory of the Consumer*, 43 *Ga. L. Rev.* 651 (2009).

⁴ Mark A. Lemley & Mark McKenna, *Irrelevant Confusion*, 62 *Stan. L. Rev.* 413, 445 (2010).

claims, lest trademark law become an all-purpose remedy for hurt feelings or brand management failures. But simply because a reputation-related claim is expressed in terms of producer injury doesn't mean that such claims don't also have relevance for consumers. Reputation is, after all, the collective judgment of others, and so consumers also have the need—consistent with Professor McKenna's concern for consumer autonomy—for reliable information regarding the companies about which they are forming such judgments.⁵

One might argue that, regardless of any benefit to consumers of policing reputation-related claims, the Lanham Act doesn't currently contemplate such reputational harms as a type of unfair competition. To the contrary, however, the Lanham Act currently provides, in Section 43(a), a cause of action for misrepresentations suggesting sponsorship or approval of one's commercial activities by the trademark owner⁶—in other words, uses that rely on the reputation associated with the mark to deceive consumers who find that reputation to be of value. Professor McKenna reads this statutory language not only to describe the nature of the unlawful act but also to describe the nature of the harm: that consumers will thereby be misled into purchasing the defendant's goods or services.⁷ (Professor McKenna would also require proof that the deception was material to the purchasing decision in such cases.⁸) Hence, he contends—no doubt correctly—that few consumers will decide “whether to see *Dickie Roberts: Former Child Star* based on whether they thought Wham-O gave the movie's producers permission to suggest that one of the characters was injured on a Slip 'N Slide,”⁹ just as no one will base their decision on whether to see the film *Dairy Queens* on whether they think the ice cream chain has approved it.¹⁰ Similarly, in cases involving false assertions of celebrity endorsement, the question, according to Professor McKenna, is whether the use of the celebrity's identity “might be material to consumers' decisions to

⁵ Laura A. Heymann, *The Law of Reputation and the Interest of the Audience*, 52 B.C. L. Rev. 1341, 1349–50 (2011).

⁶ 15 U.S.C. § 1125(a)(1)(A).

⁷ McKenna, *supra* note 1, at 132 n.198.

⁸ Lemley & McKenna, *supra* note 4, at 445.

⁹ McKenna, *supra* note 1, at 84 (discussing *Wham-O, Inc. v. Paramount Pictures Corp.*, 286 F. Supp. 2d 1254 (N.D. Cal. 2003)).

¹⁰ *Id.* at 125 (discussing *Am. Dairy Queen Corp. v. New Line Prods.*, 35 F. Supp. 2d 727 (D. Minn. 1998)).

purchase the goods or services they think the celebrity has endorsed.”¹¹

But it’s not clear why, unless one has a particular view of what constitutes consumers’ interests, Section 43(a) would not also support a claim that the defendant’s unauthorized use of the plaintiff’s mark would be likely to have a material effect on consumers’ decisions regarding future dealings with the plaintiff. The singer Tom Waits, to take one example, brought suit under Section 43(a) of the Lanham Act over Frito-Lay’s use of a voice impersonator who sounded like Waits in a Doritos radio commercial.¹² Waits, who had taken a public stand against commercial endorsements on the grounds that such endorsements compromised artistic integrity, claimed that listeners would assume that Waits was endorsing the chips. The alleged harm in the case, and the focus of the court’s analysis, was not whether the use of the soundalike was likely to cause consumers to buy more Doritos (although we can presume Frito-Lay thought that would be the case). Rather, the alleged injury related to Waits’s consumer base: having long taken a stand against commercial endorsement, Waits was concerned that his fans would now think that he had sold out (and, presumably, stop buying his music based on this erroneous implication). Waits could not have prevailed on his claim if such reputational interests had been outside the scope of the Lanham Act.¹³

Alternatively, one might argue that even if such claims are theoretically available, it is simply not the case that the unauthorized use of one company’s trademarks on an unrelated product will cause reputational harm to the plaintiff.¹⁴ It is almost certainly true as an evidentiary matter that no reputational harm to the plaintiff took place in the cases that Professor McKenna highlights—that no one stopped buying Slip ’N Slides or Dairy Queen sundaes simply because they disapproved of the company’s alleged association with the films in question. But as the Lowe’s retail chain found out in

¹¹ Lemley & McKenna, *supra* note 4, at 452.

