CROWDSOURCING A TRADEMARK: WHAT THE PUBLIC GIVETH, THE COURTS MAY TAKETH AWAY

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ABSTRACT

There is a long tradition of trademark holders relying on the public to create designations that they then adopt as trademark. Historically, this has been a long slow process. From the individual’s use of the term, to the acquisition of secondary meaning could take years. Web 2.0 social media has the potential to speed up this process. Frequently, these are nicknames for well-known brands, so they are potentially quite valuable. Trademark law is ambiguous regarding who owns a designation created by the public, if the individual claiming the mark have not appropriated the mark by actually using it in commerce. Ownership of the mark is one of the elements of a claim of trademark infringement. The Public Use doctrine attempts to solve this problem by imputing the public’s non-commercial use of the designation as a commercial use for the benefit of the referent-mark holder, and so permits the referent-mark holder to appropriate rights in the mark without actually using it in commerce. The Public Use doctrine may not be a sound basis on which to claim a crowdsourced mark; therefore, this article looks at alternative remedies that are available to the referent-mark holder, and concludes unfair competition or infringement by trademark dilution are better remedies.

INTRODUCTION

The crowdsourcing of trademarks is not new. In 1916, Planters Peanuts held a contest to develop its logo. For over a century, contests and competitions to name new products or write new advertising jingles have been a common method of tapping into the “wisdom of crowds.” However, these models of discovering potential trademarks have one salient fact. The crowd (much like an advertising agency) coins the designation; the merchant then appropriates the designation by using it in commerce and thus the merchant transforms the otherwise eligible designation into a protectable trademark. The law governing these cases is traditional principles of trademark law. The ownership of the mark belongs to the merchant; because, the merchant through bona fide use in

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commerce appropriated the mark from the public domain.

Traditionally, this process of the public creating a new designation, that designation acquiring secondary meaning, and then achieving commercial significance took years or even generations. Perhaps, the best example of this is also one of the most valuable global marks COKE. Around 1915, the public, as a nickname, coined the designation Coke for Coca-Cola.\(^1\) Initially, Coca-Cola actively discouraged its use of the designation Coke to refer to its products. Coca-Cola did not embrace the term Coke, until June 1941.\(^2\) One may assume that it took 26 years before the designation Coke achieved sufficient commercial success that the Coca-Cola Company felt a need to formally appropriate the term as a trademark. So, the referent-mark holder could appropriate the newly minted designation at its leisure.

This article theorizes that this process, from the public coining the designation-to-commercial significance will develop increasingly faster as the use of social media becomes seamlessly woven into the public’s (more importantly a consumer’s) social interaction with the brand. Recent, scholarship indicates that only a handful of maven or taste leaders can tip social desirability of a product.\(^3\) Historically, these mavens had to work through connectors and salespeople to get the message out. Social media creates a process of disintermediation to directly reach the end user. Social media now absorbs the connector and salesperson function thus rapidly facilitating new crowd-sourced public designations for existing products. The scope of social media use is also increasing the potential range of a connector-community. This technological change may represent a sea change in the role of the public in creating new commercial significant designations.

Sometimes however a merchant will reject the public’s gift of a designation either by affirmatively discouraging the use of the public’s designation, for example Coca-Cola and IBM, initially discouraged the public’s use of COKE and BIG BLUE respective, or by ignoring the new designation, for example Tarzhay for Target.\(^4\) Overtime, these

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\(^3\) See generally, MALCOLM GLADWELL, THE TIPPING POINT: HOW LITTLE THINGS CAN MAKE A BIG DIFFERENCE (Back Bay Books 2002).

\(^4\) While this Article treats the creation of a public designation as a “gift” to the referent-mark holder, other models such as the consumer investment model, would grant the public limited recognized rights to use the mark base on their economic and emotional investment in a brand and its development. See generally Deborah R. Gerhardt, SOCIAL MEDIA AMPLY CONSUMER INVESTMENT IN TRADEMARKS, 90 N.C. L. REV.
public designations may become as popular (and as valuable) if not more popular than the merchant’s chosen mark. Seizing an opportunity, a competitor may then take steps to appropriate the public’s designation for its own goods or services. A competitor’s use of the designation may result in the loss of some of the goodwill-associated with the designation, the competitor free riding on the reputation of the merchant, and creating a likelihood of consumer confusion or deception. The question is whether this is permissible under the Lanham Trademark Act or does it constitute trademark infringement. Appropriating the designation by the putative trademark holder is the sine qua non of trademark ownership. If trademark ownership does not exist through public’s use of the designation, as between a competitor who has adopted the public designation by its actual bona fide use in commerce and the merchant who was gifted the designation without any use, then, which has priority? Finally, as a matter of public policy should principles of first time, first in right property rights in the trademark trump strongly held policies preventing the likelihood of consumer confusion in resolving these questions.

This article explores the legal issues involved when the crowd, though common or popular use, bestows a new designation on the referent-trademark holder’s goods or services. This issue of the ownership of a public designation as a mark is raised in two ways either as part of a trademark prosecution (opposition or cancellation proceeding) or as part of a trademark infringement suit. The focus of this article is not on the public’s use of an abbreviation or confusing colorable imitation of a trademark which is already clearly prohibited under trademark law, for example “Opry” for the mark “Grand Old Opry,” “Coke” for “Coca-Cola” “Jack” for “Jack Daniel’s” or initials, such as “PP” for “Planned Parenthood” or “IBM” for “International Business Machines” rather it focuses on altogether new designations such as “Hog” for “Harley-Davidson,” “Mickey D” for “McDonalds,” “Big Blue” for “IBM,” or “Tarzhay” or “Tarjay” for

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8 Cf. 15 U.S.C. § 1114(1)(a)(prohibiting the commercial use of a “reproduction, counterfeit, copy, or colorable imitation.”).
9 The mark HOG has been registered by Harley-Davidson for motorcycle repair services. See Registration # 78432092, but it has been abandoned for exhibitions, motorcycle club services, and motorcycle competitions. See Registration # 78431581.
10 McDonald’s has registered the mark MICKEY D’S for clothing and restaurant
Target. These designations are not merely colorable extensions of an already protected mark. Rather, these designations should be analyzed as marks in their own right independent of the senior referent-mark or brand.

The crowd’s gifting of a designation creates potential problems for the recipient merchant. The merchant must decide to reject (abandon) or accept the designation. If the merchant rejects the designation through non-use or running counter advertising, the designation should remain in the public domain. However, if the merchant accepts the designation then as an element of a claim of trademark infringement; the plaintiff must show that the plaintiff’s owns a valid trademark. The law is unclear absent actual bona fide use in commerce, whether the trademark has been appropriated from the public domain, whether use by the public is imputed to the referent-mark holder, and when is the priority date for a crowd sourced mark, some date within the period first used by the public or the actual first use by the referent-mark holder. And of course, what remedies, if any, are there for the authorized use of the public’s designation, if it has not been properly appropriated from the public domain.

This article concludes that if the merchant did not appropriate the designation, a competitor’s use of the designation may be actionable under Lanham Act § 43(a) as a form of unfair competition, but is not be actionable under Lanham Act § 43(a) as trademark infringement. However, the public’s designation, if it has acquired commercial secondary meaning may be a basis on which to oppose or cancel a federal trademark registration. Therefore, this article recommends that sophisticated mark holders should be alert for new public designations of their products and consider appropriating these designations either through the early development common law trademark rights or through services. See Registrations # 74078677 and 73396576

11 The IBM Corp. has abandoned the US registration for the mark BIG BLUE. See Reg. 73741661. IBM used the moniker Big Blue for decades (starting in the 1960s) prior to its trademark registration in 1989. See ERIC SCHMITT, From ‘Big Blue’ to Big Blue: Find Another Name, or Else, NY TIMES, MAY 11, 1989 available at http://www.nytimes.com/1989/05/11/business/from-big-blue-to-big-blue-find-another-name-or-else.html.

12 The author has been unable to find any U.S. trademark registration for the designations Tarjay or Tarzhay. Target’s chief marketing officer describes these terms as a “gift” from customers. See http://video.cnbc.com/gallery/?video=1719878893. However, he also stated that Target would never use these terms. See id.

13 It should go without saying that the author is not opining on the legal rights or status of any of the marks used as examples in this article. Any use of a mark in the article is solely illustrative of a point in the discussion, and the mark was selected solely because the reader is likely to be familiar with the mark.
federal registration, especially if the designation appears poised to become commercially significant. Although this may be easier said than done in an area of instant fame and social media interconnectivity.

I. SOCIAL MEDIA

This Article will develop its thesis that Web 2.0 social media will change the rate at which consumer accept and the rate of growth for commercial significance for public designations based on the existing literature regarding the role of consumers and brand development. If the public can develop a brand, destroy a brand then surely the public can create nicknames for products that will quickly catch on and achieve commercial significance. Word of mouth has always been a critical part of any brand building strategy, and word of mouth has gone viral in the Web 2.0 milieu. On commentator observed that “online word of mouth poses the most important challenge to the Internet trademark law.” 14 “The technology tat was suppose to empower marketers has empowered consumers instead.” 15 Prior to the Internet, individual taste-shapers were able to share their opinions with a few friends. 16 At the beginning of Web 2.0, a few years ago, these same individuals could blog or post-something on their website that may be read by a few members of their family and friends. Until very recently, the dominant force creating brands and brand images was the brand owner who used pricing, the consumer’s product experience, commercial advertising, and retail-space interactions with consumers to develop the brand image. 17 However, even pre-Web 2.0, brand owners recognized that consumer word of mouth or consumer buzz could mean success or failure of a brand. 18

Today, social media has provided the average person with a huge megaphone to amplify their influence to shape consumer-tastes in the future. 19

Social media have given consumers unprecedented

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16 See Gladwell, supra note xx, at 179 (social networks rarely exceeded 150 people).

17 See Fournier and Avery, supra xx, at 194.

18 See Goldman, supra note xx, at 409.

19 See Goldman, supra note xx, at 404.
opportunities to saturate trademarks with new meaning. Empowered by Internet technology, consumers can infuse a brand with buzz, investing it with magnetism and economic value, or they can force a trademark into oblivion even against the wealthiest content owners. One commentator observed that “the separate nature of many brand relationships--the ‘them’ and ‘us’--is obsolete.”

The Web 2.0 technology, especially social media, reduces consumer costs to widely disseminate their views. The Web 2.0 technologies permit the consumer to expand the scope of his or her social network beyond his or her physical social network, and permits members of the virtual social network to “like,” “re-tweet,” or forward to message to members of their social networks. Unlike oral speech, which is ephemeral, and written speech in the physical world, which is difficult to locate, web content is easily located, and may be accessible forever.

“[N]ew online intermediaries. [such as Amazon.com, eBay, TripAdvisor] have emerged to systematically capture and republish consumer opinion. Search engines have further concentrated the value of the public designation or word of mouth. Brand owners compete with blogs, opinion sites, and other consumer speech for a prominent place in the search engine results. Even if the brand is prominently featured in a search engine result, it may be surrounded by critical consumer commentary. One commentator concluded that “a single consumer, through favorable search engine placement, might influence thousands or even millions of potential customers, and because online word of mouth can survive indefinitely, the Internet ‘remembers’ a trademark owner’s historical choices and practices.”