¹² *Waits v. Frito-Lay*, 978 F.2d 1093 (9th Cir. 1992).

¹³ For purposes of this discussion, I am putting aside the extent to which the U.S. Supreme Court’s decision in *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003), affects authorship-related claims going forward.

¹⁴ Lemley & McKenna, *supra* note 4, at 436–37 (concluding that “any harm to producers from confusion about sponsorship or affiliation is quite attenuated: producers suffer no lost sales, and they are unlikely to suffer any reputational consequences absent additional information suggesting control over the partner”).

2011, when it faced protests after withdrawing its sponsorship of the television program *All-American Muslim*, consumers may well base their purchasing decisions on a company's perceived sponsorship or endorsement relationships.¹⁵ The evidence may therefore be case specific; this, coupled with the risk of broad claims by mark owners, might counsel (consonant with Professor McKenna's general proposal) that proof of materiality be required in each instance.¹⁶ But the fact that reputational harms may not always be present is not a reason, in itself, to rule them outside the scope of the Lanham Act.

Finally, one might argue that even if reputational harms exist (and cause related consumer harm), trademark infringement law will be excessively expanded if such claims are recognized. Reputational claims, Professor McKenna seems to suggest, are essentially trademark dilution claims (of the tarnishment variety) dressed in trademark infringement clothing, and so to the extent we are skeptical about the validity of dilution doctrine, we should be equally skeptical of reputational claims.¹⁷ But tarnishment claims lack as their factual predicate the assertion at the core of a Section 43(a) claim: the defendant's false assertion about the relationship between the mark

¹⁵ Stuart Elliott & Brian Stelter, Controversy Drives Advertisers from "All-American Muslim"—Or Does It?, *Media Decoder*, NYTimes.com, Dec. 13, 2011, 8:14 PM, <http://mediadecoder.blogs.nytimes.com/2011/12/13/controversy-drives-advertisers-from-all-american-muslim-or-does-it> (discussing Lowe's decision and resulting protests); see also, e.g., Ken Belson & Richard Sandomir, Insuring Endorsements Against Athletes' Scandals, *N.Y. Times*, Jan. 31, 2010, at D2 (noting that "[i]n the wake of the Tiger Woods scandal, insurers are being inundated with inquiries from corporations seeking to protect their investments, their brands and even their sales when their celebrity endorsers suffer public embarrassment"); Christopher R. Knittel & Victor Stango, *Celebrity Endorsements, Firm Value and Reputation Risk: Evidence from the Tiger Woods Scandal* (Aug. 10, 2012) (unpublished manuscript), available at http://web.mit.edu/knittel/www/papers/tiger_latest.pdf (analyzing drop in market value of companies with endorsement deals with Tiger Woods after revelation of his marital infidelity).

¹⁶ The evidence regarding the reputational effect of unauthorized use of trademarks on unrelated goods is inconclusive. Heymann, *supra* note 5, at 1388 n.168 (citing conflicting views).

¹⁷ Prof. McKenna cites *Coca-Cola Co. v. Gemini Rising, Inc.*, 346 F. Supp. 1183 (E.D.N.Y. 1972), involving an "Enjoy Cocaine" poster, as one such case. McKenna, *supra* note 1, at 107 n.117. But under the court's view of the case, the asserted harm was that consumers would think that Coca-Cola was responsible for the poster and would decline to buy Coca-Cola products as a result. *Gemini Rising*, 346 F. Supp. at 1191 ("[P]laintiff's good will and business reputation are likely to suffer in the eyes of those who, believing it responsible for defendant's poster, will refuse to deal with a company which would seek commercial advantage by treating a dangerous drug in such jocular fashion.").