Consumer communication through social networking. Web 2.0 social networking may be described networks composed of nodes connected by ties. In the model postulated in this Article, the nodes are individuals or institutional groups and ties represents the sharing of information among groups. Pre-Web 2.0 (and newer forms of social media such as Facebook, MySpace, Twitter, and Google+), individual-nodes found it difficult to create ties with other individual-nodes which

20 See Gerhardt, supra note xx, at 1495.
21 See Goldman, supra note xx, at 411.
22 See Fournier and Avery, supra note xx, at 194 & 200.
23 See Goldman, supra note xx, at 411.
24 See Goldman, supra note xx, at 412.
25 See Goldman, supra note xx, at 413.
26 See Gerhardt, supra note xx, at 1495.
27 See Gerhardt, supra note xx, at 1495.
shared the same interests. Without the assistance of social media to locate interested nodes, ties among nodes were serendipitous at best.\(^{28}\) Brands are the social glue that connects many communities of individuals.\(^{29}\) There are leaders and followers among the nodes so the sharing of information is asymmetrically reciprocal.\(^{30}\) These leaders may be described as brand mavens or brand advocates and have a disproportionate influence on consumers choices and brand development.\(^{31}\)

Courts consider consumers and the public as passive consumers of trademarks and brand images. Recent, scholarship suggests that the public is an active player in creating and maintaining brands and their images.\(^{32}\) Trademark holders, even famous ones tend to be followers rather than leaders when it comes to new forms of communication. In the 1990s, the owners of famous trademarks came to the Internet only to find that their marks had already been appropriated by cybersquatters as domain names.\(^{33}\) More recently, trademark holders arrived at Facebook and Twitter which the expectations to develop their marks, only to find that consumers had beat them to these newer forms of social media.\(^{34}\) In a race between the plodding mark holder and the cutting edge consumer-market-maven, the consumer will almost always be the first adopter of any new technology—slowly followed by a brand and its image consultants.

This results in a world where the story of a brand is one that is co-authored by the brand owner and its adherents. No longer are brands developed through a linear hierarchy. Rather, successful brand development is a collaborative effort between the brand owner and the

\(^{28}\) Other forms of social media also facilitates the creation of ties, for example review sites such as TripAdvisor or merchants that permit consumers or the public to post feedback on their experiences with a good or service, and of course, sites which permit readers to post comments all facilitate the creation of ties. See Gerhardt, supra note xx, at 1495.

\(^{29}\) See Gerhardt, supra note xx, at 1508.


\(^{31}\) See Goldman, supra note xx, at 409.

\(^{32}\) See Gerhardt, supra note xx, at 1483.


consumer. “Various constituencies of consumers generate product names, package designs, and advertising for leading contenders.”  

Further, “marketers engage in rigorous searches for organically-created brand message that can be co-opted for the benefit of the firm.”  

Other firms monitor social media 24 hours a day measuring the public’s reaction to the brand.  

I. TRADEMARK INFRINGEMENT

In order to have a remedy, there must be a right. The affirmative right granted to a mark holder is the right to prevent uses in commerce that are likely to result in consumer confusion as to source, origin, or sponsorship. One of essential elements of a claim of trademark infringement under the Lanham Act is the ownership of the alleged infringed mark. In the United States, there are two main bodies of law that result in mark ownership and under which marks are protected: state common law and the Lanham Trademark Act. Under either body of trademark law, the mark holder must appropriate from the public domain a designation capable of distinguishing its goods or services from that of others through a bona fide use.

This article will not discuss state common law trademark infringement versus federal trademark infringement in detail because the test for trademark infringement is substantially the same under either body of law. Both bodies of law make mark ownership an essential element in a trademark infringement claim. There are other requirements to obtain trademark rights for example the mark must have secondary meaning in order for it to be capable of functioning as a mark and distinguishing (identifying) goods or serving as an indicator of

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35 See Fournier and Avery, supra xx, at 196.
36 See Fournier and Avery, supra xx, at 196.
37 See Fournier and Avery, supra xx, at 197.
39 Federal Treasury Enterprise Sojuzplodoimport v. Spirits Intern. N.V., 623 F.3d 61, 69 (2d Cir. 2010)(“we note that ownership of the relevant trademark is one of the “necessary elements ... of trademark infringement under the Lanham Act.”).
41 See infra, Part II.A. See also United Drug Co. v. Theodore Rectanus Co., 248 U.S. 90, 97 (1918)(“[t]here is no such thing as property in a trademark except as a right appurtenant to an established business or trade in connection with which the mark is employed.”).
42 See 4 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 23:1.50 (citing cases and describing state and federal trademark law as “congruent”).
source. This article assumes that the public’s designation will otherwise meet all the other common law or statutory requirements to serve as an unregistered mark except that a merchant asserting trademark rights in the mark has not actually appropriated the mark by using it in commerce.

A. Common Law Trademark Rights

The Lanham Act §43(a) protects unregistered state common law trademarks from uses in interstate and foreign commerce that are likely to cause consumer confusion. The common law as expounded in the Restatement (Third) of Unfair Competition (“Restatement”) states that a trademark must be “used in a manner that identifies those goods or services and distinguishes them from the goods or services of others.” This definition at first blush would seem consistent with the designation’s use by the crowd being sufficient to bestow ownership of the mark on the putative trademark holder. Section 9 of the Restatement does not appear to require that the use actually be by the mark holder and would appear that the public’s use of the designation would be sufficient to accrue trademark rights.

However, § 18 of the Restatement provides that the person claiming a property interest in the designation does not acquire trademark rights until “the designation has been actually use as a trademark . . . . A designation is ‘used’ as a trademark . . . . when the designation is displayed or otherwise made known to the prospective purchasers in the ordinary course of business in a manner that associates the designation with the goods, services, or business of the user . . . .” The public’s use of a designation to refer to the mark holder’s goods is arguably not a use in the ordinary course of business. The public is not in the “business” nor is the public an agent of the person attempting to claim the designation as a mark.

Finally, § 19 of the Restatement provides for the priority of trademark rights. Section 19 provides that “one who has used a designation as a trademark . . . under the rule stated in § 18 has priority in the use of the designation . . . (a) in any geographic areas in which the

44Two Pesos, Inc, 505 U.S. at 768; Dastar Corp. v. Twentieth Century Fox Film Corp., 539 U.S. 23, 29-30 (2003).
45RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9.
46RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9.
47RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 18.
actor has used the designation in good faith or in which the designation has become associated with the actor as a result of good faith use before the designation is used in good faith [by another]."\(^{49}\) Section 19 presupposes first, that the use of the mark meets the requirements of § 18, and then it imposes the additional requirement that the mark is actually used by the person asserting a priority in the claimed mark.

Consequently, under the Restatement’s articulation of the common law of trademark, a person asserting rights in a trademark must as a bare minimum prove that he or she appropriated the designation by the actual bona fide use of the mark in commerce.\(^{50}\) The language of the Restatement does not appear to be susceptible to an interpretation that the mere use by the public as a designation is a constructive use by the person claiming trademark rights in the designation.\(^{51}\) There is no common law doctrine of constructive trademark use.\(^{52}\) Federal courts interpreting the common law of trademark have held that “[t]o acquire ownership of a trademark it is not enough to have invented the mark first or even to have registered it first; the party claiming ownership must have been the first to actually use the mark in the sale of goods or services.”\(^{53}\)

**B. Federal Trademark Rights**

Mere use of a designation by members of the public is probably insufficient use to obtain federal trademark rights by the referent-mark-

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\(^{49}\) Restatement (Third) of Unfair Competition § 19


\(^{51}\) Cf. Aktieselskabet AF 21. November 2001 v. Fame Jeans Inc. 525 F.3d 8, 20 (C.A.D.C. 2008)(“At common law, “prior ownership of a mark is only established as of the first actual use of a mark in a genuine commercial transaction.”)(citation omitted); Tally-Ho, Inc. v. Coast Community College Dist., 889 F.2d 1018, 1023 (11th Cir. 1989) (citing United States v. Steffens, 100 U.S. 82, 85, (1879)).


\(^{53}\) Sengoku Works Ltd. v. RMC Int'l, Ltd., 96 F.3d 1217, 1219 (9th Cir.1996). See generally 2 McCarthy on Trademarks and Unfair Competition § 16:1 (4th ed.).
Federal registration of a mark under the Lanham Act is merely federal recognition of the common law trademark or other trademark rights already possessed by the registrant. The Lanham Act provides that a person must use a designation in interstate commerce to distinguish, identify, and indicate the source of his or her goods in order to obtain trademark rights.

There is some debate regarding the proper interpretation of “use in commerce” for the purposes of trademark infringement under Lanham Act §32(1) (registered marks) and §43(a) (unregistered marks). This debate may also be critical to the proper understanding of the term “use in commerce” under Lanham Act §43(c)(1) (trademark dilution). Whether “use in commerce” means any commercial use that Congress could constitutionally regulate under the Commerce Clause or whether commercial use has the much narrower definition provided in Lanham Act §45 may be critical in future trademark disputes. Use of a designation in this context is comprised of two types of use, the first use by the public’s use of a designation to describe goods or services. Whether Congress could lawfully regulate private consumer speech in a commercial transaction is problematic and troubling for First Amendment scholars, but under the Commerce Clause, an extremely narrowly tailored law is probably permissible. So, if the scope of protection is activities that Congress could lawfully regulate then the public’s use may be a use in commerce. If the narrower Lanham Act §45, interpretation of “use in commerce” is accepted, then the use in commerce must be “bona fide use of a mark in the ordinary course of trade.” Clearly use by the general public, even among actual

54See Continental Corrugated Container Corp. v. Continental Group, Inc., 462 F. Supp. 200, 204 (S.D.N.Y. 1978) (“It is doubtful, then, whether a manufacturer can claim protection for an abbreviation of a trademark that it has never formally used.”).

55See Graeme B. Dinwoodie, Lessons From The Trademark Use Debate, 92 IOWA L. REV. 1703, 1710-11 (2007), but see 3 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 19:8 (4th ed.) (“[The Lanham Act] does not say that the applicant must also qualify for state common law protection. That coincidentally, the applicant will usually also meet common law standards is beside the point.”)]. See generally 15 U.S.C. § 1126(e)(U.S. registration based on a foreign trademark registration).


57See Goldman, supra xx, at 414-15 (succinctly summarizing the debate).

58This quandary will not be further addressed in Part V, trademark dilution.


60See 15 U.S.C. §1127 (“The term “use in commerce” means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For purposes of this Act, a mark shall be deemed to be in use in commerce-- (1) on goods when-- (A) it is placed in any manner on the goods or their containers or the
consumers to designate a product, is not a commercial use by the referent-mark holder in the ordinary course of trade. So, this element to obtain trademark rights fails unless the referent-mark holder actually uses the public designation in commerce. Because, absent a use in commerce, there is no mark no rights in a mark, and no ownership of a mark.

Under the Lanham Act, the requirement to actually have a bona fide use of the mark in commerce is made clear in the distinction between the use and intent to use bases for an application for trademark registration. Lanham Act §1(b)(4)(c) provides that an “applicant who has made use of the mark in commerce” may claim the benefits of a use based trademark application. According to McCarthy on Trademarks and Unfair Competition §19:29, in the alternative, trademark registration and the associated rights may be based on a foreign trademark registration. Lanham Act §44(e).

C. Public Use Doctrine

There is no statutory or common-law basis for protecting a designation that has not been appropriated by a merchant as a trademark through the merchant’s own (or through an agent’s) bona fide use in commerce. However, courts are sometimes faced with the dilemma of either permitting a competitor’s bad faith use of a public designation in a manner that creates a likelihood of consumer confusion or holding fast to the first-in-time, first-in-right, principles of trademark law. In balancing the interests of the bad faith user of a public designation and the interest of the public and the merchant to prevent the likelihood of displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and (B) the goods are sold or transported in commerce, and (2) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services.” (emphasis supplied).

62 See George & Co, LLC., 575 F.3d at 403.
consumer confusion, the merchant and the public usually wins.\textsuperscript{64} This has been called the Public Use doctrine.\textsuperscript{65}

The case law that underlays the Public Use doctrine often involves nicknames or abbreviations of well-known marks.\textsuperscript{66} Many of these nicknames were similar in commercial impression to the actual trademark, for example COKE for Coca-Cola.\textsuperscript{67} Most of these cases, the court could have or actually did rule on the narrow grounds of the mark in question was confusingly similar then in dicta the court expounded on principles which ultimately underlay the theory of the Public Use doctrine. These confusingly the similar mark lines of cases are not helpful on the broad issue of when the public’s designation is not commercially or confusingly similar to the underlying trademark, MICKEYD for McDonalds or BIG BLUE for IBM, for example. So, the Public Use doctrine may not be helpful in analyzing the public designations that are a focus of this article, marks that are not per-se confusingly similar to the senior mark. However, as some courts or scholars may apply the Public Use doctrine to these non-confusingly similar marks, a further discussion of the Public Use doctrine is warranted.

1. History of the Public Use doctrine

Case law only weakly supports the Public Use doctrine. The seminal article on the Public Use doctrine traces it back to Coca-Cola, Co. v. Koke Co. of America, and involves a series of cases involving rights associated with the one of the world’s most famous trademarks, the COKE trademark.\textsuperscript{68} In the Koke Co. case, Koke Co. adopted in bad faith

\textsuperscript{64}George & Co, LLC., 575 F.3d at 403 (citing 1 McCarthy on Trademarks and Unfair Competition § 7:18). For example, trademark equitable defenses such as laches or acquiesce permit the infringer to continue to operate because of the failure to act by the mark holder, and of course, if the mark owner engaged in inequitable conduct, the doctrine of clean hands may preclude an equitable remedy against the infringer.

\textsuperscript{65}Brody, supra note xx at 1125. Mr. Brody must be credited with the pulling together the threads of disparate common law cases and weaving them into a coherent body of trademark principles that then he called the “public use rule.” Id. at 1126. The first judicial recognition of Brody’s public use rule was by the Fourth Circuit in George & Co under the rubric of the Public Use doctrine. See George & Co, LLC., 575 F.3d at 403.

\textsuperscript{66}See Brody, supra note xx, at 1123-24.

\textsuperscript{67}See generally Brody, supra note xx, 1 McCarthy on Trademarks and Unfair Competition § 7:18 (4th ed.)

\textsuperscript{68}See Brody, supra note xx, at 1126-31.
KOKE as a trademark.\(^{69}\) Unfortunately, Koke Co. never challenged Coca-Cola’s right to the COKE mark, and the courts assumed without explicit analysis of this issue that the designation Coke was a mark and the trademark rights to COKE belonged to the Coca-Cola Co.\(^{70}\) The judicial gloss on this case focused on principles of unfair competition, protecting the consumer, and punishing inequitable conduct.\(^{71}\)

In later litigation, courts more explicitly associated the Coke designation with Coca-Cola’s goodwill and stopped Coca-Cola’s competitors from using phonetically similar marks such as LA COQ or KOKE-UP.\(^{72}\) In the case involving the LA COQ mark, the court went one step further from the solid grounding of unfair competition law; and opined that under trademark law that Coca-Cola had an exclusive right to the designation Coke as an abbreviation of its COCA-COLA mark despite its failure to use the designation as a trademark.\(^{73}\)

Finally, in Coca-Cola v. Busch, the court found that the defendant’s use of the mark KOKE-UP would deceive the public. For the first time, a court explicitly noted that the nickname “Coke” was given to the product solely by the public and had not been appropriated by the Coca-Cola Co.\(^{74}\) The Busch court explicitly held that under the common law there would be no trademark infringement and that the remedy, if any would be under the principles of unfair competition.\(^{75}\)

Significantly, none of the Coca-Cola cases address the fact that Coca-Cola attempted to discourage the use of the designation coke by the public to refer to its product.\(^{76}\) It was not until the 1941 when the designation Coke was well established in the minds of the consuming public that Coca-Cola began to appropriate the term as a trademark.\(^{77}\) Arguably, whatever rights Coca-Cola may have possessed in the mark as bestowed by the public were abandoned; and Coca-Cola’s trademark

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\(^{69}\) Koke Co. of America v. Coca-Cola Co., 255 F. 894, 895 (9th Cir. 1919, rev’d on other grounds, 254 U.S. 143 (1920).

\(^{70}\) Brody, supra note xx, at 1127. There is no explanation for why these issues were not raised except that the courts may have found the dispute regarding whether the presence of cocaine or the lack thereof in the Coca-Cola syrup deceived the public and should bar Coca-Cola’s action a more interesting topic of discussion.

\(^{71}\) Brody, supra note xx, at 1127.

\(^{72}\) Coca-Cola Co. v. Christopher, 37 F. Supp. 215, 216 (E.D. Mich. 1941)


\(^{75}\) Brody, supra note xx, at 1129.

\(^{76}\) See Busch, 44 F. Supp at 407.

\(^{77}\) Brody, supra note xx, at 1130.
rights affirmatively began using the mark in June 1941. However, these issues were not litigated or at least played no role in the different published opinions.

The Public Use doctrine sat quietly in an inchoate form for another thirty-five years. Starting in the late 1960s, Volkswagen litigated a series of cases involving the public’s designation Bug to refer to the iconic Volkswagen Beetle automobile. The American public quickly applied the designation bug to the Volkswagen Beetle automobile after its initial importation into the United States. Volkswagen itself did not initially appropriate the designation Bug; however, independent Volkswagen automobile dealers used the Bug designation in advertisements and in dealership trade names. This limited use by Volkswagen dealers is not legally significant as a trademark use in commerce. Under the trademark law in effect at that time, the mark had to be affixed to the goods so the Volkswagen dealer’s use of Bug designation would be sufficient to support a claim of unfair competition but not to create trademark rights in the designation. There was no discussion in the case regarding whether these commercial uses by Volkswagen and its dealers were sufficient to create rights in BUG as a service mark for Volkswagen dealers or Volkswagen repair services.

While the trial court’s opinion in Volkswagenwerk Aktiengesellschaft v. Rickard, contained an extensive discussion of secondary meaning and the factual basis for the strong commercial strength of the Bug designation, secondary meaning, even extraordinarily strong acquired commercial secondary meaning, is merely one element of whether a designation may constitute a legally protectable mark, and totally begs the question of even if the designation is capable of serving as mark, who owns the mark. The court did not engage in the analysis necessary to support a finding that the designation Bug was indeed a protected trademark owned by Volkswagen.

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79 Brody, supra note xx, a 1130-31. Arguable, Coca-Cola’s counter advertising constituted abandonment of the trademark COKE or at least whatever rights that the public have created in the mark for Coca-Cola. Cf. Beech-Nut Packing Co. v. P. Lorillard Co., 273 U.S. 629, 632 (1927)
80 Brody, supra note xx, at 1131.
81 Brody, supra note xx, at 1132-37.
82 Brody, supra note xx, at 1133.
83 Brody, supra xx, at 1133 n. 45.
Moreover, it is unclear under which section of the Lanham Act that Volkswagen brought the common law infringement trademark claims. The trial court stated that it had jurisdiction under Lanham Act §32(1), which protects federal registered trademarks, and also under U.S. treaty obligations to protect non-US national against unfair competition. But, it is unclear on which section of the Lanham Act (or other federal law) that the court relied on to reach the issue of the Bug designation; because the trial court failed to cite to Lanham Act §43(a), which protects unregistered common law marks as a claim, before the court or to state an alternative basis on which the court was asserted jurisdiction over the common law trademark claims.

On appeal, the circuit court succinctly summarized the trial court’s analysis as:

The district court specifically found that ‘prior to defendant's commencement of business under the trade name ‘The Bug Shop’, ‘Bug’ had acquired a strong secondary meaning in the automotive field referring to plaintiff and the products and services marketed in the United States through the Volkswagen organization.’ The secondary meaning doctrine referred to by the court holds that words which have a primary meaning of their own, such as bug, may by long use in connection with a particular product, come to be known by the public as specifically designating that product. Thus in the judgment of the trial court, the word ‘bug’ as used in the automotive field has become so associated with the Volkswagen that [Volkswagen] is entitled to trademark rights in the word.

The appellate court did briefly mention that the use of the term Bug in Volkswagen’s own advertisements for many years. However, as the quotation shows, there was no detailed discussion of Volkswagen’s use or appropriation of the designation Bug. One may assume that whatever Volkswagen’s actual use in commerce that use may have been sufficient commercial use to appropriate the designation.

Perhaps, the best case supporting the Public Use doctrine in the Volkswagen Bug line of cases is Volkswagenwerk Aktiengesellschaft v.

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86 But see, In re Rath, 402 F.3d 1207, 1209-10 (Fed. Cir. 2005) (Paris Convention is not a self-executing treaty).
87 Volkswagenwerk Aktiengesellschaft v. Rickard, 492 F.2d 474, 477 (5th Cir. 1974) (internal citations omitted).
88 Rickard, 492 F.2d at 478.
Hoffman. \(^89\) Hoffman involves another independent repair service using the designation Bug to identify their business of servicing Volkswagen sedans. Hoffman is distinguishable from prior cases because by this point in time Volkswagen had registered BUG as a service mark. \(^90\) However, Hoffman’s use of the mark BUG predated Volkswagen’s service mark registration. The court then had to determine whether under the senior user defense Volkswagen had developed common law rights to the BUG mark. The court then discussed Volkswagen’s massive advertising use of the designation bug and found that the term had acquired secondary meaning to designate the Volkswagen Beetle sedan prior to Hoffman’s first use in commerce.