holder and the defendant. Tarnishment claims, rather, contend that the defendant's use of the plaintiff's mark has created negative associations with the mark; they are predicated on the assumption that consumers understand that the defendant and plaintiff are not related. Such claims do not, therefore, involve consumers' assessment of the mark holder based on (falsely induced) beliefs about the mark holder's activities and, for that reason, are not reputation-related claims.¹⁸

Presented more broadly, however, this third argument merits additional consideration. Perhaps trademark law is not the best doctrine to apply to reputation-related claims, even when harm to consumer autonomy in the decision-making process exists. To the extent, for example, that we construe such claims as alleging false facts about the plaintiff by the defendant, we might resolve such cases as false advertising claims (depending on how broadly we view the concepts of advertising and competition)¹⁹ or as defamation, trade libel, or product disparagement claims. Besides the possible benefit of doctrinal coherence, such claims also have the virtue of jurisprudence that is already attentive to the First Amendment concerns of potential defendants, among other considerations. Nonetheless, I am not yet confident that we can say that unfair competition law is an inapt doctrine to deal with reputation-related claims, particularly given my view that such claims have significance for consumers and audiences due to reputation's inherently social nature.²⁰ We should be cautious, in any event, not to let our desire to move reputational claims outside of trademark law lead us to discount the existence of brand reputational interests altogether.

I raise this concern in part because I think that there is an opportunity for trademark scholarship to devote more time to considering ways in which to reconcile the interests of producers and consumers. We have not yet had enough discussion about first principles, about where we might find trademark law's version of copyright law's "limited times," authorship questions, and fair use considerations—doctrines that require us to consider various competing and intergenerational interests.²¹ Trademark law has long been ready

¹⁸ I explore this further in Heymann, *supra* note 5, at 1397–1400.

¹⁹ Indeed, to the extent consumers have been diverted by such claims in the context of unrelated goods, it is from competing producers in the second market.

²⁰ See Heymann, *supra* note 5.

²¹ The U.S. Supreme Court's copyright decisions in *Eldred v. Ashcroft*, 537 U.S. 186 (2003), *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913 (2005), and

for the same depth of public discussion about creators and audiences, about the intellectual metes and bounds of property rights, and about the development of a positive conception of the public domain that has been so invigorating in copyright law.

For the moment, we can recognize—as Professor McKenna’s work suggests—that our current trademark vocabulary maps uneasily to reality. We are unlikely to return to the days when a trademark functioned simply as an indication of the manufacturer of a particular good. Trademarks today are simply one part of an overall brand experience that aims to transform the brand into a persona, engaging consumers at an emotional level. Consumers, for their part, use trademarks not just as a shorthand for the physical qualities of a product but as a way of signaling their own emotional participation and identity, which then feeds back into the meaning of the brand in a continuous loop.²² So we should not be too surprised when consumers base purchasing decisions on the reputation of the brand—after all, they are responding to the encouragement they are given to view their connection to the brand as a relationship rather than simply as a transaction. Nor should we be too surprised when trademark owners claim to have experienced harms from unauthorized uses of their mark that sound more in defamation or right of publicity rather than diversion of sales. When brands are commonly described as having personalities,²³ and marketers have long talked about brands in anthropological terms, it is not a huge leap for brand owners to claim reputational injury and disruption to self-definition as salient harms. Ideally, then, efforts to reform trade-

Golan v. Holder, 132 S. Ct. 873 (2012), for example, have generated considerably more public debate than its trademark decisions in *Moseley v. V Secret Catalogue*, 537 U.S. 418 (2003), *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003), and *KP Permanent Make-Up, Inc., v. Lasting Impression I, Inc.*, 543 U.S. 111 (2004). On fair use in trademark, see William McGeeveran, *The Trademark Fair Use Reform Act*, 90 B.U. L. Rev. 2267, 2295–96 (2010). The Lanham Act’s antidilution provision does contain a fair use defense, see 15 U.S.C. § 1125(c)(3)(A), but this has not been much litigated.