In arguably what is the first clear articulation of the Public Use doctrine the Hoffman court stated “A word can also develop secondary meaning by public usage of the word to designate a particular product. Thus, a nickname for a product is protectable as a trademark if the owner of the product adopts it or allows the public to use it without protest.” \(^91\) The first part of the quote is jejune. Public use can create secondary meaning. It is black letter law the secondary meaning is measured from the perspective of the consuming public. \(^92\) However, the second part conflates two distinct seminal trademark concepts: the requirement of secondary meaning, and the requirement of use in commerce. The court did not address the issues of appropriation or use of the public’s designation by the entity claiming the public designation. To properly complete its analysis, the court would have needed to demonstrate in its legal analysis that the public’s use is legally a use in commerce that was sufficient use to convey trademark rights on a private entity.

Hoffman is nuanced in that the court recognized that if a business attempts to discourage the public’s use of the designation that business should not then later be able to claim the designation based on the public’s use of it. \(^93\) However, the legal basis for this statement is unclear. At the very least, a court may reach this position either on the grounds that the entity claiming the mark had abandoned it or in the alternative, on principles of estoppel and equity practice. \(^94\)

The next line of cases involved the designation Hog to refer to
Harley-Davidson motorcycles. Like Coca-Cola, Harley-Davidson had initially discouraged the use of a publicly coined designation, in this case the Hog public designation,95 in the first case discussing the designation Hog, Harley-Davidson, Inc. v. Seghieri; the court stated that “Plaintiff contends that since at least the early 1950’s, the public has referred to Harley-Davidson motorcycles, and no other brand of motorcycles, as “Hogs.”96 However, the court details a more specific factual statement “The HOG trademark was first registered in April of 1988 and was first used in conjunction with motorcycle parts in 1986. Prior to 1986, the Hog designation was used in conjunction with a variety of items, including clocks, watches, jewelry, ashtrays, belt buckles, greeting cards, posters and letters, beginning in 1983.”97 The defendant’s first use of HOG FARM mark in commerce was 1986.98 So, it is not clear that the court’s conclusion that relied on the public’s use of the hog designation.99 A closer reading of Seghieri suggests that the mention of the public’s use of the designation hog related to whether the designation hog had become generic and not as the basis on which to find the use of the designation as constituting trademark appropriation.

Unlike the Coca-Cola cases, a least one court has found that the designation Hog had become generic for a type of large motorcycle.100 In Harley Davidson, Inc. v. Grottanelli, the court found that the designation hog was generic for large motorcycles.101 Harley-Davidson attempted to rely on the public’s use of the designation hog to refer to Harley-Davidson motorcycles prior to its adoption of the term hog. The court cited to National Cable Television Ass'n, Inc. v. American Cinema Editors, Inc.102 (mark “ACE”), and Volkswagenwerk AG v. Hoffman103 (mark “BUG”) for the position that the public’s use may “accord a

95 See Brody, supra note xx, at 1138.
99 Seghieri, 29 U.S.P.Q.2d at 1958. (“Plaintiff has clearly established prior use of the mark -- prior both to its own registration of the mark and prior to Defendants’ use of the mark. Although it is true that Defendants’ business was established prior to Plaintiff’s registration of the name “HOG”, the evidence establishes that it was Plaintiff who established prior use of the term “hog”, both nationally and locally in San Jose, California” relied on the public’s use of the designation hog.”).
100 Harley Davidson, Inc. v. Grottanelli, 164 F.2d. 806, 810-11 (2d Cir. 1999), but see Seghieri, 29 U.S.P.Q.2d at 1957 (finding that trademark HOG was not generic).
101 Grottanelli, 164 F.2d. at 810-11
102 National Cable Television Ass’n, Inc. v. American Cinema Editors, Inc, 937 F.2d 1572 (Fed. Cir.1991)
company priority as to its subsequent trademark use of a term.” 104 The Grottanelli court declined to opine on this issue holding that “The public has no more right than a manufacturer to withdraw from the language a generic term, already applicable to the relevant category of products, and accord it trademark significance, at least as long as the term retains some generic meaning.” 105 So, with a wink to the cases recognizing the public’s use of the designation as granting trademark rights, the court declined the address those cases and resolved the dispute on the issue of genericism.

In 1999, a federal appellate court recognized the Public Use doctrine. 106 In Johnny Blastoff, Inc. v. Los Angeles Rams Football Co., the court was called upon to determine who owned the mark ST. LOUIS RAMS. 107 The defendant, the Los Angeles Rams, a professional football team, desiring a more pleasant climate sought to relocate to St. Louis, Missouri. The sports media was abuzz with stories regarding the relocation of the team. While the move was announced in January 1995, the Rams did not begin to use the mark ST. LOUIS RAMS in commerce until April 1995. 108 As the Los Angeles Rams prepared to use the St. Louis Rams designation as their new trademark, in February 1995 the plaintiff, Johnny Blastoff, Inc., a business engaged in creating and marketing cartoons, filed for and received a Wisconsin trademark registration for ST. LOUIS RAMS, and then in March filed an intent-to-use application with the United States Patent and Trademark Office. 109

The question before the court was when did the Rams acquire a protectable interest in the disputed ST. LOUIS RAMS trademark. The court stated “For the purpose of establishing public identification of a mark with a product or service, the fact-finder may rely on the use of the mark in “advertising brochures, catalogs, newspaper ads, and articles in newspapers and trade publications, as well as in media outlets such as television and radio.” 110 The court then went on to state “In addition, courts have recognized that ‘abbreviations and nicknames of trademarks or names used only by the public give rise to protectable rights in the owners of the trade name or mark which the public modified.’ Such

104 Grottanelli, 164 F.3d at 812.
105 Grottanelli, 164 F.3d at 812
106 Brody, supra note xx, at 1140 (citing Johnny Blastoff, Inc. v. Los Angeles Rams Football Co., 188 F.3d 427 (7th Cir. 1999)).
107 Johnny Blastoff, Inc., 188 F.3d at 431.
108 Johnny Blastoff, Inc., 188 F.3d at 430.
109 Johnny Blastoff, Inc., 188 F.3d at 430.
110 Johnny Blastoff, Inc., 188 F.3 at 434 (internal citations and quotation marks omitted).
public use of a mark is deemed to be on behalf of the mark's owners.” 111 Tellingly, the Federal Circuit case that the Johnny Blastoff court cited to an appeal from a trademark cancellation decision of the Trademark Trial and Appeal Board, and in response to the appellant-registrant’s objection that the party opposing the trademark registration (“opposer”) had not shown sufficient use to have rights to register the mark, the court stated “It is not required that [opposer] meet the technical statutory requirements to register [a] mark . . . in order for [opposer] to have a basis for objection to another's registration.” 112 So a case that merely stands for the proposition that public use may grant grounds to oppose trademark registration, without analysis or acknowledging the distinction between trademark opposition and trademark rights, was extended to create support for a claim that a use by the public creates trademark rights and the public non-commercial use inures to the benefit of the referent-mark holder as an actual use in commerce.

Moreover, it is unclear whether the Johnny Blastoff, Inc. court needed to reach any of these issues. Even without relying on the Public Use doctrine, the use of the mark RAMS in connection with any sporting goods or associated consumer products would probably cause a likelihood of consumer confusion. 113 Under the trademark doctrine of tacking a mark owner can assert rights in a new mark with the same commercial impression based its first use in commerce of a prior mark. 114 The focus of the commercial impression of the marks LOS ANGELES RAMS and ST. LOUIS RAMS in on the word RAMS so this would be an excellent case for the court to find tacking. Alternatively, the court could have rested its decision regarding senior user rights based on the Ram’s own offering for sale of season tickets that predated Blastoff’s first use in commerce. 115 So while the language of the Johnny Blastoff, Inc. case is strong encouragement for the Public Use doctrine, it does not provide the rigorous analysis that is required to place a Public Use right on a solid doctrinal footing.

111       Johnny Blastoff, Inc., 188 F.3d at 434 (quoting Nat'l Cable Television Assoc. v. Am. Cinema Editors, Inc., 937 F.2d 1572, 1577 (Fed. Cir. 1991)).
112       Johnny Blastoff, Inc., 188 F.3d at 434
113       See Indianapolis Colts, Inc. v. Metropolitan Baltimore Football Club Ltd., 34 F.3d 410, 413 (7th Cir. 1994).
114       See Data Concepts, Inc. v. Digital Consulting, Inc., 150 F.3d 620, 623 (6th Cir. 1998) (“The use of an earlier mark can be tacked onto the use of a subsequent mark only if the previously used mark is “the legal equivalent of the mark in question or indistinguishable therefrom” such that consumers “consider both as the same mark.”.
115       See Johnny Blastoff, Inc., 188 F.3d at 431-32 (by early February 1995, over 72,000 season ticket were sold).
Perhaps, the best case supporting the Public Use doctrine is *George & Co. LLC v. Imagination Entertainment Ltd.*\(^\text{116}\) In *George & Co. LLC*, plaintiff attempted to use the Public Use doctrine as a defense against trademark abandonment.\(^\text{117}\) *George & Co. LLC* recognized a narrow definition of the marks eligible for the Public Use doctrine. “The Public Use doctrine, which is extremely limited in scope, states that abbreviations or nicknames used only by the public can give rise to protectable trademark rights to the owner of a mark which the public has modified.” The term nickname could be read broad enough to encompass new names, such as the designation *Mickey D* for McDonalds or *Tarzhay* for Target. However, the examples give by the court are all colorably confusingly similar abbreviations such as *BUD* for BUDWEISER or *COKE* for COCA-COLA.\(^\text{118}\) The court also noted that Public Use doctrine had been used in the franchise context citing the *Johnny Blastoff, Inc.* case. As discussed in the *Johnny Blastoff, Inc.* case, the *George & Co. LLC* court also relied on was the Federal Circuit’s *National Cable Television* case, which considered only the public’s use of a designation as a ground that established stand for filing an opposition to trademark registration, and not as an affirmative ground to create trademark rights.\(^\text{119}\)

The *George & Co. LLC* court limited the Public Use doctrine to well-known brands. Significantly for this discussion the court held that the doctrine was limited only to abbreviation or shortening of the mark and did not apply to elongations of a mark.\(^\text{120}\) So, starting from COCA-COLA the public may create the mark COKE under the Public Use doctrine. But the public could not create a protectable COCA-COLA designation starting from the COKE mark. Second, the court held that “the Public Use doctrine does not provide trademark protection where the owner of the mark fails to continue to use the mark.”\(^\text{121}\) For this proposition, the court relied on *Grottanelli*, where Harley-Davidson deliberately resisted linking the designation *Hog* to its products.\(^\text{122}\) So even a court that was prepared to accept public use as a sufficient use to award a protectable interest in a designation required that the referent-mark holder must use the mark.

The era of public designations percolating among consumers or the

\(^{116}\) George & Co. LLC v. Imagination Entertainment Ltd., 575 F.3d 383 (4th Cir. 2009).
\(^{117}\) George & Co. LLC, 575 F.3d at 403.
\(^{118}\) George & Co. LLC., 575 F.3d at 403
\(^{119}\) See Part II.A.1 & Part III.
\(^{120}\) George & Co, LLC., 575 F.3d at 403.-04.
\(^{121}\) George & Co, LLC., 575 F.3d at 404.
\(^{122}\) George & Co, LLC., 575 F.3d at 404.
media for years, decades, or generations before appropriation by a competitor is gone. Crowd-sourced designations will appear and need to be protected quickly. From a reading of the case law, trademark holders may find that the Public Use doctrine is weakly moored in readily distinguishable cases or in mere dicta, which will not be followed by future courts. The penumbras of the case law suggest that discouraging the use of a public designation weakens the referent-mark holder’s ability to protect the public designation, failure to adopt it may also result in the limitation or loss of rights, and the scope of which public designations are eligible for the application of the doctrine is also unclear. Assuming that the Public Use doctrine does exist, as the law currently stands, it provides an uncertain foundation on which to build a brand.

2. Public Use doctrine elements

The elements of the Public Use doctrine require that the party claiming it have a well-known mark, which the public has modified into a shortened nickname or abbreviation. Public Use doctrine may be limited to well-known marks—in fact limited to marks, which border on the famous. As demonstrated earlier in this section, the Public Use Doctrine while a sound doctrine as a prudential matter has a questionable provenance in trademark law. The only court to explicitly recognize the Public Use doctrine stated

Although the Public Use doctrine appears at odds with the bedrock trademark principles that ownership rights flow only from the prior appropriation and actual use in the market superior rights are granted to the owner of the mark as modified by the public to avoid consumer confusion in the market-place. Because of this tension, the Public Use doctrine generally is confined to instances where the public modified a well-known brand into a nickname or abbreviation. 123

If one accepts that the Public Use doctrine does exist in trademark law and is an exception to the general law of trademarks that requires ownership through appropriation and commercial use, then at best, the Public Use doctrine is an extremely narrow basis on which to claim

123 George & Co, LLC., 575 F.3d at 403 (internal citations and quotation marks omitted). The court then went on to hold that the Public Use doctrine did not apply to elongations of a mark merely to abbreviations or nicknames.
trademark rights for marks that are arguably famous and protected against trademark dilution.

So far, the Public Use doctrine has been limited to well-known marks. The Public Use doctrine case law revolves around designations such as COKE, BUG, HOG for Cola-Cola, Volkswagen, and Harley-Davidson respectively—some of the most prestigious, recognized, and valuable brands in the world—famous brands. The extremely limited Public Use doctrine case law is not clear on what constitutes a well-known mark for the purposes of the Public Use doctrine or when a referent-mark has sufficiently achieved renown to earn the status of being a well-known mark for the purpose of protection against a competitor’s appropriation of a public designation. Therefore, it may be useful to consider other uses of the term well-known mark in trademark law.

The term well-known mark is a term of art in trademark law. The term well-known mark appears in the Paris Convention for the Protection of Industrial Property (the “Paris Convention”) and the Agreement on Trade-Related Aspects of Intellectual Property Rights (the “TRIPS Agreement”). Unfortunately, the term well-known mark is also erroneously used by some court as a synonym for or interchangeably with the trademark term famous-mark. Consequently, the existing case law and scholarly commentary is in some state of rhetorical confusion. As will be discussed later in the Article, if the public designation cases are analyzed under modern trademark dilution theory, there is no need for a separate Public Use doctrine. So, this section will limit its discussion of well-known marks to the term’s commonly understood meaning under trademark law. Under the Paris Convention and the TRIPS Agreement, WTO countries are required to protect well-known marks, even if that mark is not registered or used in that country. This scope of trademark rights seems roughly analogous to the scope of the Public Use doctrine where the public designation is protected without use by the merchant claiming rights in the mark in order to protect the public interest against a likelihood of consumer confusion.

124 George & Co, LLC., 575 F.3d at 403
126 See Part IV
127 PARIS CONVENTION, Art. 6bis, TRIPS Art. 16(2); Grupo Gigante SA De CV v. Dallo & Co., Inc., 391 F.3d 1088, 1099-1100 (9th Cir. 2004). See also Leah Chan Grinvald, A Tale of Two Theories of Well-Known Marks, 13 VAND. J. ENT. & TECH. L. 1, 29 (2010).
In *ITC Ltd. v. Punchgini, Inc.*, the United States Court of Appeals for the Second Circuit commended the “Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks” adopted by World Intellectual Property Organization (WIPO) to the attention of New York State’s highest court in its certification of a question to the New York State Court of Appeals.128

The WIPO Joint Recommendation requires the consideration of the following six factors:

1. the degree of knowledge or recognition of the mark in the relevant sector of the public;
2. the duration, extent and geographical area of any use of the mark;
3. the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, or the goods and/or services to which the mark applies;
4. the duration and geographical area of any registrations, and/or any application for registration, of the mark, to the extent that they reflect use or recognition of the mark;
5. the record of successful enforcement of rights in the mark, in particular, the extent to which the mark was recognized as well known by competent authorities; [and]
6. the value associated with the mark.129

The *WIPO Joint Recommendation* factors are consistent with the case law underlying the Public Use doctrine that implicitly require a weighing of the first in time, first in right principle of trademark appropriation against the need to prevent the likelihood of consumer confusion and then requires a mark of renown and significant commercial value before the scale tips in favor of departing from the historical and legal moorings of trademark law.

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Taking the court at its word that only well-known marks are protected by the Public Use doctrine, one may speculate either that the Public Use doctrine, is a judicially crafted common law doctrine that provided de facto protection to famous (and niche fame marks) prior to the formal amendment of the Lanham Act to protect famous marks against infringement by dilution.\textsuperscript{130} or on the spectrum of fame, it provides quasi-trademark dilution protection for the almost famous mark or soon to be famous mark that does not yet meet the Lanham Act § 43(c) test for fame.\textsuperscript{131} “[U]nderstood as an expression of the strength and fame of the underlying brand, a publicly-coined nickname logically belong to the party that built that strong famous brand, for were it not for the brand owner’s efforts, there would have been no occasion for the nickname to arise.”\textsuperscript{132} If this is true, because federal law now recognizes trademark dilution, the only remaining justification for the Public Use doctrine is the protection of consumers from the likelihood of consumer confusion. In either case, while the Public Use doctrine may have some potential for a well-known national brand, it likely provides little or no potential to support a claim by a local or regional brand. Although as the doctrine is currently articulated there is no reason that a court could not use it to protect the almost famous or the niche-fame marks which are currently not protected under the TDRA.\textsuperscript{133}  

3. Summary on Public Use doctrine

The Public Use doctrine is well intentioned and clearly protects the public’s interest against consumer confusion so as a matter of policy it may be a wise-choice—but it just that a choice, and one that is not dictated out of expediency or the lack of other remedies. Unfair competition law also achieves the same result without doing needless damage to a fundamental principle of trademark law.\textsuperscript{134} As was demonstrated in this section, the Public Use doctrine is based on weak doctrinal flooring, ambiguous and distinguishable case law, and clearly conflicts will a well-established principle of trademark law that trademark rights arise only through appropriation by use and not by merely adoption of the mark.

\begin{footnotes}
\item[130] The vast majority of Public Use doctrine cases predate both The Federal Trademark Dilution Act of 1995 and The Trademark Dilution Revision Act of 2006. See generally Brody, supra xx (discussing the cases that coalesced into the Pulic Use doctrine).
\item[131] See infra Part IV, discussing trademark dilution.
\item[132] See also Brody, supra xx, at 11523.
\item[133] See Part IV.
\item[134] See Part V.A.
\end{footnotes}
The case law cited as supporting the Public Use doctrine frequently focused on whether the public use had given the mark secondary meaning. Secondary meaning merely is the element of mark ownership that shows the designation is capable of serving as a mark. Merely because a designation is legally capable of serving as a mark does not mean that is a mark. *Abercrombie & Fitch Co. v. Hunting World, Inc.*, established a spectrum of distinctiveness for trademark marks and their eligibility for trademark protection without a showing of secondary meaning.\(^{135}\) Three classes of marks, arbitrary, fanciful, suggestive marks are presumed to be inherently distinctive and do not require separate proof of secondary meaning.\(^ {136}\)

Yet, even though these three classes of marks are immediately legally protectable upon bona fide use in commerce, the mark must still be use in commerce before the user has ownership of the mark. The two cases that impute the public’s non-commercial use of the designation as a commercial use by the referent-mark holder have not articulated a legal basis for this conclusion and for departing from over a century of statutory and common law case law. The public is not the referent-mark holder’s agent, and there is no legal relationship between the two. This is the failure of the Public Use doctrine. It protects a public designation as mark without actual use by the party claiming ownership of the designation. Until the Public Use doctrine is more robustly theorized and moored in well-reasoned and well-articulated body case law, the Public Use doctrine remains at best the last straw in the arsenal of a negligent mark holder seeking protection from a competitor’s first appropriation of the mark. Like the ownership of the fox in *Pierson v. Post*, hunting is not enough, pursuit is not enough, even wounding is not enough, the fox most actually be taken before, the hunter obtains a property interest.\(^ {137}\) Here, the passive enjoyment of the publicly coined designation is not enough, the referent-mark holder must seize the mark from its status as a designation in the public domain through bona fide use in commerce. Until the mark is appropriated, interlopers like the second hunter in *Post* may be able to obtain a property interest in the mark, if they appropriate it first.

### III. Trademark Prosecution


\(^{136}\) *Abercrombie & Fitch Co.*, 537 F.2d at 9-11.

\(^{137}\) See *Pierson v. Post*, 2 Am. Dec. 264 (N.Y. 1805)
This section will explore how of public designations have been used as part of the trademark prosecution process. Applications may be filed under several different sections of the Lanham Act. Section 1(a) of the Lanham Act is the basis to file an application for a trademark registration based on actual use in commerce. Section 1(a) is textually ambiguous because it uses the phrase “the owner of a mark used in commerce,” but it does not explicitly require the owner to have been the party actually using the mark.\textsuperscript{138} However, interpreting Lanham Act §1(a) in light of the case law and the language in Lanham Act §1(b), the intent to use provision, it is clear that the Lanham Act §1(a) applicant must be the party to use the mark in bona fide interstate commerce.\textsuperscript{139} However, merely because the public’s use is insufficient to create trademark registration rights under Lanham Act §1(a), the public’s independent use of a designation may be an adequate to basis on which to oppose the registration of the mark by a competitor or to support cancellation of a registered mark.\textsuperscript{140}

Section 2(d) of the Lanham Act permits the opposition to or cancelation of a mark that “[c]onsists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive . . . .”\textsuperscript{141} The plain language of Lanham Act §2(d) requires that the basis of the opposition or cancellation be the use of the designation as a mark by the party opposing the registration or petitioning for the cancellation of the trademark registration. The opposer or petitioner must support their claim to the mark based on their own use of the mark and may not rely on third-party uses to make their case.\textsuperscript{142} If third-party trademark use is insufficient to make a prima facie case under Lanham Act §2(d), then the non-commercial use of a designation should also be irrelevant to an opposition or petition under the Lanham Act.\textsuperscript{143} Despite the black letter law regarding standing and trademark registration requirements, the TTAB and the Federal Circuit have considered publicly created designations and the public’s use of such designations

\textsuperscript{138} See Brody, supra note xx at 1142.