²² Jonah Berger & Morgan Ward, *Subtle Signals of Inconspicuous Consumption*, 37 J. Consumer Res. 555, 559 (2010) (“The meaning of consumption (e.g., brands, products, and cultural tastes) is not static, and it can shift based on the social identity of the individuals who hold those tastes.”); Deborah R. Gerhardt, *Consumer Investment in Trademarks*, 88 N.C. L. Rev. 427, 455 (2010) (noting that consumers “invest their favorite brands with personal loyalty, developing bonds that mimic the dynamics of personal relationships”); Jeremy Sheff, *Brand Renegades*, 1 N.Y.U. J. Intell. Prop. & Ent. Law 128, 129 (2011).

²³ See, e.g., Jennifer L. Aaker, *Dimensions of Brand Personality*, 34 J. Mktg. Res. 347 (1997).

mark law should take account of the ways in which brand reputation and meaning have become an integral part of the producer-consumer relationship.

Recognizing these kinds of injuries doesn't mean, however, that most such claims are valid or that there aren't competing interests at stake. It is particularly important, given the modern brand persona and the possibility of broad claims by trademark owners, to ensure that adjudication of such claims takes account both of consumers' interest in brand reputation and of consumers' interest in expression. Thus, Professor McKenna's focus on deception and materiality has relevance for these claims as well. The law can, for example, require that the alleged harm to reputation result from a false assertion about the plaintiff or its alleged sponsorship, not merely from critique, parody, or other nonfalsifiable communications. The law can require greater attention to the effect of such assertions on consumer behavior in the marketplace rather than simply taking broad claims at face value, thus ensuring (to the extent possible) that it is reputational harm, and not merely hurt feelings, at issue.²⁴ And we can view the law as having normative force rather than simply descriptive power, shaping consumers' approach to reputation-related assertions by disregarding clearly unreasonable interpretations of such communications.²⁵ Each of these decisions, however, requires a preliminary understanding of the harms we believe the law should care about and, then, a discussion of how existing doctrine might apply to those harms.

To be clear, my differences with Professor McKenna's views are minor. He is quite right, I think, to call for careful attention to the nature of consumers' interests and for legal standards, such as materiality, that help to ensure that alleged harms are worth vindicating. Where we part company, at least for now, is on the question of whether consumers' interests can lie not only in the choices consumers make to *acquire* goods and services in the marketplace but also in the choices they make to *refrain* from buying goods and ser-

²⁴ Professor McKenna rightly criticizes courts that conclude that a false attribution of sponsorship or authorization is harmful, without more, McKenna, *supra* note 1, at 97-98, and is also correct when he suggests that some courts are not careful to determine whether the consumers at issue are indeed likely future purchasers (such as in the post-sale confusion cases), *id.* at 103-04.

²⁵ See Stacey L. Dogan & Mark A. Lemley, *The Merchandising Right: Fragile Theory or Fait Accompli?*, 54 *Emory L.J.* 461, 487-88 (2005) (discussing trademark law's role as a creator, rather than as a reflector, of social norms); Heymann, *supra* note 5, at 1432.

vices. (Such choices are particularly important in markets in which the reputation of the provider may be the key factor driving the consumer's decision-making process.) In my view, by thoughtfully highlighting the artlessness of some of our accepted trademark terminology, Professor McKenna has also implicitly raised additional questions about trademark law's scope in the age of the brand persona. Although there has been important scholarly work on this topic,²⁶ we have not yet had the kind of public discussion of trademark law's purpose and constituencies that we have seen develop around copyright law in recent years. Trademark law is in need of more of that type of engagement.

²⁶ Jessica Litman's article "Breakfast with Batman: The Public Interest in the Advertising Age," 108 *Yale L.J.* 1717 (1999), was particularly prescient in this regard. Jessica Silbey's recent work, in which she provides a qualitative analysis of motivations for creativity (including reputational concerns), is also instructive. Jessica Silbey, *Harvesting Intellectual Property: Inspired Beginnings and "Work-Makes-Work," Two Stages in the Creative Processes of Artists and Innovators*, 86 *Notre Dame L. Rev.* 2091 (2011).