\textsuperscript{139} See Brody, supra note xx, at 1142. The problem with this argument is that Lanham Act §1(b) was added to the 1946 Lanham Act (Pub. L. 79-489) in 1988. So, it is not clear that §1(b) is a clear statement of Congresses intent in enacting §1(a). See

\textsuperscript{140} See 1 McCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 7:18 (4th ed.)

\textsuperscript{141} Lanham Act §2(d); see Brody, supra xx at 1143.

\textsuperscript{142} See Brody, supra note xx, at 1143.

in trademark registration cases.\textsuperscript{144}

The first case deciding involving public designations was \textit{Peiper v. Playboy Enterprises, Inc.}, and involved the mark BUNNY CLUB.\textsuperscript{145} The TTAB found that although Playboy Enterprises itself had not used the mark BUNNY CLUB prior to the petitioner, it had used the bunny symbol on its products and word “Bunnies”, to describe the attractive scantily rabbit costumed female staff working in its Clubs. Moreover, newspapers referred to the Playboy Clubs as “Bunny Clubs.” The TTAB found that the goodwill in BUNNY CLUB mark resided in Playboy Enterprises. However, the TTAB rested its decision on other grounds. The grounds that Playboy used the bunny symbol on numerous products, albeit not on their Playboy Clubs.

In addition to the trademark infringement litigation cases discussed previously, Volkswagen also had a line of trademark prosecution cases involving the mark BUG.\textsuperscript{146} Volkswagen opposed the registration for BUG COOLER for an automobile engine cooling system.\textsuperscript{147} The TTAB found that there was extensive use of the designation BUG by Volkswagen in advertisements, for a rental car service, and in motion pictures such as the “Love Bug.” The TTAB then concluded that “[t]he record clearly shows that opposer has acquired a right in the term “BUG” with regard to the automotive field. The word “BUG” having been used by the public to denominate opposer's automobiles, opposer is protected therein even though it has never used the term “BUG” as a mark on automobile.”\textsuperscript{148} Here, there was extensive use of the mark BUG by Volkswagen. Even if Volkswagen never literally placed the mark on its automobiles, it and its dealers made extensive use of the mark in commerce.

The second case involved the trademark registration for a WUNDERBUG for a kit to convert the appearance of the front part of a Volkswagen sedan that was sold by both independent distributors and some Volkswagen dealers.\textsuperscript{149} The TTAB once again while mentioning the public use of the designation \textit{Bug} relied on Volkswagen’s extensive commercial use of the term, that Volkswagen had registered the mark GLITTER BUG, as well as the media’s independent use of the

\textsuperscript{144} See Brody, \textit{supra} note xx, at 1143.
\textsuperscript{146} See Part II.C.1.
\textsuperscript{148} Thermo-Chem Corporation, 185 U.S.P.Q. at 562.
designation.\footnote{Lieffring Industries, Inc., 188 U.S.P.Q. at 653.}

Finally, Volkswagen petitioned for the cancellation of the registration of the mark in TULE BUG for a four-wheel drive off road vehicle in Volkswagenwerk Aktiengesellschaft v. Lieffring Industries, Inc.\footnote{Volkswagenwerk Aktiengesellschaft v. Advance Welding and Mfg. Corp., 193 U.S.P.Q. 673, 675 (T.T.A.B. 1976).} The registrant had not used the mark for over two years; therefore, the TTAB found that the mark had been abandoned.\footnote{Advance Welding and Mfg. Corp., 193 U.S.P.Q. at 676.} The germane question for this article was the TTAB’s finding that Volkswagen would be injured by the continued registration of TULE BUG. The TTAB stated:

We find on the basis of the record herein that, as a result of petitioner's long and extensive use in its advertising and material and many years use in a similar manner in the trade and by the news media, petitioner has acquired a proprietary right and hence a protectible [sic] right in “BUG” as an associative term for its vehicles notwithstanding that petitioner, insofar as this record shows, has never used “BUG” alone in a trademark sense.\footnote{Advance Welding and Mfg. Corp., 193 U.S.P.Q. at 675.}

I will defer to the TTAB on whether Volkswagen used the designation Bug in a trademark sense. But, clearly Volkswagen through its extensive use of the mark in advertising to refer to its products had in some sense appropriated the mark. The TTAB further noted that “[i]n addition to use of the marks “VW” and “VOLKSWAGEN” and the like to identify its vehicles in its advertising and promotional material, [Volkswagen] has, since the early 1960's, consistently used the terms “BUG” and “BEETLE” in this material as terms of reference for its vehicles. As a result of such use, the term “BUG” has also been extensively used by the public and the trade to identify petitioner's vehicles.”\footnote{Advance Welding and Mfg. Corp., 193 U.S.P.Q. at 675.} The value in the term Bug at least in this decision was through the efforts of Volkswagen to develop goodwill in the term. At a bare minimum Volkswagen accepted the public’s gift of a designation and then invested significantly in it in order to develop goodwill in the designation.

In American Stock Exchange, Inc. v. American Express Co., two titans battled over the rights to the mark AMEX for a broad array of
auxiliary financial services. American Express applied to register AMEX for hotel services and financial services, from banking-to-insurance-to-investments. The American Stock Exchange filed an opposition. American Express then filed a petition for cancellation of the American Stock Exchange’s AMEX mark for periodicals and securities exchange services on the grounds that American Express was the senior user of the AMEX mark. Although, the American Stock Exchange can trace it lineage back to 1840; it did not begin to use the name American Stock Exchange until 1953. Almost immediately after changing it name, newspapers and members of the industry started to refer to the American Stock Exchange as AMEX. The American Stock Exchange also sued other businesses infringing the AMEX trademark. American Express Co. traces its lineage to 1850 and has been providing various financial services since 1882. There are records as early as 1854 using the term “Am. Ex. Co.” to refer to American Express. Overtime, “Am. Ex. Co.” evolved into the term “Amexco.” As, early as 1898, stock brokers referred to American Express, Co. as AM EX. However, American Express Co.’s first use of the mark as a service mark dated to 1969. American Express, Co. also took steps to protect the mark AMEX.

The AMEX trademark case is another example of significant public use, by consumers, the industry, and the media and some internal use by the parties. The TTAB stated that priority could be awarded based on analogous trademark use. Analogous trademark uses are uses in advertising, as a distinguishing feature of a trade name, or as an acronym of a corporate name. The TTAB then stated that the use must be open, calculated to attract the attention of the viewer and to create an association with the goods or services in the relevant segment of the public.

The TTAB in a clear statement that the public may bestow a protectable property right on a referent mark holder held that

Further, it has been held that where the public has come to associate a term with a particular company and/or its goods or services as a result, for example, of use of the term in the trade and by the news media, that company has a protectable property right in the term even if the company itself has

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made no use of the term.\textsuperscript{159}

A subsequent TTAB case found that this statement was mere dicta.\textsuperscript{160} Further, this statement relied on cases that have been critically analyzed earlier in this article and shown to be not clearly supporting this proposition.\textsuperscript{161} There was also substantial use by both parties of the AMEX mark over a long period of time. Furthermore, AMEX is phonetically similar to American Express for trademark purposes and may arguably just be the tacking on of trademark rights based on the long use of the AMERICAN EXPRESS mark.\textsuperscript{162}

In \textit{Big Blue Products Inc. v. International Business Machines Corp.}, the TTAB qualified position it had taken earlier in \textit{American Express}.\textsuperscript{163} IBM filed a trademark registration for the mark BIG BLUE for typewriter ribbons.\textsuperscript{164} IBM rested its claim on the extensive use by the public and the news media and of course, IBM, which predated the opposer’s first use in commerce.\textsuperscript{165} In this case, the court was prepared to accept that the public associated BIG BLUE with IBM; however, there was a dispute of material fact regarding whether the public understood the designation \textit{Big Blue} as merely another trade name for IBM or was it associated with a specific IBM product—a trademark for typewriter ribbon produced by IBM. The TTAB then considered whether IBM’s other uses of the mark BIG BLUE could be tacked on to its use of the mark with typewriter ribbons. The end result of this case was that IBM might not have had sufficient rights to register the mark, but it did have sufficient property rights under the national expansion of business doctrine to prevent the opposer from registering the mark.\textsuperscript{166}

These TTAB cases may best be characterized as analogous use cases. An analogous use is if there has been an insufficient commercial

\textsuperscript{159} \textit{American Express Co.}, 207 U.S.P.Q. at 363.
\textsuperscript{160} \textit{Big Blue Products Inc. v. International Business Machines Corp.}, 19 U.S.P.Q.2d 1072, 1074 n. 2 (T.T.A.B. 1991).
\textsuperscript{161} \textit{See generally} Part II.
\textsuperscript{162} The phonetics or sound of a mark is one of a mark’s most salient characteristics and is a significant element in whether the current use of a junior mark may have the same priority date of a senior mark. See \textit{Big Blue Products Inc. v. International Business Machines Corp.}, 19 U.S.P.Q.2d 1072, 1074 (T.T.A.B. 1991).
\textsuperscript{163} \textit{International Business Machines Corp.}, 19 U.S.P.Q.2d at 1074. At least one article opined, “the TTAB may have had some reservations about the Public Use Rule and was not prepared to give it an unqualified endorsement.” Brody, \textit{supra} xx, at 1149.
\textsuperscript{164} \textit{International Business Machines Corp.}, 19 U.S.P.Q.2d at 1073.
\textsuperscript{165} \textit{International Business Machines Corp.}, 19 U.S.P.Q.2d at 1073. There is some suggestion in the record that IBM found the Big Blue reference to be objectionable—at least at some point in the Company’s history. \textit{See id.}
\textsuperscript{166} \textit{International Business Machines Corp.}, 19 U.S.P.Q.2d at 1075.
use to constitute a use in commerce for obtaining trademark owner rights, there still could have been sufficient other uses to obtain limited rights, such as the earlier priority date or the right to file an opposition to another’s trademark registration. Under the doctrine of analogous use, “[a]dvertising and promotion is sufficient to obtain rights in a mark as long as they occur within a commercially reasonable time prior to the actual rendition of service.”\(^{167}\) They are also readily distinguishable from the crowd sourcing cases that this article focuses on where the mark is rapidly created and permeates the market place without the referent-mark holder adopting the mark or being able to demonstrate any internal or external use, and must rely solely on some trademark doctrine, like the Public Use doctrine, that would attribute actual non-commercial use by the public as constructive trademark use by the referent-mark holder.

These TTAB cases and several other TTAB cases that were not discussed in this article,\(^{168}\) set the stage for *National Cable Television Ass'n, Inc. v. American Cinema Editors, Inc.*, in which the Federal Circuit considered the trademark rights in the trade name ACE.\(^{169}\)

In 1951, the American Cinema Editors, Inc. ("Editors") was formed to promote the art and science of film editing. It is an exclusive invitation-only membership organization. Members are entitled to use the acronym A.C.E. after their names in television and motion picture credits. Members of the media and motion picture industry often shorten “American Cinema Editors” to ACE. Each year ACE honors achievement by awarding the “A.C.E. Quarterly Awards” which was shortened to “EDDIE” in 1962, and is also called the “ACE EDDIE” or the “ACE AWARDS.”\(^{170}\)

In 1979, the National Cable Television Association, Inc. representing the cable industry created the “ACE” award, an acronym for “Award for Cablecasting Excellence.” The Editor’s immediately objected. Cable denied its concurrent use would cause confusion but offered to use the full name in addition to the ACE and to use its NCTA logo in addition to ACE. Over time, Cable started to use ACE alone and did not comply with its letter and there were instance of actual confusion. In response, Cable registered the ACE as its service mark. Apparently, unaware that Cable has registered ACE as a service mark, Editors wrote and asked Cable to change the name of its award. The


\(^{168}\) *See generally* Brody, *supra* note xx, at 1146-51.


\(^{170}\) *American Cinema Editors, Inc.*, 937 F.2d at 1577.
Editor’s the filed a timely petition to cancel Cable’s registration of the ACE mark. The TTAB cancelled the trademark registration, and Cable appealed to the Federal Circuit.

The dispute before the Federal Circuit focused on whether the Editors had produced sufficient evidence to establish rights in ACE as a trade name. The Editor had substantial evidence of third parties using the term ACE as their trade name. Cable focused on whether the Editors actually used ACE as a trade name as required under the plain language of Lanham Act § 2(d). Although, Editors had not adopted ACE as a trade name in its by-laws or use it on its letterhead, Editors did use it within the text of articles in its publications and correspondence, and even published a commemorative book with ACE in the title.

Cable then disputed whether this use was sufficiently open and notorious. The Federal Circuit rejected this argument because the use was sufficiently public so that the relevant public clearly identified ACE with the Editors.

The court then continued in dicta that

Moreover, even without use directly by the claimant of the rights, the courts and the Board generally have recognized that abbreviations and nicknames of trademarks or names used only by the public give rise to protectable rights in the owners of the trade name or mark which the public modified. Such public use by others inures to the claimant's benefit and, where this occurs, public use can reasonably be deemed use “by” that party in the sense of a use on its behalf.

The TTAB continued that it is not required that the Editors meet the technical statutory requirements to obtain a trademark registration in order to have a basis for oppose a trademark registration, and found that Editors had sufficient use to petition for the mark’s cancellation.

The TTAB case following American Cinema Editors, Inc., seemed to be slowly workings the Public Use doctrine way into the case law—at least as dicta in support of another independent basis for the TTAB’s holding. In Jack Daniel’s Properties, Inc. v. Quest Associates, LTD,

171 American Cinema Editors, Inc., 937 F.2d at 1577.
172 American Cinema Editors, Inc., 937 F.2d at 1577.
173 American Cinema Editors, Inc., 937 F.2d at 1577.
174 American Cinema Editors, Inc., 937 F.2d at 1580.
175 American Cinema Editors, Inc., 937 F.2d at 1577-78 (footnote citing cases omitted).
the applicant filed a registration for COLAJACK for alcoholic beverages. The TTAB found that Jack Daniel’s clearly promoted itself as JACK and produced numerous products where the disputed term JACK was one significant element of the mark. However, the TTAB does cite to American Cinema Editors and IBM in a footnote. However, even with dicta in precedential TTAB decisions and positive language in an Federal Circuit opinion, the Public Use doctrine does not appear to be gaining acceptance.

IV. TRADEMARK DILUTION

Even absent a likelihood of consumer confusion, famous marks are protected against trademark dilution. This section will analyze whether trademark dilution is sufficiently robust to protect the owners of famous mark who do not appropriate public designations or who may have abandoned them. Remember that all the marks, where the court found that the Public Use doctrine applied involved marks that would arguably be famous marks under the Lanham Act. Under the Trademark Dilution Revision Act of 2005 (TDRA), the Lanham Act, § 43(c) recognizes two types of trademark dilution: dilution-by-blurring and dilution-by-tarnishment. In addition, some states have a state trademark laws that protects distinctive as well as famous marks. This article will focus on federal trademark dilution law. The elements to infringe a famous mark by trademark dilution under the TDRA are first, the mark must be famous. Second, the defendant is using a mark in commerce in a manner that is blurring or tarnishing the famous mark. Third, the similarity between the defendant’s mark and the famous mark creates an association between the two marks. And finally, that the association is likely to either blur the distinctiveness of the famous mark or to tarnish the reputation of the famous mark.

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177 Quest Associates, LTD, 2000 WL 992415 at *6 n.12.
178 Lanham Act § 43(c)(1).
179 Lanham Act § 43(c)(2)(B) & § 43(c)(2)(C).
180 SIEGRUN D. KANE, KANE ON TRADEMARK LAW § 9:2.1 and § 9:6.4.
182 Haute Diggity Dog, LLC, 507 F.3d at 265.
183 Haute Diggity Dog, LLC, 507 F.3d at 265.
184 Haute Diggity Dog, LLC, 507 F.3d at 265.
A. Famous Mark

“[A] mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark’s owner.”\(^{185}\) In determining whether a mark is famous, Congress provide an illustrative set of relevant factors that a court may consider: duration, extent, and geographic rest of advertising or other publicity; amount, volume, and geographic extent of the commercial use of the mark; extent of the actual recognition of the mark; and whether the mark was ever registered.\(^{186}\) The TDRA standard for a mark to be legally famous is extremely high and should not be equated with “fame” for the purposes of the likelihood of consumer confusion factors test. Professor McCarthy observed that:

The standard for the kind of ‘fame’ needed to trigger anti-dilution protection is more rigorous and demanding than the ‘fame’ which is sufficient for the classic likelihood of confusion test.”). While fame for dilution “is an either/or proposition”—it either exists or does not—fame for likelihood of confusion is a matter of degree along a continuum. Accordingly, a mark can acquire “sufficient public recognition and renown to be famous for purposes of likelihood of confusion without meeting the more stringent requirement for dilution fame.\(^{187}\)

Professor McCarthy’s opinion is highly consistent with the case law. Courts have observed that it is “well-established that dilution fame is difficult to prove” and places a rigorous burden on the plaintiff.\(^{188}\)

B. Use of Mark in Commerce

If the owner of the mark surmounts the difficult obstacle of proving that the mark is truly famous and not a merely generally well-known mark or a mark having renown in a niche market, the mark

\(^{185}\) Lanham Act § 43(c)(2). The TDRA legislatively overruled earlier circuit case law under the Federal Trademark Dilution Act (FTDA) that recognized something called “niche fame.” See Coach Serv., Inc. v. Triumph Learning LLC, 668 F.3d 1356, 1372 (Fed. Cir. 2012). Even niche famous was a high hurdle to prove. See Grupo Gigante SA De Cv v. Dalos & Co., Inc., 391 F.3d 1088, 1108 (9th Cir. 2004) ( “a mark should not be categorized as ‘famous’ unless it is known to more than 50 percent of the defendant's potential customers.” quoting McCarthy § 24:1112).

\(^{186}\) Lanham Act § 43(c)(2).

\(^{187}\) McCarthy, supra note xx, at § 24:104 (internal citations omitted), quoted in Coach Serv., Inc., 668 F.3d at 1372.

\(^{188}\) Coach Serv., Inc., 668 F.3d at 1373.
owner under the facts of the types of cases analyzed in this article will have the relatively easy burden of showing commercial use.\textsuperscript{189} The focus of this article are the public designations which are unclaimed or affirmatively rejected by the holder of the famous mark, but now appropriated by a competitor or other commercial entity. However, the appropriation of the public designation by a competitor, even if it is solely to prevent the referent-mark owner from using or adopting the public designation, should be sufficiently a commercial use to justify a finding of trademark commercial use. Accordingly, because use of the mark in commerce is a relatively low barrier, this should be easy to demonstrate at trial.

\textit{C. Similarity of The Marks}

In determining whether a junior user’s use of the mark dilutes the distinctiveness of the famous mark the court must consider the degree of similarity between the marks. Section 43(c) “does not require that a plaintiff establish that the junior mark is identical, nearly identical or substantially similar to the senior mark in order to obtain injunctive relief.”\textsuperscript{190} Similarity of the marks is merely one of the six factors that a court must consider in determining whether the junior user’s use of the mark is likely to impair the distinctiveness of the famous mark.\textsuperscript{191} In \textit{Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.}, Starbucks alleged that the defendant’s coffee CHARBUCKS diluted its mark in STARBUCKS. The Second Circuit rejected the proposition that “dissimilarity alone is sufficient to defeat” a trademark dilution claim.\textsuperscript{192} Therefore, a competitor’s use of a public designation, even if the designation in terms of sight, sound, or meaning is far from that of the famous mark may still be found to be diluting the distinctiveness of the famous mark by blurring.

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\textsuperscript{189} The issues raised in Part II.B regarding what constitutes “use in commerce” also applies with equal force to actions brought under Lanham Act § 43(c)(1) for infringement by dilution. Lanham Act § 43(c)(1) (“The owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another person’s commercial use in commerce of a mark or trade name,”). However, use by a competitor is more likely to be in the ordinary course of trade than use by the public.

\textsuperscript{190} Levi Strauss & Co. v. Abercrombie & Fitch Trading Co., 633 F.3d 1158, 1172 (9th Cir. 2011).

\textsuperscript{191} Levi Strauss & Co. v. Abercrombie & Fitch Trading Co., 633 F.3d 1158, 1172 (9th Cir. 2011).

\textsuperscript{192} Starbucks Corp. v. Wolfe’s Borough Coffee, Inc., 588 F.3d 97, 107-08 (2d Cir. 2009).
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D. Blurring or Tarnishment of the Famous Mark

The Lanham Act § 43(c) prohibits uses of a designation that may lessen the distinctiveness of a famous trademark. The FTDA recognizes dilution by blurring and dilution by tarnishment as two forms of trademark dilution. This section will discuss both forms of trademark dilution and conclude that dilution by blurring is likely to occur in the context of a competitor using a public designation.  

1. Dilution by Blurring

Dilution by blurring is an “association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark.” The mere use of a similar mark that calls to mind the famous mark is insufficient to find the required association. The owner of the famous mark is always required to show that the association likely impairs the distinctiveness of the mark. If the use of the public designation is confusingly similar to the famous mark then the famous mark is likely to be diluted. However, if the designation and its trademark use by a competitor is able to send two simultaneous and contradictory messages. A message that calls to mind the famous mark while simultaneously conveying that it is not the source of the famous mark, then there is no association that impairs the distinctiveness of the mark (blurring) for trademark dilution. Outside the trademark parody context, it is unlikely that a public designation that is being used by a competitor will able to call to mind the famous mark for the product associated while being able simultaneously to distinguish itself from the famous mark.

2. Dilution by Tarnishment

Dilution by tarnishment is an the “association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.” Tarnishment has not been illustratively defined except that as semantic association with bawd or lewd sex (or products associated with sex) constitutes tarnishment.

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193 Noncommercial use is a defense under Lanham Act § 43(c) so the owner of the famous mark is unlikely to have a claim against the public. See 15 U.S.C. §1125(c)(3)
194 Lanham Act § 43(c)(2)(B).
195 Haute Diggity Dog, LLC, 507 F.3d at 267.
196 Haute Diggity Dog, LLC, 507 F.3d at 268.
197 Lanham Act § 43(c)(2)(C).
198 See V Secret Catalogue, Inc. v. Moseley, 605 F.3d 382, 387-88 (6th Cir. 2010), cert. denied, 131 S. Ct. 1003 (2011). The author assumes that the court’s limitation on sex so that it encompassed only bawdy or lewd sex (as opposed to tasteful sex) was a requirement in light of Victoria Secret’s preeminent reputation for offering fashionable
Not all public designations are positive or convey the appropriate brand image. In determining which associations are tarnishing to a brand, court engage in “an economic prediction about consumer taste and how the prediction reaction of conventional consumers in our culture will affect the economic value of the famous mark.”

As discussed earlier, Coca-Cola discouraged consumers to ask for “Coke” when they wanted a Coca-Cola brand beverage, and Harley-Davidson discouraged consumer and media use of the designation Hog to refer to its brand of motorcycles. This trend continues. Tasteful modern examples of arguably unflattering designations are “whole paycheck,” for the food retailer, Whole Foods or “needless mark-up” for the Neiman Marcus department store chain or other designations that may be neutral or inconsistent with the brand’s image such as Tarjay or Tarzhay for Target Stores. Many of the public’s designations may be scurrilous, vulgar, pornographic, or even border on the obscene. However, these terms are unlikely to be appropriated by a competitor, and if they are appropriated they are likely candidates for a successful dilution by tarnishment trademark infringement action.

E. Abandonment

The Lanham Act does not require that the holder of the famous mark also own the junior mark that allegedly dilutes the senior famous mark. The use or threatened use of a public designation that dilutes a famous is sufficient to state a claim even if the holder of the famous mark has no legal interest in the junior mark.

V. UNFAIR COMPETITION, FALSE ADVERTISING, AND OTHER CLAIMS

Although, trademark infringement may not provide a remedy to the referent-mark holder against a competitor adopting or using a confusingly similar public designation, the mark holder is not without remedies. Unfair competition law is one available remedy. There is also
a potential remedy under Lanham Act § 43(a)(2) for false advertising, Federal Trade Commission Act § 5(a) which prohibits “deceptive acts or practices,” or its state mini-FTC Act analogs.\textsuperscript{203}

\textbf{A. Unfair Competition}

The early cases involving confusing public designations were readily resolved on principles of unfair competition law.\textsuperscript{204} This still remains a ready remedy in many of the situations discussed in this article. The default rule in a capitalist economy is the business will compete in the marketplaces and as a result of that competition some businesses will fail.\textsuperscript{205} So, the law only prohibits harm to a company’s good will that is a result of deceptive marking, trademark infringement, and the misappropriation of intangible trade values, such a trade secrets.\textsuperscript{206} The law of unfair competition is robust and prohibits many forms of unfair competition. Using a public designation to pass off the goods or services of a competitor as those of the referent mark holder would surely fall under the rubric of unfair competition.\textsuperscript{207} Although state unfair competition laws may prohibit other acts in addition to passing off, state common law or statutory remedies for unfair competition are usually coextensive with the Lanham Act §43(a)’s prohibition on “false designations of origin” or passing off.\textsuperscript{208}

\textbf{B. False Advertising}

Section 43(a)(1)(B) of the Lanham Act provides that “[a]ny person . . . in commercial advertising or promotion, that misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.”\textsuperscript{209} This section confers standing on competitors or other commercial entities that are not necessarily claiming rights in the public designation.\textsuperscript{210} The elements of a §43(a)(1)(B) are that the defendant made false or misleading factual representations; that the defendant used the false or misleading

\textsuperscript{204} See Brody, supra xx, at 1126-31.
\textsuperscript{205} See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 1, cmt. a (1995)
\textsuperscript{206} RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 1 (1995)
\textsuperscript{207} See Dastar Corp. v. Twentieth Century Fox Film Corp., 539 U.S. 23, 29 (2003).
\textsuperscript{209} Lanham Act §43(a)(1)(B).
\textsuperscript{210} See 5 MCCARTHY § 27:32 (discussing standing under Lanham Act §43(a)(1)(B)).
representations in commerce; that the deceptions are material and likely to influence consumer decisions; and that the defendant’s actions made the plaintiff believe that it is likely to be damaged by such false or misleading factual representations.\textsuperscript{211} So, ownership of the mark is not an element of false advertising.

The courts analyze the advertisement from the perspective of a reasonable person.\textsuperscript{212} Courts have categorized false or deceptive commercial speech as either explicitly or implicitly false.\textsuperscript{213} Explicitly and implicitly false statements are analyzed differently.\textsuperscript{214} An explicit or literally false statement is a statement that is false on its face. Implicitly false statements are more problematic.\textsuperscript{215} An implicitly false statement is a statement that is literally true but likely to mislead a significant portion of consumers.\textsuperscript{216} With an implicitly false statement, before enjoining the advertisement, the court will require evidence of how the message conveyed by the statement is understood by reasonable consumers.\textsuperscript{217} The plaintiff has to produce evidence that consumers were actually deceived, not that they may have been deceived.\textsuperscript{218} This evidentiary burden requires that the plaintiff produce consumer surveys or other evidence of consumer perceptions of the advertisement.\textsuperscript{219} There is no bright line rule as to how many consumers must be deceived.\textsuperscript{220}

However, the plaintiff may avoid the need for consumer surveys if the plaintiff is able to demonstrate that the defendant egregiously and intentionally set out to deceive the public.\textsuperscript{221} If so, then the court may presume that the public was in fact deceived. Once the court finds deceptive intent, the burden will then shift to the defendant to show that consumers were not deceived.\textsuperscript{222} The seminal article on the Public Use doctrine recommends that courts focus on the \textit{meaning} of the public designation rather than its appearance.\textsuperscript{223} Under principles of false

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  \item \textsuperscript{211} See \textit{American Italian Pasta Co. v. New World Pasta Co.}, 371 F.3d 387, 390 (8th Cir. 2004). See also 5 \textsc{McC}\textsc{a}r\textsc{h}y \textsc{o}n \textsc{t}ra\textsc{d}emark\textsc{s} \textsc{a}nd \textsc{u}nfair \textsc{c}om\textsc{p}et\textsc{i}t\textsc{i}on \textsection 27:55.
  \item \textsuperscript{212} See \textit{Freeman v. Time, Inc.}, 68 F.3d 285, 289 (9th Cir. 1995).
  \item \textsuperscript{213} See \textit{Johnson & Johnson v. GAC Intern., Inc.}, 862 F.2d 975, 977 (2d Cir. 1988).
  \item \textsuperscript{214} See \textit{GAC Intern., Inc.}, 862 F.2d at 977.
  \item \textsuperscript{215} See \textit{GAC Intern., Inc.}, 862 F.2d at 977.
  \item \textsuperscript{216} See \textit{GAC Intern., Inc.}, 862 F.2d at 977.
  \item \textsuperscript{217} See \textit{GAC Intern., Inc.}, 862 F.2d at 977.
  \item \textsuperscript{218} See \textit{GAC Intern., Inc.}, 862 F.2d at 977.
  \item \textsuperscript{219} See \textit{GAC Intern., Inc.}, 862 F.2d at 977.
  \item \textsuperscript{220} 5 \textsc{McC}\textsc{a}r\textsc{h}y \textsc{o}n \textsc{t}ra\textsc{d}emark\textsc{s} \textsc{a}nd \textsc{u}nfair \textsc{c}om\textsc{i}t\textsc{i}on \textsection 27:57
  \item \textsuperscript{221} See \textit{GAC Intern., Inc.}, 862 F.2d at 977.
  \item \textsuperscript{222} See \textit{GAC Intern., Inc.}, 862 F.2d at 977.
  \item \textsuperscript{223} See \textit{Brody, supra xx}, at 1164.
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advertising, if the court must consider how the consumer understand the message in the context of the market place, and if the public designation no matter how different from the referent-mark, is merely another name for the referent-mark then the use of the public designation by a competitor is impermissible.

C. The Federal Trade Commission Act and State Mini-FTC Acts

Section 5 of the Federal Trade Commission Act and its state Little-FTC analogs outlaw all unfair and deceptive consumer trade practices.224 Courts have found that an act is unfair or deceptive under §5, if it has as tendency to deceive the public.225 Unlike the Lanham Act that protects only reasonable and prudent consumers in the context of the marketplace, the FTC Act §5 protects: “the public-that vast multitude which includes the ignorant, the unthinking, and the credulous[.]”226 Arguably, if a public designation, for example Peanuts for a chain of restaurants with the trademark PEEBODY, then members of the public, even those more sophisticated than the ignorant and the credulous would be deceived if a competitor started to use the public designation Peanuts to describe its goods or services.

Section 52 of the FTC Act specifically provides that the dissemination of a false advertisement is an unfair and deceptive trade practice if the advertised product consists of food, drugs, or cosmetics.227 An advertisement is false if it contains materially misleading content.228 Content is material if it is of the type that a consumer would rely in making a purchasing decision. Identification or association with well-known products is the bedrock of trademark goodwill and the type of information that consumers are likely to rely on.

CONCLUSION

The trademark law regarding ownership or rights in the crowdsourced mark is unclear. The leading trademark commentator, Professor McCarthy states that

One court has said that it is “doubtful” whether a manufacturer can

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225 Jeter v. Credit Bureau, Inc., 760 F.2d 1168, 1172 (11th Cir. 1985)
226 Credit Bureau, Inc., 760 F.2d at 1172-73.
claim protection for an abbreviation that was used by only the public and not the manufacturer. Other decisions indicate that where, as a result of use by customers, the trade or by the news media, an abbreviation has become identified in the public mind with a particular company, then that abbreviation is a protectable trademark, even if the company itself has not formally used the abbreviation as a trademark.

The author of the leading law review article on the crowd-sourced trademarks observed that courts are “hesitant[] to recognize valuable property rights in a name that has not been used by the party claiming those rights.” Yet, these marks are becoming increasingly commercially significant as Web 2.0 and social media technologies amplify the ability of consumers to affect brand image and nomenclature. Therefore, a prudent attorney would not rely on the court electing to give his client trademark rights that the client has not yet appropriated through its own use by imputing the public’s use of the designation as a constructive use by the client. The prudent approach is to monitor terms used by the public to designate a client’s products or services then appropriate the trademark rights in the term as the earliest possible date then rely, if necessary, on the public’s use of the designation as either evidence of secondary meaning or to establish an earlier priority date.

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229 *McCarthy on Trademarks and Unfair Competition* § 7:18.

230 See Brody, *supra* xx. at 1159.